

**OFFICIAL PROCEEDINGS OF THE  
BOARD OF WATER, ELECTRIC,  
AND COMMUNICATIONS TRUSTEES  
OF THE CITY OF MUSCATINE, IOWA  
JANUARY 25, 2011 – 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, January 25, 2011, at 5:30 p.m.

Chairperson Gary Carlson called the meeting to order. Members of the Board were present as follows: Trustees Doyle Tubandt, Scott Ingstad, Joan Axel, and Gary Carlson. Trustee Warren Heidbreder was present by phone due to previously scheduled travel plans.

Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Duane Goedken, Board Attorney; Charles Potter, Muscatine Journal; Ray Danz, Gary Wieskamp, Erika Cox, Jeff Beer, Brandy Olson and Brenda Christensen of Muscatine Power and Water (MP&W).

Chairperson Carlson asked if there was anyone in attendance who wished to make any public comments. There were no public comments.

The minutes of the December 21, 2010, public hearings and regular meeting, and the December 21, 2010, Audit/Finance Committee Meeting minutes were presented as previously submitted to all Board members in written form. Trustee Heidbreder moved, seconded by Trustee Ingstad, that the December 21, 2010, public hearing minutes and regular meeting minutes be approved as submitted. Motion carried. All Trustees present voted aye. The December 21, 2010, Audit/Finance Committee Meeting minutes were received and placed on file.

The list of expenditures and transactions for December was presented as previously submitted to all Board members in written form. After review and discussion of the expenditures, Trustee Axel moved, seconded by Trustee Tubandt, to ratify payment of \$5,229,106.95 for the Electric Utility, \$549,615.10 for the Water Utility, and \$759,753.08 for the Communications Utility for a cumulative total of \$6,538,475.13. Motion carried. All Trustees present voted aye.

Mr. LoBianco reviewed the previously submitted memorandum to all Board members regarding the receipt and evaluation of bids for the Construction of Well 42 at Owner's Main Well Field Project. Specifications pertaining to subject were mailed to nine (9) potential bidders. A total of four (4) bids were received, opened publicly, and read aloud on January 11, 2011, at 3:00 p.m. with two (2) bidders attending the opening. Bids were received on the basis of unit adjustment and staff recommended that

Northway Well and Pump Company, Inc. of Marion, Iowa, be awarded the project. A bid tabulation sheet was attached for the Board's reference. The total approved expenditure for this project is \$260,000; the published estimate for the portion of work covered in this public letting was \$180,000. The bids were reviewed and conformance established to the specifications of the low bidder. It is therefore recommended that Northway Well and Pump Company be awarded the contract for Construction of Well 42 at Owner's Main Well Field Project for the total price of \$177,648.15.

After review of the project, the following resolution was submitted.

**RESOLUTION 11-02**

WHEREAS, it appears in a written report from the Board's management that the bid for the Construction of Well 42 at Owner's Main Well Field Project, as submitted by Northway Well and Pump Company of Marion, Iowa, in the amount of \$177,648.15, was the best and lowest bid received; now therefore,

BE IT RESOLVED by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that the proposal from Northway Well and Pump Company, in the amount of \$177,648.15 was hereby accepted as submitted; and,

BE IT FURTHER RESOLVED, that the General Manager and Secretary of the Board were hereby authorized, empowered, and directed to execute a contract in the sum approved by the said Board of Water, Electric and Communications Trustees; and,

BE IT FURTHER RESOLVED, that the bid security be returned to the unsuccessful bidders.

Trustee Ingstad moved, seconded by Trustee Tubandt, that said resolution be passed, approved, and adopted this 25<sup>th</sup> day of January 2011. On roll call Trustees Tubandt, Ingstad, Axel, Heidbreder, and Carlson voted aye. Voting nay, none

The next item on the agenda was a Recommendation for Final Acceptance for the Construction of Well 41 at Owner's Main Well Field Project. Mr. LoBianco reviewed the memorandum to the Board. A Contract Change Order has been generated and staff recommends approval by the Board of Trustees in the amount of \$3,382.50 for a new final contract price \$162,663.50. Staff recommends proceeding with final acceptance and release of retainage. Work covered by this contract has been completed, checked by staff and found to be in accordance with the specifications.

After discussion and review, the following resolutions were submitted.

**RESOLUTION 11-03**

WHEREAS, Contract Change Order No. 1 has been prepared for the Construction of Well 41 at Owner's Main Well Field Project in the increased amount of \$3,382.50 and said contract change order was reviewed by the Board and the Board's staff has recommended approval of said contract change orders; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees that said contract change order in the increased amount of \$3,382.50 be and the same was hereby approved for an amended contract price of \$162,663.50.

Trustee Axel moved, seconded by Trustee Heidbreder, that said resolution be passed, approved, and adopted this 25<sup>th</sup> day of January 2011. On roll call Trustees Tubandt, Ingstad, Axel, Heidbreder, and Carlson voted aye. Voting nay, none

**RESOLUTION 11-04**

WHEREAS, it appears in a written report from Board's staff that the contract with The Northway Corporation for the Construction of Well 41 at Owner's Main Well Field Project in the final amount of \$162,663.50 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, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that the Construction of Well 41 at Owner's Main Well Field Project, furnished under the above named contract be and the same was hereby 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 Ingstad moved, seconded by Trustee Tubandt, that said resolution be passed, approved, and adopted this 25<sup>th</sup> day of January 2011. On roll call Trustees Tubandt, Ingstad, Axel, Heidbreder, and Carlson voted aye. Voting nay, none

The next item on the agenda was a Recommendation for Final Acceptance for the Well Motor Control Replacement – State Revolving Fund Project Segment 2 - 200 HP Variable Frequency Drive Project in the final amount of \$246,964 with Hupp Electric Motors. Mr. LoBianco reviewed the memorandum to the Board. Staff recommends proceeding with final acceptance and release of retainage. Work covered by this contract has been completed, checked by staff and found to be in accordance with the specifications.

***RESOLUTION 11-05***

WHEREAS, it appears in a written report from Board's staff that the contract with Hupp Electric Motors for the Well Motor Control Replacement – State Revolving Fund Project Segment 2 - 200 HP Variable Frequency Drive Project in the final amount of \$246,964 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, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that the Well Motor Control Replacement – State Revolving Fund Project Segment 2 - 200 HP Variable Frequency Drive Project, furnished under the above named contract be and the same was hereby 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 Tubandt moved, seconded by Trustee Axel, that said resolution be passed, approved, and adopted this 25<sup>th</sup> day of January 2011. On roll call Trustees Tubandt, Ingstad, Axel, Heidbreder, and Carlson voted aye. Voting nay, none

Mr. LoBianco reviewed the next item on the agenda, a project request for \$150,000 for the Unit 9 Isophase Inspection and Cleaning Project. This project was not originally included in the 2011 budget, but testing indicates that work is needed; the project will inspect, clean and repair the generator's isophase bus duct during the Unit 9 shutdown. Trustee Ingstad moved, seconded by Trustee Tubandt, that the project approval request for the Unit 9 Isophase Inspection and Cleaning Project be approved in the amount of \$150,000. Motion carried. All Trustees present voted aye.

Mr. LoBianco next recommended to the Board that the March and December Board Meeting Dates be changed. The GMCCI Annual Meeting and dinner is scheduled on

the same night as the March Board of Water, Electric and Communications Trustees meeting, causing conflicts for several Board members. The December Board meeting falls between the Christmas and New Year's Holidays. It is recommended that the Board take actions to reschedule the March Board meeting date from Tuesday, March 29, 2011 to Thursday, March 31, 2011. It is also recommended that the December Board meeting be rescheduled from Tuesday, December 27, 2011, to Tuesday, December 20, 2011. Trustee Ingstad moved, seconded by Trustee Axel, that the March Board Meeting date be changed to Thursday, March 31, 2011, and the December Board Meeting date be changed to Tuesday, December 20, 2011. Motion carried. All Trustees present voted aye.

In the General Manager's report, Mr. LoBianco reviewed his previously submitted memorandum. The Board was informed that Fitch Ratings affirmed an A+ rating for MP&W with a stable outlook of the Electric Utility debt. Mr. LoBianco also discussed that MP&W and the Midwest Reliability Organization had amicably resolved the issues found during the April 2010 audit with no fines assessed. The last item in the GM Report was that MP&W had been awarded a grant of \$10,000 from the Iowa Office of Energy Independence to enhance the current energy efficiency education activities conducted by the Utility.

The December Financial Operating Statements and Balance Sheets were presented as previously submitted to all Board members in written form. Mr. LoBianco gave a brief update on each utility and stated that 2010 Year End financials would be covered in the Key Performance Indicators presentation. The Board complimented staff on a fantastic job of controlling expenses in 2010. Trustee Ingstad moved, seconded by Trustee Tubandt, to receive and place on file the December Financial Operating Statements and Balance Sheets for the Water, Electric, and Communications Utilities. Motion carried. All Trustees present voted aye.

The Competitive Quotes for Public Improvements Report was presented as previously submitted to all Board members in written form. There were no items for approval.

The Quarterly Project Status Report and Variance Analysis were presented as previously submitted to all Board members in written form. Trustee Tubandt moved, seconded by Trustee Heidbreder, to receive and place on file the Quarterly Project Status Report and Variance Analyses. Motion carried. All Trustees present voted aye.

The Critical Issues and Key Performance Indicators for the Water, Electric, and Communications Utilities were previously submitted to all Board members in written format. Mr. LoBianco asked each critical issue leader to review the status of their critical issue and stated that he would review the key performance indicators. After review and discussion, Trustee Tubandt moved, seconded by Trustee Ingstad, to receive and place on file the 2010 Year End Critical Issues and Key Performance Indicators for the Water, Electric, and Communications Utilities. Motion carried. All Trustees present voted aye.

The December departmental reports were presented as previously submitted to all Board members in written form. Trustee Axel moved, seconded by Trustee Ingstad, to receive and place on file the December departmental reports. Motion carried. All Trustees present voted aye.

Chairperson Carlson asked if there were any other items of business. With no other items of business, Trustee Ingstad moved, seconded by Trustee Tubandt, that the meeting be adjourned at 6:30 p.m.

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

Brenda K. Christensen  
Acting Board Secretary