

**OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
FEBRUARY 22, 2022 – 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, February 22, 2022 at 5:30 p.m.

Chairperson Steven Bradford called the meeting to order. Additional members of the Board present were as follows: Trustees Susan Eversmeyer, Kevin Fields, Tracy McGinnis, and Keith Porter.

Also present were Gage Huston, General Manager of Muscatine Power and Water (MPW); Brenda Christensen, Board Secretary; Erika Cox, Brandy Olson, Mark Roberts, Ryan Streck, Doug White, Mark Archer, and Danielle Archer of MPW. Additional guests included customers Payton Raisbeck, Charles Potter, Anthony Hiner and Dan Sirdoreus and Eric Howard of Principal Financial Advisors. Jessica Brackett joined the meeting at 5:45 p.m.

Mr. Hiner of 2016 Solomon Road thanked the MPW Staff and Board of Trustees for extending Communications Utility services to areas outside of Muscatine.

Trustee Fields moved, seconded by Trustee McGinnis, to approve the January 25, 2022 regular meeting minutes. All Trustees voted aye. Motion carried.

Trustee Porter moved, seconded by Trustee Eversmeyer, to ratify payments totaling \$8,267,349.90 for the Electric Utility, \$408,645.75 for the Water Utility, and \$1,104,616.16 for the Communications Utility, for a cumulative total of \$9,780,611.81 All Trustees voted aye. Motion carried.

Mr. Huston reminded the Board the Utility provides a defined benefit pension plan for its employees and the Pension Investment Policy requires the Board review the Employee Pension Fund performance once a year. He provided a high level summary and introduced Dan Sirdoreus and Eric Howard from Principal Financial Advisors. Mr. Sirdoreus provided an update of the plan cash flow, along with a review of MPW's portfolio and strategic asset allocations and investment earnings results. Mr. Sirdoreus finished his presentation with a review of the MPW portfolio performance and a total return summary. Mr. Roberts pointed out this is the first time since 2007 the MPW Pension Plan has been fully funded. Trustee Eversmeyer moved, seconded by Trustee Porter, to receive and place on file the 2021 Employees' Pension Plan and Investment Advisory Report. All Trustees voted aye. Motion carried. The Principal Financial Group representatives left the meeting at 5:50 p.m.

Mr. Huston introduced a recommendation to approve a revised project summary form (PSF) for the Fair Acres Drive Water Main Replacement Project with revisions included for increased costs of items not identified in the original estimate for this project. The Fair Acres project estimate, included in the 2022 Operating Budget, assumed the construction work for this project would be completed in-house by MPW Water Utility Staff. After evaluation of the Grandview Avenue Reconstruction Project construction issues and other upcoming Water Utility projects for 2022, MPW Staff will be redirected to the Grandview Avenue Project and the Fair Acres Drive Water Main Replacement Project will be completed by a contractor, adding additional costs of \$53,900. Trustee Eversmeyer questioned the differences in the original bid and the current bid, Mr. Streck explained some of the costs were originally attributed to a different project and were pulled back into this project. Trustee McGinnis moved, seconded by Trustee Fields, to approve a revised PSF for the Fair Acres Drive Water Main Replacement Project with a new total cost of \$166,600. All Trustees voted aye. Motion carried.

The next agenda item was a recommendation to approve a PSF for Video Streaming Service Delivery. Mr. Huston reminded the Board MPW has provided video headend service to Wilton Telephone Company (WTC Communications) and Mediapolis Telephone Company (MTC Technologies) for many years. He continued one technology currently not offered to MPW Communications customers is the ability to deliver full channel lineup via a streaming device. WTC Communications is making changes giving MPW an opportunity to offer this service without bearing 100% of the investment costs to evolve to a streaming model. Mr. Huston reviewed the costs associated with this project, project payback, and how the budgeted revenue from WTC would be handled if lost. He continued negotiations for the project were still ongoing with WTC, but if negotiations were completed, MPW would have to quickly act to make the project successful. He also stated if negotiations were unsuccessful, the PSF would be cancelled and this project would be considered for future implementation. Trustee Porter moved, seconded by Trustee Eversmeyer to approve the PSF for the Video Streaming Service Delivery Project with a total cost of \$376,500. All Trustees voted aye. Motion carried.

Next, Mr. Huston presented the Trustees with copies of the newly printed Annual Report for 2021. 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 printing shop. He continued 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 2021 Annual Report.

Mr. Huston informed the Board the Iowa Administrative Code was recently revised to require municipal electric utilities to adopt and file an annual electric reliability plan with the Iowa Utilities Board (IUB), and the annual electric reliability plan must be approved by our Board and filed with IUB by April 1. No MPW policies or practices related to electric system reliability were replaced or modified in creating this plan, it will simply confirm MPW's compliance with the requirements of 199-27.10(3)(g). Trustee McGinnis moved, seconded by Trustee Fields, to adopt the annual electric reliability plan and file the plan with the Iowa Utilities Board. All Trustees voted aye. Motion carried.

Mr. Huston stated the next item on the agenda was a recommendation to approve water service outside the city limits for a house under construction at 1823 Highway 38, Muscatine. The homeowner plans to connect to the existing 8" MPW water main running along Highway 38 adjacent to their property. The service connection will be at no cost to the Utility and will have no impact on the Utility's water system. Trustee McGinnis moved, seconded by Trustee Eversmeyer, to approve the request for water service outside the city limits for 1823 Highway 38, Muscatine. All Trustees voted aye. Motion carried.

Mr. Archer, Ms. Archer, and Ms. Raisbeck left the meeting at 6:25 p.m.

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

- PFAS Testing Results have become a hot topic in communities and newspapers, and although MPW is well under the legal limits it has begun a baseline testing protocol that will be shared on MPW.org, along with educational information for our customers
- FM Global (property insurance provider) recognized MPW for its 20-Year Membership in the mutual insurance company
- The 2022 Power Breakfast was held on February 10 allowing staff to provide updates on the MPW Strategic Plan to invited community members
- Mr. Streck provided a presentation on Line 106 construction progress
- MPW successfully launched Enterprise Phone service to its first business customer
- EV Charger installations were completed at the Musser Public Library and The Merrill Hotel

The January Financial highlights and Financial Results Summary 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 February 2022 Departmental Reports, and Mr. White reviewed the Power the Future section of the departmental reports.

There were no public comments on the Department Reports.

Trustee Eversmeyer moved, seconded by Trustee Porter, to receive and place on file the February 2022 Utility Reports. All Trustees voted aye. Motion carried.

Chairperson Bradford recommended the meeting be closed to the public in accordance with Iowa Code Chapter 21.5(1)(i) to review the performance evaluations completed by the General Manager for the Directors and the performance evaluation completed by the Board of Trustees for the General Manager. Trustee McGinnis moved, seconded by Trustee Porter, the meeting be closed to the public in accordance with Iowa Code Chapter 21.5(1)(i) as requested in writing by the General Manager and Directors for the purpose of reviewing management performance. On roll call vote, Trustees McGinnis, Fields, Porter, Eversmeyer and Bradford voted aye. Voting nay, none.

The meeting was closed to the public at 7:00 p.m. All attendees left the meeting except for the General Manager and the Trustees.

At 7:55 p.m., Mr. Huston left the closed session.

At 8:35 p.m., the meeting was reconvened to open session.

The meeting of the Board of Trustees was adjourned at 8:35 p.m.

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THE CITY OF MUSCATINE, IOWA



Brenda Christensen
Board Secretary