

**PUBLIC HEARING OF THE
BOARD OF WATER, ELECTRIC, AND COMMUNICATIONS
TRUSTEES OF THE CITY OF MUSCATINE, IOWA
AUGUST 25, 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, August 25, 2015, at 5:28 p.m.

The purpose of the public hearing was to receive any comments regarding the MISO Attachment O Annual Meeting – Transmission Rate Update.

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

Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Charles Potter, Muscatine Journal; David Fee and Kristen Andrews, Principal Financial Group; Jerry Gowey, Tim Reed, Brandy Olson, Gage Huston, Erika Cox, 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 comments regarding the MISO Attachment O Annual Meeting – Transmission Rate Update.

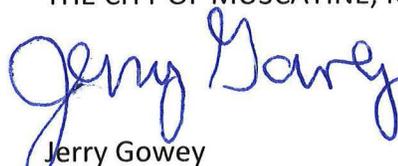
Chairperson Bradford asked Secretary Gowey if publication and notice of hearing had been published as required by the Code of Iowa; Secretary Gowey replied that the hearing notice had been published.

Chairperson Bradford asked Secretary Gowey if any written or oral comments had previously been received regarding the MISO Attachment O Annual Meeting – Transmission Rate Update; Secretary Gowey replied that no comments had been received.

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

At 5:29 Secretary Gowey closed the public hearing for the MISO Attachment O Annual Meeting – Transmission Rate Update.

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
AUGUST 25, 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, August 25, 2015, at 5:30 p.m.

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

Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Charles Potter, Muscatine Journal; David Fee and Kristen Andrews, Principal Financial Group; Jerry Gowey, Tim Reed, Brandy Olson, Gage Huston, Erika Cox, 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 minutes of the July 28, 2015, regular meeting were presented as previously submitted to all Board members in written form. Trustee Tubandt moved, seconded by Trustee McGinnis, that the July 28, 2015, regular meeting minutes be approved as submitted. All Trustees voted aye. Motion carried.

The list of expenditures and transactions for July 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 Eversmeyer, to ratify payment of \$11,367,570.12 for the Electric Utility, \$515,859.09 for the Water Utility, and \$909,371.42 for the Communications Utility, for a cumulative total of \$12,792,800.63. All Trustees voted aye. Motion carried.

Mr. LoBianco told the Board that Principal Financial Group representatives were in attendance to provide a semi-annual review of the pension plan and investments report. He introduced David Fee, Sr. Investment Consultant, and Kristen Andrews, Sr. Relationship Manager, from the Principal Financial Group to provide the semi-annual update on the status of the plan's 2015 asset allocation, investment results, and market perspective.

Mr. Fee gave an update on current market trends and then directed the Board to the previously provided presentation submitted from Principal Financial Group. He reviewed the current portfolio and the allocation of strategic assets. He also reviewed the investment performance and Principal's upcoming market expectations. Trustee Tubandt moved, seconded by Trustee McGinnis, that the semi-annual Employees' Pension Plan

Review and 2nd Quarter 2015 Investment Report be received and placed on file. All Trustees voted aye. Motion carried.

David Fee and Kristen Andrews left the meeting at 5:50 p.m.

The next agenda item was a recommendation to issue plans and specifications for the Construct Well 46 at Main Well Field Project and set dates for the receipt of bids and to conduct a public hearing for the Construct Well 46 at Main Well Field Project. Mr. LoBianco reviewed the previously submitted memorandum to all Board members explaining that this project had been approved with the 2014 Operating Budget for a total expenditure of \$312,725 to construct Well 46 at the New Well Field and that Well 46 will now be constructed at the Main Well Field. After discussion, the following resolution was submitted:

RESOLUTION 15-14

WHEREAS, plans and specifications have been prepared for the Construct Well 46 at Main Well Field Project; 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 Construct Well 46 at Main Well Field Project plans and specifications were tentatively approved; and,

BE IT FURTHER RESOLVED, that the date of September 15, 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 twenty (20) 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 September 29, 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 McGinnis moved, seconded by Trustee Tubandt, that said resolution should be passed, approved, and adopted on this 25th day of August 2015. On roll call Trustees McGinnis, Eversmeyer, Tubandt, Heidbreder, and Bradford voted aye. Voting nay, none. Resolution carried.

The next item on the agenda was a Recommendation for Final Acceptance for the 2014 Water Main Replacement Projects. Mr. LoBianco told the Board that these projects were approved with the 2014 Operating Budget with a published estimated expenditure of

\$766,990 and awarded to Sulzberger Excavating, Inc. of Muscatine, IA, for a contract price of \$680,557.00. Mr. LoBianco continued that due to inclement weather, work for part of the project was canceled. The rest of the work covered by this contract is complete and has been reviewed by MP&W Management and found to be in accordance with the specifications. One Contract Change Order was submitted and MP&W Management recommends approval by the Board of Trustees for a total net decrease in the amount of \$106,439.38 for a new final contract price of \$574,117.62. MP&W Management recommends proceeding with final acceptance and release of retainage.

After discussion and review, the following resolutions were submitted:

RESOLUTION 15-15

WHEREAS, Contract Change Order No. 1 has been prepared for the 2014 Water Main Replacement Projects in the decreased amount of \$106,439.38 and said Contract Change Order was 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 in the decreased amount of \$106,439.38 be approved for an amended contract price of \$574,117.62 for the 2014 Water Main Replacement Projects.

Trustee Heidbreder moved, seconded by Trustee Tubandt, that said resolution should be passed, approved, and adopted on this 25th day of August 2015. On roll call Trustees McGinnis, Eversmeyer, Tubandt, Heidbreder, and Bradford voted aye. Voting nay, none. Resolution carried.

RESOLUTION 15-16

WHEREAS, it appears in a written report from Muscatine Power and Water Management that the contract with Sulzberger Excavating, Inc. of Muscatine, IA, for the 2014 Water Main Replacement Projects in the final amount of \$574,117.62 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 2014 Water Main Replacement Projects, 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 Tubandt moved, seconded by Trustee McGinnis, that said resolution should be passed, approved, and adopted on this 25th day of August 2015. On roll call Trustees McGinnis, Eversmeyer, Tubandt, Heidbreder, and Bradford voted aye. Voting nay, none. Resolution carried

The next item on the agenda was a Recommendation for Final Acceptance for the A/O Center Roof Replacement Phase 2 Project. Mr. LoBianco told the Board that this project was approved with the 2015 Operating Budget with a published estimated expenditure of \$190,000 to replace roof Section A and to refurbish the translucent panels over the high-tech hallway; the published estimate for the roof replacement portion was \$117,000. The project was awarded to Riddell Roofing, Inc. for a contract price of \$131,120. The work covered by this contract is complete and has been reviewed by MP&W Management and found to be in accordance with the specifications. MP&W Management recommends proceeding with final acceptance and release of retainage.

After discussion and review, the following resolution was submitted:

RESOLUTION 15-17

WHEREAS, it appears in a written report from Muscatine Power and Water Management that the contract with Riddell Roofing, Inc. for the A/O Center Roof Replacement Phase 2 Project in the final amount of \$131,120 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 A/O Center Roof Replacement Phase 2 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 Eversmeyer moved, seconded by Trustee McGinnis, that said resolution should be passed, approved, and adopted on this 25th day of August 2015. On roll call Trustees McGinnis, Eversmeyer, Tubandt, Heidbreder, and Bradford voted aye. Voting nay, none. Resolution carried.

Mr. LoBianco stated that at the July Board of Trustees meeting, the revised Board Policy Manual was presented in draft form for the Board's input and comments. The manual has been finalized with no additional revision. It was recommended that the Board approve the manual. Trustee Heidbreder moved, seconded by Trustee McGinnis, that the Board Policy Manual be approved as presented. All Trustees voted aye. Motion carried.

Mr. LoBianco reviewed the previously submitted memorandum to all Board members regarding designating the week of October 4-10, 2015, as Public Power Week. In order to support and increase awareness of the public to the benefits of public power, MP&W would like to have the City designate this week to celebrate public power and recognize the important contributions that MP&W provides to the community. Mr. LoBianco stated that this was an opportunity to promote the importance of public power to customer/owners and employees. The following resolution was submitted:

RESOLUTION 15-18
NATIONAL PUBLIC POWER WEEK

WHEREAS, the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa wishes to recognize its customers and employees during Public Power Week; and,

WHEREAS, the citizens of Muscatine are both owners and consumers of their not-for-profit public power system and exercise local control over utility operations and policies through their Board of Trustees; and,

WHEREAS, the MP&W electric system is a community asset that contributes to the well-being of the citizens and our employees are neighbors serving neighbors, providing homes, businesses, farms, and local government agencies with not-for-profit services that are safe, reliable, and cost-effective; and,

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees request that the Mayor and City Council designate the week of October 4-10, 2015 as Public Power Week in Muscatine, in order to honor Muscatine Power and Water, its consumer-owners, and its employees, who work together to provide the best possible services; and,

BE IT FURTHER RESOLVED, that Muscatine has joined hands with other public power communities across the nation to celebrate the benefits of a consumer-owned utility for our local and national progress.

Trustee Eversmeyer moved, seconded by Trustee Tubandt, that said resolution be passed, approved, and adopted this 25th day of August 2015. On roll call Trustees McGinnis, Eversmeyer, Tubandt, Heidbreder, and Bradford voted aye. Voting nay, none. Resolution carried

In the General Manager's report, Mr. LoBianco reviewed MP&W's new website design and changes made to key valuation assumptions for the Pension Plan.

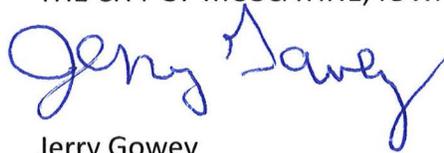
The July Financial Operating Statements and Balance Sheets were presented as previously submitted to all Board members in written form. After review and discussion, Trustee Eversmeyer moved, seconded by Trustee Tubandt, to receive and place on file the July Financial Operating Statements and Balance 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 July departmental reports were presented as previously submitted to all Board members in written form. Trustee Tubandt moved, seconded by Trustee Eversmeyer to receive and place on file the July departmental reports. All Trustees voted aye. Motion carried.

Chairperson Bradford asked if there were any other items of business. With no other items of business, the meeting was adjourned at 6:05 p.m.

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



Jerry Gowey
Board Secretary