

**OFFICIAL PROCEEDINGS OF THE  
BOARD OF WATER, ELECTRIC,  
AND COMMUNICATIONS TRUSTEES  
OF THE CITY OF MUSCATINE, IOWA  
MARCH 25, 2025 – 4:00 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, March 25, 2025 at 4:00 p.m.

Vice Chairperson Susan Eversmeyer called the meeting to order. Additional members of the Board who were present are as follows: Trustees Tammi Drawbaugh, and Keith Porter. Trustees Kevin Fields and Steven Bradford were absent due to previously planned travel.

Also present were Gage Huston, General Manager of Muscatine Power and Water (MPW); Kelly Miller, Board Secretary; Erika Cox, Brandy Olson, Mark Roberts, Ryan Streck, and Greg Slonka of MPW. Additional guests included Tony Loconsole, Nick Burns, Bryan Butler, Eric Wigand, Dave Berg, Ben Baughman, and Jessica Brackett.

Gage Huston introduced the MPW employees who were attending the meeting.

Trustee Drawbaugh moved, seconded by Trustee Porter, to approve the February 25, 2025 regular Board meeting minutes, and the February 21, 2025 Audit/Finance Committee meeting minutes. All Trustees present voted aye. Motion carried.

Trustee Porter moved, seconded by Trustee Drawbaugh, to ratify payments totaling \$4,215,051.36 for the Electric Utility, \$385,535.01 for the Water Utility, and \$954,108.19 for the Communications Utility, for a cumulative total of \$5,554,694.57. All Trustees present voted aye. Motion carried.

Next on the agenda Mr. Huston introduced a recommendation to approve a two-year Electric Utility base rate adjustment plan. A Cost-of-Service/Rate Design Study for the Electric Utility was conducted by Mr. Berg of Dave Berg Consulting, LLC (DBC). Mr. Berg reviewed the results of the Study with the Audit/Finance Committee at its February 21, 2025 and March 24, 2025 meetings, prior to the Board meeting. Mr. Roberts continued that Management recommends an overall 6.0% electric base rate increase to be effective July 1, 2025 and a 5.1% base rate increase to be effective July 1, 2026. The recommended increase for 2025 was the same as what was assumed for the Electric Utility's most recent Ten-Year Financial Projection; the recommended 2026 overall base rate increase of 5.1% was slightly lower than the 5.2% increase in Ten-Year Financial Projection. The 2025 overall base rate increase was recommended to be offset by a 0.322¢/kWh increase to the upper threshold for the Energy Adjustment Clause (EAC) range, and the deadband was recommended to be set in the range of 2.517-2.717¢/kWh. Management believes the net increases are necessary to maintain the long-term financial stability of the Utility. Even with the proposed rate increases, MPW's electric rates will remain competitive and below State and national averages. Mr. Berg provided a high-level summary of the Electric Cost of Service and Rate Design Study results during the Board meeting. A summary was included as an attachment to the memo, including a table of proposed rates and bill comparisons for different types of customers, and the full study was provided as well. There was no recommended change to the rate design for electric services. After additional discussion, the following resolution was submitted:

**RESOLUTION 25-05**  
**ELECTRIC UTILITY RATE ADJUSTMENT**

WHEREAS, certain studies have been made of the financial condition of the Electric Utility and presented to the Board of Water, Electric, and Communications Trustees for its consideration; and,

WHEREAS, the Board has reviewed these studies and determined a revenue increase is necessary to keep the Electric Utility in sound financial condition; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa that electric base rates be increased by an average of 6.0% effective with electric billings after July 1, 2025 and by another 5.1% effective with electric billings after July 1, 2026;

BE IT FURTHER RESOLVED, that the Energy Adjustment Clause (“EAC”) deadband (the range within which no EAC adjustment is made to customer bills) be changed to a low end of 2.517¢/kWh and a top end of 2.717¢/kWh from its current range of 1.135-2.395¢/kWh;

BE IT FURTHER RESOLVED, that said increases be effected by adoption of the rates for each customer class delineated in the March 17, 2025 Electric Cost of Service and Rate Design Study completed by Dave Berg Consulting, LLC; and,

BE IT FURTHER RESOLVED, that proper notice be given to contract consumers in accordance with the terms of the contracts.

Trustee Drawbaugh moved, seconded by Trustee Porter, that said resolution should be passed, approved, and adopted on this 25<sup>th</sup> day of March 2025. On roll call Trustees Drawbaugh, Porter, and Eversmeyer voted aye. Voting nay, none. Resolution carried.

Next on the agenda, Mr. Huston and Mr. Roberts introduced the recommendation to approve a Water Utility base rate overall increases of 4.0% to be effective July 1, 2025 and July 1, 2026. The recommended increases are consistent with the assumptions included in the Water Utility's most recent Ten-Year Financial Projection. Management believes the increases are necessary to maintain the long-term financial stability of the Water Utility. The proposed rate increase is cost-of-service based and is the result of a Water Utility Cost of Service and Rate Design Study completed by Dave Berg Consulting, LLC (DBC) dated March 17, 2025. The Water Utility's costs are reviewed based on the cost to serve various classes of customer and broken out by various rate components that reflect customer-, demand- and commodity-related costs. The proposed rate adjustments for the various customer classes and rate components are recommended based on an effort to align revenues with the cost of providing water services to MPW's customers, by class of customer by rate component. The results of the Water Cost of Service and Rate Design Study were reviewed with the Audit/Finance Committee at its February 21, 2025 and March 24, 2025 meetings. Mr. Berg provided a high-level summary of the Water cost-of-service study results during the Board meeting. The rate increase table was included as an attachment to the memo, and the full study was provided as well. After additional discussion, the following resolution was submitted:

**RESOLUTION 25-06**  
**WATER UTILITY RATE ADJUSTMENT**

WHEREAS, certain studies have been made of the financial condition of the Water Utility and presented to the Board of Water, Electric, and Communications Trustees for its consideration; and,

WHEREAS, the Board has reviewed these studies and determined a revenue increase is necessary to keep the Water Utility in sound financial condition; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa that water revenue be increased by 4.0% effective with water billings after July 1, 2025 and 4.0% effective with water billings after July 1, 2026;

BE IT FURTHER RESOLVED, that said increases be effected by adoption of the rates for each customer class delineated in the March 17, 2025 Water Cost of Service and Rate Design Study completed by Dave Berg Consulting, LLC; and,

BE IT FURTHER RESOLVED, that proper notice be given to contract consumers in accordance with the terms of the contracts.

Trustee Porter moved, seconded by Trustee Drawbaugh, that said resolution should be passed, approved, and adopted on this 25<sup>th</sup> day of March 2025. On roll call Trustees Drawbaugh, Porter, and Eversmeyer voted aye. Voting nay, none. Resolution carried.

Mr. Berg left the meeting at 4:40 p.m.

Next on the agenda Mr. Huston introduced a resolution to approve the Communications Utility's recommended MPW TV price adjustments, effective May 1, 2025, and authorize the General Manager to continue to be responsible for approving tiers, bulk packages, premium services, equipment and other fees, promotional packages, and discounts for all MPW's Communications services as deemed necessary to ensure the financial viability of the Communications Utility. Ms. Cox reviewed the following recommendations for the 2025 adjustments. Internet – Mr. Cox stated that Internet packages were last adjusted May 2023; increasing bandwidth for the entry level packages continues the effort to keep customers in right-sized packages improving their service experience as more internet-connected devices are added to the home. It aligns with the actions of other internet service providers to increase entry level packages. Adjusting package bandwidth/speed while preserving revenue is a key objective, and Staff believes these adjustments will result in minimal package downgrades, thereby maintaining revenue. She continued with Video updates. Annual rate adjustments are recommended for MPW Video services to cover the increasing costs of acquiring programming content. The overall cost of MPW's video offerings continues to stay in line with direct satellite competition, as well as regional benchmarks. All video providers are facing the same price increases from programmers.

**RESOLUTION 25-07**

WHEREAS, review of the financial condition of the Communications Utility has been completed and reviewed with the Board of Water, Electric, and Communications Trustees for its consideration; and,

WHEREAS, the Board has reviewed this information and determined that a revenue adjustment is necessary to keep the Communications Utility in a sound financial condition; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that effective May 1, 2025, the price for MPW TV Basic service shall be \$26.92 per month and Select service shall be \$100.18 per month; and

BE IT FURTHER RESOLVED, that the Broadcast Surcharge shall be \$27.07 and that the Regional Sports Charge shall be \$9.74 per month; and

BE IT FURTHER RESOLVED, that the WiFi@Home service rate shall be \$4.00 per month; and

BE IT FURTHER RESOLVED, that the General Manager of Muscatine Power and Water shall continue to be responsible for approving tier pricing, premium services, equipment fees, promotional packages, and discounts to assure financial viability of the Communications Utility; and

BE IT FURTHER RESOLVED, that proper notice be given to consumers in accordance with the terms of the contracts, Federal Communications Commission (FCC) and Iowa State Code.

Trustee Drawbaugh moved, seconded by Trustee Porter, that said resolution should be passed, approved, and adopted on this 25<sup>th</sup> day of March 2025. On roll call Trustees Drawbaugh, Porter, and Eversmeyer voted aye. Voting nay, none. Resolution carried.

The next item on the agenda was a recommendation to set a public hearing date on an opportunity to sell to Muscatine County a 5-acre parcel near the MPW Landfill. The County has outgrown their road crew current location, and this parcel would suit their needs well. MPW has no operational use for this land and wishes to assist the County with its need for a larger location in that part of the County. Staff requested the Board pass a resolution to set a public hearing at 3:58 p.m. on April 29, 2025, regarding the sale of a 5-acre parcel to Muscatine County. After discussion, the following resolution was submitted:

#### **RESOLUTION 25-08**

WHEREAS, Muscatine Power and Water determined it no longer has need for the 5-acre parcel proposed for sale to Muscatine County for the value of \$58,043.70 plus costs incurred by MPW and the current tenant, and the parties have agreed to the terms for the transaction; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa that a public hearing regarding this property sale be held on the 29<sup>th</sup> day of April 2025 at 3:58 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 four (4) nor more than twenty (20) days prior to said hearing, all as required by the Code of Iowa.

Trustee Porter moved, seconded by Trustee Drawbaugh, that said resolution should be passed, approved, and adopted on this 25<sup>th</sup> day of March 2025. On roll call Trustees Drawbaugh, Porter, and Eversmeyer voted aye. Voting nay, none. Resolution carried.

Next on the agenda was a Recommendation to Receive and Place on File Muscatine Power and Water's 2024 Annual Report. Mr. Huston presented the Trustees with copies of the newly printed Annual Report for 2024. As has been the case for the past several years, the content for the report was developed entirely with in-house resources and printed at a low-cost through a local printer. He continued that the

financial summaries included in the Annual Report were based on unaudited financial results and a note to that effect was included in the Report. Ms. Cox stated a copy of the report is already on the website and total costs for the report continue to remain low. Trustee Drawbaugh moved, seconded by Trustee Porter, to receive and place on file the 2024 Annual Report. All Trustees present voted aye. Motion carried.

Mr. Huston introduced the following resolution requesting the Muscatine Mayor and City Council designate the week of May 4-10, 2025 as Drinking Water Week.

**RESOLUTION 25-08**

***DRINKING WATER WEEK***

**May 4-10, 2025**

WHEREAS, the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa wish to recognize its customers and employees during Drinking Water Week; and,

WHEREAS, water is our most valuable natural resource; and,

WHEREAS, Muscatine's municipal water supply provides many benefits to the community, including supporting public health, providing fire protection, supporting our economy, and sustaining the quality of life we enjoy; and,

WHEREAS, MPW provides our homes, businesses, farms, social service, and local government agencies with reliable, efficient and low-cost water services, employing sound business practices designed to ensure the best possible service at the lowest possible rate; now therefore,

BE IT RESOLVED, the Board of Trustees request the Mayor and City Council designate the week of May 4-10, 2025, as Drinking Water Week in Muscatine, in order to honor the employees of MPW who work together to provide the best possible water services, and its consumer-owners; and,

BE IT FURTHER RESOLVED, Muscatine will join hands with other communities across the nation to celebrate the benefits of a consumer-owned water utility for our local and national progress.

Trustee Porter moved, seconded by Trustee Drawbaugh, that said resolution should be passed, approved, and adopted on this 25<sup>th</sup> day of March 2025. On roll call Trustees Drawbaugh, Porter, and Eversmeyer voted aye. Voting nay, none. Resolution carried.

In the March GM Report, Mr. Huston updated the Board on the Power Breakfast that was held at MPW on March 6, 2025. The senior leadership provided an update on significant projects and initiatives affecting nearly every resident, business, and industry. Staff were very pleased with the turnout of 54 attendees and the positive reception.

The February Financial highlights and Financial Results Summaries were reviewed by Mr. Roberts.

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

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

Mr. Huston reviewed the February 2025 Departmental Reports, and Mr. Slonka reviewed the Powering the Future section of the departmental reports.

No public comment was made.

Trustee Porter moved, seconded by Trustee Drawbaugh, to receive and place on file the February 2025 Utility Reports. All Trustees present voted aye. Motion carried.

The meeting of the Board of Trustees was adjourned at 5:08 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