

McGregor City Council  
Joint Special Meeting with Utility Board  
September 13, 2010, 5:45 p.m.

The McGregor City Council met in Joint Special Session with the McGregor Municipal Utility Board on Monday, September 13, 2010 at City Hall with Mayor Hallberg presiding. Muehlbauer, Halvorson, Collins, Bogdonovich and Burg were in attendance. Zahn, Regal, Farley, Strutt and Eilers were in attendance from the Utility Board and Eulberg and Corlett represented MMU staff. A large audience, the majority being business owners, was in attendance to express concerns over escalating costs for utilities.

The Mayor opened the meeting with a brief statement explaining the purpose of the meeting, which was called to open discussions with the Board regarding several concerns. Topics for discussion included overhead reduction, combining work force tasks, business and residential incentives, meter change out and rate structure.

Discussion took place regarding the duties associated with utility work at MMU. Bob Corlett and the new employee, Matt, serve as linemen and Bob Corlett and Joe Ferguson are licensed for water and water distribution. Wage information was not provided but will be made available. MMU assists with snow plowing and provides utility billing for sewer, garbage and storm sewer to the City at below cost.

Sander asked if there were incentives available to entice new businesses and residents. Eulberg explained there are no specific incentives available and that all utility charges are required to meet costs. Sander provided information on some incentive programs that are available at area towns.

Roger Knott provided a cost comparison of the electric costs for his business using the MMU rates on his bill against those that would have applied as an Alliant Energy customer. Over a twelve month period his charges would have been \$1,700 less. The cost savings for Old Man River would have been \$3,000 over a nine-month period. Mr Knott asked for justification to remain a municipal utility with the discrepancy evident in electrical costs to businesses.

Charlie Zahn, president of the Utility Board, addressed the Council to answer questions posed by the audience with regards to the viability of maintaining a municipal utility. He explained how UMMPA, Upper Midwest Municipal Power Agency, contracts to purchase electricity with Dairyland Power and that the costs of transmission of that power through the grid are where the variables in cost are incurred. MMU has the capacity to generate during a power outage and reduce the amount of time the City is without power.

Strutt addressed audience concerns about increasing rates and recommended that they attend the meeting of the utility board that takes place on the second Monday of each month at 5:00 p.m. at the MMU office. Discussion took place regarding redistribution of

rates to be more equitable for businesses who are struggling with commercial property tax values.

Louis White offered suggestions for businesses to consider with USDA and Iowa Energy Center. Many programs are offered to help with energy efficiency, which is a big concern with the old buildings. Sander will research and bring info to an upcoming meeting.

The Council requested that another joint meeting be scheduled in October to continue to discuss the issues and to look at options and solutions to improve collaboration between the utility and city and to ensure cost effective operation.

With business concluded, on motion of Muehlbauer and second by Halvorson the meeting was adjourned.

Lynette L. Sander  
City Clerk