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News Release

For Immediate Release
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Algona Municipal Utilities Celebrates 135 Years of Service to Algona

Algona Municipal Utilities has a long history of providing reliable services to the Algona community. Today, AMU continues the commitment established over 135 years ago to provide our customers with reliable, dependable, high-quality, affordable services. AMU invites everyone to a community celebration on Wednesday, June 12th. There will be equipment displays, tours of the water and power plants, entertainment, games for the kids, and food for all that attend.

An Electric Light Committee governed the electric utilities under the auspices of the Algona City Council. The original members of the Electric Light Committee in 1899 were Algona Mayor, E.E. Sayers, M.B. Chapin, S.E. McMahan, W.B. Stebbins, and R. B. Warren. The committee changed yearly until 1911, when the mayor and city council adopted the utilities' operations and continued to do so until 1951.

To allow for more efficient utility operations, a separate Board of Trustees was established in June 1951 following the passing of a referendum on May 28, 1951. The original trustees were M. Joseph Bradley, C.R. (Pat) McQuiston, and Glenn S. Buchanan. Buchanan died in 1953 and was replaced by his son, Allen K. Buchanan.

Allen K. Buchanan was the longest-serving member of the Board of Trustees. His term started in 1953 and continued until his resignation in 1997. Buchanan continued to attend AMU Trustee meetings for many years following his resignation. The Board named AMU's East Substation as the "Allen K. Buchanan" Substation for the dedication Allen gave to AMU.

The AMU Board of Trustees decided to make changes in the late 1970s. They wanted more trustees, some younger, and at least one woman on the board. The trustees

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requested the Algona City Council file a referendum to create a five-person board. It passed. Jane Germann was the first woman appointed to the board.

Today's AMU Board of Trustees is a diverse group of individuals who look out for the best interests of the utilities and the community. They volunteer their time to do the needed research to make the right decisions for AMU and Algona. They work hand-in-hand with our employees, ensuring that AMU provides the best possible service to its customers.

Karen Schaaf has served on the AMU Board of Trustees for 43 years. She was appointed to the Board in May 1981 to fill Jane Germann's seat and continues to serve in that role. Karen is the epitome of what a trustee should be, providing oversight for the utility while watching out for the public's interest.

Other board members are Jay Geving, Julie Murphy, Don Heupel, and Mike Sabin. Bob Harrington is the board secretary.

Since the start of the electric utility, six people have run the city utilities or served as AMU general managers. They are...

C.C. Dudley, City Superintendent, 1898 - 1912.

J.W. Kelly, Superintendent, Light & Water Department, 1912 – 1938.

C.U. Pollard, Light & Water Department, 1938 – 1951.

T. James Palmer, General Manager, 1951 – 1971.

Nick Scholer, General Manager, 1971 – 1999.

John Bilsten, General Manager, 1999 – present.

The success of an organization is due to the success of its employees. That's true for Algona Municipal Utilities. Throughout its history, AMU has been blessed with employees who care about the community because they are part of it. Our employees are your neighbors, friends, and family. AMU employees are involved with Algona. Whether helping with community activities, volunteering in a service club or just being there to help someone when needed. Our motto is "Community Owned For Community Benefit," a standard AMU and its employees work hard to live up to that standard.

Water Utility

AMU can trace its roots back to 1889 when Marsh Stephens dug a six-inch, 135-foot-deep hole to establish Algona's first water system. The hole was too crooked to force a casing in it, so he dug it six feet in diameter and 110 feet deep. A pump was put in it, but the water supply was marginal, as sand was in the way. The total cost for the work was \$1000.

The American Well Works later brought a train-car load of machinery to dig a well that produced water and filtered sand through two 20-foot screen sections. That well lasted a year and cost \$700 to dig. A 1,046-foot well was dug next, requiring drilling through 62 geological formations. The work paid off as the well met the City of Algona's demands

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until 1897, when it was revamped to produce 120 gallons of water per minute. Additional wells were dug in 1913 and 1925.

In the 1950s, it was determined that the best source of abundant water was the Dakota Aquifer. A well was dug west of the current power plant on city-owned land to reach that aquifer. Today, Algona's water is supplied by four wells. Of the current wells, the oldest was drilled in 1959, with the newest dug in 2003.

The water from the early wells was hard and contained iron and other minerals, so the City of Algona built a water treatment plant in 1931 at the corner of Hall and Call Streets, which is still used today. Cast iron pipes were used for the water main when the water delivery system was being set up. Today, that pipe is being replaced by industry-standard PVC pipe.

The Safe Drinking Water Act was established in 1974 to provide minimum standards of quality that must be maintained in the municipal water supply. AMU monitors the levels of these materials on a routine basis. Despite the challenges and changes that faced the development of Algona's water system, AMU's water rates are among the lowest in the state.

Each year, the water distribution system replaces undersized water mains and continues to loop the distribution system. These improvements to the water distribution system increase fire protection, enhance water quality, and increase water pressure and flow to a growing water distribution system. System improvements are also accomplished each year to serve new developments in Algona.

The water utility acknowledges the continued need for capital improvements and the rising costs of those improvements. To facilitate the cost of capital improvements, the Board approved an Infrastructure Reinvestment Fee (IRF) with new rates effective in May 2019. The IRF is intended to be used to replace or renew old infrastructure that is nearing the end of its useful life. There continues to be a sizable number of unmet infrastructure needs, and the Utility desires to improve the system and avoid unnecessarily excessive costs due to emergency shutdowns and repairs. Annual capital improvement spending has increased over the past decade. Through the IRF, funds will be available to meet the infrastructure needs and reduce the amount of debt financing in the future.

The Utility completed the replacement of filter media at the water treatment plant in March 2023. The replacement enhances the treatment process's ability to remove iron and manganese.

In 2023, the Utility participated with the City of Algona in a complete street and infrastructure improvement project on Wooster Street from McGregor to Kennedy Street. The project involved replacing 4" and 6" cast iron water mains with 8" PVC water mains, improving flows and fire protection in this area.

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A one-block section of undersized 4” cast iron water main on Durant Street was also replaced with a 6” PVC water main.

Another water main replacement occurred on Elm Street from Diagonal to Roan Street, replacing a 4” cast iron water main with an 8” PVC water main. This section of the water main encountered several water main breaks over the last few years.

In the fall of 2023, construction began on a water main installation project along Highway 18/220th Street and 100th Street. The project improves water quality and provides redundancy by completing a loop on the west side of the distribution system. This loop will improve flows and system pressures to the Algona Municipal Airport, Suidae Health and Production (a swine-exclusive veterinary clinic), and the Iowa Department of Transportation office. The loop also improves flows and pressures to the Country Club neighborhood's single-family homes and to all commercial properties along and north of Highway 18 from Country Club Drive to East Norwood Drive. The first phase of this project began in 2022 with the installation of approximately 600’ of 12 PVC water main for the development of a new hotel at the west end of the existing 12” DIP water main. The extension connects to the remainder of the Highway 18 water main loop project constructed in 2023 and 2024. This project was completed early in 2024.

The Utility continues to plan for our community's future water needs. In 2018, the Utility agreed to purchase approximately 40 acres of land west of our current well field. This land will be used for future well-field development. In 2023, the Utility retained DGR Engineering to analyze a portion of this land to determine the feasibility of constructing a holding/seepage pond for backwash waste disposal.

The utility retained DGR Engineering to comprehensively study the water system facilities. The purpose of this water system study is to proactively study the condition of the existing system and consider the need for potential system improvements. The study was completed in 2022 and identified short-term and long-term needs for the system. In addition, the study evaluated the construction of a new well on the land recently purchased by AMU. The study's results will help determine the needs of the systems over the next 10+ years.

Important hallmarks of AMU’s Water Utility include...

1889...The first Water system was established.

1931...Algona’s Water Filter Plant was constructed on Hall Street and included an underground storage tank holding 300,000 gallons of water.

1933....The West Water Tower on Hall Street was constructed with a storage capacity of 300,000 gallons.

1942....The City of Algona purchased the first chlorinator.

1946...The City of Algona sold its water softener business to Don Hemmingsen.

1959...The City of Algona began fluoridating water.

1963...The Water Filter Plant was expanded.

1968...The East Water Tower was constructed with a capacity of 500,000 gallons.

1981...Well #7 was dug for \$91,000.

1986 – 1987...The Water Filter Plant was renovated.

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2012 ... The Water Filter Plant was renovated including the installation of a new aerator.

2023...The water plant's filter media was replaced with new media, increasing iron removal efficiency, and providing high-quality water.

Electric Utility

In March 1898, Algona voters approved a referendum to establish an electric light franchise by 67 yes votes to 59 no votes. There was a lot of skepticism of electricity as it was a “new-fangled idea.” A group of public-minded citizens of that time underwrote the project for \$10,000 and accepted dividends in earnings from the newly built power plant, located at the corner of Hall and Call Streets, where the Algona City Hall now stands.

The original Algona Electric Light Company members were Ambrose A. Call, president; H. Ingham, vice president; Gardner Cowles, secretary; and Theo Chrischilles, treasurer. Call and his brother Asa were the founders of Algona. Cowles, a son-in-law to Ambrose Call, and Harvey Ingham purchased the Des Moines Register and Leader in 1903 and renamed it The Des Moines Register in 1915. Cowles' sons, Gardner Cowles Jr. and John Cowles, Senior, co-founded “Look” magazine and ran the Cowles Media Company, established in 1935.

In the early days of Algona, the light plant shut down at 10 p.m. every evening. Five minutes before closing time, the current at the light plant would be cut back. This would dim the lights all over town. When the lights dimmed three times, Algona residents had five minutes to go to bed or to light their kerosene lamps before the electricity was shut off for the night.

As the years passed, electricity was consumed in ever-increasing quantities. Algona was becoming a major retail center, and all the electricity the original power plant could generate was put to use. A new power plant on North Hall Street was constructed in the 1940s to keep up with demand. Over the years, larger engines were installed, and smaller engines were sold to accommodate the growth. AMU continues to use the power plant today.

In 1974, with the cost of fuel skyrocketing due to the oil embargo, the AMU Board of Trustees approved purchasing ownership into the Neal 4 power plant near Sioux City. Construction of the plant began in 1975 and was completed in 1979. AMU still holds ownership in Neal 4 to this day.

Based on estimates provided by staff at MidAmerican Energy, the operating entity for Neal 4, it is anticipated that the Neal 4 Power Plant will reach its useful life in 2040. The Utility continues to monitor the impact of new generation resources in the electric energy market, including wind, solar, and gas, and their impact on Neal 4 and other generation resources. The Utility also monitors the environmental pressure on fossil fuel generation facilities.

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In 1994, AMU joined the Iowa Energy Center and the Wind Energy Institute to research whether wind power would be economical and reliable for small municipal utilities. The result of that work was the installation of a three-turbine municipal wind farm southeast of Algona called the Iowa Distributed Wind Generation Project. AMU and five other utilities from Montezuma, Estherville, Fonda, Ellsworth, and West Field initially owned the wind farm.

The Utility closely monitors advancements in the electric vehicle market and charging technology. It is the goal of the Utility to be ready for the changes needed to embrace this new technology with improvements to our distribution system, along with rates that encourage electric vehicle charging off-peak. In 2022, the Utility worked with the City of Algona to install two (2) Level 2 Electric Vehicle chargers at the city-owned parking lot at the corner of Call and Moore Streets. The Utility and City will continue identifying additional sites for Level 2 chargers and potentially DC fast charging technology within Algona.

In 2023, the Utility purchased a new light-duty electric pickup. This will allow the Utility to promote electric vehicles while learning about their operation characteristics and maintenance costs. In 2024, the Utility added a second light-duty electric pickup to its vehicle fleet.

The Utility, through its membership with the North Iowa Municipal Electric Cooperative Association (NIMECA), continues to pursue cost-effective long-term purchase power agreements from large-scale wind farms and solar farms. On March 31, 2021, the AMU Board of Trustees approved the Willow Creek Wind Energy Facility Agreement to acquire wind energy through participation in the Willow Creek Wind Energy Facility Power Purchase Agreement (PPA). Under the agreement, NIMECA entered into the PPA, and AMU committed to our participation in the Agreement. The Wind Project is comprised of five (5) GE 116 2.3 megawatt and thirty-three (33) GE 127 2.78-megawatt wind turbines in Butte County, South Dakota with an aggregate nameplate capacity of approximately 103.2 megawatts. In 2023, the Utility's share of the Willow Creek Wind Energy Facility produced 40 million kWh. Combining both wind farms resulted in over 44 million kWh of energy for Algona, of which non-carbon resources produced 40%.

The Utility's electric transmission and generation system has operated in the Southwest Power Pool (SPP) since October 2015. The entrance to SPP has resulted in operational changes at our owned and contracted power production and transmission facilities. The Electric Utility has experienced changes in how it purchases and sells energy and invests in electric transmission facilities. Through its membership in NIMECA, AMU utilizes Basin Electric Power Cooperative (Basin), with headquarters in Bismarck, ND, to provide energy market services for our jointly owned coal-fired power plant (Neal 4) and our local diesel plant. Basin also purchases excess generation capacity from our local plant. This agreement requires the plant to meet all current EPA regulations for reciprocating internal combustion engines. In addition, the Utility must keep the engines in good working condition and ready to run anytime. Over the last few years, important maintenance and capital upgrades have occurred to the local AMU power plant

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generation units. In 2024, engineering work will be finalized for the switchgear and relay upgrades at the Power Plant. The installation of new switchgear and relays will take place in 2024.

The Utility takes a proactive approach to capital expenditure planning. In 2022, DGR Engineering completed an electric system long-range plan. The plan is an important tool for utility staff, including an updated 10-year capital improvement plan with cost estimates tied to specific dates or load levels for capital improvement budget planning.

Each year, the electric utility converts a portion of the overhead electric system to a more reliable underground electric infrastructure. In 2023, the utility continued to convert overhead to underground in the northeast part of Algona. Another focus in 2023 was Feeder #5 along South Thorington Street from Kennedy Street to Fair Street. This conversion took place in an area with a dense tree population. The conversion reduces losses through more efficient electric conductors and eliminates tree exposure.

In 2024, overhead to underground electric conversions will continue in the east part of Algona, focusing on an area between North and Lucas Streets and extending east to Putnam Street.

In mid-February 2021, the Utility saw unprecedented events that affected the reliability of the power grid throughout the central United States. The Utility was notified on February 15, 2021 that the Southwest Power Pool (SPP) declared an Energy Emergency Alert Level 3. SPP issued the alert because electric generation in the SPP region was not sufficient to meet the demand for electricity caused by record low temperatures through the country, including regions typically not impacted by winter weather. At the time SPP announced the Level 3 Alert, it called for all generation to operate, including the local generation resources owned by the Utility and all other members of NIMECA. The local generation of the Utility along with other generation owned by NIMECA members helped stabilize the grid. This was the first time in SPP's 85-year history that it declared Levels 2 or 3 for its region, and it was also the first time SPP had to implement rolling blackouts to prevent widespread power outages. Thanks to our local generation ability, the Utility was not forced to implement rolling blackouts. The generation portfolio of the NIMECA members, including coal, diesel, natural gas, and wind provided an important hedge against extremely high market power costs. This weather event underscores the need for a diverse mix of generation resources and a commitment to maintaining and upgrading those Utility-owned resources.

When electricity debuted in Algona in 1898, a newspaper article stated the city planned to purchase 40 arc lights. At that time, arc lamps cast such a luminous glow in the night sky that some people complained the lights were too bright. Photos from the 1930s showed five-globe chandeliers as street lights. The chandeliers were later removed and replaced with single-globe fixtures.

AMU adorned the city with 100 new fluorescent lights for the Algona Centennial Celebration. In 1980, AMU replaced mercury-vapor fixtures along Highway 169 with

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high-pressure sodium fixtures. AMU completed the project's second phase on Jones and State Streets in 1989 and 1990 and along Highway 18 in 1996.

In 2012, AMU began replacing street lights with LED lighting in partnership with the City of Algona. LED lights provide a more direct lighting source than the warm golden glow of High-Pressure Sodium lights. By 2022, all street lights had been replaced with more efficient LED lights. LED lights also have a longer life, reduce also have a longer life, reduced maintenance, and are more energy efficient, cutting electric usage by over 50% from the previous high-pressure sodium lights.

Important hallmarks of AMU's Electric Utility include...

1898 – Algona voters approved establishing an electric light franchise. Of the 166 ballots cast, 67 were in favor, and 59 were against.

1900 – 1930s – Several engines were added to the original electric plant to meet the growing electricity demand.

1910 – 1920 – Farm electrical lines were being built.

1940....The engineering firm of Burns & McDonnell was hired to design the current power plant on North Hall Street. The contractor was Harold J. Cowan. Expansion of the plant occurred again in 1968.

1944...The Prisoner of War Camp was established where the Algona Municipal Airport is now. In May of that year, the City of Algona began providing electricity and water to the camp.

1951....A special election was held to establish a Board of Trustees for managing the electric and water utilities, now known as Algona Municipal Utilities.

1954...AMU dedicated new fluorescent street lights as part of Algona's Centennial Celebration.

1962...AMU secured its first power outside its own generating capacity with an interconnection with Iowa Electric Light and Power.

1965...For the first time and every successive year after that, except in 1967, Algonans used more electricity in the summer than in the winter. For example, peak energy usage for 1931 was 675 kilowatts used on December 23. In July of 1965, the peak energy usage for the year was 5100 kilowatts.

1971...AMU moved into its new office building at Thorington and Call Streets.

1974...AMU agreed with Iowa Public Service for 2.604% ownership in Neal 4, a coal-fired power plant near Sioux City.to acquire 2.604% of Neal 4, a coal-fired power plant near Sioux City. Additional purchases have resulted in a 2.94% ownership, or approximately 19 MWs, of the Neal 4 power plant.

1977...AMU purchased the Richpoint Electric Farm Line Cooperative.

1979...A tornado destroyed areas of Algona on June 28. Crews from 12 other communities and two private contractors helped with the clean-up and repair. When tallied, the crews put in nearly 6,000 man-hours at a cost of \$112,000. About \$250,000 was spent on materials for repair and rebuilding efforts.

Late 1970s...A referendum to increase the number of members of the AMU Board of Trustees from three to five was passed.

1980...The first phase of a new street light construction project began at a cost of \$118,000.00

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1982...AMU purchased the Cresco-Union Farm Line Cooperative.
1985... AMU purchased the Pikeside Farm Line Cooperative.
1991...Construction on the East Substation, now known as the Allan K. Buchanan Substation, was completed in October.
1992....Two new Caterpillar engines were installed at the AMU Power Plant.
1994...A wind monitoring tower was erected southeast of Algona as part of a potential wind farm project.
1997...Construction of the municipal wind farm southeast of Algona began.
1998...AMU celebrated 100 years in the electric utility business.
2003...AMU moved into its renovated office building, which it still uses today.

Communications Utility

The AMU Board of Trustees first discussed establishing a broadband communications utility on July 15, 1997. By November 4, 1997, Algona voters went to the polls and overwhelmingly supported (74%) establishing the new utility under the management and control of Algona Municipal Utilities.

The first AMU Communications customer went online with cable TV and High-Speed Internet service in January of 2002. The services were offered through a hybrid coax system. AMU Cable TV service provided 175 channels, including premium networks, pay-per-view channels, and commercial-free music. Internet speeds Started at 65 Kbps and went to 512 Kbps. AMU Telephone began in the fall of 2003 with local and long-distance services and many calling features.

The Algona Municipal Utilities Cable TV Programming Committee was formed in March 2001. The group was comprised of citizens who were the community's voice on cable TV programming and the cost of that programming for the new communications utility. Their suggestions were given to the AMU Board of Trustees for final approval. The committee was also given updates on constructing the communications utility's infrastructure. Members of the first committee were Ed Wolf, Carl Westling, Cecil Wattermann, Gail Carroll, Bob Arndorfer, and Anita Schultz. Other members who served on the committee over the years were Kathleen Griffin, Rick Boisjolie, and Rodney Davis. During the time that the Cable TV Programming Committee met, Matt Skilling and Katrina Even served as student members of the committee in an ex-officio capacity.

AMU has installed fiber-to-the-home (FTTH) services in parts of Algona and is working to install fiber throughout the community. AMU can offer faster speeds with fiber, which are symmetrical, meaning the download and upload speeds are the same. Fiber is more reliable and can handle more users and data at consistently higher speeds than coaxial cable.

AMU continues to look at projects that allow for multiple utility benefits associated with one project. The electric utility typically installs fiber optic infrastructure and new electric infrastructure simultaneously. In 2024, the electric utility will continue to assist the communications utility in expanding fiber optic to more areas of Algona.

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The AMU electric and communication utilities continue to work together on the long-term design of an all-fiber-based network. This design will allow the AMU to continue conversions to fiber and be ready to take advantage of any state or federal funds for fiber deployment, allowing the Utility to provide increased bandwidth to our customers.

At the end of 2024, fiber will be deployed to another 600 homes in the east part of Algona. Once complete, nearly 50% of the Utility's communications system customer base will be connected to fiber, allowing for increased bandwidth.

Today, AMU Communications provides Dynamic TV service with 246 channels, pay-per-view, Restart TV, weather information, and more. Internet speeds have increased. AMU's lowest speed is 70 Mbps, and its fastest speed is 1 Gbps.

AMU also offers managed Wi-Fi services for residential customers, which the AMU SmartHub web and mobile app can manage. The SmartHub app also allows our customers to manage their AMU services, receive AMU notices, and report AMU service issues.

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