

## **MINUTES OF MUNICIPAL UTILITIES BOARD MEETING**

**Monday, June 29, 2026**

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, June 29, 2026, at 12:00 p.m. with President Dan Brenden presiding.

Board members present: Dan Brenden, Rich Thomas (12:06pm), Chris Carter, Mike Luken with Charlie Larkin absent. Board Liaison, member of City Council, Kyle Peters absent. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Aaron Erickson, Wayne Lovelis, Rod Sutton, Dan LeVasseur, Zeke Hilmoe, Cheryl Mack, Gina Brown, Lisa Pahl and Attorney Vince Foley. Guests: Alan Stager, City Manager. Media: Roger Whittle, Watertown Current and Steve Jurrens, Northeast Radio SD.

### **ITEM 8360**

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

### **ITEM 8361**

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

### **ITEM 8362**

Public Comment - None

### **ITEM 8363**

Motion by Luken with second by Carter to Authorize to Call for Bids 115kV bushings for East Substation. Motion carried

### **ITEM 8364**

This being the time and place set for consideration of bids, the following was presented. Bids for Hydrants - Water Department. These bids were opened Thursday, June 18, 2026, at 1:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

HYDRANTS: Two bids were received and upon review and recommendation by Magstadt, motion by Carter with second by Luken to award bid to low valid bidder Ferguson, Fargo, ND for a total of \$135,892.60. Motion carried.

**ITEM 8365**

Motion by Luken with second by Thomas to Declare as Surplus Engineering Fees for the Peak Shaving Plant Asset #339. Motion carried.

**ITEM 8366**

Magstadt led a discussion regarding third-party locating services. On June 10, 2026, Blue Peak held a meeting at City Hall to discuss plans to overlay the town with fiber during the remainder of 2026 and finishing in 2027. Magstadt noted the need to hire additional locating services to support this project. Magstadt stated that he will begin meeting with three different contractors this week. He also said that, as options are narrowed down, a special Board meeting may be required in July to approve a contract with a third-party locating service.

**ITEM 8367**

Open:

a) Lehner presented the Bill Stuffers: Two-sided Cookin' on Kampeska and Preventing Storm Water Pollution.

b) Lehner provided an update on the MECA meeting he attended in Pierre from June 15-17, 2026. On June 15, attendees toured the Oahe Dam. Jim Horan delivered the Administration Report. Gayle Nansel, Acting Under Regional Manager of the Upper Great Plains, also spoke. Bart Barnhardt, Rocky Mountain Regional Manager, shared updates from his region, and Mike Ferguson provided a report on Western States funding levels. Representatives from the U.S. Army Corps of Engineers and the Bureau of Reclamation discussed projects funded by customers and provided additional updates.

**ITEM 8368**

Magstadt presented the Report on Operations and Projects. Electric Department, Projects Completed this Month: Had 6 outages for a total of 30 unscheduled power outages in 2026, removed three-phase transformers from basement of old Guest House property, wrecked out overhead three-phase line on 6<sup>th</sup> St. N.W. (North of Elks Lodge). Projects in Progress: Overhead to underground conversion on 42<sup>nd</sup> St. S.W. from 4<sup>th</sup> Ave. to Golf Course Road. Gas Department, Projects Completed this Month: Connected the 6" plastic to the NNG 8" steel line, Dakota Directional installed 1332' of 2"

plastic on west side of Lake Pelican, Dakota Directional installed 691' of 6" plastic to start the pressure correction. Water Department Projects Starting this Month: One lead service line replacement. Projects in Progress: 5<sup>th</sup> Ave Water Main Replacement Project, main is all in, still need to remove hydrant, Rauville Well 35 and 37 should be online this week. Engineering Tech, Projects Completed this Month: Promoted Zeke Hilmoe to the Engineering Superintendent and interviewed and hired Kraig Engen as GIS Tech, 368 one-call locates June 1 to 20, 2026, 640 one-call locates May 2026, compaction tests on Halme Cast Water Replacement (75 tests completed this month).

### ITEM 8369

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects in Progress: The second auction for our surplus equipment concluded on May 26 with total sales of \$212,500 from 362 bids across 6 items, two of the eight 30,000- gallon propane tanks sold on Purple Wave auction were successfully removed from the Peak Shaving Plant property. Projects in Progress: 2025 Eide Bailly audit. Upcoming Projects: 2026 MRES Electric Rate Study. Customer Service, Key Accomplishments this Month: June bills were mailed on May 26<sup>th</sup> and 27<sup>th</sup>, customers received bills between June 1 and June 4, delinquent notices were printed and mailed through our new vendor, Infosend on Monday, June 15<sup>th</sup>, customers received them between June 18<sup>th</sup> - 19<sup>th</sup>. Current Priorities: We are improving our shut-off day process by moving our lists to a shared computer document, allowing for improved access and accuracy. Upcoming Milestones: July bills were mailed out on June 26<sup>th</sup>. Human Resources/Risk Management: Compensation & Benefits, completed wage and benefits surveys for MMUA, AWWA, and Marshall Municipal Utilities, recruiting, onboarding summer temps, promoted Zeke Hilmoe from Utility System Engineer to Engineering Superintendent, posted GIS Technician position internally with no internal candidates applying, one external candidate, offer has been made and accepted by Kraig Engen. CDL Changes, continue to monitor employees to ensure CDL holders update their SD driver's license by July 1. Information Systems: Deployed new wireless infrastructure, building Tyler reports for Customer Service and Accounting, assisting Customer Service with Tyler conversion, 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 \$323,779 above budget for the five months ending May 31, 2026. Total Capital Additions are \$453,838 under budget for the five months month ending May 31, 2026.

**ITEM 8370**

Motion made by Carter with second by Luken to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Watertown Municipal Utilities Net Payroll for June 2026 Plus ACH Payroll Payments \$773,362.03. Change: Z. Hilmoe \$9,811/mo. effective 6/1/2026, New: E. Gollnick \$20.00/hr. effective 6/1/2026, New: S. Leitheiser \$21.25/hr. effective 6/1/2026, New: I. Meseberg \$20.00/hr. effective 5/26/2026. Term: M. Meier effective 5/29/2026.

Name	Payable Description	Payment Amount
July 1, 2026		
ADV. ENGINEER. AND ENVIRON. SERVICES, LLC	CAST IRON WATERMAIN REPLACEMENT	\$9,940.75
AFLAC	ACCIDENT	\$1,900.92
AGWRX COOPERATIVE - PELICAN	SUPPLIES	\$115.00
A-OX WELDING SUPPLY INC	SUPPLIES	\$405.05
APPLICANT PRO	SERVICE	\$236.00
AQUA-PURE INC	SODIUM HYPOCHLORITE	\$14,696.24
AUTO VALUE WATERTOWN	SUPPLIES	\$497.98
AUTOMATIC TRANSMISSION & GEAR	SERVICE - OLD UNIT 2	\$5,830.96
BELL LUMBER & POLE CO	POLES	\$17,721.00
BENDIX IMAGING INC	SUPPLIES	\$344.96
BENSON, BRIAN	REIMBURSEMENT EXPENSE	\$787.40
BLACKBURN MFG COMPANY	FLAGS	\$3,595.96
BORDER STATES ELECTRIC SUPPLY	ARRESTERS, SUPPLIES	\$25,074.61
BROWN, GINA L	REIMBURSEMENT EXPENSE	\$125.93
BUTLER MACHINERY CO	GENERATOR RENTAL	\$4,923.15
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$5,863.57
CITY OF WATERTOWN	MISCELLANEOUS FEES	\$53.76
COATING SPECIALTIES LLC	SERVICE - GAS PIPE	\$24,234.74
CODINGTON COUNTY REGISTER OF DEEDS	EASEMENT	\$42.00
CODINGTON-CLARK ELECTRIC COOP. INC	WELLFIELD ELECTRIC SERVICE	\$6,584.52
COLOURS, INC.	SUPPLIES	\$69.57
COMMERCIAL CLEANING SERVICES INC.	JANITORIAL SERVICE	\$3,975.00
CORE & MAIN LP	HYDRANTS AS PER BID	\$62,961.03
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$109.42
DAKOTA DATA SHRED	SHREDDING SERVICE	\$113.33
DAKOTA DIRECTIONAL LLC	SERVICE - ELECTRIC PROJECTS	\$205,615.70
DANR	ANNUAL ENVIRONMENTAL FEE	\$7,000.00
DELTA DENTAL OF SD	DENTAL INSURANCE	\$1,568.80
DEPARTMENT OF HEALTH	WATER SAMPLES	\$832.00
DGR ENGINEERING	SERVICE – E. SUBSTATION BREAKER REPLACE.	\$4,000.00
DITCH WITCH OF SOUTH DAKOTA, INC	SUPPLIES	\$120.95
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$336.50
DTN, LLC	SUBSCRIPTION	\$584.61
DUININCK INC	GRAVEL & CONCRETE SAND	\$3,108.39
EASTSIDE EQUIPMENT	SUPPLIES	\$600.00
EIDE BAILLY LLP	2025 AUDIT PROGRESS BILLING	\$10,473.75
EMBERLINE PRESS, INC.	POSTAGE & MAILING	\$14,400.00
ENERGY ECONOMICS INC	SERVICE	\$731.93
EQUITABLE	VISION INSURANCE	\$221.80
ERICKSON, AARON	REIMBURSEMENT EXPENSE	\$65.98
ETHANOL PRODUCTS LLC	BULK CO2	\$1,619.22

FAST THREADS	SUPPLIES	\$23.50
FASTENAL COMPANY	SUPPLIES	\$131.99
FEDERAL EXPRESS CORP	SERVICE	\$106.99
FOLEY AND FOLEY LAW OFFICE, PC	MAY LEGAL SERVICES	\$1,180.00
FRONTIER PRECISION INC	SUPPLIES	\$361.00
GRAINGER	SUPPLIES	\$860.61
GROEBNER	ROAD VALVE BOXES	\$3,931.82
HALME, INC.	CAST IRON WATERMAIN REPLACEMENT	\$550,048.81
HAWKINS, INC.	HYDROFLUOSILICIC ACID	\$5,441.12
HILMOE, ZEKE	REIMBURSEMENT EXPENSE	\$848.49
IBEW LOCAL 426	UNION DUES	\$4,784.00
INGERSOLL RAND COMPANY	SERVICE	\$859.20
J H LARSON COMPANY	SUPPLIES	\$3,274.78
JOHNSON CONTROLS BUILD. SOLUTIONS INC.	SERVICE	\$759.77
JORGENSEN & OLSON ASPHALT MAINT., LLC	ASPHALT SERVICES	\$5,266.85
JURGENS PRINTING INC	SUPPLIES	\$885.00
JUSTIN'S LAWN & TREE SERVICE	SERVICE	\$1,905.00
KARST, ADAM	REIMBURSEMENT EXPENSE	\$2,094.25
KNOWBE4	TRAINING EXPENSE	\$4,587.60
LAKE AREA DOOR	SUPPLIES	\$216.00
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$567.21
LEVEL CONTRACTING LLC	LEAD SERVICE LINE REPLACEMENT	\$5,740.00
LL & SONS EXCAVATING INC	LEAD SERVICE LINE REPLACEMENT	\$18,596.97
LOCATORS & SUPPLIES INC	SUPPLIES	\$254.18
LOCKSMITH & MORE LLC	SERVICE	\$185.00
LOVELIS, WAYNE	REIMBURSEMENT EXPENSE	\$162.52
MACK, CHERYL	REIMBURSEMENT EXPENSE	\$302.05
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$42.16
MAC'S HARDWARE	SUPPLIES	\$348.83
MADISON NATIONAL LIFE INSURANCE CO. INC.	LIFE INSURANCE - STAFF	\$48.00
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$229.83
MARCO TECHNOLOGIES LLC	MFILES CONTRACT	\$13,158.18
MCKEEVER INC	SUPPLIES	\$327.00
MEIER, MARK	REIMBURSEMENT EXPENSE	\$148.13
MENARDS INC	SUPPLIES	\$1,523.20
MET LIFE	LIFE INSURANCE	\$1,379.49
MIDCONTINENT COMMUNICATIONS	INTERNET, CABLE & PHONE SERVICE	\$1,900.89
MISSOURI RIVER ENERGY SERVICES	SUPPLIES	\$30.00
MISSOURI RIVER ENERGY SERVICES	TRAINING EXPENSE	\$150.00
MUNICIPAL UTILITIES - PC	REPLENISH PETTY CASH	\$727.58
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$11,082.88
NAPA CENTRAL	SUPPLIES	\$352.67
NELSON TECHNOLOGIES INC	REGULATORS	\$5,902.40
NIPPON SANZO MATHESON INC	SUPPLIES	\$395.62
OFFICE PEEPS	SUPPLIES	\$585.92
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$19.08
PALMER WAHL INSTRUMENTS INC.	SUPPLIES	\$1,354.82
PAYMENTUS GROUP INC.	SERVICE	\$9.95
PETE LIEN & SONS	BULK LIME	\$71,152.32
POLLARD WATER	SUPPLIES	\$554.85
POMP'S TIRE SERVICE, INC.	SERVICE	\$992.29
RC FIRST AID	SUPPLIES	\$121.50
RELIABANK DAKOTA	FLEX DC	\$7,381.53
RESCO	TRANSFORMERS AS PER BID	\$85,746.00
SAINA WATERTOWN LLC	DEPOSIT REFUND	\$33,350.00

SANFORD WTN OCCUPATIONAL MEDICINE	SERVICE	\$344.00
SCHWEITZER ENGINEER. LABORATORIES, INC.	SUPPLIES	\$300.88
SD ONE CALL	LOCATES	\$684.60
SD PUBLIC UTILITIES COMMISSION	PIPELINE SAFETY ASSESSMENT	\$5,022.74
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$12,112.65
SITWORKS, INC.	5TH AVE WATERMAIN REPLACEMENT	\$345,520.43
SOUTHSIDE PLUMBING AND HEATING CO	SERVICE	\$3,547.10
SPEE-DEE DELIVERY SERVICE INC	SERVICE	\$20.60
STAN HOUSTON EQUIP CO	RENTAL	\$795.00
STAR LAUNDRY	SERVICE	\$553.36
STEIN SIGN DISPLAY	PUBLIC AWARENESS	\$1,500.00
STILLWELD 360, LLC	SERVICE	\$600.00
STUART C IRBY CO	GAS METERS AS PER BID	\$94,347.69
SUTTON LAWN & SNOW LLC	LAWN CARE	\$3,279.15
TEREX USA, LLC	SERVICE - UNIT 28	\$1,356.51
TITAN MACHINERY- WTN	SERVICE - UNIT 25	\$4,421.23
TOSHIBA FINANCIAL SERVICES	COPIER LEASE	\$362.01
TRAV'S OUTFITTER	SAFETY CLOTHING	\$3,849.00
TWOTREES TECHNOLOGIES	COMPUTER HARDWARE	\$16,060.27
US PLASTIC CORP	SUPPLIES	\$467.95
USA BLUEBOOK	SUPPLIES	\$742.70
USA TODAY MEDIA CORP	PUBLISHINGS	\$258.78
VESSCO INC	PUMPHEADS - WATER	\$2,394.07
WATERTOWN BOX CORP	SUPPLIES	\$107.00
WATERTOWN CURRENT LLC	PUBLIC AWARENESS	\$289.58
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FORD CHRYSLER	SERVICE	\$89.20
WATERTOWN UNITED WAY	United Way	\$217.50
WAYTEK INC	SUPPLIES	\$1,027.30
WESCO DISTRIBUTION INC	INSULATING CAPS, SUPPLIES	\$15,570.50
WINSUPPLY OF WATERTOWN	SUPPLIES	\$188.12
	<b>TOTAL</b>	<b><u>\$1,818,592.23</u></b>

Total June 2026 \$1,818,592.23, Transfer to City's General Fund \$127,841.00, US Bank Assoc. DW-2, \$10,517.71, US Bank Nat'l Assoc. DW-5, \$13,650.65. Muni Utilities Electric Water Gas \$49,456.39; Missouri River Energy Services Power \$1,834,658.37; BP Canada Energy Marketing Natural Gas \$53,238.03; Dept. of Revenue Sales/Excise Tax \$184,226.15; CPEP #3 Natural Gas \$10,927.50, CPEP #4 Natural Gas \$14,937.20, CPEP #5 Natural Gas \$37,663.37, CPEP #3 Hedge \$7,656.00, CPEP #4 Hedge \$3,774.00, City Finance Office Garbage/Sewer \$918,027.53.

**ITEM 8371**

Motion by Luken with second by Carter 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 29<sup>th</sup>, day of June, 2026.

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

Lisa Pahl  
Board Secretary  
Municipal Utilities Board

Dan Brenden  
Board President  
Municipal Utilities Department