

**PUBLIC UTILITY BOARD MINUTES  
SEPTEMBER 26, 2022**

The Public Utility Board met in regular session on Monday, September 26, 2022, at 1:17 p.m. at the Power Plant located at 2101 Power Lane. Roll call was taken, and members of the Board present were: John Bell, Richard Vaughn, and Charles Williams. Absent was member Whit McCoskrie. Also present were: Lauren EH Nelson, Council Liaison; Lowe Cannell, Mayor; Renee Tyler, Director of Administration; Courtney L. Doyle, Asst. Deputy Director of Administration/City Clerk; Darrell Dunlap, Superintendent of Utilities; Kathy Holschlag, Chief Financial Officer; and Christine Finnell, Acting Administrative Assistant.

**APPROVAL OF MINUTES:**

The minutes of the July 25, 2022 Board meeting were presented for approval.

Motion was offered by John Bell and seconded by Charles Williams to approve the minutes of July 25, 2022, as presented. Motion carried with three members of the Board voting in favor, and one member (McCoskrie) absent.

**FINANCIAL REPORT:**

The Utility Financial Report for August 2022 was presented to the Board for review and discussion. Kathy Holschlag, Chief Financial Officer, offered to answer any questions.

Holschlag stated sales tax collections are up 5.8% in comparison to this period of time in 2022 and noted this rate is not keeping up with the current rate of inflation. Holschlag also reported use tax collections are up 12%, approximately \$38,000.

Holschlag noted the Electric fund experienced an operational loss month-to-date due to cost of purchased power; this fund is down approximately \$900,000 year-to-date. The Gas fund experienced a loss of approximately \$181,000 month-to-date due to increased costs; the fund is down roughly \$723,000 year-to-date. In regards to the Gas fund, Darrell Dunlap, Superintendent of Utilities, stated the August gas costs were as anticipated.

The Water fund was profitable both month-to-date and year-to-date; the Sewer fund remains in the black for the year. Lastly, the Solid Waste fund has been profitable both month-to-date and year-to-date.

After some review and discussion, motion was offered by Charles Williams and seconded by Richard Vaughn to accept the Financial Report for August 2022, as presented. Motion carried with three members of the Board voting in favor, and one member (McCoskrie) absent.

**SUBJECTS OF DISCUSSION:**

- a. Utility Rates discussion

Dunlap presented the Board with a packet showing electric and gas rates compared to other local utility providers. The city electric residential rate is low in comparison to the surrounding areas and the gas rates are low in all classes when compared to surrounding areas.

Some discussion followed on locking in gas rates as there looks to be no decrease in electric and gas purchase prices. It appears the city is heading towards a rate increase for both electric and gas with base rates being the first to increase. Dunlap also discussed working on raising the rates of customers who are out

of city limits.

b. Power Supply Options Discussion

Dunlap stated we are looking at alternative power supply projects to try and help offset the losses. Grain Belt Wind is in Missouri and appears to be the best option after the Columbia Solar project fell through.

Bell stated that we need to be competitive with our rates and also be able to pay our bills. We need to have all the numbers so we can make a recommendation to the City Council. Vaughn added that we need to educate the public as to the situation with the city rates and increased costs.

Doyle added we may need to add a November Utility Board meeting to further discuss rates and the utility budget.

Nelson would like a tentative decision before the Council finalizes the budget.

Dunlap stated he will work on a projection of what rate increases will do the bottom line of the budget.

**EXECUTIVE SESSION:**

There was no need for an executive session at this Board meeting.

**ADJOURNMENT:**

There being no further business to come before the Public Utility Board, motion was offered by Charles Williams and seconded by Richard Vaughn to adjourn the meeting. Motion carried with three members of the Board voting in favor, and one member (McCoskrie) absent. The meeting adjourned at 1:52 p.m.

Respectfully submitted,

Christine Finnell,  
Acting Administrative Assistant