

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING
Monday, February 26th, 2024

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, February 26, 2024, at 12:00 p.m. with President Chris Carter presiding.

Board members present: Chris Carter, Mike Luken, Rich Thomas and Charlie Larkin. Board Member Dan Brenden absent. Board Liaison, member of City Council, Mike Danforth. Staff members present: Steve Lehner, Adam Karst, Wayne Lovelis, John Lunde, Brian Benson, Mark Meier, Kevin Krutter, Dan LeVasseur, Sheila Mennenga, Gina Brown, Lisa Pahl and Attorney Vince Foley. Media Roger Whittle from KXLG Radio.

ITEM 7983

Motion by Thomas with second by Luken to approve the agenda. Motion carried.

ITEM 7984

Motion by Luken with second by Larkin to approve minutes of Regular Board Meeting on January 29, 2024. Motion carried.

ITEM 7985

Public Comment - None

ITEM 7986

Motion by Larkin with second by Thomas to give authorization for the General Manager to sign Engineering/Cost estimates for Uptown Substation switching and insulator replacement with CEG. Motion carried.

ITEM 7987

Karst presented proposed changes to the General Policy, 1.1 Board Committees and 38.1 Credit Card, several adjustments to the Schedule of Fees, Employee Handbook Policy changes or verbiage under 105 Media Relations, 111 pregnant Workers Fairness Act, 301 Employee Benefits, 308 Dental Insurance, 309 Vision Insurance, 313 Weekly Disability Benefits, 505 Telephone, Cell Phone, Electronic and Wireless Communication Device usage and Reimbursement, 701 Employee Conduct and Progressive Discipline. Lehner presented the proposed changes to the Electric Department 10.3 and 11.4 Changes to all LED lighting. Water Department Policy changes or verbiage changes to 1.1, 3.2, 6.5, 8.3, 8.4, 9 and 15.2. To the Gas Department Policy changes or verbiage changes to 2.1, 2.8, 2.10 and the Natural Gas Transportation Service Request Form. The Board was asked to review these proposed policy changes and they will be presented for approval at the March Board meeting.

ITEM 7988

This being the time and place set for consideration of bids, the following were presented. Bids for Bill Processing and Mailing, Solar Salt, Quick Lime Chips These bids were opened on Thursday February 8, 2024, at 1:30 PM by the Watertown Municipal Utilities Staff. Installation of Wires, Transformers, Installation of Gas Mains,

and Wheel Loader. These bids were opened Thursday, February 22, 2024, at 1:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

Bill Processing and Mailing: Two bids were received and upon review and recommendation by Karst, motion by Larkin with second by Thomas to award bid to low valid bidder Borns Group, Watertown, SD, for a two year contract in the amount of \$275,640.00. The bid from Smartbill, Hebron, OH was rejected for not meeting specs. Motion carried with Luken abstaining.

Solar Salt: One bid was received and upon review and recommendation by Lehner, motion by Thomas with second by Luken to award bid to low valid bidder Johnson Feed Inc., Canton, SD for \$250.00 per ton. Motion carried.

Quick Lime Chips: Three bids were received and upon review and recommendation by Lehner, motion by Larkin with second by Luken to award bid to low valid bidder Pete Lien and Sons, Rapid City, SD for \$213.20 per ton. Motion carried.

Installation of Wires: Two bids were received and upon review and recommendation by Lehner, motion by Thomas with second by Luken to award bid to low valid bidder Dakota Directional, Redfield, SD for \$981,174.00. Motion carried.

Transformers: Three bids were received and upon review and recommendation by Lehner, motion by Larkin with second by Luken to award bid to low valid bidder WESCO, Sioux City, IA for \$148,441.00. The bid from Stuart Irby did not meet specs and the bid from DSG was rejected also not meeting specs. Motion carried.

Installation of Gas Mains: Four bids were received and upon review and recommendation by Lehner, motion by Larkin with second by Luken to award bid to low valid bidder Dakota Directional, Redfield, SD for \$344,550.00. Motion carried.

Wheel Loader: No bids were received and upon review and recommendation by Lehner, motion by Thomas with second by Luken to go out and negotiated for a wheel loader as outlined by South Dakota law. Motion carried.

ITEM 7989

Motion by Luken with second by Thomas to authorize General Manger to return checks to unsuccessful bidders. Motion carried.

ITEM 7990

Motion by Larkin with second by Luken to give approval for General Manager to sign addendum to the Banking Services Agreement with Reliabank. Motion carried.

ITEM 7991

Motion by Luken with second by Larkin to give authorization to purchase two boilers and installation using Sourcewell contract. Motion carried.

ITEM 7992

Open: Lehner gave an invite to the Board for the MRES 59th Annual Meeting May 8-9 in Sioux Falls, SD.

ITEM 7993

Lehner presented the Report on Operations and Projects. Electric, Projects Completed this Month: 5 outages for February for a total of 7 unscheduled power outages in 2024, SCADA upgrade through ACS is complete, completed wrecking out under build on East River's 69 kV line. Gas Department, Projects Completed this Month: Proved and ERT'ed 250 residential gas meters, repaired leak at 900 9th Ave SW. Water Department, Projects Completed this Month: 2 water main breaks for a total of 8 for the 2024 season, flushed dead-ends at Stone's and Memorial Park for TTHM sampling. Engineering Tech, Projects Completed this Month: Finished up the construction drawings for 750 MCM feeder out of Uptown substation, revising water main plans along Broadway due to HDR sewer location change.

ITEM 7994

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects Completed this Month: Relamped the fixtures in the operations offices and crew rooms with LED bulbs. Projects in Progress: 2023 FEMA event for spring flooding - mitigation project for a new spillway near the Rauville Wellfield, went out for the cost of 2 new boilers that we have been having issues with. Upcoming Projects, Researching a new phone system. Customer Service Projects Completed this Month: 15,150 Payments collected for a total of \$5,796,522 and 56,690 services billed for a total of \$6,267,194. Human Resources/Risk Management: Working with LATC, Mount Marty University and Watertown High School trying to find students for summer intern positions, New Hire Alex Thorson, Water Plant Operator Apprentice. Information Systems working on Cybersecurity, working on new Cyber Security Controls, reviewing and assessing DSU audit, normal monthly IT maintenance and troubleshooting along with Website Stats and top 10 webpages visited.

Statements of Revenue and Expenses and Capital Additions were presented to the Board for review. Year to date net income is \$588,984 above budget for the One month ending January 31, 2024. Total Capital Additions are \$12,643 over budget for the one month ending January 31,2024.

ITEM 7995

Motion made by Luken with second by Thomas to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Watertown Municipal Utilities Net Payroll for February 2024 Plus ACH Payroll Payments \$678,157.57. Add: A. Thorson, 26.04/hr. effective 2/12/2024, Rehire: J. Deville 21.50/hr. effective 3/20/2024.

Name	Payable Description	Payment Amount
MARCH 1, 2024		
AASON ENGINEERING CO INC	SERVICE	\$1,920.00
ABC EMBROIDERY	SERVICE	\$24.75
ACTIVE HEATING INC	ENERGY INCENTIVE REBATE	\$189.00
ADVANCE PRODUCTS & SYSTEMS, LLC	SUPPLIES	\$2,159.58
ADVANCED ENGINEERING AND ENVIRONMENTAL SERVICES, LLC	CAST IRON WATERMAIN REPLACEMENT	\$29,536.45

AFLAC	ACCIDENT	\$1,539.65
AMARIL UNIFORM COMPANY	SAFETY CLOTHING	\$16.11
A-OX WELDING SUPPLY INC	SUPPLIES	\$487.28
AQUA-PURE INC	SODIUM TRIPOLYPHOSPHATE	\$7,525.00
AUTOMATIC BUILDING CONTROLS	SERVICE	\$1,345.92
BASCOM-TURNER INSTRUMENTS INC.	SERVICE	\$177.92
BENDIX IMAGING INC	SUPPLIES	\$273.96
BORDER STATES ELECTRIC SUPPLY	METER READING EQUIPMENT	\$13,500.99
BORNS GROUP	POSTAGE & MAILING	\$10,821.78
BURCHATZ CONSTRUCTION COMPANY INC	2023 UTILITY PATCHES	\$2,142.86
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$139.94
CARTNEY BEARING & SUPPLY	SUPPLIES	\$93.84
CENTURY LINK	PHONE SERVICE	\$377.88
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$8,755.93
CHILD SUPPORT PAYMENT CENTER	EMPLOYEE DEDUCTION: CHILD SUPPORT	\$750.00
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$5,997.04
CONNECTING POINT	COMPUTERS, SUPPLIES	\$14,988.10
CONTROL EQUIPMENT SALES, INC	SUPPLIES	\$600.00
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$224.51
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$530.56
DAKOTA DATA SHRED	SHREDDING SERVICE	\$283.26
DAKOTA DIRECTIONAL LLC	LAKE OF THE WILLOWS BEDDING MATERIAL	\$14,524.38
DEPARTMENT OF HEALTH	WATER SAMPLES	\$472.00
DK DIESEL INJECTION INC	SERVICE - UNIT 11	\$4,693.15
DSG DAKOTA SUPPLY GROUP	WIRE AS PER BID	\$33,474.21
DUTTON-LAINSON COMPANY	SUPPLIES	\$400.00
EAGLE EYE POWER SOLUTIONS LLC	SUPPLIES	\$208.87
ELEMENT MATERIALS TECHNOLOGY	SERVICE	\$630.00
ENERGY BUSINESS NETWORK, LLC	2024 SUBSCRIPTION	\$1,250.00
ENERGY ECONOMICS INC	SERVICE	\$2,754.42
ENERGY LABORATORIES INC	WATER TESTING FEES	\$1,332.00
ENGELSTAD ELECTRIC COMPANY	SERVICE	\$420.86
ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC	ANNUAL SUBSCRIPTION	\$6,510.00
ETHANOL PRODUCTS LLC	BULK C02	\$1,934.28
FARWEST LINE SPECIALTIES, LLC	SUPPLIES	\$336.24
FASTENAL COMPANY	SUPPLIES	\$282.77
FEDERAL EXPRESS CORP	SERVICE	\$239.75
FIDELITY SECURITY LIFE INSURANCE CO. (EYEMED)	VISION INSURANCE	\$157.50
FIRST DISTRICT ASSN OF LOCAL GOVTS	2024 GIS WEBSITE	\$1,500.00
FLUKE ELECTRONICS CORPORATION	SERVICE	\$123.00
FOLEY AND FOLEY LAW OFFICE, PC	JANUARY LEGAL FEES	\$637.50

FRANZ REPROGRAPHICS, INC.	SUPPLIES	\$686.86
FRONTIER PRECISION INC	SOFTWARE MAINTENANCE	\$3,050.69
GANNETT MEDIA CORP	PUBLISHINGS	\$371.72
GLOBAL SAFETY NETWORK	SERVICE	\$180.44
GRAINGER	SUPPLIES	\$149.60
GROEBNER	SUPPLIES	\$1,348.03
IBEW LOCAL 426	UNION DUES	\$4,302.00
INDUSTRIAL SALES COMPANY, INC	ELECTROFUSION PROCESSOR	\$4,291.45
JOHNSON CONTROLS INC	SERVICE	\$3,525.73
KARST, ADAM	REIMBURSEMENT EXPENSE	\$246.01
KEY CONTRACTING INC	INSTALL/REMOVE TEMPORARY JUMPERS	\$6,846.50
KRUITER, KEVIN	REIMBURSEMENT EXPENSE	\$543.34
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$150.08
LUNDE, JOHN	REIMBURSEMENT EXPENSE	\$1,506.70
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$75.95
MAC'S HARDWARE	SUPPLIES	\$106.43
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$476.70
MATHESON TRI-GAS INC	SUPPLIES	\$224.48
MCKEEVER INC	SUPPLIES	\$315.00
MEIER, MARK	REIMBURSEMENT EXPENSE	\$20.00
MENARDS INC	SUPPLIES	\$2,818.24
MET LIFE	LIFE INSURANCE	\$1,678.98
MIDCONTINENT COMMUNICATIONS	INTERNET & CABLE SERVICE	\$203.39
MIDWEST AUTOMOTIVE INC	SUPPLIES	\$440.00
MINSAIT ACS, INC.	SCADA UPGRADE	\$2,991.59
MISSOURI RIVER ENERGY SERVICES	SERVICE	\$1,025.88
MUELLER CO	METER VALVES	\$6,008.04
MUNICIPAL UTILITIES - PC	REPLENISH PETTY CASH	\$1,397.30
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$1,467.37
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$3,792.43
NAPA CENTRAL	SUPPLIES	\$423.40
NORTHERN TRUCK EQUIP CORP	SUPPLIES	\$1,227.14
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$1,347.77
NYBERG'S ACE	SUPPLIES	\$32.97
OFFICE OF ENERGY ASSISTANCE	REFUND OF CREDIT ON ACCOUNT	\$97.88
OFFICE PEEPS	SUPPLIES	\$987.75
OVERHEAD DOOR CO OF WTN	SERVICE	\$3,358.99
PAYMENTUS GROUP INC.	SERVICE	\$79.60
PETE LIEN & SONS	BULK LIME	\$12,195.12
PHEASANTLAND INDUSTRIES	SAFETY CLOTHING	\$1,818.25
POMP'S TIRE SERVICE, INC.	SERVICE	\$31.80

PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,309.90
RC FIRST AID	SUPPLIES	\$227.50
RELIABANK DAKOTA	FLEX MED	\$6,540.22
RESCO	ARRESTORS	\$8,840.16
RODENBURG LAW FIRM	EMPLOYEE DEDUCTION	\$150.00
RON'S SAW SALES	SUPPLIES	\$48.99
RUNNING'S SUPPLY INC	SUPPLIES	\$954.46
SANFORD WATERTOWN OCCUPATIONAL MEDICINE	SERVICE	\$129.00
SD FEDERAL PROPERTY AGENCY	SUPPLIES	\$53.37
SD ONE CALL	LOCATES	\$49.35
SD RETIREMENT SYSTEM	2023 ADDITIONAL CONTRIBUTIONS	\$3,905.20
SERVICEMASTER OF WATERTOWN	JANITORIAL SERVICE	\$4,120.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$6,395.43
SNAP-ON INCORPORATED	SUPPLIES	\$2,858.41
SPEE-DEE DELIVERY SERVICE INC	SERVICE	\$86.96
STAR LAUNDRY	SERVICE	\$582.06
STATE UNIVERSITY OF IOWA	WATER TESTING	\$12,950.00
STUART C IRBY CO	UNDERGROUND CABLE CUTTER	\$5,067.56
SUBSURFACE SOLUTIONS	LOCATOR, SUPPLIES	\$10,883.99
TEREX USA, LLC	SERVICE - UNIT 25	\$5,050.98
TITAN MACHINERY- WTN	SERVICE	\$2,693.28
TOSHIBA FINANCIAL SERVICES	COPIER LEASE	\$566.11
TRAV'S OUTFITTER	SAFETY CLOTHING	\$463.00
TWO WAY SOLUTIONS, INC.	SUPPLIES	\$1,727.67
TYNDALE COMPANY INC	SAFETY CLOTHING	\$204.95
UPS	SERVICE	\$75.88
USA BLUEBOOK	REGULATORY COMPLIANCE EQUIPMENT	\$13,459.58
UTILITY SERVICE CO., INC	WATER TOWER MAINTENANCE	\$242,068.81
UTILITY TESTING SOLUTIONS LLC	DIELECTRIC TESTING	\$4,675.00
WALMART	SUPPLIES	\$143.96
WATERTOWN AREA CHAMBER OF COMMERCE	SUPPLIES	\$1,598.10
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN UNITED WAY	United Way	\$225.00
WAYTEK INC	SUPPLIES	\$163.90
WELD-IT-ALL	SERVICE	\$217.50
WESCO DISTRIBUTION INC	TRANSFORMERS AS PER BID	\$69,369.09
WHEELCO	SUPPLIES	\$87.67
WW TIRE SERVICE INC	SUPPLIES	\$812.00
ZEP SALES AND SERVICE	SUPPLIES	\$312.68
	TOTAL	\$665,882.56

Total February 2024 \$665,882.56; Transfer to City's General Fund \$120,500.00, Muni Utilities Electric Water Gas \$52,936.06; Missouri River Energy Services Power \$2,233,290.32; BP Canada Energy Marketing Natural Gas \$387,770.32; Dept. of Revenue Sales/Excise Tax \$274,834.24; CPEP #3 Natural Gas \$134,226.13, CPEP #4 Natural Gas \$82,872.30, CPEP #5 Natural Gas \$183,210.93, CPEP #3 Hedge 114,552.90, CPEP #4 27,572.91, Sequent Energy Mgmt. Natural Gas \$11,590.77. City Finance Office Garbage/Sewer \$630,971.99.

ITEM 7996

Pursuant to SDCL 1-25-2(3)(6) Luken moved with second by Thomas to move to Executive Session. The Board does expect to take-action when they reconvene to the regular session. Motion carried.

President Carter declared Executive Session done and they reconvened to regular session.

Motion by Larkin with second by Luken to adjourn. Motion carried.

The Watertown Municipal Utilities does not discriminate in employment opportunities or provision of services on-the basis of race, color, religion, sex, national origin, age, disability, or any other characteristic protected by law.

Dated at Watertown, South Dakota this 26th, day of February, 2024.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Christine Carter
Board President
Municipal Utilities Department