

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Friday, February 27th, 2026

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Friday, February 27, 2026, at 12:00 p.m. with President Dan Brenden presiding.

Board members present: Dan Brenden, Rich Thomas, Charlie Larkin, Chris Carter (via teams), and Mike Luken. Board Liaison, member of City Council, Kyle Peters was absent. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Wayne Lovelis, Brian Benson, Aaron Erickson, Mark Meier, Rod Sutton, Dan LeVasseur, Zeke Hilmoie, Cheryl Mack, Gina Brown, Lisa Pahl and Attorney Vince Foley (joined at 12:20 pm). Guests: Alan Stager City Manager, Kelli Fritz, PIO for the City of Watertown.

ITEM 8311

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

ITEM 8312

Motion by Thomas with second by Larkin to approve minutes of Regular Board Meeting on January 26, 2026. Motion carried.

ITEM 8313

Public Comment - None

ITEM 8314

Motion by Luken with second by Thomas to award bid for the 5th Ave N Reconstruction Project in conjunction with the City of Watertown to SiteWorks, Inc. of Sioux Falls for \$2,870,233.33 with the Watertown Municipal Utilities portion being \$371,093.30 along with the prorated portions. Motion carried.

ITEM 8315

Karst presented the proposed policy changes to the General Policy, by adding the Watertown Current to 3.2 authorizing them to be one of the designees for official publication. 4.4 gives Commercial and Industrial customers the ability to use credit reference letters and a small verbiage change in 4.8. He also went through the schedule of fees, highlighting the adjustments to the fees and adding 9.7 Fuel Runs for 1 ¼" and 2" plastic

pipng up to 150 feet. The Personnel Manual had verbiage changes to 106 Employment of Relatives (Nepotism) policy, also verbiage to 503 Worksite Smoking by including Vaping and other small word changes. Also adding 512 bringing your own device policy for Outlook and Microsoft Authenticator.

Magstadt presented the changes to the Water Department Policy. 14.5 added verbiage to the provision of supplying hydrants to private and non-private streets. Also adding 14.14 having developers provide an engineer's opinion of probable cost.

The Board has been asked to review these proposed policy changes, and they will be presented for approval at the March Board meeting.

ITEM 8316

This being the time and place set for consideration of bids, the following were presented. Bids for Bill Processing, Mailing Services, and Postage - Office and Installation of Gas Mains - Gas Department. These bids were opened Wednesday, February 11, 2026, at 1:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

Bill Processing, Mailing Services, and Postage: Three bids were received and after discussion, the Board chose to defer action on this item until the March Board Meeting. The Board would like additional time to request that the potential bid winner complete sample mailings so they can evaluate how the out-of-state process will function. Motion by Carter with second by Larkin to defer this to the March Board meeting. Motion carried with Mike Luken abstaining.

Installation of Gas Mains and Services: Two bids were received and upon review and recommendation by Magstadt, motion by Luken with second by Thomas to award bid to low valid bidder, Dakota Directional, Redfield, SD in the amount of \$908,095.00. Motion carried.

This being the time and place set for consideration of bids, the following were presented. Bids for Gas Meters - Diaphragm, Gas Meters - Rotary, Gas Pipe for the Gas Department and Dirt and Pipe work for New Well and Redrill of Well #35 for the Water Department. These bids were opened on Wednesday, February 25, 2026, at 1:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

Gas Meters - Diaphragm: Three bids were received and upon review and recommendation by Magstadt, motion by Thomas with second by Larkin to award bid to low valid bidder, KGM, Tonganoxie, KS in the amount of \$92,027.00.

Irby Utilities did not meet specs with their two bids because one bid was refurbished and one was the wrong style.

Gas Meters - Rotary: Three bids were received and upon review and recommendation by Magstadt, motion by Larkin with second by Luken to award bid to low valid bidder, Irby Utilities, Rapid City, SD in the amount of \$92,556.25. Motion carried.

Gas Pipe: Three bids were received and upon review and recommendation by Magstadt, motion by Larkin with second by Thomas to award bid to low valid bidder, Border States Electric, Sioux Falls, SD in the amount of \$344,445.48. Motion carried.

Dirt and Pipe work for New Well: One bid was received and upon review and recommendation by Magstadt, motion by Thomas with second by Luken to award bid to low valid bidder, LL & Sons, Hazel, SD in the amount of \$50,000. Motion carried.

Redrill of Well #35: Two bids were received and upon review and recommendation by Magstadt, motion by Larkin with second by Luken to award bid to low valid bidder, Steffi Drilling and Pump, Willmar, MN in the amount of \$174,960. Motion carried.

ITEM 8317

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

ITEM 8318

Motion by Carter with second by Larkin to approve General Manager to sign a 3-month agreement with Borns Group for Bill Processing, Mailing Services, and Postage. This extra time would get us through our new software transition. Motion carried with Mike Luken abstaining.

ITEM 8319

Open: Lehner invited the Board to attend the Bisco luncheon at LATC on March 17 and the MRES Annual Meeting on May 6-7 in Sioux Falls. He also presented the bill stuffers, including Kindergarten/Preschool Screening, MRES College Scholarships, MRES Lineman Scholarships, and the WMU software update. The update will begin with April bills that will feature the new, updated format. Because of the transition, April bills will be mailed later than usual, and no late penalties will be applied for that month. Customers enrolled in bank draft/ACH will continue to have payments processed on schedule.

ITEM 8320

New Business: Lehner addressed the Board about the City's new emergency alert system called CodeRED. This system allows the Watertown 911 Center to send emergency alerts directly to residents via phone, text, or email. The alerts include critical information such as tornado warnings, gas leaks, and public safety threats, all tailored to the residents' specific location. Residents can sign up for CodeRED by visiting the city's website or texting "Watertown" to 36475. This system aims to enhance public safety.

ITEM 8321

Magstadt presented the Report on Operations and Projects. Electric Projects Completed this Month: Had 1 outage for February for a total of 3 unscheduled power outages in 2026. Gas Department Projects Completed this Month: 70% done with their winter leak survey. Water Department, Projects Completed this Month: 2 water main breaks for a total of 4 for the season. Engineering Tech, Projects Completed this Month: Helped with meter reading.

ITEM 8322

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects in Progress: Preparing surplus items for spring auction with Purple Wave. Upcoming Projects: 2025 Financial Statement Audit starts the week of March 30th. Customer Service Projects Completed this Month: February Utility bills took 9 days to reach customers, New Tyler Billing Software plan to go live the week of April 6th. 15,498 Payments collected for a total of \$6,617,741 and 57,835 services billed for a total of \$6,447,459, Tyler highlights. Human Resources/Risk Management: Recruiting for summer temps with LATC, Mitchell tech, Saint Cloud Tech, Mount Marty, and Northeast Technical school to locate students for summer intern positions. Information Systems working with Tyler Technologies on new Utility Billing package, still working to get more Facebook followers. 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 \$98,702.00 under budget for the first month ending January 31, 2026. Total Capital Additions are \$2,152.00 over budget for the first month ending January 31, 2026.

ITEM 8323

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 2026 Plus ACH Payroll Payments \$769,761.64. Change: M. Wilson \$41.70/hr. effective 1/27/2026, W. Berner, \$41.70/hr. effective 1/30/2026.

Name	Payable Description	Payment Amount
MARCH 2, 2026		
ABC EMBROIDERY	SERVICE	\$74.25
ACTIVE HEATING INC	SERVICE - WTP BOILER	\$8,725.59
ADV. ENGINEER. AND ENVIR. SERVICES, LLC	WMU REMOTE SITE SCADA UPGRADE	\$11,654.00
AFLAC	ACCIDENT	\$1,900.92
AMARIL UNIFORM COMPANY	SAFETY CLOTHING	\$371.96
A-OX WELDING SUPPLY INC	SUPPLIES	\$2,110.04
AUTO VALUE WATERTOWN	SUPPLIES	\$391.05
BANKERS EQUIPMENT SERVICE INC.	SUPPLIES	\$767.27
BASCOM-TURNER INSTRUMENTS INC.	SUPPLIES	\$405.87
BATTERIES UNLIMITED INC	SUPPLIES	\$245.00
BECK MOTORS	CHEVY SILVERADO UNIT #9	\$49,366.00
BENDIX IMAGING INC	PRINTER	\$4,000.98
BISCO	MEMBERSHIP	\$300.00
BORDER STATES ELECTRIC SUPPLY	RISERS	\$113,672.84
BORNS GROUP	POSTAGE & MAILING	\$11,745.91
BRISTOL, INC.	SERVICE	\$330.00
BUTLER MACHINERY CO	SERVICE - UNIT 301	\$11,958.43
CASHWAY LUMBER INC	WTP NEW EQUIPMENT BUILDING	\$145,627.31
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$9,144.16
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$6,540.20
COLOURS, INC.	SUPPLIES	\$489.76
COMMERCIAL CLEANING SERVICES INC.	JANITORIAL SERVICES	\$3,975.00
CONSULTING ENGINEERS GROUP INC	115KV INSULATOR CHANGE OUT	\$17,500.00
CORE & MAIN LP	HYDRANTS	\$22,057.03
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$68.89
DAKOTA DATA SHRED	SHREDDING SERVICE	\$123.76
DAKOTA RIGGERS & TOOL	SUPPLIES	\$114.50
DELTA DENTAL OF SD	DENTAL INSURANCE	\$1,568.80
DEPARTMENT OF HEALTH	WATER SAMPLES	\$1,288.00
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$635.69
DTN, LLC	SUBSCRIPTION	\$584.61
DYNAMIC ENGINEERING	SUPPLIES	\$384.25
EDM INTERNATIONAL, INC.	SERVICE	\$290.00
ENERGY ECONOMICS INC	GAS METER INDEXES	\$17,234.40
ENERGY LABORATORIES INC	WATER TESTING	\$1,682.00
EQUITABLE	VISION INSURANCE	\$221.80
ERICKSON, AARON	REIMBURSEMENT EXPENSE	\$151.80
ETHANOL PRODUCTS LLC	BULK CO2	\$1,626.24

FAST THREADS	SUPPLIES	\$51.44
FASTENAL COMPANY	SUPPLIES	\$998.41
FEDERAL EXPRESS CORP	SERVICE	\$79.71
FLEETPRIDE, INC.	SUPPLIES	\$50.58
FOLEY AND FOLEY LAW OFFICE, PC	JANUARY LEGAL FEES	\$4,727.50
FORTNA EQUIPMENT CO	SUPPLIES	\$737.82
FRONTIER PRECISION INC	SOFTWARE MAINTENANCE	\$3,553.00
GLACIAL LAKES EXCAVATING LLC	LEAD SERVICE LINE REPLACEMENT	\$6,632.67
GRAF SIGN PRO OF WATERTOWN	SUPPLIES	\$400.00
GRAINGER	SUPPLIES	\$485.98
GROEBNER	SUPPLIES	\$2,253.72
HAWKINS, INC.	AZONE 15, HYDROFLUOSILICIC ACID	\$24,297.45
IBEW LOCAL 426	UNION DUES	\$4,888.00
INDUSTRIAL SALES COMPANY, INC	TRACING WIRE	\$32,175.00
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$366.85
KARST, ADAM	REIMBURSEMENT EXPENSE	\$90.00
KLJ SOLUTIONS HOLDING CO.	SERVICE	\$2,000.00
L & R AUTO ACCESSORIES LLC	SUPPLIES	\$888.00
LAMB CHEVROLET	CHEVY SILVERADO UNIT #13	\$51,498.00
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$494.20
LUNDE, JOHN	REIMBURSEMENT EXPENSE	\$14.54
M E BARBER CO INC	SUPPLIES	\$438.98
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$1,156.02
MAC'S HARDWARE	SUPPLIES	\$179.31
MADISON NATIONAL LIFE INSURANCE CO. INC.	LIFE INSURANCE	\$156.00
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$324.70
MARCO TECHNOLOGIES LLC	SERVICE	\$110.00
MATHESON TRI-GAS INC	SUPPLIES	\$401.66
MCKEEVER INC	SUPPLIES	\$390.00
MENARDS INC	SUPPLIES	\$1,236.57
MET LIFE	LIFE INSURANCE	\$1,435.79
MIDCONTINENT COMMUNICATIONS	INTERNET, CABLE & PHONE SERVICE	\$1,919.17
MIDWEST UNDERGROUND SUPPLY, LLC	SUPPLIES	\$560.08
MILBANK WINWATER WORKS	SUPPLIES	\$3,261.07
MILSOFT UTILITY SOLUTIONS INC.	ANNUAL SUBSCRIPTION - WINDMILMAP	\$10,940.04
MILSOFT UTILITY SOLUTIONS INC.	ANNUAL SUBSCRIPTION - EA ESSENTIALS	\$8,325.00
MISSOURI RIVER ENERGY SERVICES	MISC SCANNING - ELECTRIC DIST. INFRARED SERVICE	\$6,424.50
MUELLER CO	METER VALVES - GAS	\$10,271.57
MUNICIPAL UTILITIES - PC	REPLENISH PETTY CASH	\$1,044.00
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$4,324.17
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$5,448.45
NAPA CENTRAL	SUPPLIES	\$1,680.67
ND PUBLIC SERVICE COMMISSION	TRAINING EXPENSE	\$150.00
NORTHERN TRUCK EQUIP CORP	TILT FLATBED UNIT #26	\$30,190.00
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$1,745.50
OFFICE OF ENERGY ASSISTANCE	REFUND OF CREDIT ON ACCOUNT	\$24.15
OFFICE PEEPS	SUPPLIES	\$1,241.66
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$76.72
PAYMENTUS GROUP INC.	SERVICE	\$109.45

PETE LIEN & SONS	BULK LIME	\$31,874.12
POMP'S TIRE SERVICE, INC.	SERVICE	\$250.98
PRO LINE INC	SUPPLIES	\$125.00
RC FIRST AID	SUPPLIES	\$85.00
RELIABANK DAKOTA	FLEX DC	\$7,381.53
RON'S SAW SALES	SUPPLIES	\$138.73
RUNNING'S SUPPLY INC	SUPPLIES	\$990.89
SANFORD WATERTOWN OCCUP. MEDICINE	SERVICE	\$129.00
SD MUNICIPAL LEAGUE	ELECTRIC CONFERENCE	\$260.00
SD ONE CALL	LOCATES	\$32.55
SENSIT TECHNOLOGIES LLC	SERVICE	\$351.77
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$4,802.21
SNAP-ON INCORPORATED	PROLINK PLUS SCANNING TOOL	\$11,298.01
STAR LAUNDRY	SERVICE	\$629.29
STILLWELD 360, LLC	SERVICE	\$600.00
STUART C IRBY CO	TOOL REPAIR	\$592.50
T & R ELECTRIC SUPPLY COMPANY INC	SERVICE - TRANSFORMER REPAIR	\$3,687.53
TEREX USA, LLC	SERVICE - UNIT 39	\$6,637.52
THEIN WELL	MAINTENANCE - WELL #20	\$16,941.70
TITAN MACHINERY- WTN	SUPPLIES - UNIT 28	\$2,073.30
TOSHIBA FINANCIAL SERVICES	COPIER LEASE	\$513.83
TRAV'S OUTFITTER	SAFETY CLOTHING	\$634.93
TWOTREES TECHNOLOGIES	SUBSCRIPTION, SERVICE	\$7,162.97
TYLER TECHNOLOGIES	BILLING SOFTWARE	\$15,825.00
UPTOWNE CLEANERS	SERVICE	\$21.38
USA BLUEBOOK	SUPPLIES	\$674.01
USA TODAY MEDIA CORP	PUBLISHINGS	\$396.70
UTILITY TESTING SOLUTIONS LLC	DIELECTRIC TESTING	\$6,692.75
WATERTOWN AREA CHAMBER OF COMMERCE	MEMBERSHIP	\$425.00
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FORD CHRYSLER	SERVICE	\$178.40
WATERTOWN LAWN & GARDEN	SERVICE	\$92.50
WATERTOWN UNITED WAY	United Way	\$217.50
WESCO DISTRIBUTION INC	WIRE AS PER BID	\$339,793.69
WILSON BOHANNAN COMPANY	PADLOCKS	\$2,675.18
WINSUPPLY OF WATERTOWN	SUPPLIES	\$28.35
WW TIRE SERVICE INC	SUPPLIES, SERVICE	\$2,699.57
	TOTAL	\$1,155,179.80

Total February 2026 \$1,155,179.80; Transfer to City's General Fund \$127,841.00, Muni Utilities Electric Water Gas \$48,193.58; Missouri River Energy Services Power \$2,497,614.36; BP Canada Energy Marketing Natural Gas \$251,396.88; Dept. of Revenue Sales/Excise Tax \$273,216.50; CPEP #3 Natural Gas \$256,509.50, CPEP #4 Natural Gas \$151,350.99, CPEP #5 Natural Gas \$628,929.55, City Finance Office Garbage/Sewer \$880,279.96.

ITEM 8324

Pursuant to SDCL 1-25-2(6d) Larkin moved with second by Luken to move to Executive Session. Motion carried.

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

Motion by Luken with second by Larkin 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 27th, day of February, 2026.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Dan Brenden
Board President
Municipal Utilities Department