

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, September 29th, 2025

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, September 29th, 2025, at 12:00 p.m. with Board Vice President Rich Thomas presiding.

Board Members present: Rich Thomas, Charlie Larkin, and Mike Luken. Dan Brenden and Chris Carter were absent. Board Liaison, member of City Council, Kyle Peters. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Wayne Lovelis, Aaron Erickson, Brian Benson, Dan LeVasseur, Rod Suttan, Zeke Hilmoie, Cheryl Mack, Gina Brown, Lisa Pahl, and Attorney Vince Foley. Guests: Mayor Reid Holien and Roger Whittle, The Watertown Current.

ITEM 8240

Motion by Luken with second by Larkin to approve the agenda as amended by removing Item 8, Board Committee assignments. Motion carried.

ITEM 8241

Motion by Luken with second by Larkin to approve minutes of Regular Board Meeting from August 26, 2025. Motion carried.

ITEM 8242

Public Comment - None

ITEM 8243

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

ITEM 8244

Motion by Luken with second by Larkin to authorize General Manager to execute the Memorandum of Understanding for the Calvin Industrial Park Lift Station Project No. 2428. Codington County, The City of Watertown, Watertown Development Company, and Watertown Municipal Utilities mutually agree to provide for the development the sanitary lift station and to share all costs

associated with its engineering, development and construction. Each entity is estimated to contribute approximately \$235,000-\$285,000 depending upon awarded LIIP grant. Motion carried.

ITEM 8245

Motion by Luken with second by Larkin to authorize General Manager to sign Task Order No. 11 for remote water SCADA system upgrades with AE2S, total estimated compensation is \$46,000. Motion carried.

ITEM 8246

Open: Lehner presented the two bill stuffers a) Living Safely with Natural Gas and b) Watertown Regional Airport. Lehner also gave an invite to the Board to attend the MRES Area Meetings next month.

ITEM 8247

Magstadt presented the Report on Operations and Projects. Electric Department, Projects Completed this Month: 11 outages for the month and 89 total unscheduled outages for 2025, terminated and energized new primary at Kibble Equipment and Sewer Plant, wrecked out overhead lines and poles on 3rd Ave. to 10th Ave. NE between 6th and 9th St. following underground conversion. Gas Department, Projects Completed this Month: Finished installing and heating up 1,750' of 4" plastic at Lake of Willow Creek, lowered 100' of 2" plastic main at Sewer Plant, finalizing some transfer items on the Northern Natural Gas line we are buying. Water Department, Projects Completed this Month: 1 main break for a total of 14 for the winter season, replaced lead service line on 2nd St. NW, mailing out next month Lead Service Line letters total of 1,361 unknowns remaining, completed September flushing segments. Projects in Progress: Halme delayed Cast Iron Replacement Project until 2026, temporary generator for Rauville Well Field will be installed on Sept. 25th. Projects Starting Next Month: Will started flushing program again second Tuesday in October. Engineering Tech, Projects Completed this Month: 390 one-call locates for September 1st to September 23rd, 2025, 598 one-call locates for August 2025. Projects in Progress: Stake and Locate Electric Primary and Natural Gas Main relocate on 14th Ave. bridge project.

ITEM 8248

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Eide Bailly completed the 2024 Audit and will be having a Teams presentation in October. Projects in Progress: Working on 2026 budget items. Customer Service: Working on data cleanup in NorthStar and continuing Tyler training, Tyler go-live date is

scheduled for February 2026, 15,947 Payments collected for a total of \$6,284,085 and 58,126 billed for a total of \$5,551,924. Human Resources/Risk Management: Recruiting for Water Plant Operator, search continues for viable candidates, working on 2026 payroll budget, including wage survey for salaried positions. Information Systems: Decommissioned 2 old servers, 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 \$194,817 below budget for the eight months ending August 31st, 2025. Total Capital Additions are \$1,784,279 under budget for eight months ending August 31st, 2025.

ITEM 8249

Motion made by Larkin 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 September 2025 Plus ACH Payroll Payments \$725,751.66. Term: W. Sime, effective 8/22/2025.

Name	Payable Description	Payment Amount
OCTOBER 1, 2025		
ABC EMBROIDERY	SERVICE	\$34.65
ACTIVE HEATING INC	ENERGY INCENTIVE REBATE	\$400.00
ADVANCED ENGINEERING AND ENVIRONMENTAL SERVICES, LLC	WTP MASTER PLAN	\$51,527.12
AFLAC	ACCIDENT	\$1,702.31
APGA	ANNUAL SUBSCRIPTION	\$995.00
APPLICANT PRO	SERVICE	\$472.00
AQUA-PURE INC	SODIUM TRIPOLYPHOSPHATE	\$3,762.50
AUTO VALUE WATERTOWN	SUPPLIES	\$1,389.39
AVA MARIA SCHOOL	ENERGY INCENTIVE REBATE	\$2,000.00
BENDIX IMAGING INC	SUPPLIES	\$271.97
BORDER STATES ELECTRIC SUPPLY	DEAD FRONT PAD MOUNT SWITCHGEAR AS PER BID	\$127,702.96
BORNS GROUP	POSTAGE & MAILING	\$13,107.70
BRIAN'S GLASS & DOOR INC	SERVICE	\$407.24
BURCHATZ CONSTRUCTION COMPANY INC	CONCRETE SLAB, SERVICE	\$12,900.79
BUTLER MACHINERY CO	SERVICE - WTP - GENERATOR	\$5,782.48
CARTNEY BEARING & SUPPLY	SUPPLIES	\$67.01
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$4,689.22
CODINGTON COUNTY REGISTER OF DEEDS	SUPPLIES	\$67.00
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$6,472.88
COMMERCIAL CLEANING SERVICES INC.	JANITORIAL SERVICE	\$3,975.00
CORE & MAIN LP	HYDRANT EXTENSION KITS	\$58,957.36
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$38.85
DAKOTA DATA SHRED	SHREDDING SERVICE	\$94.51
DEPARTMENT OF HEALTH	WATER SAMPLES	\$900.00
DGR ENGINEERING	EAST SUBSTATION BREAKER REPLACEMENTS	\$7,985.60
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$1,394.99
DTN, LLC	SUBSCRIPTION	\$579.92
DUININCK INC	ROCK, GRAVEL, SAND	\$5,123.20
DUTTON-LAINSON COMPANY	GAS ERTS	\$74,525.78

EASTSIDE EQUIPMENT	SUPPLIES	\$251.00
EIDE BAILLY LLP	2024 F/S AUDIT	\$5,593.09
ELEMENT MATERIALS TECHNOLOGY	SERVICE	\$765.00
ENERGY ECONOMICS INC	LARGE VOLUME METER REPAIR - GAS DEPT.	\$6,456.99
ENERGY LABORATORIES INC	WATER TESTING	\$6,419.00
ENGELSTAD ELECTRIC COMPANY	SERVICE - ELECTRIC	\$8,880.40
ERICKSON, AARON	REIMBURSEMENT EXPENSE	\$41.06
ETHANOL PRODUCTS LLC	BULK CO2	\$1,477.38
FASTENAL COMPANY	SUPPLIES	\$322.69
FEDERAL EXPRESS CORP	SERVICE	\$6.31
FIDELITY SECURITY LIFE INSURANCE CO. (EYEMED)	VISION INSURANCE	\$193.77
FOLEY AND FOLEY LAW OFFICE, PC	AUGUST LEGAL SERVICES	\$727.50
FRANKLIN PRESS INC	FALL GAS FLYER	\$4,542.55
G & R CONTROLS INC.	REPLACED CO/NO2 SENSORS	\$7,191.00
GANNETT MEDIA CORP	PUBLISHINGS	\$201.48
GRAINGER	SUPPLIES	\$282.69
GROSZ ESCAVATING	LEAD SERVICE LINE REPLACEMENT	\$11,090.48
HALME, INC.	REPLACEMENT OF CAST IRON MAINS	\$22,500.00
HAWKINS, INC.	AZONE 15	\$18,328.06
HILMOE, ZEKE	REIMBURSEMENT EXPENSE	\$183.40
IBEW LOCAL 426	UNION DUES	\$4,774.00
INGERSOLL RAND COMPANY	SUPPLIES	\$2,234.92
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$183.60
I-STATE TRUCK CENTER	SERVICE	\$486.66
J H LARSON COMPANY	SUPPLIES	\$2,277.17
JOE MEDANICH ASPHALT SERVICES	ASPHALT SERVICES	\$20,134.73
JORGENSEN & OLSON ASPHALT MAINTENANCE, LLC	ASPHALT SERVICES - ELECTRIC	\$9,051.47
KARST, ADAM	REIMBURSEMENT EXPENSE	\$221.52
KORTERRA	LOCATE SERVICE	\$5,150.00
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$373.60
LEVASSEUR, DAN	REIMBURSEMENT EXPENSE	\$1,194.42
LOCKSMITH & MORE LLC	SERVICE	\$115.00
LOVELIS, WAYNE	REIMBURSEMENT EXPENSE	\$125.16
MAC'S HARDWARE	SUPPLIES	\$11.92
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$247.80
MATHESON TRI-GAS INC	SUPPLIES	\$174.70
MCKEEVER INC	SUPPLIES	\$310.17
MENARDS INC	SUPPLIES	\$629.13
MESA PRODUCTS INC	SUPPLIES	\$703.61
MET LIFE	LIFE INSURANCE	\$1,596.61
MIDCONTINENT COMMUNICATIONS	INTERNET, CABLE & PHONE SERVICE	\$1,891.68
MILBANK WINWATER WORKS	SUPPLIES	\$385.72
MISSOURI RIVER ENERGY SERVICES	OIL SAMPLING SERVICES	\$6,155.00
MUNICIPAL UTILITIES - PC	REPLENISH PETTY CASH	\$476.49
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$2,870.69
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$10,617.59
NAPA CENTRAL	SUPPLIES	\$957.87
NORTHERN NATURAL GAS CO.	NNG PIPELINE ACQUISITION - LAND	\$11,145.00
NORTHERN NATURAL GAS CO.	NNG PIPELINE ACQUISITION - ABANDONMENT COST	\$261,726.00
NORTHERN NATURAL GAS CO.	NNG PIPELINE ACQUISITION - PIPELINE	\$19,478.00
NOVA FIRE PROTECTION INC	SERVICE	\$350.00
NOVASPECT, INC.	SUPPLIES	\$542.31
OFFICE PEEPS	SUPPLIES	\$992.49
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$152.99
OVERHEAD DOOR CO OF WTN	SUPPLIES	\$120.00

PAYMENTUS GROUP INC.	SERVICE	\$39.80
PETE LIEN & SONS	BULK LIME	\$32,727.02
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,484.98
R & F HOLDINGS	ENERGY INCENTIVE REBATE	\$4,673.30
RELIABANK DAKOTA	FLEX DC	\$6,133.89
REVOLT ELECTRICAL SERVICES INC.	SERVICE	\$1,950.00
RIPLEY ACRES	SUPPLIES	\$369.00
RON'S SAW SALES	SERVICE	\$165.68
RUNNING'S SUPPLY INC	SUPPLIES	\$1,306.72
SANFORD WATERTOWN OCCUPATIONAL MEDICINE	SERVICE	\$61.00
SCHAEFFER MFG CO	SUPPLIES	\$1,099.96
SCOTT ENGINEERING CO	SERVICE	\$1,375.00
SD ONE CALL	LOCATES	\$636.30
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$8,571.83
SPEE-DEE DELIVERY SERVICE INC	SERVICE	\$24.98
STAN HOUSTON EQUIP CO	RENTAL	\$1,590.00
STAR LAUNDRY	SERVICE	\$632.34
STATE TREASURER	2025 UNCLAIMED PROPERTY	\$2,082.19
STUART C IRBY CO	SERVICE	\$705.71
SUTTEN, RODNEY N	REIMBURSEMENT EXPENSE	\$886.46
SUTTON LAWN & SNOW LLC	LAWN CARE	\$3,187.00
T & R ELECTRIC SUPPLY COMPANY INC	SERVICE	\$1,651.95
TITAN MACHINERY - FARGO	SUPPLIES	\$161.85
TITAN MACHINERY - MARSHALL	SUPPLIES	\$497.00
TITAN MACHINERY - WTN	SUPPLIES	\$63.95
TITAN MACHINERY-SF	SUPPLIES	\$379.13
TRAV'S OUTFITTER	SAFETY CLOTHING	\$1,272.92
TWOTREES TECHNOLOGIES	SOFTWARE MAINTENANCE	\$1,888.75
USA BLUEBOOK	SUPPLIES	\$110.66
WATERTOWN CURRENT LLC	SUBSCRIPTION	\$95.00
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN UNITED WAY	UNITED WAY	\$240.00
WATERTOWN WHOLESALE INC	SUPPLIES	\$119.10
WELD-IT-ALL	SERVICE	\$222.00
WESCO DISTRIBUTION INC	1/O LOADBREAK ELBOWS	\$11,538.10
WW TIRE SERVICE INC	SUPPLIES	\$723.00
	TOTAL	<u><u>\$947,995.87</u></u>

Total September 2025 \$947,995.87; Transfer to City's General Fund \$124,117.00, US Bank Nat'l Assoc. \$46,487.50, US Bank Nat'l Assoc. Loan DW-2 \$10,372.65, US Bank Nat'l Assoc. Loan DW-5 \$9,404.85, Muni Utilities Electric Water Gas \$51,745.20; Missouri River Energy Services Power \$2,543,044.14; BP Canada Energy Marketing Natural Gas \$30,582.91; Dept. of Revenue Sales/Excise Tax \$219,997.27; CPEP #3 Natural Gas \$9,678.20, CPEP #4 Natural Gas \$13,844.76, CPEP #5 Natural Gas \$34,859.89, CPEP #3 Hedge \$9,858.30, CPEP #4 Hedge \$4,606.20, City Finance Office Garbage/Sewer \$873,548.02.

ITEM 8250

Karst requested that the Board consider rescheduling the November Board Meeting and establish a date for the Finance Committee Meeting. After discussing potential dates, the Board agreed to consult the two absent members about their availability before making a final decision.

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

Vice-President Thomas 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 29th, day of September, 2025.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Rich Thomas
Board Vice-President
Municipal Utilities Department