

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Tuesday, August 26th, 2025

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Tuesday, August 26th, 2025, at 12:00 p.m. with Board President Mike Luken presiding.

Board members present: Mike Luken, Dan Brenden, Rich Thomas, Charlie Larkin, and Chris Carter via telephone. Board Liaison, member of City Council, Kyle Peters. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Wayne Lovelis, Aaron Erickson, Brian Benson, Mark Meier, Dan LeVasseur, Rod Suttan, Zeke Hilmoie, Cheryl Mack, Gina Brown, Lisa Pahl, and Attorney Vince Foley. Guests: Michael Kan of KHA Consulting LLC., Alan Stager, Watertown City Manager.

ITEM 8229

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

ITEM 8230

Motion by Larkin with second by Brenden to approve minutes of Regular Board Meeting from July 28, 2025. Motion carried.

ITEM 8231

Public Comment - None

ITEM 8232

Motion by Brenden with second by Thomas to declare emergency repair to replace back-up generator at the Rauville Well Field. Motion carried.

ITEM 8233

This being the time and place set for consideration of bids, the following were presented. Bid for Wire. The Bid was opened Thursday, August 21, 2025, at 1:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

Wire: One bid was received and upon review and recommendation by Magstadt, motion by Larkin with second by Brenden to award bid to low valid bidder WESCO, Sioux City, IA for \$499,500.00 for Items 1 & 2. Motion carried.

ITEM 8234

The Gas Rate Cost of Service and Rate Design Study was presented by Michael Kan of KHA Consulting LLC. Kan provided an overview of the cost components associated with serving different customer classes. He also shared a comparative analysis, demonstrating that Watertown's gas rates are the lowest among neighboring utilities at typical usage levels. KHA Consulting LLC recommended adopting the proposed rates through a phased-in approach, utilizing financial reserves to ease the impact of any rate changes on customers. Additionally, the implementation of a purchased gas adjustment clause was advised. The board did not take immediate action on these recommendations, opting instead to review the study and proposed measures further during the budget process.

ITEM 8235

Open: Lehner presented the two bill stuffers a) Sump Pump Variance and b) Fighting the Emerald Ash Borer.

ITEM 8236

Magstadt presented the Report on Operations and Projects. Electric Department, Projects Completed this Month: 35 outages for the month and 78 total unscheduled outages for 2025, updated the Board on the August 5 & 6 and August 16th storm damage, replaced trans-closure at LATC with new three-phase pad mount transformer, did a walk through at the East Sub 115 kVA line with DGR. Gas Department, Projects Completed this Month: Replaced 11M meter at Twin City Die and cut in a 2" curb valve, opened the bypass on the NBPL line heater to maximize contact time in water bath. Water Department, Projects Completed this Month: Main breaks for August - Halme hit water main on 2nd Ave project, we received lead service line letters back from customers a total of 1,038 identified as non-lead with 1364 unknown remaining. Projects in Progress: Halme to start on Cast Iron Main Project. Projects Starting Next Month: Started flushing and will flush again the second Tuesday in September. Engineering Tech, Projects Completed this Month: 431 one-call locates for August 1st to August 20th, 2025, 567 one-call locates for July 2025. Projects in Progress: Working on 6" permits for next year.

ITEM 8237

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Pye-Barker Fire & Safety successfully completed inspections of fire suppression equipment in IT room and uptown substation; all systems passed inspection, Purple Wave online auction for surplus equipment concluded on August 19 with 5 items

selling for \$30,400. Projects in Progress: Working on 2026 budget items, Eide Bailly 2024 audit. Customer Service: Working on data cleanup in NorthStar and continuing Tyler training, Tyler go-live date is scheduled for January 2026, 15,805 Payments collected for a total of \$5,780,823 and 58,082 billed for a total of \$5,628,616. Human Resources/Risk Management: Completed South Dakota Public Assurance Alliance annual property and liability insurance renewal for August 1, 2025 - July 31, 2026 this is up 12%, retirement of Rob Mack, Water Plant Operator, effective January 2026, posted Water Plant Operator both internally and externally, attended Tyler User Group training in Madison also a MRES round table in Sioux Falls. Information Systems: Working on Budget items, working on 2025 server upgrade, 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 \$181,179 below budget for the seven months ending July 31st, 2025. Total Capital Additions are \$1,063,163 under budget for seven months ending July 31st, 2025.

ITEM 8238

Motion made by Thomas with second by Larkin to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Watertown Municipal Utilities Net Payroll for August 2025 Plus ACH Payroll Payments \$765,989.73. Term: J. Eidson, effective 7/31/2025, S, Karst, effective 8/14/2025, M. Fossum, effective 8/18/2025, and T. Meidinger effective 8/18/2025.

Name	Payable Description	Payment Amount
SEPTEMBER 1, 2025		
3D SERVICES LLC	SERVICE	\$220.00
ABC EMBROIDERY	SERVICE	\$54.45
ADV. ENGINEERING AND ENVIRON.SERVICES, LLC	WTP MASTER PLAN	\$40,830.50
AFLAC	ACCIDENT	\$1,702.31
ANDOR INC	GAS METER PIPING SERVICES	\$7,495.00
AQUA-PURE INC	SODIUM TRIPOLYPHOSPHATE	\$3,762.50
ARROW EDUCATION FOUNDATION OFFICE	HARVEST 2025	\$1,000.00
AUTO VALUE WATERTOWN	SUPPLIES	\$638.83
AVA MARIA SCHOOL	ENERGY INCENTIVE REBATE	\$7,000.00
BATTERIES UNLIMITED INC	SUPPLIES	\$410.00
BERNARD MASON	ENERGY INCENTIVE REBATE	\$400.00
BERNIES BODY & GLASS	SERVICE	\$126.00
BORDER STATES ELECTRIC SUPPLY	ELBOW SLEEVES, PEDESTAL CONNECTORS,	\$27,274.55
BORNS GROUP	POSTAGE & MAILING	\$13,383.39
BROWN, GINA L	REIMBURSEMENT EXPENSE	\$143.41
BURCHATZ CONSTRUCTION COMPANY INC	2025 CONCRETE PATCH WORK	\$7,824.12
BUTLER MACHINERY CO	SERVICE	\$172.00
CENTER FOR INTERNET SECURITY, INC.	SOFTWARE MAINTENANCE	\$1,995.00
CHARLES LARKIN	REIMBURSEMENT EXPENSE	\$1,427.93

CHASE CARDMEMBER SERVICE	CREDIT CARD	\$7,885.95
CLIMATE SYSTEMS INC	SUPPLIES	\$155.33
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$6,424.64
COLOURS, INC.	SUPPLIES	\$654.56
COMMERCIAL CLEANING SERVICES INC.	JANITORIAL SERVICE	\$3,975.00
CONTROL EQUIPMENT SALES, INC	GAS CORRECTORS SUPPLIES	\$13,579.16
CORE & MAIN LP	SUPPLIES	\$9,581.18
CREATIVE REWARDS	SUPPLIES	\$20.00
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$457.54
DAKOTA BODIES LLC	SERVICE BODY UNIT 10	\$49,379.00
DAKOTA DATA SHRED	SHREDDING SERVICE	\$94.51
DAKOTA DIRECTIONAL LLC	SERVICES - MULTIPLE ELECTRIC PROJECTS	\$340,499.00
DEPARTMENT OF HEALTH	WATER SAMPLES	\$852.00
DGR ENGINEERING	SERVICE	\$2,161.00
DIESEL MACHINERY INC	SUPPLIES	\$748.84
DITCH WITCH OF SOUTH DAKOTA, INC	SUPPLIES	\$202.53
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$1,033.00
DTN, LLC	SUBSCRIPTION	\$579.92
DUININCK INC	DIRT, GRAVEL	\$12,789.36
DUTTON-LAINSON COMPANY	WATER METERS & ERTS AS PER BID	\$30,841.75
ENERGY LABORATORIES INC	WATER TESTING FEES	\$1,737.00
ERICKSON, AARON	REIMBURSEMENT EXPENSE	\$2,764.40
ETHANOL PRODUCTS LLC	BULK CO2	\$2,302.74
FAST THREADS	SUPPLIES	\$1,851.00
FASTENAL COMPANY	SUPPLIES	\$370.65
FEDERAL EXPRESS CORP	SERVICE	\$142.63
FIDELITY SECURITY LIFE INSURANCE CO. (EYEMED)	VISION INSURANCE	\$193.77
FLAGSHOOTER LLC	SUPPLIES	\$2,474.50
FOLEY AND FOLEY LAW OFFICE, PC	JULY LEGAL FEES	\$2,438.40
GANNETT MEDIA CORP	PUBLISHINGS	\$206.28
GRAF SIGN PRO OF WATERTOWN	SUPPLIES	\$412.50
GRAINGER	SUPPLIES	\$486.31
HALME, INC.	REPLACEMENT OF CAST IRON MAINS	\$255,243.22
HAWKINS, INC.	AZONE 15	\$33,399.89
HILMOE, ZEKE	REIMBURSEMENT EXPENSE	\$252.00
IBEW LOCAL 426	UNION DUES	\$4,774.00
INDUSTRIAL SALES COMPANY, INC	SUPPLIES	\$1,258.55
J H LARSON COMPANY	SUPPLIES	\$4,322.07
JOE MEDANICH ASPHALT SERVICES	ASPHALT SERVICE - WTP	\$6,122.46
JORGENSON & OLSON ASPHALT MAINTENANCE, LLC	ASPHALT SERVICES	\$4,383.42
JURGENS PRINTING INC	SUPPLIES	\$55.00
KARST, ADAM	REIMBURSEMENT EXPENSE	\$495.79
KHA CONSULTING LLC	GAS COST OF SERVICE STUDY	\$9,950.00
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$152.60
LOCATORS & SUPPLIES INC	SUPPLIES	\$98.04
LOVELIS, WAYNE	REIMBURSEMENT EXPENSE	\$228.39
LYLE SIGNS INC	SUPPLIES	\$159.37
M E BARBER CO INC	SUPPLIES	\$185.02
MACK, CHERYL	REIMBURSEMENT EXPENSE	\$672.49
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$224.07
MAC'S HARDWARE	SUPPLIES	\$341.42
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$3,252.98
MATHESON TRI-GAS INC	SUPPLIES	\$174.70
MENARDS INC	SUPPLIES	\$1,231.86
MET LIFE	LIFE INSURANCE	\$1,596.61

MICROBAC LABORATORIES, INC.	WATER TESTING FEES	\$597.00
MIDCONTINENT COMMUNICATIONS	INTERNET, CABLE & PHONE SERVICE	\$1,891.68
MUNICIPAL UTILITIES - PC	REPLENISH PETTY CASH	\$433.23
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$3,829.91
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$15,864.55
MYERS ASSOCIATES, INC.	SOIL TESTING EQUIPMENT	\$617.64
NAPA CENTRAL	SUPPLIES	\$78.24
NOVASPECT, INC.	GAS REGULATORS	\$12,880.48
OFFICE PEEPS	SUPPLIES	\$955.47
PAYMENTUS GROUP INC.	SERVICE	\$39.80
PETE LIEN & SONS	BULK LIME	\$45,196.51
POLLARD WATER	SUPPLIES	\$1,350.06
POMP'S TIRE SERVICE, INC.	SERVICE	\$37.45
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,484.98
PRINT 'EM NOW INC	OFFICE SUPPLIES	\$53.00
PRO LINE INC	SUPPLIES	\$170.34
PYE-BARKER FIRE & SAFETY LLC	SERVICE	\$1,044.00
RC FIRST AID	SUPPLIES	\$111.00
RELIABANK DAKOTA	FLEX DC	\$6,133.89
RODENBURG LAW FIRM	EMPLOYEE DEDUCTION	\$150.00
RON'S SAW SALES	SUPPLIES	\$1,988.93
RUNNING'S SUPPLY INC	SUPPLIES	\$610.68
SCHAEFFER MFG CO	SUPPLIES	\$1,482.25
SCHOOL BOARD OF ED	ENERGY INCENTIVE REBATE	\$851.00
SD ONE CALL	LOCATES	\$613.20
SD PUBLIC ASSURANCE ALLIANCE	GEN LIAB/PROPERTY INSURANCE	\$339,680.97
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$8,271.58
SPEE-DEE DELIVERY SERVICE INC	SERVICE	\$83.50
STAN HOUSTON EQUIP CO	RENTAL	\$795.00
STAR LAUNDRY	SERVICE	\$987.50
STUART C IRBY CO	PME SWITCHGEAR AS PER BID	\$74,140.00
SUTTEN, RODNEY N	REIMBURSEMENT EXPENSE	\$296.80
SUTTON LAWN & SNOW LLC	LAWN CARE	\$3,368.00
TEREX USA, LLC	SUPPLIES	\$287.04
TITAN MACHINERY - MARSHALL	SUPPLIES	\$637.00
TITAN MACHINERY- WTN	SUPPLIES	\$534.61
TOSHIBA FINANCIAL SERVICES	COPIER LEASE	\$474.99
TRAV'S OUTFITTER	SAFETY CLOTHING	\$1,144.92
TROXLER	SOIL TESTING EQUIPMENT	\$17,165.00
TWO WAY SOLUTIONS, INC.	SUPPLIES	\$102.00
TWOTREES TECHNOLOGIES	SOFTWARE MAINTENANCE	\$1,213.95
US BANK NATIONAL ASSOCIATION	BANKING FEES	\$750.00
USA BLUEBOOK	SUPPLIES	\$114.50
WALMART	SUPPLIES	\$579.86
WATERTOWN CONCRETE PRODUCTS	SCREENED DIRT	\$1,487.80
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN LAWN & GARDEN	SUPPLIES	\$282.00
WATERTOWN UNITED WAY	United Way	\$240.00
WESCO DISTRIBUTION INC	LOADBREAKS, ELBOWS, SUPPLIES	\$54,775.46
WW TIRE SERVICE INC	SERVICE	\$60.00
	TOTAL	\$1,556,356.16

Total August 2025 \$1,556,356.16; Transfer to City's General Fund \$124,117.00, Muni Utilities Electric Water Gas \$53,047.44; Missouri River Energy Services Power \$2,578,561.35; BP Canada Energy Marketing Natural Gas \$23,635.56; Dept. of Revenue Sales/Excise Tax \$218,094.65; CPEP #3 Natural Gas \$9,634.80, CPEP #4 Natural Gas \$11,555.25, CPEP #5 Natural Gas \$33,534.64, CPEP #3 Hedge \$7,460.46, CPEP #4 Hedge \$3,545.81, City Finance Office Garbage/Sewer \$844,495.58.

ITEM 8239

Lehner requested reorganization of the Board. Lehner announced that Mayor Holien reappointed Dan Brenden for a five-year term at Monday's August 18, 2025, City Council meeting. The mayor also appointed Kyle Peters to serve as the City Council liaison. Motion by Thomas with second by Larkin to appoint Dan Brenden as President. Motion carried. Motion by Luken with second by Brenden to appoint Rich Thomas as Vice President. Motion carried.

Pursuant to SDCL 1-25-2(3) Luken moved with second by Larkin to move to Executive Session. Motion carried.

President Brenden 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 August, 2025.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Dan Brenden
Board President
Municipal Utilities Department