

**OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
AUGUST 26, 2014 – 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, August 26, 2014, at 5:30 p.m.

Chairperson Tracy McGinnis called the meeting to order. Members of the Board were present as follows: Trustees Steven Bradford, Warren Heidbreder, Susan Eversmeyer, Doyle Tubandt and Tracy McGinnis.

Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Charles Potter, Muscatine Journal; Joan Axel; Jerry Gowey, Tim Reed, Brandy Olson, Gage Huston, Erika Cox, and Brenda Christensen of Muscatine Power and Water (MP&W).

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

The minutes of the July 29, 2014, regular meeting were presented as previously submitted to all Board members in written form. Trustee Tubandt moved, seconded by Trustee Heidbreder, that the July 29, 2014, regular meeting minutes be approved as submitted. All Trustees voted aye. Motion carried.

The list of expenditures and transactions for July 2014 was presented as previously submitted to all Board members in written form. After review and discussion of the expenditures, Trustee Tubandt moved, seconded by Trustee Bradford, to ratify payment of \$10,642,461.20 for the Electric Utility, \$758,131.73 for the Water Utility, and \$1,545,450.47 for the Communications Utility, for a cumulative total of \$12,946,043.40. All Trustees voted aye. Motion carried.

The next item on the agenda was a recommendation to approve a revised project summary form for the Intersection of Cedar Street & Parham Street – Rebuild Electric Facilities Underground Project. This project was submitted and approved with the 2012 Operating Budget at a total cost of \$185,900 to replace the existing overhead electric facilities at the intersection of Cedar Street and Parham Street with underground utilities. This work was necessary in order to accommodate additional turn lanes at this intersection as part of the City's Cedar Street Road Reconstruction Project. The revised total project cost is \$223,974. The costs for this project were estimated in 2011, with anticipated construction in 2012. Actual construction was completed in 2013/2014 with escalated prices for both materials and labor. Management recommends approval of this revised project expenditure amount. After review and discussion, Trustee Heidbreder moved, seconded by Trustee Eversmeyer, to approve the revised project summary form for the Intersection of Cedar Street & Parham Street – Rebuild Electric Facilities Underground Project. All Trustees voted aye. Motion carried.

The next item on the agenda was a recommendation to approve a revised project summary form for the NPDES Thermal 316(a) Variance Request Demonstration Studies Project. This project was submitted and approved in April 2013 for a total cost of \$340,000. The original project estimate was made prior to knowledge of the final scope of the studies required by IDNR/EPA. Following study scope negotiations with IDNR/EPA and negotiations with the consultant, the original project quote was \$374,000. Ms. Olson explained that analysis of initial data identified a need to add an additional temperature sensor for Unit 9 to collect "end of pipe" water discharge temperature data at an alternative location, supporting further refinements to the modeling; this data needs to be collected yet this summer to maintain the project timeline. She continued that the more thorough the data used in the modeling, the better outcome we can expect from the project. The revised project cost estimate is now \$438,000, representing a \$64,000 increase over the quoted price and \$98,000 increase over the original project estimate. Management recommends approval of this revised project expenditure amount so that data can be collected now and the project can continue on schedule. After review and discussion, Trustee Tubandt moved, seconded by Trustee Heidbreder, to approve the revised project summary form for the NPDES Thermal 316(a) Variance Request Demonstration Studies Project. All Trustees voted aye. Motion carried.

Mr. LoBianco stated that at the July Board of Trustees meeting, the revised Board Policy Manual was presented in draft form for the Board's input and comments. The manual has been finalized with no additional revision. It was recommended that the Board approve the manual. Trustee Heidbreder moved, seconded by Trustee Eversmeyer, that the Board Policy Manual be approved as presented. All Trustees voted aye. Motion carried.

Mr. LoBianco reviewed the previously submitted memorandum to all Board members regarding designating the week of October 5-11, 2014 as Public Power Week. In order to support and increase awareness of the public to the benefits of public power, MP&W would like to have the City designate this week to celebrate public power and recognize the important contributions that MP&W provides to the community. Mr. LoBianco stated that this was an opportunity to promote the importance of public power to customer/owners and employees. The following resolution was submitted:

RESOLUTION 14-18
NATIONAL PUBLIC POWER WEEK

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

WHEREAS, the citizens of Muscatine are both owners and consumers of Muscatine Power and Water which provides our homes, businesses, farms, and local government agencies with reliable, efficient, and cost-effective water, electric, and communications services by employing sound business practices designed to ensure the best possible service at the lowest possible rate; now therefore,

BE IT RESOLVED, that the Board of Trustees request that the Mayor and City Council designate the week of October 5-11, 2014, as Public Power Week in Muscatine, in order to honor Muscatine Power and Water, its consumer-owners, and its employees, who work together to provide the best possible water, electric, and communications services; and,

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

Trustee Bradford moved, seconded by Trustee Tubandt, that said resolution be passed, approved, and adopted this 26th day of August 2014. Trustees Bradford, Heidbreder, Eversmeyer, Tubandt, and McGinnis voted aye. Voting nay, none. Resolution carried.

There were no items to review in the General Managers Report.

The July Financial Operating Statements and Balance Sheets were presented as previously submitted to all Board members in written form. After review and discussion, Trustee Heidbreder moved, seconded by Trustee Bradford, to receive and place on file the July Financial Operating Statements and Balance Sheets for the Water, Electric, and Communications Utilities. All Trustees voted aye. Motion carried.

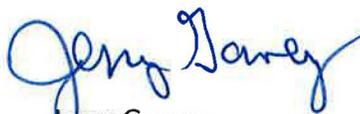
The Competitive Quotes for Public Improvements Report was presented as previously submitted to all Board members in written form. There were no items for approval.

The July departmental reports were presented as previously submitted to all Board members in written form. Trustee Tubandt moved, seconded by Trustee Eversmeyer to receive and place on file the July departmental reports. All Trustees voted aye. Motion carried.

Chairperson McGinnis introduced Ms. Joan Axel and stated that due to previous commitments, Ms. Axel was not able to attend the June 24, 2014, Board of Trustees meeting where a resolution recognizing then Trustee Axel for fourteen years of service as a Board member was adopted. Previous Board Chair, Mr. Tubandt, thanked Ms. Axel for her support of MP&W and the community and citizens of Muscatine and presented her with a framed copy of Resolution 14-16 recognizing her for service as a Trustee of the Board of Water, Electric, and Communications for the City of Muscatine, Iowa and a plaque commemorating her years of service.

Chairperson McGinnis asked if there were any other items of business. With no other items of business, the meeting was adjourned at 6:05 p.m.

BOARD OF WATER, ELECTRIC, AND
COMMUNICATIONS TRUSTEES OF
THE CITY OF MUSCATINE, IOWA



Jerry Gowey
Board Secretary