

**OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
JULY 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, July 28, 2015, at 5:30 p.m.

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

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

The June 30, 2015, public hearing and regular meeting minutes, the July 17, 2015, special meeting minutes, and the June 30, 2015, Audit/Finance Committee Meeting minutes were presented as previously submitted to all Board members in written form. Trustee Tubandt moved, seconded by Trustee McGinnis, that the minutes from the June 30, 2015, public hearing and regular meeting be approved as submitted, that the July 17, 2015, special meeting minutes be approved as amended, and that the meeting minutes of the June 30, 2015 Audit/Finance Committee Meeting be received and placed on file. All Trustees present voted aye. Motion carried.

The list of expenditures and transactions for June 2015 was presented as previously submitted to all Board members in written form. After review and discussion of the expenditures, Trustee McGinnis moved, seconded by Trustee Heidbreder to ratify payment of \$10,185,844.55 for the Electric Utility, \$561,558.57 for the Water Utility, and \$808,298.76 for the Communications Utility, for a cumulative total of \$11,555,701.88. All Trustees present voted aye. Motion carried.

Mr. LoBianco stated that as a Transmission Owner (TO) in Mid-Continent Independent System Operator (MISO), MP&W must establish tariff rates for use of its transmission system by other market participants. The process for establishing these rates is through MISO's formula rate protocols using MISO's Attachment O template. MP&W must update its Attachment O each year, utilizing the Utility's most recent financial data, and submit this information to MISO by the first of June. A step required by the Federal Energy Regulatory Commission (FERC) in this process is that 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 that the Board set a public hearing prior to its next regular Board Meeting on August 25, 2015 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. After additional discussion, the following resolution was submitted:

RESOLUTION 15-13

WHEREAS, it is recommended that a public hearing be established for the review of MP&W'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 25th day of August 2015 at 5:28 p.m. in the Board Room 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 Heidbreder moved, seconded by Trustee Tubandt, that said resolution be passed, approved, and adopted this 28th day of July 2015. On roll call, Trustees Heidbreder, Tubandt, McGinnis, and Bradford, voted aye. Voting nay, none. Trustee Eversmeyer was absent. Resolution carried.

Chairperson Bradford summarized the following appointments that are recommended for the 2015/2016 Board Committees:

Audit/Finance – Susan Eversmeyer and Warren Heidbreder (Committee Chair)

Planning/Operations – Steven Bradford and Doyle Tubandt (Committee Chair)

Personnel/Public Relations – Doyle Tubandt and Tracy McGinnis (Committee Chair)

After discussion Trustee Heidbreder moved, seconded by Trustee Tubandt, to receive and place on file the 2015/2016 Board Committee appointments. All Trustees present voted aye. Motion carried.

Mr. LoBianco advised that the next meeting agenda item pertained to the Board Policy Manual and that the manual had been provided under separate cover to the Board. He stated that the manual had been reviewed and updated by staff, and submitted in a "redline/track change mode" for their review and comment. Mr. LoBianco reviewed the changes to the document; Mr. Heidbreder suggested that the Expenditure Authorization Policy be simplified by removing names and adding titles only for approval levels. No action was being requested this evening regarding the policy manual. Approval will be requested at the August Board meeting.

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

The next item on the agenda was to receive and place on file the YTD and June Financial Statements, which are comprised of Statements of Revenues, Expenses and Changes in Net Position, Statements of Net Position, Statements of Cash Flow, and other related financial documents for each Utility and the Quarterly Investment Report. Mr. LoBianco stated that Financials would be covered in the Key Performance Indicators presentation. Trustee McGinnis moved, seconded by Trustee Tubandt, to receive and place on file the YTD and June 2015 Financial Statements and the Quarterly Investment Report for the Water, Electric, and Communications Utilities. 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 Tubandt moved, seconded by Trustee McGinnis, to approve the Quarterly Project Status Report and Variance Analysis. 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. Trustee Tubandt moved, seconded by Trustee Heidbreder, to receive and place on file the Competitive Quotes for Public Improvements Report. All Trustees present voted aye. Motion carried.

The Critical Issues and Key Performance Indicators presentation for the Water, Electric, and Communications Utilities was the next agenda item. After a brief discussion in response to questions, Trustee Heidbreder moved, seconded by Trustee Tubandt, to receive and place on file the 2015 Second Quarter Critical Issues and Key Performance Indicators for the Water, Electric, and Communications Utilities. All Trustees present voted aye. Motion carried.

The June 2015 Departmental Reports were presented as previously submitted to all Board members in written form. Trustee McGinnis moved, seconded by Trustee Heidbreder, to receive and place on file the June 2015 Departmental Reports. All Trustees present voted aye. Motion carried.

The meeting of the Board of Trustees was adjourned at 6:40 p.m.

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CITY OF MUSCATINE, IOWA



Jerry Gowey
Board Secretary