

**OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
MARCH 28, 2024 – 5:30 P.M.**

The Board of Trustees met in regular session at Muscatine Power and Water's Administration/Operations Building, 3205 Cedar Street, Muscatine, Iowa, on Tuesday, March 28, 2024 at 5:30 p.m.

Chairperson Keith Porter called the meeting to order. Additional members of the Board present were as follows: Trustees Tracy McGinnis, and Kevin Fields. Trustees Eversmeyer and Bradford were absent due to previously planned travel.

Also present were Gage Huston, General Manager of Muscatine Power and Water (MPW); Kelly Miller, Board Secretary; Erika Cox, Brandy Olson, Mark Roberts, Ryan Streck, and Doug White of MPW. Additional guests included Bryan Butler, David O'Connor and Jessica Brackett.

No public comment was made.

Trustee McGinnis moved, seconded by Trustee Fields, to approve the February 27, 2024 regular Board meeting minutes, and the March 8, 2024 Audit/Finance Committee meeting minutes. All Trustees present voted aye. Motion carried.

Trustee McGinnis moved, seconded by Trustee Fields, to ratify payments totaling \$5,707,076.16 for the Electric Utility, \$437,343.24 for the Water Utility, and \$1,043,358.41 for the Communications Utility, for a cumulative total of \$7,187,777.81. All Trustees present voted aye. Motion carried.

Mr. Huston next introduced a Recommendation to award a contract for West Substation Utility Building Project. Management reviewed and evaluated bids and recommends the award of contract for base bid and Option 1 be made to low bidder, Cleary Building Corp of Tipton, IA, for a total price of \$257,450. The following resolution was introduced.

RESOLUTION 24-07

WHEREAS, it appears in a written report from Muscatine Power and Water Management that the bid for the West Substation Utility Building Project as submitted by Cleary Building Corp., of Tipton, IA for a total price of \$257,450 was the best and lowest bid received; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that the proposal from Cleary Building Corp., of Tipton, IA for a total price of \$257,450 for the West Substation Utility Building Project was hereby accepted and submitted; and,

BE IT FURTHER RESOLVED, that the General Manager and Secretary of the Board were hereby authorized, empowered, and directed to execute a contract in the sum approved by the Board of Water, Electric, and Communications Trustees.

Trustee McGinnis moved, seconded by Trustee Fields that said resolution should be passed, approved, and adopted on this 28th day of March 2024. On roll call Trustees McGinnis, Fields, and Porter voted aye. Voting nay, none. Resolution carried.

Next on the agenda was a recommendation to authorize the General Manager to Enter into a Solar Lease Agreement with Lutheran Living. At the February Board meeting, the Board ratified the solar lease form

and authorized the General Manager to enter into lease agreements with several landowners. The Board did not take action on the Lutheran Living lease at that time as there was not a quorum available to take action related to that specific parcel. Trustee Eversmeyer abstained from that item as she is also on the Lutheran Living Board. Staff recommends the Board authorize the General Manager to execute the lease agreement with Lutheran Living following final negotiations on specific lease terms unique to their site. Trustee McGinnis moved, seconded by Trustee Fields, to authorize the General Manager to enter into lease agreements with Lutheran Living. All Trustees present voted aye. Motion carried.

Mr. Huston next introduced a Recommendation to Update the Start Time for the MPW Board Meetings. The regularly scheduled Board meetings for MPW have started at 5:30 p.m. Central Time. Over the past several years, Board meetings have increased in average length due to the significant amount of strategic plan related projects and initiatives being undertaken by the Utility. Meeting length has been averaging around two hours and sometimes extending beyond three hours. A 4:00 p.m. start time still provides opportunity for public engagement in MPW's Board meetings. Trustee McGinnis moved, seconded by Trustee Fields, to change the start time of MPW Board Meetings to 4:00 p.m. Central Time. All Trustees present voted aye. Motion carried.

Next on the agenda was a Recommendation to Receive and Place on File Muscatine Power and Water's 2023 Annual Report. Mr. Huston presented the Trustees with copies of the newly printed Annual Report for 2023. As has been the case for the past several years, the content for the report was developed entirely with in-house resources and printed at a low cost through a local printer. He continued that the financial summaries included in the Annual Report were based on unaudited financial results and a note to that effect was included in the Report. Ms. Cox stated a copy of the report is already on the website and total costs for the report continue to remain low. Trustee McGinnis moved, seconded by Trustee Fields, to receive and place on file the 2023 Annual Report. All Trustees present voted aye. Motion carried.

Mr. Huston introduced the following resolution requesting the Muscatine Mayor and City Council designate the week of May 5-11, 2024 as Drinking Water Week.

RESOLUTION 24-08

DRINKING WATER WEEK

May 5-11, 2024

WHEREAS, the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa wish to recognize its customers and employees during Drinking Water Week; and,

WHEREAS, water is our most valuable natural resource; and,

WHEREAS, Muscatine's municipal water supply provides many benefits to the community, including supporting public health, providing fire protection, supporting our economy, and sustaining the quality of life we enjoy; and,

WHEREAS, MPW provides our homes, businesses, farms, social service, and local government agencies with reliable, efficient and low-cost water services, employing sound business practices designed to ensure the best possible service at the lowest possible rate; now therefore,

BE IT RESOLVED, the Board of Trustees request the Mayor and City Council designate the week of May 5-11, 2024, as Drinking Water Week in Muscatine, in order to honor the

employees of MPW who work together to provide the best possible water services, and its consumer-owners; and,

BE IT FURTHER RESOLVED, Muscatine will join hands with other communities across the nation to celebrate the benefits of a consumer-owned water utility for our local and national progress.

Trustee McGinnis moved, seconded by Trustee Fields, that said resolution should be passed, approved, and adopted on this 28th day of March 2024. On roll call Trustees McGinnis, Fields, and Porter voted aye. Voting nay, none. Resolution carried.

Next on the agenda was the recommendation to approve a resolution for Communications Utility Revenue Adjustment, Video Rates Only, Effective May 1, 2024. Every March, Staff completes a review of expenses and product pricing to ensure the ongoing viability of the Communications Utility. To achieve an overall video revenue adjustment of 7%, adjustments are recommended to the published prices, broadcast surcharge, and regional sports charge. Adjustment percentages by package vary based on the specific cost drivers and beginning package prices. Staff recommended the General Manager continue to be responsible for approving tiers, bulk packages, premium services, equipment and other fees, promotional packages, and discounts for all MPW's Communications services as deemed necessary to ensure the financial viability of the Communications Utility. The following resolution was introduced.

RESOLUTION 24-09

WHEREAS, review of the financial condition of the Communications Utility has been completed and reviewed with the Board of Water, Electric, and Communications Trustees for its consideration; and,

WHEREAS, the Board has reviewed this information and determined that a revenue adjustment is necessary to keep the Communications Utility in a sound financial condition; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that effective May 1, 2024, the price for MPW Digital TV Basic service shall be \$25.99 per month and Select service shall be \$94.99 per month; and

BE IT FURTHER RESOLVED, that the Broadcast Surcharge shall be \$25.18 and that the Regional Sports Charge shall be \$10.25 per month; and

BE IT FURTHER RESOLVED, that the WiFi@Home service rate shall be \$5.00 per month; and

BE IT FURTHER RESOLVED, that the General Manager of Muscatine Power and Water shall continue to be responsible for approving tier pricing, premium services, equipment fees, promotional packages, and discounts to assure financial viability of the Communications Utility; and

BE IT FURTHER RESOLVED, that proper notice be given to consumers in accordance with the terms of the contracts, Federal Communications Commission (FCC) and Iowa State Code.

Trustee McGinnis moved, seconded by Trustee Fields, that said resolution should be passed, approved, and adopted on this 28th day of March 2024. On roll call Trustees McGinnis, Fields, and Porter voted aye. Voting nay, none. Resolution carried.

The next agenda item was Recommendation for Natural Gas Services Provider Selection. Over the past several months, Staff have been evaluating firms that could support MPW in providing natural gas (natgas) for the combined heat and power (CHP) unit project. This firm would provide a variety of services that

include: consulting (eg risk management), natgas supply procurement and trading, natgas transportation commitments and optimization, and daily supply and capacity imbalances. MPW had discussions with six potential providers and asked them to submit proposals. Given MPW's scale and limited experience with natgas markets, Staff focused discussions with Constellation and asked Constellation to take preliminary steps that would lead to an agreement. There was some fine-tuning necessary for the contract, but Staff believed they were close to an acceptable agreement. Staff recommended the Board grant the General Manager authority to finalize negotiations and enter into a final contract with Constellation on these general terms. Trustee McGinnis moved, seconded by Trustee Fields, to authorize the General Manager to finalize negotiations and enter into a Natural Gas Services Agreement with Constellation Energy Corporation. All Trustees present voted aye. Motion carried.

In the March GM Report, Mr. Huston updated the Board on the following topics:

- Review of the recent PFAS test results and updates. MPW staff have been sampling and identifying specific concentrations of PFAS at the treatment plants and will continue sampling quarterly at each treatment facility. In addition, MPW Environmental and Water Departments have been collaborating with a consultant to explore possible treatment options in the event the EPA's final rule includes a Maximum Contaminant Level (MCL) that is lower than MPW's baseline results.
- Financing partners selected for upcoming electric financing. After talking with several potential underwriters and soliciting proposals from four different firms, Staff selected Piper Sandler Co. as MPW's underwriter. The Dorsey firm was selected as bond counsel.
- Cyber Event Update. Customer notification letters started delivering March 7 to customers' homes. Those letters generated many calls from customers. By March 15, the number of calls was reducing significantly.

The February Financial highlights and Financial Results Summaries were reviewed by Mr. Roberts.

There were no entries on the Competitive Quotes for Public Improvements Report.

Mr. Huston reviewed the Monthly Project Status Report and Variance Analysis reports.

Mr. Huston reviewed the March 2024 Departmental Reports, and Mr. White reviewed the Powering the Future section of the departmental reports.

No public comment was made.

Trustee McGinnis moved, seconded by Trustee Fields, to receive and place on file the March 2024 Utility Reports. All Trustees present voted aye. Motion carried.

The meeting of the Board of Trustees was adjourned at 6:12 p.m.

BOARD OF WATER, ELECTRIC, AND
COMMUNICATIONS TRUSTEES OF
THE CITY OF MUSCATINE, IOWA



Kelly Miller
Board Secretary