

**OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
August 27, 2013 – 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 27, 2013, at 5:30 p.m.

Chairperson Doyle Tubandt called the meeting to order. Members of the Board were present as follows: Trustees Joan Axel, Warren Heidbreder, Tracy McGinnis, and Doyle Tubandt. Trustee Steven Bradford was absent due to previous travel plans.

Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Duane Goedken, Board Attorney; Charles Potter, Muscatine Journal; David Fee and Lacey Loewe, Principal Financial Group; Jerry Gowey, Tim Reed, Gage Huston, Erika Cox, and Brenda Christensen of Muscatine Power and Water (MP&W).

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

The minutes of the July 30, 2013, regular meeting were presented as previously submitted to all Board members in written form. Trustee McGinnis moved, seconded by Trustee Heidbreder, that the July 30, 2013, regular meeting minutes be approved as submitted. All Trustees present voted aye. Motion carried.

The list of expenditures and transactions for July 2013 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 McGinnis, to ratify payment of \$5,994,232.10 for the Electric Utility, \$316,545.50 for the Water Utility, and \$1,665,140.46 for the Communications Utility, for a cumulative total of \$7,975,918.06. All Trustees present voted aye. Motion carried.

The next item on the agenda was a Recommendation for Final Acceptance for the A/O North Parking Lot Concrete Repairs – Phase 2 Project. Work covered by this contract is complete and has been reviewed by MP&W Management and found to be in accordance with the specifications. A Contract Change Order was submitted and MP&W Management recommends approval by the Board of Trustees for a net decrease in the amount of \$3,240.63, for a new final contract price of \$167,089.80. MP&W Management recommends proceeding with final acceptance and release of retainage.

After discussion and review, the following resolutions were submitted:

RESOLUTION 13-19

WHEREAS, Contract Change Order No. 1 has been prepared for the A/O North Parking Lot Concrete Repairs – Phase 2 Project in the decreased amount of

\$3,240.63 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 \$3,240.63 be approved for an amended contract price of \$167,089.80 for the A/O North Parking Lot Concrete Repairs – Phase 2 Project.

Trustee McGinnis moved, seconded by Trustee Axel, that said resolution be passed, approved, and adopted this 27th day of August 2013. On roll call, Trustees McGinnis, Axel, Heidbreder, and Tubandt voted aye. Trustee Bradford was absent from the meeting. Voting nay, none. Resolution carried.

RESOLUTION 13-20

WHEREAS, it appears in a written report from Muscatine Power and Water Management that the contract with Heuer Construction, Inc. for the A/O North Parking Lot Concrete Repairs – Phase 2 Project in the final amount of \$167,089.80 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 North Parking Lot Concrete Repairs – 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 Axel moved, seconded by Trustee Heidbreder, that said resolution be passed, approved, and adopted this 27th day of August 2013. Trustees Axel, McGinnis, Heidbreder, and Tubandt voted aye. Trustee Bradford was absent from the meeting. Voting nay, none. Resolution 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. Ms. Cox introduced David Fee, Sr. Investment Consultant, and Lacey Loewe, Sr. Relationship Manager, from the Principal Financial Group to provide an update on the status of the plan's 2013 semi-annual 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 McGinnis moved, sec-

onded by Trustee Axel, that the annual 2nd Quarter 2013 Employees' Pension Plan and Investment Report be received and placed on file. All Trustees present voted aye. Motion carried.

David Fee and Lacey Loewe left the meeting at 5:50 p.m.

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 one additional revision. It was recommended that the Board approve the manual. After review and discussion, Trustee Axel moved, seconded by Trustee McGinnis, that the Board Policy Manual be approved as presented. All Trustees present voted aye. Motion carried.

Mr. LoBianco reviewed the previously submitted memorandum to all Board members regarding designating the week of October 6-12, 2013 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 13-21
NATIONAL PUBLIC POWER WEEK

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

WHEREAS, the citizens of Muscatine are both owners and consumers of Muscatine Power and Water which provides our homes, businesses, farms, and local government agencies with reliable, efficient, and cost-effective water, electric, and communications services by employing sound business practices designed to ensure the best possible service at the lowest possible rate; now therefore,

BE IT RESOLVED, that the Board of Trustees request that the Mayor and City Council designate the week of October 6-12, 2013 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 water, electric, and communications 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 Axel moved, seconded by Trustee Heidbreder, that said resolution be passed, approved, and adopted this 27th day of August 2013. Trustees McGinnis, Heidbreder, Axel, and Tubandt voted aye. Trustee Bradford was absent from the meeting. Voting nay, none. Resolution carried.

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

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

Chairperson Tubandt 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



Brenda K. Christensen
Acting Board Secretary