

**PUBLIC HEARING OF THE
BOARD OF WATER, ELECTRIC, AND COMMUNICATIONS
TRUSTEES OF THE CITY OF MUSCATINE, IOWA
AUGUST 30, 2016 – 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 30, 2016, 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 Susan Eversmeyer called the meeting to order. Members of the Board were present as follows: Trustees Doyle Tubandt, Tracy McGinnis, Steven Bradford, Keith Porter, and Susan Eversmeyer.

Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Jerry Gowey, Board Secretary; Charles Potter, Muscatine Journal; Steve Geadleman and Kristen Andrews, Principal Financial Group; Warren Heidbreder, former Board Member/Customer; 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 Eversmeyer 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 Eversmeyer 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 30, 2016 – 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 30, 2016, at 5:30 p.m.

Chairperson Susan Eversmeyer called the meeting to order. Members of the Board were present as follows: Trustees Doyle Tubandt, Tracy McGinnis, Steven Bradford, Keith Porter and Susan Eversmeyer.

Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Jerry Gowey, Board Secretary; Charles Potter, Muscatine Journal; Steve Geadleman and Kristen Andrews, Principal Financial Group; Warren Heidbreder, former Board Member/Customer; Tim Reed, Brandy Olson, Gage Huston, Erika Cox, and Brenda Christensen of Muscatine Power and Water (MP&W).

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

The minutes of the July 26, 2016, regular meeting were presented as previously submitted to all Board members in written form. Trustee McGinnis moved, seconded by Trustee Tubandt, that the July 26, 2016, regular meeting minutes be approved as submitted. All Trustees voted aye. Motion carried.

The list of expenditures and transactions for July 2016 was presented as previously submitted to all Board members in written form. After review and discussion of the expenditures, Trustee Tubandt moved, seconded by Trustee Porter, to ratify payment of \$8,789,579.14 for the Electric Utility, \$448,051.44 for the Water Utility, and \$898,904.45 for the Communications Utility, for a cumulative total of \$10,136,535.03. All Trustees voted aye. Motion carried.

Mr. LoBianco told the Trustees that Principal Financial Group representatives were in attendance to provide a semi-annual review of the pension plan and investments report. He introduced Steve Geadleman, 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 2016 asset allocation, investment results, and market perspective. Mr. LoBianco stated that investment updates to the Board would resume to annual review starting with the February 2017 Board Meeting.

Mr. Geadleman gave an update on current market trends and then directed the Trustees 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 Bradford

moved, seconded by Trustee Tubandt, that the semi-annual Employees' Pension Plan Review and 2nd Quarter 2016 Investments Report be received and placed on file. All Trustees voted aye. Motion carried.

Steve Geadleman and Kristen Andrews left the meeting at 5:45 p.m.

The next agenda item was a recommendation to approve a project summary form for the Rebuild Transformer from Wiggins Road Substation Project with an authorized expenditure of \$457,500. This project will rebuild the transformer at the Wiggins Road Substation that has been out of service since 2008 due to an internal electrical failure. The load at the Wiggins Road Substation has been increasing and the second transformer will once again be necessary to ensure system reliability. After additional discussion, Trustee McGinnis moved, seconded by Trustee Tubandt, to approve the Rebuild Transformer from Wiggins Road Substation Project with an authorized expenditure of \$457,500. All Trustees voted aye. Motion carried.

Mr. LoBianco stated that at the July Board of Trustees meeting, the revised Board Policy Manual was presented in draft form for the Trustee's input and comments. The manual has been finalized with no additional revisions. It was recommended that the Trustees approve the manual. Trustee McGinnis moved, seconded by Trustee Bradford, that the 2016 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 2-8, 2016, 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 and communicated to the Trustees that the Utility will conclude Public Power Week by hosting a community 5K walk/run starting and ending at the MP&W A/O Center. The following resolution was submitted:

RESOLUTION 16-17
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 electric 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 2-8, 2016 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 consumer-owned utilities for our local and national progress.

Trustee Tubandt moved, seconded by Trustee Porter, that said resolution be passed, approved, and adopted this 30th day of August 2016. On roll call Trustees Tubandt, Porter, Bradford, McGinnis, and Eversmeyer voted aye. Voting nay, none. Resolution carried.

The next item on the agenda was a recommendation for a resolution recognizing Mr. Warren Heidbreder for twelve years of service as a Board member, from January 1, 2004 to June 30, 2016. Trustee Tubandt shared some of the highlights of Mr. Heidbreder's tenure as a Trustee. Mr. LoBianco thanked Mr. Heidbreder for his support of MP&W and the community and citizens of Muscatine. The following resolution was submitted to recognize Mr. Heidbreder's service:

RESOLUTION 16-18

WHEREAS, Warren Heidbreder served as a member of the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa for the period of July 1, 2004 through June 30, 2016, during which time Trustee Heidbreder willingly contributed his knowledge and personal time toward the betterment and efficient operation of the municipal Water, Electric, and Communications Utilities 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 appreciation of the Board of Trustees and of the citizens of Muscatine, Iowa to Trustee Heidbreder be evidenced by forwarding a copy of this resolution to him duly signed on behalf of this Board; and,

BE IT FURTHER RESOLVED, that the resolution be included in the minutes of the Board.

Trustee McGinnis moved, seconded by Trustee Bradford, that said resolution be passed, approved, and adopted this 30th day of August 2016. On roll call Trustees Tubandt, Porter, Bradford, McGinnis, and Eversmeyer voted aye. Voting nay, none. Resolution carried.

In the General Manager's report, Mr. LoBianco informed the Trustees that the Power Plant had a small fire earlier in the day due to a turbine bearing oil leak caused by an equipment malfunction. Mr. LoBianco also updated the Trustees on the successful customer appreciation event that the Utility had hosted on Saturday, August 27. Ms. Cox shared a

video that was part of the event and was produced by MP&W employees. The Trustees commended staff on the successful event.

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 Bradford moved, seconded by Trustee Tubandt, to receive and place on file the July 2016 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 McGinnis moved, seconded by Trustee Bradford to receive and place on file the July 2016 Departmental Reports. All Trustees voted aye. Motion carried.

Chairperson Eversmeyer recommended that the meeting be closed to the public in accordance with (A) Iowa Code Section 21.5(1.i) for the Purpose of Reviewing Personnel Matters, (B) Iowa Code Section 20.17(3) to Discuss Collective Bargaining Negotiation Strategy, and (C) Iowa Code Sections 21.5(1.J) and 22.7(7) to Discuss a Real Estate Appraisal/Land Purchase.

The meeting was closed to the public at 6:15 p.m.

The meeting reconvened to open session at 7:50 p.m.

Chairperson Eversmeyer asked if there were any other items of business. With no other items of business, the meeting was adjourned at 7:55 p.m.

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



Jerry Gowey
Board Secretary