

**MINUTES OF MUNICIPAL UTILITIES BOARD MEETING**

**Wednesday, May 27, 2026**

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

Board members present: Dan Brenden, Rich Thomas, Charlie Larkin, Chris Carter, and Mike Luken. Board Liaison, member of City Council, Kyle Peters. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Brian Benson, Aaron Erickson, Wayne Lovelis, Mark Meier, Rod Sutton, Dan LeVasseur, Zeke Hilmoe, Cheryl Mack, Gina Brown, Lisa Pahl and Attorney Vince Foley. Guests: Media: Roger Whittle, Watertown Current.

**ITEM 8351**

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

**ITEM 8352**

Motion by Thomas with second by Luken to approve minutes of Regular Board Meeting on April 27, 2026. Motion carried.

**ITEM 8353**

Public Comment - None

**ITEM 8354**

Motion by Carter with second by Thomas to authorize General Manager to sign Change Order #1 for Cast Iron Main Replacement Project, by adding different types of concrete placement and removal, trenchless installation method of poly service lines, and add 1" copper service couplings in the amount of \$52,622.00. Motion carried.

**ITEM 8355**

This being the time and place set for consideration of bids, the following were presented. Bids for East Sub Upgrade that included 115 kV circuit breakers, GOAB switches, CVTs, lightning arresters and Wire all for the Electric Department. These bids were opened Tuesday, May 19, 2026, at 1:30 and 2:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

115 kV Circuit Breakers: Three bids were received and upon review and recommendation by Magstadt, motion by Carter with second by Luken to award bid to low valid bidder Irby Utilities, Rapid City, SD for a total of \$295,460.00, motion carried. Border States Electric did not meet specs.

115 kV GOAB Switches: Three bids were received and upon review and recommendation by Magstadt, motion by Larkin with second by Carter to award bid to low valid bidder RESCO, Moorhead, MN for a total of \$111,560.00, motion carried. Border States Electric and WESCO did not meet specs.

115 kV CVTs: Four 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 for a total of \$26,400.00, motion carried. Border States Electric, RESCO, and WESCO did not meet specs.

Lightning Arresters: Four bids were received and upon review and recommendation by Magstadt, motion by Larkin with second by Thomas to award bid to low valid bidder Irby Utilities, Rapid City, SD for a total of 10,620.00, motion carried. Border States Electric and WESCO did not meet specs.

Wire: 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 WESCO, Sioux City, IA for a total of \$447,300.00, motion carried.

#### **ITEM 8356**

Open:

a) Lehner extended an invite to the Board to attend the Safety Picnic, June 9, 2026, from 11:30 am to 1:00 pm. This is for achieving the Gold Award with Safety Benefits.

b) Board Members Larkin and Carter provided a brief update on the Annual MRES Meeting held in Sioux Falls, SD, on May 6-7. Larkin noted that the speaker did not seem supportive of coal energy. Carter reported that Matt Schull (MRES) delivered the CEO report, while Vernell Roberts (MRES), Chris Lawrence (MECA), and Gayle Nansel (WAPA) discussed the importance of collaboration and shared goals. Lehner added that Gayle Nansel is currently serving as Interim Manager of the Upper Great Plains Region. Michael Vigeant of GreatBlue Research spoke about strategies for engaging future public power customers. Lehner mentioned that GreatBlue Research had previously conducted a customer service survey for WMU, though participation was low; however, he emphasized the importance of reaching younger generations. Matt Schull and Dan Harmelink, both of MRES, reviewed the S-1 Agreement. Kurt Miller of NPPA addressed the topic of shared purpose and the challenge of securing power

supply for the next generation. The National "Light Up Navajo" initiative was recognized, and Lehner shared a plaque received in appreciation for participation. He also noted that the two WMU employees who attended the event may present their experience to the Board in the future. Lehner concluded by stating that the keynote speaker was Kent Myers, Managing Principal of Vision Companies, The Power of a Purposeful Leader.

#### **ITEM 8357**

Magstadt presented the Report on Operations and Projects. Electric Department, Projects Completed this Month: Had 8 outages for a total of 24 unscheduled power outages in 2026, completed uptown substation 115 kV insulator replacement, replaced rotten distribution poles along 13<sup>th</sup> St. SE by the East Substation, repaired issues from the MRES annual infrared inspection on transmission lines. Gas Department, Projects Completed this Month: Dakota Direction installed 7,885' of 2" plastic in Boulder Ridge, emergency valve maintenance completed, roots meter differential testing with GIS information on all rotary meter sets completed. Water Department, Projects Starting this Month: 0 water main breaks for a total of 7 for the season, 3 lead services found, well 35 redrill at Rauville. Engineering Tech, Projects Completed this Month: 688 one-call locates April 2026, Mark Meier's last board meeting he is retiring May 29 after 28 years, Projects in Progress: Compaction testing water trench cast iron water project.

#### **ITEM 8358**

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects in Progress: Purple Wave auction for utilities surplus equipment concluded on April 28. Projects in Progress: Second Purple Wave Auction is currently live and scheduled to close on May 26, 2026, Eide Bailly Audit. Upcoming Projects: Preparing surplus equipment for the third Purple Wave auction. Customer Service, Current Priorities: Finalizing the shutoff notice process, with May 28<sup>th</sup> serving as the first day of the new shutoff workflow in Tyler, automated calls reminding their bill is due went out. Upcoming Milestones: Customers will see updated budget bill amounts on their June bills: separate budget bill letters will not be issued, Scott Leitheiser will begin June 1 to support serviceman duties and meter maintenance, allowing other departments to continue progress on meter change-outs. Human Resources/Risk Management: Attended Tyler User Group training in Dell Rapids, looking at other possible flexible spending provider for 2027, retirement of Mark Meier on May 29, recruiting and doing interviews for Engineering Tech Superintendent, completed annual administration and operations buildings safety inspections. Information systems: Assessing updates and vulnerabilities, assisting Customer Service as needed, 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 \$110,341 above budget for the four months ending April 30, 2026. Total Capital Additions are \$450,332 under budget for the four months month ending April 30,2026.

**ITEM 8359**

Motion made by Luken with second by Carter to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Watertown Municipal Utilities Net Payroll for May 2026 Plus ACH Payroll Payments \$772,379.81. New: T. McNames \$20/hr. effective 5/4/2026, J. Maag \$20/hr. effective 5/11/2026, D. Krauth \$20/hr. effective 5/11/2026, K. Lacher \$19/hr. effective 5/11/2026, Rehire: S. Karst \$21.50/hr. effective 5/11/2026, Change: W. Pieper \$31.28/hr. effective 5/10/2026.

Name	Payable Description	Payment Amount
June 1, 2026		
**Void**		\$0.00
ADV. ENGINEER. AND ENVIRONMENTAL SERV.	CAST IRON WATERMAIN REPLACEMENT	\$9,474.00
AFLAC	ACCIDENT	\$1,900.92
AMERICAN LEGION	SUPPLIES	\$110.00
AMERICAN WATER WORKS ASSN	ANNUAL MEMBERSHIP	\$260.00
A-OX WELDING SUPPLY INC	SUPPLIES	\$33.16
APPLICANT PRO	SERVICE	\$236.00
AQUA-PURE INC	BULK SODIUM HYPOCHLORITE	\$18,442.28
AUTO VALUE WATERTOWN	SUPPLIES	\$430.16
BENSON, BRIAN	REIMBURSEMENT EXPENSE	\$1,139.71
BORDER STATES ELECTRIC SUPPLY	GAS PIPE AS PER BID	\$364,423.81
**Void**		\$0.00
BRISTOL, INC.	SERVICE - GAS METERS	\$5,126.00
BUTLER MACHINERY CO	GENERATOR RENTAL	\$4,923.15
CARTER, CHRISTINE	REIMBURSEMENT EXPENSE	\$323.89
CHAMBERS, TODD	REIMBURSEMENT EXPENSE	\$1,000.00
CHARLES LARKIN	REIMBURSEMENT EXPENSE	\$1,135.33
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$8,319.34
CITY OF SIOUX FALLS	SERVICE	\$105.48
CLIMATE SYSTEMS INC	SUPPLIES	\$1,304.14
CODINGTON COUNTY REGISTER OF DEEDS	EASEMENT	\$117.00
CODINGTON-CLARK ELECTRIC COOP. INC	WELLFIELD ELECTRIC SERVICE	\$6,568.92
COMMERCIAL CLEANING SERVICES INC.	JANITORIAL SERVICE	\$3,975.00
CONTROL EQUIPMENT SALES, INC	SUPPLIES	\$1,386.26
CORE & MAIN LP	6" TAPPING VALVES	\$9,349.13
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$69.95
CS WELDING & REPAIR LLC	SUPPLIES	\$657.50
DAKOTA DATA SHRED	SHREDDING SERVICE	\$113.33
DAKOTA DIRECTIONAL LLC	SERVICE - ELECTRIC PROJECTS	\$261,071.13
DAKOTA RIGGERS & TOOL	SUPPLIES	\$1,495.40

DATA CENTER WAREHOUSE LLC	TABLETS	\$4,603.25
DELTA DENTAL OF SD	DENTAL INSURANCE	\$1,568.80
DEPARTMENT OF HEALTH	WATER SAMPLES	\$1,000.00
DGR ENGINEERING	EAST SUB BREAKER REPLACEMENTS	\$18,000.00
DITCH WITCH OF SOUTH DAKOTA, INC	SUPPLIES	\$4,635.94
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$120.62
DTN, LLC	SUBSCRIPTION	\$584.61
DUTTON-LAINSON COMPANY	BULK WATER METERS	\$14,614.04
EMBERLINE PRESS, INC.	POSTAGE & MAILING	\$2,549.56
ENERGY ECONOMICS INC	GAS METER MAINTENANCE	\$22,525.00
ENVIRON. SYS. RESEARCH INSTITUTE, INC	ANNUAL SUBSCRIPTION	\$125.00
EQUITABLE	VISION INSURANCE	\$221.80
ETHANOL PRODUCTS LLC	BULK CO2	\$1,931.28
EVOLUTION POWERSPORTS	SUPPLIES	\$159.95
FASTENAL COMPANY	SUPPLIES	\$1,028.08
FOLEY AND FOLEY LAW OFFICE, PC	APRIL LEGAL FEES	\$2,610.00
FRONTIER PRECISION INC	SUPPLIES	\$34.60
G & R CONTROLS INC.	DESIGO VERSION UPGRADE	\$3,105.00
GOLLNICK, DAREN	REIMBURSEMENT EXPENSE	\$132.00
GRAF SIGN PRO OF WATERTOWN	SUPPLIES	\$1,088.75
GRAINGER	SUPPLIES	\$662.93
GROEBNER	SERVICE	\$359.78
GROSZ ESCAVATING	WATER LINE REPLACEMENT 720 N PARK ST	\$21,395.24
HALME, INC.	CAST IRON WATERMAIN REPLACEMENT	\$359,090.94
HAWKINS, INC.	HYDROFLUOSILICIC ACID	\$3,339.05
HILMOE, ZEKE	REIMBURSEMENT EXPENSE	\$258.10
HUMAN SERVICE AGENCY	SERVICE	\$180.00
IBEW LOCAL 426	UNION DUES	\$4,784.00
INFOSEND, INC.	PREPAID POSTAGE DEPOSIT	\$16,604.00
INGERSOLL RAND COMPANY	SUPPLIES	\$268.29
ITRON INC	HARDWARE/SOFTWARE MAINTENANCE	\$14,327.77
J H LARSON COMPANY	SUPPLIES	\$519.20
JONNES, ALEX	REIMBURSEMENT EXPENSE	\$132.00
JORGENSON & OLSON ASPHALT MAINTEN.	ASPHALT SERVICES - WATER	\$3,765.31
JURGENS PRINTING INC	SUPPLIES	\$55.00
JUSTIN'S LAWN & TREE SERVICE	SERVICE	\$560.00
KARST, ADAM	REIMBURSEMENT EXPENSE	\$175.00
KEY CONTRACTING INC	SERVICE - UPTOWN SUBSTATION	\$24,593.50
KNOWBE4	TRAINING EXPENSE	\$4,587.60
L & R AUTO ACCESSORIES LLC	SUPPLIES	\$267.00
LAKE AREA DOOR	SERVICE	\$571.42
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$1,160.96
LOCATORS & SUPPLIES INC	TRAFFIC CONES	\$2,377.50
LOVELIS, WAYNE	REIMBURSEMENT EXPENSE	\$33.00
MACK, CHERYL	REIMBURSEMENT EXPENSE	\$207.32
MAC'S HARDWARE	SUPPLIES	\$790.89
MADISON NATIONAL LIFE INSURANCE CO. INC.	LIFE INSURANCE - STAFF	\$48.00
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$1,366.89
MCKEEVER INC	SUPPLIES	\$561.00
MEIER, MARK	REIMBURSEMENT EXPENSE	\$1,000.00
MENARDS INC	SUPPLIES	\$2,051.23
MET LIFE	LIFE INSURANCE	\$1,379.49
METERING & TECHNOLOGY SOLUTIONS	SUPPLIES	\$52.00
MIDCONTINENT COMMUNICATIONS	INTERNET, CABLE & PHONE SERVICE	\$1,900.89
MUNICIPAL UTILITIES - PC	REPLENISH PETTY CASH	\$698.39

MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$4,669.33
NAPA CENTRAL	SUPPLIES	\$655.21
NIEMANN, ANDY	REIMBURSEMENT EXPENSE	\$248.00
NIPPON SANJO MATHESON INC	SUPPLIES	\$200.83
OFFICE PEEPS	SUPPLIES	\$961.45
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$46.99
PAYMENTUS GROUP INC.	SERVICE	\$49.75
PETE LIEN & SONS	BULK LIME	\$42,070.40
PIZZA RANCH	ENERGY INCENTIVE REBATE	\$3,150.00
POLLARD WATER	SUPPLIES	\$636.15
POMP'S TIRE SERVICE, INC.	SERVICE	\$1,741.61
PRO LINE INC	SUPPLIES	\$289.00
RELIABANK DAKOTA	FLEX DC	\$7,381.53
RUNNING'S SUPPLY INC	SUPPLIES	\$1,332.25
SD MUNICIPAL LEAGUE	MEMBERSHIP	\$25.00
SD ONE CALL	LOCATES	\$747.60
SD PUBLIC ASSURANCE ALLIANCE	INS. 2026 FORD F550 W/HYDRAULIC TILT FLAT	\$371.97
SDRS SPECIAL PAY PLAN	401a VAC	\$60,226.80
SENSIT TECHNOLOGIES LLC	SUPPLIES	\$298.59
SIME, NATHAN	REIMBURSEMENT EXPENSE	\$248.00
SIOUX RURAL WATER INC	HARMONY HILL ANNEX.SECOND ADDITION	\$8,900.00
SIOUX RURAL WATER INC	BOERGER SECOND ADDITION	\$5,000.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$9,818.33
SITWORKS, INC.	5TH AVE WATERMAIN REPLACEMENT	\$156,521.81
SOUTH DAKOTA TRAILER CO	TILTBED TRAILER	\$9,494.00
SPEE-DEE DELIVERY SERVICE INC	SERVICE	\$93.47
STAN HOUSTON EQUIP CO	FORK SPREADER	\$10,190.00
STAR LAUNDRY	SERVICE	\$553.36
STUART C IRBY CO	TRANSFORMERS AS PER BID	\$26,850.00
SUNNE, DAN	REIMBURSEMENT EXPENSE	\$132.00
SUTTON LAWN & SNOW LLC	LAWNCARE	\$138.60
TEREX USA, LLC	SERVICE UNIT 25	\$10,776.61
TERRY-DURIN CO.	SUPPLIES	\$4,077.10
TITAN MACHINERY- WTN	SUPPLIES UNIT 29	\$4,759.44
TITAN MACHINERY-SF	SUPPLIES	\$339.10
TOMCO2 SYSTEMS CO	SUPPLIES	\$241.38
TOSHIBA FINANCIAL SERVICES	COPIER LEASE	\$362.01
TRAV'S OUTFITTER	SAFETY CLOTHING	\$848.57
TWOTREES TECHNOLOGIES	MONTHLY SOFTWARE MAINTENANCE	\$1,218.75
TYLER TECHNOLOGIES	BILLING SOFTWARE	\$10,585.00
USA BLUEBOOK	SUPPLIES	\$378.55
USA TODAY MEDIA CORP	PUBLISHINGS	\$587.52
WATERTOWN AREA CHAMBER OF COMMERCE	SUPPLIES	\$1,000.00
WATERTOWN CURRENT LLC	PUBLISHINGS	\$282.63
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FORD CHRYSLER	SERVICE, SUPPLIES	\$3,879.80
WATERTOWN UNITED WAY	United Way	\$217.50
WESCO DISTRIBUTION INC	3 PHASE ENCLOSURE BASEMENTS	\$7,392.00
WESTECH ENGINEERING INC	SERVICE - MAIN BEARING INSTALL WTP	\$7,843.00
WW TIRE SERVICE INC	SERVICE, SUPPLIES - PAYLOADER - WTP	\$7,867.68
3D SERVICES LLC	SERVICE	\$1,720.00
	TOTAL	<u>\$1,680,361.63</u>

Total June 2026 \$1,680,361.63, Transfer to City's General Fund \$127,841.00, Muni Utilities Electric Water Gas \$45,609.16; Missouri River Energy Services Power \$1,748,254.31; BP Canada Energy Marketing Natural Gas \$135,512.25; Dept. of Revenue Sales/Excise Tax \$221,769.02; CPEP #3 Natural Gas \$30,429.00, CPEP #4 Natural Gas \$42,730.50, CPEP #5 Natural Gas \$97,965.45, CPEP #3 Hedge \$16,325.69, CPEP #4 Hedge \$9,825.54, City Finance Office Garbage/Sewer April \$811,122.18, May \$945,408.66.

**ITEM 8360**

Pursuant to SDCL 1-25-2 (1) Luken moved with second by Thomas to move to Executive Session. No action is expected when coming out of Executive Session. Motion carried.

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

Motion by Larkin with second by Thomas 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 27<sup>th</sup>, day of May, 2026.

ATTEST: \_\_\_\_\_

Lisa Pahl  
Board Secretary  
Municipal Utilities Board

Dan Brenden  
Board President  
Municipal Utilities Department