

**OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
AUGUST 25, 2020 – 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, August 25, 2020, at 5:30 p.m.

Chairperson Susan Eversmeyer called the meeting to order. Members of the Board were present as follows: Trustees Kevin Fields, Keith Porter, Tracy McGinnis, and Susan Eversmeyer. Trustee Steven Bradford was unavailable due to previously scheduled travel plans.

Also present were Gage Huston, General Manager of Muscatine Power and Water (MPW); Brenda Christensen, Board Secretary; Charles Potter, Muscatine Journal; Erika Cox, Brandy Olson, Mark Roberts, Ryan Streck, and Doug White of (MPW).

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

The July 28, 2020, public hearing and regular meeting minutes were presented for review. Trustee Porter moved, seconded by Trustee McGinnis, the minutes from the July 28, 2020, public hearing and regular meeting minutes be received and placed on file. All Trustees present voted aye. Motion carried.

The list of expenditures and transactions for July 2020 were presented as previously submitted to all Board members. Trustee McGinnis moved, seconded by Trustee Fields to ratify payment of \$8,081,330.54 for the Electric Utility, \$543,161.04 for the Water Utility, and \$1,188,664.97 for the Communications Utility, for a cumulative total of \$9,813,156.55. All Trustees present voted aye. Motion carried.

Mr. Huston introduced the next agenda item to the Board as a recommendation to approve Contract Change Order (CCO) No. 1 and accept as complete the contract for the Unit 9 ESP Roof Replacement Project. Mr. Huston told the Board this project was approved with the 2020 Operating Budget for a total expenditure of \$180,000. The scope of work estimate was \$172,000 to furnish all labor, materials, tools, equipment, and supervision necessary for the Unit 9 ESP Roof Replacement Project. At the March 2020 Board Meeting, a contract was awarded to Jim Giese Commercial Roofing, Inc. with a contract price of \$82,240 for the project. CCO No. 1 increased the costs by \$9,756.00 and included adding an additional layer of insulation along with installation of gutters, downspouts, and metal deck overlay. Even with these additional charges, the total project expense remains significantly under budget. Management recommended the Board approve CCO No. 1 and accept as complete the contract with Jim Giese Commercial Roofing, Inc. for the Unit 9 ESP Roof Replacement Project. After discussion and review, the following resolutions were submitted:

RESOLUTION 20-23

WHEREAS, Contract Change Order No. 1 has been prepared to said contract with Jim Giese Commercial Roofing, Inc., for the Unit 9 ESP Roof Replacement Project in the increased total amount of \$9,756.00 and said Contract Change Orders have been reviewed by the Board, and Muscatine Power and Water Management 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 No. 1 in the increased total net amount of \$9,756.00 be approved for an amended contract price of \$91,996.00 for the Unit 9 ESP Roof Replacement Project.

Trustee Porter moved, seconded by Trustee McGinnis, said resolution be passed, approved, and adopted this 25th day of August 2020. On roll call, Trustees Porter, McGinnis, Fields and Eversmeyer voted aye. Voting nay, none. Resolution carried. Trustee Bradford was absent.

RESOLUTION 20-24

WHEREAS, it appears in a written report from Muscatine Power and Water Management that the contract with Jim Giese Commercial Roofing, Inc. for the Unit 9 ESP Roof Replacement Project in the final amount of \$91,996.00 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 Unit 9 ESP Roof Replacement Project, furnished under the above-named contract be 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 Fields moved, seconded by Trustee McGinnis, said resolution be passed, approved, and adopted this 25th day of August 2020. On roll call, Trustees Porter, McGinnis, Fields and Eversmeyer voted aye. Voting nay, none. Resolution carried. Trustee Bradford was absent.

The next agenda item was a recommendation to accept as complete the contract for the Water Tower Refurbishment Project. Mr. Huston told the Board this project was approved with the 2020 Operating Budget for a total expenditure of \$561,000 and at the February 2020 Board Meeting, the project was awarded to J.R. Stelzer Co. for a total cost of \$457,000. He continued with a short history of project progression including Muscatine winning the Iowa Finance Authority's "It's in the Water" contest to have Laura Palmer design a water tower wrap, public input from the community on the final design and the recent ribbon cutting. Contract Change Order (CCO) No. 1 was provided and included a cost decrease due do the need for installation of fall protection on the interior bowl ladder being eliminated. CCO No.

1 also include cost increases for adding a change to paint the bottom of the bowl gray and adding the furnishing and installation of a mud drain valve. This CCO No. 1 increases the amount of the contract by \$8,300.00. Management recommended the Board ratify CCO No. 1 and accept as complete the contract with J.R. Stelzer Co. for the Water Tower Refurbishment Project. After additional discussion, the following resolutions were submitted:

RESOLUTION 20-25

WHEREAS, Contract Change Order No. 1 has been prepared to said contract with J.R. Stelzer Co., for the Water Tower Refurbishment Project in the increased total amount of \$8,300.00 and said Contract Change Orders have been reviewed by the Board, and Muscatine Power and Water Management 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 No. 1 in the increased total net amount of \$8,300.00 be approved for an amended contract price of \$452,550.00 for the Water Tower Refurbishment Project.

Trustee Porter moved, seconded by Trustee Fields, said resolution be passed, approved, and adopted this 25th day of August 2020. On roll call, Trustees Porter, McGinnis, Fields and Eversmeyer voted aye. Voting nay, none. Resolution carried. Trustee Bradford was absent.

RESOLUTION 20-26

WHEREAS, it appears in a written report from Muscatine Power and Water Management that the contract with J.R. Stelzer Co. for the Water Tower Refurbishment Project in the final amount of \$452,550.00 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 Water Tower Refurbishment Project, furnished under the above-named contract be 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 McGinnis moved, seconded by Trustee Porter, said resolution be passed, approved, and adopted this 25th day of August 2020. On roll call, Trustees Porter, McGinnis, Fields and Eversmeyer voted aye. Voting nay, none. Resolution carried. Trustee Bradford was absent.

Mr. Huston stated as follow-up to the update on the Fixed Wireless service at last month's Board Meeting, a project with an estimated expenditure of \$250,800 was included for review and approval at this Board meeting. The project includes expenditures to purchase licensed spectrum, upgrade existing equipment, add base stations and associated equipment to our

existing tower locations, and replace all customer premise radios. He stated that for MPW to continue to stay in the fixed wireless business, the Communications Utility needs to implement this project. A recent engineering study review determined our current equipment, including server, switches, routers (all in the NOC) and base stations (on the water tower and power plant stack) are viable and can be upgraded with limited investment. Mr. Huston also said MPW expected a successful bid on 20 MHz of licensed CBRS spectrum for Muscatine County would be confirmed soon, although the auction has not concluded. After additional discussion, Trustee Porter moved, seconded by Trustee McGinnis, to approve the 2020-21 Fixed Wireless Upgrade Project with an expenditure of \$250,800. All Trustees voted present aye. Motion carried. Trustee Bradford was absent.

A resolution authorizing the refinancing of the \$10,000,000 Communications Revenue Bonds, Series 2017 was presented as the last step for the Board to complete the refinancing of this debt. Mr. Huston explained First National Bank and outside counsel for MPW recommended a change to the financing structure approved at the July 2020 Board meeting. The recommendation stated the Communications Revenue Bonds, Series 2020, would be refinanced in two tranches of \$3,700,000 in August-September 2020 and \$6,300,000 in January 2021. The Board was also provided a copy of the loan agreement. Staff recommends Board approval allowing MPW to proceed with each issuance. After discussion and review, the following resolution was submitted:

A resolution authorizing the refinancing of the Communications Revenue Bonds, Series 2017 was presented as the last step for the Board to complete the refinancing of the \$10,000,000 Communications Revenue Bonds, Series 2017 ("Series 2017"). Mr. Huston explained First National Bank and outside counsel for MPW recommended a change to the financing structure approved at the July 2020 Board meeting. The recommendation stated the Communications Revenue Bonds, Series 2020, would be refinanced in two tranches of \$3,700,000 in August-September 2020 and \$6,300,000 in January 2021. The Board was also provided a copy of the loan agreement. Staff recommends Board approval allowing MPW to proceed with each issuance. After discussion and review, the following resolution was submitted:

RESOLUTION 20-28

Resolution approving Communications Revenue Loan Agreements and providing for the issuance and securing the payment of \$10,000,000 Communications Revenue Bonds, Series 2020 and Series 2021

WHEREAS, the City of Muscatine (the "City"), in Muscatine County, State of Iowa, did heretofore establish the Muscatine Communications Utility System (the "Communications Utility") of Muscatine Power and Water ("Muscatine Power and Water" or the "Issuer") and for which the Communications Utility provides cable communication, television system, telephone and telecommunications systems and services in and to the City and its inhabitants since its establishment; and

WHEREAS, the management and control of the Communications Utility are vested in the Board of Trustees of the Water, Electric and Communications (the "Board") of Muscatine Power and Water; and

WHEREAS, the Communications Utility of the Issuer, acting by and through the Board, proposed to enter into Communications Revenue Loan Agreements (the "Loan Agreements") and borrow money in a principal amount not to exceed \$10,000,000 pursuant to the provisions of Section 384.24A of the Code of Iowa for the purpose of paying the cost, to the extent of constructing cable communication, television system, telephone and telecommunications systems improvements and extensions to the municipal Communications Utility and refunding a portion of outstanding previously issued Communications Revenue Bond, Series 2017 the proceeds of which were originally used for the same purpose (the "Series 2017 Bond" or a "Parity Obligation") (collectively the "Project"), and

WHEREAS, the Board has previously published notice of the proposed action and has held a hearing thereon on July 28, 2020; and

WHEREAS, it is now necessary at this time to authorize and approve the Loan Agreements and to make provision for the issuance of one or more series of \$10,000,000 Communications Revenue Bonds, Series 2020 and Series 2021 (collectively the "Bonds");

NOW, THEREFORE, Be It Resolved by the Board of Muscatine Power and Water acting with respect to the Communications Utility, as follows:

Section 1. It is hereby determined that the Issuer shall enter into the Loan Agreements with First National Bank of Muscatine, Muscatine, Iowa (the "Purchaser") in substantially the form attached hereto providing for loans in one or more series to the Issuer in the aggregate principal amount of \$10,000,000 for the purposes as set forth in the preamble hereof.

The Chairperson and Board Secretary are authorized and directed to sign the Loan Agreements on behalf of the Board, and the Loan Agreements are hereby approved.

Section 2. The Bonds are hereby authorized to be issued in evidence of the obligation of the Issuer under the Loan Agreements, in the total aggregate total principal amount of \$10,000,000, and shall be dated as of the date of their delivery to the Purchaser and shall be payable as to both principal and interest in the manner hereinafter specified.

Principal of the Bonds shall bear interest until paid from the date of the Bonds or from the last date on which interest has been paid at the rate of 2.73% per annum. Both principal of and interest on the Bonds shall be payable in quarterly installments as set forth in the Bonds, with one final installment of all remaining principal and interest due thereon at maturity on September 30, 2027. All payments shall be applied first to the payment of interest due and next to the reduction of principal. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Section 3. The Board Secretary is hereby designated as the registrar and paying agent for the Bonds and may be hereinafter referred to as the "Registrar" or the "Paying Agent."

The Issuer reserves the right to prepay principal of the Bonds in whole or in part at any time prior to and in inverse order of maturity on terms of par and accrued interest.

The Bonds shall be executed on behalf of the Issuer with the official manual or facsimile signature of the Chairperson and attested with the official manual or facsimile signature of the Board Secretary and shall be fully registered Bonds without interest coupons. The issuance of the Bonds shall be recorded in the office of the City Treasurer, and the certificate on the back of each Bond shall be executed with the official manual or facsimile signature of the City Treasurer. In case any officer whose signature or the facsimile of whose signature appears on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Bonds and the interest thereon, together with any additional obligations as may be hereafter issued and outstanding from time to time ranking on a parity therewith under the conditions set forth herein (which additional obligations are hereinafter sometimes referred to as “Parity Obligations”), shall be payable solely from the Net Revenues of the Communications Utility and the Sinking Fund hereinafter referred to, both of which are hereby pledged to the payment of the Bonds. The Bonds shall be a valid claim of the owners thereof only against said Net Revenues and Sinking Fund. None of the Bonds shall be a general obligation of the City or the Communications Utility, nor payable in any manner by taxation, and under no circumstances shall the City or the Communications Utility be in any manner liable by reason of the failure of the Net Revenues of the Communications Utility to be sufficient for the payment in whole or in part of the Bonds and the interest thereon.

The Bonds shall be fully registered as to principal and interest in the names of the owners on the registration books of the Issuer kept by the Registrar, and after such registration, payment of the principal and interest thereof shall be made only to the registered owners, their legal representatives or assigns. Each Bond shall be transferable only upon the registration books of the Issuer upon presentation to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form thereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The record and identity of the owners of the Bonds shall be kept confidential as provided by Section 22.7 of the Code of Iowa.

Section 4. The Bonds shall be in substantially the following form:

(Form of Bond)
 UNITED STATES OF AMERICA
 STATE OF IOWA
 COUNTY OF MUSCATINE
 MUSCATINE POWER AND WATER
 MUSCATINE COMMUNICATIONS UTILITY SYSTEM

COMMUNICATIONS REVENUE BOND, SERIES 2020

No. 1 \$3,700,000

RATE	MATURITY DATE	BOND DATE
2.73%	September 30, 2027	September 3, 2020

The Muscatine Communications Utility System of Muscatine Power and Water (“Muscatine Power and Water” or the “Issuer”), in the City of Muscatine (the “City”), State of Iowa, for value received, promises to pay on the maturity date of this Bond to:

First National Bank of Muscatine
 Muscatine, Iowa

or registered assigns, the principal sum of

THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS

in lawful money of the United States of America, with interest on the outstanding principal hereof, at the rate per annum specified above, from the date of this Bond, or from the most recent date on which interest has been paid.

Principal of this Bond bears interest at the rate of 2.73% per annum. Both principal of and interest on this Bond are payable in equal quarterly installments in the amount of \$145,914.14 each, due on December 30, March 30, June 30 and September 30 in each of the years 2020 to 2027, inclusive, commencing December 30, 2020 and continuing to and including June 30, 2027, with one final installment of all remaining principal and interest due thereon at final maturity on September 30, 2027.

All payments will be applied first to the payment of interest due and next to the reduction of principal. Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Both principal of and interest on this Bond are payable to the registered owner appearing on the registration books of the Issuer maintained by the Board Secretary (hereinafter referred to as the “Registrar” or the “Paying Agent”) at the close of business on the fifteenth day of the month next preceding the payment date in lawful money of the United States of America by check or draft mailed to the registered owner at the address shown on such registration books; provided, however, that the final installment of principal and interest will be payable only upon presentation and surrender of this Bond to the Paying Agent.

This Bond is being issued pursuant to and in strict compliance with the provisions of Chapter 384 of the Code of Iowa, 2019, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the Board of Trustees authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of this Bond (the “Resolution”), and reference is hereby made to the Resolution and the Loan Agreement for a more complete statement as to the source of payment of this Bond and the rights of the owners of this Bond.

The Issuer reserves the right to prepay principal of this Bond in whole or in part at any time prior to and in inverse order of maturity on terms of par and accrued interest.

This Bond is not a general obligation of the City or Communications Utility, but, together with any additional obligations as may be hereafter issued and outstanding from time to time ranking on a parity therewith under the conditions set forth in the Resolution, is payable solely and only out of the future Net Revenues of the Communications Utility, a sufficient portion of which has been ordered set aside and pledged for that purpose. The Bond is not payable in any manner by taxation, and under no circumstances shall the City or Communications Utility be in any manner liable by reason of the failure of the said Net Revenues to be sufficient for the payment of this Bond and the interest hereon.

This Bond is fully negotiable but shall be fully registered as to both principal and interest in the name of the owner on the books of the Issuer in the office of the Registrar, after which no transfer shall be valid unless made on said books and then only upon presentation of this Bond to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form hereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The Issuer, the Registrar and the Paying Agent may deem and treat the registered owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and the Issuer, the Registrar and the Paying Agent shall not be affected by any notice to the contrary.

And It Is Hereby Certified, Recited and Declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond has existed, have happened and have been performed in due time, form and manner, as required by law, and that the issuance of the Bond does not exceed or violate any constitutional or statutory limitation or provision.

IN TESTIMONY WHEREOF, Muscatine Power and Water, by its Board, has caused this Bond to be executed with the duly authorized facsimile signature of its Chairperson and attested with the duly authorized facsimile signature of its Board Secretary, all as of the Bond Date.

MUSCATINE POWER AND WATER

By: (DO NOT SIGN)
Chairperson, Board of Trustees

Attest:

(DO NOT SIGN)
Board Secretary

STATE OF IOWA
MUSCATINE COUNTY SS: CITY TREASURER’S CERTIFICATE
MUSCATINE POWER AND WATER

The original issuance of the Bonds, of which this Bond is a part, was duly and properly recorded in my office as of September 3, 2020.

(DO NOT SIGN)
City Treasurer, Muscatine, Iowa

ABBREVIATIONS

The following abbreviations, when used in this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common	UTMA	_____
TEN ENT	-	as tenants by the entireties		_____
				(Custodian)
JT TEN	-	as joint tenants with	As Custodian for	_____
		right of survivorship and not		(Minor)
		as tenants in common	under Uniform Transfers to Minors Act	_____
				(State)

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

For valuable consideration, receipt of which is hereby acknowledged, the undersigned assigns this Bond to

(Please print or type name and address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

and does hereby irrevocably appoint _____, Attorney, to transfer this Bond on the books kept for registration thereof with full power of substitution.

Dated: _____

Signature guaranteed:

(Signature guarantee must be provided in accordance with the prevailing standards and procedures of the Registrar and Transfer Agent. Such standards and procedures may require signatures to be guaranteed by certain eligible guarantor institutions that participate in a recognized signature guarantee program.)

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears on this Bond in every particular, without alteration or enlargement or any change whatever.

(Form of Bond)
 UNITED STATES OF AMERICA
 STATE OF IOWA
 COUNTY OF MUSCATINE
 MUSCATINE POWER AND WATER
 MUSCATINE COMMUNICATIONS UTILITY SYSTEM
 COMMUNICATIONS REVENUE BOND, SERIES 2021

No. 1		\$6,300,000
RATE	MATURITY DATE	BOND DATE
2.73%	September 30, 2027	January 5, 2021

The Muscatine Communications Utility System of Muscatine Power and Water (“Muscatine Power and Water” or the “Issuer”), in the City of Muscatine (the “City”), State of Iowa, for value received, promises to pay on the maturity date of this Bond to:

First National Bank of Muscatine
 Muscatine, Iowa

or registered assigns, the principal sum of

SIX MILLION THREE HUNDRED THOUSAND DOLLARS

in lawful money of the United States of America, with interest on the outstanding principal hereof, at the rate per annum specified above, from the date of this Bond, or from the most recent date on which interest has been paid.

Principal of this Bond bears interest at the rate of 2.73% per annum. Both principal of and interest on this Bond are payable in equal quarterly installments in the amount of \$256,147.07 each, due on March 30, June 30, September 30 and December 30 in each of the years 2021 to 2027, inclusive, commencing March 30, 2021 and continuing to and including June 30, 2027, with one final installment of all remaining principal and interest due thereon at final maturity on September 30, 2027.

All payments will be applied first to the payment of interest due and next to the reduction of principal. Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Both principal of and interest on this Bond are payable to the registered owner appearing on the registration books of the Issuer maintained by the Board Secretary (hereinafter referred to as the “Registrar” or the “Paying Agent”) at the close of business on the fifteenth day of the month next preceding the payment date in lawful money of the United States of America by check or draft mailed to the registered owner at the address shown on such registration books; provided, however, that the final installment of principal and interest will be payable only upon presentation and surrender of this Bond to the Paying Agent.

This Bond is being issued pursuant to and in strict compliance with the provisions of Chapter 384 of the Code of Iowa, 2019, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the Board of Trustees authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of this Bond (the “Resolution”), and reference is hereby made to the Resolution and the Loan Agreement for a more complete statement as to the source of payment of this Bond and the rights of the owners of this Bond.

The Issuer reserves the right to prepay principal of this Bond in whole or in part at any time prior to and in inverse order of maturity on terms of par and accrued interest.

This Bond is not a general obligation of the City or Communications Utility, but, together with any additional obligations as may be hereafter issued and outstanding from time to time ranking on a parity therewith under the conditions set forth in the Resolution, is payable solely and only out of the future Net Revenues of the Communications Utility, a sufficient portion of which has been ordered set aside and pledged for that purpose. The Bond is not payable in any manner by taxation, and under no circumstances shall the City or Communications Utility be in any manner liable by reason of the failure of the said Net Revenues to be sufficient for the payment of this Bond and the interest hereon.

This Bond is fully negotiable but shall be fully registered as to both principal and interest in the name of the owner on the books of the Issuer in the office of the Registrar, after which no transfer shall be valid unless made on said books and then only upon presentation of this Bond to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form hereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The Issuer, the Registrar and the Paying Agent may deem and treat the registered owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and the Issuer, the Registrar and the Paying Agent shall not be affected by any notice to the contrary.

And It Is Hereby Certified, Recited and Declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond has existed, have happened and have been performed in due time, form and manner, as required by law, and that the issuance of the Bond does not exceed or violate any constitutional or statutory limitation or provision.

IN TESTIMONY WHEREOF, Muscatine Power and Water, by its Board, has caused this Bond to be executed with the duly authorized facsimile signature of its Chairperson and attested with the duly authorized facsimile signature of its Board Secretary, all as of the Bond Date.

MUSCATINE POWER AND WATER

By: (DO NOT SIGN)
Chairperson, Board of Trustees

Attest:

(DO NOT SIGN)
Board Secretary

STATE OF IOWA
MUSCATINE COUNTY SS: CITY TREASURER'S CERTIFICATE
MUSCATINE POWER AND WATER

The original issuance of the Bonds, of which this Bond is a part, was duly and properly recorded in my office as of January 5, 2021.

(DO NOT SIGN)
City Treasurer, Muscatine, Iowa

ABBREVIATIONS

The following abbreviations, when used in this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UTMA _____
TEN ENT	- as tenants by the entireties	_____
		(Custodian)
JT TEN	- as joint tenants with right of survivorship and not as tenants in common	As Custodian for _____ (Minor) under Uniform Transfers to Minors Act _____

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

For valuable consideration, receipt of which is hereby acknowledged, the undersigned assigns this Bond to

(Please print or type name and address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

and does hereby irrevocably appoint _____, Attorney, to transfer this Bond on the books kept for registration thereof with full power of substitution.

Dated: _____

Signature guaranteed:

(Signature guarantee must be provided in accordance with the prevailing standards and procedures of the Registrar and Transfer Agent. Such standards and procedures may require signatures to be guaranteed by certain eligible guarantor institutions that participate in a recognized signature guarantee program.)

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears on this Bond in every particular, without alteration or enlargement or any change whatever.

Section 5. The Bonds shall be executed as herein provided as soon after the adoption of this resolution as may be possible and thereupon shall be delivered to the Registrar for registration, authentication and delivery to the Purchaser, upon receipt of the loan proceeds (the "Loan Proceeds"), and all action heretofore taken in connection with the Loan Agreement is hereby ratified and confirmed in all respects.

The Loan Proceeds shall be used to (1) carry out the purposes listed in the preamble; and (2) pay costs of issuance of the Bonds. To the extent that Loan Proceeds remain after the full payment of the costs set forth in (1) and (2) in the preceding sentence, such Loan Proceeds shall be deposited into the Sinking Fund (hereinafter defined) and used for the payment of principal of and interest on the Bonds. The Issuer shall keep a detailed and segregated accounting of the expenditure of, and investment earnings on, the Proceeds to ensure compliance with the requirements of the Internal Revenue Code, as hereinafter defined.

Section 6. So long as any of the Bonds or any Parity Obligations are outstanding, the Issuer shall maintain the Communications Utility in good condition, and the Communications Utility shall continue to be operated in an efficient manner and at a reasonable cost as a revenue producing undertaking. The Issuer shall establish, impose, adjust and provide for the collection of rates to be charged to customers of the Communications Utility, including the City, to produce gross revenues (hereinafter sometimes referred to as the "Gross Revenues") at least sufficient to pay the expenses of operation and maintenance of the Communications Utility, which shall include salaries, wages, cost of maintenance and operation, materials, supplies, insurance and all other items normally included under recognized accounting practices (but does not include allowances for depreciation in the valuation of physical property) (which such expenses are hereinafter sometimes referred to as the "Operating Expenses") and to leave a balance of net revenues (herein referred to as the "Net Revenues") equal to at least 120% of the average annual installments of principal of and interest on all of the Bonds and any other Parity Obligations outstanding from time to time, as the same become due.

Section 7. A. Communications Revenue Fund. From and after the issuance of the Bonds, and throughout the time any Parity Obligations are outstanding, the Gross Revenues of the Communications Utility shall be set aside into the "Communications Revenue Fund" previously established. The Communications Revenue Fund shall be used in maintaining and operating the Communications Utility, and after payment of the Operating Expenses shall, to the extent hereinafter provided, be used to pay the principal of and interest on the Bonds and any Parity Obligations, and to create and maintain the several separate funds hereinafter established.

B. Sinking Fund. The previously established "Communications Revenue Sinking Fund" (herein referred to as the "Sinking Fund"), into which there shall be set aside from the future Net Revenues of the Communications Utility such portion thereof as will be sufficient to pay the interest upon and principal of the Bonds as the same become due, and it is hereby determined that the minimum amount to be so set aside into the Sinking Fund from the Net Revenues during each month of each year shall be not less than as follows:

Beginning on October 1, 2020 and each month thereafter, an amount equal to one-third (1/3) of the installment of principal and interest coming due on the Bonds on the next succeeding quarterly payment date continuing to final

maturity, until the full amount of such installment is on deposit in the Sinking Fund.

Provided, however, that no further payments need be made into the Sinking Fund when and so long as the amount therein is sufficient to retire the Bonds and any Parity Obligations then outstanding which are payable from the Sinking Fund and to pay all interest to become due thereon prior to such retirement, or if provision for such payment has been made. All such payments into the Sinking Fund shall be made in equal monthly installments on the first day of each month, except that when the first day of any month shall be a Sunday or a legal holiday, then such payments shall be made on the next succeeding secular day, and that portion of the Net Revenues on deposit in the Sinking Fund shall be used solely and only and is hereby pledged for the purpose of paying the principal of and interest on the Bonds and any Parity Obligations as the same shall become due and payable.

Whenever Parity Obligations are issued under the conditions and restrictions hereinafter set forth, provisions shall be made for additional payments to be made into the Sinking Fund for the purpose of paying the interest on and principal of such Parity Obligations.

If at any time there be a failure to pay into the Sinking Fund the full amount above stipulated, then an amount equivalent to the deficiency shall be paid into the Sinking Fund from the Net Revenues of the Communications Utility as soon as available, and the same shall be in addition to the amount otherwise required to be so set apart and paid into the Sinking Fund.

C. Surplus Fund. The previously established "Surplus Fund" shall remain into which there shall be set apart and paid all of the Net Revenues remaining after first making the required payments into the Sinking Fund. All money credited to the Surplus Fund shall be transferred and credited to the Sinking Fund whenever necessary to prevent or remedy a default in the payment of the principal of or interest on the Bonds and any Parity Obligations.

As long as the Sinking Fund has the full amounts required to be deposited therein by this resolution, any balance in the Surplus Fund may be made available to the Issuer as the Board, or such other duly constituted body as may then be charged with the operation of the Communications Utility, may from time to time direct.

Section 8. All money held in any fund created or to be maintained under the terms of this resolution shall be deposited in lawful depositories of the Issuer or invested in accordance with Chapters 12B and 12C of the Code of Iowa and continuously held and secured as provided by the laws of the State of Iowa relating to the depositing, securing, holding and investing of public funds. All interest received by the Issuer as a result of investments under this section shall be deposited in or transferred to the Sinking Fund and used solely and only for the purposes specified herein for such fund.

Section 9. The Issuer hereby covenants and agrees with the owner or owners of the Bonds and any Parity Obligations, or any of them, that from time to time may be outstanding, that it will faithfully and punctually perform all duties with reference to the Communications Utility required and provided by the Constitution and laws of the State of Iowa, that it will segregate the Gross Revenues of the Communications Utility and make application thereof in accordance with the provisions of this resolution and that it will not sell, lease

or in any manner dispose of the Communications Utility or any part thereof, including any and all extensions and additions that may be made thereto, until all of the Bonds and any Parity Obligations shall have been paid in full, both principal and interest, or unless and until provisions shall have been made for the payment of said Bonds and Parity Obligations and interest thereon in full; provided, however, that the Issuer may dispose of any property which in the judgment of the Board, or the duly constituted body as may then be charged with the operation of the Communications Utility, is no longer useful or profitable in the operation of the Communications Utility nor essential to the continued operation thereof and when the sale thereof will not operate to reduce the revenues to be derived from the operation of the Communications Utility.

Section 10. Upon a breach or default of a term of the Bonds or Parity Obligations and this resolution, a proceeding may be brought in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required under the terms of this resolution and Division V of Chapter 384 of the Code of Iowa or an action may be brought to obtain the appointment of a receiver to take possession of and operate the Communications Utility and to perform the duties required by this resolution and Division V of Chapter 384 of the Code of Iowa.

Section 11. The Issuer hereby reserves the right and privilege of issuing Parity Obligations from time to time payable from the Net Revenues of the Communications Utility and ranking on a parity with the Bonds.

Section 12. The Issuer agrees that so long as the Bonds or any Parity Obligations remain outstanding, it will maintain insurance for the benefit of the owners of the Bonds and any Parity Obligations on the insurable portions of the Communications Utility of a kind and in an amount which usually would be carried by municipalities engaged in a similar type of business. The Issuer will keep proper books of record and account, separate from all other records and accounts, showing the complete and correct entries of all transactions relating to the Communications Utility, and the owners of the Bonds or any Parity Obligations shall have the right at all reasonable times to inspect the Communications Utility and all records, accounts and data of the Issuer relating thereto.

Section 13. It is the intention of the Issuer that interest on the Bonds be and remain excluded from gross income for federal income tax purposes pursuant to the appropriate provisions of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations in effect with respect thereto (all of the foregoing herein referred to as the "Internal Revenue Code"). In furtherance thereof the Issuer covenants to comply with the provisions of the Internal Revenue Code as they may from time to time be in effect or amended and further covenants to comply with applicable future laws, regulations, published rulings and court decisions as may be necessary to insure that the interest on the Bonds will remain excluded from gross income for federal income tax purposes. Any and all of the officers of the Issuer are hereby authorized and directed to take any and all actions as may be necessary to comply with the covenants herein contained.

The Issuer hereby designates the Bonds, at issuance, as "Qualified Tax Exempt Obligations" as that term is used in Section 265(b)(3)(B) of the Internal Revenue Code.

Section 14. The General Manager and/or the Director, Finance and Administrative Services are authorized to execute and deliver for and on behalf of the Issuer any and all additional certificates, documents, opinions or other papers and perform all

other acts as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

Section 15.If any section, paragraph, clause, or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.

Section 16.All resolutions and orders or parts thereof in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.

Section 17.This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Trustee Fields moved, seconded by Trustee Porter, said resolution be passed, approved, and adopted this 25th day of August 2020. On roll call, Trustees Porter, McGinnis, Fields and Eversmeyer voted aye. Voting nay, none. Resolution carried. Trustee Bradford was absent.

Mr. Huston stated at the July 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 with no additional revisions. It was recommended the Trustees approve the 2020 Board Policy Manual. Trustee Porter moved, seconded by Trustee McGinnis, the 2020 Board Policy Manual be approved. All Trustees present voted aye. Motion carried. Trustee Bradford was absent.

Mr. Huston reviewed the previously submitted memorandum to all Board members regarding designating the week of October 4-10, 2020, as Public Power Week. In order to support and increase awareness of the public to the benefits of public power, which is even more prevalent this year with the recent Derecho highlighting the benefits of municipal power, MPW would like to have the City designate this week to celebrate public power and recognize the important contributions MPW provides to the community. The following resolution was submitted:

RESOLUTION 20-27
PUBLIC POWER WEEK 2020

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

WHEREAS, the citizens of Muscatine are both owners and consumers of their not-for-profit public power system and exercise local control over utility operations and policies through their Board of Trustees; and,

WHEREAS, the MPW electric system is a community asset that contributes to the well-being of the citizens and our employees are neighbors serving neighbors, providing homes, businesses, farms, and local government agencies with not-for-profit electric services that are safe, reliable, and cost-effective; and,

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees request that the Mayor and City Council designate the week of October 4 – October 10, 2020, as Public Power 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 services; and,

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

Trustee McGinnis moved, seconded by Trustee Fields, said resolution be passed, approved, and adopted this 25th day of August 2020. On roll call, Trustees Porter, McGinnis, Fields and Eversmeyer voted aye. Voting nay, none. Resolution carried. Trustee Bradford was absent.

In the General Manager's Report, Mr. Huston reviewed the impacts of the August 10, 2020, Derecho on the MPW electrical system. In total, 3,637 MPW customers experienced a power interruption due to the storm, which is a significant number for MPW; of those customers, 1,089 had only a momentary loss of power, while the remaining 2,548 experienced extended outages. All possible system restorations were completed within 14 hours and 3 minutes by MPW staff and crews. Mr. Huston thanked staff from all three Utilities for working diligently to get customers up and running with electric, water and communications services in this short time. Ms. Olson presented the 2020 legislative wrap-up and reviewed several bills passed that will have impact on MPW. Next, Mr. Huston reviewed the efforts and planning done to make the MPW 5K Walk/Run a success even with COVID-19 impacts; MPW was able to donate over \$1,000 and a carload of supplies from run/walk participants to the Muscatine Humane Society. Mr. Huston review the MPW collaboration with MCS D this school year to offer a reduced-price internet/router service to eligible MCS D families to enable their children to receive online instruction as part of the Return to Learn in-person and online. Trustee Eversmeyer commended MPW Staff for efforts to help students have a successful year. Mr. Huston stated during recent equipment upgrades/replacements discussions with a vendor for two Communications Utility projects approved as part of the 2020 Operating Budget, the vendor offered an "end of fiscal year" quote to have the Utility make a larger purchase to include equipment for additional future-year projects. The equipment and stated services included in the quote will speed up planned upgrades by almost 4 years and come at a significantly lower overall equipment cost of about a quarter of a million dollars, along with an immediate increase in system reliability and decrease the over resource usage on the hardware. Lastly Mr. Huston reviewed as the design completion for the Line 106 – 161 kV Transmission Project progresses, it is evident the project will be over the original budget expectations. When the original budget was set, it included project approval for design and construction estimate plus a placeholder was included as a separate project for the construction itself using cost recommendations provided from an outside entity. In 2018, when the design and the route study were yet to be started and the data was not available to provide the accuracy you would see with a formal cost estimate. Proceeding through the design phase of the project has provided the data required for a more accurate construction estimate and currently staff expects an increase of approximately 70% over the original PSF, from \$10.2 million to around \$17.1 million. He continued MPW staff recommends still moving ahead with Line 106 -161 kV Transmission Project, as this third 161 kV transmission line continues to present us with significant value. He stated a revised PSF will be brought forward at a future meeting.

Mr. Roberts reviewed the July 2020 Financial Operating Statements and Balance Sheets. He also discussed and reviewed the new consolidated section added to the financials. After review and discussion, Trustee McGinnis moved, seconded by Trustee Porter, to receive and place on file the July 2020 Financial Operating Statements and Balance Sheets for the Water, Electric, and Communications Utilities. All Trustees present voted aye. Motion carried. Trustee Bradford was absent.

The July 2020 Competitive Quotes for Public Improvements Report was reviewed by Mr. Huston. Trustee Fields moved, seconded by Trustee McGinnis to receive and place on file the July 2020 Competitive Quotes for Public Improvements Report. All Trustees present voted aye. Motion carried. Trustee Bradford was absent.

The July 2020 Monthly Project Status Report was reviewed by Mr. Huston. Trustee Fields moved, seconded by Trustee McGinnis to receive and place on file the July 2020 Competitive Quotes for Public Improvements Report. All Trustees present voted aye. Motion carried. Trustee Bradford was absent.

Mr. Huston reviewed the July 2020 Departmental Reports and Ms. Cox provided a Fiber to the Home Project update. Trustee McGinnis moved, seconded by Trustee Fields to receive and place on file the July 2020 Departmental Reports. All Trustees voted aye. Motion carried. Trustee Bradford was absent.

The meeting of the Board of Trustees was adjourned at 6:30 p.m.

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



Brenda Christensen
Board Secretary