

**OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
JULY 27, 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, July 27, 2021 at 5:30 p.m.

Chairperson Steven Bradford called the meeting to order. Members of the Board were present as follows: Trustees Susan Eversmeyer, Tracy McGinnis, Keith Porter, and Steven Bradford. Trustee Kevin Fields was absent 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; Chris Anderson, Pearl City Media; Erika Cox, Brandy Olson, Mark Roberts, Ryan Streck, and Doug White of Muscatine Power and Water. Additional guests attending the meeting included Bobbie Barclay, Jessica Brackett, Freedom Malik-Roberts, Michael Salino-Hugg, Linda Schmarje, Sandy Stanley, and Katie Rock.

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

The minutes of the June 29, 2021 Board meeting were presented as previously submitted to all Board members. Trustee Eversmeyer moved, seconded by Trustee Porter, the minutes from the June 29, 2021 Board meeting be approved. All Trustees present voted aye. Motion carried.

The list of expenditures and transactions for June 2021 were presented. Mr. Huston reviewed the expenditures, and after additional discussion Trustee McGinnis moved, seconded by Trustee Eversmeyer, to ratify payment of \$8,606,551.46 for the Electric Utility, \$679,126.27 for the Water Utility, and \$1,330,838.70 for the Communications Utility, for a cumulative total of \$10,616,516.43. All Trustees present voted aye. Motion carried.

Mr. Huston introduced the next agenda item to the Board as a recommendation to accept Contract Change Order (CCO) No. 3 and accept as complete the contract for the Construction of a Fiber to the Home (FTTH) System. Mr. Huston reviewed the memo provided to the Board and recommended the Board ratify Contract Change Order #3 for a decrease of \$1,044,396.38 for the Construction of the FTTH System. He also recommended the Board accept the contract as complete with Atlantic Engineering Group, Inc. for the Construction of the FTTH System at a final cost of \$8,651,221.01. After additional discussion, the following resolutions were submitted:

RESOLUTION 21-16

WHEREAS, Contract Change Order No. 3 has been prepared to said contract with Atlantic Engineering Group, Inc. for the Construction of the FTTH System Project in the decreased amount of \$1,044,396.38 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. 3 in the decreased amount of \$1,044,396.38 be approved for an amended contract price of \$8,651,221.01 for Construction of the FTTH System Project.

Trustee Eversmeyer motioned, seconded by Trustee Porter, that said resolution should be passed, approved, and adopted this 27th day of July 2021. On roll call Trustees McGinnis, Porter, Eversmeyer, and Bradford voted aye. Voting nay, none. Trustee Fields was absent. Resolution carried.

RESOLUTION 21-17

WHEREAS, it appears in a written report from Muscatine Power and Water Management that the contract with Atlantic Engineering Group, Inc., for the Construction of the FTTH System Project in the final amount of \$8,651,221.01 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, that the Construction of the FTTH System Project, furnished under the above-named contract be accepted and approved by the Board; and,

BE IT FURTHER RESOLVED, that 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 Eversmeyer, that said resolution should be passed, approved, and adopted this 27th day of July 2021. On roll call Trustees McGinnis, Porter, Eversmeyer, and Bradford voted aye. Voting nay, none. Trustee Fields was absent. Resolution carried.

Mr. Huston recognized and thanked Ms. Cox for stepping in and successfully getting the FTTH project back on track and overseeing its completion. Mr. Bradford congratulated Staff on project completion.

Mr. Huston introduced the next agenda item to approve a revised Project Summary Form (PSF) for the West Hill Sewer Separation Project Water Main Replacement - Phase 5A. This project was designed as part of the City's much larger West Hill Sewer Separation Project and was originally approved with the 2021 Operating Budget for \$232,000. Additional costs include the low overall bidder coming in at \$30,000 over the MPW estimate and additional unanticipated costs of replacement of more hydrants, valves and associated components than originally expected.

Trustee Porter moved, seconded by Trustee McGinnis, to approve the revised PSF for the West Hill Sewer Separation Project Water Main Replacement - Phase 5A with a new total cost of \$290,100. All Trustees present voted aye. Motion carried.

Mr. Roberts introduced the next topic of approving the Commercial II Irrigation Rate Structure and related changes to the Customer Service Rules. He reviewed the staff recommendation for a new rate structure for Commercial II Irrigation customers combining aspects of our standard Commercial I and II rates, adjusted seasonally to align with the unique usage patterns of these customers. He reviewed the rate structure and stated there were no other changes since the in-depth review from the June Board meeting. The following resolution was submitted for approval recommending the addition of Commercial II Irrigation rates to the Electric Utility Rate Tables, effective May 1, 2022 and July 1, 2022, and updated Service Rules:

RESOLUTION 21-18
ELECTRIC UTILITY RATE ADJUSTMENT

WHEREAS, certain studies have been made of the financial condition of the Electric Utility and presented to the Board of Water, Electric and Communications Trustees for its consideration with a recommendation for a commercial irrigation rate structure; and,

WHEREAS, the Board has reviewed the recommended Commercial II Irrigation rate classification for customers that irrigate agricultural land and have 50 kW or more of demand; and

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, that the Commercial II Irrigation rate be established, and that said rate be effective May 1, 2022, with revision on July 1, 2022; and,

BE IT FURTHER RESOLVED, that proper notice be given to affected customers in August 2021.

Trustee McGinnis motioned, seconded by Trustee Eversmeyer, that said resolution should be passed, approved, and adopted this 27th day of July 2021. On roll call Trustees Eversmeyer, Porter, McGinnis, and Bradford voted aye. Voting nay, none. Trustee Fields was absent. Resolution carried.

Mr. Roberts introduced the next topic of approving the revised and expanded Net Metering Rate Structure along with the associated revised Customer Service Rules and revised Board Policy for Customer Renewable Generation. He reviewed the changes to the Policy and Customer Service Rules made since the in-depth review at the June Board meeting. After additional discussion, Trustee Eversmeyer moved, seconded by Trustee McGinnis, the Net Metering Rate Structure and the associated revised Customer Service Rules and revised Customer Renewable Generation Board Policy be approved as submitted. All Trustees present voted aye. Motion carried.

The next agenda item was a recommendation to set a public hearing date on MISO Attachment O Annual Meeting – Transmission Rate Update. Mr. Huston stated as a Transmission Owner (TO) in Mid-Continent Independent System Operator (MISO), MPW must establish tariff rates for use of its transmission system by other market participants. The key component in establishing the formula rates is through the use of MISO's Attachment O template. A step required by the Federal

Energy Regulatory Commission (FERC) in this process is each TO must hold an annual public meeting regarding its transmission rate updates and submit an informational filing with FERC regarding its updated transmission rates. Management recommends the Board set a public hearing prior to its next regular Board Meeting on August 31, 2021 to receive any public comments regarding its annual transmission rate update (Attachment O). This public hearing will meet the requirement in MISO's revised formula rate protocols related to holding an annual public meeting. The following resolution was submitted:

RESOLUTION 21-19

WHEREAS, it is recommended that a public hearing be established for the review of MPW's annual Transmission Rate Update (Attachment O) to receive any public comments before submittal of this form to FERC; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa that a public hearing be held on the 31st day of August 2021, at 5:28 p.m. in the Auditorium of Muscatine Power and Water's Administration/Operations Building located at 3205 Cedar Street, Muscatine, Iowa, and the notice of said hearing shall be published once in the Muscatine Journal, a newspaper of general circulation published daily in the City of Muscatine, Iowa, not less than four (4) nor more than twenty (20) days prior to said hearing, all as required by the Code of Iowa.

Trustee McGinnis moved, seconded by Trustee Porter, that said resolution be passed, approved, and adopted this 27th day of July 2021. On roll call Trustees Eversmeyer, Porter, McGinnis, and Bradford voted aye. Voting nay, none. Trustee Fields was absent. Resolution carried.

Mr. Huston next introduced the topic of the new program, Choose Green Muscatine – Business Program. The draft policy for this program was provided to the Board for review, along with the draft of the marketing brochure. He continued Staff plans to reach out to eligible Commercial and Industrial customers to explain the new program and secure feedback on their level of interest. No formal action of the Board will be needed until the program information is finalized in the next several months.

Mr. Huston stated at the June Board of Trustees meeting, the revised Board Policy Manual was presented in draft form for the Trustees input and comments. The manual has been finalized. It was recommended the Trustees approve the 2021 Board Policy Manual. Trustee Porter moved, seconded by Trustee McGinnis, the 2021 Board Policy Manual be approved. All Trustees present voted aye. Motion carried.

Next, Mr. Huston recommended the following appointments for the 2020/2021 Board Committees:

Audit and Finance – Steven Bradford and Susan Eversmeyer (Committee Chair)

Planning and Operations – Tracy McGinnis and Kevin Fields (Committee Chair)

Personnel & Public Relations – Keith Porter and Tracy McGinnis (Committee Chair)

Trustee Eversmeyer moved, seconded by Trustee Porter, to receive and place on file the 2021/2022 Board Committee appointments. All Trustees present voted aye. Motion carried.

In the General Manager's report, Mr. Huston provided an update to the Board on public comments received at the June Board meeting regarding a City/County shooting range being developed on

the MPW landfill site; comments were shared with the City and County from the Board meeting and the MPW landfill location has been removed from consideration. He continued landowners had been notified. Mr. Streck reviewed a transition plan was approved by all members of the MAGIC Board moving the two MAGIC employees from shared employees between the three entities to full-time MPW employees. Trustee Eversmeyer asked care be taken to make sure other partners did not feel like they were getting less service than in the past; Mr. Streck explained the transition should be seamless, and no one should notice any differences in services provided in the future. Next, Ms. Olson reviewed the previously submitted 2021 State Legislative session update and Ms. Cox shared MPW is moving forward with applications for state grant funding to support additional broadband expansion to rural customers in certain areas near Muscatine.

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

There were no entries on the Competitive Quotes for Public Improvements Report.

Mr. Huston reviewed the Monthly Project Status Report and Variance Analysis report.

The 2021 2Q Strategic Plan Update and Key Performance Indicators for the Electric, Water, and Communications Utilities were reviewed.

The June Departmental Reports were presented as previously submitted to all Board members. Mr. Huston provided a high-level review and then Mr. White reviewed the Powering the Future Monthly Status Report. Mr. Huston reviewed supplementary information regarding all-source RFPs in response to previous inquiries about this topic. Public comments were added by Ms. Brackett, Ms. Malik-Roberts, Ms. Stanley, Ms. Rock and Ms. Barclay.

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

The meeting was adjourned at 8:50 p.m.

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



Brenda Christensen
Board Secretary