

**OFFICIAL PROCEEDINGS OF THE  
BOARD OF WATER, ELECTRIC,  
AND COMMUNICATIONS TRUSTEES  
OF THE CITY OF MUSCATINE, IOWA  
JULY 25, 2023 – 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, July 25, 2023 at 5:30 p.m.

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

Also present were Gage Huston, General Manager of Muscatine Power and Water; Kelly Miller, Board Secretary; Erika Cox, Brandy Olson, Mark Roberts, Ryan Streck, and Doug White of Muscatine Power and Water. Additional guests attending the meeting included Jacob Elliott, Linda Schmarje, and Charles Potter.

There were no public comments.

Trustee Fields moved, seconded by Trustee Bradford to approve the June 27, 2023, Public Hearings, and regular Board meeting minutes. All Trustees present voted aye. Motion carried.

The list of expenditures and transactions for June 2023 were presented. Mr. Huston reviewed the expenditures, and after additional discussion Trustee Eversmeyer moved, seconded by Trustee Fields, to ratify payment of \$7,462,308.30 for the Electric Utility, \$895,453.58 for the Water Utility, and \$1,622,454.33 for the Communications Utility, for a cumulative total of \$9,980,216.21. All Trustees present voted aye. Motion carried.

Mr. Huston introduced a recommendation for approval to Award the Contract for the 2023 AO Window Replacement Project. Bid documents were sent to 11 potential bidders and 7 plan houses. A pre-bid meeting was held on June 13, 2023, with three companies attending. One bid was received, opened publicly, and read aloud on June 27, 2023, at 3:00 p.m. MPW staff reached out to companies that expressed interest but did not submit a bid for feedback as to the reason. The responses indicated the work was either too far from their office or that their workload did not allow for a project of this size.

Bids were read based on total lump sum bids as follows:

<b>Bidder Name</b>	<b>Total Lump Sum Bid</b>
Carl A Nelson & Company	\$300,000

MPW requested Alternate #1 pricing for bidders to provide labor, tools, material, equipment, and supervision to complete removal and reinstallation of acoustical ceiling tiles, demolition of existing batt insulation, and installation of spray-in foam insulation, but staff has chosen not to pursue this option.

The cost of this project has risen since this PSF was created and pricing exceeded estimates. This award – along with other expected costs – will consume all the contingency in the PSF and exceed the budget by 4%. With no expected ease in costs for this type of work, Management and staff

recommend the award of contract be made to the low bidder, Carl A. Nelson & Company, Burlington, IA, for a total price of \$300,000.

#### **RESOLUTION 23-25**

WHEREAS, it appears in a written report from Muscatine Power and Water Management that the bid for the 2023 AO Window Replacement Project as submitted by Carl A Nelson Co, Inc., of Burlington, IA for a total price of \$300,000 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 Carl A Nelson Co, Inc., of Burlington, IA for a total price of \$300,000 for the 2023 AO Window Replacement Project was hereby accepted and 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 Board of Water, Electric, and Communications Trustees.

Trustee McGinnis moved, seconded by Trustee Bradford, that said resolution be passed, approved, and adopted this 25<sup>th</sup> day of July 2023. On roll call Trustees Eversmeyer, McGinnis, Bradford, Fields, and Porter voted aye. Voting nay, none.

Mr. Huston next introduced an agenda item to approve a revised PSF for the Grandview Substation Replacement Design Project at a total cost of \$728,700 to fund the engineering services for the Grandview Substation rebuild/upgrade. These engineering services will provide specifications, plans and construction cost estimates. As described in the original Project Summary Form (PSF), the reason to rebuild the Grandview Substation is to accommodate the reliable interconnection of the planned Solar 1 power project and make much needed improvements to a substation. Trustee Eversmeyer moved, seconded by Trustee Fields, to approve the revised PSF for the Grandview Substation Replacement Design Project at a total cost of \$728,700. All Trustees present voted aye. Motion carried.

The next agenda item was to approve a revised PSF for the U9 AFFF (Aqueous Film Forming Foam) Chem/Equip Disposal and the Unit 9 AFFF Sprinkler Replacement Project. The original PSFs were approved with the 2023 Budget at an estimated combined cost of \$725,000. The original scope of the AFFF System Disposal Project was to dispose and destroy the AFFF chemical and equipment. The original scope of the AFFF New Sprinkler Install Project was for upsizing four existing wet pipe sprinkler systems to provide more flow capacity to meet FM Global recommendations. Quotes received on the new sprinkler system were less than expected, while the quotes on the equipment disposal portion of the work were greater than expected. Trustee McGinnis moved, seconded by Trustee Fields, to approve the revised PSF for the U9 AFFF Chem/Equip Disposal. All Trustees present voted aye. Motion carried. Trustee Bradford moved, seconded by Trustee McGinnis, to approve the Unit 9 AFFF Sprinkler Replacement Project. All Trustees present voted aye. Motion carried.

The next agenda item was to approve a revised PSF for the Unit 9 Boiler Chemical Clean Project. The original PSF was approved with the 2023 Budget at an estimated cost of \$493,000 based on

2022 vendor quotes. The Scope of the project was to have an experienced contractor chemically clean the boiler and haul away and properly dispose of the chemical cleaning waste. The boiler was last cleaned in 2009. Management recommended Board approval of the revised PSF. This project is scheduled to be completed during the October 2023 outage. Trustee Fields moved, seconded by Trustee Eversmeyer, to approve the revised PSF for the Unit 9 Boiler Chemical Clean Project. All Trustees present voted aye. Motion carried.

The next agenda item was a recommendation to set a public hearing date on MISO Attachment O Annual Meeting – Transmission Rate Update. Mr. Huston stated as a Transmission Owner (TO) within the MidContinent Independent System Operator (MISO) system, MPW must establish tariff rates for use of its transmission system by other market participants. The key component in establishing the formula rates is using MISO's Attachment O template. A step required by the Federal Energy Regulatory Commission (FERC) in this process is each TO must hold an annual public meeting regarding its transmission rate updates and submit an informational filing with FERC regarding its updated transmission rates. Management recommends the Board set a public hearing prior to its next regular Board Meeting on August 29, 2023 to receive any public comments regarding its annual transmission rate update (Attachment O). This public hearing will meet the requirement in MISO's revised formula rate protocols related to holding an annual public meeting. The following resolution was submitted:

#### **RESOLUTION 23-26**

WHEREAS, it is recommended that a public hearing be established for the review of MPW's annual Transmission Rate Update (Attachment O) to receive any public comments before submittal of this form to FERC; now therefore,

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

Trustee McGinnis moved, seconded by Trustee Bradford, that said resolution be passed, approved, and adopted this 25<sup>th</sup> day of July 2023. On roll call Trustees Eversmeyer, McGinnis, Bradford, Fields, and Porter voted aye. Voting nay, none. Resolution carried.

Mr. Huston stated at the June Board of Trustees meeting, the revised Board Policy Manual was presented in draft form for the Trustees input and comments. The manual has been finalized. It was recommended the Trustees approve the 2023 Board Policy Manual. Trustee Eversmeyer moved, seconded by Trustee McGinnis, the 2023 Board Policy Manual be approved. All Trustees present voted aye. Motion carried.

In the General Manager's report, Mr. Huston provided a recap to the Board about the June 16, 2023 Employee Recognition Lunch.

The June Financial Operating Statements and Balance Sheets were presented as previously submitted to all Board members. Mr. Huston reviewed the MPW dashboard, the Financial Results Summary for each Utility, and the Quarterly Investment Report.

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 2023 2Q Strategic Plan Update and Key Performance Indicators for the Electric, Water, and Communications Utilities were reviewed.

The June Departmental Reports were presented as previously submitted to all Board members. Mr. Huston provided a high-level review.

No public comments were made.

Trustee Eversmeyer moved, seconded by Trustee McGinnis to receive and place on file the July 2023 Utility Reports. All Trustees present voted aye. Motion carried.

At 6:54 p.m. Chairperson Porter stated the Board would be going into Closed Session to Review the Electric Retail Service Agreement and Land Lease Agreement with BSLF, LLC. Trustee Eversmeyer moved, seconded by Trustee Bradford to enter closed session in accordance with Iowa Code Sections 21.5(1)(k) and 388.9 (protecting competitive information). On roll call, Trustees Eversmeyer, McGinnis, Bradford, Fields, and Porter, voted aye. Voting nay, none. Motion carried.

At 7:04 p.m. the meeting was reconvened to open session.

Mr. Huston asked the Board to authorize the General Manager, based on terms discussed in the closed session, to Enter into an Electric Retail Service Agreement and Land Lease Agreement upon satisfactory negotiations with BSLF, LLC. Trustee Fields moved, seconded by Trustee Bradford to authorize the General Manager to Execute an Electric Retail Service Agreement and Land Lease Agreement upon satisfactory negotiations with BSLF, LLC. All Trustees present voted aye. Motion carried.

At 7:07 p.m. Chairperson Porter stated the Board would be going into Closed Session to discuss the CHP (combined heat and power generating unit) and Steam Sales Investigation. Trustee Eversmeyer moved, seconded by Trustee McGinnis to enter closed session in accordance with Iowa Code 388.9 (protecting competitive information). On roll call, Trustees Eversmeyer, McGinnis, Bradford, Fields, and Porter, voted aye. Voting nay, none. Motion carried.

At 7:30 p.m. the meeting was reconvened to open session.

The meeting was adjourned at 7:31 p.m.

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



Kelly Miller  
Board Secretary