

November 26, 2019

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## **For Immediate Release**

### **MP&W 2020 Operating Budget Approved**

At the November meeting, the Muscatine Power and Water Board of Trustees approved the 2020 Operating Budgets for the Electric, Water and Communications Utilities. Revised 10-Year Financial Projections for the Electric and Water Utilities were also received and placed on file.

The 2020 Operating Budgets and the 10-Year Projections were both updated from the October Trustee meeting to reflect the new steam sales contract with Grain Processing Corporation (GPC). The contract was finalized after the October meeting, with a net positive impact on Net Income of \$2.3M for the Electric Utility (new Net Income projected to be \$2,573,600). The steam sales contract also has a positive impact on the Water Utility via increased water usage for the Power Plant, with a similar positive impact on Net Income of approximately \$26,000 (new Net Income projected to be \$646,500).

“We are fortunate to have a vibrant industrial presence in our community,” said Gage Huston, General Manager. “MPW has and will continue to work to meet the needs of our industrial customers as we know the importance they play on our community’s economic well-being.”

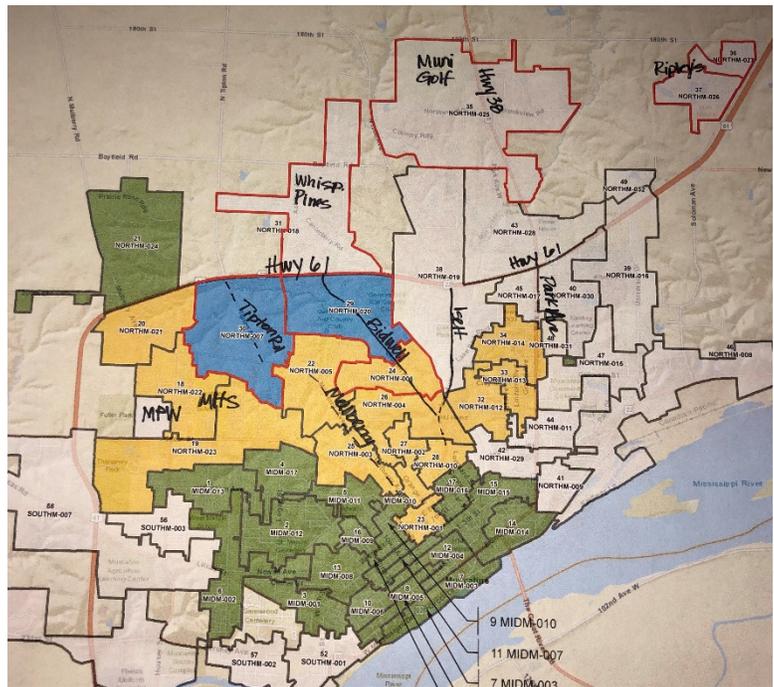
The collective bargaining agreement with the International Brotherhood of Electrical Workers (IBEW) Local No. 55.10 was also approved. The new contract will go into effect December 15, 2019. The 5-year agreement provides stability for the coming years, aligned benefits, and addressed the differentials in wage rates based on the recent Bargaining Unit (BU) Compensation Study. Topics remaining in the contract reflect a balance between the Union’s desire for predictability and continuity, and Management’s need for flexibility to meet changing operating conditions.

“The Muscatine community benefits from our union partners,” said Huston. “The senior leadership team at MPW is proud to have skilled, knowledgeable and dedicated union members working on behalf of the Utility, providing essential utility services to our customer-owners.”

The monthly FTTH update showed a ramp up in underground work in October due to favorable weather and improved efficiencies. Customer conversions/installations increased to 407 in October, surpassing the previous high of 321 in September. Installations were started in the North-006 and North-020 Service Areas; installations in North-007 and North-020 are expected to start in December.

The teams are focused on completing as much construction activity as they can to meet another key project milestone deadline in mid-December. Customer installations for premises that are fiber ready will continue throughout the winter.

Referencing MPW's Fiber Construction/Installation Map ([www.mpw.org/communications](http://www.mpw.org/communications) image right): the current goal is to have all premises in the Service Areas shaded Yellow (Installing Now), Blue (Installing Next), and NORTH-018, NORTH-025, NORTH-026, and NORTH-027 (red outline) ready for fiber installation by mid-December. Installation of fiber services for these premises will be completed over the winter. (Note: Service Areas shaded Green are completed!)



In other Board of Trustees action:

- Approved the 2020 Budget Estimate Summary for the Electric, Water and Communications Utilities.
- Accepted and approved Contract Change Order and Final Acceptance of the A/O Center Main Lobby Remodel Project. Project was awarded to Woodruff Construction, LLC (Tiffin, Iowa) for a total cost of \$536,503.53.
- Approved the 2020 Critical Issues.

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*Muscatine Power and Water (MPW) is a customer-driven, not-for-profit municipal utility, established by the community for the purpose of serving the community responsively, competitively, and responsibly. MPW 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. MPW is locally controlled and operated for the benefit and betterment of the community.*