

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, July 27, 2026

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

Board members present: Dan Brenden, Rich Thomas, Chris Carter, Mike Luken and Charlie Larkin (12:02 pm). Board Liaison, member of City Council, Kyle Peters absent. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Rod Sutton, Dan LeVasseur, Zeke Hilmoie, Cheryl Mack, Gina Brown, Lisa Pahl and Attorney Vince Foley. Guests: Mark Dunn, Alan Stager, City Manager and Mayor Reid Holien. Media: Steve Jurrens, Northeast Radio SD.

ITEM 8372

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

ITEM 8373

Motion by Luken with second by Thomas to approve minutes of Regular Board Meeting on June 29, 2026. Motion carried.

ITEM 8374

Public Comment - None

ITEM 8375

Motion by Thomas with second by Luken, to authorize the General Manager to execute a locating services contract with Stake Center Locating, LLC, utilizing terms substantially similar to the contract included in the Board packet, for the remainder of 2026 at a rate of \$0.52 per linear foot marked, per utility, including service lines. Motion carried.

ITEM 8376

Lehner reviewed the South Dakota Open Meeting Laws per SDCL 1-25-13. This law mandates that the Open Meeting Laws are reviewed annually.

ITEM 8377

This being the time and place set for consideration of bids, the following was presented. Bids for 115 kV Bushings for the Electric Department. This bid was opened Thursday, July 23, 2026, at 1:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

115 kV Bushings: One bid was received and upon review and recommendation by Magstadt, motion by Carter with second by Luken to reject bid for failure to meet specs. Motion carried.

ITEM 8378

Open:

a) Larkin provided an update on the APPA Annual Meeting that was held in Boston on June 28-June 30. Larkin gave the conference good reviews, very informative and enjoyed his time with MRES.

ITEM 8379

Magstadt presented the Report on Operations and Projects. Electric Department, Projects Completed this Month: Had 6 outages for a total of 36 unscheduled power outages in 2026, completed underground conversion along 4th Ave. SW between 33rd St and 42nd St, notified by NERC that WMU is no longer BES exempt. Gas Department, the 8" steel pipeline is heated up with natural gas and working on pickling the line with odorant, finished SCADA conversion. Water Department, 5th Ave Water Main Replacement Project, 60% of main is installed, 45% taps in, 1/3 of roads are paved, Rauville Well 35 is installed and Well 37 repairs are done, hauled 83 loads of lime, or 2,656 yards of lime, new Generator installed at Rauville. Engineering Tech, 475 one-call locates July 1 to 20, 2026, 580 one-call locates June 2026, completed BNSF Railway crossing permit for gas main project, completed Northern Border Pipeline crossing permit for gas 6" pressure correction, completed SD DOT permit for Gas Department at 10th ave NW.

ITEM 8380

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects in Progress: The 2025 Eide Bailly audit is complete, third auction with Purple Wave for utilities surplus equipment concluded on June 23 with total sales of \$156,000 from two 30,000 gallon propane tanks, fourth auction with Purple Wave concluded on July 7 with total sales of \$24,400 from one service truck and one service van, fifth auction with Purple Wave concluded on July 21 with total sales of \$80,000 from one propane tank. Upcoming Projects: Purple Wave 6th auction for utilities surplus equipment. Customer Service, Key Accomplishments this Month: July bills were mailed on June 26th, customers received bills between June 29 and July 1, and customer portal enrollment

has reached 2,234 users. Current Priorities: Continuing staff training on service order processing and meter changes. Human Resources/Risk Management: Compensation & Benefits, completed wage and benefits surveys for MRES and the APPA Utility Survey. Recruiting: New hire Kraig Engen, GIS Technician, effective Friday, July 31. Community Service: Codington Connects - advisory team to bring employer and community awareness regarding substance abuse, mental health, gambling and other addictions. Information Systems: Assisting Customer Service and Accounting 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 \$572,286 above budget for the six months ending June 30, 2026. Total Capital Additions are \$402,517 under budget for the six months month ending June 30, 2026.

ITEM 8381

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 July 2026 Plus ACH Payroll Payments \$748,878.53. Change: A. Erickson \$10,887/mo. effective 7/1/2026, C. Mack \$9,783/Mo. effective 7/1/2026, R. Suttan \$8,885/Mo. effective 7/1/2026.

Name	Payable Description	Payment Amount
August 3, 2026		
ACTIVE HEATING INC	ENERGY INCENTIVE REBATE	\$100.00
ADVANCED ENGINEERING AND ENVIRONMENTAL SERV., LLC	CAST IRON WATERMAIN REPLACEMENT	\$8,411.33
AFLAC	ACCIDENT	\$1,900.92
A-OX WELDING SUPPLY INC	SUPPLIES	\$25.62
APPLICANT PRO	SERVICE	\$708.00
APPLIED INDUSTRIAL TECH INC	SUPPLIES	\$274.60
AQUA-PURE INC	SODIUM HYPOCHLORITE	\$23,201.85
AUTO VALUE WATERTOWN	SUPPLIES	\$922.74
B & G WELDING INC	SERVICE - UNIT 28	\$1,282.04
BENSON, BRIAN	REIMBURSEMENT EXPENSE	\$517.62
BORDER STATES ELECTRIC SUPPLY	TRANSFORMERS AS PER BID	\$142,372.87
BRISTOL, INC.	SERVICE - GAS METER MONITORING	\$7,211.40
BROWN, GINA L	REIMBURSEMENT EXPENSE	\$30.00
BUTLER MACHINERY CO	GENERATOR RENTAL	\$13,232.45
C & R FIRE SUPPRESSION	ANNUAL FIRE EXT. INSPECTION	\$2,017.20
CARTNEY BEARING & SUPPLY	SUPPLIES	\$96.12
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$12,001.39
CITY OF WATERTOWN	DONATION	\$2,000.00
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$5,820.76
COMMERCIAL CLEANING SERVICES INC.	JANITORIAL SERVICE	\$3,975.00
CONTROL EQUIPMENT SALES, INC	SUPPLIES	\$1,634.49
CORE & MAIN LP	SUPPLIES	\$331.52
CREATIVE REWARDS	SUPPLIES	\$135.00
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$141.30

DAKOTA DATA SHRED	SHREDDING SERVICE	\$127.92
DAKOTA DIRECTIONAL LLC	SERVICE - ELECTRIC PROJECTS	\$357,813.62
DAKOTA PUMP & CONTROL CO	SERVICE	\$382.65
DELTA DENTAL OF SD	DENTAL INSURANCE	\$1,568.80
DEPARTMENT OF HEALTH	WATER SAMPLES	\$888.00
DGR ENGINEERING	115 KV TRANSMISSION LINE REBUILD	\$28,300.00
DISCOUNT SEEDS, INC.	SUPPLIES	\$1,500.00
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$441.09
DTN, LLC	SUBSCRIPTION	\$584.61
DUININCK INC	GRAVEL	\$4,222.16
DUTTON-LAINSON COMPANY	WATER METER, FLANGE KIT	\$3,483.80
EACHEN INC	SERVICE - WTP	\$2,595.92
EIDE BAILLY LLP	2025 AUDIT FINAL BILL	\$3,214.37
ELITE DRAIN AND SEWER CLEANING	SERVICE	\$195.00
EMBERLINE PRESS, INC.	POSTAGE & MAILING	\$419.16
ENGELSTAD ELECTRIC COMPANY	SERVICE - ELECTRIC	\$10,096.70
EQUITABLE	VISION INSURANCE	\$221.80
ERICKSON, AARON	REIMBURSEMENT EXPENSE	\$2,353.54
ETHANOL PRODUCTS LLC	BULK CO2	\$2,270.58
FAST THREADS	SUPPLIES	\$160.00
FASTENAL COMPANY	SUPPLIES	\$875.44
FEDERAL EXPRESS CORP	SERVICE	\$25.72
FLAGSHOOTER LLC	SUPPLIES	\$2,078.58
FLOW CONTROL AUTOMATION INC.	SERVICE	\$875.00
FOLEY AND FOLEY LAW OFFICE, PC	JUNE LEGAL FEES	\$2,472.50
HALME, INC.	CAST IRON WATERMAIN REPLACEMENT	\$756,960.95
HILMOE, ZEKE	REIMBURSEMENT EXPENSE	\$155.15
HUMAN SERVICE AGENCY	ENERGY INCENTIVE REBATE	\$2,586.95
IBEW LOCAL 426	UNION DUES	\$4,784.00
INFOSEND, INC.	POSTAGE & MAILING	\$12,997.64
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$1,418.20
J H LARSON COMPANY	SUPPLIES	\$2,230.23
JEFF STADHEIM	ENERGY INCENTIVE REBATE	\$4,197.85
JOE MEDANICH ASPHALT SERVICES	ASPHALT SERVICES	\$7,755.12
JORGENSEN & OLSON ASPHALT MAINTENANCE, LLC	ASPHALT SERVICES	\$20,838.29
JUSTIN'S LAWN & TREE SERVICE	STUMP REMOVAL SERVICES	\$5,790.00
KARST, ADAM	REIMBURSEMENT EXPENSE	\$595.00
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$427.14
LEVEL CONTRACTING LLC	LEAD SERVICE LINE REPLACEMENT	\$15,798.00
LL & SONS EXCAVATING INC	SERVICE - WELLFIELD PROJECT	\$21,675.00
LOCATORS & SUPPLIES INC	SERVICE	\$458.49
LOVELIS, WAYNE	REIMBURSEMENT EXPENSE	\$348.75
LYLE SIGNS INC	SUPPLIES	\$206.84
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$135.81
MAC'S HARDWARE	SUPPLIES	\$356.99
MADISON NATIONAL LIFE INSURANCE CO. INC.	LIFE INSURANCE - STAFF	\$48.00
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$126.88
MCKEEVER INC	SUPPLIES	\$357.00
MEIER, MARK	REIMBURSEMENT EXPENSE	\$54.35
MENARDS INC	SUPPLIES	\$1,886.53
MERTZ FENCING	FENCING SERVICE - UPTOWN SUB STATION	\$6,732.00
MET LIFE	LIFE INSURANCE	\$1,379.49
METERING & TECHNOLOGY SOLUTIONS	SUPPLIES	\$259.04
MIDCONTINENT COMMUNICATIONS	INTERNET, CABLE & PHONE SERVICE	\$1,913.85
MILBANK WINWATER WORKS	SUPPLIES	\$595.98
MINNESOTA MUNICIPAL UTILITIES ASSN	SAFETY PROGRAM	\$9,987.50

MISSOURI RIVER ENERGY SERVICES	SERVICE	\$1,500.00
MUNICIPAL UTILITIES - PC	REPLENISH PETTY CASH	\$418.89
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$24,222.66
NAPA CENTRAL	SUPPLIES	\$59.51
NELSON TECHNOLOGIES INC	AQUEOUS GLYCOL BULK REMOVAL	\$25,428.24
OFFICE OF ENERGY ASSISTANCE	REFUND OF CREDIT ON ACCOUNT	\$109.28
OFFICE PEEPS	SUPPLIES	\$5,910.30
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$255.62
PETE LIEN & SONS	BULK LIME	\$54,502.09
PHEASANTLAND INDUSTRIES	SAFETY CLOTHING	\$333.28
POMP'S TIRE SERVICE, INC.	SUPPLIES	\$163.91
PRINT 'EM NOW INC	SUPPLIES	\$61.00
RELIABANK DAKOTA	FLEX DC	\$7,381.53
RESCO	SUPPLIES	\$1,100.00
RON'S SAW SALES	SERVICE	\$233.91
RUNNING'S SUPPLY INC	SUPPLIES	\$194.29
SD ONE CALL	LOCATES	\$623.70
SD PUBLIC ASSURANCE ALLIANCE	INSURANCE - 2026 CHEVY SILVERADO 3500HD	\$46.18
SDSU FOUNDATION ACCT #70507	CENTER FOR POWER SYSTEMS STUDIES	\$550.00
SDWWA	TRAINING EXPENSE	\$450.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$11,632.02
SIOUX VALLEY ENVIRONMENTAL, INC.	CHEMICAL EQUIPMENT - WTP	\$19,850.00
STAN HOUSTON EQUIP CO	RENTAL	\$832.95
STAR LAUNDRY	SERVICE	\$598.36
STEFFL DRILLING & PUMP INC	SERVICE - NEW WELL #35	\$1,505.10
STUART C IRBY CO	SUPPLIES	\$3,004.68
SUTTON LAWN & SNOW LLC	LAWN CARE	\$3,600.45
TITAN MACHINERY- WTN	SUPPLIES	\$526.98
TOSHIBA FINANCIAL SERVICES	COPIER LEASE	\$581.18
TRAV'S OUTFITTER	SAFETY CLOTHING	\$1,395.86
TWOTREES TECHNOLOGIES	MONTHLY SOFTWARE MAINTENANCE	\$1,218.75
ULINE INC	SUPPLIES	\$144.19
USA BLUEBOOK	SUPPLIES	\$3,550.45
WATERTOWN CURRENT LLC	PUBLISHINGS	\$216.97
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FORD CHRYSLER	SUPPLIES	\$517.50
WATERTOWN UNITED WAY	United Way	\$217.50
WATERTOWN WHOLESALE INC	SUPPLIES	\$126.00
WAYTEK INC	SUPPLIES	\$62.18
WESCO DISTRIBUTION INC	TRANSFORMER BASEMENTS	\$18,011.58
WILL BIRSCHBACH	ENERGY INCENTIVE REBATE	\$400.00
WW TIRE SERVICE INC	SUPPLIES	\$495.00
	TOTAL	\$1,739,290.29

Total July 2026 \$1,739,290.29, Transfer to City's General Fund \$127,841.00, Muni Utilities Electric Water Gas \$58,449.96; Missouri River Energy Services Power \$2,593,756.94; BP Canada Energy Marketing Natural Gas \$47,713.88; Dept. of Revenue Sales/Excise Tax \$225,019.66; CPEP #3 Natural Gas \$8,482.50, CPEP #4 Natural Gas \$12,293.25, CPEP #5 Natural Gas \$27,819.00, CPEP #3 Hedge \$6,809.46, CPEP #4 Hedge \$2,273.85.

ITEM 8382

Brenden turned the meeting over to General Manger Steve Lehner and Lehner noted that Mark Dunn was appointed to the Board by Mayor Reid Holien for a five-year term on the Board. Lehner presented resolution of appreciation to outgoing Board Member Rich Thomas. Motion by Carter with second by Luken to approve the resolution for Rich Thomas. Motion carried.

Lehner requested reorganization of the Board. Motion by Carter with second by Brenden to nominate Mike Luken for President. Motion carried. Motion by Carter with a second by Brenden to nominate Charlie Larkin for Vice President. Motion carried.

ITEM 8383

Pursuant to SDCL 1-25-2 (6)(d) Larkin moved with second by Carter to move to Executive Session. No action is expected when coming out of Executive Session. Motion carried.

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

Motion by Larkin with second by Brenden 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 July, 2026.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Michael Luken
Board President
Municipal Utilities Department