

PRESS RELEASE

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FOR IMMEDIATE RELEASE

FTTH Construction Delays, Completion Still the Goal

At Tuesday's meeting of the Board of Water, Electric and Communications Trustees, MP&W staff delivered a progress report on the Fiber to the Home (FTTH) project, and an update regarding ongoing discussions with AEG, its construction contractor for the project.

"As with any major undertaking, no matter how well you plan or how good things look on paper, construction projects present hitches and obstacles to overcome when played out in the real world," said General Manager, Sal LoBianco. "Simply put, we're not where we thought we'd be in terms of customer installations at this point in the project, so we're taking an opportunity to review progress, discuss new baselines, and forecast what needs to be done better with AEG going forward."

Teams from AEG and MP&W have been working closely throughout the process since the project began in May 2017. "With the first year under their belts, we were confident more progress would be made during this year's spring and summer construction season. Some negative customer impacts we saw last fall, such as multiple service disruptions during the build process, have been reduced this year because there is more experience. The ramp up for customer conversions, however, just hasn't materialized," added Tim Reed, Director of Utility Service Delivery. "The owners of AEG have not committed an adequate amount of resources to their local construction crews for them to complete the project in our original timeline [end of 2018]."

While the customer conversion delays have been a setback, this should not take completely away from the FTTH project. "Our new equipment delivers a much faster internet service, a better video experience, and allowed us to deploy the new phone service. The staff time and investment to make that happen has not been wasted. The new services are performing as we had expected, and our customers are seeing a huge improvement in their services from MP&W. It's just how quickly AEG can get customers ready for the new service that has been disappointing," said Erika Cox, Director of Employee and Community Relations.

MP&W and AEG staff are discussing potential changes to the construction contract along with revised schedules and cost estimates based on those changes. “As we work through this, we want our customers to know we are committed to completing the Fiber project. All parties are much better served if mutually agreeable terms can be reached. We’re hopeful that will be the result,” concluded LoBianco. LoBianco expects to provide the Board updated information at next month’s meeting.

In other news, the Board:

- Accepted a change order for the Round Reservoir Rehabilitation Project in the amount of \$59,200 for additional surface priming that is required. The contract was awarded in April to TMI Coatings, Inc. in the amount of \$407,500. The revised contract price is now \$466,700.
- Ratified the purchase of approximately 8 acres of land from the Greater Muscatine Chamber of Commerce and Industry for \$19,925. The parcels are Lots 24 and 26 of Muscatine Industrial Sites No.1 and provide MP&W “zone of control” around three water wells in that area from activities that may affect the groundwater.
- Set a public hearing to receive comments on MP&W’s Annual Transmission Rate Update – Attachment O for August 28, 2018 at 5:28 p.m.
- Was advised the General Manager Search Committee engaged Mycoff, Fry & Prouse to assist with the succession process. General Manager Sal LoBianco plans to retire from MP&W in the first quarter 2019.

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Muscatine Power and Water (MP&W) is a customer-driven, not-for-profit municipal utility, established by the community to serve the community responsively, competitively, and responsibly. MP&W provides reliable electricity, high quality water, and state-of-the-art communications services, including internet, TV 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.