

**OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
October 31, 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, October 31, 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, and Trustee Steven Bradford. Trustee Kevin Fields was absent due to previously scheduled travel plans.

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 Niki Sink, Mitch Zytnowski, Rachel Reed, Tom Lewis, Eric Wigand, and Jessica Brackett.

Gage Huston provided comments as he introduced the MPW employees that were present at the meeting.

The minutes of the September 26, 2023 Board meeting were presented as previously submitted to all Board members. Trustee Eversmeyer moved, seconded by Trustee McGinnis, for the minutes from the September 26, 2023 Board meeting be approved. All Trustees present voted aye. Motion carried.

The list of expenditures and transactions for September 2023 was presented. Mr. Huston reviewed the expenditures, and after additional discussion Trustee McGinnis moved, seconded by Trustee Bradford, to ratify payment of \$6,586,844.85 for the Electric Utility, \$443,513.46 for the Water Utility, and \$1,550,696.61 for the Communications Utility, for a cumulative total of \$8,581,054.92. All Trustees present voted aye. Motion carried.

The next agenda item was to approve a recommendation for the New PURPA Standards from the 2021 Infrastructure Investment and Jobs Act for (1) Promotion of Demand-Response & Demand-Flexibility, and (2) Promotion of Greater Electrification of the Transportation Sector. PURPA was originally enacted in 1978 and has been revised occasionally. Typically, revisions are presented in the form of new standards. The Board of Trustees is obligated to consider each new standard and may decline to adopt or may implement each but must state in writing the reason for its decision.

The 2021 revisions to PURPA, which were part of the 2021 Infrastructure Investment and Jobs Act (IIJA), require MPW to begin a formal consideration of each revision, solicit public input, and formalize a position to adopt or decline each revision. These revisions apply to utilities with total annual retail sales greater than 500,000,000 kWh, which includes MPW.

It is Staff's recommendation to adopt the New PURPA Standards from the 2021 Infrastructure Investment and Jobs Act for (1) Promotion of Demand-Response & Demand-Flexibility, and (2) Promotion of Greater Electrification of the Transportation Sector. The following resolution was submitted:

RESOLUTION 23-29

WHEREAS, in 2021, the United States Congress approved, and the President of the United States signed into law, the Infrastructure Investment and Jobs Act of 2021 (the "Act"); and,

WHEREAS, the Act contained several amendments to the Public Utility Regulatory Policies Act of 1978 ("PURPA"); and,

WHEREAS, PURPA, as amended by the Act, requires certain covered electric utilities to consider and determine whether they will implement two (2) new standards relating to Demand-Response Practices and Electric Vehicle Charging Programs; and,

WHEREAS, MPW held a public hearing on February 28, 2023, where citizens had the opportunity to submit both written and oral comments on these Standards for the Board to consider before formulating the Utility's position on adopting or declining each of these standards and,

WHEREAS, Staff has provided information to the Board on this matter and recommends adoption of these standards; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, does hereby adopt PURPA Standards, (20) Demand Response Practices and (21) Electric Vehicle Charging Programs.

Trustee Eversmeyer moved, seconded by Trustee McGinnis, that said resolution be passed, approved, and adopted this 31st day of October 2023. On roll call, Trustees Eversmeyer, McGinnis, Bradford, and Porter voted aye. Voting nay, none. Resolution carried.

Mr. Huston introduced the 2024 annual Operating Budgets for Electric, Water and Communications Utilities and stated the Ten-Year Projections would be received and placed on file, while the 2024 budget would be reviewed, and Board approval requested at the November Board meeting. He discussed some of the larger projects taking place in 2023, along with some of the market and inflation challenges this year. Mr. Roberts provided a year-to-date review of 2023 forecast vs. budget, along with a high-level look at the 2024 budget and Ten-Year Projection for each Utility. Mr. Roberts provided an analysis of budget items, where he asked the Board to remember to review the list of PSFs when reviewing budget documents. He continued the Board will be asked to approve the 2024 Annual Operating Budgets for the Electric, Water and Communications Utilities at the November 2023 Board meeting.

Mr. Huston noted the State of Iowa requires a Budget Summary be prepared and a public hearing conducted on the Budget Summary be held to provide the public an opportunity to review and present any comments regarding the published Budget Summary. It is Staff's recommendation the public hearing be set for November 28, 2023, at 5:28 p.m. The following resolution was submitted:

RESOLUTION 23-30

WHEREAS, the Budget Summary of the combined Electric, Water and Communications Utilities is being prepared for the 2024 calendar year, and it is recommended that a public hearing be established for the review of said Budget Summary; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa that the Budget Estimate Summary of the combined Electric, Water and Communications Utilities be placed on file at the office of the City Clerk and at the City Library, along with MPW Offices, for any resident, taxpayer, or consumer to view; and,

BE IT FURTHER RESOLVED, that a public hearing be held on the 28th day of November 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 ten (10) nor more than twenty (20) days prior to said hearing, all as required by the Code of Iowa.

Trustee Eversmeyer moved, seconded by Trustee Bradford, that said resolution be passed, approved, and adopted this 31st day of October 2023. On roll call, Trustees Eversmeyer, McGinnis, Bradford, and Porter voted aye. Voting nay, none. Resolution carried.

Included with the Board's meeting materials were the Ten-Year Financial Projections for 2024 through 2033 for the Electric, Water, and Communications Utilities. Mr. Roberts gave a summary presentation on the Ten-Year Projections and budget consideration. Mr. Roberts then provided a more detailed look at each utility and primary focuses for each in 2024 and the next ten years. He next discussed items considered while compiling 2024 budget and projections that could affect the Utilities over the next few years, such as market volatility, capital expenditure projects, inflation/recession, pension funding, and supply chain issues. Trustee Eversmeyer moved, seconded by Trustee McGinnis, that the 2024-2033 Ten Year Financial Projections be received and placed on file. All Trustees present voted aye. Motion carried.

In the General Manager's report, Mr. Huston shared MPW Staff completed successful negotiations regarding two agreements with BSLF Crypto – Electric Retail Services Agreement and Land Lease Agreement – which were fully executed on October 9, 2023. Mr. Huston also gave an update on the Network Retransmission Negotiations. Ms. Cox then provided an update on the NOFA 8 Fiber Expansion Grant Application status. She also provided an update on the IAMU Fall Broadband Forum that was hosted by MPW and the Merrill.

The September 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. He also reviewed the quarterly investment report.

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 Strategic Plan and Key Performance Indicators Presentation for the Electric, Water and Communications Utilities was the next agenda item. Mr. Huston and the Directors reviewed the high points of the 2023 3Q Strategic Plan and Key Performance Indicators.

The October Departmental Reports were presented as previously submitted to all Board members. Mr. Huston provided a high-level review of the reports and Mr. White reviewed the Powering the Future Monthly Status Report.

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

The meeting of the Board of Trustees was adjourned at 7:42 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