AGENDA
UTILITY BOARD OF TRUSTEES
SPECIAL MEETING
WEDNESDAY, FEBRUARY 10, 2016 – 4:30 P.M.
CITY HALL COUNCIL CHAMBERS
201 EAST PLEASANT STREET
LIVE BROADCAST

1. Call to Order

2. Approval of Agenda

3. Public Forum Regarding the WPPI Energy Request to Extend the Existing Power Supply Contract from 2037 to 2055.

4. Audience

5. Adjourn
UTILITY BOARD OF TRUSTEES  
SPECIAL MEETING  
CITY HALL COUNCIL CHAMBERS  
FEBRUARY 10, 2016

Present: Jan Kahler, Dawn Paul, Todd Seifert, Aaron Eltrich, Jess Tracy, Tom Gaffigan  
Mike Peters, Pat Connors, Tom Westhoff of WPPI  
Brian Wagner and Douglas Melvold in the audience

The meeting was called to order at 4:33 p.m. by Chairperson Kahler.

Moved by Paul and seconded by Seifert to approve the agenda.  
All Ayes

The purpose of the meeting was to hold a public forum regarding the WPPI Energy request to extend the existing power supply contract from 2037 to 2055. Mike Peters and Pat Connors gave a presentation on the history of WPPI from 1980 to the present. Maquoketa joined WPPI in 2007 when the RPGI contract ended. Mr. Peters stressed that MMEU is a joint owner in WPPI with local representation on their committees and that the rate increases over the past 5 years has averaged 1.5%, lower than expected.

Board member Eltrich asked if MMEU extended for another 18 years, what do we get for the extension. Mr. Peters answered “nothing”. It is not their philosophy to give special treatment to any one member. All are on a level playing field and pay the same rates whether large or small user. He stated that MMEU has influence on their policies just by being a member.

City Manager Brian Wagner asked what would happen if Maquoketa does not extend at this time and decides down the road to extend the contract. Mr. Peters stated that they are offering everyone to extend their contracts to 2055 until March 31, 2016. After that date, it is no longer the member’s decision to extend, but WPPI’s on whether to accept them as a member. He stated that he didn’t know what would happen that it would depend on the circumstances at the time. Iowa utilities have only been able to extend since January 1 due to Iowa law prohibiting municipal utilities from purchasing wholesale power under a contract with a term exceeding 40 years.

Douglas Melvold questioned if the benefits we are receiving now are the same going forward, why we are being asked to extend the contract now. Pat Connors explained that because most of the contracts they enter into are on a thirty year basis, and not
having that long left on the current contract, they would like the option to commit for
a longer period of time and, therefore, are asking for the extension now.
Tom Gaffigan explained that he had been doing some research on other entities
similar to WPPI and found that they also have 40 year contracts with their members
or are in the process of extending them.

Jan Kahler explained that the upgrades we are doing to our engines at Plant 1 with
the catalytic convertors will allow us to receive capacity payments at least for the
next 5 years at approximately $700,000 a year and will ensure us future payments.

The item of the contract extension will be on the February 17th MMEU meeting
agenda for action. Mike Peters of WPPI offered to return if need be to answer any
further questions.

There were no further comments from the audience.

Moved by Seifert and seconded by Paul to adjourn the meeting at 5:30 p.m.

__________________________________________
Jan Kahler, Chairperson

ATTEST:

__________________________________________
Todd Seifert, Secretary