

**OFFICIAL PROCEEDINGS OF THE  
BOARD OF WATER, ELECTRIC,  
AND COMMUNICATIONS TRUSTEES  
OF THE CITY OF MUSCATINE, IOWA  
SEPTEMBER 27, 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, September 27, 2016, at 5:30 p.m.

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

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

The minutes of the August 30, 2016, public hearing and regular meeting were presented as previously submitted to all Board members in written form. Trustee McGinnis moved, seconded by Trustee Bradford, that the August 30, 2016, public hearing and regular meeting minutes be approved as submitted. All Trustees present voted aye. Motion carried.

The list of expenditures and transactions for August 2016 was presented as previously submitted to all Board members in written form. After review and discussion of the expenditures, Trustee Bradford moved, seconded by Trustee Tubandt, to ratify payment of \$10,808,869.95 for the Electric Utility, \$616,750.35 for the Water Utility, and \$958,335.41 for the Communications Utility, for a cumulative total of \$12,383,955.71. All Trustees present voted aye. Motion carried.

Mr. LoBianco reviewed the previously submitted memorandum to all Board members regarding the recommendation to award a contract for the Install Foundations, Conduit, and Ground Grid Phase of the Install 134 MVA Autotransformer at South Substation Project. This project was approved with the 2013 Operating Budget with a total expenditure of \$3,475,000 and revised and approved at the May 2016 Board meeting, increasing the approved expenditure to \$4,072,000. This portion of the project covers the work to install the remaining foundations, conduit, and ground grid. The published estimate for this portion of the project was \$459,000, with an estimated total expenditure of \$510,000. Specifications pertaining to the project were mailed to 19 potential bidders; a total of three bids were received, opened publicly, and read aloud on September 1, 2016, at 3:00 p.m. One bidder attended the opening. It is recommended that the low bidder, General Constructors, Inc. of the Quad Cities, Bettendorf, Iowa, be awarded the contract for a total price of \$457,875. After additional discussion, the following resolution was submitted:

***RESOLUTION 16-20***

WHEREAS, it appears in a written report from Muscatine Power and Water Management that the bid for Install Foundations, Conduit, and Ground Grid Phase of the Install 134 MVA Autotransformer at South Substation Project, as submitted by General Constructors, Inc. of

the Quad Cities, Bettendorf, Iowa, in the amount of \$457,875, 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 General Constructors, Inc. of the Quad Cities, Bettendorf, Iowa, in the amount of \$457,875, for the Install Foundations, Conduit, and Ground Grid Phase of the Install 134 MVA Autotransformer at South Substation 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 Bradford moved, seconded by Trustee McGinnis, that said resolution should be passed, approved, and adopted this 27<sup>th</sup> day of September 2016. On roll call Trustees Tubandt, Bradford, McGinnis, and Eversmeyer voted aye. Voting nay, none. Trustee Porter was absent. Resolution carried.

The next agenda item was a recommendation to tentatively approve plans and specifications for the Above Grade Construction and Relay Panel Installation at South Substation Phase of Install 134 MVA Autotransformer at South Substation Project and to set dates for the receipt of bids and conduct a public hearing. Mr. LoBianco reviewed the previously submitted memorandum to all Board members explaining that the overall project was approved with the 2013 Operating Budget; this portion of the work covers the work for above grade construction and relay panel installation. The estimated total expenditure for this work is \$475,000. After discussion, the following resolution was submitted:

**RESOLUTION 16-21**

WHEREAS, plans and specifications have been prepared for the Above Grade Construction and Relay Panel Installation at South Substation Phase of Install 134 MVA Autotransformer at South Substation Project; and,

WHEREAS, said proposed plans and specifications and proposed form of contract are now on file with the Secretary of the Board and the Board finds the same are in substantial conformity with the requirements necessary to carry out said plans; now therefore, the Above Grade Construction and Relay Panel Installation at South Substation Phase of Install 134 MVA Autotransformer at South Substation Project plans and specifications are tentatively approved; and,

BE IT FURTHER RESOLVED, that the date of October 11, 2016, at 3:00 p.m., is hereby set for receipt of bids on said project at which time the Board's duly appointed representatives are 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 thirteen (13) 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 October 25, 2016, 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 Bradford moved, seconded by Trustee Tubandt, that said resolution should be passed, approved, and adopted this 27<sup>th</sup> day of September 2016. On roll call Trustees Tubandt, Bradford, McGinnis, and Eversmeyer voted aye. Voting nay, none. Trustee Porter was absent. Resolution carried.

Mr. LoBianco introduced the next item on the agenda as a recommendation to approve a revised Project Summary Form for the Land Purchase for Well Field Expansion Project. The project was originally submitted and approved with the 2013 operating budget with an authorized expenditure of \$2,563,000 for a parcel of property that had yet to be identified. The project was subsequently revised to \$1,550,000 with the 2015 operating budget in anticipation of a purchase offer being made for a specific parcel of property. That property was not acquired and an alternate site that had been previously identified in the Water Source Evaluation and Design Study performed by Layne Hydro was re-evaluated and determined to be the best alternative for expansion of the well field. Mr. LoBianco continued that the project cost is now being revised to \$2,703,910 to reflect the actual cost of the parcel of property to be acquired. The 143.6-acre site will provide enough source water to meet the Utility's projected requirements for the next 25+ years. After additional discussion, Trustee Tubandt moved, seconded by Trustee McGinnis, that the revised Project Summary Form for the Land Purchase for Well Field Expansion Project with a revised expenditure cost of \$2,703,910 be approved. All Trustees present voted aye. Motion carried.

The next item on the agenda was a recommendation to ratify a Real Estate Purchase Agreement between the Board of Water, Electric and Communications Utility Trustees and Hahn Investment Company dated August 30, 2016, for the purchase of 143.6 acres for a new Well Field for a negotiated purchase price is \$2,683,910 for 143.6 acres, including three irrigation rigs which may be used for future farming activities. After discussion, the following resolution was submitted:

***RESOLUTION 16-22***

WHEREAS, the 2011 AECOM Water System Infrastructure Condition Assessment identified the need for the Water Department to expand the well field to provide for the community's future water needs;

WHEREAS, the Board of Trustees previously directed staff to investigate the acquisition of land for additional wells and received a report on those efforts at the August 2016 Board meeting;

WHEREAS, Sal LoBianco, General Manager, entered into a Real Estate Purchase Agreement on behalf of Muscatine Power and Water with Hahn Investment Co. for the purchase of 143.6 acres of land located in Section 16 and 17, Township 76 North, Range 2 West of the 5<sup>th</sup> P.M. in Muscatine County, Iowa, on August 30, 2016 for a total of \$2,683,910, made up of the purchase price for 143.6 acres at \$17,300 per acre and \$199,630 for three irrigation rigs and related equipment located on the property; and

WHEREAS, Muscatine Power and Water Management has recommended approval of said Purchase Agreement; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, ratify and approve the Real Estate Purchase Agreement dated August 30, 2016 and authorize staff to complete all tasks to complete the purchase in accordance with the contract.

Trustee Tubandt moved, seconded by Trustee McGinnis, that said resolution should be passed, approved, and adopted this 27<sup>th</sup> day of September 2016. On roll call Trustees Tubandt, Bradford, McGinnis, and Eversmeyer voted aye. Voting nay, none. Trustee Porter was absent. Resolution carried.

Mr. LoBianco reviewed the previously submitted memorandum regarding the request for approval for an amendment to the 2013 Borrowing Arrangement between the Water Utility and the Electric Utility. Mr. LoBianco reminded the Board that in 2013 the Water Utility entered into a \$4.5 million "Advance" or Line of Credit (LOC) with the Electric Utility. Currently, the amount advanced from the Electric Utility to the Water Utility totals \$2,900,000. Mr. LoBianco continued that at the September 2016 Audit/Finance Committee meeting, Management made a recommendation to increase the maximum borrowing amount on the short term borrowing arrangement between the Water Utility and the Electric Utility from four million five hundred thousand dollars (\$4,500,000) to eight million dollars (\$8,000,000) in order to provide short term funding for a land purchase needed for a new well field. The Audit/Finance Committee concurred with this approach and supports the recommendation to amend the borrowing arrangement. The following resolution was submitted:

**RESOLUTION 16-23**

**THIRD AMENDMENT TO THE 2013 BORROWING ARRANGEMENT BETWEEN  
THE WATER UTILITY AND THE ELECTRIC UTILITY**

WHEREAS, the City of Muscatine, Iowa, acting by and through its Board of Water, Electric, and Communications Trustees (the "Board") approved an Advance borrowing arrangement between the Water Utility and the Electric Utility on January 29, 2013;

WHEREAS, the Board previously modified the interest rate on the Advance by Resolution No. 14-03 on January 28, 2014, and Resolution No. 16-05 on January 25, 2016;

WHEREAS, the Water Utility has need to increase the Advance in anticipation of certain major projects where the outlay of significant funds will be required before long term financing can be arranged; and

NOW, THEREFORE, it is hereby resolved by the Board that the Advance is amended, as follows:

1. It is directed that the borrowing amount be amended from four million five hundred thousand dollars (\$4,500,000) to eight million dollars (\$8,000,000) effective October 1, 2016.
2. All other terms of the advance remain as previously amended.

The undersigned hereby certifies that the foregoing is a full, true, and a correct copy of the declaration of the Board duly made at a meeting on September 27, 2016, and that said declaration has not been amended, modified, or revoked by said Board of Water, Electric, and Communications Trustees.

Trustee McGinnis moved, seconded by Trustee Tubandt, that the resolution should be passed, approved, and adopted this 27<sup>th</sup> day of September 2016. On roll call Trustees Tubandt, Bradford, McGinnis, and Eversmeyer voted aye. Voting nay, none. Trustee Porter was absent. Resolution carried.

Mr. LoBianco stated that the next item on the agenda was a recommendation to approve water service outside the city limits for a new construction of a residential property at 2601 Country Ridge, adjacent to the Country Estates at Wildwood subdivision. This property is owned by Troy Fridley. The homeowner plans to connect to an existing tap that he believes was installed for the future purpose of providing water service to his property. The service connection will be at no cost to the Utility and will have no impact on the Utility's water system. After additional discussion, Trustee McGinnis moved, seconded by Trustee Tubandt, to approve the request for water service outside the City limits for 2601 Country Ridge, Muscatine. All Trustees present voted aye. Motion carried.

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

The August Financial Operating Statements and Balance Sheets were presented as previously submitted to all Board members in written form. After review and discussion, Trustee McGinnis moved, seconded by Trustee Tubandt, to receive and place on file the August Financial Operating Statements and Balance Sheets 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. There were no items for approval.

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

Chairperson Susan Eversmeyer asked if there were any other items of business. With no other items of business, the meeting was adjourned at 5:55 p.m.

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



Jerry Gowey  
Board Secretary