

**OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
MARCH 30, 2021 – 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, March 30, 2021 at 5:30 p.m.

Chairperson Susan Eversmeyer called the meeting to order. Members of the Board were present as follows: Trustees Steven Bradford, Tracy McGinnis, Keith Porter and Susan Eversmeyer. Trustee Kevin Fields was not in attendance due to previously scheduled travel plans.

Also present were Gage Huston, General Manager of Muscatine Power and Water; Brenda Christensen, Board Secretary; Charles Potter, Muscatine Journal; Erika Cox, Brandy Olson, Mark Roberts, Ryan Streck, and Doug White of Muscatine Power and Water. Additional attendees were Sandy Stanley of Clean Air Muscatine and Franz Silberger of the Muscatine community.

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

The minutes of the February 23, 2021 regular meeting were presented as previously submitted to all Board members. Trustee McGinnis moved, seconded by Trustee Porter, that the February 23, 2021 regular meeting minutes be approved. All Trustees present voted aye. Motion carried.

The list of expenditures and transactions for February 2021 were presented as previously submitted to all Board members. After additional discussion, Trustee Bradford moved, seconded by Trustee McGinnis to ratify payment of \$5,186,890.85 for the Electric Utility, \$248,705.20 for the Water Utility, and \$1,057,584.46 for the Communications Utility for a cumulative total of \$6,493,180.51. All Trustees present voted aye. Motion carried.

Mr. Huston reviewed the previously submitted memorandum to all Board members regarding the recommendation to authorize the General Manager to execute the third contract amendment to the Agreement for the Construction of a Fiber to the Home System Project with Atlantic Engineering Group (AEG). Mr. Huston reviewed the items both parties have agreed to related to the project in this amendment and said AEG's work is nearly complete. Trustee Porter moved, seconded by Trustee McGinnis, to authorize the General Manager to execute the third contract amendment to the Agreement for the Construction of a Fiber to the Home System Project with AEG, resulting in a reduction in contract costs of \$269,510.82.

Mr. Huston stated the next item was approval of a project summary form (PSF) for professional management services for the Communications Utility totaling \$336,000 for 2021 and 2022. He continued the costs were included in the 2021 Operating Budget and for

2022 in the 2021-30 Projection; however, the PSF was not completed as part of the budget process. As has been previously communicated, the Utility is undertaking the replacement of its Customer Information and Billing System (CIS) and the Manager, Communications and IT will be leading the CIS project. This change left a staffing need in the Communications Utility. Mike Haskins of Champlin Solutions has a proven track record with MPW given his involvement in the FTTH Project, so he has been asked to stay to help with the daily operations of the Communications Utility during the CIS Project. Trustee Bradford moved, seconded by Trustee Porter, to approve the Champlin Solutions project summary form for professional management services for the Communications Utility totaling \$336,000.

Mr. Huston introduced the next agenda item, a recommendation to set dates for the receipt of bids and conduct a Public Hearing for the Unit 9 Cafeteria Roof Recover Project. He stated this Contract was approved with the 2021 Operating Budget for a total expenditure of \$145,500. The Unit 9 Cafeteria Roof Recover Project has a scope-of-work estimate of \$132,200 and covers all labor, materials, tools, equipment, and supervision necessary for installation of cable and appurtenances with all cabling for the project provided by the utility. After discussion, the following resolution was submitted:

RESOLUTION 21-07

WHEREAS, plans and specifications have been prepared for Unit 9 Cafeteria Roof Recover Project; and,

WHEREAS, said proposed plans and specifications and proposed form of contract are now on file with the Secretary of the Board and the Board finds the same are in substantial conformity with the requirements necessary to carry out said plans; now therefore, Unit 9 Cafeteria Roof Recover Project is tentatively approved; and,

BE IT RESOLVED, the date of May 4, 2021 at 3:00 p.m., is hereby set for receipt of bids on the Unit 9 Cafeteria Roof Recover Project at which time the Board's duly appointed representatives are hereby authorized, empowered and directed to receive, open and read aloud all sealed bids, and receive and record all oral bids, and keep a written record of said proceedings and notice of receipt of bids to bidders is published not less than thirteen (13) days nor more than forty-five (45) days prior to said date for receipt of bids all as required by the Code of Iowa; and,

BE IT FURTHER RESOLVED, the hearing on said plans and specifications and proposed form of contract as provided by statute, be held at the office of the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa on May 25, 2021 at 5:28 p.m., and notice of public hearing to bidders be published not less than four (4) days nor more than twenty (20) days prior to said hearing all as required by the code of Iowa.

Trustee McGinnis moved, seconded by Trustee Bradford the resolution should be passed, approved, and adopted on this 30th day of March 2021. On roll call Trustees Bradford,

McGinnis, Porter and Eversmeyer voted aye. Trustee Fields was absent. Voting nay, none. Resolution carried.

Next, Ms. Cox introduced the topic of Communications Utility Revenue Adjustment. She started with the good news that internet and phone rates would remain the same for the next year. She continued at the time the 2021 budget was approved, major contract negotiations had not been completed with the “Big 4” network affiliates (Quad Cities TV stations owned by Nexstar - CBS, Tegna - ABC, Mission – Fox, and Gray - NBC) as well as a few national network groups. When contract negotiations concluded, three of the “Big 4” affiliate contracts came in close to our projections. The fourth of the “Big 4” along with a few national networks came in higher than Staff anticipated. Ms. Cox stated the rate adjustment budgeted at 5.9% in the Communications Utility 2021 Budget would be implemented even though the current estimated rate adjustment needed to accommodate the increase of total programming costs is 7.8%. Ms. Cox reviewed MPW costs vs. other video providers costs and noted our costs are either right in line with or less than our direct satellite competition and competitive with streaming services when all costs are considered. Trustee McGinnis stated she appreciated the detail provided at this review and it is important all customers understand these programming increases are out of MPW’s control. Approval is also being recommended for the General Manager to continue to be responsible for approving tier pricing, premium services, equipment fees, promotional packages, and discounts to assure the financial viability of the Communications Utility. After discussion, the following resolution was submitted:

RESOLUTION 21-08

WHEREAS, review of the financial condition of the Communications Utility has been completed and reviewed with the Board of Water, Electric, and Communications Trustees for its consideration; and,

WHEREAS, the Board has reviewed this information and determined a revenue adjustment is necessary to keep the Communications Utility in a sound financial condition; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, effective May 1, 2021, the price for MPW Digital TV Basic service shall be \$23.99 per month and Select service shall be \$84.99 per month; and

BE IT FURTHER RESOLVED, the Broadcast Surcharge shall be \$18.17; and

BE IT FURTHER RESOLVED, the Regional Sports Charge for Select service shall be \$4.78; and

BE IT FURTHER RESOLVED, the General Manager of Muscatine Power and Water shall continue to be responsible for approving tier pricing, premium services, equipment fees, promotional packages, and discounts to assure financial viability of the Communications Utility; and

BE IT FURTHER RESOLVED, proper notice be given to consumers in accordance with the terms of the contracts, Federal Communications Commission (FCC) and Iowa State Code.

Trustee McGinnis moved, seconded by Trustee Porter, said resolution should be passed, approved, and adopted on this 30th day of March 2021. On roll call Trustees Bradford, McGinnis, Porter and Eversmeyer voted aye. Trustee Fields was absent. Voting nay, none. Resolution carried.

Mr. Huston stated the next item as Requesting the Mayor and City Council Designate May 2-8, 2021, as Drinking Water Week. Mr. Huston reviewed the previously submitted memorandum to the Board members to approve a resolution requesting the Muscatine Mayor and City Council designate the week of May 2-8, 2020, as Drinking Water Week. He stated MPW would be participating in Drinking Water Week through public awareness activities. The following resolution was submitted:

RESOLUTION 21-09
DRINKING WATER WEEK
May 2-8, 2021

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

WHEREAS, water is our most valuable natural resource; and,

WHEREAS, MPW's municipal water supply provides many benefits to the Muscatine community, including supporting public health, providing fire protection, supporting our economy, and sustaining the quality of life we enjoy; and,

WHEREAS, Muscatine Power and Water provides our homes, businesses, farms, social service and local government agencies with reliable, efficient and low-cost water services; employing sound business practices designed to ensure the best possible service at the lowest possible rate; now therefore,

BE IT RESOLVED, the Board of Trustees request the Mayor and City Council designate the week of May 2-8, 2021, as Drinking Water Week in Muscatine, in order to honor Muscatine Power and Water, its employees who work together to provide the best possible water services; its consumer-owners, and,

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

Trustee McGinnis moved, seconded by Trustee Bradford, the resolution should be passed, approved, and adopted on this 30th day of March 2021. On roll call Trustees Bradford,

McGinnis, Porter and Eversmeyer voted aye. Trustee Fields was absent. Voting nay, none. Resolution carried.

Next, Mr. Huston presented the Trustees with copies of the newly printed Annual Report for 2020. As has been the case for the past several years, the content for the report was developed entirely with in-house resources and printed at low cost through a local printing shop. It was noted that the financial summaries included in the Annual Report were based on un-audited financial results and a note to that effect was included in the Report. MPW's audited financial results and Management Discussion and Analysis will be posted on MPW's website for public access after review and acceptance by the Board in April. Trustee McGinnis moved, seconded by Trustee Porter, to receive and place on file the 2020 Annual Report.

In the General Manager's report, Mr. Huston reviewed in January, the Water Utility saw a sharp increase in demand from a large industrial customer. This increase concerned Staff that the Utility may not have the ability to meet summer water peak should this increased demand continue. Investigation shows adequate capacity is available, even with this increased demand and a deeper investigation revealed a calculation change made a few years ago caused a misrepresentation of the actual capacity of the wells. Mr. Huston reviewed how capacity is calculated and the Water Utility Staff had been asked to develop a formula for real working capacity. Mr. Streck stated the team executed a maximum output test on Tuesday, March 30th and the maximum capacity number was adequate to supply the system needs. He noted three wells will be cleaned before the summer peak period (increasing production capacity of each) and Staff is also evaluating other options to further increase capacity should it be needed. Mr. Huston next reviewed MPW has entered into an agreement with the Iowa Cable Advertising Network, Inc. (ICAN) for cable advertising sales efforts. This beneficial partnership not only alleviates the need for MPW to invest in replacement of costly infrastructure, but also offers considerable advantages for advertising customers. Mr. Huston next reported the American Public Power Association (APPA) notified the Utility MPW was being recognized for a Safety Award of Excellence for safe operating practices in 2020. The Utility earned a second-place award among utilities of similar size with similar worker-hours of annual worker exposure. Ms. Cox informed the Board additional HD content was added to the MPW channel lineup because of the substantial completion of the Fiber to the Home project. CivicTV2 and Public Access Channel 9 were upgraded to HD. Local access programming is a competitive feature of MPW TV. MPW TV customers receive a variety of local programming and meetings to keep up to date on all things Muscatine. Ms. Cox also stated MPW has a new water hydrant flushing map identifying when hydrants are due to be flushed and when flushing is completed. This is a benefit to customers since MPW has over 1500 hydrants flushed two times each year.

The February Financial Operating Statements and Balance Sheets were presented as previously submitted to all Board members. Mr. Roberts reviewed the MPW dashboard and the February Financial Results Summary for each Utility.

Mr. Huston reviewed the Monthly Project Status Report and Variance Analysis previously submitted to all Board members. There were no entries on the Competitive Quotes for Public Improvements Report.

The March Departmental Reports were presented as previously submitted to all Board members. Mr. Huston provided a high-level review and then Mr. White reviewed the Power the Future Monthly Status Report. Ms. Cox also provided a FTTH project update.

Trustee McGinnis moved, seconded by Trustee Bradford to receive and place on file the March 2021 Utility Reports. All Trustees voted aye. Motion carried.

Chairperson Eversmeyer recommended the meeting be closed to the public in accordance with Iowa Code Chapter 21.5(1)(i) to review the performance evaluations completed by the General Manager for the Directors and the performance evaluation completed by the Board of Trustees for the General Manager. Trustee McGinnis moved, seconded by Trustee Porter, the meeting be closed to the public in accordance with Iowa Code Chapter 21.5(1)(i) as requested in writing by the General Manager and Directors for the purpose of reviewing management performance. On roll call vote, Trustees Bradford, McGinnis, Porter and Eversmeyer voted aye. Voting nay, none. Trustee Fields was absent. Resolution carried.

The meeting was closed to the public at 7:00 p.m. All attendees left the meeting except for the General Manager and the Trustees.

At 7:45 p.m. Mr. Huston left the closed session.

At 8:00 p.m. the meeting was reconvened to open session.

Trustee Eversmeyer moved, seconded by Trustee Bradford, to reconvene the meeting to open session.

The meeting was adjourned at 8:05 p.m.

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COMMUNICATIONS TRUSTEES OF
THE CITY OF MUSCATINE, IOWA



Brenda Christensen
Board Secretary