

**OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
JANUARY 25, 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, January 25, 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, and Doug White of MPW. Additional guests included Tom Mergen of Stanley Consultants; Freedom Malik-Roberts, Katie Rock, Sandy Stanley, and Michael Salino-Hugg.

There were no public comments at this time.

Trustee Fields moved, seconded by Trustee Eversmeyer, to approve the December 16, 2021 regular meeting minutes. All Trustees voted aye. Motion carried.

Trustee Porter moved, seconded by Trustee McGinnis, to ratify payment of \$7,629,157.53 for the Electric Utility, \$1,019,562.98 for the Water Utility, and \$2,018,749.94 for the Communications Utility, for a cumulative total of \$10,667,470.45. All Trustees voted aye. Motion carried.

Mr. Huston introduced a recommendation to ratify Contract Change Order (CCO) No. 1 and accept as complete the contract for the Unit 9 Cafeteria Roof Recover Project. At the May 25, 2021 Board meeting, a contract was awarded to Black Hawk Roof Company, Inc. in the amount of \$116,900. Contract Change Order (CCO) No. 1 to extend the manufacturer's warranty from five to ten years, increased the amount of the contract by \$160. The total project expense of \$117,060 remains under budget. Management recommends the Board accept Contract Change Order No. 1 and accept as complete the contract with Black Hawk Roof Company, Inc. for the Unit 9 Cafeteria Roof Recover Project. The following resolutions were submitted:

RESOLUTION 22-01

WHEREAS, Contract Change Order No. 1 has been prepared to said contract with Black Hawk Roof Company, Inc. for the Unit 9 Cafeteria Roof Recover Project in the increased total amount of \$160.00 and said Contract Change Order has been reviewed by the Board, and Muscatine Power and Water Management has recommended approval of said Contract Change Order; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees that said Contract Change Order No. 1 in the increased total net amount of \$160.00 be approved for an amended contract price of \$117,060.00 for the Unit 9 Cafeteria Roof Recover Project.

Trustee Fields moved, seconded by Trustee McGinnis, the resolution be passed, approved, and adopted this 25th day of January 2022. On roll call Trustees Porter, Fields, Eversmeyer, McGinnis, and Bradford voted aye. Voting nay, none. Resolution carried.

RESOLUTION 22-02

WHEREAS, it appears in a written report from Muscatine Power and Water Management that the contract with Black Hawk Roof Company, Inc., for the Unit 9 Cafeteria Roof Recover in the final amount of \$117,060.00 has been substantially completed in accordance with the project specifications and the recommendation has been made that said contract be accepted by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa; now therefore,

BE IT RESOLVED, the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that the Unit 9 Cafeteria Roof Recover Project, furnished under the above-named contract be accepted and approved by the Board; and,

BE IT FURTHER RESOLVED, that five percent (5%) of the contract price be retained for a period of thirty-one (31) days from and after the date of resolution, all in accordance with the provisions of the Code of Iowa.

Trustee Eversmeyer moved, seconded by Trustee Porter, the resolution be passed, approved, and adopted this 25th day of January 2022. On roll call Trustees Porter, Fields, Eversmeyer, McGinnis, and Bradford voted aye. Voting nay, none. Resolution carried.

The next agenda item was to approve a total of six Project Summary Forms (PSFs) for the advance purchase of aerial bucket trucks and digger derricks. Mr. Huston explained Management is requesting approval to place orders in the first quarter of 2022 for aerial bucket trucks and digger derrick vehicles included in the latest 10-year capital projection for years 2023-2025. The total amount requested is \$1,658,300. MPW will purchase the complete units from the vendor Altec, and there will be no down payment or milestone payments. Mr. Huston continued the JEMS (Jobsite Energy Management System) is part of Altec's "Green Fleet" solutions and brings hybrid electric technology to bucket truck applications. MPW has included two light-duty aerial units with JEMS in this order. After additional discussion on costs of units and payback, electrification options and concerns, and other questions, Trustee Porter moved, seconded by Trustee McGinnis, to approve the six PSFs. All Trustees voted aye. Motion carried.

Mr. Huston stated in early 2021, MPW engaged Stanley Consultants, Inc. (SCI) to provide an economic feasibility study for building a local, Combined Heat & Power generation unit. The feasibility study consisted of evaluating numerous combustion turbines in multiple configurations and provide an overview of their thermal and financial performance. Mr. White reviewed a presentation that consisted of project history, the evaluation process, and study results.

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 Reimbursement Resolutions do not obligate the Board to undertake a borrowing or to include all qualifying capital projects in any given debt issuance, but it does 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 22-03

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 **ELECTRIC UTILITY**

WHEREAS, the City of Muscatine, Iowa, (the "Issuer") acting by and through its Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa (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 \$43,000,000 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 Eversmeyer, the resolution be passed, approved, and adopted this 25th day of January 2022. On roll call Trustees Porter, Fields, Eversmeyer, McGinnis, and Bradford voted aye. Voting nay, none. Resolution carried.

RESOLUTION 22-04

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 of the City of Muscatine, Iowa (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 McGinnis moved, seconded by Trustee Porter, the resolution be passed, approved, and adopted this 25th day of January 2022. On roll call Trustees Eversmeyer, Fields, Porter, McGinnis, and Bradford voted aye. Voting nay, none. Resolution carried.

RESOLUTION 22-05

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 of the City of Muscatine, Iowa (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 \$13,000,000 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 McGinnis moved, seconded by Trustee Eversmeyer the resolution be passed, approved, and adopted this 25th day of January 2022. On roll call Trustees Porter, Fields, Eversmeyer, McGinnis and Bradford voted aye. Voting nay, none. Resolution carried.

Mr. Huston next recommended the regularly scheduled December 2022 Board Meeting date of Tuesday, December 27, 2022, be rescheduled to Tuesday, December 20, 2022, due to the holidays. Trustee Porter moved, seconded by Trustee McGinnis, that the December 2022 Board Meeting be moved to December 20, 2022. All Trustees voted aye. Motion carried.

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

- MPW Covid Update – several protocols have been reenacted at MPW in response to the higher number of cases in Muscatine
- Coal Inventory Update – MPW is using more coal and reducing coal inventories and additional deliver capacity is limited. Staff is managing coal inventory levels by adding additional inventory reviews and adjusting market price offers
- Issues with Grandview Avenue Water Refurbishment Project – complications have caused unexpected and additional costs to MPW. A revised PSF will be an agenda item at a future Board Meeting
- Customer Information System (CIS) Replacement Moves into Implementation Stage – MPW has executed agreements with National Information Solutions Cooperative (NISC). NISC and MPW are working to make sure adequate resources are on the project and beginning to establish detailed implementation plans. The go-live date is scheduled for November 2022
- NOFA 7 Grant Application Update – MPW received the maximum grant from the State of Iowa to fund 60% of project costs to extend fiber service into more underserved areas in Muscatine. To stay within MPW's payback policy, the Utility also asked for and received a contribution from the Muscatine County Board of Supervisors. Expansion will be in the Bayfield Rd/Tipton Rd area, with construction work beginning in 2024

The December Financial Dashboard, Financial Results Summary, and 2021 Consolidated Reports were reviewed by Mr. Roberts. He also reviewed the Quarterly Investment Report. Both Trustee Fields and

Bradford congratulated Staff on a good year and pointed out that Staff does a great job using the flexibility available to run the generating units based on coal price and inventory.

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

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

The Strategic Plan and Key Performance Indicators Presentation for the Electric, Water, and Communications Utilities was reviewed.

Mr. Huston reviewed the January 2022 Departmental Reports.

Public comments were added by Ms. Stanley and Ms. Rock.

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

Mr. Huston requested the Board to enter Closed Session, in accordance with Iowa Code 21.5(c) for the purpose of discussing potential litigation regarding the Mississippi Drive Corridor Underground Phase I Project and the splice failure on this project. Trustee Eversmeyer moved, seconded by Trustee McGinnis, the meeting be closed to the public in accordance with Iowa Code Chapter 21.5(c). On roll call, Trustees Porter, Eversmeyer, Fields, McGinnis and Bradford voted aye. Voting nay, none. Motion carried.

The meeting was closed to the public at 8:22 p.m.

At 8:37 p.m. the meeting was reconvened to open session.

The meeting of the Board of Trustees was adjourned at 8:37 p.m.

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



Brenda Christensen
Board Secretary