

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING
Monday, September 30, 2024

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, September 30, 2024, at 12:00 p.m. with President Mike Luken presiding.

Board Members present: Mike Luken, Rich Thomas via zoom, Dan Brenden, Charlie Larkin and Chris Carter. Board Liaison, member of City Council, Mike Danforth absent. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Wayne Lovelis, Brian Benson, John Lunde, Aaron Erickson, Mark Meier, Kevin Kruiter, Rod Suttan, Dan LeVasseur, Gina Brown, Lisa Pahl and Attorney Vince Foley. Guest Troy Hieb with William Neale & Co PC., Steve Jurrens, KXLG Radio and Kyle Horst Watertown Current.

ITEM 8074

Motion by Carter with second by Larkin to approve the agenda. Motion carried.

ITEM 8075

Motion by Larkin with second by Thomas to approve minutes of Regular Board Meeting on August 26th, 2024. Motion carried. The Board initial approved September 30, 2024, Board Minutes and then was amended to approve August 26, 2024, minutes.

ITEM 8076

Public Comment - None

ITEM 8077

Presentation by Troy Hieb of William Neale & Co. P.C. for the 2023 audit. 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 Larkin with second by Brenden to accept the 2023 audit. Motion carried.

ITEM 8078

Karst presented a report of unclaimed property to be reported to the state. Motion by Brenden with second by Carter to approve to cancel the presented check numbers and direct these funds to the South Dakota Unclaimed Property Division. Motion carried.

ITEM 8079

Motion by Brenden with second by Larkin to approve Engineering Services with AE2S for SRF/ARPA Funding Services for the Water Department. Motion carried.

ITEM 8080

Motion by Larkin with second by Thomas to approve change order number 1 for the 12th Ave NW Cast Iron Main Replacement Project. Motion carried.

ITEM 8081

Motion by Thomas with second by Brenden to approve change order number 4 for the 3rd Ave NW (Mellette) Watermain Replacement Project for the Water Department. Motion carried.

ITEM 8082

The Board set date of Tuesday, November 12, 2024, 7 am for the Finance Committee Meeting.

ITEM 8083

This being the time and place set for consideration of bids, the following was presented. Bid for Cast Iron Watermain Replacement Project for the Water Department. The bids were opened on September 19th, at 1:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

Cast Iron Watermain Replacement Project: Five bids were received and upon review and recommendation by Magstadt, motion by Brenden with second by Carter to accept low valid bid with Halme, Lake Nordan, SD, for the amount of \$3,821,861.70 with Alternate #1 for \$206,763.30 and Alternate #2 for 263,523.80. Motion carried.

ITEM 8084

Open: a) Lehner presented one bill stuffer-Living Safely with Natural Gas. b) Lehner gave an invitation to the Board to attend one of the MRES Annual Meetings. c) Board President Luken gave an update from the MRES Leadership Academy he went to in Sioux Falls, SD on Sept. 18-19. There were 9 speakers. Somethings discussed were the power supply mix, distribution, rates, cybersecurity and board governance. Luken also has been named an Ambassador for MRES.

ITEM 8085

Magstadt presented the Report on Operations and Projects. Magstadt wanted to start by giving the Board an update about the replacement of 14th Ave North Bridge and the need to order wire prior to the 2025 budget due to long lead times. Electric Department, 6 outages for the month for a total of 61 total outages in 2024, energized new service to scoreboard at new football field, installed new three-phase primary underground service to Wurth Electronics, removed overhead line and poles from Eastwoods. Gas Department, Projects in Progress: Installed new 2" service at City Hall, installed 4" tap for Calvin Addition main, Promoted Chad Kranz to Distribution Foreman and posted job for Cathodic & Leak Survey Technician position. Water Department, Projects in Progress: 1 water main break for a total of 10, load bank test Mellette generator, finalized the lead copper submission to the DANR. Engineering Tech Department, Projects completed this month: 517 One-call locates August 2024, Updated lead/copper data.

ITEM 8086

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects in Progress: (2) new boilers are installed and in service, Midco has set Wednesday, October 16th date for installation of new phone system, working on budget items for 2025, and new employee training in service center. Customer Service: 15,507 payments collected totaling \$6,058,004 and 57,452 services billed for a total billing of \$5,404,970. Human Resources/Risk Management: Completed 2025 payroll and insurance budgets, including wage survey for salaried and hourly positions. Promotion of Chad Kranz, Gas Cathodic & Leak Survey Technician, to Gas Distribution Foreman, effective 9/21/2024, posted Gas Cathodic & Leak Survey Technician position internally and externally and interviewed last week (received 0 internal applications and 5 external applications), new hire Travis Ellingson, Warehouse Apprentice, effective 9/23/2024, completed first interviews for HR/Risk Coordinator position with six external candidates, conducting second interviews with three of these candidates - HR/Risk Coordinator will be announced soon. Information Systems: 2025 budget planning, preparing new phone system, 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 \$1,516,497 above budget for the eight months ending August 31st, 2024. Total Capital Additions are \$3,221,398 under budget for the eight months ending August 31st, 2024.

ITEM 8087

Motion made by Larkin 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 September 2024 Plus ACH Payroll Payments \$706,195.82. Change: Aaron Erickson, \$9,422/mo., effective 9/1/2024, Michael Rost, \$38.41/hr., effective 8/21/2024. Term Tristian Sudenga, 8/23/2024 and Waylin Sime 8/23/2024.

Name	Payable Description	Payment Amount
October 1, 2024		
ABC EMBROIDERY	SERVICE	\$39.60
ACTIVE HEATING INC	ENERGY INCENTIVE REBATE	\$200.00
ADVANCED ENGINEERING AND ENVIRO. SERVICES, LLC	CAST IRON WATERMAIN REPLACEMENT	\$13,299.50
AFLAC	ACCIDENT	\$1,574.10
ANDOR INC	ENERGY INCENTIVE REBATE	\$100.00
A-OX WELDING SUPPLY INC	SUPPLIES	\$473.71
APPLICANT PRO	SERVICE	\$236.00
AQUA-PURE INC	SUPPLIES	\$1,237.50
AUTO VALUE WATERTOWN	SUPPLIES	\$845.73
BASCOM-TURNER INSTRUMENTS INC.	SUPPLIES	\$239.69
BEYOND DENTISTRY	ENERGY INCENTIVE REBATE	\$630.00
BORDER STATES ELECTRIC SUPPLY	ST. LIGHT POLES	\$53,342.07
BORNS GROUP	POSTAGE & MAILING	\$11,263.10
BRIAN'S GLASS & DOOR INC	SERVICE	\$110.00
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$136.18
BUTLER MACHINERY CO	GENERATOR AS PER BID - MELLETTE PROJECT	\$82,979.00
CENTURY LINK	PHONE SERVICE	\$18.58
CENTURY LINK	PHONE SERVICE	\$294.58
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$8,218.95
CHILD SUPPORT PAYMENT CENTER	EMPLOYEE DEDUCTION: CHILD SUPPORT	\$750.00
CODINGTON COUNTY REGISTER OF DEEDS	EASEMENT	\$38.00
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$6,491.36
CONNECTING POINT	SOFTWARE MAINTENANCE	\$859.10
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$123.18
DAKOTA DATA SHRED	SHREDDING SERVICE	\$91.96
DAKOTA DIRECTIONAL LLC	SERVICES - SECONDARY, STREET LIGHTS, PRIMARY, EXCA	\$203,808.22
DENNIS SUPPLY COMPANY	SUPPLIES	\$235.00
DEPARTMENT OF HEALTH	WATER SAMPLES	\$678.00

DISCOUNT SEEDS, INC.	SUPPLIES	\$1,080.00
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$4,407.47
DTN, LLC	SUBSCRIPTION - SEPT	\$1,104.60
DUININCK INC	SERVICE: CAST IRON MAIN REPLACEMENT PROJECT	\$228,856.50
DUININCK INC	DIRT, GRAVEL, CRUSHED CONCRETE	\$11,871.86
DUININCK INC	SERVICE: CAST IRON MAIN REPLACEMENT PROJECT	\$201,607.20
DUININCK INC	SERVICE - WATERMAIN EXTENSION	\$32,375.55
DUTTON-LAINSON COMPANY	ERTS FOR GAS METERS	\$1,794.00
EASTSIDE EQUIPMENT	RENTAL	\$250.00
ELECTRIC MOTORS & MOORE INC	SUPPLIES	\$430.00
ENERGY LABORATORIES INC	SERVICE	\$816.00
ENGELSTAD ELECTRIC COMPANY	SERVICE	\$2,454.09
ETHANOL PRODUCTS LLC	BULK CO2	\$3,775.80
FASTENAL COMPANY	SUPPLIES	\$1,571.26
FEDERAL EXPRESS CORP	SERVICE	\$130.96
FIDELITY SECURITY LIFE INSURANCE CO. (EYEMED)	VISION INSURANCE	\$175.76
FOLEY AND FOLEY LAW OFFICE, PC	AUGUST LEGAL FEES	\$502.50
FRANKLIN PRESS INC	FALL GAS FLYER	\$5,006.40
GANNETT MEDIA CORP	PUBLISHINGS	\$467.40
GRAF SIGN PRO OF WATERTOWN LLC	SUPPLIES	\$270.00
GRAINGER	SUPPLIES	\$429.97
GROEBNER	RISERS	\$24,638.66
HAWKINS, INC.	AZONE 15	\$23,065.95
IBEW LOCAL 426	UNION DUES	\$4,141.00
INDUSTRIAL SALES COMPANY, INC	SERVICE	\$1,358.70
J H LARSON COMPANY	SUPPLIES	\$972.69
JOE MEDANICH ASPHALT SERVICES	ASPHALT SERVICE	\$9,307.16
JORGENSON & OLSON ASPHALT MAINTENANCE, LLC	ASPHALT SERVICE	\$5,734.33
JUSTIN'S LAWN & TREE SERVICE	SERVICE	\$750.00
KARST, ADAM	REIMBURSEMENT EXPENSE	\$533.78
KORTERRA	LOCATE SERVICE	\$4,275.00
KXLG RADIO	ADVERTISING	\$450.00
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$182.81
LEVASSEUR, DAN	REIMBURSEMENT EXPENSE	\$3,189.14
LOVELIS, WAYNE	REIMBURSEMENT EXPENSE	\$394.05
MAC'S HARDWARE	SUPPLIES	\$167.30
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$2,811.80
MATHESON TRI-GAS INC	SUPPLIES	\$252.69
MCKEEVER INC	SUPPLIES	\$280.00
MENARDS INC	SUPPLIES	\$766.63
MET LIFE	LIFE INSURANCE	\$1,657.22
MIDCONTINENT COMMUNICATIONS	INTERNET & CABLE SERVICE	\$203.39
MILBANK WINWATER WORKS	SUPPLIES	\$1,133.25
MILLER ELECTRIC CO	ENERGY INCENTIVE REBATE	\$7,163.56
MINSAIT ACS, INC.	SERVICE CONTRACT	\$9,662.00
MUELLER CO	SUPPLIES	\$3,035.27
MUNICIPAL UTILITIES - PC	REPLENISH PETTY CASH	\$744.37
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$6,985.82
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$12,328.47
NAPA CENTRAL	SUPPLIES	\$668.65
NORTHERN TRUCK EQUIP CORP	SUPPLIES	\$619.00
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$986.50
NOVA FIRE PROTECTION INC	ANNUAL INSPECTION	\$190.00
OFFICE PEEPS	SUPPLIES	\$614.41
OLSON CONTRACTING LLC	SERVICE	\$594.28
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$44.03
PAYMENTUS GROUP INC.	SERVICE	\$9.95
PETE LIEN & SONS	BULK LIME	\$34,870.99
PHEASANTLAND INDUSTRIES	SUPPLIES	\$42.73
POMP'S TIRE SERVICE, INC.	SERVICE	\$259.07
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,481.72
QUALITROL COMPANY LLC	OIL TEMPERATURE GAUGE - SUBSTATION TRANSFORMER 1	\$4,412.32
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$146.24
RELIABANK DAKOTA	FLEX DC	\$6,913.97
RESCO	ELBOWS, SUPPLIES	\$7,392.62
RODENBURG LAW FIRM	EMPLOYEE DEDUCTION	\$150.00
RON'S SAW SALES	SUPPLIES	\$85.95
RUNNING'S SUPPLY INC	SUPPLIES	\$49.97
SD MUNICIPAL LEAGUE	TRAINING EXPENSE	\$65.00
SD ONE CALL	LOCATES	\$570.15
SDRS SPECIAL PAY PLAN	401a SICK	\$41,577.61
SERVICEMASTER OF WATERTOWN	JANITORIAL SERVICE	\$4,120.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$8,758.22
STAN HOUSTON EQUIP CO	RENTAL	\$1,812.51
STAR LAUNDRY	SERVICE	\$1,037.50
STATE TREASURER	2024 UNCLAIMED PROPERTY	\$2,097.41
STATE UNIVERSITY OF IOWA	WATER TESTING FEES	\$3,090.50
STEVE'S WORLD	SERVICE	\$1,011.16

STUART CIRBY CO	CURRENT TRANSFORMERS FOR 3PHASE CUSTOMERS	\$7,834.44
SUTTON LAWN & SNOW LLC	LAWN CARE	\$2,502.00
T & R ELECTRIC SUPPLY COMPANY INC	SERVICE	\$3,030.00
TECHNOLOGY FOR ENERGY CORPORATION	SUPPLIES	\$1,012.49
TITAN MACHINERY- WTN	SUPPLIES	\$1,680.79
TITAN MACHINERY-SF	SUPPLIES	\$536.76
TOSHIBA FINANCIAL SERVICES	COPIER LEASE	\$721.64
TRAV'S OUTFITTER	SAFETY CLOTHING	\$975.96
TWO WAY SOLUTIONS, INC.	SUPPLIES	\$640.99
TYNDALE COMPANY INC	SAFETY CLOTHING	\$541.95
USA BLUEBOOK	SUPPLIES	\$1,293.25
VERMEER HIGH PLAINS	SERVICE	\$2,526.72
WALMART	SUPPLIES	\$139.76
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN RADIO/ALPHAMEDA USA, LLC	ADVERTISING	\$630.00
WATERTOWN UNITED WAY	United Way	\$225.00
WATERTOWN WHOLESALE INC	SUPPLIES	\$779.65
WAYTEK INC	SUPPLIES	\$170.03
WESCO DISTRIBUTION INC	WIRE AS PER BID	\$547,780.42
WILLIAM NEALE & CO., PC	2023 FINANCIAL STATEMENT AUDIT	\$13,570.00
WILTECH INC	SERVICE	\$2,984.00
WW TIRE SERVICE INC	SUPPLIES - UNIT 101	\$2,000.00
	TOTAL	<u><u>\$1,737,813.78</u></u>

Total September 2024 \$1,737,813.78; Transfer to City's General Fund \$120,500.00, Muni Utilities Electric Water Gas \$64,758.41; Missouri River Energy Services Power \$2,304,235.81; BP Canada Energy Marketing Natural Gas \$37,849.14; Dept. of Revenue Sales/Excise Tax \$210,293.56; CPEP #3 Natural Gas \$4,698.05, CPEP #4 Natural Gas \$7,477.28, CPEP #5 Natural Gas \$10,325.25, CPEP #3 Hedge \$14,637.00, CPEP #4 Hedge \$9,666.00, Sequent Energy Mgmt \$1,460.10. Finance Office Garbage/Sewer \$699,010.31.

ITEM 8088

Pursuant to SDCL 1-25-2(3) Larkin moved with second by Brenden to move to Executive Session. The Board does not expect to take-action when they reconvene to the regular session. Motion carried.

Vice 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 30th, day of September, 2024.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Michael Luken
Board President
Municipal Utilities Department