

PRESS RELEASE

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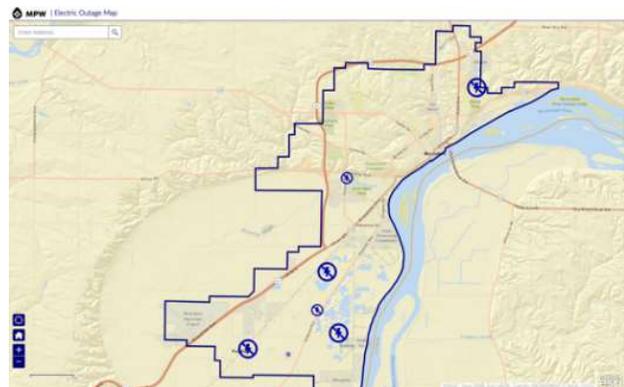
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MPW Presents 2020 Project Overview to Community, Launch of New Outage Map

At the monthly Muscatine Board of Water, Electric and Communications Trustees meeting, General Manager, Gage Huston, shared feedback from the Utility's recent annual update to community leaders. This year's Power Breakfast event, held virtually due to continuing COVID-19 concerns, was an opportunity for MPW's senior leadership team to provide updates about projects and initiatives impacting the community.

"Feedback was positive from community leaders," shared Huston. "Those in attendance appreciated learning about the many ongoing projects and how MPW staff was able to make progress despite the COVID pandemic."

One highlight of the presentation was the unveiling of the customer-facing electric outage map. The map is a one-stop site for customers to see if there is a power outage and how widespread the outage is. The information becomes more specific as the user drills down in the map to a street level view. Customers can access the map by visiting the MPW website (<https://www.mpw.org/utilities/electric/outage-map-report-an-outage/>). If an outage is not noted on the map, MPW then requests customers report the outage online or by calling 263-2631.



"The goal is to save customer's time and reduce the volume of phone calls for the outage team, especially during large-scale events," shared Ryan Streck, Director of Utility Service Delivery. "If the customer sees outage reports from their neighborhood on the map, then they don't need to call in since MPW has already been alerted. However, customers are asked to call if they have additional information such as a downed line, sparks, or fire so we can prioritize our resources."

The Power Breakfast was recorded and will be made available via MPW's YouTube channel, cable system, and within the Local On-Demand folders on MPW Fiber TV.

Faulty materials used in the Mississippi Drive Corridor Underground Phase I, Cable Pull Project resulted in additional costs for the project, so MPW Staff presented a Contract Change Order (CCO) No. 2 to the Trustees. The CCO covers additional work to replace two sections of cable and four splices after faults were caused by two separate splice failures. With two splices having failed, MPW has initiated discussions with the manufacturer in hopes of recouping some of the costs associated with the re-work included in the CCO.

Director of Finance and Administrative Services, Mark Roberts, provided an overview of the Utility's financials. A delayed power plant maintenance outage, higher Water Utility maintenance costs and unbudgeted non-cash depreciation expenses caused results to be below budget for November. However, many of the reasons for weaker November financial results are timing, and the outcome for the year through November remains positive.

"Despite last month's challenges and the impacts of COVID-19, we are pleased with the MPW financial picture through November. Lower wholesale market prices have benefited our customers because MPW is able to purchase electricity in the market at prices lower than we had budgeted," shared Roberts.

Programming costs was another topic of discussion for the Trustees and MPW senior leadership. Contracts with the Big 4 local/national networks (CBS Channel 4, NBC Channel 6, Fox18 Channel 7 and ABC Channel 8) are up for renewal, creating pressure to agree to sometimes unreasonable demands or face the removal of programming customers want.

The Big 4 networks are included in every TV package MPW offers and are some of the most watched networks on TV locally. Since the passage of the Telecommunications Act of 1996, negotiations have become more and more one-sided in favor of content providers. Distributors like MPW are required to bundle "sub-network" channels with more popular channels. This forced bundling eliminates the ability of offer ala carte subscriptions to customers and drives up the prices cable and satellite operators charge. Streaming providers are now facing the same price increases cable and satellite operators have seen, with some of the most popular streaming services announcing significant price increases over the last couple of years.

Negotiations are proceeding and an agreement has been reached with three of the four networks. Despite one network coming in very high, the overall rate adjustment Staff budgeted is aligning closely with new contract pricing, the percentage of which is projected to be lower than the 2020 adjustment. No request for a rate adjustment was made at the meeting; rather Staff updated the Board on the progress of negotiating the new programming contracts.

"We certainly share in the concern our customers feel about the continued increase in programming costs," shared Erika Cox, Director of Customer and Technology Experience. "While it's always an option for us to drop channels, we know our customers greatly value the content the Big 4 networks provide. We will continue to do all we can to provide networks and services our customers want while keeping prices as low as possible."

In other news, the Board:

- Approved payment for the November 2020 expenditures and transactions.
- Approved Contract Change Order No.1 for an increase of \$25,285.65 for the Mississippi Drive Corridor Underground Phase I – Cable Pull Project.
- Authorized the GM to approve Contract Change Order #2 for an increase of up to \$289,662.99 for the Mississippi Drive Corridor Underground Phase I – Cable Pull Project.
- Rescheduled the December 2021 Board meeting to Thursday, December 16, 2021.
- Appointed Trustee Keith Porter to the MAGIC Board effective January 1, 2021 for a two-year term.

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Muscatine Power and Water (MPW) is a customer-driven, not-for-profit municipal utility, established by the community for the purpose of serving the community responsively, competitively, and responsibly.

MPW provides reliable electricity, high quality water, and state-of-the-art communications services, including internet, video and phone services, to homes and businesses throughout the Muscatine community at rates below state and national averages with outstanding customer service.

MPW is locally controlled and operated for the benefit and betterment of the community.