

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, January 8, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Allen Burchett, Craig Kroger, W.A. "Pat" Pattison, Kathleen Kohorst and Peter N. Horne.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Trustee Burchett.

Moved by Pattison, seconded by Kohorst, to approve the agenda. Motion carried unanimously.

Moved by Kroger, seconded by Pattison, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of December 11, 2003; B) Approve minutes of electronic board meeting of December 23, 2003; C) Approve Abstract of Claims No. 779 in the amount of \$211,709.25 and payment of same; D) Approve next board meeting date of January 22, 2004. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Pattison – Aye; Horne – Aye; and Kohorst – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Kroger, to accept the low bid from Crescent Electric in the amount of \$18,385.00 for the Capacitor Banks. Other bids were received from Kriz Davis in the amount of \$20,445.00; Resco in the amount of \$20,070.00; and Wesco in the amount of \$20,050.00. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Pattison – Aye; Horne – Aye; and Kohorst – Aye. Motion carried unanimously.

Moved by Pattison, seconded by Kohorst, to accept the low bid from Wesco in the amount of \$2,845.00 for the Controls. Other bids were received from Crescent Electric in the amount of \$3,495.00; Kriz Davis in the amount of \$3,400.00; and Resco in the amount of \$3,345.00. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Pattison – Aye; Horne – Aye; and Kohorst – Aye. Motion carried unanimously.

Moved by Pattison, seconded by Kohorst, to appoint Craig Kroger as Chairman and Peter N. Horne as Vice-Chairman. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Pattison – Aye; Horne – Aye; and Kohorst – Aye. Motion carried unanimously.

Moved by Horne, seconded by Kroger, that the board assignments stay the same for the 2004 calendar year. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Pattison – Aye; Horne – Aye; and Kohorst – Aye. Motion carried unanimously.

Moved by Pattison, seconded by Kohorst, to approve the "Use of Technology Policy". A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Pattison – Aye; Horne – Aye; and Kohorst – Aye. Motion carried unanimously.

Following the Chief Executive Officer's report the meeting was adjourned.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Allen Burchett

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Craig Kroger

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TRUSTEE, Peter N. Horne

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, January 22, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Allen Burchett, Craig Kroger and W.A. "Pat" Pattison. Absent: Kathleen Kohorst and Peter N. Horne.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger.

Moved by Pattison, seconded by Kroger, to approve the agenda. Motion carried unanimously.

Moved by Burchett, seconded by Pattison, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of January 8, 2004; B) Approve Abstract of Claims No. 780 in the amount of \$656,954.26 and payment of same; C) Approve next board meeting date of February 12, 2004. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Burchett, seconded by Pattison, for publication of gross annual wages for HMU employees as follows: Anderson, Susan, \$29,767.38; Behrendt, Sherry, \$24,461.70; Bielenberg, Rich, \$33,957.70; Bissen, Kevin J, \$41,572.74; Block, Ron, \$37,768.74; Buttry, Denise, \$30,373.21; Buttry, Larry, \$34,713.98; Christensen, Roger, \$3,771.25; Clark, David, \$27,220.35; Clark, Lewis, \$41,257.00; Conrad, Charlie, \$38,719.59; Custer, Cole, \$25,562.35; Derby, Terry, \$46,090.60; Doonan, John, \$36,975.95; Dresen, Steven, \$43,129.41; Gaffigan, Herbert T, \$91,560.32; Gessert, Darwin, \$33,288.27, Gessert, Dean, \$41,720.08; Gessert, Stephen, \$31,525.98; Goede, David, \$39,679.77; Goeser, Deb, \$25,784.00; Hammer, Douglas, \$41,164.00; Hansen, Tom, \$38,794.29; Hodapp, Tim, \$37,189.16; Holloway, Ken, \$42,212.03; Ickes, Al, \$42,698.37; Jensen, Scott, \$55,945.40; Kelly, Jennifer, \$26,495.49; Link, Larry, \$62,466.04; Murray, Dan, \$42,244.81; Musich, Randy, \$49,090.48; Nelsen, Mark, \$1,990.85; Nielsen, Jane, \$7,007.36; Olsen, Dan, \$93,794.49; Patten, Steve, \$41,606.46; Spieker, Leah, \$24,717.51; Swank, David, \$22,044.52; Underwood, Josh, \$39,054.88; Wingert, Paul, \$27,521.47. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; and Pattison – Aye. Motion carried unanimously.

CEO Tom Gaffigan gave an update on the proposed WAPA Rate Adjustment. WAPA completed a rate analysis using HMU's usage from the most current 12 months. The study indicated WAPA rates to HMU will increase 14.71% on February 1, 2004, and another 2.98% on October 1, 2004. The combined total increase is 18.12%. This is a pass through to customers on the Electric Fuel Adjustment and the increase to each customer is dependent on their individual usage. Average increases to HMU customers would range from 2.71% for Residential Single Phase Service, to 5.24% for Time of Use customers.

Following the Chief Executive Officer's report the meeting was adjourned.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, Peter N. Horne

The Harlan Municipal Utilities' Board of Trustees met in special session Thursday, January 29, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Allen Burchett, Craig Kroger, W.A. "Pat" Pattison and Peter N. Horne. Kathleen Kohorst entered at 1:58 P.M.

The meeting was called to order at 1:00 p.m. in the HMU boardroom by Chairman Kroger.

Moved by Pattison, seconded by Burchett, to approve the agenda. Motion carried unanimously. (Kohorst not yet present).

Moved by Burchett, seconded by Pattison, to go into Closed Session, pursuant to the Code of Iowa §388.9(1), to discuss competitive issues. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Pattison – Aye; and Horne – Aye. Motion carried unanimously. (Kohorst not yet present)

Closed Session was entered at 1:04 p.m.

Closed Session exited at 1:11 p.m.

Moved by Burchett, seconded by Pattison, to approve the "Resolution Modifying the Services and Certain Rates to be Reflected in the Telephone Tariff for Harlan Municipal Utilities". A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Pattison – Aye; and Horne – Aye. Motion carried unanimously. (Kohorst not yet present).

Moved by Burchett, seconded by Horne, to approve the 2004-2005 Budget. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Pattison – Aye; Kohorst – Aye; and Horne – Aye. Motion carried unanimously.

There being no further business, the meeting was adjourned.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Allen Burchett

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Craig Kroger

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TRUSTEE, Peter N. Horne

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, February 12, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Allen Burchett, Craig Kroger, Kathleen Kohorst, Peter N. Horne and W.A. "Pat" Pattison. Absent: None.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger.

Moved by Pattison, seconded by Kroger, to approve the agenda. Motion carried unanimously.

Moved by Burchett, seconded by Pattison, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of January 22, 2004; B) Approve minutes of special board meeting of January 29, 2004; C) Approve Abstract of Claims No. 781 in the amount of \$428,820.31 and payment of same; D) Approve next board meeting date of February 26, 2004. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; Horne – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Pattison, to go into Closed Session, pursuant to the Code of Iowa §20.17(3), to discuss public employee union negotiations. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; Horne – Aye; and Pattison – Aye. Motion carried unanimously.

Closed Session was entered at 4:03 p.m.

Closed Session exited at 4:55 p.m.

Moved by Kohorst, seconded by Horne, to proceed with bonding options for the water utility. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Horne – Aye; and Pattison – Aye. Motion carried unanimously. (Burchett no longer present – exited at 5:26 p.m.)

Moved by Horne, seconded by Pattison, to proceed with bonding options for the telecommunications utility. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Horne – Aye; and Pattison – Aye. Motion carried unanimously.

Following the Chief Executive Officer's report the meeting was adjourned.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, Peter N. Horne

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, February 26, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Allen Burchett, Craig Kroger, Kathleen Kohorst, and W.A. "Pat" Pattison. Absent: Peter N. Horne.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger.

Moved by Pattison, seconded by Kohorst, to approve the agenda. Motion carried unanimously.

Moved by Burchett, seconded by Pattison, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of February 12, 2004; B) Approve Abstract of Claims No. 782 in the amount of \$625,043.19 and payment of same; C) Approve next board meeting date of March 11, 2004. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Burchett, seconded by Kohorst, to approve the Resolution to Fix Date for Public Hearing of Proposition of the Issuance of Not to Exceed \$750,000.00 Water Revenue Capital Loan Notes, Series 2004 of Harlan, Iowa and Providing for Publication of Notice Thereof. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Pattison, to approve the Resolution to Fix Date for Public Hearing of Proposition of the Issuance of Not to Exceed \$350,000.00 Communication Utility Revenue Capital Loan Notes, Series 2004 of Harlan, Iowa and Providing for Publication of Notice Thereof. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Shelby County Emergency Management Director Bob Seivert gave a presentation on the Iowa Mutual Aid Compact.

Moved by Kohorst, seconded by Pattison, to approve the 2004 goals for the Chief Executive Officer. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Burchett, seconded by Pattison, to approve bonding for the electric utility. The bonding will be for 11 1/2 years in the amount of 3.4 million dollars. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Following the Chief Executive Officer's report the meeting was adjourned.

Moved by Kohorst, seconded by Pattison, to go into Closed Session, pursuant to the Code of Iowa §20.17(3), to discuss public employee union negotiations. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, Peter N. Horne

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, March 11, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Allen Burchett, Craig Kroger, Kathleen Kohorst, Peter N. Horne and W.A. "Pat" Pattison. Absent: None.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger.

Moved by Pattison, seconded by Kohorst, to approve the agenda. Motion carried unanimously.

Moved by Pattison, seconded by Horne, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of February 26, 2004; B) Approve Abstract of Claims No. 783 in the amount of \$346,552.36 and payment of same; C) Approve next board meeting date of March 25, 2004. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; Horne – Aye; and Pattison – Aye. Motion carried unanimously.

This was the time and place for the public hearing and meeting on the matter of the issuance of Not to Exceed \$350,000 Communications Utility Revenue Refunding Capital Loan Notes, Series 2004 & Authorization of a Loan Agreement and the Issuance of Notes to Evidence the Obligation of the City thereunder.

Chair asked if there had been any written or oral objections filed by any resident or property owner of the city to the issuance of said bonds by the City. The secretary stated that to his knowledge none were filed. The chair then opened the floor to any comments from the people attending this public meeting. None were forthcoming.

Moved by Kohorst, seconded by Pattison, to adopt the Resolution Instituting Proceedings to Take Additional Action for the Issuance of Not to Exceed \$350,000 Communications Utility Revenue Refunding Capital Loan Notes, Series 2004. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; Horne – Aye; and Pattison – Aye. Motion carried unanimously.

This was the time and place for the public hearing and meeting on the matter of the issuance of not to exceed \$750,000 Water Revenue Refunding Capital Loan Notes, Series 2004 & Authorization of a Loan Agreement and the Issuance of Notes to Evidence the Obligation of the City thereunder.

Chair asked if there had been any written or oral objections filed by any resident or property owner of the city to the issuance of said bonds by the City. The secretary stated that to his knowledge none were filed. The chair then opened the floor to any comments from the people attending this public meeting. None were forthcoming.

Moved by Burchett, seconded by Pattison, to adopt the Resolution Instituting Proceedings to Take Additional Action for the Issuance of Not to Exceed \$750,000 Water Revenue Refunding Capital Loan Notes. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; Horne – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Pattison, seconded by Horne, to adopt the Resolution to Modify the Water Rates for Harlan Municipal Utilities increasing water revenues 18%; allocating 65% of the increase to the Service Charge, and 35% to the Usage Cost. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; Horne – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Burchett, to approve the Resolution Fixing Date for a Meeting on the Proposition to Issue \$3,400,000 Electric Revenue Bonds. The date of the public hearing will be held on March 25<sup>th</sup>. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; Horne – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Pattison, to approve the Resolution for Notice of Hearing on Installation of 12.47 kV Switchgear at West Substation for Harlan Municipal Utilities, Harlan, Iowa, and Accepting Bids Therefore. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; Horne – Aye; and Pattison – Aye. Motion carried unanimously.

Following the Chief Executive Officer's report the meeting was adjourned.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, Peter N. Horne

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, March 25, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Allen Burchett, Craig Kroger, Kathleen Kohorst, and W.A. "Pat" Pattison. Absent: Peter N. Horne. Kate Kohorst entered at 4:05 p.m.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger.

Moved by Pattison, seconded by Burchett, to approve the agenda. Motion carried unanimously. Kohorst not yet present.

Moved by Burchett, seconded by Pattison, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of March 11, 2004; B) Approve Abstract of Claims No. 784 in the amount of \$647,705.32 and payment of same; C) Approve next board meeting date of April 8, 2004. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; and Pattison – Aye. Motion carried unanimously. Kohorst not yet present.

Moved by Burchett, seconded by Pattison, to leave the electric rate for the City of Tennant as it currently is. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Burchett, seconded by Kohorst, to continue funding Shelby County DevelopSource in the amount of \$25,000.00 for the fiscal year ending June 30, 2005. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Burchett, to prove tax exemption certificate for \$317,225.00 Communications Utility Revenue Refunding Capital Loan Notes, Series 2004. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Burchett, to approve the resolution approving and authorizing the form of loan agreement and providing for the issuance of capital loan notes and providing for method of payment of said notes. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Burchett, seconded by Pattison, to accept the bid from Bankers Bank and Midstates Bank, of Madison, Wisconsin and Harlan, Iowa, respectively, in the amount of \$670,000.00 for the Water Revenue Refunding and Capital Loan Notes, Series 2004. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Burchett, to approve the resolution instituting proceedings to take additional action for the issuance of \$3,400,000.00 Electric Revenue Bonds. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Burchett, seconded by Pattison, to approve the resolution authorizing the redemption of outstanding Electric Revenue Refunding Bonds of the City of Harlan, Iowa, dated October 1, 1996, and directing notice to be given. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Burchett, to approve the Resolution to Modify the Electric Rates for Harlan Municipal Utilities. The current basic electric rate shall be increased by 12.34% with 50% of the increase being allocated to the service fee and 50% allocated to the usage charge. All Kwh are to be charged to the first tier. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Burchett, seconded by Pattison, to amend the agenda and move item #12 in front of #11. Motion carried unanimously.

Following the Chief Executive Officer's Report, the board entered into closed session.

Moved by Burchett, seconded by Pattison, to go into closed session pursuant to Section 388.9(1) to discuss marketing and pricing strategies and proprietary information of the telecommunications utility whose competitive position will be harmed by public disclosure that is not required of potential or actual competitors and no public purpose is served by such disclosure.

Entered closed session at 4:59 P.M.

Exited closed session at 5:43 P.M.

After exiting closed session, the meeting was adjourned.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, Peter N. Horne

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, April 8, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Allen Burchett, Craig Kroger, Kathleen Kohorst, Peter N. Horne and W.A. "Pat" Pattison. Absent: None. W.A. "Pat" Pattison was present via telephone. Kate Kohorst entered at 4:08 p.m. Peter N. Horne entered at 4:16 p.m.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger.

Chairman Kroger announced that they were going to remove Agenda Item #12. Moved by Burchett, seconded by Pattison, to approve the agenda. Motion carried unanimously. Kohorst & Horne not yet present.

Moved by Burchett, seconded by Pattison, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of March 25, 2004; B) Approve Abstract of Claims No. 785 in the amount of \$377,384.66 and payment of same; C) Approve next board meeting date of April 22, 2004. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; and Pattison – Aye. Motion carried unanimously. Kohorst & Horne not yet present.

Moved by Pattison, seconded by Burchett, to approve the Health Information Privacy Policies & Procedures. Motion carried unanimously. Kohorst & Horne not yet present.

Moved by Pattison, seconded by Burchett, to approve the Resolution Approving Participation in Iowa Public Power Agency Inquiry for Market Participant Services and Letter of Intent to participate. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; and Pattison – Aye. Motion carried unanimously. Kohorst & Horne not yet present.

Moved by Burchett, seconded by Pattison, to table the \$3,400,000 Electric Revenue Bonds, Series 2004 until next regularly scheduled board meeting of April 22, 2004. Motion carried unanimously. Kohorst & Horne not yet present.

Moved by Burchett, seconded by Kroger, to approve the Resolution Authorizing the Redemption of Outstanding Water Revenue Bonds dated June 9, 1977. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; and Pattison – Aye. Motion carried unanimously. Kohorst & Horne not yet present.

Moved by Burchett, seconded by Pattison, to approve the Resolution Appointing Paying Agent, Note Registrar, and Transfer Agent, Approving the Paying Agent and Note Registrar and Transfer Agent Agreement and Authorizing the Execution of the Agreement in the matter of \$670,000.00 Water Revenue Refunding Capital Loan Notes, Series 2004. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; and Pattison – Aye. Motion carried unanimously. Kohorst & Horne not yet present.

Moved by Burchett, seconded by Pattison, to approve the Tax Exemption Certificate in the matter of \$670,000.00 Water Revenue Refunding Capital Loan Notes, Series 2004. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; and Pattison – Aye. Motion carried unanimously. Kohorst & Horne not yet present.

Moved by Burchett, seconded by Pattison, to approve the Resolution Approving and Authorizing a Form of Loan Agreement and Authorizing and Providing for the Issuance of Refunding Capital Loan Notes and Providing for a Method of Payment of said Notes in the matter of \$670,000.00 Water Revenue Refunding Capital Loan Notes, Series 2004. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; and Pattison – Aye. Motion carried unanimously. Kohorst & Horne not yet present.

Moved by Burchett, seconded by Kohorst, to Adopt the Interconnection Agreement between CommChoice of Iowa, Inc and Iowa Telecommunications Services, Inc. Under Section 252(i) of the Telecommunications Act of 1996, contingent upon Chief Executive Officer obtaining satisfactory answers to questions he has about the agreement. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously. Horne not yet present.

Moved by Burchett, seconded by Kohorst, to accept the bid from E A Pedersen Company in the amount of \$107,435.00 for the Installation of 12.47 kV Switchgear at the West Substation. There was one other bid from Electrical Builders Inc. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously. Horne not yet present.

Moved by Pattison, seconded by Burchett, to accept the bid recommendations as presented by Dennis Blasberg. The total cost of materials is \$10,308.00. The total purchase of materials is divided between Resco; Burmeister and Wesco, with each receiving the bid for 1) Switchgear/end fittings, switchgear box pad, 2) 50kva padmount transformer, transformer box pad and 3) bronze T-bolt connectors, respectively. Crescent also bid on the project. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously. Horne not yet present.

Moved by Burchett, seconded by Pattison, to approve the Resolution Establishing Confidential Agreement to the Telecommunications Utility. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously. Horne not yet present.

Following the Chief Executive Officer's Report the regular board meeting was adjourned and Pattison left.

Moved by Burchett, seconded by Kohorst, to go into closed session to discuss marketing and pricing strategies and proprietary information of the telecommunications utility whose competitive position will be harmed by public disclosure that is not required of potential or actual competitors and no public purpose is served by such disclosure, pursuant to Section 388.9(1), Code of Iowa. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Horne – Aye. Motion carried unanimously.

Entered closed session at 4:18 p.m.

Exited closed session at 4:45 p.m.

Moved by Burchett, seconded by Horne, to approve the Service Provider Agreement. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Horne – Aye. Motion carried unanimously.

Moved by Horne, seconded by Burchett, to Approve the Rate for the Metropolitan Area Network. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Horne – Aye. Motion carried unanimously.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, Peter N. Horne

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, April 22, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Craig Kroger, Kathleen Kohorst, Allen Burchett and Peter N. Horne. Absent: W.A "Pat" Pattison. Allen Burchett was present via telephone at 4:04 P.M.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger.

Moved by Kohorst, seconded by Horne, to approve the agenda. Motion carried.

Moved by Horne, seconded by Kohorst, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of April 8, 2004; B) Approve Abstract of Claims No. 786 in the amount of \$848,848.00 and payment of same; C) Approve next board meeting date of May 13, 2004. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; and Horne – Aye. Motion carried unanimously. Burchett not yet present.

Moved by Kohorst, seconded by Horne, to approve the new members of the Cable Television Programming Committee. The three new members are Janet Zimmerman, Frank Clark and Donlinna Ellis. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Horne – Aye. Motion carried unanimously.

Bids were received for the \$3,400,000.00 Electric Revenue Bonds, Series 2004. There were a total of eight bids received. The bids with the true interest rate are as follows: Piper Jaffray & Co. out of Minneapolis, Minnesota, 3.6613%; Bernardi Securities out of Chicago, Illinois, 3.6764%; Duncan Williams Inc. out of Memphis, Tennessee, 3.6827%; Harris Trust & Savings Bank out of Chicago, Illinois, 3.7054%; Griffin, Kubik, Stephens & Thompson out of Chicago, Illinois, 3.7156%; Bankers' Bank out of Madison, Wisconsin, 3.7168%; Banc One Capital Markets, Inc. out of Chicago, Illinois, 3.7459%; and RBC Dain Rauscher, Inc. out of St. Petersburg, Florida, 3.8209%. Motioned by Horne, seconded by Burchett, to approve the Resolution Directing Sale and accepting the low bid from Piper Jaffray & Co. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Horne – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Horne, to approve the Resolution Appointing Paying Agent, Bond Registrar, and Transfer Agent, Approving the Paying Agent and Bond Registrar and Transfer Agent Agreement and Authorizing the Execution of the Agreement regarding the \$3,400,000.00 Electric Revenue Bonds, Series 2004. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Horne – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Burchett, to approve the Tax Exemption Certificate regarding the \$3,400,000.00 Electric Revenue Bonds, Series 2004. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Horne – Aye. Motion carried unanimously.

Moved by Horne, seconded by Kohorst, to approve the Continuing Disclosure Certificate regarding the \$3,400,000.00 Electric Revenue Bonds, Series 2004. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Horne – Aye. Motion carried unanimously.

Moved by Horne, seconded by Kohorst, to approve the Resolution Authorizing the Issuance of \$3,400,000.00 Electric Revenue Bonds, Series 2004. A roll call vote was taken on the motion as follows: Burchett – Aye; Kroger – Aye; Kohorst – Aye; and Horne – Aye. Motion carried unanimously.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, Peter N. Horne

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, May 13, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Craig Kroger, Kathleen Kohorst, Allen Burchett, and W.A. "Pat" Pattison. Absent: Peter N. Horne.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger.

Moved by Pattison, seconded by Kohorst, to approve the agenda. Motion carried.

Moved by Burchett, seconded by Kohorst, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of April 22, 2004; B) Approve Abstract of Claims No. 787 in the amount of \$1,134,239.40 and payment of same; C) Approve next board meeting date of May 27, 2004. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Members of the Cresthaven Homeowners Association attended to discuss their water agreement. No action was taken.

Moved by Kohorst, seconded by Burchett, to approve Resolution No. 31 Naming Depositories. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Burchett, seconded by Kroger, to approve the Resolution for Notice of Hearing and Letting for Procurement of Materials for the 10<sup>th</sup> Street Rebuild Project and Setting Public Hearing for June 10, 2004. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Burchett, seconded by Pattison, to approve the Quote for the Plant Substation Transformer Field Service in the amount of \$11,995.00 received from ElctroTest. There was one other quote from SD Meyer in the amount of \$12,300.00. Both companies are out of South Dakota. It was also moved to allow additional expenditures up to \$25,000.00 if necessary. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Burchett, seconded by Kohorst, to go into closed session pursuant to Section 388.9(1) to discuss marketing and pricing strategies and proprietary information of the telecommunications utility whose competitive position will be harmed by public disclosure that is not required of potential or actual competitors and no public purpose is served by such disclosure. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Entered closed session at 4:58 P.M.

Exited closed session at 5:10 P.M.

Moved by Burchett, seconded by Kohorst, to approve the Metropolitan Area Network Business Contract. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Burchett, to approve the Rates for the Metropolitan Area Network Connection. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, Peter N. Horne

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, May 27, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Craig Kroger, Kathleen Kohorst, Allen Burchett, and W.A. "Pat" Pattison. Absent: Peter N. Horne.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger.

Moved by Pattison, seconded by Kohorst, to approve the agenda. Motion carried.

Moved by Burchett, seconded by Kohorst, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of May 13, 2004; B) Approve Abstract of Claims No. 788 in the amount of \$617,048.47 and payment of same; C) Approve next board meeting date of June 10, 2004. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded Burchett, to approve the Collective Bargaining Unit Agreement. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Pattison, to approve the pledge of \$50,000.00 for the benefit of Shelby County Cookers, L.L.C., subject to the terms, conditions, and obligations that shall be further negotiated by Harlan Municipal Utilities. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Following the Chief Executive Officer's Report closed session was entered.

Moved by Kohorst, seconded by Pattison, to go into closed session to discuss marketing and pricing strategies and proprietary information of the telecommunications utility whose competitive position will be harmed by public disclosure that is not required of potential or actual competitors and no public purpose is served by such disclosure, pursuant to Section 388.9(1), Code of Iowa.

Entered closed session at 4:16 p.m.

Exited closed session at 4:44 p.m.

Moved by Burchett, seconded by Kohorst, to approve Solution Offering #2 – Exhibit C. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Burchett, seconded by Pattison, to approve Voice Over Internet Protocol Rates. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Following the closed session the meeting was adjourned.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, Peter N. Horne

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, June 10, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Craig Kroger, Kathleen Kohorst, and W.A. "Pat" Pattison. Absent: Peter N. Horne and Allen Burchett.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger.

Moved by Kohorst, seconded by Pattison, to approve the agenda. Motion carried.

Moved by Pattison, seconded by Kohorst, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of May 27, 2004; B) Approve Abstract of Claims No. 789 in the amount of \$415,368.76 and payment of same; C) Approve next board meeting date of June 24, 2004. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Pattison, to accept each low bid for materials for the 10<sup>th</sup> Street Rebuild Project subject to specifications. There were seven different bidders that participated in bidding on 52 different items with various quantities. The low bids were as follows:

RESCO, Ankeny, IA	\$316,420.51
WESCO, Sioux City, IA	158,510.00
Crescent Electric, Ft. Dodge, IA	21,349.14
Burmeister Electric, Ft. Dodge, IA	12,658.00
Graybar Electric, Des Moines, IA	46,273.68
Terry-Durin Company, Cedar Rapids, IA	15,726.72

A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Following the Chief Executive Officer's Report closed session was entered.

Moved by Kohorst, seconded by Pattison, to go into closed session Pursuant to Iowa Code Section 21.5.1(i), to evaluate the professional competency of an individual whose appointment, hiring, performance or discharge is being considered when necessary to prevent needless and irreparable injury to that individual's reputation and that individual requests a closed session.

Entered closed session at 4:15 p.m.

Exited closed session at 4:24 p.m.

Moved by Pattison, seconded by Kohorst, to approve the Chief Executive Officer's Employment Contract with appropriate changes. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Meeting adjourned following approval of Chief Executive Officer's contract.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, Peter N. Horne

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, June 24, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Craig Kroger, Kathleen Kohorst, W.A. "Pat" Pattison and Allen Burchett (via telephone). Absent: Peter N. Horne.

Ivan Weber, legal counsel out of Des Moines, was also present via telephone.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger.

Moved by Pattison, seconded by Kohorst, to approve the agenda. Motion carried.

Moved by Kohorst, seconded by Pattison, to approve the Consent Agenda which included; A) Approve amended minutes of regular board meeting of June 10, 2004; B) Approve Abstract of Claims No. 790 in the amount of \$1,181,372.29 and payment of same. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Pattison, seconded by Kohorst, to approve the Resolution in Regard to Inter-Utility Loans Previously Made to the Telecommunications Utility and Forgiving and Cancelling Said Loans. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Pattison, seconded by Kohorst, to approve the Resolution in Regard to Inter-Utility Loans Previously Made to the Telecommunications Utility and Making an Adjustment Thereto. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Pattison, seconded by Kohorst, to approve Amendment of Lease Agreement Between Telecommunications Utility and Electric Utility. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

At this time Ivan Weber exited the meeting.

Moved by Kohorst, seconded by Pattison, to approve Cost Sharing Agreement Between Myrtue Memorial Hospital and Harlan Municipal Utilities Regarding the 10<sup>th</sup> Street Rebuild. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

At this time, Allen Burchett exited the meeting.

Moved by Kohorst, seconded by Pattison, to cancel the July 8, 2004, board meeting. There will still be an electronic meeting for abstract approval. The next regularly scheduled board meeting will be July 22, 2004. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Pattison, to approve the Wire Transfer Authorization from Shelby County State Bank. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Pattison, seconded by Kohorst, to approve the Revision and Reaffirmation of Chief Executive Officer's Employment Contract. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Chief Executive Officer's Report.

There being no further business the meeting was adjourned.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, Peter N. Horne

The Harlan Municipal Utilities' Board of Trustees met in special session Wednesday, June 30, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Craig Kroger, W.A. "Pat" Pattison and Allen Burchett (via telephone). Allen Burchett was unable to attend in person because of a business commitment in Bloomfield, Nebraska. Absent: Peter N. Horne and Kathleen Kohorst.

The meeting was called to order at 12:00 noon in the HMU boardroom by Chairman Kroger.

Moved by Pattison, seconded by Burchett, to approve the agenda. Motion carried.

Moved by Pattison, seconded by Burchett, to approve the Emended and Substituted Resolution in Regard to Inter-Utility Loans Previously Made to the Telecommunications Utility and Making an Adjustment Thereto. A roll call vote was taken on the motion as follows: Kroger – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Chief Executive Officer's Report was made on Grandfathered Agreements Exception to Attachment P of the MISO Tariff. No Board action was taken.

There being no further business the meeting was adjourned.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, Peter N. Horne

On July 7, 2004, the Harlan Municipal Utilities' Board of Trustees met in electronic session to approve the Abstract of Claims No. 791, dated July 8, 2004, in the amount of \$420,259.67 and the payment of same. An electronic roll-call vote was taken as follows: Kroger – Aye; Burchett – Aye, Pattison – Aye, and Kohorst - Aye. Approval carried unanimously.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, Peter N. Horne

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, July 22, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Craig Kroger, Kathleen Kohorst, W.A. "Pat" Pattison and Allen Burchett (via telephone). Allen Burchett was unable to attend in person because of a business commitment out of state. Absent: Peter N. Horne.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger.

Moved by Pattison, seconded by Kohorst, to approve the agenda with the change of moving original agenda item #12 after #9. Motion carried.

Moved by Kohorst, seconded by Pattison, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of June 24, 2004; B) Approve minutes of special board meeting of June 30, 2004; C) Approve minutes of electronic board meeting of July 7, 2004; D) Approve Abstract of Claims No. 792, in the amount of \$589,735.60 and payment of same; E) Approve next board meeting date of August 12, 2004. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously. (Burchett not present)

Moved by Pattison, seconded by Kohorst, to approve Cresthaven Water Customer Recommended Pumping Charge of \$3.29 per month and to review the charge whenever water rates are adjusted in the future. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Pattison, seconded by Burchett to Adjust Cresthaven Water Rates for the pumping charge that was omitted in error. Harlan Municipal Utilities will work with customers on payments if they cannot pay the full amount at one time. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Pattison, to approve the Resolution for Notice of Hearing for the 2004 Underground Conversion Project also known as the 10<sup>th</sup> Street Rebuild Project and Accepting Bids Therefore. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Pattison to move original agenda item #9 after #6. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Pattison, to approve the Resolution to Approve International Long Distance Telephone Rates. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Tom Gaffigan gave a report on the Municipal Joint Action Workshop which he attended. No board action.

Motioned by Pattison, seconded by Kohorst, to grant the Chief Executive Officer authority to spread the Electric Energy Purchase Adjustment out over a period not to exceed six months. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Chief Executive Officer's report.

Moved by Kohorst, seconded by Pattison, to go into closed session to discuss marketing and pricing strategies and proprietary information of the telecommunications utility whose competitive position will be harmed by public disclosure that is not required of potential or actual competitors and no public purpose is served by such disclosure, pursuant to Section 388.9(1), Code of Iowa. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously. (Burchett was not present at this time).

Burchett returned via telephone for the closed session.

After exiting closed session it was moved by Kohorst, seconded by Pattison, to approve Commercial Telecommunications Bundling Rate Packages. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

There being no further business the meeting was adjourned.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, Peter N. Horne

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, August 12, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Craig Kroger, Kathleen Kohorst, W.A. "Pat" Pattison and Allen Burchett. Absent: Peter N. Horne.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger.

Moved by Pattison, seconded by Kohorst, to approve the agenda.

Moved by Burchett, seconded by Kohorst, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of July 22, 2004; B) Approve Abstract of Claims No. 793, in the amount of \$471,146.81 and payment of same; C) Approve next board meeting date of August 26, 2004. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Pattison, seconded by Burchett, to approve the low bid from Keast Ford for the purchase of a plow and truck for the water department. The bids were submitted with a trade-in as follows:

<b>Keast Motors</b>	<b>Olesen Motors</b>	<b>Keast Ford</b>	<b>Harlan Auto Mart</b>
2005 Chevy	2005 Chevy	2005 Ford	2005 Dodge
\$25,700.00	\$27,078.81	\$25,650.00	\$31,676.00

A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Pattison, to approve the Resolution for Reaffirmation for Telephone Tariff/Bundling Rates. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Chief Executive Officer's report.

There being no further business the meeting was adjourned.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, William Campbell

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, August 26, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Craig Kroger, Kathleen Kohorst, W.A. "Pat" Pattison, Allen Burchett and William Campbell. Absent: None.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger.

Kroger announced agenda items 8 & 9 will be discussed in reverse order and it was then moved by Burchett, seconded by Kohorst, to approve the agenda.

Moved by Pattison, seconded by Kohorst, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of August 12, 2004; B) Approve Abstract of Claims No. 794, in the amount of \$712,325.95 and payment of same; C) Approve next board meeting date of September 9, 2004. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; Pattison – Aye; and Campbell - Aye. Motion carried unanimously.

Moved by Burchett, seconded by Pattison, to approve the Resolution Honoring the Service of Peter N. Horne to the Harlan Municipal Utilities. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; Pattison – Aye; and Campbell - Aye. Motion carried unanimously.

Moved by Burchett, seconded by Pattison, to elect Kate Kohorst as Vice-President of the Board of Trustees. A roll call vote was taken on the motion as follows: Kroger – Aye; Burchett – Aye; Pattison – Aye; and Campbell - Aye. Motion carried unanimously. Kohorst abstained from the vote.

Moved by Pattison, seconded by Burchett, to accept the low bid from Michels Power in the amount of \$2,562,798.00 for the labor portion of the 2004 Underground Conversion Project also known as the 10<sup>th</sup> Street Rebuild Project. One other bid was received from EA Pedersen in the amount of \$2,823,953.00. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; Pattison – Aye; and Campbell - Aye. Motion carried unanimously.

Moved by Burchett, seconded by Pattison, to approve the Cable Advertising Services Local Commercial Insertion Contract. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; Pattison – Aye; and Campbell - Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Burchett, to establish the Fee of \$30.00/hour for Custom Video Production with the stipulation that management may change the fee if deemed necessary. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Burchett – Aye; Pattison – Aye; and Campbell - Aye. Motion carried unanimously.

Chief Executive Officer's report.

There being no further business the meeting was adjourned.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, William Campbell

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, September 9, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Craig Kroger, Kathleen Kohorst, W.A. "Pat" Pattison, and William Campbell. Absent: Allen Burchett.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger.

Moved by Pattison, seconded by Kohorst, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of August 26, 2004; B) Approve Abstract of Claims No. 795, in the amount of \$239,941.99 and payment of same; C) Approve next board meeting date of September 23, 2004. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Pattison – Aye; and Campbell - Aye. Motion carried unanimously.

Dean Nelson brought to the board the request for a refund for water hook-up and pumping fees. Further research will be done on this issue before any action is taken.

It was presented to the Board by Mike Childs, legal counsel for Dennis Woodin, if HMU would consider assuming operation and maintenance of an existing water line outside the city limits. It was moved by Kohorst, seconded by Campbell, to direct management to put together an agreement after consulting with legal counsel. Motion carried.

Motioned by Kohorst, seconded by Pattison, to go into closed session pursuant to Section 388.9(1), Code of Iowa, to discuss marketing and pricing strategies and proprietary information of the telecommunications utility whose competitive position will be harmed by public disclosure that is not required of potential or actual competitors and no public purpose is served by such disclosure. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Pattison – Aye; and Campbell - Aye. Motion carried unanimously.

Closed session was entered at 4:59 P.M.

Trustee Kroger exited at 5:34 P.M.

Closed session was exited at 6:10 P.M with no board action.

There being no further business the meeting was adjourned.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, William Campbell

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, September 23, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Craig Kroger, Kathleen Kohorst, and William Campbell. W. A. "Pat" Pattison was present via telephone because he was out of state. Absent: Allen Burchett.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger. Moved by Pattison, seconded by Kohorst, to approve the agenda.

Moved by Campbell, seconded by Kohorst, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of September 9, 2004; B) Approve Abstract of Claims No. 796, in the amount of \$640,017.79 and payment of same; C) Approve next board meeting date of October 14, 2004. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Pattison – Aye; and Campbell - Aye. Motion carried unanimously.

Moved by Pattison, seconded by Kohorst, to approve the agreement to transfer private water system belonging to Dennis Woodin. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Pattison – Aye; and Campbell - Aye. Motion carried unanimously.

Discussion was held on the Dean Nelson water issue. The board decided not to reimburse the hook-up fee and to keep the pumping charge as is.

Moved by Campbell, seconded by Kohorst, to approve the Resolution Adopting Federally Mandated Lifeline and Link-Up Program Changes in the Telephone Tariff for Harlan Municipal Utilities. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Pattison – Aye; and Campbell - Aye. Motion carried unanimously.

Moved by Pattison, seconded by Kohorst to support OpportunityIowa movement as long as there are no costs to HMU. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Pattison – Aye; and Campbell - Aye. Motion carried unanimously.

Moved by Pattison, seconded by Kohorst to approve the GIS Agreement. The bid from Lamp Rynearson, in the amount of \$28,693.00 was chosen. There was one other bid received. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Pattison – Aye; and Campbell - Aye. Motion carried unanimously.

Chief Executive Officer's Report.

Moved by Kohorst, seconded by Kroger, to go into closed session pursuant to Section 388.9(1), Code of Iowa, to discuss marketing and pricing strategies and proprietary information of the telecommunications utility whose competitive position will be harmed by public disclosure that is not required of potential or actual competitors and no public purpose is served by such disclosure. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Pattison – Aye; and Campbell - Aye. Motion carried unanimously.

Closed session was entered at 4:41 p.m. Pat Pattison exited closed session at 5:30 p.m. due to telephone clarity issues on his end of the teleconference.

Moved by Campbell, seconded by Kohorst to exit closed session at 5:50 p.m. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; and Campbell - Aye. Motion carried unanimously.

Pattison reentered the board meeting via telephone.

Moved by Kohorst, seconded by Campbell, to create a special rate for customers with 20 lines or more subject to legal review and increase our charge for additional directory listings and non-published number services to comply with what we are billed by ITS. Raise from \$1.50 per month to \$2.48 per month.

There being no further business the meeting was adjourned.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, William Campbell

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, October 14, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Craig Kroger, Kathleen Kohorst, W. A. "Pat" Pattison, Allen Burchett and William Campbell. Absent: None.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger. Moved by Pattison, seconded by Kohorst, to approve the agenda.

Moved by Pattison, seconded by Burchett, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of September 23, 2004; B) Approve Abstract of Claims No. 797, in the amount of \$681,160.70 and payment of same; C) Approve next board meeting date of October 28, 2004. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Pattison – Aye; Burchett – Aye; and Campbell - Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Pattison, to have one board meeting in November. The meeting will be held on November 18. The regular meetings would both have been on holidays. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Pattison – Aye; Burchett – Aye; and Campbell - Aye. Motion carried unanimously.

Moved by Burchett, seconded by Pattison, to grant Chief Executive Officer, Tom Gaffigan, the authority to Sign the EEI Mater Power Purchase Agreement. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Pattison – Aye; Burchett – Aye; and Campbell - Aye. Motion carried unanimously.

Moved by Burchett, seconded by Kohorst, to approve a policy on Suspicious Package/Envelope Handling with the provision that it will be reviewed annually at our in house safety meetings. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Pattison – Aye; Burchett – Aye; and Campbell - Aye. Motion carried unanimously.

Moved by Burchett, seconded by Campbell, to approve the Shelby County Cookers, L.L.C. Performance Agreement pending all changes recommended by legal counsel, Robert Hall. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Pattison – Aye; Burchett – Aye; and Campbell - Aye. Motion carried unanimously.

Moved by Burchett, seconded by Pattison, to approve the Escrow Agreement with Shelby County Cookers, L.L.C. pending all changes recommended by legal counsel, Robert Hall. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Pattison – Aye; Burchett – Aye; and Campbell - Aye. Motion carried unanimously.

Chief Executive Officer's Report.

There being no further business the meeting was adjourned.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, William Campbell

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, October 28, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Craig Kroger, Kathleen Kohorst, W. A. "Pat" Pattison. Absent: Allen Burchett and William Campbell.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger. Moved by Pattison, seconded by Kohorst, to approve the agenda.

Moved by Kohorst, seconded by Pattison, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of October 14, 2004; B) Approve Abstract of Claims No. 798, in the amount of \$708,492.22 and payment of same; C) Approve next board meeting date of November 18, 2004. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Pattison, to approve the MidAmerican Power Purchase and Sale Agreement Confirmation Letter (MidAmerican as Buyer). A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Pattison, seconded by Kohorst, to approve the MidAmerican Power Purchase and Sale Agreement Confirmation Letter (MidAmerican as Seller). A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Pattison, to approve Service Agreement Under Wholesale Market-Based Rate Tariff of MidAmerican Energy Company Providing for Sales of Capacity and Energy and Resale of Transmission Rights. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; and Pattison – Aye. Motion carried unanimously.

Chief Executive Officer's Report.

There being no further business the meeting was adjourned.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, W. A. "Pat" Pattison

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, William Campbell

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, November 18, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Craig Kroger, Kathleen Kohorst, W. A. "Pat" Pattison, Allen Burchett and William Campbell. Absent: None.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger. Moved by Pattison, seconded by Kohorst, to approve the agenda.

Moved by Burchett, seconded by Pattison, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of October 28, 2004; B) Approve Abstract of Claims No. 799, in the amount of \$659,068.33 and payment of same; C) Approve next board meeting date of December 9, 2004. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Campbell – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Burchett, seconded by Pattison, to approve the Resolution Honoring W.A. "Pat" Pattison. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Campbell – Aye; and Burchett – Aye. Pattison abstained from voting. Motion carried.

Moved by Burchett, seconded by Pattison, to approve the continuation of Current Green City Energy Program. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Campbell – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Burchett, seconded by Pattison, to approve the Study of Feasibility of Wind Energy for Harlan Municipal Utilities. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Campbell – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Kohorst, seconded by Pattison, to approve the change of 2004 goal for Chief Executive Officer. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Campbell – Aye; Pattison – Aye; and Burchett – Nay. Motion carried.

Moved by Kohorst, seconded by Burchett, to approve the Resolution to Approve Rate Change for Additional Directory Listings and Non-Published/Non-Listed Number Services. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Campbell – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Moved by Pattison, seconded by Kohorst, to renew the City of Harlan Group Health Insurance Policy. A roll call vote was taken on the motion as follows: Kroger – Aye; Kohorst – Aye; Campbell – Aye; Burchett – Aye; and Pattison – Aye. Motion carried unanimously.

Chief Executive Officer's Report.

There being no further business the meeting was adjourned.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, Randall J. Doran

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, William Campbell

The Harlan Municipal Utilities' Board of Trustees met in regular session Thursday, December 9, 2004, pursuant to the rules and regulations as set forth in the office of the Secretary. Present were Trustees Craig Kroger, Allen Burchett, William Campbell and Randall J. Doran. Absent: Kathleen Kohorst.

The meeting was called to order at 4:00 p.m. in the HMU boardroom by Chairman Kroger. Moved by Burchett, seconded by Campbell, to approve the agenda.

Moved by Campbell, seconded by Burchett, to approve the Consent Agenda which included; A) Approve minutes of regular board meeting of December 9, 2004; B) Approve Abstract of Claims No. 800, in the amount of \$453,643.31 and payment of same. A roll call vote was taken on the motion as follows: Kroger – Aye; Campbell – Aye; Burchett – Aye; and Doran – Aye. Motion carried unanimously.

Moved by Burchett, seconded by Campbell, to cancel the regularly scheduled meeting for December 23<sup>rd</sup>. A roll call vote was taken on the motion as follows: Kroger – Aye; Campbell – Aye; Burchett – Aye; and Doran – Aye. Motion carried unanimously.

Moved by Burchett, seconded by Campbell, to approve the NIPCO/HMU Second Amendment to the Transmission Contract. A roll call vote was taken on the motion as follows: Kroger – Aye; Campbell – Aye; Burchett – Aye; and Doran – Aye. Motion carried unanimously.

Moved by Burchett, seconded by Doran, to receive and file the 2003-2004 Audit. A roll call vote was taken on the motion as follows: Kroger – Aye; Campbell – Aye; Burchett – Aye; and Doran – Aye. Motion carried unanimously.

Moved by Burchett, seconded by Campbell, to approve using remainder of USDA grant to purchase water plant air scouring system and filter media replacement-contingent upon USDA approval. A roll call vote was taken on the motion as follows: Kroger – Aye; Campbell – Aye; Burchett – Aye; and Doran – Aye. Motion carried unanimously.

Chief Executive Officer's Report.

There being no further business the meeting was adjourned.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, Randall J. Doran

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, William Campbell

## **MINUTES-HARLAN MUNICIPAL UTILITIES BOARD STRATEGIC PLANNING SESSION DECEMBER 16, 2004**

The Harlan Municipal Utilities Board of Trustees met in open session December 16, 2004, at 12:00 Noon for Strategic Planning at the Harlan Municipal Utilities Board Room, pursuant to notice to the public. Present were the Board of Trustees: Chairman, Craig Kroger, Al Burchett, Kathleen Kohorst, William Campbell and Randall J. Doran. Also present were CEO, Herbert T. Gaffigan; Director Customer Relations & Support Services, John Doonan; Director of Marketing and Stakeholder Relations, Doug Hammer; and Operations Manager, Scott Jensen. Steve Mores of the Harlan Newspaper was present along with other guests arriving at various times including Dick Kluver, Randy Ouren and Russell Lefeber.

### **UTILITY INFRASTRUCTURE:**

Scott gave an overview of HMU's infrastructure. He stated that the first phase of the rebuild has been approved and after the summer of 2005, 50% of HMU's infrastructure will be underground. The proposed second phase of the rebuild plan includes the North Harlan area. HMU plans to eventually retire the plant substation.

Management will continue to monitor transmission deregulation. Tom stated that some organizations feel it is a good idea to own transmission, even though it does not physically transport their community's energy; however, there are risks.

Tim Ernst of P & E Engineering did a study on our electric usage and recommended HMU purchase 1 MW more than the past two summers. Bill suggested maybe waiting until the time came and asking customers to conserve rather than purchasing the MW now.

There was discussion on the Iowa Stored Energy Project (ISEP). Tom stated that HMU is still involved with this project, but a major concern continues to be acquiring the rights to store compressed air.

HMU plans to have the wind study done by the end of January. Bill suggested that maybe HMU could involve one of the high school classes by having them do some sort of wind study and data collection.

Doug gave an update on the energy rebate programs. The first year HMU had mostly commercial lighting customers take advantage of the program and now he is seeing more residential customers utilizing the appliance rebates offered.

### **GAS:**

Scott gave an overview of the gas department. HMU's natural gas pipeline supplier is Northern Natural Gas. He stated that FERC is trying to do changes in contracts. HMU's commodity supplier is BP Canada and we have a contract with them through 2010. Under our current contract HMU will always be able to offer extra capacity. BP also wants to try and change our contract with them. Scott has 73% of the winter supply and 43% of the summer supply purchased compared to the volumes used last year.

Al suggested doing a study, and depending on the outcome, inform customers on the savings of switching from electrical appliances to gas. The intent is to decrease summer electric usage and possibly reduce our need to purchase summer capacity, or add another on-site generator.

### **WATER:**

Tom gave an overview of the water system. HMU has sent a letter to the USDA office asking if they will approve our request to use grant money for a filtering system and media replacement.

Scott said the water utility is planning to replace wooden well houses with concrete structures. The old ones are deteriorating and in dire need of replacement. HMU has enacted a maintenance plan and is currently doing more preventive maintenance on water towers, equipment, etc. There are a couple of things that need fixing on the north water tower that did not meet OSHA standards. The north water tower will also need painting. HMU has been working with a company out of Des Moines that would be willing to perform tower maintenance over a three year period. A leak survey was completed. A few leaks were found and repaired.

#### **TELECOMMUNICATIONS:**

Doug spoke on increasing cable TV programming costs. He also spoke on contract obligations and channel placement. HMU foresees a price increase just to cover increased programming costs. HMU launched spam harvesting, Voice Over Internet Protocol, and wireless Internet service in 2004. Follow up discussion from last year's strategic planning session was held on tiered pricing for Internet service. HMU will stay with the two levels currently offered for now.

#### **FACILITIES & EQUIPMENT:**

Campbell suggested doing a study on what needs done with the HMU building facility to safeguard computers/tech areas against what might happen if there was flood. These areas have several leaks and all are ground level. He is concerned about how long customers might be without service if these areas are not safeguarded. HMU is keeping vehicles for a full 15 years before any kind of trade-up is considered.

At this time there is no need for an upgrade in the meter reading equipment. They will continue to keep watch on this as the world of technology changes.

It was brought up at last year's meeting to pursue on-line bill paying, digitizing paper documents and one billing system for all utilities including the telecommunications bill. John Doonan spoke that although we do not have online bill paying we still have automatic withdrawal and have implemented auto credit card paying. He stated that HMU is now conducting an imaging process where all contracts, policies, annual reports, etc. are kept in an electronic file and reorganized the filing system. This has saved a tremendous amount of time not only in the retrieval of documents but now the filing system has been reduced to a central location for all original documents.

The Board approved a \$25.00 charge at a previous meeting for those customers served with a shut-off notice. The shut-offs have decreased drastically since this was approved.

#### **OTHER:**

It was discussed that DevelopSource would like to increase each organizational pledge to them from the current \$25,000.00 amount to \$27,500.00. Tom stated that he is to pick three members from the Shelby County DevelopSource Board to go over Larry Flanagan's contract for the next fiscal year. There was discussion on replacing Tom on the DevelopSource committee with another board member. Tom stated that he will do whatever the board thinks is best. There was discussion on purchasing property for economic development within the city limits. Several sites are available but there is no true office park. Discussion was held on whether DevelopSource/HMU should have more involvement with retail versus industrial or not.

Tom discussed that within the next 5-10 years there will be a major knowledge loss in our workforce due to potential retirements. He stated that HMU is staffed well but he would like the telecommunications department to receive more hands on training since the technology changes often.

Bill and Al suggested we cover the hospital Board Meetings. Tom then suggested the possibility of hiring part-time or contract help for the marketing department to help with editing of programs on Channels 25 and 26 and to tape more local programming events. Tom thought that maybe a high school student would like to have this kind of experience.

There was discussion on security. The topic of installing security cameras, more fencing, automatic gates, etc. was discussed.

There being no further business the meeting was adjourned.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, Randall J. Doran

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, William Campbell

On December 22, 2004, the Harlan Municipal Utilities' Board of Trustees met in electronic session to approve the Abstract of Claims No. 801, dated December 23, 2004, in the amount of \$766,957.66 and the payment of same. An electronic roll-call vote was taken as follows: Kroger – Aye; Burchett – Aye; and Kohorst - Aye. Approval carried unanimously.

These minutes are as recorded by the Secretary and are subject to approval at the next regular meeting of the Board of Trustees.

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CHAIRMAN, Craig Kroger

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TRUSTEE, Randall J. Doran

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TRUSTEE, Kathleen Kohorst

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TRUSTEE, Allen Burchett

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TRUSTEE, William Campbell