

**OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
JANUARY 26, 2021 – 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, January 26, 2021, at 5:30 p.m.

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

Also present were Gage Huston, General Manager of Muscatine Power and Water; Brenda Christensen, Board Secretary; Charles Potter, Muscatine Journal; Erika Cox, Brandy Olson, Mark Roberts, Ryan Streck, and Doug White of Muscatine Power and Water. Sandy Stanley from Clean Air Muscatine and Freedom Malik-Roberts were present as members of the Muscatine Community.

Chairperson Eversmeyer asked if there was anyone in attendance who wished to make any public comments. There were no public comments.

The minutes of the December 17, 2020, regular meeting and the December 17, 2020, Audit/Finance Committee meeting were presented as previously submitted. Trustee McGinnis moved, seconded by Trustee Porter, that the December 17, 2020, regular meeting minutes be approved and the December 17, 2020, Audit/Finance Committee meeting be received and placed on file. All Trustees voted aye. Motion carried.

The list of expenditures and transactions for December 2020 was presented as previously submitted to all Board members. Mr. Huston reviewed the key drivers of the expenditure totals. After review and discussion of the expenditures, Trustee Porter moved, seconded by Trustee Fields, to ratify payment of \$9,095,355.86 for the Electric Utility, \$1,202,101.77 for the Water Utility, and \$2,824,934.49 for the Communications Utility for a cumulative total of \$13,122,392.12. All Trustees present voted aye. Motion carried.

Mr. Huston introduced the next item on the agenda as approval of Reimbursement Resolutions for all three Utilities, as recommended by Bond Counsel on an annual basis. The recommended Resolutions presented are similar to what the Board has adopted on an annual basis each January and are established to comply with the requirements of Treasury Regulation 1.150-2 (proceeds of bonds used for reimbursement). The Resolutions state the Board reasonably expects to reimburse itself for capital expenditures paid out in the past 60 days or those to be incurred in the next year. The reimbursement will be made from the proceeds of future debt obligations and reimbursement must be completed within 18 months of (a) the original expenditure; or (b) the date the project is in service, but in no event more than 3 years after the original expenditure is paid. The Reimbursement Resolutions do not obligate the Board to undertake a borrowing or to include all qualifying capital projects in a given debt issuance, but

they do give the Board the ability to include those projects if they qualify and the economics warrant. After discussion and review, the following resolutions were submitted:

RESOLUTION 21-01

*DECLARATION OF OFFICIAL INTENT OF THE CITY OF MUSCATINE, IOWA, ACTING BY AND THROUGH ITS BOARD OF WATER, ELECTRIC, AND COMMUNICATIONS TRUSTEES OF THE CITY OF MUSCATINE, IOWA TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS FOR THE **ELECTRIC UTILITY***

WHEREAS, the City of Muscatine, Iowa, (the "Issuer") acting by and through its Board of Water, Electric, and Communications Trustees (the "Board") intends to acquire land; construct, improve, furnish, and equip extensions; make improvements; and commit to other capital projects related to the Electric Utility (collectively the "Projects"); and

WHEREAS, the Issuer expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with the Projects prior to the issuance of indebtedness for the purpose of financing costs associated with the Projects on a long-term basis; and

WHEREAS, the Issuer reasonably expects that debt obligations in an amount not expected to exceed \$51,000,000 will be issued with respect to financing of the Projects and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, the Issuer desires to comply with the requirements of Treasury Regulation 1.150-2 (the "Regulations") with respect to the Projects;

NOW THEREFORE, it is hereby resolved by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, as follows:

- Section 1. The Issuer finds and determines that the foregoing recitals are true and correct.
- Section 2. This declaration is made solely for the purpose of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the Issue to make any expenditure, incur any indebtedness, or proceed with the Projects.
- Section 3. The Issuer hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures with respect to the Projects.
- Section 4. This declaration shall take effect from and after its adoption.

Trustee Fields moved, seconded by Trustee Porter, the said resolution should be passed, approved, and adopted this 26th day of January 2021. On roll call Trustees Porter, Bradford, McGinnis, Fields, and Eversmeyer voted aye. Voting nay, none. Resolution carried.

RESOLUTION 21-02

*DECLARATION OF OFFICIAL INTENT OF THE CITY OF MUSCATINE, IOWA, ACTING BY AND THROUGH ITS BOARD OF WATER, ELECTRIC, AND COMMUNICATIONS TRUSTEES OF THE CITY OF MUSCATINE, IOWA TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS FOR THE **WATER UTILITY***

WHEREAS, the City of Muscatine, Iowa, (the “Issuer”) acting by and through its Board of Water, Electric, and Communications Trustees (the “Board”) intends to acquire land; construct, improve, furnish, and equip extensions; make improvements; and commit to other capital projects related to the Water Utility (collectively the “Projects”); and

WHEREAS, the Issuer expects to pay certain expenditures (the “Reimbursement Expenditures”) in connection with the Projects prior to the issuance of indebtedness for the purpose of financing costs associated with the Projects on a long-term basis; and

WHEREAS, the Issuer reasonably expects that debt obligations in an amount not expected to exceed \$7,000,000 will be issued with respect to financing of the Projects and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, the Issuer desires to comply with the requirements of Treasury Regulation 1.150-2 (the “Regulations”) with respect to the Projects;

NOW THEREFORE, it is hereby resolved by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, as follows:

- Section 1. The Issuer finds and determines that the foregoing recitals are true and correct.
- Section 2. This declaration is made solely for the purpose of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the Issue to make any expenditure, incur any indebtedness, or proceed with the Projects.
- Section 3. The Issuer hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursements Expenditures with respect to the Projects.
- Section 4. This declaration shall take effect from and after its adoption.

Trustee Fields moved, seconded by Trustee McGinnis, the said resolution should be passed, approved, and adopted this 26th day of January 2021. On roll call Trustees Fields, McGinnis, Bradford, Porter and Eversmeyer voted aye. Voting nay, none. Resolution carried.

RESOLUTION 21-03

*DECLARATION OF OFFICIAL INTENT OF THE CITY OF MUSCATINE, IOWA, ACTING BY AND THROUGH ITS BOARD OF WATER, ELECTRIC, AND COMMUNICATIONS TRUSTEES OF THE CITY OF MUSCATINE, IOWA TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS FOR THE **COMMUNICATIONS UTILITY***

WHEREAS, the City of Muscatine, Iowa, (the "Issuer") acting by and through its Board of Water, Electric, and Communications Trustees (the "Board") intends to acquire land; construct, improve, furnish, and equip extensions; make improvements; and commit to other capital projects to the Communications Utility (collectively the "Projects"); and

WHEREAS, the Issuer expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with the Projects prior to the issuance of indebtedness for the purpose of financing costs associated with the Projects on a long-term basis; and

WHEREAS, the Issuer reasonably expects that debt obligations in an amount not expected to exceed \$6,000,000 will be issued with respect to financing of the Projects and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, the Issuer desires to comply with the requirements of Treasury Regulation 1.150-2 (the "Regulations") with respect to the Projects;

NOW THEREFORE, it is hereby resolved by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, as follows:

- Section 1. The Issuer finds and determines that the foregoing recitals are true and correct.
- Section 2. This declaration is made solely for the purpose of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the Issue to make any expenditure, incur any indebtedness, or proceed with the Projects.
- Section 3. The Issuer hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursements Expenditures with respect to the Projects.
- Section 4. This declaration shall take effect from and after its adoption.

Trustee Porter moved, seconded by Trustee Bradford, the said resolution should be passed, approved, and adopted this 26th day of January 2021. On roll call Trustees Porter, Bradford, McGinnis, Fields, and Eversmeyer voted aye. Voting nay, none. Resolution carried.

In the January GM Report, Mr. Huston updated the Board on a cybersecurity event impacting both commercial and government organizations around the world. MPW does not use the Orion product from SolarWinds and the Utility experienced no known negative impacts from this threat. He continued that Staff has been closely tracking the threat and working with industry organizations to take all appropriate diagnostic steps to determine if the Utility has any

potential risk. MPW does have one known SolarWinds product, ipMonitor, in its environment and even though this product was not comprised, MPW has since stopped using the product to err on the side of caution.

The December Financial Operating Statements and Balance Sheets and the Quarterly Investment Report were presented as previously submitted to all Board members. Mr. Roberts review the Financial Results Summary and the Cash Flow Summary for each Utility. He also reviewed the Quarterly Investment Report. Trustee Bradford congratulated Staff on ending the year well.

The Competitive Quotes for Public Improvements Report was presented as previously submitted to all Board members.

Mr. Huston reviewed the Quarterly Project Status Report and Variance Analysis previously submitted to all Board members. Trustee Porter thanked Staff for developing this report for review.

The Critical Issues and Key Performance Indicators for the Electric, Water, and Communications Utilities were previously submitted to all Board members. Directors Cox, Olson, Streck and White reviewed their Critical Issue section, and Mr. Roberts reviewed the Key Performance Indicators.

The December Departmental Reports were presented as previously submitted to all Board members. Trustee Porter moved, seconded by Trustee Fields to receive and place on file the December 2020 Utility Reports. All Trustees voted aye. Motion carried.

The meeting was adjourned at 7:05 p.m.

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



Brenda Christensen
Board Secretary