

June 29, 2021

The Utility Board of Trustees of Laurens, Iowa met in regular session at the Municipal Building, 272 N. Third Street, Laurens, Iowa, at 11:30 a.m. on the above date. Present were Trustees Richard Main, Jerry Runneberg, and Ben Storms. Also present was General Manager Chad Cleveland. Larry Butler of Oakhill Consulting joined the meeting via telephone.

Motion by Trustee Storms and seconded by Trustee Runneberg to approve the agenda for the June 29, 2021 regular meeting as presented. Ayes: All. Nays: None. Motion carried.

Larry Butler informed the Board that three (3) different vendors were considered for the electronics to be used for our Fiber-To-The-Premise System. It was determined that only one vendor (Calix) had the products and services we were looking for. We also looked at two (2) different vendors for Wi-Fi equipment to be used with our fiber system. Both vendors offer excellent products, so it came down to cost. The Board chose to go with the Calix GigaSpire Wi-Fi products. The total cost of the Calix electronics, installation, training, and support is \$410,036.15.

Motion by Trustee Storms and seconded by Trustee Runneberg to approve the purchase of electronics and Wi-Fi equipment for the Fiber-To-The- Premise Project from Calix as presented with a cost of \$410,036.15. Ayes: All. Nays: None. Motion carried.

Larry Butler also presented a quote on electronics for use in our central office and for the cellular providers we serve. The Board would like another quote or two for comparison purposes before deciding on this. No action was taken at this time.

Motion by Trustee Runneberg and seconded by Trustee Storms to approve Pay Request #2 in the amount of \$166,189.97 for the work completed on the Laurens 2021 Electric Improvements/Fiber-To-The-Premise Project by MP Nexlevel, LLC. Ayes: All. Nays: None. Motion carried.

Larry Butler left the meeting at 12:30 p.m.

Motion by Trustee Storms and seconded by Trustee Runneberg to approve the minutes of the May 27, 2021 Board meeting. Ayes: All. Nays: None. Motion carried.

Motion by Trustee Runneberg and seconded by Trustee Storms to approve the summary of receipts for May 2021 in the amount of \$390,703.77 and the list of expenses for May 2021 in the amount of \$345,233.47. Ayes: All. Nays: None. Motion carried.

Summary of Receipts

| | |
|---|---------------|
| A/R – Electric | \$ 240,511.53 |
| A/R – Communications | \$ 58,199.48 |
| Merchandise/Services – Electric | \$ 495.00 |
| Merchandise/Services – Communications | \$ 118.00 |
| Carrier Access Fees – Communications | \$ 3,368.74 |
| Notes Receivable – City of Laurens – Electric | \$ 50,000.00 |
| Write-Off Recovery – Electric | \$ 388.33 |
| Write-Off Recovery – Communications | \$ 760.06 |
| LIHEAP Energy Assistance – Electric | \$ 920.00 |
| Deposits – Electric | \$ 1,330.31 |
| Deposits – Internet | \$ 568.00 |
| Interest Income – Electric | \$ 750.00 |
| Marathon Energy Sales – Electric | \$ 5,799.25 |
| Tower Lease – Communications | \$ 900.00 |
| Attachment H Revenues – Electric | \$ 26,465.10 |

| | | |
|----------------------------|-----------|-------------------|
| Miscellaneous – Telephone | \$ | 26.00 |
| Miscellaneous – Cable TV | \$ | 73.97 |
| Office Phones – Electric | \$ | 30.00 |
| Total Cash Receipts | \$ | 390,703.77 |

| | | |
|----------------------------|-----------|-------------------|
| Electric Receipts | \$ | 326,689.52 |
| Communications Receipts | \$ | 64,014.25 |
| Total Cash Receipts | \$ | 390,703.77 |

List of Expenses

| | | | |
|--|--------------------------------|----|-----------|
| A & M Laundry | Dust Mops & Mats | \$ | 85.28 |
| AFLAC | Employee Contributions | \$ | 245.80 |
| Ahlers & Cooney | Legal Services | \$ | 70.50 |
| Alliant Energy | Natural Gas | \$ | 388.28 |
| Associate Partners | DADNS Annual Provisioning | \$ | 250.00 |
| Aureon | CALEA/SS7/Switching/Transport | \$ | 575.17 |
| Aveis | Group Vision Insurance | \$ | 108.48 |
| Big 10 Network | Programming Fees | \$ | 526.50 |
| Century Link Access | Access/Transport Fees | \$ | 552.01 |
| Cleveland, Chad | Meeting Expenses | \$ | 207.20 |
| Consortia Consulting | Consulting Contract | \$ | 975.00 |
| Counsel | Lanier Copier Support | \$ | 72.15 |
| Customers | Deposit/Credit Refunds | \$ | 393.16 |
| Department of Energy | WAPA Power Bill | \$ | 26,822.35 |
| Echo Group | Supplies | \$ | 118.89 |
| Employee Benefit Systems | Self-Funding – Administration | \$ | 120.00 |
| Employee Benefit Systems | Self-Funding – Claims | \$ | 2,411.57 |
| Grainger | Safety Footwear/Supplies | \$ | 237.95 |
| Hearst Television | Programming Fees | \$ | 1,650.60 |
| Heart N Home | Funeral Flowers – Hawley | \$ | 32.10 |
| ICMA RC | Employee Contributions | \$ | 1,200.00 |
| Internal Revenue Service | Payroll Taxes | \$ | 13,891.65 |
| Interstate TRS Fund | TRS Fund Assessment | \$ | 213.95 |
| Iowa Association of Municipal Utilities | Meeting Registration | \$ | 65.00 |
| Iowa Department of Revenue | Sales Tax | \$ | 6,492.00 |
| Iowa Department of Revenue | State Withholding | \$ | 2,314.00 |
| Iowa One Call | Locates | \$ | 19.00 |
| Iowa Public Employees Retirement System | IPERS Contributions | \$ | 8,730.65 |
| Iowa Utilities Board | IEC/CGRER Assessment | \$ | 2,345.00 |
| KTIV-TV | Programming Fees | \$ | 917.00 |
| Laurens, City of | Utility Billing | \$ | 96,035.22 |
| Laurens Food Pride | Cleaning Supplies | \$ | 35.43 |
| Laurens Municipal Power & Communications | Communications Bill | \$ | 113.76 |
| Laurens Municipal Utilities | Utility Bill | \$ | 94.30 |
| Laurens Plumbing | Supplies | \$ | 298.76 |
| Laurens State Bank | Service Charges | \$ | 44.80 |
| Long Lines | Communication Services | \$ | 9,483.02 |
| Lumen Lexcis | Directory Listings | \$ | 36.45 |
| Merchant Bankcard | Credit Card Processing Fees | \$ | 803.82 |
| MidAmerican Energy | Neal 4 Operations | \$ | 19,000.00 |
| Midwest Spray Team | Vegetation Control | \$ | 1,501.00 |
| National Cable Television Cooperative | Programming Fees | \$ | 15,421.10 |
| National Child Safety | L-M School Drug Safety Program | \$ | 242.00 |
| Nexstar Broadcasting | Programming Fees | \$ | 1,582.48 |

| | | |
|--|-------------------------------|----------------------|
| NIMECA | Power Bill/Electric Materials | \$ 32,532.28 |
| Norsolv | Solvent | \$ 95.74 |
| Oakhill Consulting | FTTP Project Engineering | \$ 7,192.00 |
| Office Elements | Office Supplies | \$ 527.29 |
| Payroll | Salaried, Hourly & Overtime | \$ 37,590.42 |
| Petroleum Marketers Management Insurance | UST Insurance Premium | \$ 788.00 |
| PLIC-SBD Grand Island | Life/Disability Insurance | \$ 498.16 |
| Pop Media | Programming Fees | \$ 44.54 |
| Postmaster | Postage | \$ 326.02 |
| Power & Telephone | FTTH Project Materials | \$ 15,437.99 |
| Pro Cooperative | Fuel/Diesel | \$ 423.89 |
| R&D Industries | Network Support | \$ 1,773.60 |
| RB Lumber Company | FTTP Supplies | \$ 124.01 |
| Secure Shred Solutions | Paper Shredding | \$ 24.00 |
| Senior Class | Donation – Senior Banners | \$ 110.00 |
| Shamrock Recycling | Building Demolition (Final) | \$ 4,452.39 |
| Spencer Municipal Utilities | Transport Fees | \$ 660.75 |
| Stuart C Irby | Tools/Supplies | \$ 2,247.00 |
| The Machine Shop | Supplies | \$ 114.25 |
| TP Anderson & Company | Audit Services | \$ 10,260.00 |
| US Card Systems | Credit Card Terminal Lease | \$ 29.95 |
| VECTOR | Insurance/CPR/FA | \$ 427.46 |
| Verizon | Wireless Phone Service | \$ 207.84 |
| Visa | Auto Cad/Supplies | \$ 1,956.40 |
| Wellmark Blue Cross Blue Shield | Group Health Insurance | \$ 9,860.23 |
| Zcorum | Cable Modem Provisioning | \$ 805.88 |
| | Total Expenses | \$ 345,233.47 |

| | |
|-------------------------|----------------------|
| Electric Expenses | \$ 275,780.67 |
| Communications Expenses | \$ 69,452.80 |
| Total Expenses | \$ 345,233.47 |

Trustees reviewed the Utility Funds Report, Income Statement, and Balance Sheet for May 2021. No specific action was taken.

Discussion was held on the current status of the Fiber-To-The-Premise Project. The main line crews have the Northeast part of town completed. The drop crews are very close to having the Northeast part of town done. MP Nexlevel, LLC currently has 2 main line boring crews and 2 drop crews working in Laurens. No specific action was taken.

Discussion was held on packages and pricing of communication services for customers on our new fiber system. No specific action was taken.

Board Trustee Runneberg introduced the following Resolution entitled "RESOLUTION AUTHORIZING TRANSFER OF SURPLUS FUNDS FROM THE LAURENS MUNICIPAL ELECTRIC UTILITY TO THE CITY OF LAURENS" and moved that the same be adopted. Board Trustee Storms seconded the motion to adopt. The roll was called, and the vote was,

AYES: Main, Runneberg and Storms NAYS: None

Whereupon the Chairman declared the resolution duly adopted as follows:

RESOLUTION AUTHORIZING TRANSFER OF SURPLUS FROM THE LAURENS
MUNICIPAL ELECTRIC UTILITY TO THE CITY OF LAURENS

WHEREAS, Section 384.89 City Code of Iowa provides that the governing body of a City Utility may under certain circumstances transfer surplus funds on hand to any other fund of the City in accordance with any rules promulgated by the City Finance Committee if the transfer is also approved by the City Council; and

WHEREAS, this Board hereby determines, based on Rule 2.5(5) of the rules promulgated by the City Finance Committee in accordance with Section 384.89, Code of Iowa, that the Electric Utility currently has a balance of \$2,515,344, and has on hand available surplus funds of \$1,803,346, after making all deposits into all funds required by the terms, covenants, conditions and provisions of outstanding revenue bonds, pledge orders, and other obligations which are payable from the revenues of the Electric Utility in accordance with Section 384.89, as shown on the Electric Fund surplus calculation attached hereto as Exhibit 1 and by this reference incorporated herein; and

WHEREAS, all the requirements, terms, covenants, conditions and provisions of the proceedings and resolutions authorizing the issuance of outstanding electric revenue bonds and pledge orders have been complied with; and

WHEREAS, this Board finds that a transfer of the Surplus does not and will not conflict with any of the requirements, terms, covenants, conditions, or provisions of any resolution authorizing the issuance of revenue bonds, pledge orders or other obligations which are payable from the revenues of the Electric Utility; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE LAURENS MUNICIPAL ELECTRIC UTILITY OF THE CITY OF LAURENS, IOWA:

Section 1. Pursuant to and in accordance with Section 384.89, Code of Iowa, and Rule 2.5(5) of the rules promulgated by the City Finance Committee, the Electric Utility has surplus funds available for transfer.

Section 2. That after investigation not more than \$680,000.00 now on hand is declared to be surplus funds of the electric utility and are not required for current utility operations.

Section 3. Upon investigation, it is found to be necessary, advisable, and in the best interest of the electric utility and its customers that \$30,000.00 be transferred to the City for its use as the City Council shall deem appropriate.

Section 4. Upon investigation, it is found to be necessary, advisable, and in the best interest of the electric utility and its customers that \$650,000.00 be transferred to the City for its use towards the new pool project.

Section 5. In accordance with Section 384.89, Code of Iowa, this transfer is subject to approval by the City Council.

PASSED AND APPROVED this 29th day of June 2021.

Richard Main
Chairman, Board of Trustees

ATTEST: Chad Cleveland
Secretary, Board of Trustees

EXHIBIT 1

ELECTRIC SURPLUS CALCULATION

Cash balance in the operating account OR the unrestricted net position calculated in accordance with GAAP = **\$2,515,344** (Audit Page 10, Total Net Position - Net Investment in Capital - Restricted = Unrestricted)

* Total Net Position (Page 10) = Total assets \$12,901,626 + Deferred outflows \$52,349 – Total liabilities \$5,371,906 – Deferred inflows \$48,337 = \$7,533,732

* Net investment in capital assets (page 10) = Asset's net of accumulated depreciation \$8,232,816 + Construction in progress \$41,533 – Current portion of revenue notes \$370,000 – Revenue notes net of current portion \$4,413,402 = \$3,490,947

* Restricted (page 30) = Bond retirement sinking fund \$56,957 + Revolving loan fund \$336,018 + CTS improvements fund \$536,771 + Whelan 2 reserve fund \$56,240 + Bond reserve fund \$541,455 = \$1,527,441

- less, all required transfers to any restricted accounts in accordance with the terms and provisions of any revenue bonds or loan agreements relating to the utility: **\$0**

+ plus, net pension liabilities: **\$157,272** (Page 11, Noncurrent Liabilities, net pension liability)

+ plus, other postemployment benefits liabilities: **\$13,204** (Page 11, Noncurrent Liabilities, Total OPEB liability)

+ plus, related deferred inflows of resources: **\$48,337** (Page 11, Deferred Inflows of Resources, Pension related deferred inflows)

- less, related deferred outflows of resources: **\$50,976** (Page 10, Deferred Outflows of Resources, Pension related deferred outflows)

= **\$2,683,181**

- less, the amount of the expenses of disbursements for operating and maintaining the utility or enterprise for the preceding three months: **\$766,552**

- less, the amount necessary to make all required transfers to restricted accounts for the succeeding three months: **\$113,283**

= Available Surplus Funds: **\$1,803,346**

Discussion was held on the Emergency Broadband Benefit Program. Eligible customers can get up to \$50 a month off their internet bill. Board recommends that we participate in this program. The General Manager will complete required documents and prepare customer notification regarding eligibility guidelines.

Discussion was held on the Emergency Connectivity Fund. Eligible schools and libraries can apply for support to purchase broadband connectivity and connected devices (laptops, tablets, Wi-Fi hotspots, routers) for off-campus use by students, school staff, and library patrons who would otherwise lack access to these capabilities. Board recommends that we participate in this program. The General Manager will complete required documents and prepare customer notification regarding eligibility guidelines.

There being no further business, the Chairman declared the meeting adjourned at 4:10 p.m.

Richard Main
Chairman, Board of Trustees

ATTEST: Chad Cleveland
Secretary, Board of Trustees