

**PUBLIC HEARINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
DECEMBER 21, 2010**

The Board of Trustees conducted a public hearing in Muscatine Power and Water's Administration/Operations Building, 3205 Cedar Street, Muscatine, Iowa, on Tuesday, December 21, 2010.

Chairperson Carlson called the meeting to order. Members of the Board were present as follows: Trustees Doyle Tubandt, Warren Heidbreder, Scott Ingstad, Joan Axel, and Gary Carlson. Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Don Kerker, Board Secretary; Duane Goedken, Board Attorney; Charles Potter, Muscatine Journal; Ray Danz, Gary Wieskamp, Erika Cox, Brandy Olson and Brenda Christensen of Muscatine Power and Water (MP&W).

The purpose of the hearings were to receive any citizens' comments regarding the 2011 Operating Budgets for the Electric, Water and Communications Utilities and any citizen's comments regarding the FGD Absorber Feed Tank Repair Project.

At 5:26 p.m. the Board Chairman opened the public hearing to receive any citizens' comments on the 2011 Operating Budgets for the Electric, Water and Communications Utilities. The 2011 Budget Estimate Summary was posted at City Hall, the Public Library and MP&W Administrative offices for citizen's review and information. The secretary stated that the hearing notice and the Budget Estimate Summary were published in the local newspaper as required by the Code of Iowa. The Secretary asked if anyone in attendance would like to address the Board regarding the 2011 operating budgets or the budget estimate summary. No written or oral comments were received regarding the budgets.

The Secretary closed the public hearing for the 2011 Operating Budgets.

At 5:28 p.m. the Board Chairman opened the public hearing to receive any citizens' comments regarding the FGD Absorber Feed Tank Repair Project. No written or oral comments were received regarding this project. The secretary stated that publication of the hearing notice was published as required by the Code of Iowa.

A resolution passed approving the final plans and specifications of the project.

RESOLUTION 10-14

WHEREAS, the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa has given tentative approval to plans and specifications for the FGD Absorber Feed Tank Repair Project; and,

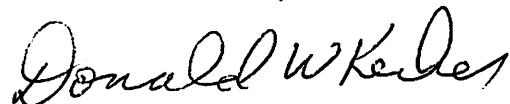
WHEREAS, bids have been received and there are no written or oral objections to proceeding with this project; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that the plans and specifications for the FGD Absorber Feed Tank Repair Project be adopted.

Trustee Tubandt moved, seconded by Trustee Axel, that the said resolution should be passed, approved, and adopted this 21st day of December 2010. On roll call Trustees Tubandt, Heidbreder, Ingstad, Axel, and Carlson voted aye. Voting nay, none.

The Secretary closed the public hearing for the FGD Absorber Feed Tank Repair Project.

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



Donald W. Kerker
Board Secretary

**OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
DECEMBER 21, 2010 - 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, December 21, 2010, at 5:30 p.m.

Chairperson Carlson called the meeting to order. Members of the Board were present as follows: Trustees Doyle Tubandt, Warren Heidbreder, Scott Ingstad, Joan Axel, and Gary Carlson. Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Donald Kerker, Board Secretary; Duane Goedken, Board Attorney; Charles Potter, Muscatine Journal; Ray Danz, Gary Wieskamp, Erika Cox, Brandy Olson and Brenda Christensen of Muscatine Power and Water.

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

The minutes of the November 30, 2010, public hearing and regular meeting and the minutes of the December 6, 2010, special meeting were presented as previously submitted to all Board members in written form. Trustee Tubandt moved, seconded by Trustee Ingstad, that the minutes be approved and placed on file as submitted. Motion carried. All Trustees present voted aye.

The list of November expenditures and transactions was presented as previously submitted in written form to all Board members. After review, Trustee Axel moved, seconded by Trustee Heidbreder, to ratify payments of \$5,817,533.42 for the Electric Utility, \$393,783.12 for the Water Utility, and \$852,083.36 for the Communications Utility for a total amount of \$7,063,399.90. Motion passed. All Trustees present voted aye.

Mr. LoBianco reviewed the previously submitted memorandum to all Board members regarding the receipt and evaluation of bids for the FGD Absorber Feed Tank Repair Project. Specifications pertaining to subject were mailed to twenty (20) potential bidders. A total of five (5) bids were received, opened publicly, and read aloud on November 23, 2010, at 3:00 p.m. with three (3) bidders attending the opening. Bids were received in a total lump sum bid basis and staff recommended that Vector Construction, Inc. of Cedar Rapids be awarded the project. A bid tabulation sheet was attached for the Board's reference. The published estimate for the portion of work covered in this public letting was \$376,200.00; the total approved expenditure for this project is \$475,000.00. The bids were reviewed and conformance established to the specifications of the bid submitted by Vector Construction in

the total amount of \$299,941.00.

After review of the project, the following resolution was submitted.

RESOLUTION 10-15

WHEREAS, it appears in a written report from the Board's management that the bid for the FGD Absorber Feed Tank Repair Project, as submitted by Vector Construction, Inc. of Cedar Rapids, Iowa in the amount of \$299,941.00, was the best 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 Vector Construction, Inc., in the amount of \$299,941.00 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 said Board of Water, Electric and Communications Trustees; and,

BE IT FURTHER RESOLVED, that the bid security be returned to the unsuccessful bidders.

Trustee Tubandt moved, seconded by Trustee Axel, that said resolution be passed, approved, and adopted this 21st day of December 2010. On roll call Trustees Tubandt, Heidbreder, Ingstad, Axel, and Carlson voted aye. Voting nay, none.

The next agenda item was a recommendation to set dates for the receipt of bids and to conduct a public hearing for the Construction of Well 42 at Owner's Main Well Field Project. Mr. LoBianco reviewed the previously submitted memorandum to all Board members explaining that the project had been submitted with the 2011 Budget. After discussion and review of the project, the following resolution was submitted.

RESOLUTION 10-16

WHEREAS, plans and specifications have been prepared for the Well 42 at Owner's 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,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that the plans and specifications in the proposed form for the Well 42 at Owner's Main Well Field Project were tentatively approved; and,

BE IT FURTHER RESOLVED, that the date of January 11, 2011, 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 January 25, 2011, 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 Ingstad moved, seconded by Trustee Heidbreder, that the said resolution should be passed, approved, and adopted on this 21st day of December 2010. On roll call Trustees Tubandt, Heidbreder, Ingstad, Axel, and Carlson voted aye. Voting nay, none.

Mr. LoBianco indicated that the next meeting item pertained to 2010 uncollectible customer accounts. Mr. LoBianco asked Ms. Cox to review the previously submitted memorandum to the Board of Trustees. Ms. Cox stated that enclosed with the memorandum was the list of uncollectible accounts, non-returned communication equipment and uncollectable service charges that were ninety or more days past due and were deemed uncollectable by Utility staff. Ms. Cox told the Board that write-offs are higher and that reasons for higher write-offs have been reviewed and staff is doing all they can to mitigate write-offs. Ms. Cox also told the Board that \$54,110.81 was received on collections previously written off due to diligence of staff to collect and from the Iowa Income Offset Program. Staff continues collection efforts year round by working with credit agencies to collect unpaid accounts, and if an individual with an uncollectible account would request service from MP&W, the uncollectible amount must be paid in addition to a full deposit, prior to receiving any new service. She stated that staff is also reviewing an online service that will verify identity, along with providing a credit report and additional collections services. The 2010 customer account total amount recommended for write-off was \$113,302.72; of that amount \$85,275.86 was uncollectible Electric, Water, and Communications service accounts, \$20,197.37 for non-returned communication equipment billings, and \$7,829.49 for miscellaneous service charges such as accidents causing damage to Utility property.

Trustee Ingstad moved, seconded by Trustee Axel, to approve the write-off of the 2010 Electric, Water, and Communications uncollectible customer accounts in the total amount of \$113,302.72. Motion carried. All Trustees present voted aye.

Mr. LoBianco stated the next agenda item was approval of the Adopted Budget Certificate and 2011 Annual Operating Budgets that had been presented for comments at a previous Board of Trustees meeting. There were no changes to the proposed budgets; therefore, the Board was being asked to approve the 2011 Annual Operating Budgets for Electric, Water and Communications Utilities. The summary information had been posted at City Hall, the Library and MP&W Administration/Operations Center as required by the Code of Iowa. The notice was also published in the Muscatine Journal. The following resolution was submitted.

RESOLUTION 10-17

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that the annual budgets for calendar year 2011, as set forth in Muscatine Power and Water's Utility's Budget Estimate Summary showing the revenue and expenditure estimates for said calendar year is adopted, and the Secretary is directed to file the same with the Clerk of the City of Muscatine, Iowa.

Trustee Axel moved, seconded by Trustee Tubandt, that the said resolution should be passed, approved, and adopted on this 21st day of December 2010. On roll call Trustees Tubandt, Heidbreder, Ingstad, Axel, and Carlson voted aye. Voting nay, none.

Chairperson Carlson introduced the next item on the agenda as the proposal for 2011 legal services. Attorney Goedken left the meeting during the discussion of his proposal for legal services. Mr. LoBianco stated that the Board of Trustees has contracted for legal services from the firm of Goedken and Creasey for a number of years. Historically, the Board has reviewed and approved an annual contract for legal services at the end of each calendar year. Duane Goedken has been designated as the Board's legal representative with William Creasey as his backup. With the additional position of Director Legal and Regulatory Services, Mr. Goedken is used primarily for Board Counsel. Enclosed in the Board's meeting information was a copy of the 2011 proposal, which had the same hourly rate as the past several years.

Trustee Tubandt moved, seconded by Trustee Heidbreder, to accept the proposal for 2011 legal services at the hourly rate of \$144.00 as submitted by the firm of Goedken and Creasey. Motion carried. All Trustees present voted aye.

Chairperson Carlson reminded the Board that the MAGIC Board is comprised of two representatives each from the Board of Water, Electric, & Communications Trustees, the City of Muscatine Council, and the Muscatine County Board of Supervisors. Chairperson Carlson

said he will complete his second year on the MAGIC Board December 31, 2010. The other current MP&W representative is Trustee Tubandt, who was appointed to the MAGIC Board in December of 2009 and will serve through 2011. It was recommended that Trustee Ingstad be appointed to the MAGIC Board effective January 1, 2011 for a two-year term to represent Muscatine Power & Water, with his term ending December 31, 2012.

Trustee Axel moved, seconded by Trustee Heidbreder to appoint Trustee Ingstad to the MAGIC Board effective January 1, 2011 for a two-year term. Motion passed. All Trustees present voted aye. Mr. LoBianco thanked Trustee Carlson for his service on the MAGIC Board.

Mr. LoBianco advised that the Iowa Code requires the annual publication of public employees' gross annual compensation. It was recommended that the Board of Trustees authorize the Board Secretary to publish the gross salaries in the Muscatine Journal as soon as the information can be compiled. The information will contain the employee's name and gross compensation as reported to the IRS on the W2 form.

Trustee Axel moved, seconded by Trustee Ingstad, authorizing the Board Secretary to publish the gross annual salaries of all Muscatine Power and Water employees in the local newspaper in accordance with the Code of Iowa. Motion carried. All Trustees present voted aye.

In the General Manager's report, Mr. LoBianco reviewed his previously submitted memorandum regarding the 2011 Strategic Plan review held at the fall employee team luncheons. Mr. LoBianco also announced that MP&W had received the Powder River Basin Coal Plant of the Year Award. The Board congratulated all employees of MP&W for the hard work and dedication it took to receive this award.

The November Financial Operating Statements and Balance Sheets were presented as previously submitted to all Board members in written form. Mr. LoBianco gave a brief update on each utility for the month and Mr. Kerker reviewed the YTD results. After review, the Board commended MP&W staff on their control of expenses during these difficult economic times.

Trustee Tubandt moved, seconded by Trustee Ingstad, to receive and place on file the November Financial Operating Statements and Balance Sheets for the Water, Electric, and Communications Utilities. Motion carried. All Trustees present voted aye.

The Competitive Quotes for Public Improvements Report was presented as previously submitted to all Board members in written format. There were no items for approval. The report was received and placed on file.

The November departmental reports were presented as previously submitted to all Board members in written form.

Trustee Axel moved, seconded by Trustee Heidbreder, to receive and place on file the November departmental reports. Motion carried. All Trustees present voted aye.

Trustee Ingstad moved, seconded by Trustee Tubandt, to adjourn the December 21, 2010, Board Meeting. Motion carried. All Trustees present voted aye.

The meeting was adjourned at 6:05 p.m.

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



Donald W. Kerker
Board Secretary