

VINTON MUNICIPAL ELECTRIC UTILITY BOARD MEETING

MAY 9, 2017

A regular meeting of the Vinton Municipal Electric Board of Trustees was held on the 9th day of May, 2017, at 5:00 p.m., at the Line Distribution Office, Vinton, Iowa. Chairman Woodhouse presided and the roll being called the following board members were present and absent: Present: Anderson, Barron, Woodhouse. Absent: Elwick, Kremer.

Motion by Woodhouse, second by Anderson to approve the minutes of the April 11th meeting. Question: Yes - All. The Chairman declared the motion carried.

Motion by Barron, second by Anderson to approve invoices in the amount of \$372,087.22. Question: Yes - All. The Chairman declared the motion carried.

Motion by Barron, second by Anderson to approve the agenda. Question: Yes - All. The Chairman declared the motion carried.

Kurt Karr, iVinton committee chair, reviewed a proposed flow chart for the formation of a possible local telecommunications utility. Elwick joined the meeting at 5:05 p.m. Karr stated that Gerald Horst is a new committee member. After the committee reviews the feasibility study, they will look at cost estimates, financing options and cash flow, then make a recommendation to the Trustees. Richtsmeier stated a draft feasibility study will be coming soon.

Dave Berg, DBC LLC, reported on the cost of service and rate design study. He has looked at the current rate schedule. He has also projected operating results. He feels that VMEU has a solid cash reserve. He suggested the Trustees consider small gradual increases in utility rates, on an annual basis. The energy adjustment factor could be offset by rate increases. A telecommunications utility is not factored into his report. The power plant has a 17 megawatt capacity and peaks at about 12 megawatts. The utility rate study will be discussed again at the next meeting.

Motion by Elwick, second by Barron to approve an energy adjustment factor of 2.75 cents per kWh for May billings. Question: Yes - All. The Chairman declared the motion carried.

Motion by Elwick, second by Anderson to receive and file the April revenue and expenditure report. Question: Yes - All. The Chairman declared the motion carried.

APRIL 2017	Begin. Balance	Receipts	Expenses	End. Balance
Operating	3,361,401.85	352,297.48	478,927.09	3,234,772.24
Capital Improvement	2,143,415.94	260.25	0.00	2,143,676.19
Self Insurance	750,000.00	0.00	0.00	750,000.00

The Trustees asked Richtsmeier to get a cost estimate for providing electric service to a potential housing development at the southeast corner of town. If electric service is provided by

VMEU, a utility easement will be necessary. The area is close to REC service territory. Richtsmeier will review service rules for adding electric service to new homes.

General Manager Richtsmeier reported on: 1) Substation work. 2) Work on unit 6 excitor. 3) One power plant employee is on light duty yet. 4) Linemen are assisting at the power plant. 5) New poles are being installed on 15th,16th and 17th Streets. 6) IBSSS public input meeting was held on May 2nd. 7) Flood work info was sent to FEMA. 8) Working on various reports. 9) HISS training session last week. 10) One lineman will be off work for knee surgery.

Elwick asked Richtsmeier to look up information on a flood wall.

Richtsmeier is having difficulty dealing with Mediacom and the installation of the new poles.

Secretary reported the City Council has approved an agreement for auditing services from Faller, Kinchelore & Co., PLC. A separate audit proposal was received for VMEU. The Trustees authorized Manager Richtsmeier to sign the agreement for these auditing services.

Motion by Elwick, second by Woodhouse to adjourn the meeting. Question: Yes - All. The Chairman declared the motion carried. Time: 6:25 p.m.

Dr. Alan S. Woodhouse Chairman

Attest: _____
Cindy Michael Secretary