

**UTILITY BOARD OF TRUSTEES
CITY HALL COUNCIL CHAMBERS
January 18, 2023**

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

Chairperson Kahler called the meeting to order at 4:36 p.m.

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

Motion by Andresen; seconded by Gehl to approve the minutes. All Ayes

Election of Officers:

Discussion held that the officer positions will remain the same as in 2022 as follows: Jan Kahler as Chairperson, Aaron Eltrich as Vice-Chairperson, and Megan Andresen as Secretary.

Eltrich entered the meeting at 4:38 p.m.

Motion by Herring; seconded by Gehl for officers to remain the same for the 2023 calendar year. All ayes.

Audience: None

Old Business: none

New Business:

- A. Resolution No. 2023-1-A Resolution Approving Payment of Franchise Fee to the City of Maquoketa

Krogman reported the annual franchise fee is 2% of gross revenue collected from the sale of electricity; sometimes called payment in lieu of taxes, equaling \$159,649.74. Motion by Eltrich; seconded by Andresen to approve Resolution No. 2023-1-A Resolution Approving Payment of Franchise Fee to the City of Maquoketa. All ayes.

- B. Update on Distribution Department Staffing

Krogman reported no journeymen applied thus two positions were offered to men with line school whom had applied and been interviewed in a previous round; one started January 16, 2023 and the other to start January 23, 2023. The journeymen hired recently is working out well and SAK Klein is helping out as much as can without jeopardizing his IPERS. Matt Buck has been helping in the field and taking an

on-call rotation until an apprentice is able to fill that role. Herring questioned a staff's return to work. Krogman replied he is back on light duty.

C. Discussion and Possible Motion Regarding Updated Apprenticeship Program Reimbursement Agreement

Krogman commented after a recent employee(apprentice) resigned, we began breaking down the actual costs of the apprentice program- program itself (\$5000) plus the certification program/trainings, lodging, mileage, clothing, etc. bringing the approximate cost to \$12,500-13,000. Krogman reached out to other utilities and received an agreement to simulate. Our cost per month to train an apprentice is approximately \$250. Agreement states MMEU will waive the \$250/month training fee as long as apprentice works for us; if they leave will owe us the fee/month. Once the apprentice becomes a journeyman, the debt will be reduced at \$250 per month. This agreement will also give MMEU the ability to retain the last pay check and any payouts due the apprentice; departing apprentice has 10 days to reimburse fees due to us; interest fee of 18%. Additionally, this agreement allows us to make exceptions should the board want to discuss setting up a payment plan for reimbursement of fees. Without an agreement like this, MMEU's only recourse should an apprentice leave to recoup our fees is to go to court. Krogman would like to have the newly hired apprentices sign this proposed agreement. Herring questioned the interest fee. If apprentice on this agreement should leave employment before its fulfilled and doesn't pay the fees due MMEU within 10 days shall be charged 18% interest on any unpaid amount per Krogman. Brief discussion held.

Motion by Herring; seconded by Andresen to approve the Updated Apprenticeship Program Reimbursement Agreement as presented. All ayes.

Approval of Claims:

Motion by Eltrich; seconded by Gehl to approve the claims as presented. All ayes.

Budget Discussions:

Krogman reported in 2022 revenue was \$9.6 million, operating expenditures were \$9.9 million and took approximately \$170,000 out of cash (less than budgeted). Current bank balance is just shy of \$5 million. Kahler questioned CD's and deposit rate. Krogman responded just purchased a couple short term cd's, have some treasury bills due to come out which were paying about 2%, and a money market paying about 4%.

Manager's reports:

Matt Buck, Distribution superintendent, reported busy tree trimming and last section of underground 69kv cable is going bad at the substation; working on a resolution. Herring questioned the timeline for the latter. Buck replied he has a few ideas; just in an awkward position making a 90 degree turn along the fence line at substation and since the other cable is

fixed at the north transformer so not a big issue at the moment. Received a call from another utility that their 69 kv underground cable also failed and are waiting for material which we didn't have to wait since went with overhead added Buck. It is not ideal to have the 69kv cable underground unless very necessary was Krogman's opinion.

A.J. Bowman, power plant superintendent, reported is working on the annual DNR emissions report with the engineer. There was a small issue with a generator last week; no tech needed onsite since troubleshooting tips shared by techs allowed our crew to fix it.

Leesa Budde, accounting, nothing to report.

Chris Krogman, utility manager, reported he will meet with Eltrich, Herring and Bowman later in the month to discuss options for plant 2; will then put a report together for the board. Wholesale power cost was down last month; credit of .0036 on customer statements. Natural gas prices look to be decreasing; yet our prices are set at the beginning of the month.

Board Member reports: none

Motion by Eltrich; all ayes to adjourn the meeting at 5:05 p.m.

ATTEST:

Megan Andresen, Secretary

Jan Kahler, Chairperson