

**PUBLIC HEARING OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
MAY 27, 2014 – 5:26 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, May 27, 2014 at 5:26 p.m.

The purpose of the public hearing was to receive any citizens' comments regarding the potential Loan and Reimbursement agreement between the Utility and the Iowa Finance Authority - State Revolving Loan Fund to the Water Utility for the 2014 Water Main Replacement Projects.

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

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 (MP&W).

Board Secretary Gowey opened the public hearing at 5:26 p.m. to receive any citizens' comments regarding the potential Loan and Reimbursement agreement between the Utility and the Iowa Finance Authority, in an amount not to exceed \$766,990, for the 2014 Water Main Replacement Projects. The borrowing would be for the purpose of paying costs associated with projects to construct 4,775 feet of 6-8" Ductile Iron Pipe (DIP) and High Density Polyethylene (HDPE) water mains.

Chairperson Tubandt asked Secretary Gowey if publication and notice of hearing had been published as required by the Code of Iowa; Secretary Gowey replied that the hearing notice had been published.

Secretary Gowey asked if there was anyone in attendance who wished to make a public comment. There were no public comments.

Chairperson Tubandt asked Secretary Gowey if any written or oral comments had previously been received regarding the potential loan; Secretary Gowey replied that no comments had been received regarding the potential loan.

Chairperson Tubandt requested a resolution that no action be taken for the authorization of a Loan and Disbursement Agreement by and between the Board and the Iowa Finance Authority; the following resolution was submitted:

RESOLUTION 14-11

WHEREAS, it was previously deemed necessary and advisable that Muscatine Power and Water, Muscatine, Iowa should provide for the authorization of a Loan and Disbursement Agreement and the issuance of Water Revenue Capital Loan Notes, in the amount of not to exceed \$766,990.00, as authorized by Sections 384.24A and 384.83, Code of Iowa for the purpose of providing funds to pay costs associated with the 2014 Water Main Replacement – State Revolving Loan Fund Projects; and

WHEREAS, the bids and cost estimates for the 2014 Water Main Replacement – State Revolving Loan Fund Projects have been evaluated by Staff and were deemed in excess of the project estimates; and

WHEREAS, based upon staff's recommendation, the Board has determined that it would be in the best interest of the Utility if said bids were rejected and said financing not pursued; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that no action be taken on the authorization of a Loan and Disbursement Agreement between the Board and the Iowa Finance Authority.

Trustee Axel moved, seconded by Trustee McGinnis, that the said resolution should be passed, approved, and adopted on this 27th day of May 2014. Trustees McGinnis, Heidbreder, Axel, and Tubandt voted aye. Voting nay, none. Trustee Bradford was absent from the meeting.

At 5:27 p.m. the Secretary closed the public hearing regarding the potential Loan and Reimbursement agreement between the Utility and the Iowa Finance Authority for the 2014 Water Main Replacement Projects.

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



Jerry Gowey
Board Secretary

**PUBLIC HEARING OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
MAY 27, 2014 – 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, May 27, 2014 at 5:28 p.m.

The purpose of the public hearing was to receive any citizens' comments regarding the 2014 Water Main Replacement – State Revolving Loan Fund Projects.

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

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 (MP&W).

Board Secretary Gowey opened the public hearing at 5:28 p.m. to receive any citizens' comments regarding the 2014 Water Main Replacement – State Revolving Loan Fund Projects.

Chairperson Tubandt asked Secretary Gowey if publication and notice of hearing had been published as required by the Code of Iowa; Secretary Gowey replied that the hearing notice had been published.

Secretary Gowey asked if there was anyone in attendance who wished to make a public comment. There were no public comments.

Chairperson Tubandt asked Secretary Gowey if any written or oral comments had previously been received regarding this project; Secretary Gowey replied that no comments had been received regarding the project.

Chairperson Tubandt continued that staff is recommending that bids be rejected and that no further action was required at this hearing.

At 5:29 p.m. the Secretary closed the public hearing for the 2014 Water Main Replacement – State Revolving Loan Fund Projects.

BOARD OF WATER, ELECTRIC, AND
COMMUNICATIONS TRUSTEES OF
THE 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
MAY 27, 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, May 27, 2014, at 5:30 p.m.

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

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 (MP&W).

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

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

The list of expenditures and transactions for April 2014 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 McGinnis to ratify payment of \$9,567,693.61 for the Electric Utility, \$713,604.20 for the Water Utility, and \$927,515.13 for the Communications Utility, for a cumulative total of \$11,208,812.94. All Trustees present voted aye. Motion carried.

Next, Mr. LoBianco advised that bids were mailed to 18 potential bidders for the 2014 Water Main Replacement Projects. A total of 4 Bids were received, opened publically and read aloud on May 8, 2014. Bids were received on the basis of unit adjustment prices; the low bid was 12% over the budgeted amount. Management reviewed the information collected and recommends that the Board reject all bids due to costs in excess of the project estimate. Based on feedback received from the bidders, specifications will be revised, including removing requirements associated with financing the project through the State Revolving Loan Fund. Mr. LoBianco explained that the requirements to receive the funds through the State Revolving Loan Fund tend to drive up costs due to some of the administrative and purchasing requirements. Once these additional costs are removed from the bid documents, it is expected the bids will be back near the approved project

cost. The projects will be funded temporarily through the current borrowing arrangement between the Electric Utility and the Water Utility. After review and discussion the following Resolution was submitted:

RESOLUTION 14-12

WHEREAS, bids were received on May 8, 2014, for 2014 Water Main Replacement Projects; and,

WHEREAS, said bids have been evaluated by the Board's staff and based upon staff's recommendation, the Board has determined that it would be in the best interest of the Utility if the said bids were rejected; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that the bids received on May 8, 2014, for 2014 Water Main Replacement Projects be rejected and all bidders be informed of this action.

Trustee Axel moved, seconded by Trustee McGinnis, that the said resolution should be passed, approved, and adopted on this 27th day of May 2014. Trustees McGinnis, Heidbreder, Axel, and Tubandt voted aye. Voting nay, none. Trustee Bradford was absent from the meeting.

Mr. LoBianco stated that the next agenda item was a recommendation to tentatively approve plans and specifications of the 2014 Water Main Replacement Projects and set dates for the receipt of bids and to conduct a public hearing for these projects. After discussion and additional review of the project, the following resolution was submitted:

RESOLUTION 14-13

WHEREAS, revised plans and specifications have been prepared for the 2014 Water Main Replacement Projects; and,

WHEREAS, said proposed plans and specifications and proposed form of contract were now on file with the Secretary of the Board and the Board finds the same were in substantial conformity with the requirements necessary to carry out said plans; 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 in the proposed form for the 2014 Water Main Replacement Projects were tentatively approved; and,

BE IT FURTHER RESOLVED that the date of June 12, 2014, at 3:30 p.m., CST, was hereby set for receipt of bids on said project at which time the Board's duly appointed representative was hereby authorized, empowered, and directed to receive, open and read aloud all sealed bids, and receive and record all oral bids, and keep a written record of said proceedings and notice to bidders; and,

BE IT FURTHER RESOLVED, that the hearing on said plans and specifications and proposed form of contract as provided by statute, be held in the office of the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, on June 24, 2014, at 5:28 p.m., CST, and notice to bidders be published not less than four (4) days nor more than twenty (20) days prior to said hearing all as required by the Code of Iowa.

Trustee Axel moved, seconded by Trustee Heidbreder, that the said resolution should be passed, approved, and adopted on this 27th day of May 2014. Trustees McGinnis, Heidbreder, Axel, and Tubandt voted aye. Voting nay, none. Trustee Bradford was absent from the meeting.

In the General Manager's report, Mr. LoBianco reviewed his previously submitted memorandum stating that MP&W received an honorable mention from APPA for our 2013 safety performance. He also reviewed the new channels that would be added to the MP&W Digital TV lineup on July 1, 2014.

The April 2014 Financial Operating Statements and Balance Sheets were presented as previously submitted to all Board members in written form. After review, Trustee Heidbreder moved, seconded by Trustee McGinnis, to receive and place on file the April 2014 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 April 2014 Departmental Reports were presented as previously submitted to all Board members in written form. Trustee Axel moved, seconded by Trustee McGinnis, to receive and place on file the April 2014 Departmental Reports. All Trustees present voted aye. Motion carried.

Vice-Chairperson Tubandt recommended that the meeting be closed to the public in accordance with Iowa Code Chapter 21.5(1.i) to review the performance evaluations completed by the General Manager for the Directors and the performance evaluation completed by the Board of Trustees for the General Manager. Trustee McGinnis moved, seconded by Trustee Axel, that the meeting be closed to the public in accordance with Iowa Code Chapter 21.5(1.i) for the purpose of reviewing management performance. On roll call, Trustees McGinnis, Heidbreder, Axel, and Tubandt voted aye. Voting nay, none. Trustee Bradford was absent from the meeting.

The meeting was closed to the public at 5:50 p.m. All attendees of the meeting except for the General Manager and the Board Members left.

At 6:00 p.m. Mr. LoBianco left the closed session.

Trustee Axel moved, seconded by Trustee Heidbreder, to reconvene the meeting to open session. At 6:15 p.m. the meeting was reconvened to open session.

Trustee Heidbreder moved, seconded by Trustee McGinnis to ratify salary adjustments effective July 1, 2014, as recommended by the General Manager for the Directors and to adjust the salary of the General Manager in accordance with his performance and the Salary Administration Program. All Trustees voted aye. Motion carried.

The meeting of the Board of Trustees was adjourned at 6:20 p.m.

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Jerry Gowey
Board Secretary