

August 10, 2022

The McGregor Municipal Utility Board of Trustees held their regular meeting on Wednesday, August 10th, 2022 in the utility meeting room. Chairman Zahn called the meeting to order at 5:00 pm with Trustees Boeke, Kinley, Regal, and Strutt answering roll. Also present was Kris Eulberg.

No public addresses or comments were received.

A motion was made by Regal/Boeke to approve the minutes from the previous meeting. All Trustees present voted aye, motion carried.

The Board reviewed an annual financial exam proposal from O'Connor, Brooks, & Company. A motion was made by Strutt/Zahn to accept the bid of not to exceed \$4600. All Trustees present voted aye, motion carried.

Eulberg provided the summer fill and pre-paid LP costs from Three Rivers FS Co and Consolidated Energy Resources. A motion was made by Zahn/Strutt to get a summer fill and contract 5000 gallons LP from Consolidated Energy Resources for the upcoming heating season at \$1.74 /gallon. All Trustees present voted ayes, motion carried.

The alternate energy interconnection policy, application, and fee options were reviewed. Chairman Zahn stated he did not get any additional information from any UMMEG members yet. The Board did agree we should have an application and fee as there is added work/research the utility needs to do. The Board discussed fees and whether to change the maximum size of an alternate energy system. The Board agreed to the suggestions of \$50 for residential and \$100 for commercial systems. It was also discussed to implement only allowing up to 70% annual kilowatt-hour maximum capacity for residential customers and on a case-by-case basis for commercial. The Board asked Eulberg to work on these updates and bring back to the Board for review.

Eulberg informed the Board, the information she researched on a hazard mitigation grant to help fund a back-up generator for Well #7. A State hazard mitigation rep. stated there isn't much funding currently and they don't fund too many generators however, it just depends. She also left a message at Radloff Sales still pursuing a used unit. Eulberg asked the Board if they wanted her to fill out the Notice of Interest in case funding becomes available. The Board agreed to have Eulberg put in the notice and also keep pursuing other options.

The Board reviewed the fiscal year-end revenue and expense reports and budgets. This is the time where if we have any revenues in the water department that we transfer funds to the capital projects reserve fund, We did not budget for any reserve funds in the fiscal year 2022 as those funds were allocated toward the Ash Street project. Eulberg also indicated due to the Ash Street over-runs our expenditures exceeded our revenues.

Information was provided on ongoing attempts to get an easement signed for the underground power lines in the Benesh property. The Board viewed the map and an e-mail from Benesh requesting to adjust the 7' to the other side of the plotted underground line. The Board asked about 5' on each side and Eulberg stated Benesh did not agree to that. Eulberg and Attorney Schiller hope to get this resolved soon. The Board agreed to the change the map and send back to Attorney Schiller to draft the final easement.

A vacation request from Fletcher was granted by the Board.

A sketched map of the water main and service lines on Walton Street where a water leak was repaired was presented and discussed. We believe there may be an additional leak in this area and therefore we do not want to fix this patch yet. Eulberg also informed the Board that it appears that possibly the homes from 920 and up may share a partial line. Eulberg recommended to the Board if we are going to dig this area again due to the potential leak that we start at the Main and replace the full section of this line with a 2" Main and eliminating the lead service line under the Street over in to the

boulevard eliminating digging the street up again. The Board agreed and felt we should pursue further the shared line area and devise a plan to improve this section.

An updated water rate analysis was provided from Heidi Kuhl with Northland Securities based on a payback loan of \$699,000 the water department is estimated to owe the City of McGregor with the current grants and loans obtained at this time. Eulberg stated we are going to try and get another WTFAP grant. The SRF loan's interest rate is 2% and the Board will need to determine whether they want to pay the City back in a 20 or 30 year time frame. The rate adjustments were provided based on the 20 & 30 year loans. Eulberg indicated we did not get the other estimated revenue and expense prediction reports from Heidi yet and Eulberg will follow up with her this week. The Board discussed whether to increase rates at the next meeting or to consider waiting until April or May after this winter considering this year's heating season may be hard on everyone's finances.

The Board was provided with information on Dairyland Power's Municipal Appreciation Day on Sept. 14th if they can attend.

One previous customer will be sent to collections and a previous customer's balance of \$202 was collected through Offset.

A motion was made by Zahn/Kinley to pay the bills in the amount of \$114,233.40. All Trustees present voted aye, motion carried.

The meeting adjourned at 6:10 p.m.
