

ALTON CITY COUNCIL MEETING
Minutes of Special Session
Thursday, February 25, 2021

Mayor Vande Griend called the meeting to order at 6:00 P.M. with Council members Jorgensen, Krull, Mulder, Plathe, and Vander Pol present. Also present were Dale Oltmans, and Laurie Tentinger.

Motion by Jorgensen and second by Krull to approve the agenda. Ayes 5

Motion by Jorgensen and second by Vander Pol to approve the minutes from February 9, 2021 meeting. Ayes 5

NATURAL GAS: The Council discussed the effect the Polar Vortex had on spot pricing for natural gas. With the inflated costs the City is paying \$157,230.76 for 5 days of spot gas. The City purchases 80% of its average usage at a locked in price each month. These forward purchases saved the City approximately \$399,000 for the same five days.

The Council considered the burden the overinflated costs would bring to the residents and businesses and reviewed several options to address the overinflated costs and impact on residents and businesses. Also discussed was the possibility of state and federal lawsuits resulting in a refund to local utilities for the overinflated charges.

The Council discussed how to recover depleted cash reserves and how maintaining a sufficient cash reserve is necessary to operate the system efficiently and safely and to assure the natural gas utility has enough funds to purchase ongoing natural gas and transmission. Oltmans reported that even with an increase to the natural gas delivery costs, it will still take a substantial length of time to recover the depleted cash reserves.

Consensus of the Council was to increase the delivery cost of natural gas. Staff will prepare an ordinance to be considered at the next meeting.

Motion by Jorgensen and second by Mulder for the Alton Natural Gas Utility to absorb the overinflated costs of the natural gas commodity incurred from February 13 – February 17 due to the Polar Vortex. Ayes 5

SGCC: Oltmans presented the Council with documents drafted by the City's bonding attorneys, Ahlers Cooney, concerning the lease agreement and funding between the City of Alton and Sioux Golf & Country Club. Discussion will be held at the next regular council meeting.

Motion by Krull and second by Plathe to adjourn the meeting at 6:25 PM. Ayes 5

Mayor
Dan Vande Griend

City Clerk/Administrator
Dale Oltmans