

**PUBLIC HEARING OF THE  
BOARD OF WATER, ELECTRIC,  
AND COMMUNICATIONS TRUSTEES  
OF THE CITY OF MUSCATINE, IOWA  
SEPTEMBER 29, 2015 – 5:28 P.M.**

The Board of Trustees conducted a public hearing in Muscatine Power and Water's Administration/Operations Building, 3205 Cedar Street, Muscatine, Iowa, on Tuesday, September 29, 2015, at 5:28 p.m.

Acting Chairperson Susan Eversmeyer called the meeting to order. Members of the Board were present as follows: Trustees Tracy McGinnis, Doyle Tubandt, Warren Heidbreder, and Susan Eversmeyer. Trustee Steven Bradford was present by phone due to previously scheduled travel plans.

Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Jerry Gowey, Board Secretary; Charles Potter, Muscatine Journal; Erika Cox, Brandy Olson, Tim Reed, Gage Huston, and Brenda Christensen of Muscatine Power and Water.

The purpose of the public hearing was to receive any citizens' comments regarding the Construct Well 46 at Main Well Field Project.

Mr. Gowey, Board Secretary, opened the public hearing at 5:28 p.m. to receive any citizens' comments regarding the Construct Well 46 at Main Well Field Project.

Mr. Gowey stated that public hearing notice was published as required by the Code of Iowa and that no written or oral comments were received regarding this project.

The following resolution was submitted:

**RESOLUTION 15-19**

WHEREAS, the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa has given tentative approval to plans and specifications for the Construct Well 46 at Main Well Field Project; and,

WHEREAS, bids have been received and there are no written or oral objections to proceeding with these projects; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that the plans and specifications for the Construct Well 46 at Main Well Field Project be adopted.

Trustee Tubandt moved, seconded by Trustee McGinnis, that the said resolution should be passed, approved, and adopted this 29<sup>th</sup> day of September 2015. On roll call Trustees Heidbreder, Tubandt, Bradford, McGinnis, and Eversmeyer voted aye. Voting nay, none. Resolution carried.

At 5:29 p.m., the Secretary closed the public hearing for the Construct Well 46 at Main Well Field Project.

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



Jerry Gowey  
Board Secretary

**OFFICIAL PROCEEDINGS OF THE  
BOARD OF WATER, ELECTRIC,  
AND COMMUNICATIONS TRUSTEES  
OF THE CITY OF MUSCATINE, IOWA  
SEPTEMBER 29, 2015 – 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, September 29, 2015, at 5:30 p.m.

Acting Chairperson Susan Eversmeyer called the meeting to order. Members of the Board were present as follows: Trustees Tracy McGinnis, Doyle Tubandt, Warren Heidbreder, and Susan Eversmeyer. Trustee Steven Bradford was present by phone due to previously scheduled travel plans.

Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Jerry Gowey, Board Secretary; Charles Potter, Muscatine Journal; Erika Cox, Brandy Olson, Tim Reed, Gage Huston, and Brenda Christensen of Muscatine Power and Water.

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

The minutes of the August 25, 2015, public hearing and regular meeting were presented as previously submitted to all Board members in written form. Trustee McGinnis moved, seconded by Trustee Tubandt, that the August 25, 2015, public hearing and regular meeting minutes be approved as submitted. All Trustees voted aye. Motion carried.

The list of expenditures and transactions for August 2015 was presented as previously submitted to all Board members in written form. After review and discussion of the expenditures, Trustee Heidbreder moved, seconded by Trustee Tubandt, to ratify payment of \$11,196,798.68 for the Electric Utility, \$421,479.08 for the Water Utility, and \$869,537.54 for the Communications Utility, for a cumulative total of \$12,487,815.30. All Trustees voted aye. Motion carried.

Mr. LoBianco reviewed the previously submitted memorandum to all Board members regarding the receipt and evaluation of bids for the Construct Well 46 at Main Well Field Project. This project was approved with the 2014 Operating Budget with a total expenditure of \$312,425.00. The published estimate for this project was \$281,452.50 which covers labor, materials, and equipment necessary to construct Well 46 along with all associated buildings, water mains, valves, fittings, and installation of Owner supplied motor controls and motors. Project specifications were mailed to eight (8) potential bidders. A total of four (4) bids were received, opened publicly, and read aloud on September 15, 2015. Four (4) bidders attended the opening. It is recommended that the low bidder, Cahoy Pump Service of Sumner, Iowa, be awarded the contract for the Construct Well 46 at Main Well Field Project for a total contract price of \$234,986.00. After additional discussion, the following resolution was submitted:

**RESOLUTION 15-20**

WHEREAS, it appears in a written report from Muscatine Power and Water Management that the bid for the Construct Well 46 at Main Well Field Project, as submitted by Cahoy Pump Service of Sumner, Iowa, in the amount of \$234,986.00, was the best and lowest bid received; now therefore,

BE IT RESOLVED by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that the proposal from Cahoy Pump Service of Sumner, Iowa, in the amount of \$234,986.00, for the Construct Well 46 at Main Well Field Project was hereby accepted as submitted; and,

BE IT FURTHER RESOLVED, that the General Manager and Secretary of the Board were hereby authorized, empowered, and directed to execute a contract in the sum approved by the Board of Water, Electric, and Communications Trustees.

Trustee Tubandt moved, seconded by Trustee McGinnis, that the said resolution should be passed, approved, and adopted this 29<sup>th</sup> day of September 2015. On roll call Trustees Heidbreder, Tubandt, Bradford, McGinnis, and Eversmeyer voted aye. Voting nay, none. Resolution carried.

Mr. LoBianco stated that the next item on the agenda was a recommendation to approve water service outside the city limits for a new construction of a residential property at 1851 Peck Street, Muscatine. The property located at 1851 Peck Street was previously planned as Phase II of the Bloomington Hollow subdivision; this property is now wholly owned by Kyle & Susan Jensen. The developer plans to install 1,320 linear feet of 1-1/2" water service line at the North end of Peck Street to connect to the existing 4" water main owned by the Bloomington Hollow Subdivision; the entire length will be a private service and will serve a single residence. The service connection will be at no cost to the Utility and will have no impact on the Utility's water system. After additional discussion, Trustee Heidbreder moved, seconded by Trustee Eversmeyer, to approve the request for water service outside the City limits for 1851 Peck Street, Muscatine. All Trustees voted aye. Motion carried.

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

The August Financial Operating Statements and Balance Sheets were presented as previously submitted to all Board members in written form. After review and discussion, Trustee McGinnis moved, seconded by Trustee Tubandt, to receive and place on file the August 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 August 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 August departmental reports. All Trustees voted aye. Motion carried.

Acting Chairperson Susan Eversmeyer asked if there were any other items of business. With no other items of business, the meeting was adjourned at 5:50 p.m.

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



Jerry Gowey  
Board Secretary

**MINUTES OF THE  
BOARD OF WATER, ELECTRIC, & COMMUNICATIONS TRUSTEES  
AUDIT/FINANCE COMMITTEE MEETING  
SEPTEMBER 29, 2015 – 4:30 P.M.**

The Board of Trustees Audit/Finance Committee met at Muscatine Power and Water's Administration Building, 3205 Cedar Street, Muscatine, Iowa, on Tuesday, September 29, 2015 at 4:30 p.m.

Members of the Committee were present as follows: Committee Chairperson Warren Heidbreder and Trustee Susan Eversmeyer.

Present from Muscatine Power & Water were Sal LoBianco, General Manager; Jerry Gowey, Director of Finance & Administrative Services; and Brenda Christensen, Executive Assistant. Russ Hissom and Ryan O'Donnell of Baker Tilly Virchow Krause, LLP (BT) were present by phone.

Chairperson Heidbreder called the meeting to order.

Mr. Gowey introduced Mr. Russ Hissom to review the pre-audit presentation from BT. Mr. Hissom stated that the audit is a chance for BT to review and provide an opinion, as an outside source, to the Audit/Finance Committee, MP&W Customer-Owners and other outside parties on the reliability of the financial reporting processes at MP&W. He thanked the committee for the chance to handle the audit for MP&W and asked that if anyone has specific concerns or any information that they felt should be incorporated into the audit, to please get in touch with him. Mr. Hissom next reviewed the proposed audit focus areas and goals, along with the auditors required communication with those charged with governance. He also reviewed the audit schedule and stated that the final Audit presentation to the Board would be at the March 2016 Board meeting. Next, Mr. Hissom briefly reviewed the new GASB 68 regarding changes in retirement accounting and the effect on financial statements for MP&W. Mr. Hissom finished by stating that MP&W Staff always does an outstanding job preparing for the audit. After some additional discussion about the BT organization and audit staff changes, Mr. Hissom ended the phone call at 4:45 p.m.

The Audit/Finance Committee Checklist states that the key financial issues and risks, critical controls, important industry and financial reporting issues, and legal and regulatory requirements will be reviewed annually with new and existing Audit/Finance Committee members. Mr. Gowey started this review by covering a list of key financial policies, procedures and reporting mechanisms that are in place at the Utility and the frequency of their review by the Board. He also did a high level review of the recent Benefits Benchmarking Study commissioned by the Utility. He gave a high level review of expenses to the Utility for Pension and Medical plans, along with possible future changes and re-design to the program. Next he reviewed significant pending environmental and regulatory issues and the committee discussed the steam sales contract with GPC and the

effect recent environmental regulations are having on the contract currently and any future implications. Next Mr. Govey reviewed the Utilities financing activities including timing and magnitude of any borrowing needed for each of the Utilities.

In other business, Mr. LoBianco reviewed MP&W's proposed participation in the Mississippi Drive Corridor Project and status of the Well Field Expansion Land Acquisition Project timeline and expected costs. He also reviewed in more detail the changes in the Pension Valuation Assumptions that were discussed with the full Board as part of the GM Report at the August 25, 2015 meeting.

The meeting was adjourned at 5:25 p.m.

BOARD OF WATER, ELECTRIC, AND  
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Warren Heidbreder  
Audit/Finance Committee Chairperson