

PRESS RELEASE

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Muscatine Power and Water
3205 Cedar Street
P.O. Box 899
Muscatine, IA 52761

Contact: Erika Cox
Phone: 563-262-3305
FAX: 563-262-3315

FOR IMMEDIATE RELEASE

Next General Manager Officially Appointed; New Digital TV Rates Approved

At their monthly meeting, the Muscatine Board of Water, Electric and Communications Trustees took official action to appoint Gage Huston to the position of General Manager effective April 1, 2019. Huston, who has been with MP&W since 2003 and currently serves as Director of Power Production and Supply, accepted an offer for the position earlier in the month. He will replace Sal LoBianco, who will be retiring this Spring with 39 years of service to MP&W and the community at large.

The Trustees also received and approved a request to adjust MP&W's Digital TV packages effective April 1. As contracts with national programmers and local broadcast providers renew in 2019, so do the annual rates MP&W must pay to provide content to its customers. In past years, MP&W reduced the impact of ongoing significant programming cost increases on its customer-owners by absorbing some of those costs; however, gross margin has reduced to a level where it is challenging to ensure the fixed costs associated with video service are covered. "The extra \$3-6 increase is a pass-through of programming rate increases; it preserves operating margin," explained LoBianco.

Fees MP&W pays national programmers and local broadcast providers, on average, account for 77% of the cost digital TV packages; the remaining 23% is used for operation and maintenance expense, as well as staff to support the service. "Even with our tight margins, we continue to offer customers bundle discounts for our communications services," concluded LoBianco. MP&W customers subscribing to two eligible levels of service qualify for a \$5 monthly discount; subscribing to Internet, TV and phone services qualifies for a \$10 monthly discount.

As a municipal, not-for profit telecommunications utility, MP&W is focused on offering a robust channel line-up and up-to-date technology, with the added value of a local service and support that is known for its outstanding customer responsiveness, all while maintaining industry-competitive rates.

Rates for Internet service and MP&W's newly launched phone service will not change, even with an ambitious \$16.8M Fiber to the Home infrastructure upgrade project underway. The project provides the benefits of FTTH to our small community which include advanced IPTV services, high speed Internet services up to Gigabit speeds, and phone service with all the features and benefits at a low cost. One year into the project and with approximately 30% of its customers converted to the all-fiber system, production is expected to significantly ramp up in April after an unusually harsh winter. As

infrastructure is rebuilt and other reliability projects are completed throughout 2019, MP&W expects its overall impressive service reliability to further improve.

LoBianco thanked Trustees who attended a ribbon cutting event earlier in the month. Business and community members gathered with MP&W staff and Trustees to officially open MP&W's newly reinforced Network Operations Center (NOC). The \$1M reliability project encased the existing building structure in concrete panels to protect equipment used to provide MP&W's Internet, TV, and phone services from severe weather. As part of the project, overhead power supplies were bored underground to provide a seamless, uninterruptable power supply for critical communications gear in the event of an emergency and air conditioning units were upgraded to accommodate additional equipment housed in the NOC.

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Muscatine Power and Water (MP&W) is a customer-driven, not-for-profit municipal utility, established by the community for the purpose of serving the community responsively, competitively, and responsibly. MP&W provides reliable electricity, high quality water, and state-of-the-art communications services, including broadband and video services, to homes and businesses throughout the Muscatine community at rates below state and national averages with outstanding customer service. MP&W is locally controlled and operated for the benefit and betterment of the community.