

**OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
DECEMBER 21, 2017 – 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 Thursday, December 21, 2017, at 5:30 p.m.

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

Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Jerry Gowey, Board Secretary; Charles Potter, Muscatine Journal; Erika Cox, Brandy Olson, Tim Reed, Gage Huston, and Brenda Christensen of Muscatine Power and Water.

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

The minutes of the November 28, 2017, public hearing and regular meeting were presented as previously submitted to all Board members in written form. Trustee McGinnis moved, seconded by Trustee Eversmeyer, that the minutes be approved and placed on file as submitted. All Trustees voted aye. Motion carried.

The list of expenditures and transactions for November 2017 was presented as previously submitted in written form to all Board members. After review, Trustee Bradford moved, seconded by Trustee Porter, to ratify payments of \$9,846,140.37 for the Electric Utility, \$747,447.75 for the Water Utility, and \$1,808,728.48 for the Communications Utility for a total amount of \$12,402,316.60. All Trustees voted aye. Motion carried.

The next agenda item was a recommendation for issuing of plans and specifications for performing the work, and to set dates for the receipt of bids and conduct a public hearing for the Grandview Avenue Water Treatment Plant Expansion Project. Mr. LoBianco reviewed the previously submitted memorandum to all Board members explaining that the project was approved with the 2016 Operating Budget for a total expenditure of \$715,000. The project expenditure was subsequently revised to \$1,111,220 and reapproved with the 2018 Operating Budget. The construction portion of this project is estimated at \$901,200, which covers the expansion of the existing Grandview Avenue Water Treatment Plant as designed by HR Green, Inc. After discussion, the following resolution was submitted:

RESOLUTION 17-50

WHEREAS, plans and specifications have been prepared for the Grandview Avenue Water Treatment Plant Expansion Project; and,

WHEREAS, said proposed plans and specifications and proposed form of contract are now on file with the Secretary of the Board and the Board finds the same are

in substantial conformity with the requirements necessary to carry out said plans; now therefore, Grandview Avenue Water Treatment Plant Expansion Project is tentatively, approved; and,

BE IT RESOLVED, that the date of February 6, 2018, at 3:00 p.m., is hereby set for receipt of bids on said project at which time the Board's duly appointed representatives are hereby authorized, empowered and directed to receive, open and read aloud all sealed bids, and receive and record all oral bids, and keep a written record of said proceedings and notice to bidders is published not less than thirteen (13) days nor more than forty-five (45) days prior to said date for receipt of bids all as required by the Code of Iowa; and,

BE IT FURTHER RESOLVED, that the hearing on said plans and specifications and proposed form of contract as provided by statute, be held at the office of the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa on February 27, 2018 at 5:28 p.m., and notice to bidders be published not less than four (4) days nor more than twenty (20) days prior to said hearing all as required by the code of Iowa.

Trustee Bradford moved, seconded by Trustee McGinnis, that said resolution should be passed, approved, and adopted on this 21st day of December 2017. On roll call Trustees Porter, Eversmeyer, McGinnis, Bradford, and Tubandt voted aye. Voting nay, none. Resolution carried.

The next agenda item was approval of a revised Project Summary Form (PSF) for the Construction of a Hardened Data Center Project. Mr. LoBianco explained to the Board that the project was originally approved with the 2017 Operating Budget with a total project cost of \$1,025,250. He continued that additional funds are needed due to mechanical heat load increases, electrical load increases, structural pile installation and overall construction complexity and risk. The revised total project cost is \$2,000,000. Mr. LoBianco continued that this project also includes addressing some vulnerabilities with the existing hardened facility that houses Information Systems and System Control. The improvements to the existing facility, which includes encapsulating the HVAC and the electrical supply transformer, is estimated at \$225,000. He stated that the hardening of the existing data center creates a complex and high-risk construction project and very conservative construction bids are expected as a result. Trustee McGinnis moved, seconded by Trustee Bradford, to approve the revised Project Summary Form for the Construction of a Hardened Data Center Project. All Trustees voted aye. Motion carried.

Mr. LoBianco continued that the next agenda item was a recommendation for issuing of plans and specifications for performing the work, and to set dates for the receipt of bids and conduct a public hearing for the Construction of a Hardened Data Center Project. The following resolution was submitted:

RESOLUTION 17-51

WHEREAS, plans and specifications have been prepared for the Construction of a Hardened Data Center Project; and,

WHEREAS, said proposed plans and specifications and proposed form of contract are now on file with the Secretary of the Board and the Board finds the same are in substantial conformity with the requirements necessary to carry out said plans; now therefore, Construction of a Hardened Data Center Project is tentatively approved; and,

BE IT RESOLVED, that the date of February 15, 2018, at 3:00 p.m., is hereby set for receipt of bids on said project at which time the Board's duly appointed representatives are hereby authorized, empowered and directed to receive, open and read aloud all sealed bids, and receive and record all oral bids, and keep a written record of said proceedings and notice to bidders is published not less than thirteen (13) days nor more than forty-five (45) days prior to said date for receipt of bids all as required by the Code of Iowa; and,

BE IT FURTHER RESOLVED, that the hearing on said plans and specifications and proposed form of contract as provided by statute, be held at the office of the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa on March 27, 2018 at 5:28 p.m., and notice to bidders be published not less than four (4) days nor more than twenty (20) days prior to said hearing all as required by the code of Iowa.

Trustee Porter moved, seconded by Trustee Bradford, that said resolution should be passed, approved, and adopted on this 21st day of December 2017. On roll call Trustees Porter, Eversmeyer, McGinnis, Bradford, and Tubandt voted aye. Voting nay, none. Resolution carried.

Mr. LoBianco next recommended that the Board approve pricing for the new Communications Fiber Service. He continued that with the launch of fiber services in Muscatine, Staff re-examined internet service offerings to ensure they aligned with what customers' needs are today and were reflective of a system capable of delivering up to a gigabit of Internet speeds. Fiber services to each home and business is expected to have a positive impact on attracting new residents and businesses to Muscatine, allowing more efficient work-from-home options, and increasing educational opportunities for students and teachers in Muscatine. Upgrading infrastructure and equipment to deliver services via fiber positions Muscatine Power and Water to continue being a leader in telecommunications services. He continued that staff has developed all new speeds for MachLink Internet services and pricing representative of the new speeds, and stated that with significant Internet speed increases the cost per megabit is decreasing over current rates, delivering more value to the customer. He continued that staff is requesting the Board approve the entry package pricing for internet and phone services: Mach40 at \$49.99 per month and Local phone service at \$19.99, and that as in the past, the General Manager continue to be responsible for approving tier pricing, premium services, equipment fees, promotional packages, and discounts to assure the financial viability of the Communications Utility. Ms. Cox provided an update on customers that have been connected so far and their experiences with the new system, concluding that experiences have been very good so far. After additional discussion, the following resolution was submitted:

RESOLUTION 17-52

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that effective with the launch of fiber Internet and phone service, the Communications Utility's price structure for Communication Fiber Services will be as follows: Mach40 Internet pricing at \$49.99 and Local Phone Service at \$19.99; and,

BE IT FURTHER RESOLVED, that the General Manager of Muscatine Power and Water shall continue to be responsible for approving price tiers, premium services, equipment fees, promotional packages, and discounts for all Muscatine Power and Water's Communications services as deemed necessary to ensure the 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 Porter moved, seconded by Trustee Eversmeyer, that said resolution should be passed, approved, and adopted on this 21st day of December 2017. On roll call Trustees Porter, Eversmeyer, McGinnis, Bradford, and Tubandt voted aye. Voting nay, none. Resolution carried.

Mr. LoBianco next recommended that the regularly scheduled December 2018 Board Meeting date is December 25, 2018, which is Christmas Day. It is recommended that the Board reschedule the December Board meeting from Tuesday, December 25, 2018, to Thursday, December 20, 2018. Trustee Eversmeyer moved, seconded by Trustee McGinnis, that the December Board Meeting date be changed to Thursday, December 20, 2018. All Trustees voted aye. Motion carried.

Mr. LoBianco reminded the Board that the MAGIC Board is comprised of two representatives each from the Board of Water, Electric, & Communications Trustees, the Muscatine City Council, and the Muscatine County Board of Supervisors. Trustee Tubandt will complete his second year on the MAGIC Board December 31, 2017. The other current MP&W member is Trustee Porter, who was appointed in December of 2016 and will serve through 2018. It was recommended that Trustee McGinnis be appointed to the MAGIC Board effective January 1, 2018, for a two-year term to represent Muscatine Power & Water, with her term ending December 31, 2019. Trustee Tubandt was thanked by Mr. LoBianco and the Board for his term of service on the MAGIC Board. Trustee Eversmeyer moved, seconded by Trustee Bradford, to appoint Trustee McGinnis to the MAGIC Board effective January 1, 2018, for a two-year term. All Trustees voted aye. Motion carried.

In the General Manager's Report, Mr. LoBianco shared a draft of the Communications Utility Outage Report that had been requested by the Board at the November Board Meeting. Ms. Cox reviewed the parameters used in the report and requested that the Trustees provide any feedback or changes by the January meeting. Mr. LoBianco also shared that the Communications Utility was in the middle of negotiations with the Broadcast channels (ABC,

CBS, NBC) and that the costs that Broadcasters are demanding include significant increase, which will further drive up the cost of providing TV services to the Community.

The November Financial Operating Statements and Balance Sheets were presented as previously submitted to all Board members in written form. Mr. Gowey reviewed the November financials for each Utility. After review and discussion, Trustee McGinnis moved, seconded by Trustee Porter, to receive and place on file the November Financial Operating Statements and Balance Sheets for the Water, Electric, and Communications Utilities. All Trustees voted aye. Motion carried.

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 November departmental reports were presented as previously submitted to all Board members in written form. Trustee Eversmeyer moved, seconded by Trustee Porter, to receive and place on file the November Departmental Reports. All Trustees voted aye. Motion carried.

Chairperson Tubandt asked if there were any other items of business. With no other items of business, the meeting was adjourned at 6:20 p.m.

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



Jerry Gowey
Board Secretary