

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

Chairperson Steven Bradford called the meeting to order. Chairperson Bradford attended the meeting virtually by Microsoft Teams due to previously scheduled travel plans. Additional members of the Board present were as follows: Trustees Susan Eversmeyer, Kevin Fields, and Keith Porter. Tracy McGinnis was absent due to previously scheduled travel plans.

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; and Erik Reader, President of the Greater Muscatine Chamber of Commerce. Additional guests attending the meeting included Chris Anderson, Charles Potter, Jessica Brackett, Katie Rock, and Linda Schmarje.

There were no public comments about items that were not on the Board agenda.

The September 28, 2021 Board meeting minutes were presented for review. Trustee Fields moved, seconded by Trustee Eversmeyer, the minutes from the September 28, 2021 regular meeting be approved as submitted. All Trustees present voted aye. Motion carried.

The list of expenditures and transactions for October 2021 was presented. After review by Mr. Huston, and discussion of the expenditures, Trustee Eversmeyer moved, seconded by Trustee Porter, to ratify payment of \$5,346,502.42 for the Electric Utility, \$464,904.71 for the Water Utility, and \$1,380,609.52 for the Communications Utility, for a cumulative total of \$7,192,016.65. All Trustees present voted aye. Motion carried.

Included with the Board's meeting materials were the Ten-Year Financial Projections for 2022 through 2031 for the Electric, Water, and Communications Utilities. Mr. Huston introduced the topic and stated the Utility continues to be in a period of massive investments and reviewed some of the larger projects of each Utility. Mr. Huston stated the projections are an important part of providing vision for the Utilities over a 10-year period. Mr. Roberts explained projections are an estimate and things can change quickly, changing the projections year to year. He continued the Electric Utility is facing many significant changes in the coming years, especially power supply changes and uncertain market conditions. He reviewed Electric Utility capital investments and modest rate adjustments of 2% projected over the 10-year period, except 2023 and 2024, which are projected at 3%. For the Water Utility, Mr. Roberts stated the Utility continues to meet service needs with investments in the system and modest rate adjustments. A scenario was included in the Water Utility projections showing the effects of a potential agreement to sell water to a Louisa County entity; he continued the project is expected to be a win-win for both the Utility and Louisa County customers. With the completion of the Fiber to the Home Project, the Communications Utility will have relatively stable and positive net

income though the 10-year projection period, and average capital expenditures will be substantially lower than during the construction of the Fiber to the Home project. Rates for the Communication Utility continue to be driven by rapidly escalating programming costs and routine reinvestment in infrastructure. Summary sheets, detailed financial reports and scenarios and sensitivities for each Utility were reviewed in more detail. Trustee Fields moved, seconded by Trustee Eversmeyer, the 2022-2031 Ten Year Financial Projections be received and placed on file. All Trustees present voted aye. Motion carried.

The next item reviewed was the preliminary 2022 Annual Operating Budgets for the Electric, Water, and Communications Utilities. Mr. Huston gave a high level review of upcoming projects for 2022. Mr. Roberts stated reductions in operating margin and cash from the 2021 forecast to the 2022 Operating Budget were related primarily to the Electric Utility, which is expected to have a strong 2021 due to high wholesale market pricing. Next, Mr. Roberts reviewed three major projects having long-term implications for MPW over the next several years – Line 106, 161 kV transmission project, upgrade of the customer information system, and Powering the Future investment planning – which will all consume significant staff resources. He continued with a high-level review of a budget summary for each Utility and review of Project Summary Forms for Board-level capital expenditures.

Mr. Huston stated the State of Iowa requires a Budget Summary for all three Utilities be prepared and a public hearing conducted on the Budget Summary be held to provide the public an opportunity to review and present any comments regarding the published Budget Summary. It is management's recommendation that the public hearing be set for November 30, 2021, at 5:28 p.m. The following resolution was submitted:

#### **RESOLUTION 21-23**

WHEREAS, the Budget Summary of the combined Electric, Water, and Communications Utilities is being prepared for the 2022 calendar year, and it is recommended that a public hearing be established for the review of said Budget Summary; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa that the Budget Estimate Summary of the combined Electric, Water, and Communications Utilities be placed on file at the office of the City Clerk and at the City Library, along with MPW Offices, for any resident, taxpayer, or consumer to view; and,

BE IT FURTHER RESOLVED, that a public hearing be held on the 30<sup>th</sup> day of November 2021 at 5:28 p.m. in the Auditorium of Muscatine Power and Water's Administration/Operations Building located at 3205 Cedar Street, Muscatine, Iowa, and the notice of said hearing shall be published once in the Muscatine Journal, a newspaper of general circulation published daily in the City of Muscatine, Iowa, not less than ten (10) nor more than twenty (20) days prior to said hearing, all as required by the Code of Iowa.

Trustee Porter moved, seconded by Trustee Fields, that said resolution be passed, approved, and adopted this 26<sup>th</sup> day of October 2021. On roll call, Trustees Eversmeyer, Fields, Porter and Bradford voted aye. Voting nay, none. Trustee McGinnis was absent. Resolution carried.

In the General Manager's report, Mr. Huston reviewed his previously submitted memorandum included a review of MPW's participation in the United Way Day of Caring and the October Community Open House. Mr. Huston and Ms. Cox reviewed the awards received in October for the APPA Smart Energy Provider Designation and APPA Excellence in Public Power Communications. Mr. Huston also provided an update on the Rolling Meadows communications service expansion.

The September Financial Results Summary and September Financial Operating Statements and Balance Sheets for each Utility and the Quarterly Investment Report were reviewed by Mr. Roberts. He reviewed the dashboard and the Financial Results Summary for each Utility.

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 next. For the sake of time, the Directors hit the high points of the third quarter review and answered Trustees' questions.

Mr. Huston reviewed the October 2021 Departmental Reports.

Public comments were added by Ms. Brackett and Mr. Reader.

Trustee Eversmeyer moved, seconded by Trustee Fields to receive, and place on file the October 2021 Utility Reports. All Trustees present voted aye. Motion carried.

The meeting was adjourned at 7:40 p.m.

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



Brenda Christensen  
Board Secretary