

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING
Monday, July 29th, 2024

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, July 29th, 2024, at 12:00 p.m. with President Mike Luken presiding.

Board members present: Mike Luken, Dan Brenden, Rich Thomas, Charlie Larkin and Chris Carter. Board Liaison, member of City Council, Mike Danforth and Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Wayne Lovelis, Brian Benson, Mark Meier, Kevin Krutter, Dan LeVasseur, Gina Brown, Lisa Pahl, Attorney Vince Foley and Roger Whittle, KXLG Radio.

ITEM 8050

Motion by Larkin with second by Thomas to approve the agenda with one change by removing Item 5, Big Sioux CREP update. Motion carried. This item will be presented at the August 26, 2024, Board Meeting.

ITEM 8051

Motion by Brenden with second by Carter to approve minutes of Regular Board Meeting on June 26th, 2024. Motion carried.

ITEM 8052

Public Comment - None

ITEM 8053

Motion by Thomas with second by Brenden to authorize General Manager to sign agreement with Midcontinent Communications for phone service. Motion carried.

ITEM 8054

Motion by Carter with second by Larkin to authorize General Manager to Sign agreement with Convergent to convert alarm system from phone to internet base. Motion carried.

ITEM 8055

This being the time and place set for consideration of bids, the following was presented. Bids for Redrill of Well #39 for the Water Department and Switchgear for Electric Department. These bids were opened on July 25, 2024, at 1:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

Redrill of Well #39: One bid was received and upon review and recommendation by Magstadt, motion by Larkin with second by Thomas to reject bid because of the price. Motion carried.

Switchgear: Two bids were received and upon review and recommendation by Magstadt, motion by Thomas with second by Larkin to accept low valid bid with Irby Utilities, Burnsville, MN, for the amount of \$146,510.00. Motion carried.

ITEM 8056

Motion by Carter with second by Larkin to return check to unsuccessful bidder.
Motion carried.

ITEM 8057

Open: a) Missouri River Energy Services (MRES) and Watertown Municipal Utilities are celebrating Watertown's 50th Anniversary as a valued member of their organization since 1974.

ITEM 8058

Board President Luken presented the Board Committees with a change as showing with Rich Thomas to Cybersecurity and Chris Carter to Wages & Personnel.

MUNICIPAL UTILITIES BOARD COMMITTEES

2024-2025

| | | |
|--|----------------|----------------|
| CYBERSECURITY | Rich Thomas | Charlie Larkin |
| RATES & TRANSFERS | Rich Thomas | Dan Brenden |
| WAGES & PERSONNEL | Dan Brenden | Chris Carter |
| PEDIB (Production, Equip., Distribution, Inventory & Bldgs. | Charlie Larkin | Chris Carter |

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

ITEM 8059

Magstadt presented the Report on Operations and Projects. Electric Department, 13 outages for the month for a total of 44 total unscheduled outages in 2024. Installing 750 MCM cable through Eastwood area and pulling poles. Gas Department, Projects in Progress: Changed out 54 gas meters for the month, replaced 200' of 1-1/4" steel main and 5 services in Highrise Tower Apts. alley for street project, Installed and tied in 1,200' of 4" main at Dakota Commons. Water Department, Projects in Progress: 1 water main break for a total of 8 through 2024, repaired 2 hydrants and replaced 1. Engineering Tech, Projects Completed this Month: 512 one call locates for June 2024, locating and staking for street projects.

ITEM 8060

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects in Progress: (2) new boilers are being installed and estimated to be completed by the end of July, RFP's for a new phone system have been received and finalized, Work on budget items for 2025. Customer Service: 14,992 Payments Collected Totaling \$5,140,08 57,465 Services Billed, for a Total Billing of \$4,817,640. Human Resources/Risk Management: Continue work on 2025 payroll and insurance budgets, including wage survey for salaried and hourly positions, completed interviews for Purchasing, Facilities & Accounting Supervisor position - received 11 applications and interviewed 5 people - decision should be made by the end of this month, Retirement - John Lunde, Gas Superintendent and Retirement of Sheila Mennenga, HR/Risk Coordinator. 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 \$1,368,701 above budget for the six months ending June 30th, 2024. Total Capital Additions are \$2,231,345 under budget for the six months ending June 30th, 2024.

ITEM 8061

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 July 2024 Plus ACH Payroll Payments \$683,044.33.

| Name | Payable Description | Payment Amount |
|---|---------------------------------|----------------|
| JULY 23, 2024 | | |
| ABC EMBROIDERY | SERVICE | \$4.95 |
| ACTIVE HEATING INC | ENERGY INCENTIVE REBATE | \$200.00 |
| ADV. ENGINEERING AND ENVIR. SERVICES, LLC | MELLETTTE WATERMAIN EXTENSION | \$1,902.00 |
| AFLAC | ACCIDENT | \$1,574.10 |
| A-OX WELDING SUPPLY INC | SUPPLIES | \$28.14 |
| APPLICANT PRO | SERVICE | \$236.00 |
| AQUA-PURE INC | SODIUM TRIPOLYPHOSPHATE | \$7,525.00 |
| AUTO BODY SPECIALTIES | SUPPLIES | \$534.20 |
| AUTO VALUE WATERTOWN | SUPPLIES | \$676.69 |
| BASIN CONSTRUCTION & DRAIN TILE, LLC | SERVICE | \$3,643.88 |
| BENDIX IMAGING INC | SUPPLIES | \$375.97 |
| BORDER STATES ELECTRIC SUPPLY | 3 PHASE FAULT INDICATORS | \$22,306.69 |
| BORNS GROUP | POSTAGE & MAILING | \$9,316.40 |
| BUREAU OF ADMINISTRATION | STATE TELEPHONE NETWORK USAGE | \$113.86 |
| CENTURY LINK | PHONE SERVICE | \$276.00 |
| CHASE CARDMEMBER SERVICE | CREDIT CARD | \$2,554.87 |
| CHILD SUPPORT PAYMENT CENTER | EMPLOYEE DEDUCTION: CHILD SUPP. | \$750.00 |
| CITY OF WATERTOWN | DONATION | \$2,000.00 |
| CODINGTON COUNTY REGISTER OF DEEDS | EASEMENT | \$46.00 |
| CODINGTON-CLARK ELECTRIC COOP. INC | WELLFIELD ELECTRIC SERVICE | \$6,339.04 |
| CONNECTING POINT | SOFTWARE MAINTENANCE | \$859.10 |
| CONTINENTAL SAFETY EQUIP | SUPPLIES | \$402.00 |

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| CORE & MAIN LP | SUPPLIES | \$18,005.87 |
| CREDIT COLLECTIONS BUREAU | COLLECTIONS | \$51.33 |
| CRESCENT ELECTRIC SUPPLY CO | SUPPLIES | \$185.11 |
| DAKOTA DATA SHRED | SHREDDING SERVICE | \$82.91 |
| DAKOTA DIRECTIONAL LLC | SERVICE - MULTIPLE ELECTRIC PROJ. | \$239,104.59 |
| DAKOTA RIGGERS & TOOL | SUPPLIES | \$4,607.16 |
| DEPARTMENT OF HEALTH | WATER SAMPLES | \$2,527.00 |
| DSG DAKOTA SUPPLY GROUP | TRANSFORMERS AS PER BID | \$157,616.03 |
| DTN, LLC | SUBSCRIPTION | \$552.30 |
| DUININCK INC | GRAVEL, DIRT | \$5,377.60 |
| ELECTRIC MOTORS & MOORE INC | SUPPLIES | \$182.00 |
| ETHANOL PRODUCTS LLC | BULK CO2 | \$1,211.88 |
| FARWEST LINE SPECIALTIES, LLC | SUPPLIES | \$1,951.50 |
| FEDERAL EXPRESS CORP | SERVICE | \$97.50 |
| FIDELITY SECURITY LIFE INS. CO. (EYEMED) | VISION INSURANCE | \$157.50 |
| FOLEY AND FOLEY LAW OFFICE, PC | JUNE LEGAL FEES | \$1,087.50 |
| G & R CONTROLS INC. | SERVICE | \$310.75 |
| GANNETT MEDIA CORP | PUBLISHINGS | \$902.59 |
| GRAINGER | SUPPLIES | \$71.19 |
| HAWKINS, INC. | AZONE 15 | \$21,297.80 |
| HDR ENGINEERING INC | SERVICE - WATERMAIN STREET PROJ. | \$5,560.00 |
| IBEW LOCAL 426 | UNION DUES | \$4,349.00 |
| INDUSTRIAL SALES COMPANY, INC | RISERS | \$635.16 |
| IOWA LEAGUE OF CITIES | SERVICE | \$150.00 |
| J H LARSON COMPANY | SUPPLIES | \$2,731.10 |
| JOHNSON CONTROLS INC | BOILER (2) PROJECT | \$12,673.87 |
| KARST, ADAM | REIMBURSEMENT EXPENSE | \$940.00 |
| KXLG RADIO | ADVERTISING | \$595.00 |
| LEHNER, STEVE | REIMBURSEMENT EXPENSE | \$287.96 |
| LOCATORS & SUPPLIES INC | SPRAY PAINT | \$4,762.14 |
| LUNDE, JOHN | REIMBURSEMENT EXPENSE | \$851.35 |
| MACKSTEEL WAREHOUSE INC | SUPPLIES | \$101.21 |
| MAC'S HARDWARE | SUPPLIES | \$259.56 |
| MAGSTADT, BERT | REIMBURSEMENT EXPENSE | \$581.56 |
| MARCO TECHNOLOGIES LLC | MFILES CONTRACT | \$11,854.20 |
| MATHESON TRI-GAS INC | SUPPLIES | \$218.39 |
| MCKEEVER INC | SUPPLIES | \$315.00 |
| MENARDS INC | SUPPLIES | \$1,270.38 |
| MET LIFE | LIFE INSURANCE | \$1,678.08 |
| MIDCONTINENT COMMUNICATIONS | INTERNET & CABLE SERVICE | \$203.39 |
| MILBANK WINWATER WORKS | SUPPLIES | \$2,188.54 |
| MINNESOTA MUNICIPAL UTILITIES ASSN | SAFETY PROGRAM | \$10,797.50 |
| MISSOURI RIVER ENERGY SERVICES | TRAINING EXPENSE | \$40.00 |
| MUELLER CO | GAS METER VALVES | \$7,808.41 |
| MUNICIPAL UTILITIES - PC | REPLENISH PETTY CASH | \$239.52 |
| MUNICIPAL UTILITIES-NSF CHECK ACCO | REIMBURSE NSF FUND | \$2,243.53 |
| MUNICIPAL UTILITIES-REFUND ACCT | REFUNDS OF CREDITS ON ACCOUNTS | \$18,823.10 |
| MUTH ELECTRIC INC | SERVICE | \$142.86 |
| NAPA CENTRAL | SUPPLIES | \$73.91 |
| NORTHWEST PIPE FITTINGS INC | SUPPLIES | \$1,905.34 |

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| OFFICE PEEPS | SUPPLIES | \$825.42 |
| PAYMENTUS GROUP INC. | SERVICE | \$109.45 |
| PETE LIEN & SONS | BULK LIME | \$28,138.14 |
| POMP'S TIRE SERVICE, INC. | SUPPLIES | \$493.16 |
| PRINCIPAL FINANCIAL GROUP | DENTAL INSURANCE | \$1,309.90 |
| PRO LINE INC | SUPPLIES | \$459.52 |
| RC FIRST AID | SUPPLIES | \$46.00 |
| RELIABANK DAKOTA | FLEX MED | \$6,563.97 |
| RESCO | ELBOWS | \$8,276.50 |
| RICE LAKE WEST | WTP EQUIPMENT REPLACEMENT | \$319,978.35 |
| RODENBURG LAW FIRM | EMPLOYEE DEDUCTION | \$150.00 |
| RON'S SAW SALES | SERVICE | \$310.92 |
| RUNNING'S SUPPLY INC | SUPPLIES | \$282.11 |
| SANFORD WTN OCCUPATIONAL MEDICINE | SERVICE | \$271.00 |
| SD ONE CALL | LOCATES | \$559.65 |
| SDSU FOUNDATION ACCT #70507 | CENTER FOR POWER SYS. STUDIES | \$400.00 |
| SENSAPHONE | SERVICE | \$299.40 |
| SERVICEMASTER OF WATERTOWN | JANITORIAL SERVICE | \$4,120.00 |
| SIOUX VALLEY CO-OP | FUEL, SUPPLIES | \$8,428.16 |
| STAN HOUSTON EQUIP CO | SUPPLIES | \$4,317.29 |
| STAR LAUNDRY | SERVICE | \$558.85 |
| STROMSETH DIRT WORKS LLC | SUPPLIES | \$1,068.00 |
| STUART C IRBY CO | SUPPLIES | \$231.98 |
| SUBSURFACE SOLUTIONS | SUPPLIES | \$360.00 |
| SUTTON LAWN & SNOW LLC | LAWN CARE | \$3,183.00 |
| T & R ELECTRIC SUPPLY COMPANY INC | TRANSFORMER REPAIRS | \$5,052.00 |
| TEREX USA, LLC | SUPPLIES - NEW DIGGER DERRICK | \$14,658.98 |
| TERRY-DURIN CO. | INNERDUCT WITH PULL TAPE | \$3,956.26 |
| TITAN MACHINERY- WTN | SUPPLIES | \$356.25 |
| TOSHIBA FINANCIAL SERVICES | COPIER LEASE | \$554.67 |
| TRAV'S OUTFITTER | SAFETY CLOTHING | \$834.93 |
| USA BLUEBOOK | SUPPLIES | \$3,074.76 |
| WATERTOWN DEVELOPMENT COMPANY | INDUSTRIAL DEVELOPMENT EXPENSE | \$8,690.00 |
| WATERTOWN LAWN & GARDEN | SUPPLIES | \$122.00 |
| WATERTOWN UNITED WAY | United Way | \$225.00 |
| WATERTOWN WHOLESALE INC | SUPPLIES | \$1,054.00 |
| WELD-IT-ALL | SERVICE | \$212.50 |
| WESCO DISTRIBUTION INC | WIRE AS PER BID | \$416,858.34 |
| WW TIRE SERVICE INC | SUPPLIES | \$1,085.00 |
| | TOTAL | \$1,458,800.52 |

Total July 2024 \$1,458,800.52; Transfer to City's General Fund \$120,500.00, Muni Utilities Electric Water Gas \$47,720.65; Missouri River Energy Services Power \$2,202,361.40; BP Canada Energy Marketing Natural Gas \$37,762.20; Dept. of Revenue Sales/Excise Tax \$187,507.38; CPEP #3 Natural Gas \$5,676.75, CPEP #4 Natural Gas \$8,713.50, CPEP #5 Natural Gas \$12,292.50, CPEP #3 Hedge \$9,426.48, CPEP #4 Hedge \$5,077.80, Sequent Energy Mgmt \$537.00. Finance Office Garbage/Sewer \$671,885.09.

ITEM 8062

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

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

Motion by Larkin with second by Thomas 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 July,2024.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Michael Luken
Board President
Municipal Utilities Department