

MUSCATINE POWER AND WATER 2024 ANNUAL REPORT

Always Customers First



Gage Huston
GENERAL MANAGER

As a municipal utility, MPW is responsible to our customers, first. At the end of each year, we assemble an annual report to our customers and other stakeholders, highlighting the previous year's activities and accomplishments. In this year's report, you'll see many examples of MPW's efforts to listen to customer input, create positive customer experiences, and how MPW was nationally recognized for sustained achievement and exceptional customer service.

2024 began by building on the momentum from the significant progress made in achieving the objectives in MPW's 2021-2023 Strategic Plan. To keep momentum, our team completed a comprehensive review of our strategies and rolled out an updated Strategic Plan for 2024-2026, which continues to include a strategy to "Give Customers Reasons to Love MPW." We continue to adapt to meet evolving customer and industry needs.

As fate would have it, less than a month into 2024, our plans were tested, as our cyber-security measures and systems were seriously challenged by an attempted ransomware event on January 26. Thankfully, a swift and thorough response by our own IT professionals, working around the clock, all weekend-long, prevented any lasting impact. We're proud to say our critical systems were up and running the next business day! That's the kind of dedication and tenacity we see across the three utilities every day. At the heart of MPW are hundreds of local people you probably know, using their vast knowledge and skills daily to make sure we're always ready, always there, and our services are always on.

In the following pages, we'll look at the progress we made in 2024 and the benefits our community received day in and day out from your local, not-for-profit provider of power, water and communications services.







Always Ready • Always There • Always (1) n



Always Listening to You

In the fall of 2023, MPW conducted a comprehensive customer survey, completed and returned by over 22% of customers — a return rate practically unheard of in polling circles and an industry accustomed to typical participation metrics of 5% or less!

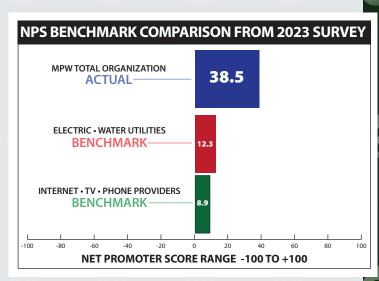
Throughout 2024, our team crunched raw data, read hundreds of comments, and set out to turn all that customer feedback into action. Each department received their specific details and immediately set out to make things right for individuals — fixing field conditions identified, making service calls for TV and Internet and more. These customer comments have driven adjustments to processes and procedures, and have even led to a rate reduction for our wi-fi service, and opportunities to boost their speeds for no additional charge.

By fall, MPW hosted several focus groups, engaging customers directly to better understand their needs and identify opportunities to improve. Through open discussions, we not only learned the things our

customers like about MPW, but they freely voiced valuable suggestions that have already helped shape priorities and action plans. We appreciate the dozens of you who gave up an evening to participate.

Seeking your feedback is an ongoing activity. A new full Customer Satisfaction Survey will be performed in 2025. We hope each customer will take the opportunity to share their feedback and help us continue to drive our customer experience forward.

In the previous survey, respondents gave MPW a "Net Promoter Score" (NPS) of 38.5; significantly above the benchmark scores for our industry.



Always Pursuing Excellence

PURSUE OPERATIONAL EXCELLENCE

Among the things last year's customer survey confirmed was that affordability and reliability are the two key things that drive your satisfaction with MPW. We continued our quest for outstanding reliability throughout 2024, through strategic investments in infrastructure improvements and ongoing maintenance of our systems to keep them robust and responsive.

An Ounce of Prevention: Preparation is the key. A major storm ripped through the community on the evening of June 25, dropping trees and limbs onto or against power and communications lines and poles. Even MPW's own administrative operations (AO) center was affected by the resulting outages.



As with the cyber-event five months earlier, prior preparedness made all the difference in restoring services as quickly as possible. Nearly 100 field, technical and office team members were immediately on scene and worked through the night and following day at the AO and across the community.

As this storm highlighted, overhead lines are susceptible to high winds and other natural hazards. The Electric Utility continued its long-term plan to move more infrastructure underground where warranted, feasible and cost-effective, such as the recently completed Grandview Avenue reconstruction. Statistics and experience here and in other communities have taught us that undergrounding not only helps ensure consistent service for customers, but can also create a more appealing streetscape by eliminating visual clutter overhead.



A key focus for the Electric Utility in 2024 was planning for the "sectionalizer and remote recloser" program, where advanced equipment is installed to isolate faults and re-route power during outages.

This innovative technology minimizes disruptions by dividing circuits into smaller sections. This sectional isolation reduces the potential number of customers impacted and keeps power on for others nearby.

To help offset the multi-million-dollar costs for these and other critical upgrades, MPW is actively pursuing grant opportunities. The Utility was awarded \$4.25 million in 2024 (74.7% of funds sought).

APPA honors MPW

The American Public Power Association (APPA), recognized MPW with multiple awards in 2024, including their Century Award, given to utilities that have provided their communities' electricity for 100 years or more. We

also received the E.F. Scattergood Achievement Award, honoring municipal utilities whose sustained achievement and exceptional customer service have enhanced the prestige of public power. APPA also acknowledged MPW with the association's Safety Award of Excellence for outstanding safety practices. Over 160 utilities with the most incident-free records and robust safety programs competed and MPW achieved Diamond Status for safely working 494,313 hours in 2023.

Keeping each other safe is an MPW Core Value and the Utility also received yet another Award of Excellence in Public Power Communications for our locally-produced video PSA promoting public safety around pad style electric transformers. MPW also received two commendations for power restoration efforts in Winter Park and New Smyrna Beach, Florida following hurricanes Helene and Milton. During widespread outages,















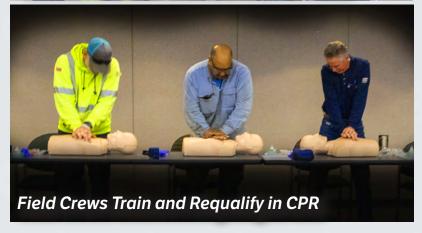


APPA's Mutual Aid Network coordinates with utilities nationwide to lend additional equipment and manpower.

Closer to home, MPW teams conducted comprehensive disaster management training of our own throughout 2024, simulating various emergency scenarios and walking through response strategies in a controlled environment. Cross-functional groups focused on a potential train derailment scenario and a Market Capacity Emergency Drill. Both scenarios represent real threats. Such exercises are invaluable for identifying potential weaknesses in response plans and fortifying overall preparedness, ensuring the safety and reliability of essential services for the community.









At the heart
of MPW are
hundreds of
local people you
probably know,
using their vast
knowledge and skills
daily to make sure
we're always ready,
always there,
and our services
are always on.



Sustaining Community Water Supply

The Water Utility also made significant investments in our water infrastructure to ensure the continuous supply for the community. Recent projects include the replacement of a water main on Sheridan Street, as well as ongoing replacement of valves and hydrants throughout the community. These improvements are crucial, not only for maintaining a safe, steady and reliable flow of high quality water for residents, business, and industry, but also their critical fire protection. Twelve new fire hydrants were installed as part of maintaining and making system improvements.

Regular maintenance is another key to trouble-free service and we work daily to keep wells, treatment facilities, pumps, mains, valves and hydrants in tip-top shape. Although there is significant newer infrastructure, portions of MPW's water system can be quite old and/or susceptible to breakage due to temperature and ground shifting.

In 2024, as always, MPW water crews were quick to respond to main breaks, working tirelessly day and night, through all kinds of weather, to restore service, including five separate breaks during the week of Christmas.

MPW also continued to partner with the City of Muscatine on the multi-year West Hill Sewer Separation Project, taking advantage of street excavations to inspect and maintain water infrastructure.







MPW
Jake from Muscatine Power and
Water is now on the way to 1949

MPW
We will be flushing hydrants in your area next week. View flushing map or Facebook for daily impacts https://experience.arcgis.com/.experience/.a0eebc2644e-b4f86b20488b8071807b5.
Thanks for your patience!

MPW launched a new text and call notification system in 2024 to keep customers informed about important updates, such as communication services appointment reminders and hydrant flushing alerts in their area.

By leveraging SmartHub and GIS technology, MPW can now send targeted notifications directly to customers affected by specific work, and reminders about appointments. This tool enhances customer communication and satisfaction. Since the system's launch, MPW has seen a 65% reduction in calls related to flushing schedules.

Lead and Copper Rule Compliance

In 2024, water utilities across the country, including MPW, worked actively to comply with the EPA's Lead and Copper Rule by conducting a thorough inventory of lead and galvanized water service lines.

Initially, all water customers were contacted to help identify their service line material, followed by door-to-door visits by MPW to inspect and confirm them.

Since 1993, MPW has conducted extensive testing for lead and has never had a sample reach the "action level" limit. MPW can assist any customer who would like to have their water tested.

In April, the EPA issued a final rule for per- and poly-fluoroalkyl substances (PFAS). MPW has engaged in preliminary discussion with treatment vendors to develop viable treatment options, if needed. Learn more at https://mpw.org/water/

Muscatine is blessed with a plentiful underground water supply. But it requires continual reinvestment in our 26 active wells to get water flowing at rates to meet our customers' demands. In 2024, another \$489k was invested to rehabilitate seven of our drinking water wells.





Always Planning for Tomorrow

In June 2024, MPW reached a significant milestone in its Powering the Future (PTF)

initiative as the Board of Trustees a/pproved the purchase and installation of a state of the art, 35-megawatt, combined heat and power (CHP) unit. This \$85 million investment underscores MPW's commitment to providing dependable, affordable, and sustainable electricity to the Muscatine community. By year's end, MPW had also received the required "Certificate of Public Convenience, Use and Necessity" from the lowa Utilities Commission (IUC), paving the way for construction to begin.

Dubbed "EcoGen 10", the natural gas-fueled unit, capable of co-firing up to 10% hydrogen blends, will be located on MPW's generation site. It is anticipated to be one of the most efficient baseload generation resources available, with a nearly 75% efficiency. Unit 10 will also generate an average of 320,000 pounds per hour of process steam, which will be sold to an adjacent industrial customer.





PTF will utilize a portion of the infrastructure related to retired generation units to support Unit 10, ensuring a seamless transition and further enhancing the efficiency of its operations, reducing its operational costs and total emissions. This project aligns with MPW's strategy to phase down coal usage, diversify its power generation portfolio, and maintain award-winning reliability.

A critical component of Powering the Future is powering the present, so MPW's generation fleet is ready to provide reliable power to the community and the national electrical grid. Maintenance/replacement projects included scaffolding and grit-blasting the 13-story Unit 9 boiler, and a \$1.2 million dollar replacement of the #6 feedwater heater at Unit 9, as well as tackling critical environmental issues and controls throughout the year.





CHP – COMBINED HEAT AND POWER

Provides Electricity and Useful Steam Energy for Industry

- High Efficiency
- Clean Natural Gas Lower Emissions
- Lower Water Usage Lower Impact
- Useful Steam Output Industrial Partnership
- Potential for "Future Fuels" like Hydrogen

PART OF A BALANCED APPROACH

Reliable, Affordable, Flexible and Sustainable

- Dispatchable Energy for the Grid and Local Load
- Helps Maintain MPW's Historically Low Consumer Rates
- Allows Flexibility to Adopt and Incorporate New Technologies
- Complements Current Wind and Future Solar Developments

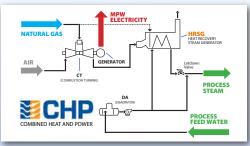
NEARLY \$100 MILLION PROJECT

Millions Already Invested to Commence the Project

- Generation Certificate Awarded. Work Started. Equipment Ordered
- Maintains High-Skill, High-Paid, Permanent Jobs
- Creates 50-60 Construction Jobs

EPA, US DOE AND IOWA EDA

Directly Benefits Customers and Local Economy







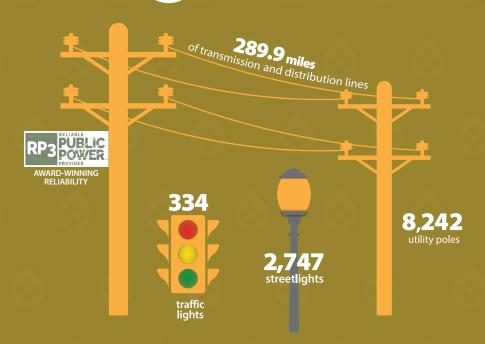
ECONOMIC DEVELOPMENT

COMMUNITY INVESTMENT

JOB GROWTH & STABILITY



MPW Always @n 🐺 🌢 🕮 📮 📞



9.94 BILLION gallons of water pumped in 2024









288 Megawatts nameplate generation capacity

24 mw



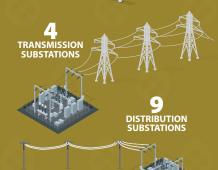
99.99% ASAI - Average Service Availability Index

0.209 TIMES

SAIFI - System Average Interruption Frequency Index

8.511 MIN

SAIDI - System Average Interruption Duration Index

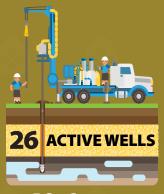


158 miles

WE PERFORM

13,000+
water tests Annually

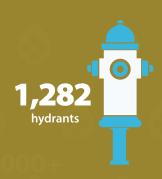




40.6 Million Gallons per Day Capacity

FUN FACTS ABOUT YOUR UTILITY





of water main





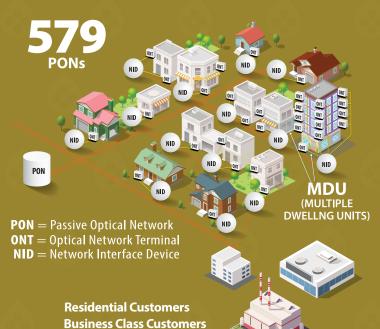
West Hill Reservoir & Pumping Station











Enterprise Customers

The Utility's planned 250-acre, 24-megawatt solar array,

Muscatine Solar 1, has faced a significant 36-month delay due to the Midcontinent Independent System Operator's (MISO) definitive planning process (DPP), a process crucial for evaluating the interconnection between new generation sources and the existing power grid.

Despite these setbacks, MPW has been diligently researching and evaluating ways to expedite the DPP process to avoid further delays.

Solar 1 and additional solar assets are a key component of MPW's ambitious sustainability goal of reducing carbon emissions by 65% by 2030.









In our tech-driven age, where reliable and affordable internet service enables remote work and online education, as well as streaming entertainment and the management of smart home devices, MPW customers rely on our 10Gig Network for fast, consistent internet to stay connected. Monitoring usage trends, MPW can easily expand its fiber optic network capabilities to ensure customers have abundant access to connectivity they need.

Since completion of our state-of-the-art fiber optic project in 2021, we've learned that when customer experiences are less than satisfactory, issues are often related to the consumers' chosen bandwidth or home networking issues. To remedy that, over the past several years, MPW has consciously increased bandwidth for many customers by increasing package speeds without a corresponding increase in rates. Customers are enjoying multiple times their initial amount of bandwidth. The Utility also began offering multi-gig services, featuring 2 Gig and 5 Gig symmetrical bandwidth.

In answer to home networking issues, MPW reduced the price of its WiFi@Home router service in 2024 to spur greater adoption. WiFi@Home also comes included

INTERNET SERVICE MIGRATION RESIDENTIAL SUBSCRIBERS **2Gig** (2,000M) 10,000 **1Gig** (1,000M) 500M 9,000 1Gig (1000M) 250M 100M 8,000 100M 7,000 50M 250M 6,000 RUM 20M 5,000 4,000 3,000 100M 10M 2,000 1,000 25M 1.5M 15M 15M

ALL FIBER (2021)

2024

with all 1 Gig and above packages at no extra charge. A key benefit of having MPW's managed WiFi@Home service is peace of mind. MPW field and HelpDesk technicians take care of everything, from optimal router placement, to extenders, if needed, and regular firmware updates to ensure optimal performance and security.

PRE-FIBER (2017)



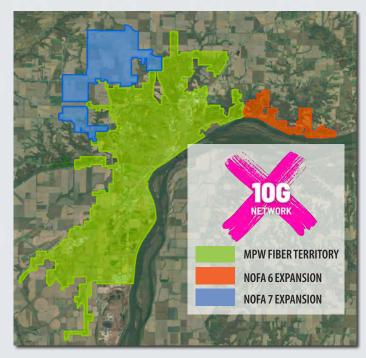
Having a managed WiFi service means that practically any issue can be quickly resolved by local support, minimizing downtime, and keeping customers connected without interruption. And should a router stop working correctly or become obsolete, MPW will replace it for you.

MPW is dedicated to looking out for its customers by offering the latest service and best technology, all backed by the dependable support of a local provider. Starting in 2025, MPW is partnering with Calix to launch their Gigaspire® router with the latest features, including an app that will allow users to quickly and easily access feature sets and set preferences. Customers of MPW's WiFi@Home service can expect periodic upgrades of their routers.

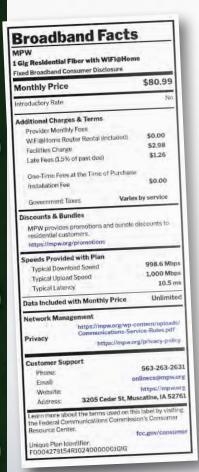
MPW continues to bridge the digital divide with fiber expansion projects.







A major extension east on IA-22 (NOFA 6) completed in 2024 with a remarkable 76% of possible homes choosing to connect to MPW fiber services. Mainline construction north and west of the US-61 Bypass (NOFA 7) was also completed and initial customer installations started; the remainder of NOFA 7 installations will be completed in 2025. These expansions were possible thanks in part to support from the Empower Rural Iowa Broadband Grant Program, American Rescue Plan and Muscatine County.



New in 2024 were FCC Broadband Labels, which are designed to provide clear, easy to understand, and accurate information about the cost and performance of high-speed internet services. The labels allow consumers to more easily compare internet service plans when shopping. Besides speeds and prices, the labels detail introductory rates, data allowances, and actual speed and latency performance data, as well as links to information about network management practices and privacy policies.

Visit https://mpw.org/internet/#broadband-labels-1 to view MPW broadband labels online. Copies available in our lobby or drive-thru. Telephone inquiries will be directed to the website, or applicable labels can and will be mailed or emailed to the customer.

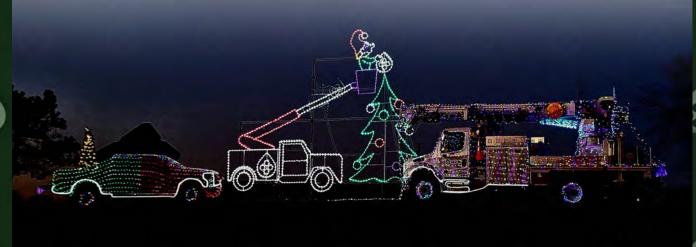
MPW Strengthens Cybersecurity After Cyber Attack

The cybersecurity event MPW experienced in January prompted a swift and thorough response. Utility staff worked alongside an independent, third-party forensic group and law enforcement to investigate the incident, remediate its impact, ensure a secure recovery, and provide customer notifications. The Utility implemented additional safeguards, expanded cybersecurity training for employees, and advanced technologies to stay ahead of emerging threats. The investigation provided valuable insights that are continuing to guide the Utility's efforts to enhance its cybersecurity defenses. Throughout the process, MPW prioritized transparency and customer trust, working diligently to address the situation and minimize disruption.



MPW launched a new telephone service for businesses which need multiple extensions. MPW PBX is a new cloud-based, hosted phone system that manages a business' external and internal calling but does not require the expense of PBX hardware on site.

MPW PBX became available at the end of 2024 and will complement the Utility's existing telephone services for residential and small businesses. Contact Business Development at 563-262-3213.



Always a Great Neighbor

One of the greatest advantages of a municipal utility is that it's run by local people who share a vision with other organizations and institutions. That leads to beneficial partnerships. MPW and its staff are actively involved in organizations like Collaborate Muscatine and United Way, as well as the local school districts, churches and clubs working to improve our quality of life.



For example, MPW partnered with the City of Muscatine, and Greater Muscatine Chamber of Commerce this year to bring new holiday lighting and decorations to the downtown area. A tradition that dates to the mid-1980s, the familiar wreaths had adorned streetlight poles for many years, but after 40 years in

service, they were showing their age — colors had faded and deteriorating wiring required a lot of maintenance. Recognizing the need for an update, the old wreaths were replaced with new, more durable LED snowflake decorations. Besides brightening the streets, it strengthens the bonds within the community, highlighting the positive impact of working together.

MPW and team members can be found wherever volunteers gather, joining others for UW Day of Caring, Habitat Home Build, and occasional one-off projects like installing Musser Library's new flagpole, which benefited from our unique skillsets and Utility equipment.

Light shows returned to the Norbert Beckey Bridge just in time for the holidays, after a brief fall hiatus for DOT maintenance.

Musco Sports Lighting, MPW, and the City of Muscatine collaborate to light the bridge year-round















Always Developing the Next Generation

Knowing that our own kids and our future workforce are now in our local schools, MPW is active in the classroom, providing ongoing educational opportunities, particularly related to STEM and STEAM curriculum, as well as safety.

The Utility also welcomes student interns to work with us each summer, and more recently, "externs" — local teachers seeking to bring their students examples of real-life work experiences. MPW has a large, local workforce representing many skilled trades and disciplines, and we actively engage with students to spark interest in pursuing careers close to home. By introducing students to these fields early on, MPW helps them see the potential for a fulfilling and lucrative career path within their own community.

MPW's continuous improvement culture actively encourages employees to improve processes and procedures. Our "Lean Leaders" initiative has expanded from just the Utility Service Delivery (USD) departments to Customer Technology & Experience (CTE) and our Administrative group. Regularly, participants present their suggestions to their peers and their group votes for that month's best idea. But more than competition, Lean Leaders is an opportunity for everyone to share improvements that save time, money, handling, and waste.

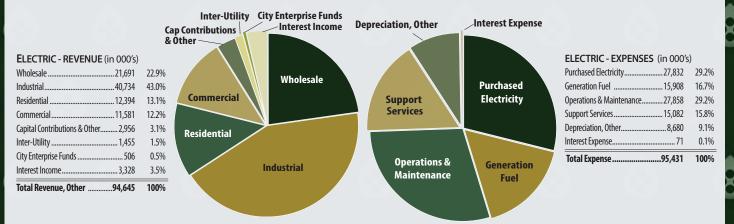




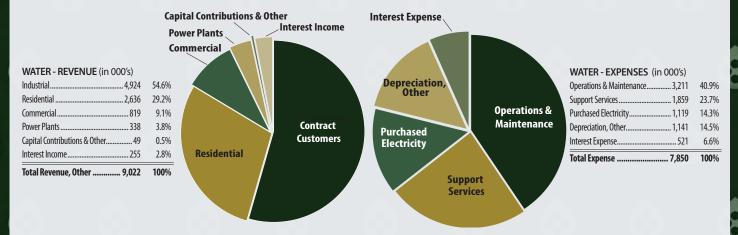
Always investing in reliability

The Utility's net income is used to make system improvements like the ones noted in this report.

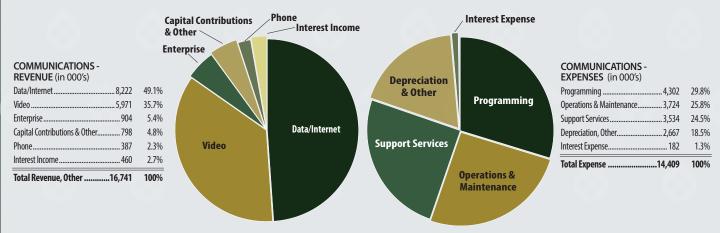
Electric: The Electric Utility had a net loss of \$0.8M and capital expenditures of \$13.4M



Water: The Water Utility had a net income of \$1.2M and capital expenditures of \$1.1M

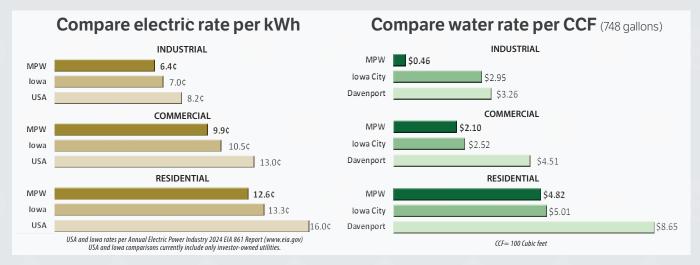


Communications: The Communications Utility had a net income of \$2.3M and capital expenditures of \$1.5M



Always delivering real value

As a municipal utility, MPW is not driven by profit, which helps result in lower rates. Keeping rates below the national and state averages is a priority for us.

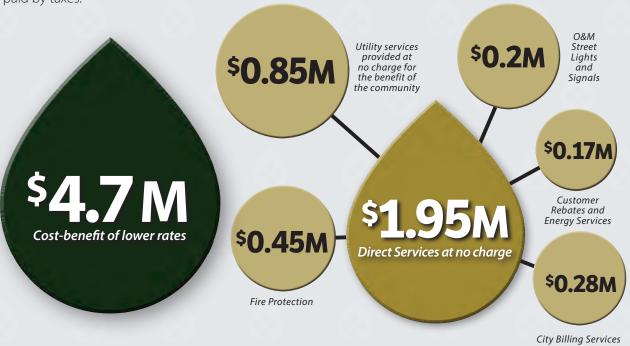




In Muscatine, great reliability does not cost more! As compared to the rates of other cities in lowa and national averages, MPW customers saved nearly \$5 million dollars in 2024!

— That's over \$400 per year/per customer —

Besides the muti-million dollar cost-benefit customers receive due to lower rates, the Utility also directly provides lights and water to the city's public buildings, spaces and infrastructure, that would otherwise be paid by taxes.



Total \$6.67 million annual benefit in 2024

Always Led Locally

MPW is governed by a local board of trustees, ensuring that decisions align with the community's unique values and challenges, prioritize initiatives, and leverage local resources.

Appointed by the Muscatine City Council for their experience in both public and private organizations, the Trustees offer policy direction and fiduciary oversight. The partnership between the Board and MPW's senior leadership team (SLT) is truly cooperative.

The Trustees' diverse perspectives aid in navigating the complex decisions impacting the community and our customers. In turn, the Trustees rely on the SLT for their extensive industry expertise.

Together, they develop and implement strategic plans, which are executed by employees across the Utility, all striving to provide maximum benefit to the community.

Board of Trustees



Steven Bradford
CHAIRPERSON
HNI CORPORATION



Susan Eversmeyer
VICE CHAIRPERSON
RIVER REHABILITATION



Kevin Fields TRUSTEE KENT CORPORATION



Tammi Drawbaugh
TRUSTEE
IOWA ASSOCIATION
OF SCHOOL BOARDS



Keith Porter TRUSTEE STANLEY CENTER FOR PEACE & SECURITY



MISSION

To provide best-in-class utilities through exceptional local service empowering Muscatine's residents and businesses to thrive.

CORE VALUES

ACT WITH INTEGRITY

We do the right thing.

KEEP EACH OTHER SAFE

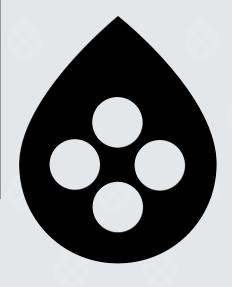
We are committed to the safety of our coworkers and customers.

FOCUS ON OUR CUSTOMERS

We provide exceptional local service because we are neighbors serving neighbors.

PURSUE EXCELLENCE

We take pride in our standard of excellence and invest in our employee's growth and development.



EMBRACE SUSTAINABILITY

We continually evolve our operations in ways that reduce our environmental impact and help our customers achieve their sustainability goals.

INVEST PURPOSEFULLY

We act as good stewards of the resources entrusted to us and invest wisely to ensure long-term stability and desirable rates.

ENSURE HIGHRELIABILITY

We deliver best-in-class reliability through our proactive approach to system design, operation, and maintenance.



Establish a culture that develops great employees and leaders; "We are MPW"



Every interaction is an opportunity to delight a customer; how will you make a customer's day?



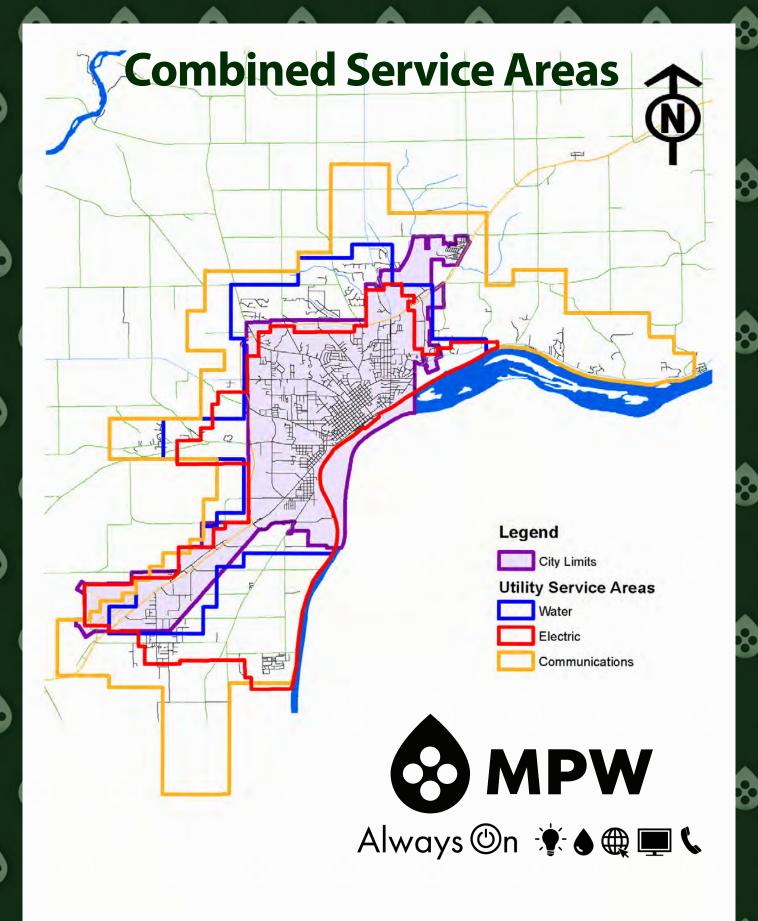
Deliver excellence in all aspects of our operations



Evolve our power supply to meet customers' needs of Reliably, Affordably, Flexibly & Sustainably



Pursue growth opportunities which benefit customers



3205 Cedar St. • Muscatine, IA 52761 • www.mpw.org • 563-263-2631