

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 the Algona Municipal Utilities office, 104 W. Call Street, Algona, Iowa on March 20, 2019 at 11:00 A.M.

Present: Julie Murphy, Chairperson Pro Tem; Trustees – Don Heupel, Karen Schaaf, and David Golwitzer.

Absent: Jay B. Geving

Present in person: John Bilsten, General Manager and Sandra Batt, Secretary – Chief Financial Officer and Scott Buchanan, General Counsel.

Chairperson Pro Tem Murphy called the meeting to order at 11:05 A.M.

The consent agenda included roll call, adoption of the agenda, approval of the January 30, 2019 regular minutes, approval of the monthly vouchers and uncollectible accounts. Trustee Golwitzer moved to approve the consent agenda, seconded by Trustee Heupel. Motion carried unanimously.

Citizen David Foth addressed the Board regarding various topics.

Chairperson Pro Tem Murphy called the Public Hearing for Water Rates to order. Roll Call was taken as follows: Golwitzer, yes; Murphy, yes; Schaaf, yes; Heupel, yes; Geving, absent. The Chairperson Pro Tem noted no written comments and recognized citizen David Foth who provided input. Trustee Golwitzer moved to adjourn the Public Hearing, seconded by Trustee Heupel. Roll Call votes were as follows: Golwitzer, yes; Murphy, yes; Schaaf, yes; Heupel, yes; Geving, absent. Motion carried.

Chairperson Pro Tem Murphy called the Public Hearing for Main Street Water Main Improvements – Phase 2, to order. Roll Call was taken as follows: Golwitzer, yes; Murphy, yes; Schaaf, yes; Heupel, yes; Geving, absent. The Chairperson Pro Tem noted no written or oral comments. Trustee Heupel moved to adjourn the Public Hearing, seconded by Trustee Schaaf. Roll Call votes were as follows: Golwitzer, yes; Murphy, yes; Schaaf, yes; Heupel, yes; Geving, absent. Motion carried.

Aaron Olson, a Partner with T.P. Anderson & Company presented the Board with the 2018 Algona Municipal Utilities Financial Audit. Discussion followed. Trustee Schaaf moved to place the audit on file, seconded by Trustee Golwitzer. Motion carried unanimously.

Financial Statements for January 2019 were presented by the Chief Financial Officer. Trustee Heupel moved to approve the Financial Statements and place them on file, seconded by Trustee Golwitzer. Motion carried.

The General Manager provided an update on the office remodeling project and the work being completed on the West Substation Breaker Replacement Project.

The General Manager presented plans and specifications, proposed form of contract and estimates of costs for Main Street Water Main Improvements – Phase 2. After discussion, Trustee Schaaf moved to accept the plans, seconded by Trustee Heupel. Motion carried.

The bids for Main Street Water Main Improvements – Phase 2 were received at 11:00 AM on Tuesday, March 19, 2019. There was only one bid received from GM Contracting, Lake Crystal, MN. The General Manager reported that GM Contracting has completed work for AMU in the past and did a satisfactory job. The bid received was in excess of the engineers estimate. Trustee Schaaf moved to reject the bid and to rebid the project. Trustee Heupel seconded the motion. Motion carried.

The Joint Use Agreement between the Communications Utility and the Electric Utility per the agreement, is reviewed and updated annually. The 2019 annual lease amount was recalculated at \$91,321. The 2018 annual lease was \$94,497. Trustee Golwitzer moved to approve the new lease amount. Trustee Heupel seconded the motion. Motion carried.

Resolution 2019-02 – Water Rates. After discussion, Trustee Heupel moved to approve the new Water Rates effective May 2019. Trustee Schaaf seconded the motion. Motion carried.

Resolution 2019-03 – Amending the Power Cost Adjustment. The General Manager reported that the Power Cost Adjustment (PCA) returned approximately \$70,000 to the rate payers in 2018. The purpose of the PCA is to 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 is calculated based on our updated electric utility cash flows and power supply costs and results in a new fixed base cost of \$0.05531/kWh. The current fixed base cost is \$0.053030. Trustee Schaaf moved to approve the new base power cost adjustment. Trustee Golwitzer seconded the motion. Motion carried.

Trustee Golwitzer moved to set the date and time for a bid letting for the Main Street Water Main Improvements – Phase 2 and the Finn Drive Loop Water Main Improvements for April 23, 2019 at 11:00 AM. Trustee Heupel seconded the motion and the motion carried.

Trustee Heupel moved to set the date and time for a public hearing on the Finn Drive Water Main Loop for April 24, 2019 at 12:00 PM. Trustee Schaaf seconded the motion. Motion carried.

Resolution 2019-04 – Resolution Authorizing Permanent Transfer of Surplus Funds from the Algona Municipal Electric Utility to the City of Algona. The amount of the transfer is \$400,000 and has not changed since 2014. The General Manager reported the transfer of funds has been in place with the City since 1951 which provides payment in lieu of taxes. Trustee Schaaf moved to approve the transfer. Trustee Heupel seconded the motion. Motion carried.

Resolution 2019-05 – Resolution Authorizing Permanent Transfer of Surplus Funds from the Algona Municipal Water Utility to the City of Algona. The amount of the transfer is \$45,000 and has not changed since 2014. The General Manager reported the transfer of funds has been in place with the City since 1951 which provides payment in lieu of taxes. Trustee Golwitzer moved to approve the transfer. Trustee Schaaf seconded the motion. Motion carried.

The General Manager also noted that the Communications Utility pays a monthly franchise fee to the City of 5% of cable TV gross revenues less certain exemptions which is similar to other cable TV companies providing service within the City.

Resolution 2019-06 – Resolution Updating the AMU Capitalization Policy. The current capitalization policy states that AMU will capitalize items with a cost in excess of \$500 and may capitalize items with less value of \$500 on an item by item basis based on staff recommendations relative to a project. Trustee Heupel moved to raise the amount used to capitalize items from \$500 to \$1,000. Trustee Golwitzer seconded the motion. Motion Carried.

The General Manager presented information about a proposed Renewable Energy Purchase Power Agreement. Discussion followed. No action was taken.

The next meeting is scheduled for April 24, 2019 at 11:00 A.M.

Upon motion and vote, the meeting adjourned at 12:40 P.M.

/s/ Julie Murphy  
Julie Murphy, Chairperson Pro Tem

Attest:

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

	PAYROLL		60,228.25
53488	ACCESS SYSTEMS	TECH SUPPORT SERVICES	2,574.04
53489	ALGONA PLG. & HTG.	SUPPLIES	6.00
53490	ALGONA ROTARY CLUB	SPONSOR FOR BRAK 2019	500.00
53491	BORDER STATES ELECTRIC	SUPPLIES	29.39
53492	DAN-D LASER CARTRIDGES	SUPPLIES	48.15
53493	DGR ENGINEERING	TESTING/RATE STUDY	6,922.48
53494	DIVERSIFIED ADJ SERVICE	BAD DEBT	573.55
53495	ELECTRONIC SPECIALITIES, INC	UNIT 19	409.57
53496	FACTORY DIRECT MATTRESS	CUSTOMER REFUND	138.91
53497	FASTENAL COMPANY	SUPPLIES	51.60
53498	FIREFLY YOGA	WELLNESS SESSIONS	240.00
53499	DAVID GOLWITZER	TRUSTEE FEE	75.00
53500	HACH CHEMICAL CO.	SUPPLIES	931.39
53501	DON HEUPEL	TRUSTEE FEE	75.00
53502	HOMETOWN DISTRIBUTING LLC	ICE MELT	92.38
53503	TED JR/JOANNE HOOVER	CUSTOMER REFUND	43.40
53504	IOWA ASSN OF MUNI UTILITIES	E-PAYS LOAN	6,000.00
53505	IRBY	LED LIGHT	11,502.50
53506	IWLA CLAY TARGET ACCOUNT	SPONSOR-TRAPSHOOTING	100.00
53507	PATRICK JAYWHEH	CUSTOMER REFUND	80.14
53508	MARY ANN JERGENSON	CUSTOMER REFUND	16.38
53509	KOSSUTH COUNTY TRANSFER	LOAD TO LANDFILL	74.60
53510	LEO KRUSE	CUSTOMER REFUND	21.33
53511	LONG, ROGER E.	CUSTOMER REFUND	24.13
53512	MIDAMERICAN ENERGY	SERVICE	72.41
53513	MN-IOWA ELECTRIC MOTORS	ENGINE COOLING SYSTEM	658.55
53514	JULIE MURPHY	TRUSTEE FEE	75.00
53515	NALCO COMPANY	DIAGNOSTIC/LAB REAGENTS	206.89
53516	NORTHLAND CONSTRUCTION	OFFICE REMODELING	5,131.70
53517	NORTHWEST COMM NETWORK	BANDWIDTH	616.50
53518	SHEENA PEASE	CUSTOMER REFUND	16.65
53519	EDUARDO RODRIGUEZ	CUSTOMER REFUND	34.66
53520	KAREN SCHAAF	TRUSTEE FEE	75.00
53521	MATT SEIFERT	CUSTOMER REFUND	101.05
53522	LOREN/BECKY SHELLABARGER	CUSTOMER REFUND	83.12
53523	BECKY SIMMONS	CUSTOMER REFUND	39.99

53524	JOSH/SARA STONE	CUSTOMER REFUND	12.00
53525	STUNDAHL CLEANING	CLEANING SERVICE	1,000.00
53526	UNITED RENTALS INC	ENGINE COOLING SYSTEM	17,299.52
53527	ALGONA COUNTY CLUB	GOLF HOLE SIGN 2019	350.00
53528	JAY GEVING	TRUSTEE FEE	75.00
53529	ALGONA MUNICIPAL UTILITIES	PAPERLESS BILLING	18,699.15
53530	A+ COMMUNICATIONS	SUPLIES	1,076.74
53531	ALGONA PLG. & HTG.	WATER FILTER	13.62
53532	ALGONA PUBLISHING CO.	ADVERTISING	425.26
53533	ALTEC INDUSTRIES INC.	UNIT 4	208.29
53534	ARNOLD MOTOR SUPPLY	SUPPLIES	1,428.26
53535	BARCO MUN. PRODUCTS INC.	TRUCK LIGHTS	222.40
53536	BLACKHAWK SPRINKLERS INC	SPRINGLER INSPECTION	121.00
53537	BOLTON & MENK, INC.	SERVICES	1,320.00
53538	BORDER STATES ELECTRIC	LED	14,683.07
53539	BUSCHER BROS. CORPORATION	SUPPLIES	1,162.30
53540	BUSCHER'S SERVICE CENTER	FUEL	507.10
53541	CENTURYLINK	ACCESS CHARGE	336.89
53542	CHROME COUNTRY INN	EXPENSE	52.75
53543	CINTAS CORPORATION #754	SUPPLIES	267.97
53544	COMSONICS INC	CONTINUUM MODULATOR	355.43
53545	CONSORTIA CONSULTING	CONSULTING	1,650.00
53546	COOPERATIVE RESPONSE CNTR	SERVICE	1,380.78
53547	DUMP IT INC.	SANITATION PICK UP	345.88
53548	ELECTRICAL MATERIALS CO.	ELEMENT	387.10
53549	ELECTRONIC SPECIALITIES, INC	PLANT HAND HELD RADIO	49.76
53550	FAREWAY STORES	SUPPLIES	114.07
53551	FASTENAL COMPANY	SUPPLIES	116.99
53552	FOERTSCH PLG. & HTG.	SUPPLIES	24.03
53553	HAWKINS INC.	TESTING	4,220.85
53554	HEIMAN FIRE EQUIPMENT	CALIBRATION KIT	701.30
53555	HY-VEE	EXPENSES	128.68
53556	IGLASS NETWORKS	NETWORK MONITORING	500.00
53557	IOWA ASSN OF MUNI UTILITIES	TRAINING	1,473.41
53558	IOWA COMM ALLIANCE	ANNUAL MEETING	1,185.00
53559	IRBY	LED LIGHT	2,075.80
53560	JACK'S OK TIRE SERVICE	SERVICE	823.13
53561	JOHN DEERE FINANCIAL	PARTS	66.75
53562	JOHNSTON AUTOSTORES	PARTS	103.80
53563	KEMCO TIRES, INC.	REPAIR	25.00
53564	KLGA & KLGZ	ADVERTISEMENT	743.70
53565	KOSSUTH COUNTY ADVANCE	NEWSPAPER DONATION	100.00
53566	KOSSUTH REG. HEALTH CENTER	WORKMANS COMP	215.00
53567	MH EQUIPMENT COMPANY	LABOR AND SUPPLIES	623.90
53568	MIDAMERICAN ENERGY	SERVICE	384.44
53569	NALCO COMPANY	DIAGNOSTIC REAGENTS	109.25
53570	NAPA AUTO PARTS-ALGONA	UNIT 20	107.80
53571	NIMECA	ANNUAL APPA DUES	7,894.93
53572	NORTH IA LUMBER	SUPPLIES	972.05
53573	NORTH IOWA MECHANICAL	SUPPLIES	423.77
53574	NYHART COMPANY	GASB	150.00
53575	RENTAL ZONE, LLC	OFFICE REMODELING	299.60
53576	SBEMCO	REMNANTS FOR THE OFFICE	147.55
53577	SECURITY COVERAGE	SECURE IT PLUS	33.60
53578	SKARSHAUG TESTING LABS	TESTING SERVICE	264.36
53579	SPENCER MUNICIPAL UTILITIES	SWITCH SERVICE	2,304.17
53580	STELLAR TRUCK & TRAILER	TRUCK LIGHTS	1,222.73
53581	SWIFT AIR	SERVICE	313.08
53582	T&R ELECTRIC	PAD MOUNT	4,150.00
53583	THREADS	EMPLOYEE CLOTHING	265.36

53584	TRINITY WIND, LLC	POWER PURCHASED	6,249.74
53585	VERMEER	SUPPLIES	338.00
53586	WESCO DISTRIBUTION INC.	COMPRESSION TOOL	2,213.83
53587	BILSTEN, JOHN	HSA CORRECTION	250.00
53588	DORNBIER, DALE	HSA CORRECTION	480.80
53589	NOLYN ELLIOTT	HSA CORRECTION	480.75
53590	STEVE GRANDGENETT	HSA CORRECTION	100.00
53591	BRIAN HATTEN	HSA CORRECTION	500.00
53592	IOWA DEPT OF TRANSPORTATION	2017 TRUCK REGISTRATION ADJ	0.02
53593	KENNE, PAUL	HSA CORRECTION	250.00
53594	JERRY LARSEN	HSA CORRECTION	750.00
53595	LINDSEY MOE	HSA CORRECTION	300.00
53596	MIKE STRIPLING	HSA CORRECTION	100.00
53597	LAURA THILGES	HSA CORRECTION	519.25
53598	VITZTHUM, ROD	HSA CORRECTION	200.00
53599	A & M LAUNDRY	SERVICE	77.46
53600	ADAMS CABLE EQUIPMENT, INC	SUPPLIES	1,295.00
53601	AED AUTHORITY	AED	2,750.00
53602	AIR FILTER SALES & SERVICE	SUPPLIES	221.41
53603	ALGONA PLG. & HTG.	SUPPLIES	25.25
53604	ALGONA PUBLIC LIBRARY	DONATION	250.00
53605	AUREON NETWORK SERVICES	SERVICE	11,345.81
53606	BAKER TILLY VIRCHOW KRAUSE	DATA SECURITY	9,067.00
53607	LEYANI VALLADERES BALLADARE	CUSTOMER REBATE	0.63
53608	BIG 10	SUB	2,515.05
53609	BOMGAARS	SUPPLIES	1,400.48
53610	BORDER STATES ELECTRIC	SUPPLIES	122.33
53611	C & D USED OIL SERVICES LLC	SUPPLIES	55.00
53612	CASA SYSTEMS, INC	ANNUAL MAINT AND UPG	10,017.00
53613	CHROME TRUCK STOP	FUEL	581.75
53614	COOK'S SCRAP IRON & METAL	SUPPLIES	230.13
53615	CRESCENT ELECTRIC SUPPLY	SUPPLIES	361.16
53616	DEAN MEYER ELECTRIC	SUPPLIES	1,671.33
53617	ELECTRONIC SPECIALITIES, INC	WALL MOUNT KIT	24.61
53618	FASTENAL COMPANY	VEHICLE LIGHTS	268.36
53619	FOX SPORTS NET NORTH	SUBS	6,731.10
53620	GISCH REPAIRS LLC	PARTS	54.58
53621	HEARST TELEVISION	SUBS	5,688.93
53622	HYGIENIC LABORATORY - AR	TESTING	97.50
53623	IRBY	SUPPLIES	42.69
53624	K & H COOP OIL CO.	FUEL	969.45
53625	KOSS CO EXTENSION OFFICE	SPRAY CERTIFICATION	70.00
53626	KOSSUTH COUNTY TREASURER	WINDFARM COUNTY TAX	43,439.50
53627	KOSSUTH REG. HEALTH CENTER	WORKMAN COMP-HEATH	167.00
53628	MARTIN'S FLAG CO., INC.	FLAG	54.09
53629	NECA SERVICES INC.	SERVICE	165.00
53630	NORTHERN IOWA COMMUNICATIONS	SERVICE	6,841.04
53631	PLYMOUTH COUNTY TREASURER	EXCISE TAX-PLYMOUTH CNTY	361.50
53632	POWER & TELEPHONE SUPPLY	BATTERY BACK UP FOR ONT	1,109.28
53633	PROF COMPUTER SOLUTIONS LLC	UTILISMART FEE-MARCH	887.30
53634	RADIOLOGISTS OF NORTH IOWA	WORKMANS COMP-DALE	27.00
53635	RENTAL ZONE, LLC	RENTAL	256.80
53636	ROVI	SUBS	1,184.07
53637	SHOWTIME NETWORKS INC	SUBS	263.13
53638	SIGN WORKS	UNIT 20	226.67
53639	T.P. ANDERSON COMPANY	AUDIT	10,680.00
53640	TOWER DISTRIBUTION CO	SUBS	4,694.70
53641	UNITED COMMUNICATIONS CORP	SUBS	4,065.80
53642	UPS	MAIL SERVICE	253.65
53643	WEBSTER COUNTY TREASURER	WEBSTER COUNTY TAX	1,930.50

53644	WOODBURY COUNTY TREASURER	EXCISE TAX-WOODBURY CNTY	11,232.50
8802642	IOWA STATE BANK	LOAN	18,723.17
8802643	IOWA STATE BANK	LOAN	3,971.58
8802644	SISCO	FLEX/HRA	192.31
8802645	EFTPS TRANSFER	PAYROLL TAXES-FEB 2019	21,193.78
8802646	LIBRARY OF CONGRESS	US COPYRIGHT	7,268.68
8802647	MIDAMERICAN ENERGY	NEAL 4	215,000.00
8802648	SISCO	EMPLOYEE HEALTH INS	31,663.40
8802649	WELLMARK HEALTH PLAN	PREMIUM	2,033.39
8802650	SISCO	FLEX/HSA	632.82
8802651	SISCO	FLEX/HSA	607.12
8802652	EFTPS TRANSFER	TAXES-MARCH 8	21,004.81
8802653	EFT - SALES TAX TRANSFER	WATER SERVICE TAX	3,410.00
8802654	EFT - SALES TAX TRANSFER	STATE SALES TAX	24,927.00
8802655	CITY OF ALGONA	CABLE TV FRANCHISE FEE	4,056.59
8802656	EFT - FEDERAL EXCISE TAX	FEDERAL EXCISE TAX	1,126.07
8802657	SISCO	FLEX-MEDICAL	479.69
8802658	SISCO	FLEX-DEPENDENT CARE	192.31
8802659	SISCO	HRA	596.56
8802660	CITY OF ALGONA	WTR PLNT CTY SEWER USAGE	2,777.62
8802661	TREASURER STATE OF IOWA	STATE TAX	7,866.00
8802662	IPERS	IPERS-FEB 2019	29,031.21