

**UTILITY BOARD OF TRUSTEES  
CITY HALL COUNCIL CHAMBERS  
October 19, 2022**

Present: Jan Kahler, Robert Herring, Abby Gehl and Megan Andresen  
Absent: Aaron Eltrich

Chairperson Kahler called the meeting to order at 4:35 p.m.

Motion by Andresen and seconded by Herring to approve the agenda. All Ayes

Motion by Andresen and seconded by Herring to approve the minutes. All Ayes

Audience: None

**Old Business:**

A. Update on Purchase of Meter Tech Van-

Krogman reported MMEU purchased an E-Van from dealership in Minnesota that had the specs desired; delivered for \$500. The van needs signage and shelving.

B. Update on Distribution Department Staff-

Position was offered to an apprentice who took position elsewhere. Jeremy Miller, journeyman, was hired; worked here 20 years ago for a short period. Miller been here couple weeks and going well; nice to have experience on board per Krogman. At this time not looking to hire another apprentice; may look to hire a groundman at some point.

**New Business:**

A. Review of Proposed Amended Budget for Calendar Year 2022

Gehl entered the meeting at 4:40 p.m.

Krogman commented on the amended budget as follows:

Increased the revenue to \$8.9 million; increase of \$464,000 due mainly to our kilowatt hour sales increasing because our purchase power adjustment has been higher. The capacity payment has also increased due to reimbursements from the extra natural gas runs.

Total expenditures raised to \$9.7 million; increase of \$442,000. Commenting on materials/hardware ordered has gone up 150% or more, transformers/pedestals for 2023

arrived 2022 and transmission maintenance due to the 69-conversion; budgeting for the engineering yet not the material ordered. Decreased the line item for the Platt Street project \$150,000.

Fund Changes: Power plant maintenance decreased- tuck pointing completed and anticipate will be under the \$50,000 and the economic development load growth for downtown upgrades and new customers; which is tough to budget, decreased.

Overall change resulted in -\$21, 914 net operating revenue.

Krogman reported we are required to amend the budget if expenditures are higher than budgeted. Not required for revenue. We will use these numbers and hold a public hearing along with the 2023 budget next month.

Andresen questioned if a change needed to be notated for the purchase of the van or was it previously budgeted. Krogman responded with the 550 which was ordered last fall being cancelled by FORD; van replaced it.

#### B. Review of the Proposed Budget for Calendar Year 2023

Krogman commented on the proposed 2023 budget in comparison to Amended 2022 budget as follows:

Revenues projected to be \$9.2 million- projecting wholesale purchase power to stay elevated and estimating an increase in interest and capacity payments.

Operating Expenditures projected to be \$9.7 million- main reason for the increase due to projected high material & fuel cost along with salary increases that may come from negotiations.

Administration Expenditures decreased overall. Decreases were due to retirement payouts lowering salaries, yet had increase within administration for computer hardware, health insurance, and the franchise fee to the City.

Power Plant Expenditures increased mainly due to purchased power and fuel costs projected to remain higher. In the past used to set aside approximately \$80,000 into a fund for roofing and tuck pointing and those types of things; plan to have these caught up. In lieu of placing the \$80,000 in the building line item, we plan to budget more for the maintenance type items.

Distribution Expenditures decreased overall. Decreases in line items due to the Platt Street project being complete, not planning to use as many transformers in 2023, all pedestals came in during 2022, transmission maintenance with conversion project done yet there may be some repairs due to bad cable which presented itself after project completed so left

\$40,000 in this line item. Increased line items for building maintenance to fix a roof and add some concrete, salaries, and misc. others due to higher costs and predictions for these costs to remain high.

Designated Funds:

- Kept \$78,000 to replace F550
- Budgeted \$60,000 to finish tuck pointing at plant
- \$45,000 for new business and contribution in aid paybacks- the dollars we get from projects going to put in economic development fund vs general fund so when \$'s needs to be paid back to developers and businesses through the agreement the \$'s is already set aside.

In summary if everything goes accordingly to the 2023 budget:

- Will spend an estimated \$581,565 from cash reserves; typically, doesn't happen- worst case scenario.
- Total balance as of Sept 30 was 4.984 million which is about 5 months operating; try to keep 3-6 months
- Majority of overall budget is purchase power-just over 62% of total operating and employee expenses about 18.5%

Krogman expressed he didn't add anything into the budget regarding the sale of the transmission as he is unsure of when this will happen.

C. Discussion and Possible Motion for Approving Remaining Tuck-Pointing Work at Power Plant in 2023

The tuck pointers just completed the north elevation; Bowman pleased with the crew and work done. Reached out to the estimator from Bi-State Masonry and would honor same pricing for east and south elevation if commit this calendar year with work to be completed in 2023; estimated a 5% increase if wait til next year. Quote is for \$53,025. Krogman commented we could add 10% to it for bricks and would like to proceed with Bi-State. Herring recommends going with Bi-State as we have a good working relationship and were happy with their work. Other board members agreed.

On motion of Herring; second of Gehl to hire Bi-State Masonry to complete the remaining tuck pointing at the power plant in 2023. All ayes.

**Approval of Claims:**

Kahler questioned the claim to put a wage payment into IPERS for Sak Klein. Krogman explained that IPERS has a grace period where a retiree can work, yet isn't IPERS covered. We needed to pay in two

quarters; missed paying one quarter so had an adjustment. Motion by Herring; seconded by Andresen to approve the claims as presented. All ayes.

### **Budget Discussions:**

Krogman commented it looks as if expenditures and revenue are going to run about the same; yet there are some claims that adjusted it upwards.

Questions were asked regarding moratorium and LIHEAP by Kahler and Andresen; explanations given by Krogman and Leesa Budde, accounting.

### **Manager's Reports:**

Leesa Budde, accounting: nothing to report.

AJ Bowman, power plant superintendent, reported winterizing, engine work- new gaskets/jumpers and repairing water lines to it, and other general catch up before winter.

Matt Buck, Distribution superintendent, nothing to report.

Chris Krogman, utility manager, reported has been two pieces of cable, one at south substation and the other at the power plant, one completely failing and the other hadn't failed, yet the crew heard it arcing so took this one out of service too. Been discussing what to do as this cable is very expensive to replace. Krogman to meet with ITC on Friday; will discuss sale of transmission and also the repair of the cables. Have met with engineers to discuss replacing the underground cable at the power plant with overhead; doable and much cheaper. The switch at the south substation will be more involved depending on what ITC does. A test had been done on the cable prior to conversion which passed thus should have been fine. Also, received a report on plant 2 study from the engineer; Krogman and Bowman have glanced over it. Krogman invited board members if a few would like to join him and Bowman on a committee to report back to the board as a whole. During Public Power Week, Adrianna Fier, administrative clerk, visited two elementary schools with lineman and their truck; gave the students a book from WPPI about being a lineman; received positive feedback. The winners of our prizes were posted on the website.

Kahler reported he is hearing good things from the community about our utility's professionalism, knowledge and capabilities.

### **Possible Closed Session per Code of Iowa, Chapter 20.17, Section 3 Regarding Union Negotiations:**

Motion by Andresen, second by Gehl to enter closed session at 5:19 pm; all ayes.

Herring exited during closed session.

Returned to open public meeting on motion of Andresen; second of Gehl at 6:27 p.m.; all ayes.

Motion by Andresen; seconded by Gehl to adjourn the meeting at 6:30 p.m.