

April 25, 2024

The Utility Board of Trustees of Laurens, Iowa met in regular session at the Municipal Building, 272 N. Third Street, Laurens, Iowa, at 3:00 p.m. on the above date. Present were Trustees Kelly Horsman, Jerry Runneberg, and Ben Storms. Also present were General Manager Chad Cleveland and Electric Operations Manager Reid Prins.

Motion by Trustee Runneberg and seconded by Trustee Horsman to approve the agenda for the April 25, 2024 regular meeting. Ayes: All. Nays: None. Motion carried.

Motion by Trustee Horsman and seconded by Trustee Runneberg to approve the minutes of the March 21, 2024 regular meeting. Ayes: All. Nays: None. Motion carried.

Motion by Trustee Runneberg and seconded by Trustee Horsman to approve the summary of receipts for March 2024 in the amount of \$458,040.15 and the list of expenses for February 2024 in the amount of \$376,168.42. Ayes: All. Nays: None. Motion carried.

Summary of Receipts

A/R- Electric	\$ 275,313.06
A/R- Communications	\$ 56,745.87
Merchandise/Services- Electric	\$ 532.00
Merchandise/Services- Communications	\$ 72.00
Carrier Access Fees- Communications	\$ 2,610.20
Write Off Recoveries- Electric	\$ 1,951.66
Write Off Recoveries- Communications	\$ 269.84
Accumulated Interest- Electric	\$ 14,996.30
Erate Reimbursements- Communications	\$ 271.20
Deposits- Electric	\$ 2,965.50
Unclaimed Utility Deposits- Electric	\$ 73.93
Energy Assistance- Electric	\$ 2,216.15
Deposits- Communications	\$ 275.00
Interest on Investments- Electric	\$ 11.20
Marathon Energy Sales- Electric	\$ 9,124.05
Tower Leases- Communications	\$ 3,108.72
Attachment H Revenue- Electric	\$ 34,199.81
NIMECA Attachment H Revenue- Electric	\$ 25,261.36
Wind REC Sales- Electric	\$ 14,206.80
Lifeline Broadband Reimbursement- Internet	\$ 19.00
Lifeline Voice Reimbursement- Telephone	\$ 11.00
Miscellaneous- Communications	\$ 43.34
Disposition of Assets (Transformers)- Electric	\$ 750.00
Disposition of Assets (2009 F250)- Electric	\$ 11,890.00
Office Phones- Electric	\$ 30.00
EBS Account Refund- Electric	\$ 1,092.16
Total Cash Receipts	\$ 458,040.15

List of Expenses

A & M Laundry	Dust Mops & Mats	\$ 89.28
AFLAC	Employee Contributions	\$ 312.82
After Prom Party	Donation	\$ 100.00
Aureon	CALEA/SS7/Transport	\$ 851.13
Avesis- Fidelity Security Life	Group Vision Insurance	\$ 113.21
Bally Sports North	Programming Fees	\$ 1,018.40
Big 10 Network	Programming Fees	\$ 375.44
Bolton, Brian	Deposit Refund	\$ 39.97

Border States Electric	Fuses/Arrestors/Triplex	\$	4,978.66
Calix, Inc.	Operations Cloud	\$	505.64
City of Laurens	Utility Billing	\$	91,484.42
CMBA Architects	Storage Building Project	\$	444.68
Community Auto Parts	Vehicle Supplies	\$	321.46
Community First Broadcasting	Radio- LM School Sponsor	\$	52.50
Consortia Consulting	Consulting Contract	\$	1,125.00
Department of Energy	WAPA Power Bill	\$	35,065.01
DGR Engineering	Cash Flow/SCADA/Fuel Storage	\$	4,219.00
Display Systems International	Programming Fees	\$	165.76
Echo Group	Meter Sockets/Flex Conduit	\$	1,588.86
Employee Benefit Systems	Self-Funding- Administration	\$	120.00
Employee Benefit Systems	Self-Funding- Claims	\$	293.14
Fuchs Construction	Switch Gear Bldg. Maintenance	\$	2,795.77
GFC Leasing – WI	Copier Leases	\$	80.57
Goldfield Telecom	Calix- Gigablats	\$	3,739.38
Grainger	Toolbox/Tools/Safety Glasses	\$	1,012.94
Gray Media Group	Programing Fees	\$	792.00
Hearst Television	Programing Fees	\$	1,513.60
Hiway Truck Equipment	F250 Truck Topper	\$	6,008.38
ICMA RC	Employee Contributions	\$	1,000.00
Internal Revenue Service	Payroll Taxes	\$	10,822.07
Interstate TRS Fund	TRS Fund Assessment	\$	228.48
Iowa Association of Municipal Utilities	Membership Dues	\$	6,141.00
Iowa Department of Revenue	Sales Tax	\$	6,577.30
Iowa Department of Revenue	State Withholding	\$	1,553.00
Iowa Public Employees Retirement System	IPERS Contributions	\$	6,588.70
Itron Inc.	Itron/FCS Software Support	\$	1,611.68
Justice Fire & Safety	Fire Suppression System Inspection	\$	934.11
KC Nielsen	Vehicle Maintenance- Gator	\$	272.71
Laurens Chamber of Commerce	Membership Dues	\$	100.00
Laurens Food Pride	Meeting/Cleaning Supplies	\$	70.61
Laurens House of Print	Paper	\$	30.23
Laurens Municipal Power & Communications	Communications Bill	\$	110.00
Laurens Municipal Utilities	Utility Bill	\$	102.34
Laurens Plumbing	Miscellaneous Supplies	\$	196.30
Laurens Sun	Publications/Advertising	\$	977.16
Long Lines	Communication Services	\$	11,001.18
Lumen Access Billing	Access/Transport Fees	\$	95.36
Lumen Lexcis	Directory Listings	\$	36.45
Merchant Bankcard	Credit Card Processing Fees	\$	699.44
Mid American Energy	Neal 4 Operations	\$	29,000.00
Mid American Energy	Capacity Assignment	\$	10,538.02
Mix, Rosemary	Deposit Refund	\$	276.06
National Content & Technology Cooperative	Programming/TiVo/ACA	\$	12,724.05
New Way Auto	Vehicle Maintenance	\$	106.95
Nexstar Broadcasting	Programming Fees	\$	1,635.76
NIMECA	Power Bill/Property Tax	\$	46,943.22
Oak Hill Consulting	BDC Assistance	\$	142.00
Office Elements	Receipt Books/Office Supplies	\$	289.36
Paymentus Corporation	Credit Card Processing Fees	\$	334.43
Payroll	Salaried, Hourly & Overtime	\$	28,355.08
PLIC-SBD Grand Island	Life/Disability Insurance	\$	813.56
Plymouth County Treasurer	Property Taxes	\$	54.50
Pocahontas County Treasurer	Property Taxes	\$	3,523.50

Pop Media	Programming Fees	\$	34.75
Postmaster	PO Box Rent/Stamps	\$	570.00
Pro Cooperative	Vehicle Fuel	\$	388.50
R&D Industries	Network Support	\$	363.50
Record Democrat	Advertising	\$	33.50
RSM US LLP	Network Support	\$	2,311.00
Schacherer, Wayne	Credit Refund	\$	17.41
Schmitz, James	Credit Refund	\$	88.00
Secure Shred Solutions	Paper Shredding	\$	26.00
Skarshaug Testing Lab	Glove Testing/Replacement	\$	514.64
Spencer Municipal Utilities	Transport Fees	\$	450.00
Stuart C Irby	Transformers	\$	7,607.70
UMB Bank NA	Annual Fee- Revenue Bonds	\$	600.00
Upper Des Moines Opportunity Inc.	LIHEAP Refund- Closed Accounts	\$	511.08
US Card Systems	Credit Card Terminal Lease	\$	29.95
Verizon	Wireless Phone Service	\$	207.20
Visa	HULU/Meeting Expense	\$	475.94
Webster County Treasurer	Property Taxes	\$	390.00
Wellmark Blue Cross Blue Shield	Group Health Insurance	\$	12,506.18
Woodbury County Treasurer	Property Taxes	\$	1,585.50
Zarzoso, Ireneo	Deposit Refund	\$	13.51
Zcorum	TruVision Fees	\$	261.08
Ziegler, Inc.	Skid Loader Bucket/Maintenance	\$	4,091.35
	<u>Total Expenses</u>	\$	376,168.42

Trustees reviewed the Utility Funds Report as of March 31, 2024, current bank account balances, and the current investment schedule. The Investment Committee received interest rate quotes to re-invest up to \$650,000 of non-operating funds. Motion by Trustee Runneberg and seconded by Trustee Horsman to approve the investment quote from Community State Bank for a term of 12-months. Ayes: All. Nays: None. Motion carried.

Trustees reviewed the Balance Sheet and Income Statement for March 2024. No specific action taken.

Motion by Trustee Horsman and seconded by Trustee Runneberg to approve the Application for Payment from Graves Construction Company in the amount of \$32,561.72 for the Storage Building Project. CMBA Architects have certified the work covered by this application for payment has been completed. Ayes: All. Nays: None. Motion carried.

Motion by Trustee Runneberg and seconded by Trustee Horsman to approve the renewal of the Employers Mutual Package Insurance Policy through Woodley Insurance. The cost of the renewal is \$74,706.47. Ayes: All. Nays: None. Motion carried.

Motion by Trustee Horsman and seconded by Trustee Runneberg to approve the revised Cash Handling Policy as presented. Ayes: All. Nays: None. Motion carried.

Motion by Trustee Runneberg and seconded by Trustee Horsman to approve Amendment #1 to Task Order #2 of the Master Task Order Agreement with DGR Engineering for the Relay Upgrades and SCADA System Project. This amendment authorizes the SCADA integration phase, construction administration, final phase, final design phase, and bidding phase services for the Project at the existing East Substation/Generation Plant, existing West Substation, and existing West Generation Plant. The projected budget for this project is \$711,100. Ayes: All. Nays: None. Motion carried.

Motion by Trustee Runneberg and seconded by Trustee Horsman to approve Amendment #1 to Task Order #3 of the Master Task Order Agreement with DGR Engineering for the Generation Plant Additional Fuel Storage Project. This amendment authorizes the permitting phase, construction administration, final phase, final design phase, and bidding phase services for the project at the existing West Generation Plant. The projected budget for this project is \$606,500. Ayes: All. Nays: None. Motion carried.

DGR Engineering prepared two cash flow analysis versions for the Electric Utility. One version is with both generation plants operational, and the second version is with only the West generation plant operational. The cash flow analysis shows that our capacity credits would be reduced, our operating expenses would be reduced, power supply costs would increase, but in the end our operating margin would only be reduced by \$4,000 if we were to retire the East Generation Plant.

Discussion was then held on the maintenance items needed on the engines in the East Generation Plant. Engine #4 currently has a water leak similar to the water leak it had a year ago but on different cylinder heads. We also need to replace the fuel pump and motor (pump is too small) and investigate cylinder noise (pull pistons on suspected cylinders). Both Engine #4 and #3 need the following maintenance items done to them:

- Replace jacket water connecting hoses for all six heads.
- Change the oil and replace oil filters (275 gallons and 12 filters per engine).
- Take crank shaft deflection readings.
- Replace exhaust catalytic converter.
- DC contact brush replacement/resurface DC commutator rings.
- Replace fuel meters.
- Air filter maintenance, check valve lashing, timing chain, and repair alarm controls.

Other issues of concern:

- Getting parts for these engines is a challenge and usually requires custom made parts.
- Our Operations Manager, Reid Prins, is retiring this summer. He has been with the Utility for 46 years. This is a lot of knowledge and experience of operating these engines leaving the Utility.

The Trustees decided that it is not prudent to spend the money to repair and maintain the engines in the East Generation Plant. The General Manager will work on an exit strategy to retire these engines. No specific action was taken.

Discussion was held on the possible sale of our 400' guyed communications tower and the needed upgrade to the lighting system. Motion by Trustee Horsman and seconded by Trustee Runneberg to not sell the tower and to negotiate an agreement with LumenServe to update the lighting system on the tower. Ayes: All. Nays: None. Motion carried.

The Trustees went over a cash flow analysis of the Communications Utility (Internet, Telephone, and Cable TV) and discussed the option of no longer offering Cable TV services. Due to the constant decline in Cable TV subscribers, the ever-increasing costs of programming, the costs of transmission and operation of the Cable TV Utility, the Trustees agree that LMPC should stop offering Cable TV services but not until we have an exit plan in place. This plan shall provide our customers with information on options available and a plan to provide assistance needed to help our customers get through this transition. The General Manager will work on an exit plan. No specific action was taken.

The General Manager reported that Brooke Williamson, Customer Service/Billing Clerk resigned on April 2, 2024.

Motion by Trustee Horsman and seconded by Trustee Runneberg to approve the hiring of Stephanie Santellanez for the position of Customer Service/Billing Clerk. Stephanie's starting wage will be at Grade 3, Step 15 of the wage scale and her first day is scheduled to be Monday, May 6, 2024. Ayes: All. Nays: None. Motion carried.

Discussion was held on the Make My Move initiative from Pocahontas County Economic Development Commission. Make My Move is an online marketplace that connects communities with people – remote workers who are looking to move for a better quality of life. Communities usually come up with a list of incentives to get these individuals to move to their community. The Trustees are in favor of LMPC offering some free months of Internet and suggested we provide information on our New Electric Home Cash Incentive and our energy efficiency rebates. The General Manager will work with MaryJo Litwiler on the incentives provided by LMPC.

The Trustees were informed that the subject of renovating City Hall has surfaced again. CMBA has updated their proposal from last year to develop and design a concept plan, concept visual, and a preliminary budget for the Renovation of City Hall Project for a fee of not to exceed \$9,000. The project entails a handicap accessible entrance, secure working environment, improved functionality, and improved efficiency. Last year the Board of Trustees approved sharing the costs for the Renovation of City Hall Project with the City of Laurens. The Trustees still support this project. No further action was taken.

There being no further business, the Chairman declared the meeting adjourned at 7:40 p.m.

Ben Storms
Chairman, Board of Trustees

ATTEST: Chad Cleveland
Secretary, Board of Trustees