

**PUBLIC HEARING OF THE  
BOARD OF WATER, ELECTRIC,  
AND COMMUNICATIONS TRUSTEES  
OF THE CITY OF MUSCATINE, IOWA  
APRIL 28, 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, April 28, 2015, at 5:28 p.m.

Chairperson Tracy McGinnis called the meeting to order. Members of the Board were present as follows: Trustees Warren Heidbreder, Steven Bradford, Susan Eversmeyer, and Tracy McGinnis. Trustee Doyle Tubandt was absent 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 A/O Roof Replacement Phase 2 Project.

Mr. Gowey, Board Secretary, opened the public hearing at 5:28 p.m. to receive any citizens' comments regarding the A/O Roof Replacement Phase 2 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 15-07**

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 A/O Roof Replacement Phase 2 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 A/O Roof Replacement Phase 2 Project be adopted.

Trustee Heidbreder moved, seconded by Trustee Bradford, that the said resolution should be passed, approved, and adopted this 28<sup>th</sup> day of April 2015. On roll call Trustees Heidbreder, Bradford, Eversmeyer and McGinnis voted aye. Trustee Tubandt was absent. Voting nay, none. Resolution carried.

At 5:29 p.m., the Secretary closed the public hearing for the A/O Roof Replacement Phase 2 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  
APRIL 28, 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, April 28, 2015, at 5:30 p.m.

Chairperson Tracy McGinnis called the meeting to order. Members of the Board were present as follows: Trustees Warren Heidbreder, Steven Bradford, Susan Eversmeyer, and Tracy McGinnis. Trustee Doyle Tubandt was absent 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 (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 March 31, 2015, regular meeting were presented as previously submitted to all Board members in written form. Date corrections were noted. Trustee Heidbreder moved, seconded by Trustee Eversmeyer, that the March 31, 2015, meeting minutes be approved as corrected. All Trustees present voted aye. Motion carried. Meeting minutes of the March 24, 2015, and March 31, 2015, Audit/Finance Committee Meetings were received and placed on file.

The list of expenditures and transactions for March 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 Bradford, to ratify payment of \$8,851,536.15 for the Electric Utility, \$461,866.19 for the Water Utility, and \$1,008,160.11 for the Communications Utility for a cumulative total of \$10,321,562.45. All Trustees present voted aye. Motion carried.

Mr. LoBianco reviewed the previously submitted memorandum to all Board members regarding the receipt and evaluation of bids for the A/O Center Roof Replacement Phase 2 Project; this project was approved with the 2015 Operating Budget to replace roof section A and the translucent roof panels over the high tech hallway. Specifications pertaining to the A/O Roof Replacement Phase 2 Project were mailed to seven (7) potential bidders. A total of four (4) bids were received, opened publicly, and read aloud on April 9, 2015, at 3:00 p.m. Three (3) bidders attended the opening. The total approved expenditure for this project is \$190,000.00; with a published estimate of \$117,000.00 for the roof replacement portion of the project. MP&W Management reviewed the bids and established conformance to the specifications; it is recommended that the low bidder, Riddell Roofing, Inc., of Aledo, Illinois, be awarded the contract using the 50 mil thickness option for the

A/O Center Roof Replacement Phase 2 Project for the total contract price of \$131,120.00. After review of the project, the following resolution was submitted:

***RESOLUTION 15-08***

WHEREAS, it appears in a written report from Muscatine Power and Water Management that the bid for the A/O Center Roof Replacement Phase 2 Project, as submitted by Riddell Roofing, Inc., of Aledo, Illinois, in the amount of \$131,120.00, 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 Riddell Roofing, Inc., of Aledo, Illinois, in the amount of \$131,120.00, for the A/O Center Roof Replacement Phase 2 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 Eversmeyer moved, seconded by Trustee Heidbreder, that the said resolution should be passed, approved, and adopted this 28<sup>th</sup> day of April 2015. On roll call Trustees Heidbreder, Bradford, Eversmeyer, and McGinnis voted aye. Trustee Tubandt was absent. Voting nay, none. Resolution carried.

The next agenda item was a recommendation to tentatively approve plans and specifications of the Units 8 and 9 ACI (Activated Carbon Injection) Installation Projects and set dates for the receipt of bids and to conduct a public hearing. Mr. LoBianco reviewed the previously submitted memorandum to all Board members explaining that approved with the 2013 Operating Budget were two projects with a total combined expenditure of \$2,800,000.00 to reduce mercury emissions from Unit 8 and Unit 9 to comply with the U.S. EPA Mercury and Air Toxics Standards (MATS) rule. Purchase orders were executed earlier this year for the procurement of ACI equipment for use on MP&W's Units 8 and 9 and detailed specifications have now been developed for the installation portion of the project, with an estimated total expenditure of \$1,300,000.00. Trustee Heidbreder asked about the process and Mr. Huston explained the ACI process. Management is recommending approval and issuance of plans and specifications for performing the equipment installation and that dates and times be established for a Competitive Bid. After discussion, the following resolution was submitted:

***RESOLUTION 15-09***

WHEREAS, plans and specifications have been prepared for the Units 8 and 9 ACI (Activated Carbon Injection) Installation 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, Units 8 and 9 ACI (Activated Carbon Injection) Installation Projects plans and specifications were tentatively approved; and,

BE IT FURTHER RESOLVED, that the date of May 21, 2015, at 3:00 p.m., 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 be published not less than four (4) days nor more than forty-five (45) days prior to said date for receipt of bids all as required by the Code of Iowa; 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 30, 2015, at 5:28 p.m., 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 Heidbreder moved, seconded by Trustee Eversmeyer, that the said resolution should be passed, approved, and adopted this 28<sup>th</sup> day of April 2015. On roll call Trustees Heidbreder, Bradford, Eversmeyer and McGinnis voted aye. Trustee Tubandt was absent. Voting nay, none. Resolution carried.

Mr. LoBianco stated that the next item on the agenda was to approve an electric rate adjustment for 2015 and 2016. He reminded the Board that at the March Board of Trustees meeting, MP&W Management, along with Russ Hissom of Baker Tilly Virchow Krause, LLP (BT), presented the results of the Cost of Service/Rate Design Study with a recommendation that a revenue adjustment of four percent (4%) be implemented effective August 1, 2015 and August 1, 2016, for Electric Utility customers. After discussion and review, the following resolution was submitted:

**RESOLUTION 15-10**

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; and,

WHEREAS, the Board has reviewed these studies and determined that revenue increases are necessary to keep the Electric Utility in sound financial condition; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa that the electric revenue be increased by four percent (4%) effective with electric usage starting August 1, 2015 and August 1, 2016; and,

BE IT FURTHER RESOLVED, that said increases be effected by adoption of the rates proposed by Baker Tilly Virchow Krause, LLP (BT) Cost of Service/Rate Design Study dated March 2015; and,

BE IT FURTHER RESOLVED, that proper notice be given to contract consumers in accordance with the terms of the contracts.

Trustee Bradford moved, seconded by Trustee Heidbreder, that the said resolution should be passed, approved, and adopted this 28<sup>th</sup> day of April 2015. On roll call Trustees Heidbreder, Bradford, Eversmeyer and McGinnis voted aye. Trustee Tubandt was absent. Voting nay, none. Resolution carried.

Mr. LoBianco stated that the 2014 Muscatine Power and Water Annual Report has been completed and previously distributed to each of the Board members. He continued that the Board had also received the 2014 Annual Reports Highlights document prior to the meeting that will be distributed to all customers and employees. Mr. LoBianco said that for the first time, the annual report was developed by MP&W's Marketing Department and that once again Sycamore Printing produced the annual report as part of the second year of a three year publication contract. Staff at Sycamore Printing were very good to work with, met all deadlines, and produced a quality report. The Board complimented all Staff on the 2014 Annual Report. After additional discussion, Trustee Bradford moved, seconded by Trustee Eversmeyer, that the 2014 Annual Report be received and placed on file as submitted. All Trustees present voted aye. Motion carried.

In the General Manager's report, Mr. LoBianco reviewed his previously submitted memorandum that included an invitation to Board members to attend the 2015 APPA National Conference and Public Power Expo that will be held in Minneapolis in June.

The YTD and March Financial Operating Statements and Balance Sheets and Quarterly Investment Report were presented as previously submitted to all Board members in written form. Mr. LoBianco stated that financials would be covered in the Key Performance Indicators presentation. Trustee Heidbreder moved, seconded by Trustee Eversmeyer, to receive and place on file the YTD and March Financial Operating Statements and Balance Sheets for the Water, Electric, and Communications Utilities and the Quarterly Investment Report. All Trustees present voted aye. Motion carried.

The Quarterly Project Status Report and Variance Analysis were presented as previously submitted to all Board members in written form. Trustee Heidbreder moved, seconded by Trustee Bradford, to receive and place on file the Quarterly Project Status Report and Variance Analysis. All Trustees present voted aye. Motion carried.

The Critical Issues and Key Performance Indicators for the Water, Electric, and Communications Utilities were previously submitted to all Board members in written format. Mr. LoBianco asked each Critical Issue leader to review the status of their Critical Issue and stated that Mr. Gowey would review the Key Performance Indicators. After review and discussion, Trustee Heidbreder moved, seconded by Trustee Bradford, to receive and place

on file the First Quarter 2015 Critical Issues and Key Performance Indicators for the Water, Electric, and Communications Utilities. All Trustees present voted aye. Motion carried.

The Competitive Quotes for Public Improvements Report was presented as previously submitted to all Board members in written form. After review and discussion, Trustee Bradford moved, seconded by Trustee Eversmeyer, to receive and place on file the Competitive Quotes for Public Improvements Report. All Trustees present voted aye. Motion carried.

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

The meeting was adjourned at 6:40 p.m.

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Jerry Gowey  
Board Secretary