

Minutes of Proceedings
Of the
Algona Municipal Utilities' Board of Trustees

A meeting of the Board of Trustees of the Algona Municipal Utilities was held at Algona Municipal Utilities office, 104 W. Call Street, Algona, Iowa on September 2, 2020 at 11:00 AM. The Public was not allowed to physically attend however, the meeting was also held electronically as allowed by Iowa Code Section 21.8 with access to the public provided by telephone conference call. Physical attendance by the public was impractical due to the Covid-19 Public Health Emergency.

Board members present in person: Julie Murphy, Chairperson; Trustees – Jay Geving, Karen Schaaf, Dave Golwitzer and Don Heupel.

Others present by telephone: Scott Buchanan, General Counsel.

Others present in person: John Bilsten, General Manager, Sandra Batt, Secretary and Chief Financial Officer and Blair Metzger, DGR Engineering.

Chairperson Murphy called the meeting to order at 11:00 AM.

The consent agenda included roll call, adoption of the agenda, approval of the July 29, 2020 regular minutes and approval of the monthly vouchers and uncollectible accounts. Trustee Geving moved to approve the consent agenda, seconded by Trustee Schaaf. Motion carried unanimously.

Citizens opportunity to address the Board of Trustees – There were no citizens in attendance or on the phone.

Financial Statements for July 2020 were presented by the Chief Financial Officer. Trustee Heupel moved to approve the Financial Reports and place them on file, seconded by Trustee Golwitzer. Motion carried unanimously.

Blair Metzger, Professional Engineer from DGR Engineering presented the AMU Electric Rate Report. AMU's electric rates are reviewed annually by DGR Engineering and management. Mr. Metzger explained that significant changes in the cost drivers have impacted the utility within the last few years. Those cost drivers are as follows:

- Continued significant capital investment requirements for the local AMU distribution system to provide reliable electric service and reduce exposure to elements like ice, windstorms, snow etc.
- Shifts in the underlying contributors to AMU's power supply costs, which are changing as legacy baseload plants are run less, and renewable resources provide an increasing percentage of the energy needed in the region.
- A continued move toward distributed or self-generation at the retail customer level, which highlights the need for the recognition that much of the cost of providing service at the local level is of a fixed cost nature, and does not vary with usage.

Mr. Metzger explained that in addition to reviewing the allocations to customer classes that are driven by the cost-of-service analysis, the current study examined the revenue requirements for the utility, both in terms of the need to maintain adequate unrestricted reserves, as well as to meet the requirements imposed by AMU's bondholders for maintaining sufficient liquidity to service existing debt.

Based on the conclusions reached regarding revenue requirements and cost-of-service based shifts, proposed rates were presented. It is expected that these rates will produce the resulting revenues identified as being required and will result in equity among rate classes.

Rate Class		Rate Components	
		Current Rate	Proposed Rate
Residential	Energy Charge (all kWh)	13 cents	12.4 cents
	Customer Charge	\$10.75/month	\$23.00/month
Small Commercial	Energy Charge (all kWh)	15.5 cents	15.8 cents
	Customer Charge	\$10.60/month	\$25.00/month
Large Commercial	Demand Charge (all kW)	\$18.00	\$20.75
	Energy Charge (all kWh)	4 cents	2.8 cents
	Customer Charge	\$24.00/month	\$94.40/month
Industrial	Demand Charge (all kW)	\$15.15	\$20.65
	Energy Charge (all kWh)	3.5 cents	2.8 cents
	Customer Charge	\$31.80/month	\$94.40/month
Public Street Lighting	Energy Charge (all kWh)	5.3 cents	5.9 cents

Lengthy discussion followed the presentation noting that the last time electric rates were increased was January 2016. There was also a discussion on customer power factor. The current AMU policy creates a charge for Industrial customers that do not have a power factor less than 90% at the time of their monthly peak. The power factor charge will be evaluated and may be implemented at the same time as the rate adjustment.

The General Manager presented draft Customer Service Rules. The primary proposed change to the Rules is the implementation of customer deposits. Initial deposits may be required for all new residential and commercial accounts as well as any account reestablishing service. Proposed deposits will be based on a credit check for all applicants and co-applicants. Discussion followed. The final rules will be presented at the next Board of Trustees Meeting.

Trustee Golwitzer moved to set the date and time for a Public Hearing for Electric Rates for September 30, 2020 at 11:00 AM. Trustee Schaaf seconded the motion. Motion carried.

The Master Services Agreement and Service Schedules for Voice Products offered by Inteliquent Inc. were discussed. It was determined that that the Utility should explore other long-distance options.

The General Manager presented the Northwest Communications Network, L.C. Fiber Lease Agreement. After discussion, Trustee Schaaf moved to approve the agreement, seconded by Trustee Geving. Motion carried.

A brief update on the AMU Covid-19 Policy was given by the General Manager.

The next meeting is scheduled for September 30, 2020 at 11:00 P.M.

Upon motion and vote, the meeting adjourned at 12:50 P.M.

/s/ Julie Murphy
Julie Murphy, Chairperson

Attest:

/s/ Sandra M. Batt
Sandra M. Batt, Secretary

The following vouchers were approved:

CK #	VENDOR	DESCRIPTION	AMOUNT
	PAYROLL		\$ 130,735.49
50	ALGONA MUNICIPAL UTILITIES	UTILITY BILLS	16,376.50
51	NIMECA	POWER PURCHASED	360,249.18
52	EFT - SALES TAX TRANSFER	SALES TAX	14,000.00
53	EFT - SALES TAX TRANSFER	WATER SERVICE EXCISE TAX	3,000.00
54	CARD CENTER	EXPENSE	100.00
55	CARD CENTER	SUPPLIES	585.69
56	CARD CENTER	SUPPLIES	1,829.60
57	SISCO	PREMIUMS	32,715.29
58	INTERSTATE TRS FUND	MONTHLY ASSESSMENT	618.77
59	EFTPS TRANSFER	PAYROLL TAXES	24,530.20
60	IOWA STATE BANK	COMM LOAN PAYMENT	3,971.58
61	IOWA STATE BANK	COMM LOAN PAYMENT	18,723.17
62	TREASURER STATE OF IOWA	STATE INCOME TAX WITHHOLDING	8,441.00
63	SISCO	MEDICAL FLEX	418.55
64	UPS	SHIPPING FEES	23.92
65	EFT - FEDERAL EXCISE TAX	ANNUAL PCORI FEES	93.35
66	SISCO	MEDICAL FLEX	32,715.49
68	MIDAMERICAN ENERGY	NEAL 4	225,000.00
69	AFLAC	PREMIUMS	VOID
70	WELLMARK HEALTH PLAN	PREMIUMS	1,789.41
71	EFT - SALES TAX TRANSFER	SALES TAX	27,869.00
72	TREASURER, STATE OF IOWA	USE TAX	10,074.00
73	SISCO	FLEX	2,360.31
74	NATIONAL CABLE TELEVISION COOP	TV TUNER	8,634.64
75	EFT - SALES TAX TRANSFER	WATER SERVICE EXCISE TAX	25,413.00
76	EFTPS TRANSFER	PAYROLL TAXES	22,998.21
77	EFT - FEDERAL EXCISE TAX	FEDERAL EXCISE TAX	1,123.06
78	SISCO	FLEX	6,234.16
79	TREASURER STATE OF IOWA	TREASURER-STATE INCOME TAX	11,509.00
80	LIBRARY OF CONGRESS	COPYRIGHT FILING AND ROYALTY FEES	5,558.02
81	CITY OF ALGONA	WATER PLANT CITY SEWER USAGE 2020	3,327.08
82	IOWA UTILITIES BOARD	IUB ASSESSMENTS	94.91
83	NATIONAL CABLE TELEVISION COOP	PROGRAMMING	51,965.86
84	NATIONAL CABLE TELEVISION COOP	HARDWARE-REMOTES	18,835.28
85	US CELLULAR	CELL SERVICE	241.92
86	UPS	TESTING	23.26
87	UPS	ELECTRIC GLOVE TESTING	92.93
88	SISCO	FLEX	287.15
90	ALGONA MUNICIPAL UTILITIES	PAPERLESS BILLING	12,923.02
91	IPERS	EMP RETIREMENT SYSTEM	VOID
92	INTERSTATE TRS FUND	ANNUAL ASSESSMENT	618.77
93	EFTPS TRANSFER	PAYROLL TAXES	23,421.28
94	NIMECA	POWER	295,188.10

95	CITY OF ALGONA	FRANCHISE FEE	5,458.95
96	SISCO	FLEX	1,584.74
97	USAC	SUPPORT MECHANISM	2,501.92
98	EFT - SALES TAX TRANSFER	SALES TAX	14,000.00
99	EFT - SALES TAX TRANSFER	WATER SERV EXCISE TAX	3,000.00
100	AFLAC	PREMIUMS	837.12
101	IOWA STATE BANK	IA STATE BANK LOAN	3,971.58
102	IOWA STATE BANK	IA STATE BANK LOAN	18,723.17
103	IPERS	EMPLOYEE RETIREMENT SYSTEM	30,730.13
104	UPS	SHIPPING	40.40
105	UPS	SHIPPING	38.17
56520	BROWN SUPPLY COMPANY	INVENTORY	3,937.67
56521	LINCOLN LIFE	DEFERRED COMPENSATION	3,873.08
56522	EILEEN MURRAY	REFUND OF CUSTOMER PAYMENT	800.00
56523	JOHN BILSTEN	EXPENSE REIMBURSEMENT	152.50
56524	KOSSUTH COUNTY EMERGENCY MNGT	911 SURCHARGE REMITTANCE	4,399.71
56525	STUNDAHL CLEANING	CLEANING SERVICE	1,000.00
56526	ACCESS SYSTEMS	SERVICE TICKET	7,668.29
56527	ADAMS CABLE EQUIPMENT, INC	MODEM/ROUTERS	6,504.00
56528	ALGONA COMMUNITY SCHOOLS	LIGHTING REBATE	10,000.00
56529	ALGONA DANCE TEAM	SPONSOR	100.00
56530	ALGONA PLG. & HTG.	PP SUPPLIES	73.00
56531	ALGONA PLUMBING & HEATING	SUPPLIES	138.05
56532	ALGONA PUBLISHING CO.	ADVERTISING	1,577.46
56533	ALTEC INDUSTRIES INC.	TOOLS	693.20
56534	AMERICAN PUBLIC POWER ASSOC.	EDUCATION	275.00
56535	B&W CONTROL SPECIALISTS	HERBICIDE	185.65
56536	BOMGAARS	SUPPLIES	968.45
56537	BORDER STATES ELECTRIC	15KV LOADBREAK	1,607.08
56538	CENTURYLINK	LOCAL SERVICE	23.39
56539	CONSORTIA CONSULTING BY TELEC	CONSULTING SERVICES	1,650.00
56540	DAN-D LASER CARTRIDGES	SERVICE FOR PRINTER	90.95
56541	DIVERSIFIED ADJUSTMENT SERVICE	COLLECTION SERVICES	353.44
56542	ERPELDING EXCAVATING ENT	SERV LEAK-AMU SIDE	1,752.21
56543	FASTENAL COMPANY	SUPPLIES	108.01
56544	HAWKINS INC.	TESTING	2,621.50
56545	JOHN DEERE FINANCIAL	SUPPLIES	250.62
56546	KEMCO TIRES, INC.	FLAT REPAIR	23.36
56547	KOSSUTH COUNTY CONCERT ASSOC	2020 SPONSOR	350.00
56548	MIDAMERICAN ENERGY	SERVICE	81.95
56549	NORTHWEST COMM NETWORK	PORT/BANDWIDTH CHARGES	616.50
56550	PHILS AUTO & TRUCK REPAIR II	SERIVCE ON UNIT 5	92.66
56551	POWER & TELEPHONE SUPPLY	BRIDGE PROJECT	23,713.08
56552	RADIOLOGISTS OF NORTH IOWA	EMPLOYEE EXPENSE	27.00
56553	REDING GRAVEL & EXC.	SAND/GRAVEL	1,116.41
56554	SECURITY COVERAGE	SECURE IT PLUS	33.60
56555	TRINITY WIND, LLC	POWER PURCHASED	5,250.00
56556	WESCO DISTRIBUTION INC.	SUPPLIES FOR UNDERGROUND MAINT	24,399.88
56557	BEN KINSMAN	WINDOW REPLACEMENT	1,757.63
56558	CODY CARLSON	APPLIANCE REBATE - AC	500.00
56559	DTM HOMES	APPLIANCE REBATE - AC	500.00
56560	DTM HOMES	APPLIANCE REBATE - AC	500.00
56561	LYNN ELLIOTT-CARLSON	APPLIANCE REBATE - AC	300.00
56562	TIM HOUGH	APPLIANCE REBATE - AC	500.00
56563	PAUL/JUNE SMITH	APPLIANCE REBATE - AC	300.00
56564	CARL WESTLING	APPLIANCE REBATE - AC	500.00
56565	SPENCER MUNICIPAL UTILITIES	PHONE SYSTEM/TT	256.42
56566	CODY FORTUNE MEMORIAL FUND	SCHOLARSHIP FUNDRAISER	200.00
56567	A & M LAUNDRY	LAUNDRY	38.73
56568	ADAMS CABLE EQUIPMENT, INC	BLACK TRAP	791.30

56569	ADTRAN, INC	RENEWAL(T3-5K)	6,773.10
56570	AMERICAN GLASS COMPANY	WINDSHIELD	275.00
56571	ARNOLD MOTOR SUPPLY	PARTS	211.61
56572	AUREON NETWORK SERVICES	DID SERVICE	888.05
56573	BUSCHERS SERVICE CENTER	FUEL	1,324.49
56574	CEMSTONE CONCRETE MATERIALS, LLC	CONCRETE ON E STATE ST	268.55
56575	CHROME COUNTRY INN	BOARD MEETING LUNCH	53.89
56576	CHROME TRUCK STOP	FUEL	515.53
56577	CINTAS CORPORATION #754	MED SUPPLIES	291.85
56578	COOPERATIVE RESPONSE CENTER, INC.	RESPONSE CENTER	2,146.75
56579	CULLIGAN WATER OF ALGONA	PARTS AND SERVICE	600.81
56580	DUMP IT INC.	SANITATION PICK UP	312.70
56581	FAREWAY STORES	SUPPLIES	8.55
56582	GRACENOTE MEDIA SERVICES, LLC	MEDIA SERVICES	88.25
56583	GRAYBAR ELECTRIC CO INC	INVENTORY	411.38
56584	IGLASS NETWORKS	NETWORK MONITORING	500.00
56585	IRBY	INVENTORY	2,870.28
56586	JOHNSTON AUTOSTORES	PARTS	128.61
56587	KOSSUTH COUNTY ADVANCE	NEWSPAPER	125.00
56588	KOSSUTH REG. HEALTH CENTER	TESTING	80.00
56589	NORTH IA LUMBER	SUPPLIES	72.58
56590	NORTHERN IOWA COMMUNICATIONS	DYNAMIC SUBS	43,995.65
56591	OAK HILL CONSULTING	BRIDGE REPLACEMENT PROJECT	594.00
56592	PITNEY-BOWES INC.	LEASE	870.25
56593	POWER & TELEPHONE SUPPLY	ROUTERS	1,979.17
56594	POWER LINE SUPPLY	INVENTORY	577.80
56595	SPENCER MUNICIPAL UTILITIES	TELEPHONE SWITCH	2,134.50
56596	UNITYPOINT CLINIC-OCC MEDICINE	TESTING	168.00
56597	VACUUM CLEANER SALES & SERVICE	VACUUM BAGS	26.70
56598	VERMEER	FIELD LABOR	555.09
56599	ALGONA FAMILY YMCA	YMCA'S ANNUAL CAMPAIGN	1,500.00
56600	ALGONA MACHINE & SUPPLY	TANK-PATCH HOLE	112.35
56601	ALGONA MUNICIPAL UTILITIES	PAPERLESS COMM BILLING	3,301.85
56602	AUREON NETWORK SERVICES	SERVICES	10,324.22
56603	BIG 10	SUBS	3,505.44
56604	BORDER STATES ELECTRIC	GUY WIRE	57.00
56605	BROWN SHOE FIT CO	SUPPLIES	6.20
56606	DISPLAY SYSTEMS INTERNATIONAL	WEATHER GRAPHICS FEED	550.00
56607	ERPELDING EXCAVATING ENT	REPLACE WATER SERV LEAD CONV	4,827.84
56608	FASTENAL COMPANY	SUPPLIES	69.80
56609	FIVE STAR TOOL & SUPPLY	TOOL	46.95
56610	FOX SPORTS NET NORTH	SUBS	4,348.80
56611	JAY GEVING	TRUSTEE FEE	75.00
56612	DAVID GOLWITZER	TRUSTEE FEE	75.00
56613	GRAY TELEVISION GROUP, INC.	SUBS	6,573.00
56614	HAWKINS INC.	CHEMICALS	4,110.40
56615	HEARST TELEVISION	SUBS	4,325.56
56616	DON HEUPEL	TRUSTEE FEE	75.00
56617	HY-VEE	FLORAL MEMORIUM	47.08
56618	HYGIENIC LABORATORY - AR	TESTING	97.50
56619	ICONECTIV, LLC	LOCAL NUMBER PORTABILITY CHRGS	140.59
56620	KLGA & KLGZ	ADVERTISING	1,439.80
56621	KOSSUTH COUNTY TREASURER	COUNTY TAX-WINDFARM	VOID
56622	LINCOLN LIFE	DEFERRED COMPENSATION	3,673.08
56623	METLIFE SMALL BUSINESS CENTER	PREMIUMS	3,504.63
56624	MIDAMERICA COMP CORP	STATEMENT PROCESSING	4,619.23
56625	MIDAMERICAN ENERGY CO.	GENERATOR POWER SUPPLY	391.56
56626	JULIE MURPHY	TRUSTEE FEE	75.00
56627	NATIONAL INFORMATION SOLUTIONS	JULY 20 MISC	387.23
56628	NEXSTAR	SUBS	4,294.40

56629	NIMECA	MCR PERFORMANCE 928 EXPENSE	2,017.05
56630	ROVI	SUBS	584.00
56631	KAREN SCHAAF	TRUSTEE FEE	75.00
56632	SCHUMACHER WELL DRILLING	WELL PUMP AND MAINT	8,103.80
56633	SHOWTIME NETWORKS INC	SUBS	95.76
56634	STUNDAHL CLEANING	CLEANING SERVICE	1,000.00
56635	TEGNA	SUB	5,352.30
56636	YOHNCO	CONCRETE PROJECT	2,515.48
56637	RICHARD BLACK	CA REBATE	500.00
56638	BRIAN BROW	CUSTOMER REFUND	99.05
56639	RALPH BURTIS	CUSTOMER REFUND	7.38
56640	JOE/LISA CARTER	CA REBATE	500.00
56641	CHARLES SHEAKLEY	CUSTOMER REFUND	74.69
56642	COLE MORGAN	CUSTOMER REFUND	72.79
56643	MAXINE CUNNINGHAM	CUSTOMER REFUND	134.52
56644	BEV CURRY	CUSTOMER REFUND	204.91
56645	TERRY DIXON	CA REBATE	500.00
56646	DOROTHY RANEY	CUSTOMER REFUND	95.52
56647	MAGGIE FABER	CUSTOMER REFUND	42.79
56648	DON/SANDY GOEDE	CA REBATE	500.00
56649	LILLIAN HAUSWIRTH	CUSTOMER REFUND	29.32
56650	BEVERLY/EUGENE HUFF	CUSTOMER REFUND	23.73
56651	ALEX HUPP	CUSTOMER REFUND	59.92
56652	RYAN MILLER	CUSTOMER REFUND	10.40
56653	DAN PETERSON	CA REBATE	500.00
56654	REBECCA PHILLIPS	CUSTOMER REFUND	82.65
56655	SARAH ROLLING	CUSTOMER REFUND	57.99
56656	COURTNEY SCHNEIDER	CUSTOMER REFUND	88.78
56657	NORMA TEBBEN	CUSTOMER REFUND	125.09
56658	THE LOCKER ROOM BAR & GRILL	CUSTOMER REFUND	192.57
56659	DENNY THOMPSON	CUSTOMER REFUND	43.53
56660	PAT/MEREDITH VONNAHME	CUSTOMER REFUND	206.43
56661	ANTHONY WHITE	CUSTOMER REFUND	52.26
56662	JODI/TONY WIITA	CUSTOMER REFUND	42.79
56663	ACCESS SYSTEMS	SONICWALL LICENSE RENEWAL	3,065.06
56664	ALGONA HEARING CENTER	HEARING TESTS	1,080.00
56665	ALGONA PLG. & HTG.	ON THE JOB PART	7.00
56666	BLACKHAWK SPRINKLERS INC	INSPECTION AND TESTING	123.00
56667	BOMGAARS	SUPPLIES	941.37
56668	BROWN SUPPLY COMPANY	INVENTORY	2,384.50
56669	CENTURYLINK	SERVICE	279.42
56670	CENTURYLINK	CABS 2 TOWER SOUTH	327.53
56671	CENTURYLINK	COMPENSATION/LOCAL MESSAGE REVENUE	0.25
56672	CONSORTIA CONSULTING BY TELEC	GENERAL CONSULTING SUPPORT	1,650.00
56673	DAN-D LASER CARTRIDGES	SUPPLIES	155.15
56674	E.H. WACHS COMPANY	BATTERY, RECON CONTROLLER	277.66
56675	ERPELDING EXCAVATING ENT	REPAIR DAMAGE	1,129.14
56676	FASTENAL COMPANY	SUPPLIES	430.93
56677	IOWA ASSN OF MUNI UTILITIES	E-PAYS LOAN	6,000.01
56678	IOWA ONE CALL	LOCATE	353.40
56679	JCL SOLUTIONS	SUPPLIES	155.56
56680	JOHN DEERE FINANCIAL	PART	3.09
56681	KEMCO TIRES, INC.	TIRE REPAIR	147.83
56682	MILLER SPORTS & SERVICE	PARTS	10.91
56683	NATIONAL INFORMATION SOLUTIONS	AMS-MAILING STATEMENTS	9,973.17
56684	NORTHWEST COMM NETWORK	BAND WIDTH	616.50
56685	REDING GRAVEL & EXC.	STOCKPILE PIT RUN GRAVEL	491.09
56686	T&R ELECTRIC	TRANSFORMER LEAK REPAIR-HORMEL	1,000.00
56687	VANTAGE POINT	SETUP & TESTING	1,012.50
56688	VERMEER	SHOP MATERIAL	686.00

56689	YOHNCO	CONCRETE FOR THORINGTON PROJECT	887.81
56690	CULTIVATE BOUTIQUE	CA REBATE	500.00
56691	SERITAGE SRC FINANCE LLC	INACTIVE REFUND	5,405.07