

**OFFICIAL PROCEEDINGS OF THE  
BOARD OF WATER, ELECTRIC,  
AND COMMUNICATIONS TRUSTEES  
OF THE CITY OF MUSCATINE, IOWA  
NOVEMBER 26, 2024 – 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, November 26, 2024, at 4:00 p.m.

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

Also present were Gage Huston, General Manager of Muscatine Power and Water; Kelly Miller, Board Secretary; Erika Cox, Mark Roberts, Ryan Streck, and Greg Slonka of Muscatine Power and Water. Jean Brewster attended the meeting as a guest.

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

No public comments were made.

The minutes of the October 29, 2024, Board meeting were presented as previously submitted to all Board members. Trustee Fields moved, seconded by Trustee Porter, for the minutes from the October 29, 2024, Board meeting be approved. All Trustees voted aye. Motion carried.

The list of expenditures and transactions for October 2024 was presented. Mr. Huston reviewed the expenditures, and after additional discussion Trustee Eversmeyer moved, seconded by Trustee Porter, to ratify payment of \$12,101,392.71 for the Electric Utility, \$623,850.08 for the Water Utility, and \$1,204,937.29 for the Communications Utility, for a cumulative total of \$13,930,180.08. All Trustees voted aye. Motion carried.

The next agenda item was a recommendation to Accept Contract Change Order and Final Acceptance for the West Hill Pump Station Exterior Improvements Project. Management recommended the Board ratify Contract Change Order No. 1 and accept as complete the contract with J B Robertson Construction, Inc. for the exterior improvements to the West Hill Pump Station.

The following resolution was submitted to Accept the Contract Change Order No. 1 in the amount of \$9,739.

**RESOLUTION 24-18**

WHEREAS, Contract Change Order No. 1 has been prepared to said contract with J B Robertson Construction, Inc. for the West Hill Pump Station Exterior Improvements in the increased total amount of \$9,739 and said Contract Change order has been reviewed by the Board, and Muscatine Power and Water Management has recommended approval of said Contract Change Order; now therefore,

BE IT RESOLVED, the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that said Contract Change Order No. 1 in the increased total net amount of \$9,739 be approved for an amended contract price of \$160,279.

Trustee Drawbaugh moved, seconded by Trustee Eversmeyer that said resolution be passed, approved, and adopted this 26<sup>th</sup> day of November 2024. On roll call, Trustees Porter, Fields, Drawbaugh, Eversmeyer, and Bradford voted aye. Voting nay, none. Resolution carried.

The following resolution was submitted that the contract with J B Robertson Construction, Inc. for the West Hill Pump Station Exterior Improvements in the final amount of \$160,279 has been substantially completed in accordance with the project specifications and the recommendation has been made that said contract be accepted.

#### **RESOLUTION 24-19**

WHEREAS, it appears in a written report from Muscatine Power and Water Management that the contract with J B Robertson Construction, Inc. for the West Hill Pump Station Exterior Improvements in the final amount of \$160,279 has been substantially completed in accordance with the project specifications and the recommendation has been made that said contract be accepted by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa; now therefore,

BE IT RESOLVED, the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that the work furnished under the above-named contract be accepted and approved by the Board; and,

BE IT FURTHER RESOLVED, that five percent (5%) of the contract price be retained for a period of thirty-one (31) days from and after the date of resolution, all in accordance with the provisions of 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 November 2024. On roll call, Trustees Porter, Fields, Drawbaugh, Eversmeyer, and Bradford voted aye. Voting nay, none. Resolution carried.

The next agenda item was a recommendation to Approve a Revised Project Summary Form for the Substation Communication System Replacement Project. Mr. Huston stated that this revision results from the quote for implementation being higher than the approved threshold. The Substation Communication System Replacement was approved in the 2024 budget. The largest drivers for the increased cost were an increase in equipment costs, sales tax, and requirements for various technical services. Re-evaluated labor requirements resulted in an increase in MPW labor. Stores material requirements increased for additional wire and fuses. Contingency was reduced to 5% due to higher confidence with quotes received. Staff recommended approval of a revised PSF to align with current cost estimates. After additional discussion Trustee Porter moved, seconded by Trustee Drawbaugh, to approve a Revised Project Summary Form for the Substation Communication System Replacement Project. All Trustees voted aye. Motion carried.

Next on the agenda was a recommendation to Approve Agreement between MPW and IBEW Local No. 55.10. Ms. Olson reviewed the details regarding the negotiations session that were held on November 4, 2024. Staff recommends the Board approve the 5-year agreement with International Brotherhood of electric Workers Local No. 55.10. After additional discussions Trustee Eversmeyer moved, seconded by Trustee Porter, to approve the 5-year agreement with International Brotherhood of electric Workers Local No. 55.10. All Trustees voted aye. Motion carried.

Next on the agenda was a recommendation to Approve Accounting for Interest During Construction of Unit 10. Mr. Roberts stated that in order to protect the accounting treatment of capitalizing interest during construction (IDC), Staff requests approval from the Board of the following accounting treatment: MPW will begin capitalizing IDC retroactive to the beginning of 2024 for the combined heat and power (CHP) project. Government Accounting Standards Board Statement 89 allows capitalized interest if the utility's regulatory authority approves, which in our case means Board of Trustee approval. MPW included interest during construction in the Electric Utility Budget and projection (2025-34). Staff recommended the Board approve the recommended accounting treatment for Interest During Construction of Unit 10. After additional discussion, Trustee Drawbaugh moved, seconded by Trustee Fields, to approve Accounting for Interest During Construction of Unit 10. All Trustees voted aye. Motion carried.

Mr. Roberts stated the next agenda item is a recommendation to Approve Accounting for Lead Service Line Replacements. Mr. Roberts stated that the EPA finalized the Lead and Copper Rule Improvement (LCRI), which requires water utilities, including MPW, to replace all customers' water lead or galvanized steel service lines (LSLs) within ten years of October 2024. While this rule is expected to face legal challenges, MPW is currently moving forward with plans to complete the replacements as required by the rule. Staff requests the Board approve the recommended accounting treatment for Lead Service Line Replacement costs. After additional discussion, Trustee Drawbaugh moved, seconded by Trustee Porter, to approve the recommended accounting treatment for Lead Service Line Replacement costs. All Trustees voted aye. Motion carried.

Next on the agenda was approval of the 2025 Operating Budgets. Mr. Roberts discussed the change to the Water Utility budget to reflect revised accounting for lead service line replacements. Agreement with the regulatory accounting was conveyed to MPW just before the October Board meeting, so there was not enough time to make the revisions at that time. Revised Water budget documents and summaries were provided to the Board prior to the November Board meeting, as were revised Water Utility 2025-34 projections. The Electric Utility and Communications Utility budgets were unchanged from information presented at the October Board meeting. No comments were received from the public. Trustee Fields moved, seconded by Trustee Drawbaugh, to approve the 2025 Operating Budgets for the Electric, Water and Communications Utilities. All Trustees voted aye. Motion carried.

Mr. Huston stated the next agenda item also pertained to the 2025 Operating Budgets; Muscatine Power and Water is required by the Iowa Code to submit a summary of the Operating Budgets to the City Clerk, who then forwards the budget summary to Muscatine County for submittal to the State of Iowa Auditor. The budget certificate summary was presented to all Board members and copies of the budget summary were also available for review by the citizens at Muscatine City Hall, Musser Public Library, and at MPW's Administrative/Operations Office before the November Board meeting. The budget public hearing was conducted earlier in the evening. The following resolution was submitted:

#### **RESOLUTION 24-20**

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa that the annual Budget for the calendar year 2025, as set forth in the Utility's Budget Estimate Summary and in the detailed Budget in support thereof showing the estimated revenue and expenditures for said Budget year is adopted, and the Secretary is directed to file the same with the Clerk of the City of Muscatine, Iowa.

Trustee Porter moved, seconded by Trustee Eversmeyer, that said resolution be passed, approved, and adopted this 26<sup>th</sup> day of November 2024. On roll call, Trustees Porter, Fields, Drawbaugh, Eversmeyer, and Bradford voted aye. Voting nay, none. Resolution carried.

In the General Manager's report, Mr. Huston updated the Board on the change to Return on Equity (ROE) concerning MISO Attachment O. Mr. Huston reported on the new competitive bid threshold increasing to \$206K. Next Mr. Huston shared a video from Collaborate Muscatine and discussed the Community Summit event that will be hosted by the Collaborate Muscatine team on December 4 to engage in a shared conversation about top priorities in the community, with the vision of making Muscatine the ideal place to live, work, and employ.

The October 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.

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 November Departmental Reports were presented as previously submitted to all Board members. Mr. Huston provided a high-level review of the reports. Mr. Slonka reviewed the Powering the Future Monthly Status Report and shared an Environmental compliance update.

Gage Huston introduced Jean Brewster to the Board of Trustees.

Trustee Drawbaugh moved, seconded by Trustee Porter to receive, and place on file the November 2024 Utility Reports. All Trustees present voted aye. Motion carried.

The meeting of the Board of Trustees was adjourned at 5:37 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