

**OFFICIAL PROCEEDINGS OF THE  
BOARD OF WATER, ELECTRIC,  
AND COMMUNICATIONS TRUSTEES  
OF THE CITY OF MUSCATINE, IOWA  
OCTOBER 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, October 25, 2022 at 5:30 p.m.

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

Also present were Gage Huston, General Manager of Muscatine Power and Water; Brenda Christensen, Board Secretary; Kelly Miller, Erika Cox, Brandy Olson, Mark Roberts, Ryan Streck and Doug White of Muscatine Power and Water. Additional guests attending the meeting included Silvia Malaman and Jessica Brackett.

Secretary Christensen asked if there was anyone in attendance who wished to make any public comments.

Silvia Malaman of Muscatine, Iowa made a public comment.

The minutes of the September 27, 2022 Board meeting were presented as previously submitted to all Board members. Trustee Eversmeyer moved, seconded by Trustee McGinnis, the minutes from the September 27, 2022 Board meeting be approved. All Trustees voted aye. Motion carried.

The list of expenditures and transactions for September 2022 were presented. Mr. Huston reviewed the expenditures, and after additional discussion Mr. Huston shared a handout of Rebates and Customer Savings MPW Customers have received over the past 10 years and discussed the customer benefits of MPW efforts. Trustee Bradford moved, seconded by Trustee Porter, to ratify payment of \$6,864,746.79 for the Electric Utility, \$590,294.43 for the Water Utility, and \$1,784,043.03 for the Communications Utility, for a cumulative total of \$9,239,084.25. All Trustees voted aye. Motion carried.

The next agenda item was to approve an off-cycle Project Summary Form (PSF) for the Unit 9 EX2100e Exciter Control Update Project. The EX2100 Exciter Control regulates the voltage for the Unit 9 generator and has a redundant internal controller system (M1 and M2). The M1 Controller failed earlier this year, resulting in a unit trip. The Exciter has been running on the M2 backup controller since the M1 failure, waiting for parts and an opportunity to repair. Staff was able to locate a replacement part for the M1 controller and it will be installed during the Unit 9 October 2022 Outage. GE has informed MPW we have the last controller of this type still in operation, making parts increasingly difficult to locate. Since the EX2100 is obsolete, the system will need to be updated with a current design retrofit kit (EX2100e) that has a 43-46 week lead time for delivery. Unit 9 must be offline to install the Exciter Control upgrade. The next scheduled opportunity is the Unit 9 Fall 2023 Outage. To help ensure the parts will arrive in time for the outage, staff recommends placing the order very soon, thus driving the need for this off-cycle PSF. Trustee McGinnis moved, seconded by Trustee Bradford, to approve the Project Summary Forms (PSFs) for the Unit 9 EX2100e Exciter Control Update Project in the total amount of \$190,100. All Trustees voted aye. Motion carried.

The next agenda item was to set a public hearing on PURPA Standards established by Infrastructure Investment and Jobs Act (IIJA) of 2021. The (IIJA) of 2021 was signed into law on November 15, 2021.

Among the many provisions of this federal legislation are two new standards: (20) Promotion of Demand-Response & Demand-Flexibility, and (21) Promotion of Greater Electrification of the Transportation Sector. The Board of Trustees may decline or adopt each of the standards but must state in writing the reason for its decision prior to November 15, 2023.

Staff's recommended approach is to solicit both written and oral comments from the community for the Board of Trustees to consider before formulating the Utility's position on adopting or declining each of the standards. Staff will review all written and oral comments received and prepare a recommendation for the Board prior to the November 15, 2023, deadline. A recommendation will be made before this time to conduct a second public hearing at a regular Board meeting to adopt or decline the referenced standards. It is management's recommendation the public hearing be set for February 28, 2023, at 5:28 p.m. The following resolution was submitted:

#### **RESOLUTION 22-14**

WHEREAS, Infrastructure Investment and Jobs Act (IIJA) of 2021 was signed into law on November 15, 2021, and it is recommended that a public hearing be established for the review of said Public Utility Regulatory Policies Act provisions (20) Promotion of Demand-Response & Demand-Flexibility, and (21) Promotion of Greater Electrification of the Transportation Sector standards, now therefore,

BE IT RESOLVED, that a public hearing be held on the 28<sup>th</sup> day of February 2023 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 Eversmeyer moved, seconded by Trustee Porter, that said resolution be passed, approved, and adopted this 25<sup>th</sup> day of October 2022. On roll call, Trustees Eversmeyer, Bradford, McGinnis, Porter and Fields voted aye. Voting nay, none. Resolution carried.

Included with the Board's meeting materials were the Ten-Year Financial Projections for 2023 through 2032 for the Electric, Water, and Communications Utilities. Mr. Huston introduced the topic and stated tonight the 10-year Projections would be received and placed on file, while the 2023 budget would be reviewed, and Board approval requested at the November Board meeting. Mr. Roberts gave a summary presentation on the 10-year Projections and budget consideration. He discussed some of the larger projects taking place in 2022, along with some of the market and inflation challenges this year. He provided a year-to-date view of 2022 forecast vs. budget, along with a high-level look at the 2023 budget for the Utility as a whole. Mr. Roberts then provided a more detailed look at each utility and primary focuses for each in 2023 and the next 10 years. He next discussed items considered while compiling 2023 budget and projections that could affect the Utilities over the next few years, such as market volatility, capital expenditure projects, inflation/recession, pension funding, and supply chain issues. Trustee Eversmeyer moved, seconded by Trustee Porter, the 2023-2032 Ten Year Financial Projections be received and placed on file. All Trustees voted aye. Motion carried.

Mr. Huston stated since Mr. Roberts had reviewed budget items during the 10-year Projection presentation, he asked the Board to remember to review the list of PSFs when reviewing budget documents. He continued the Board will be asked to approve the 2023 Annual Operating Budgets for the Electric, Water and Communications Utilities at the November 2022 Board meeting.

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 the public hearing be set for November 29, 2022, at 5:28 p.m. The following resolution was submitted:

#### **RESOLUTION 22-15**

WHEREAS, the Budget Summary of the combined Electric, Water and Communications Utilities is being prepared for the 2023 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 29<sup>th</sup> day of November 2022 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 Bradford moved, seconded by Trustee Eversmeyer, which said resolution be passed, approved, and adopted this 25<sup>th</sup> day of October 2022. On roll call, Trustees Eversmeyer, Porter, McGinnis, Bradford, and Fields voted aye. Voting nay, none. Resolution carried.

Next, Mr. Huston recommended due to the retirement of Brenda Christensen, Kelly Miller be appointed for the remainder of the 2022-2023 Board Secretary term. Trustee Porter moved, seconded by Trustee Eversmeyer, to appoint Kelly Miller Board Secretary for the remainder of 2022-2023 Board Secretary term. All Trustees voted aye. Motion carried.

The next item on the agenda was a recommendation for a resolution recognizing Ms. Brenda Christensen for 14 years of service. The October 25, 2022 Board meeting will be her last official meeting, as Board Secretary duties will be assigned to Kelly Miller. Ms. Christensen has been conducting most of the Board Secretary duties since May 2008, shortly after she joined MPW. She has officially held the position of Board Secretary since July 1, 2019. The following resolution was submitted to recognize Mr. Christensen's service:

#### **RESOLUTION 22-16**

WHEREAS, Ms. Brenda Christensen has served as a Board Secretary of the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa for the period of July 1, 2019 through October 25, 2022, during which time Board Secretary Christensen willingly contributed her knowledge and time toward the betterment and efficient operation of the municipal water, electric, and communications systems of the City of Muscatine, Iowa; and

WHEREAS, Ms. Christensen is recognized throughout the Muscatine community for her tireless efforts to plan events and participate on community betterment initiatives that have had a tangible and positive impact on the citizens of Muscatine; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that the appreciation of the Board of Trustees and of the citizens of

Muscatine, Iowa to Ms. Christensen be evidenced by forwarding a copy of this resolution to her duly signed on behalf of this Board; and,

BE IT FURTHER RESOLVED, that the resolution be included in the minutes of the Board.

Trustee McGinnis moved, seconded by Trustee Porter, that said resolution be passed, approved, and adopted this 25<sup>th</sup> day of October 2022. On roll call Trustees Eversmeyer, Bradford, McGinnis, Porter, and Fields voted aye. Voting nay, none. Resolution carried.

In the General Manager's report, Mr. Huston shared MPW had a team join the United Way Day of Caring work groups on September 28, 2022 and two teams of MPW employees participated in the build at the Habitat for Humanity house on October 7, 2022. Mr. Huston reported on the status of the Florida Mutual Aid crew that returned from Florida on October 6. Mr. Huston continued with the MISO summer performance report-out. MPW was prepared for the potential shortage of generating capacity and the possibility of rolling blackouts. Next, Mr. Huston mentioned a fourth EV Charger has launched at the Muscatine Mall.

The August Financial Operating Statements and Balance Sheets were presented as previously submitted to all Board members. Mr. Roberts reviewed the MPW dashboard and the Financial Results Summary for each Utility. He also reviewed the quarterly investment report.

Mr. Huston stated 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 the next agenda item. Mr. Huston suggested due to time already spent on previous presentations the Directors hit the high points of this quarters review and the Trustees add any questions they may have from their review of the Board Packet.

The October Departmental Reports were presented as previously submitted to all Board members. Mr. Huston provided a high-level review of the reports and Ms. Cox shared a CIS Project update. Mr. White reviewed the Powering the Future Monthly Status Report.

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

Mr. White provided the Board with an overview of the Muscatine Solar 1 Project and an overview of the Choose Green Business Program.

At 8:15 p.m. Chairperson Fields stated the Board would be going into Closed Session to Review Draft Power Purchase Agreement for Muscatine Solar 1 and the associated Renewable Energy Retail Adder for the Choose Green Business Program. Trustee Bradford moved, seconded by Trustee Eversmeyer to enter closed session in accordance with Iowa Code Sections 21.5(1)(k) and 388.9 (protecting competitive information). On roll call, Trustees Bradford, McGinnis, Porter, Eversmeyer, and Fields, voted aye. Voting nay, none. Motion carried.

The meeting reconvened to open session at 9:10 p.m.

Chairperson Fields asked the Board to approve the Policy Document for the Choose Green Muscatine – Business program. Trustee Porter moved, seconded by Trustee Bradford to approve the Policy. All Trustees voted aye. Motion carried.

Mr. Huston asked the Board if they had any questions on the Choose Green Business Program Agreement or the Muscatine Solar 1 Renewable Energy Retail Adder reviewed in Mr. White's presentation prior to the Closed Session and in more detail in the closed session. Trustee Eversmeyer moved, seconded by Trustee Porter to approve the Choose Green Business Program Agreement and associated Muscatine Solar 1 Renewable Energy Retail Adder. All Trustees voted aye. Motion carried.

Mr. Huston asked the Board to authorize the General Manager, based on terms discussed in the closed session, to Enter into a Power Purchase Agreement with Nokomis Energy for the Muscatine Solar 1 Project, pending successful final negotiations. Trustee Eversmeyer moved, seconded by Trustee Porter to approve the Policy document for the Choose Green Muscatine Business Program. All Trustees voted aye. Motion carried.

The meeting of the Board of Trustees was adjourned at 9:15 p.m.

BOARD OF WATER, ELECTRIC, AND  
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A handwritten signature in cursive script that reads "Kelly Miller". The signature is written in black ink and is positioned above the printed name and title.

Kelly Miller  
Board Secretary