

**OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
MARCH 27, 2018 – 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, March 27, 2018, at 5:30 p.m.

Chairperson 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; Ryan O'Donnell, Baker Tilly Virchow Krause, LLP (BT); Charles Potter, Muscatine Journal; Erika Cox, Tim Reed, Gage Huston, Brandy Olson, 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 comments.

The minutes of the February 27, 2018, regular meeting were presented as previously submitted to all Board members in written form. Trustee Porter moved, seconded by Trustee McGinnis, that the February 27, 2018, regular meeting minutes be approved. All Trustees voted aye. Motion carried.

The list of expenditures and transactions for February 2018 was presented as previously submitted to all Board members in written form. After review and discussion of the expenditures, Trustee McGinnis moved, seconded by Trustee Eversmeyer to ratify payment of \$9,169,149.29 for the Electric Utility, \$396,047.87 for the Water Utility, and \$1,094,195.35 for the Communications Utility for a cumulative total of \$10,659,392.51. All Trustees voted aye. Motion carried.

Mr. LoBianco reviewed the previously submitted memorandum to all Board members regarding the recommendation to award a contract for the Construction of Hardened Data Center Project. This project was approved with the 2017 Operating Budget for a total expenditure of \$1,025,250. The project expenditure was subsequently revised at the December 21, 2017, Board Meeting to \$2,000,000 and the published estimate was \$1,620,000. Specifications pertaining to the Construction of Hardened Data Center project were mailed to 102 potential bidders. A total of five bids were received, opened publicly, and read aloud on February 15, 2018, at 3:00 p.m. Five bidders attended the opening. Management and MP&W consultant, Heery International, Inc., reviewed the bids and established conformance to the specifications with the evaluated low bidder of Woodruff Construction, LLC. There were no exceptions or clarifications to the bid documents taken by the lower bidder. Therefore, it is recommended that award of the contract for the Construction of Hardened Data Center project be made to Woodruff Construction LLC., of

Tiffin, Iowa, for a total price of \$1,900,600. The following resolution was submitted:

RESOLUTION 18-09

WHEREAS it appears in a written report from Muscatine Power and Water Management that the bid for the Construction of Hardened Data Center Project, as submitted by Woodruff Construction LLC., of Tiffin, Iowa, for a total price of \$1,900,600, 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 Woodruff Construction LLC., of Tiffin, Iowa, for a total price of \$1,900,600, for Construction of Hardened Data Center Project 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 Board of Water, Electric, and Communications Trustees.

Trustee Bradford moved, seconded by Trustee McGinnis that said resolution should be passed, approved, and adopted on this 27th day of March 2018. On roll call Trustees Bradford, Porter, Eversmeyer, McGinnis, and Tubandt voted aye. Voting nay, none. Resolution 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 Unit 9 Turbine Roof Replacement Project. Mr. LoBianco stated this project was approved with the 2018 Operating Budget for a total expenditure of \$300,000. The project estimate for the work is \$275,000 to furnish all labor, materials, tools, equipment, and supervision necessary to remove, properly dispose of, and restore an approximate 12,000 square foot area of the existing roof system and five roof drains at MP&W's Generation site. He continued that the published estimate for this Competitive Bid will be \$123,300. After discussion, the following resolution was submitted:

RESOLUTION 18-10

WHEREAS, plans and specifications have been prepared for Unit 9 Turbine Roof Replacement 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, Unit 9 Turbine Roof Replacement Project is tentatively, approved; and,

BE IT RESOLVED, that the date of April 26, 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 of receipt of bids 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 May 29, 2018, at 5:28 p.m., and notice of public hearing 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 Eversmeyer moved, seconded by Trustee Porter that said resolution should be passed, approved, and adopted on this 27th day of March 2018. On roll call Trustees Eversmeyer, McGinnis, Bradford, Porter, and Tubandt voted aye. Voting nay, none. Resolution 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 69kV Duct Bank Construction and Conduit Installation for Linn St. Project. Mr. LoBianco explained that this work is a subset of the Mississippi Drive Corridor Underground, Phase I - Project that was approved with the 2017 Operating Budget for a total expenditure of \$5,920,100. The overall project is a City of Muscatine multi-phase beautification project along Mississippi Drive Corridor. He continued that MP&W has sections of the project that will not be covered under the main contract awarded by the City of Muscatine because these portions were outside of the boundary of the Environmental Assessment and must be bid separately by MP&W. The portion of the work for this project covers the labor, materials, tools, equipment, and supervision necessary to construct the 69kV duct bank, transmission vault and install distribution conduit located at Linn Street. The estimated total expenditure for this work is \$137,000. The published estimate for this Competitive Bid will be \$123,300. After discussion, the following resolution was submitted:

RESOLUTION 18-11

WHEREAS, plans and specifications have been prepared for 69kV Duct Bank Construction and Conduit Installation for Linn St. 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, 69kV Duct Bank Construction and Conduit Installation for Linn St. Project is tentatively, approved; and,

BE IT RESOLVED, that the date of April 10, 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 of receipt of bids 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 April 24, 2018, at 5:26 p.m., and notice of public hearing 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 Eversmeyer moved, seconded by Trustee Porter that said resolution should be passed, approved, and adopted on this 27th day of March 2018. On roll call Trustees Eversmeyer, McGinnis, Porter, Bradford, and Tubandt voted aye. Voting nay, none. Resolution carried.

Mr. LoBianco stated that the next agenda item was to receive and place on file the 2017 Audit for the Electric, Water, and Communications Utilities. Mr. Russ Hissam joined the meeting by phone at 5:40 p.m. Mr. LoBianco introduced BT Audit Manager Ryan O'Donnell and BT Partner Russ Hissom and stated that Mr. O'Donnell would review the recently completed independent audit for MP&W covering the calendar year 2017. Trustee Eversmeyer communicated that the Audit/Finance Committee, Trustee Bradford and herself, had held a meeting prior to the Board meeting and reviewed the audit results in detail. Mr. O'Donnell directed the Board to the previously submitted material regarding Muscatine Power and Water's 2017 Audit. This material included a PowerPoint presentation prepared by the auditors that covered the audit overview and auditor's communication with those Charged with Governance. A copy of the Management Representation Letter to the Auditors was also included in the packet. He continued that the audit was performed in accordance with all Generally Accepted Auditing Standards and that MP&W Staff had provided full transparency and opened all records and that internal controls in all key areas were examined. He stated that the MP&W Audit went well; no adjusting entries were required of the Utilities financial statements and MP&W was in compliance with all State auditing standards with no exceptions noted. The MP&W Electric and Communications Utility financial statements received an Unqualified Opinion; the Water Utility received a Qualified Opinion due to a timing issue regarding the IPERS annual report that provides required information to apply the GASB 68 standard for calculating pension liability. After review of the Audit Presentation, Trustee Eversmeyer moved, seconded by Trustee McGinnis, to receive and place on file the 2017 Audit of the Electric, Water, and Communications Utilities. All Trustees voted aye. Motion carried.

Mr. O'Donnell and Mr. Hissom left the meeting at 5:45 p.m.

Next Mr. LoBianco reviewed the previously submitted memorandum to the Board members requesting that the Mayor and City Council designate the week of May 6-12, 2018, as Drinking Water Week. Mr. LoBianco said that for more than 35 years the American Water Works Association and its members have celebrated Drinking Water Week; the week is a unique opportunity for both water professionals and the communities they serve to join

together in recognizing the vital role water plays in our daily lives. He continued that MP&W would be participating in Drinking Water Week through public awareness activities. The following resolution was submitted:

RESOLUTION 18-12
DRINKING WATER WEEK MAY 6-12, 2018

WHEREAS, the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa wish to recognize its customers and employees during Drinking Water Week; and,

WHEREAS, the citizens of Muscatine are both owners and consumers of Muscatine Power and Water which provides our homes, businesses, farms, and local government agencies with reliable and cost-effective water by employing sound business practices designed to ensure the best possible service at the lowest possible rate; now therefore,

BE IT RESOLVED, that the Board of Trustees request that the Mayor and City Council designate the week of May 6-12, 2018, as Drinking Water Week in Muscatine, in order to honor Muscatine Power and Water, its consumer-owners, and its employees, who work together to provide the best possible water services; and,

BE IT FURTHER RESOLVED, that Muscatine has joined hands with other communities across the nation to celebrate the benefits of a consumer-owned water utility for our local and national progress.

Trustee Eversmeyer moved, seconded by Trustee Porter that said resolution should be passed, approved, and adopted on this 27th day of March 2018. On roll call Trustees McGinnis, Porter, Bradford, Eversmeyer, and Tubandt voted aye. Resolution carried.

In the General Manager's report, Mr. LoBianco reviewed an update provided by Ms. Olson on her attendance and the issues that were discussed at the APPA Legislative Rally that took place in March. He also communicated that MP&W had been voted the Best Employer in Muscatine in the Muscatine Journal Best of Readers Favorites and that Ms. Cox been interviewed on Hy-Vee Today regarding the Fiber to the Home Project and that the video of the interview was available on Facebook.

The February Financial Operating Statements and Balance Sheets were presented as previously submitted to all Board members in written form. Mr. Govey reviewed the February financials for each Utility. Trustee Eversmeyer moved, seconded by Trustee Bradford, to receive and place on file the February 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 format. There were no items for approval. The report was received and placed on file.

The February Departmental Reports were presented as previously submitted to all Board members in written form. After some discussion on the VoIP launch in April, Trustee Eversmeyer moved, seconded by Trustee Porter, to receive and place on file the February Departmental Reports. All Trustees voted aye. Motion carried.

The meeting was adjourned at 6:10 p.m.

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



Jerry Govey
Board Secretary