

**OFFICIAL PROCEEDINGS OF THE  
BOARD OF WATER, ELECTRIC,  
AND COMMUNICATIONS TRUSTEES  
OF THE CITY OF MUSCATINE, IOWA  
JANUARY 31, 2023 – 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 31, 2023, at 5:30 p.m.

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

Also present were Gage Huston, General Manager of Muscatine Power and Water (MPW); Kelly Miller, Board Secretary; Erika Cox, Brandy Olson, Mark Roberts, and Doug White of MPW. Additional guests included Linda Schmarje and Jessica Brackett.

There were no public comments at this time.

Trustee McGinnis moved, seconded by Trustee Bradford, to approve the December 20, 2022 regular meeting minutes. All Trustees voted aye. Motion carried.

Trustee Porter moved, seconded by Trustee Eversmeyer, to ratify payment of \$8,074,255.07 for the Electric Utility, \$1,246,970.94 for the Water Utility, and \$3,133,229.68 for the Communications Utility, for a cumulative total of \$12,454,455.69. All Trustees voted aye. Motion carried.

Mr. Huston presented the next agenda item to approve the revised Project Summary Forms (PSF) for the Cedar Street and Isett Avenue Substation Replacement Breaker Projects. These revisions include increased costs based on quotes received from the supplier in Q4 of 2022 for a price increase of \$113,200 across the two projects. Trustee Porter moved, seconded by Trustee Bradford, to approve the revised Project Summary Forms (PSF) for the Cedar Street and Isett Avenue Substation Replacement Breaker Projects. All Trustees voted aye. Motion carried.

The next agenda item presented was to approve a Transformer Procurement for 2024-2025. MPW annually procures distribution transformers to maintain stock. Global supply chain issues have impacted the procurement of distribution transformers nationwide. Lead times for transformers are nearing two years as of this writing. Prices have tripled since MPW last received bids in the 1<sup>st</sup> quarter of 2021. Several manufacturers are incapable of keeping up with demand and a primary supplier to MPW stopped taking orders altogether until 2025. MPW staff requests the Board of Trustees to approve \$2,389,530 to fund transformer procurement in the budget years 2024 and 2025. Given the current state of global supply chains, this will allow MPW to reserve slots in the 2024 and 2025 production queues. The funds will be spent evenly over 2024 and 2025. This amount is based on quotes received from transformer suppliers in the 4th quarter of 2022. After additional discussion regarding vendors availability regarding options and concerns, and other questions, Trustee Eversmeyer moved, seconded by Trustee Porter, to approve the Transformer Procurement for 2024-2025. All Trustees voted aye. Motion carried.

The next item on the agenda is a recommendation to approve the Sale of Land to Linde North America Inc. At the June 2022 Board of Trustees Meeting, the Board authorized the General Manager to sell to Linde North America Inc (Linde) a 3.6-acre parcel of land owned by MPW that would provide Linde an opportunity to expand its operations at an adjacent site. MPW has no plans for the parcel. The agreed price of the parcel was \$100,000, which was determined by an independent appraiser retained by

MPW. In addition, Linde agreed to pay MPW's cost to affect the transaction, which were estimated at less than \$20,000. After Linde due diligence and additional work to define the parcel, the transaction is anticipated to close soon. However, the title company involved has indicated it is necessary for Board approval to be in the form of a resolution. Therefore, Staff is requesting that the Board pass a resolution to more formally approve the sale. After discussion and review, the following resolution was submitted:

**RESOLUTION 23-01**

WHEREAS, MPW and Linde Gas & Equipment Inc. have agreed on the sale of a 3.6-acre parcel (see following survey map) that is owned by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa to Linde Gas & Equipment Inc. or one of its affiliates; and,

WHEREAS the agreed price based on an independent appraisal is \$100,000 plus MPW's cost to affect the transaction; and,

BE IT RESOLVED, that the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa grants the Muscatine Power and Water General Manager the authority to execute the sale of this parcel upon the completion of all necessary legal steps to Linde Gas & Equipment Inc. or one of its affiliates at a price of \$100,000 plus costs to effect the transaction.

Trustee McGinnis moved, seconded by Trustee Bradford, the resolution be passed, approved, and adopted this 31<sup>st</sup> day of January 2023. On roll call Trustees Bradford, McGinnis, Eversmeyer, Porter, and Fields voted aye. Voting nay, none. Resolution 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 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 23-02**

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 **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 Bradford moved, seconded by Trustee Eversmeyer, that the resolution be passed, approved, and adopted this 31<sup>st</sup> day of January 2023. On roll call Trustees Eversmeyer, Bradford, McGinnis, Porter, and Fields voted aye. Voting nay, none. Resolution carried.

### **RESOLUTION 23-03**

#### **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 **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 \$8,000,000 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 McGinnis, the resolution be passed, approved, and adopted this 31<sup>st</sup> day of January 2023. On roll call Trustees Eversmeyer, Bradford, McGinnis, Porter, and Fields voted aye. Voting nay, none. Resolution carried.

#### **RESOLUTION 23-04**

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 **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 \$11,000,000 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 Eversmeyer moved, seconded by Trustee Bradford, the resolution be passed, approved, and adopted this 31<sup>st</sup> day of January 2023. On roll call Trustees Porter, McGinnis, Bradford, Eversmeyer, and Fields voted aye. Voting nay, none. Resolution carried.

Mr. Huston next recommended the regularly scheduled December 2023 Board Meeting date of Tuesday, December 26, 2023, be rescheduled to Thursday, December 21, 2023, due to the holidays. Trustee McGinnis moved, seconded by Trustee Bradford, that the December 2023 Board Meeting be moved to December 21, 2023. All Trustees voted aye. Motion carried.

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

- MISO Seasonal Capacity Construct and Capacity Accreditation. Mr. Huston explained that the electric industry is in the midst of a historic shift in its generation portfolio. This shift is causing utilities and grid operators, like MISO, to rethink and revamp their processes for ensuring the system has enough resources to cover load. While resources are becoming more intermittent, utilities and MISO have the same obligation to serve load every hour of every day, despite load uncertainty, unplanned outages of generation units and transmission lines, and variances in wind and solar conditions.
- Winter Response - during the month of December MPW was faced with a cold snap that provided many challenges throughout our three utilities. While this cold snap was not the worst we've ever seen, it presented many problems that we haven't seen in quite some time, and again our team at MPW stepped up to serve our customers.

The December Financial Dashboard, Financial Results Summary, and 2022 Consolidated Reports were reviewed by Mr. Roberts. He also reviewed the Quarterly Investment Report.

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 2023 Departmental Reports.

Public comments were added by Ms. Linda Schmarje.

Trustee McGinnis moved, seconded by Trustee Porter, to receive and place on file the January 2023 Utility Reports. All Trustees voted aye. Motion carried.

The meeting of the Board of Trustees was adjourned at 7:20 p.m.

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

A handwritten signature in cursive script that reads "Kelly Miller".

Kelly Miller  
Board Secretary