

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, August 31, 2026

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, August 31, 2026, at 12:00 p.m. with President Mike Luken presiding.

Board members present: Mike Luken, Chris Carter, and Mark Dunn. Board Members Dan Brenden and Charlie Larkin were absent. Board Liaison, member of City Council, Kyle Peters absent. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Wayne Lovelis, Aaron Erickson, Brian Benson, Rod Sutton, Dan LeVasseur, Zeke Hilmoe, Cheryl Mack, Gina Brown, Lisa Pahl, Angie Mitchell and Attorney Vince Foley. Guests: Alan Stager, City Manager, Mayor Reid Holien, MRES representatives Matt Schull and Dan Harmelink. Media: Steve Jurrens, Northeast Radio SD and Roger Whittle, Watertown Current.

ITEM 8384

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

ITEM 8385

Motion by Dunn with second by Carter to approve minutes of Regular Board Meeting on July 27th, 2026. Motion carried.

ITEM 8386

Public Comment - Luken welcomed newly appointed Board Member Dunn. Dunn briefly introduced himself and stated that it is a privilege to serve on the Board alongside the other members.

ITEM 8387

Presentation by John Hagen of Eide Bailly, via Zoom, regarding the 2025 audit. Mr. Hagen reported that there was no audit findings related to Watertown Municipal Utilities to be included in the Schedule of Current Audit Findings and Questioned Costs. Motion by Carter with second by Dunn to accept the 2025 audit. Motion carried.

ITEM 8388

Board President Luken appointed the following committees, they are as follows:

**MUNICIPAL UTILITIES BOARD COMMITTEES
2026-2027**

CYBERSECURITY	Chris Carter	Charlie Larkin
RATES & TRANSFERS	Dan Brenden	Mark Dunn
WAGES & PERSONNEL	Charlie Larkin	Dan Brenden
PEDIB (Production, Equip., Distribution, Inventory & Bldgs.	Mark Dunn	Chris Carter

FINANCE: All with Mike Luken as Chairman
First named member to be Chairman of Committee

ITEM 8389

Lehner started discussion on the Extension of Power Sales Agreements (S-1). The Agreement is used for bonding for transmission and generation assets that MRES builds. This agreement started in 1976. The bonds require 30 years, and we extend them every 10 years. Lehner went through the changes being proposed to the Power Sale Agreement (S-1) and explained the substantive changes being proposed. Resolution will be brought to the Board at next month's meeting for adoption.

ITEM 8390

This being the time and place set for consideration of bids, the following was presented. Bids for 115 kV Transmission Line Materials for the Electric Department. The bids were opened Thursday, August 13, 2026, at 2:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

Self-Supporting Steel Poles: Five bids were received and upon review and recommendation by Magstadt, motion by Dunn with second by Carter to accept low valid bidder American Wire Group, LLC, Miami, FL for

\$85,397.12. Motion carried. CHM Industries, Inc and Nucor Towers & Structures Inc. were rejected because they did not meet bid specifications.

Laminated Wood Poles: Three bids were received and upon review and recommendation by Magstadt, motion by Dunn with second by Carter to accept low valid bidder Laminated Wood Systems, Seward, NE for \$50,970.00. Motion carried.

Ductile Iron Poles: Four bids were received and upon review and recommendation by Magstadt, motion by Carter with second by Dunn to accept low valid bidder Resco, Moorhead, MN for \$231,544.00. Motion carried. CHM Industries, Inc., was rejected because they did not meet bid specifications.

Insulator Assemblies: Two bids were received and upon review and recommendation by Magstadt, motion by Dunn with second by Carter to accept low valid bidder Resco, Moorhead, MN for \$70,599.00. Motion carried.

ACSS Cable: Three bids were received and upon review and recommendation by Magstadt, motion by Carter with second by Dunn to accept low valid bidder, Resco, Moorhead, MN for \$169,176.30. Motion carried.

Optical Ground Wire: Two bids were received and upon review and recommendation by Magstadt, motion by Dunn with second by Carter to reject both bids because they did not meet bid specifications. Motion carried.

Miscellaneous ACSS Hardware: Two bids were received and upon review and recommendation by Magstadt, motion by Carter with second by Dunn to accept low valid bidder, Resco, Moorhead, MN for \$34,016.49. Motion carried. Border States Electric, Sioux Falls, SD was rejected because it did not meet bid specifications.

ITEM 8391

Open:

a) Lehner presented the Bill Stuffer the Fall 2026 Library Program Guide. b) He also gave an invite to the Board to one of the MRES Area Meetings in October. Alexandria, MN, Wednesday, October 21, Cavalier, ND, Thursday, October 22, Orange City, IA Wednesday, October 28, and Sioux Falls, SD Thursday, October 29.

ITEM 8392

Old Business: Lehner provided an update on discussions with MRES regarding strategic planning. MRES is partnering with a third-party consultant, Kari Terhark, a Certified Top Facilitator and Mentor Trainer. Lehner stated that he is working with Terhark to schedule a meeting to discuss WMU's future goals and strategic direction. He asked Board members to consider potential dates in 2026 or 2027 for a strategic planning session with her.

ITEM 8393

Magstadt presented the Report on Operations and Projects. Electric Department, Projects Completed this Month: Had 5 outages for a total of 41 unscheduled power outages in 2026, fiber is installed at Mellette Booster, Larson Tower booster, West Booster and the Library, installed new streetlight wire and fixtures for the 5th Ave. Street project, installed and energized three-phase primary for Culvers Loop. Gas Department, Installed 1000' of 2" plastic main at 449th Ave SW, installed 600' of 2" plastic main and 800' of 4" plastic main at Williston Addition. Water Department, 1 main break for a total of 8 for 2026, hauled 80 loads of lime, cast iron main replacement project has 80% of the main installed, 70% of the main has been tapped for replacement services and 50% of the streets have been re-paved and completed, Projects Starting Next Month: 14th Ave Tank outside repainted outside. Engineering Tech, 435 one-call locates August 1 to 20, 2026, 749 one-call locates July 2026, compaction tests on Halme cast iron water replacement.

ITEM 8394

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects in Progress: Completed the sixth Purple Wave auction on August 18, generating \$231,300. Projects in Progress: Working on 2027 budget items, MRES Electric Cost of Service(rate) Study, MRES plans to present to the Board at our October Board Meeting. Customer Service, 15,743 payments collected for a total of \$6,003,990.00 and 59,263 services billed for a total of \$6,190,950.00. Human Resources/Risk Management: Completed South Dakota Public Assurance Alliance annual property and liability insurance renewal for August 1, 2026, to July 31, 2027, WMU's total premium for General Liability, Auto, Property and Equipment decreased by 6%, Property premiums increased by 11%, General Liability decreased 15% helped by changing the deductible to \$5,000, Auto/Equipment premiums increased 6% primarily due to

additions. Compensation and Benefits: Compiling salary and benefits data from various SD and MN cities and utilities in response to WMU's survey request, completed the offboarding process for seven summer interns. Information Systems: Working with AE2S on SCADA project and protection of water assets, gathering 2027 budget items for quotes, attended 3 CISA meetings regarding security of water SCADA services.

Statements of Revenue and Expenses and Capital Additions were presented to the Board for review. Year to date net income is \$1,262,294 above budget for the seven months ending July 31, 2026. Total Capital Additions are \$941,550.00 under budget for the seven months ending July 31, 2026.

ITEM 8395

Motion made by Carter with second by Dunn to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Watertown Municipal Utilities Net Payroll for August 2026 Plus ACH Payroll Payments \$795,676.80. Add: K. Engen \$41.70/hr. effective 7/31/2026.

Name	Payable Description	Payment Amount
SEPTEMBER 1, 2026		
3D SERVICES LLC	SERVICE	\$140.00
ACTION BATTERY WHOLESALERS	ANNUAL BATTERY PM & LOAD TEST	\$7,200.00
ACTIVE HEATING INC	SERVICE	\$250.00
ADVANCED ENGINEERING AND ENV. SERVICES	REMOTE SITE SCADA UPGRADE	\$11,564.50
AFLAC	ACCIDENT	\$2,059.27
AMARIL UNIFORM COMPANY	SAFETY CLOTHING	\$184.29
A-OX WELDING SUPPLY INC	SUPPLIES	\$299.55
AQUA-PURE INC	SODIUM HYPOCHLORITE, SODIUM TRI	\$40,034.67
AUTO VALUE WATERTOWN	SUPPLIES	\$415.75
BENDIX IMAGING INC	SUPPLIES	\$405.95
BENSON, BRIAN	REIMBURSEMENT EXPENSE	\$60.00
BORDER STATES ELECTRIC SUPPLY	WIRE, SUPPLIES	\$13,250.57
BRIAN'S GLASS & DOOR INC	SUPPLIES	\$375.00
BRISTOL, INC.	SERVICE - GAS METER MONITORING	\$3,134.40
BROWN, GINA L	REIMBURSEMENT EXPENSE	\$30.00
BURCHATZ CONSTRUCTION COMPANY INC	CONCRETE WORK - WTP	\$21,872.39
BUTLER MACHINERY CO	GENERATOR - RAUVILLE WELLFIELD	\$77,100.00
CARTNEY BEARING & SUPPLY	SUPPLIES	\$98.28
CHARLES LARKIN	REIMBURSEMENT EXPENSE	\$1,515.15
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$13,984.16
CITY OF SIOUX FALLS	SERVICE	\$105.48
CODINGTON COUNTY REGISTER OF DEEDS	COPIES	\$21.00
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$7,368.84
COLOURS, INC.	SUPPLIES	\$489.76
COMMERCIAL CLEANING SERVICES INC.	JANITORIAL SERVICE	\$3,975.00
CORE & MAIN LP	RESTRAINTS, ELBOWS, SUPPLIES	\$10,779.13

CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$185.26
DAKOTA DATA SHRED	SHREDDING SERVICE	\$123.13
DAKOTA DIRECTIONAL LLC	SERVICE - GAS - 6" PRESS. CORREC.	\$506,791.77
DANR	PERMIT	\$250.00
DATA CENTER WAREHOUSE LLC	TABLETS	\$6,651.84
DELTA DENTAL OF SD	DENTAL INSURANCE	\$1,568.80
DEPARTMENT OF HEALTH	WATER SAMPLES	\$924.00
DGR ENGINEERING	SERVICE	\$350.00
DISCOUNT SEEDS, INC.	SUPPLIES	\$2,400.00
DITCH WITCH OF SOUTH DAKOTA, INC	SUPPLIES	\$1,427.85
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$927.11
DTN, LLC	SUBSCRIPTION	\$584.61
DUININCK INC	GRAVEL, ROCK, SCREENED DIRT	\$13,022.21
EACHEN INC	SERVICE - WTP	\$679.85
EMBERLINE PRESS, INC.	POSTAGE & MAILING	\$493.11
ENERGY LABORATORIES INC	WATER TESTING	\$1,682.00
ENGELSTAD ELECTRIC COMPANY	SERVICE - WTP	\$989.80
EQUITABLE	VISION INSURANCE	\$221.80
ERICKSON, AARON	REIMBURSEMENT EXPENSE	\$842.16
ETHANOL PRODUCTS LLC	BULK CO2	\$3,394.80
FASTENAL COMPANY	SUPPLIES	\$176.94
FEDERAL EXPRESS CORP	SERVICE	\$78.98
FLOW CONTROL AUTOMATION INC.	VALVE & ACTUATOR ASSEMBLY - WTP	\$11,974.57
FOLEY AND FOLEY LAW OFFICE, PC	JULY LEGAL FEES	\$7,378.50
GRAF SIGN PRO OF WATERTOWN	SUPPLIES	\$450.00
GRAINGER	SUPPLIES	\$1,398.96
GROSZ ESCAVATING	LEAD SERVICE LINE REPLACEMENT	\$10,612.26
HALME, INC.	CAST IRON WATERMAIN REPLACE.	\$648,937.53
HAWKINS, INC.	AZONE 15	\$13,492.20
HILEX, INC.	LEAD SERVICE LINE REPLACEMENT	\$33,840.00
HILMOE, ZEKE	REIMBURSEMENT EXPENSE	\$633.06
IBEW LOCAL 426	UNION DUES	\$4,784.00
INFOSEND, INC.	POSTAGE & MAILING	\$10,666.18
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$170.50
ISOLVED, INC.	SERVICE	\$236.00
I-STATE TRUCK CENTER	SUPPLIES	\$186.13
J H LARSON COMPANY	SUPPLIES	\$772.34
JOE MEDANICH ASPHALT SERVICES	ASPHALT SERVICES	\$6,977.56
JOHNSON CONTROLS BUILDING SOLUTIONS INC	SERVICE - AIR HANDLING UNIT	\$4,148.16
JORGENSEN & OLSON ASPHALT MAINTENANCE	ASPHALT SERVICES	\$7,392.88
JURGENSEN PRINTING INC	SUPPLIES	\$55.00
JUSTIN'S LAWN & TREE SERVICE	STUMP REMOVALS, SERVICES	\$2,320.00
KARST, ADAM	REIMBURSEMENT EXPENSE	\$240.00
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$214.24
LEVASSEUR, DAN	REIMBURSEMENT EXPENSE	\$172.08
LOCATORS & SUPPLIES INC	SUPPLIES	\$1,833.53
LOVELIS, WAYNE	REIMBURSEMENT EXPENSE	\$129.71
MAC'S HARDWARE	SUPPLIES	\$259.11
MADISON NATIONAL LIFE INSURANCE CO. INC.	LIFE INSURANCE - STAFF	\$48.00
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$534.49
MALLOY ELECTRIC SUPPLY	SUPPLIES	\$667.85
MCKEEVER INC	SUPPLIES	\$408.00
MEIER, MARK	REIMBURSEMENT EXPENSE	\$30.00
MENARDS INC	SUPPLIES	\$1,713.54

MET LIFE	LIFE INSURANCE	\$1,394.41
MIDCONTINENT COMMUNICATIONS	INTERNET, CABLE & PHONE SERVICE	\$1,913.85
MINNESOTA MUNICIPAL UTILITIES ASSN	TRAINING EXPENSE	\$1,755.00
MUNICIPAL UTILITIES	5TH AVE WATERMAIN REPLACEMENT	\$1,438.20
MUNICIPAL UTILITIES - PC	REPLENISH PETTY CASH	\$764.60
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$21,746.83
NAPA CENTRAL	SUPPLIES	\$622.94
NEW PIG CORP	SUPPLIES	\$285.14
NIPPON SANJO MATHESON INC	SUPPLIES	\$194.79
NORTHERN TRUCK EQUIP CORP	SUPPLIES	\$996.42
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$47.80
OFFICE PEEPS	SUPPLIES	\$1,321.27
PETE LIEN & SONS	BULK LIME	\$69,202.15
POMP'S TIRE SERVICE, INC.	SERVICE	\$37.45
PRO LINE INC	SUPPLIES	\$239.62
QWEST CORPORATION DBA CENTURYLINK	ENERGY INCENTIVE REBATE	\$2,967.97
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$64.92
RED'S PLUMBING	SERVICE	\$171.16
RELIABANK DAKOTA	FLEX DC	\$7,381.53
ROPS CERTIFICATION LLC	RECERTIFICATION OF BACKHOE CAB	\$7,200.00
RUNNING'S SUPPLY INC	SUPPLIES	\$245.15
SANFORD WATERTOWN OCCUP. MEDICINE	SERVICE	\$127.00
SCHOOL BOARD OF ED	ENERGY INCENTIVE REBATE	\$1,600.00
SD ASSOCIATION OF RURAL WATER SYSTEMS	MEMBERSHIP	\$765.00
SD ONE CALL	LOCATES	\$795.90
SD PUBLIC ASSURANCE ALLIANCE	GEN LIABILITY/PROPERTY INSURANCE	\$318,256.48
SENSIT TECHNOLOGIES LLC	SERVICE	\$293.57
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$14,185.09
SNAP-ON INCORPORATED	SUPPLIES	\$360.80
SPEE-DEE DELIVERY SERVICE INC	SERVICE	\$110.90
STAN HOUSTON EQUIP CO	RENTAL	\$1,590.00
STAR LAUNDRY	SERVICE	\$965.43
STEFFL DRILLING & PUMP INC	SERVICE - WELLFIELD PROJECT	\$170,445.89
STILLWELD 360, LLC	SERVICE	\$600.00
STUART C IRBY CO	SUPPLIES	\$2,301.34
SUBSURFACE SOLUTIONS	LOCATING EQUIPMENT	\$3,415.75
SUTTON LAWN & SNOW LLC	LAWN CARE	\$3,371.55
TEREX USA, LLC	SERVICE - UNIT 39	\$6,256.46
TERRY-DURIN CO.	INNERDUCT	\$4,252.34
TITAN MACHINERY- WTN	SUPPLIES	\$1,280.10
TOSHIBA FINANCIAL SERVICES	COPIER LEASE	\$618.99
TRAV'S OUTFITTER	SAFETY CLOTHING	\$1,800.44
TWOTREES TECHNOLOGIES	MONTHLY SOFTWARE MAINTENANCE	\$1,375.27
TYLER TECHNOLOGIES	SERVICE	\$652.50
US BANK NATIONAL ASSOCIATION	BANKING FEES	\$750.00
USA BLUEBOOK	SUPPLIES	\$77.00
USA TODAY MEDIA CORP	PUBLISHINGS	\$270.94
WARBORG, BRYAN	REIMBURSEMENT EXPENSE	\$1,052.17
WATERTOWN CURRENT LLC	PUBLISHINGS	\$206.55
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FORD CHRYSLER	SUPPLIES	\$58.50
WATERTOWN UNITED WAY	United Way	\$217.50
WATTS REGULATOR COMPANY	SUPPLIES	\$611.24
WESCO DISTRIBUTION INC	ARRESTERS, STAND OFFS, SUPPLIES	\$36,117.55

WILSON BOHANNAN COMPANY	PADLOCKS	\$2,809.31
WINSUPPLY OF WATERTOWN	SUPPLIES	\$329.70
WW TIRE SERVICE INC	SUPPLIES	\$1,078.00
	TOTAL	\$2,240,836.00

Total August 2026 \$2,240,836.00, Transfer to City's General Fund \$127,841.00, Muni Utilities Electric Water Gas \$63,480.50; Missouri River Energy Services Power \$2,960,035.18; BP Canada Energy Marketing Natural Gas \$44,757.81; Dept. of Revenue Sales/Excise Tax \$235,686.20; CPEP #3 Natural Gas \$9,569.70, CPEP #4 Natural Gas \$11,485.50, CPEP #5 Natural Gas \$33,323.06, CPEP #3 Hedge \$9,005.50, CPEP #4 Hedge \$5,521.26, July's Sewer and Garbage \$902,992.29, August's Sewer and Garbage \$931,236.86.

ITEM 8396

Motion by Carter with second by Dunn 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 31st, day of August, 2026.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Michael Luken
Board President
Municipal Utilities Department