

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 30, 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: Dave Golwitzer, Chairperson Pro Tem; Trustees – Karen Schaaf and Don Heupel.

Board members present by telephone: Jay Geving.

Absent: Julie Murphy

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

Chairperson Pro Tem Golwitzer called the meeting to order at 11:00 AM.

The consent agenda included roll call, adoption of the agenda, approval of the September 2, 2020 regular minutes and approval of the monthly vouchers and uncollectible accounts. Trustee Heupel 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.

Chairperson Pro Tem Golwitzer called the Public Hearing for Electric Rates to order. Roll Call was taken as follows: Murphy, absent; Golwitzer, yes; Geving, yes; Schaaf, yes; Heupel, yes. The Chairperson Pro Tem recognized one citizen who was concerned that all AMU services were increasing during 2020 and wanted to know the reason for the rate increase. The General Manager addressed the concern. No other comments were made. Trustee Schaaf moved to adjourn the Public Hearing, seconded by Trustee Heupel. Roll Call votes were as follows: Murphy, absent; Golwitzer, yes; Geving, yes; Schaaf, yes; Heupel, yes.

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

Resolution #2020-14 Electric Rates was presented by the General Manager. In 2005, a full cost-of-service rate study was completed for Algona Municipal Utilities (AMU) electric utility. Since that time, detailed reviews of the cost-of-service work were completed in 2008, 2012, and 2014, in addition to periodic analysis of the overall revenue requirements conducted on an on-going basis.

In 2020, the cost-of-service figures were again reviewed and updated, following some significant changes in the cost drivers of the utility. Those items that have significant impact on AMU's cost structure include the following:

- Continued significant capital investment requirements for the local AMU distribution system.
- 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.

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 (i.e., maintaining a sufficient "debt service coverage" ratio).

Trustee Heupel moved to approve the new Electric Rates which will go into effect with the October 2020 billing, seconded by Trustee Geving. Motion carried unanimously.

Resolution #2020-15 Amending the Power Cost Adjustment was presented by the General Manager. The General Manager explained that the Power Cost Adjustment ("PCA") is calculated as the difference in the actual power costs for the current month per kWh sold less the budgeted fixed base cost per kWh sold. He explained the PCA will compensate for an increase or decrease in the cost of fuel and purchased power above or below the fixed base cost per kWh sold. The new fixed base cost for 2021 is \$0.05177/kWh. The current fixed base cost is \$0.05531/kWh. Trustee Schaaf moved to accept the Amended Power Cost Adjustment, seconded by Trustee Heupel. Motion carried unanimously.

The General Manager reported the upcoming retirement of Water Operations Manager, Pat Woods in December 2020. The position will be advertised soon. He reported the new AMU Website was placed in service September 22, 2020 and that hydrant Flushing will take place Monday, October 12<sup>th</sup>.

Updated Customer Service Rules were presented. The primary change to the Rules is the implementation of customer deposits. Initial deposits may be required, based upon a credit check, for all new residential and commercial accounts as well as any accounts reestablishing service. Trustee Heupel moved to approve the updated Customer Service Rules, seconded by Trustee Schaaf. Motion carried unanimously.

Trustee Schaaf moved to approve the Utility Service Rule Regarding the Time Period for Correcting Overcharges and Undercharges. The new look-back period will be three (3) years. Trustee Geving seconded the motion. Motion carried unanimously.

Upon request from AMU, the City of Algona will rezone the new wellfield land from AG - Agricultural District to LM - Light Manufacturing District upon certain conditions that would restrict the use of the real estate. These restrictions would satisfy public needs while the property is owned by AMU. As a result, the City of Algona developed a perpetual agreement, Trustee Geving moved to approve the perpetual agreement, seconded by Trustee Schaaf. Motion carried unanimously.

Trustee Heupel moved to approve the Flat Rate Long Distance Agreement with Aureon, seconded by Trustee Schaaf. Motion carried unanimously. Aureon is the current telephone long distance provider. The Agreement is an extension of the master service agreement.

Trustee Schaaf moved to set the date and time for a public hearing to dispose of the house located at 221 North Thorington Street as October 28, 2020, at 11:00 AM. Trustee Heupel seconded the motion. The motion carried unanimously.

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

The next meeting is scheduled for October 28, 2020 at 11:00 A.M.

Upon motion and vote, the meeting adjourned at 11:50 A.M.

/s/ Dave Golwitzer \_\_\_\_\_  
Dave Golwitzer, Chairperson Pro Tem

Attest:

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

The following vouchers were approved:

<u>CK #</u>	<u>Name</u>	<u>Description</u>	<u>Amount</u>
-	PAYROLL	-	\$ 134,022.23
106	NATIONAL CABLE TELEVISION	BATTERIES	298.37
107	NATIONAL CABLE TELEVISION	MASKA	208.47
108	NATIONAL CABLE TELEVISION	MODEMS	8,222.58
109	NATIONAL CABLE TELEVISION	MODEMS	8,222.58
110	NATIONAL CABLE TELEVISION	HARDWARE	966.82
111	NATIONAL CABLE TELEVISION	HARDWARE	105.16
112	NATIONAL CABLE TELEVISION	HARDWARE	524.27
113	NATIONAL CABLE TELEVISION	SPLITTERS	390.52
114	SISCO	FLEX	32,715.39
115	MIDAMERICAN ENERGY	NEAL 4	191,000.00
116	AFLAC	PREMIUMS	837.12
117	WELLMARK HEALTH PLAN	PREMIUM	1,789.41
118	CITY OF ALGONA	FRANCHISE FEE	5,514.90
119	SISCO	FLEX	1,086.17
121	CARD CENTER	EXPENSES	532.54
122	CARD CENTER	EXPENSES	605.06
123	EFTPS TRANSFER	PAYROLL TAXES	23,562.74
124	IPERS	EMPLOYEES RETIREMENT	30,735.33
125	SISCO	FLEX	853.09
126	EFT - SALES TAX TRANSFER	WATER SERVICE EXCISE TAX	3,728.00
127	EFT - FEDERAL EXCISE TAX	FEDERAL EXCISE TAX	1,105.35
128	EFT - SALES TAX TRANSFER	STATE SALES TAX	18,331.00
129	TREASURER STATE OF IOWA	STATE INCOME TAX WITHHELD	8,583.00
130	CITY OF ALGONA	CITY SEWER USAGE AUG	3,327.08
132	SISCO	FLEX	2,201.41
133	NATIONAL CABLE TELEVISION	PROGRAMMING	46,492.01
134	EFTPS TRANSFER	PAYROLL TAXES	23,871.62
135	INTERSTATE TRS FUND	INTERSTATE TRS FUND	618.77
136	NATIONAL CABLE TELEVISION	HARDWARE	175.53
137	NATIONAL CABLE TELEVISION	HARDWARE	83.89
138	NIMECA	POWER	211,894.91
139	CITY OF ALGONA	FRANCHISE FEE	6,346.57
140	US CELLULAR	CELL SERVICEE	241.92
141	SISCO	FLEX	2,359.05
142	USAC	SUPPORT MECHANISM ADJ	2,501.92
143	NATIONAL CABLE TELEVISION	HARDWARE	80.25
144	UPS	MAIL SERVICE	38.32
145	UPS	MAIL SERVICE	52.11
146	ALGONA MUNICIPAL UTILITIES	AMU PAPERLESS BILLS	12,026.16
56692	ACCESS SYSTEMS	SERVICE TICKET	33.44
56693	AMERICAN PUBLIC POWER	3-YEAR eRELIABILITY TRACKER	680.40
56694	ARNOLD MOTOR SUPPLY	SUPPLIES	159.07
56695	SANDY BATT	EXPENSE REIMBURSEMENT	615.00
56696	BORDER STATES ELECTRIC	SUPPLIES	4.47
56697	CENTRAL IOWA DISTRIBUTING	SUPPLIES	350.47

56698	DIVERSIFIED ADJ SERVICE	BAD DEBT	314.19
56699	EISCHEN SALES INC	SUPPLIES	139.65
56700	FARMERS COOPERATIVE ELEV.	PROPANE	285.61
56701	IRBY	WRENCH	3,321.45
56702	ROBERT M JENNINGS	EXPENSE REIMBURSEMENT	35.00
56703	KOSSUTH COUNTY TREASURER	COUNTY TAX-WINDFARM	7,263.00
56704	MIDAMERICAN ENERGY	SERVICE	67.46
56705	NALCO COMPANY	HOTWELL CHEMICAL	3,178.52
56706	NORTH IA LUMBER	MATERIALS	766.92
56707	NORTH IOWA COMM. ACTION	ENERGY ASSISTANCE REFUND	522.31
56708	PFEFFER PRECAST	EB6 PROJECT	50.35
56709	POWER & TELEPHONE SUPPLY	SMART RG ROUTER	3,957.30
56710	POWER LINE SUPPLY	WAHER SPRING BOLT 5/8	403.78
56711	REDING GRAVEL & EXC.	STOCKPILE PIT RUN GRAVEL	174.30
56712	SECURITY COVERAGE	SECUREIT PLUS	33.60
56713	SKARSHAUG TESTING LABS	TESTING	327.21
56714	SLIPSTREAM	LED JULY	1,356.50
56715	STUNDAHL COLLISION	REPLACE DOOR WINDOW FRAME	236.11
56716	T&R ELECTRIC	OIL SCREEN- BASIC PKG	3,120.00
56717	TANTALUS	TANTALUS REPLACE MODULES	10,115.00
56718	TELEDYNAMICS	DESKTOP GIGABIT SWITCH	703.96
56719	TRINITY WIND, LLC	POWER PURCHASED	6,230.00
56720	WESCO DISTRIBUTION INC.	GROUNDING CONNECTOR	894.47
56721	JERALD HELMERS	WINDOW REPLACEMENT REBATE	1,500.00
56722	GLEN KEEHN	ELECTRIC METER CONV REBATE	75.00
56723	PAUL SMITH	CA REBATE	500.00
56724	A & M LAUNDRY	LAUNDRY SERVICES	38.73
56725	ACCESS SYSTEMS	SERVICE TICKET 638047	331.71
56726	ALBIN ACQUISITION CORP	EMPLOYMENT REPORT	55.59
56727	ALGONA CHAM. OF COMMERCE	PARTY IN THE PARK SPONSORSHIP	250.00
56728	ALGONA HS VIPS	SILVER	100.00
56729	ALGONA PUBLISHING CO.	ADVERTISING	485.55
56730	AUREON NETWORK SERVICES	DID'S	980.45
56731	BORDER STATES ELECTRIC	HOT LINE CLAMP	558.01
56732	BROWN SHOE FIT CO	SUPPLIES	48.08
56733	BUSCHERS SERVICE CENTER	FUEL	1,077.34
56734	CENTRAL IOWA DISTRIBUTING	SUPPLIES	428.90
56735	CHROME TRUCK STOP	FUEL	826.37
56736	CONFLUENT	REPAIR ENCODER	207.30
56737	COOPERATIVE RESP CENTER	RESPONSE CENTER	1,601.72
56738	CORE & MAIN	REPAIR HYDRANT	422.56
56739	DISPLAY SYSTEMS INTL	WEATHER GRAPHICS	550.00
56740	DIVERSIFIED ADJUSTMENT	BAD DEBT	926.35
56741	EISCHEN SALES INC	SHARPEN CHAIN	123.00
56742	GRACENOTE MEDIA SERVICES	MEDIA SERVICES	88.25
56743	IGLASS NETWORKS	NETWORK MONITORING	500.00
56744	IOWA ASSN OF MUNI UTILITIES	SGNC-AUGUST - SEPTEMBER 2020	2,509.62
56745	IRBY	LINE POST STUD	2,664.30
56746	KEMCO TIRES, INC.	SWINGER REPAIR	117.88
56747	KLGA & KLGZ	ADVERTISING	945.00
56748	KOSS. REGIONAL HEALTH CTR	TESTING	25.00
56749	KOSSUTH COUNTY TREASURER	COUNTY EXCISE TAX	28,913.50
56750	MIDAMERICAN ENERGY	SERVICE FOR E POPLAR	13.51
56751	NIMECA	FERC FILING	2,440.50
56752	OAK HILL CONSULTING	BRIDGE REPLACEMENT PROJECT	2,178.00
56753	PITNEY-BOWES INC.	LEASE	169.55
56754	PLYMOUTH COY TREASURER	PLYMOUTH COUNTY TAX	288.50
56755	RESCO	ROD COPPER	344.12
56756	SPENCER MUNICIPAL UTILITIES	TELEPHONE SWITCHING	2,113.50
56757	WEBSTER CO TREASURER	WEBSTER COUNTY TAX	1,527.50
56758	WESCO DISTRIBUTION INC.	NORDIC	4,061.48
56759	WOODBURY CO TREASURER	WOODBURY COUNTY TAX	9,061.00
56760	ANN DARBYSHIRE	CUSTOMER REFUND	56.59
56761	AUREON NETWORK SERVICES	NETWORK SERVICES	10,767.59
56762	BORDER STATES ELECTRIC	SPRING WASHER-INV	1,129.41
56763	COOKS SCRAP IRON & METAL	SUPPLIES	41.20
56764	DAN-D LASER CARTRIDGES	TONER	680.80
56765	DUMP IT INC.	SANITATION	312.70
56766	FAREWAY STORES	SUPPLIES	46.84
56767	HAWKINS INC.	TESTING	4,395.40

56768	IOWA HOIST & CRANE, INC	INSPECTION	920.00
56769	IRBY	CABINET	3,022.75
56770	JCL SOLUTIONS	MOISTENED LENS TISSUE PCKT	22.03
56771	K & H COOP OIL CO.	FUEL	90.83
56772	KOSSUTH COUNTY ADVANCE	NEWSPAPER DONATION	201.25
56773	MIDAMERICA COMP CORP	CUSTOMER STMT PROCESSING	3,619.45
56774	MIDAMERICAN ENERGY CO.	GENERATOR POWER SUPPLY	391.43
56775	NATIONAL INFO SOLUTIONS	AUGUST 2020	10,139.28
56776	NORTH AMERICAN NUMBERING	ANNUAL FEE FOR THE NUMBERING	75.04
56777	NORTHERN IOWA COMM	DYNAMIC VIDEO AND INTERNET	46,365.37
56778	PHILS AUTO & TRUCK REPAIR II	UNIT 4	80.25
56779	POWER & TELEPHONE SUPPLY	SUPPLIES AND INVENTORY	2,425.77
56780	PRINT SHOPPE PLUS	CERTIFICATE PLAQUES	158.00
56781	TELEDYNAMICS	TELEPHONE SYSTEM-8PORT	1,360.35
56782	UNITYPOINT CLINIC-OCC MED	TESTING	42.00
56783	PAUL SMITH	CA REBATE	500.00
56784	ALGONA PLG. & HTG.	MATERIALS	60.00
56785	AUDITOR-STATE OF IOWA	ANNUAL CITY EXAMINATION FILING	625.00
56786	B&W CONTROL SPECIALISTS	SPRAY	874.20
56787	BIG 10	SUBS	1,552.16
56788	CARD CENTER	CLASS FOR BOB	39.00
56789	CENTURYLINK	SERVICE	305.43
56790	CONSORTIA CONSULTING	CONSULTING SUPPORT	1,650.00
56791	DGR ENGINEERING	RATE STUDY UPDATE	3,316.00
56792	FASTENAL COMPANY	SUPPLIES	146.14
56793	FOX SPORTS NET NORTH	SUBS	4,101.12
56794	GRAY TELEVISION GROUP, INC.	SUBS	6,030.50
56795	HEARST TELEVISION	SUBS	3,959.38
56796	HY-VEE	SUPPLIES	5.64
56797	HYGIENIC LABORATORY - AR	TESTING	373.50
56798	ICONECTIV, LLC	LOCAL NUMBER PORTABILITY	87.48
56799	IOWA RURAL WATER ASSOC.	WATER CONFERENCE	225.00
56800	IOWA UTILITIES BOARD	ASSESSMENTS	11,818.00
56801	JOHNSTON AUTOSTORES	PARTS	577.54
56802	METERING & TECHNOLOGY	MAG METER	2,798.00
56803	METLIFE SMALL BUSINESS	PREMIUM	3,507.36
56804	MIDAMERICA COMP CORP	MONTHLY POSTAGE	951.82
56805	NEXSTAR	SUBS	3,948.68
56806	NYEMASTER GOODE PC	PROFESSIONAL SERV	71.00
56807	POWER & TELEPHONE SUPPLY	SUPPLIES	900.47
56808	REP COM INTERNATIONAL	GROUND EXTENSION LEAD	146.00
56809	ROVI	SUBS	532.41
56810	SAFETEY-KLEEN	PARTS WASHER SERVICE	171.20
56811	SLIPSTREAM	AUGUST LED	1,080.00
56812	TEGNA	SUBS	4,913.40
56813	TELEDYNAMICS	PHONE SYSTEM	8,429.05
56814	US STANDARD PRODUCTS	LATEX GLOVES	233.98
56815	VANTAGE POINT	CONSULTING	135.00
56816	WHEELER WORLD INC	FILTERS FOR UNIT 7	17,405.96
56817	MICHAEL AERTKER	CUSTOMER REFUND	51.99
56818	ELMER ALT	CUSTOMER REFUND	188.26
56819	ANYTME FITNESS	CUSTOMER REFUND	254.63
56820	ALEIANDRO RIVAS DE ARMAS	CUSTOMER REFUND	60.67
56821	COLLEEN BILYEU	CUSTOMER REFUND	127.44
56822	CLARK/PAT CONNER	CUSTOMER REFUND	259.29
56823	ED GREEN	CUSTOMER REFUND	122.20
56824	FREDRICK A JOHNSON	CUSTOMER REFUND	304.16
56825	AL/MARGE KRAMER	CUSTOMER REFUND	165.04
56826	KELLY/HEATHER LOWE	WINDOW REBATE	299.86
56827	FRANK MERRILL	CA REBATE	300.00
56828	MIDWEST ENGINEERING	CUSTOMER REFUND	124.23
56829	MARY NELSON	CUSOTMER REFUND	28.53
56830	ROGER/LINDA NERDIG	CUSTOMER REFUND	107.38
56831	JAKE PEARSON	CUSTOMER REFUND	34.36
56832	ADRIAN PUPO PEREZ	CUSTOMER REFUND	96.65
56833	RICHARD REISING	CUSTOMER REFUND	54.59
56834	TOM SCHNEIDER	CUSTOMER REFUND	52.26
56835	SHIRLEY SCHOLER	CA REBATE	500.00
56836	STATE FARM INSURANCE	CUSTOMER REFUND	26.59
56837	DURWOOD WALKER	CUSTOMER REFUND	16.05

56838	ERNEST WOLTER	CUSTOMER REFUND	167.97
56839	MELISSA WOODYARD	CUSTOMER REFUND	78.32
56840	CODY YOUNGWIRTH	CUSTOMER REFUND	114.83
56841	BUCHANAN LAW OFFICE TRUST	REGIS AND JOANNE HOFFMAN	110,000.00
56842	IOWA ASSN OF MUNI UTILITIES	E-PAYS LOAN	6,000.00
56843	LINCOLN LIFE	LINCOLN LIFE	3,673.08
56844	SIGN WORKS	DECALS FOR STB	197.95
56845	BRANDEN BAADE	WINDOW REBATE	1,569.14
56846	SCOTT SEWICK	CA REBATE	500.00