

PRESS RELEASE



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Muscatine Power and Water
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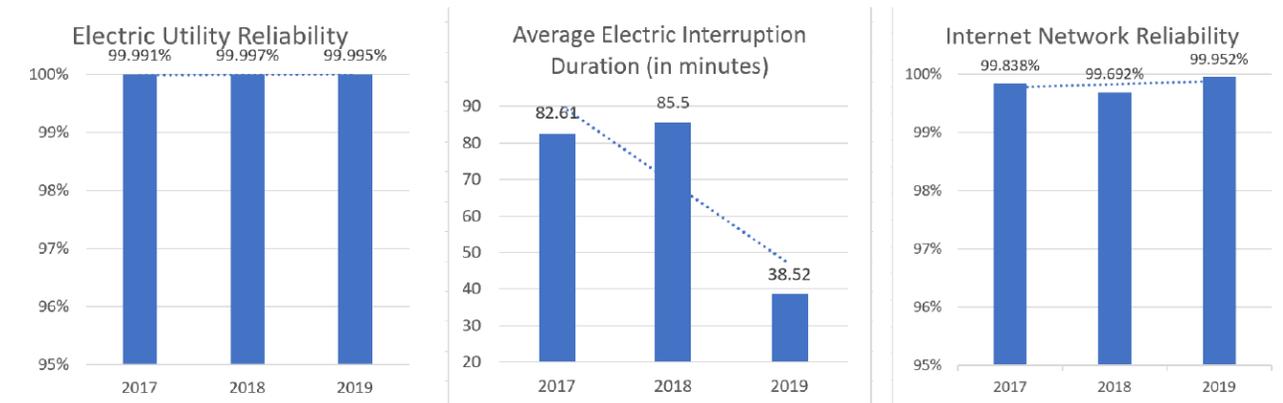
Muscatine Power and Water Completes 2019 on a High Note

At the January meeting, the Muscatine Power and Water Board of Trustees received year-end Critical Issue and Key Performance Indicator updates. Multiple utility projects were completed or saw significant progress in 2019, service reliability statistics improved in all three utilities, and the Utilities financially performed better than budget.

Planning of the new 161,000-volt electric transmission line is progressing. Property owners were invited to two public information meetings to provide an overview and three informal meetings hosted at MP&W's office to discuss specifics of the project.

"The transmission line will ensure continued reliability for electric service in the area for years to come and will favorably affect thousands," shared the Director of Utility Service Delivery, Ryan Streck. "We are working to minimize impact to landowners while balancing needs of the region."

In reviewing operational metrics with the Board, the Electric and Communications Utilities each demonstrated improved reliability in terms of service impacting outages. A philosophical change to "overwhelm" outages, or call in more response resources sooner, helped reduce Electric Utility duration of customer outages 54%, down from an average of 85 minutes to 38 minutes. Converting more customers over the all-fiber system contributed to the increase in network reliability for internet services. "The fiber system eliminates electronic equipment in the field. Those electronics are subject to interference and failure, and they go away on the fiber system. We should continue to see internet reliability improve as more and more customers move off the legacy system," added Erika Cox, Director of Customer and Technology Experience.



Interest in the new fiber services generated an overall increase in Communications customers. The total number of residential subscribers increased by 154; additionally, over 500 customers added MP&W's WiFi@Home managed router service. Nearly half of all video customers are taking the new Advanced DVR service, which provides DVR functionality to every set-top box in the home. The number of residential customers taking phone service nearly tripled, while business class phone lines more than tripled.

Brad Spratt, Interim Director of Finance and Administrative Services informed the Trustees all three Utilities performed better than 2019 budget projections. The Electric Utility finished with Net Income of \$13.34 million; the Water Utility, \$634k and Communications Utility \$2.23 million. Performance in all three utilities was enhanced due to a significant onetime non-cash adjustment to the method of depreciating assets. "This non-cash adjustment reflects a change in how assets will now be depreciated and does not reflect an increase in actual cash," advised Spratt.

"The entire MP&W staff are committed to keeping costs down for our customers by continually seeking out efficiencies where appropriate," concluded Gage Huston, General Manager. "The best interest of our community is always our central focus."

In summarizing 2019 results, Huston shared with the Board, "I'm really proud of our teams and what they accomplished this year. We made good progress on the development of our new Line 106 Transmission Line, which will improve future reliability, our Generating Units were available and performed as needed, the Water Department replaced nearly 250 feet of water main on Fulliam Avenue that experienced multiple breaks, and we ended the year with almost 55% of customers converted to our all-fiber system and we're seeing the momentum needed to realistically complete the Fiber to the Home project in 2020."

Staff reminded the Board that MP&W will soon be home to the Marquee Sports Network, exclusive television 'home' of the Chicago Cubs. The network, set to launch in late February, will broadcast live Cubs games, pre and postgame coverage, unique Cubs content and other local sports programming.

"We are pleased to have been able to secure this contract for our customers and local Chicago Cubs fans," shared Huston. "Adding the network will give sports fans the experience of the game without leaving the comfort of their home."

In other Board business:

- Approved the revised Project Summary Form for the Mississippi Drive Water Main Replacement Project for \$822,000.
- Set dates for receipt of bids and to conduct a public hearing for Unit 9 ESP Roof Replacement. Dates for the bid process is as follows:
 - o Receipt of Bids: March 3, 2020 at 3 p.m.
 - o Public Hearing: March 31, 2020 at 5:28 p.m.
 - o Recommendation of Award: March 31, 2020 Board of Trustees Meeting
- Approved the recommendation to approve Electric, Water and Communications Utilities Reimbursement Resolutions.

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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.