

**OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
FEBRUARY 23, 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, February 23, 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, Kevin Fields, Tracy McGinnis, Keith Porter and Susan Eversmeyer.

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, Doug White, and Jim Garrison of Muscatine Power and Water. Additional attendees were Eric Howard and Daniel Sirdoreus of Principal Financial Group; Sandy Stanley and Freedom Malik-Roberts of Clean Air Muscatine; Jean Clark, Franz Silberger and Jessica Brackett as members of the Muscatine Community.

Chairperson Eversmeyer asked if there was anyone in attendance who wished to make any public comments. Public comments were provided by Jean Clark, Freedom Malik-Roberts, and Sandy Stanley. Chairperson Eversmeyer thanked everyone for attending and for their public comments. She added the Board is very interested in doing what is best for the Muscatine community.

The minutes of the January 26, 2021 regular meeting were presented as previously submitted. Trustee McGinnis moved, seconded by Trustee Fields, for the January 26, 2021 regular meeting minutes be received and placed on file. All Trustees voted aye. Motion carried.

The list of expenditures and transactions for January 2021 was presented as previously submitted to all Board members. Mr. Huston provided a brief review of the key drivers of the expenditure totals. After review and discussion of the expenditures, Trustee Fields moved, seconded by Trustee Bradford, to ratify payment of \$7,049,997.13 for the Electric Utility, \$430,816.22 for the Water Utility, and \$1,122,427.05 for the Communications Utility for a cumulative total of \$8,603,240.40. All Trustees present voted aye. Motion carried.

Mr. Huston reminded the Board the Utility provides a defined benefit pension plan for its employees and the Pension Investment Policy requires the Board review the Employee Pension Fund performance once a year. Ms. Olson provided an overview of the internal committee members and their duties, then introduced Eric Howard and Daniel Sirdoreus from Principal Financial Group to provide the yearend 2020 Pension Plan and Investment Report. Mr. Sirdoreus communicated MPW had a good year with a double-digit percent return. He then provided a general update of the current market trends and market expectations for 2021, along with a review of MPW's portfolio and strategic asset allocations and investment earnings results. Mr. Sirdoreus finished his presentation with a review of the MPW portfolio performance and a total return summary. Trustee McGinnis moved, seconded by Trustee Fields, to receive and place on file the 2020 Employees' Pension Plan and Investment Advisory Report. All Trustees present voted aye. Motion carried. The Principal Financial Group representatives left the meeting at 6:05 p.m.

Mr. Huston introduced the next agenda item to the Board as a recommendation to ratify Contract Change Order (CCO) No. 2 and accept as complete the contract for the Mississippi Drive Corridor

Underground Phase I – Cable Pull Project. Mr. Huston stated this project is a subset of the Mississippi Drive Corridor Underground Project. At the May 2020 Board Meeting, a contract was awarded to Marmon Utility, LLC for the Mississippi Drive Corridor Underground Phase I – Cable Pull Project. At the December 2020 Board Meeting, Contract Change Order (CCO) No. 1 was approved in the amount of \$25,285.65 and the General Manager was authorized to approve CCO No. 2 up to \$289,662.99. Actual expenses for final repairs came in lower than estimated and CCO No. 2 was approved by the General Manager for a total increase of \$266,480.25. Work is complete and has been inspected by staff. Management recommended the Board ratify CCO No. 2 and accept as complete the contract with Marmon Utility, LLC for the Mississippi Drive Corridor Underground Phase I – Cable Pull Project. After additional discussion and review, the following resolutions were submitted:

RESOLUTION 21-04

WHEREAS, Contract Change Order No. 2 has been prepared to said contract with Marmon Utility, LLC for the Mississippi Drive Corridor Underground Phase I, Cable Pull Project in the increased total amount of \$266,480.25 and said Contract Change Order has been reviewed by the Board, and Muscatine Power and Water Management has recommended approval of said Contract Change Order; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees said Contract Change Order No. 2 in the increased total net amount of \$266,480.25 be approved for an amended contract price of \$1,423,710.10 for the Mississippi Drive Corridor Underground Phase I, Cable Pull Project.

Trustee Bradford motioned, seconded by Trustee Fields, the said resolution should be passed, approved, and adopted this 23rd day of February 2021. On roll call Trustees McGinnis, Fields, Bradford, Porter, and Eversmeyer voted aye. Voting nay, none. Resolution carried.

RESOLUTION 21-05

WHEREAS, it appears in a written report from Muscatine Power and Water Management the contract with Marmon Utility, LLC, for the Mississippi Drive Corridor Underground Phase I, Cable Pull Project in the final amount of \$1,423,710.10 has been substantially completed in accordance with the project specifications and the recommendation has been made that said contract be accepted by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, the Mississippi Drive Corridor Underground Phase I, Cable Pull Project, furnished under the above-named contract be accepted and approved by the Board; and,

BE IT FURTHER RESOLVED, five percent (5%) of the contract price be retained for a period of thirty-one (31) days from and after the date of resolution, all in accordance with the provisions of the Code of Iowa.

Trustee McGinnis motioned, seconded by Trustee Porter, the said resolution should be passed, approved, and adopted this 23rd day of February 2021. On roll call Trustees McGinnis, Fields, Bradford, Porter, and Eversmeyer voted aye. Voting nay, none. Resolution carried.

The next agenda item was presented to the Board as a recommendation to ratify Contract Change Order (CCO) No. 1 for FTTH Premise Installation for MDUs and Large Commercial Facilities Project. Mr. Huston stated despite the increase in contract costs, the total expense for MP Nexlevel remains under the amount included in the revised PSF for the Fiber to the Home project approved at the August 2019 board meeting. At the time, all construction related units were re-estimated based on the known conditions of the project. One key change for MP Nexlevel's contract was a shift in construction philosophy for MDUs to install fiber to every unit vs just those of active customers because MDUs have a higher rate of resident turnover and having every unit fiber ready will dramatically reduce future costs associated with customer churn, as well as provide a better experience for new customers in those units. He continued that Management recommends Board approval of CCO No. 1 with MP Nexlevel LLC at this time. Chairperson Eversmeyer stated doing every unit was a good option and will save money, time, and effort in the future. The following resolutions was submitted:

RESOLUTION 21-06

WHEREAS, Contract Change Order No. 1 has been prepared to said contract with MP Nexlevel LLC for the FTTH Premise Installation for MDUs and Large Commercial Facilities Project in the increased total amount of \$102,749.60 and said Contract Change Order has been reviewed by the Board, and Muscatine Power and Water Management has recommended approval of said Contract Change Order; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees that said Contract Change Order No. 1 in the increased total net amount of \$102,749.60 be approved for an amended contract price of \$1,063,534.99 for the FTTH Premise Installation for MDUs and Large Commercial Facilities Project.

Trustee Bradford moved, seconded by Trustee Porter, the said resolution should be passed, approved, and adopted this 23rd day of February 2021. On roll call Trustees Porter, Bradford, Fields, McGinnis, and Eversmeyer voted aye. Voting nay, none. Resolution carried.

Mr. Huston introduced the next item on the agenda as a recommendation to approve updated Water Utility Service Rules and approve water service outside the city limits to Fairway Oaks Subdivision. MPW has received a formal request for water service outside the city limits from representatives of the Fairway Oaks Homeowners Association (HOA), which consist of 38 homes located on Oak Drive and Birdie Drive, Muscatine, IA. Fairway Oaks HOA is requesting to connect to MPW's water system and cease operation of their existing drinking water well system, requiring an extension of the existing MPW 8" water main along Oak Drive, approximately 640 feet, to connect their system to the MPW system. Mr. Huston continued Fairway Oaks HOA maintains the subdivision's public water supply through the Iowa Department of Natural Resources and this request has formal support from the residents of Fairway Oaks HOA and the Iowa Department of Natural Resources. Mr. Huston stated at the time of the request, MPW staff reviewed the Water Utility Service Rules regarding subdivisions and Staff identified a few significant areas of opportunity to improve this process and provide a more customer friendly approach to adding subdivisions to our water system. He reviewed the modifications requested of the Water Utility Service Rules and stated these changes should open the door for additional subdivisions to connect in the future. These changes will increase facility fee revenue, streamline connection, reduce metering calculation time, limit our exposure from poor testing practices, and provide for higher quality services. After additional discussion and review, Trustee Fields moved, seconded by Trustee Porter, to Approve the Updated Water Utility Service Rules as presented. All Trustees present voted aye. Motion carried. Next Trustee Bradford moved, seconded by Trustee

McGinnis, to Approve Water Service Outside the City Limits for Fairway Oaks Subdivision HOA. All Trustees present voted aye. Motion carried.

The next item on the agenda was the General Manager Report. Mr. Huston reviewed several charts showing 2020 safety accomplishments for the Utility. He stated 2020 was by far the safest year on record for staff at MPW. Mr. Garrison added additional comments and thanked all MPW Staff for support during the year to hit this milestone. Mr. Huston also thanked Mr. Garrison and Ms. Olson for all their work on the Pandemic Response Plan in 2020. Mr. Huston next discussed the arctic storm event both locally and in the south; he stated everything MPW had control of went very well; the plant kept running and all the outside field crews kept working providing reliable services to MPW customers. He also provided a review of the issues impacting Texas specifically, including electric generation deficiencies.

The January Financial Operating Statements and Balance Sheets were presented as previously submitted to all Board members in written form. Mr. Roberts reviewed the new dashboard for the Utility and the January Financial Results Summary for each Utility.

The Competitive Quotes for Public Improvements Report was presented as previously submitted to all Board members in written format.

Mr. Huston reviewed the Quarterly Project Status Report and Variance Analysis previously submitted to all Board members.

The January departmental reports were presented as previously submitted to all Board members in written form. Mr. Huston provided a high-level review and then Mr. White reviewed the new Power the Future Monthly Status Report.

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

The meeting of the Board of Trustees was adjourned at 7:30 p.m.

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THE CITY OF MUSCATINE, IOWA



Brenda Christensen
Board Secretary