

PRESS RELEASE

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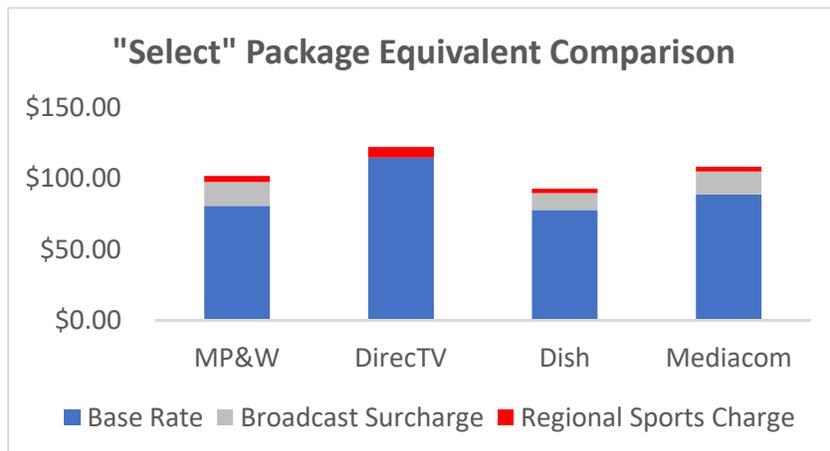
Public Input Wanted for Water Tower Wrap; 2020 TV Rates Approved

At the February meeting of the Board of Water, Electric and Communications Trustees, the Board was updated on progress related to the water tower wrap won last fall. Local residents and friends of Muscatine worldwide helped Muscatine Power and Water (MP&W) win a custom-designed water tower wrap in a contest sponsored by the Iowa Finance Authority.

“We’re still overwhelmed by the outpouring of community support last October,” said Customer & Technology Experience Director, Erika Cox. “and we’re asking for the public’s help again. Artist Laura Palmer, originally from Muscatine, created images representing our hometown in her unique style. She captured many of Muscatine’s iconic features and we would love public input on images they want to see in the final design.” An online survey was rolled out Sunday, with voting open from February 23-29, 2020.

An overall revenue adjustment for MP&W’s TV rates was approved by the Trustees effective April 2020. Three major contract negotiations – Fox Sports/FoxNews, the Big Ten Network, and the new Marquee Sports Network (Chicago Cubs network), as well as annual adjustments from other programmers, caused the need to increase TV rates. Although an overall 7% revenue adjustment was budgeted, an overall 9% adjustment was requested and approved. Staff reported the additional amount was needed due to the addition of Marquee.

“We recognize the recommended price adjustment feels significant, yet the cost of MP&W’s overall video programming continues to stay in-line with other satellite and cable companies,” said General Manager Gage Huston, “with excellent local service and top-notch HelpDesk support.”



“This revenue adjustment is a pass-through of increased programming expenses charged to MP&W. It maintains our video operating margins, which are necessary to cover operating and maintenance costs and maintain financial stability of the Communications Utility. We remain committed to providing quality television programming at a reasonable and competitive price.” Actual percentage increases vary by package and range from 4.6% - 9.8%. Only package rates, driven by programming increases, are adjusting; set-top box rental pricing and DVR service, for example, will remain the same.

Additionally, a recommendation was made by Staff to break out a portion of TV costs in the form of a Regional Sports Charge (RSC). Sports content providers like Fox Sport Midwest, NBC SportsNet, Big Ten, and Marquee impose premium pricing for regional coverage of teams and events. The breakout of a portion of these sports charges will be effective with April bills for customers with Select and above TV packages. The RSC will be set at \$4.40; and Staff reinforces it is not an additional fee and these rates are included in the overall 9% rate adjustment.

“The inclusion of a Regional Sports Charge (like the Broadcast Surcharge) is common practice in the industry, with both cable and satellite companies incorporating similar pricing structures,” shared Cox. “The RSC is not a double-dip of sports costs in our package rates, it is intended to highlight to our customer-owners some of the key drivers of the cost for certain types of programming.” The BSC and RSC represent about 85% and 30%, respectively, of the total programming costs for that content.

MP&W’s internet and phone rates will remain the same. With MP&W’s fiber to the home project now reaching 60% of customers converted to the new system, customers are getting the highest speeds of internet offered in the area.

Staff informed the Board that Marquee Sports Network launched its content on February 21, one day ahead of the Chicago Cubs’ first Spring Training game in Mesa, AZ. Cubs fans can watch Spring Training games and other Cubs content on Fiber channel 37 and Legacy 32/732.

In other action, the Board:

- Awarded contract for the Water Tower Refurbishment Project to J.R. Seltzer for a total of \$444,250. Work will include abrasive blasting and recoating of the interior and exterior of the tank and related maintenance items. This is the first major refurbishment of the water tower since it was placed into service in 1999. Upon conclusion of this work, the new water tower design will be applied with expected unveiling later this summer.
- Set dates for the project Mississippi Drive Corridor – Wire Pulling Contract. This project is part of the City of Muscatine’s multi-year effort to improve Mississippi Drive and riverfront beautification. Upon conclusion of this work, MP&W will be able to remove remaining electric transmission lines along Mississippi Drive. Dates for the bid process follows:
 - Receipt of bids: April 9, 2020 at 3:00 p.m.
 - Public Hearing: April 28, 2020 at 5:28 p.m.
 - Recommendation for Award: April 28, 2020 Board Meeting

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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 internet, video and phone 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.