

**PUBLIC HEARING OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
JULY 26, 2011**

The Board of Trustees conducted a public hearing in Muscatine Power and Water's Administration/Operations Building, 3205 Cedar Street, Muscatine, Iowa, on Tuesday, July 26, 2011.

Chairperson Axel called the meeting to order. Members of the Board were present as follows: Trustees Warren Heidbreder, Scott Ingstad, Gary Carlson and Joan Axel. Trustee Doyle Tubant was absent. Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Donald W. Kerker, Board Secretary, Charles Potter, Muscatine Journal; Bill Harden, KWPC/KWCC Radio Station; Gary Wieskamp, Ray Danz, Erika Cox, Brandy Olson and Brenda Christensen of Muscatine Power and Water (MP&W).

The purpose of the hearing was to receive any citizens' comments regarding the Disposal of Colorado Street Substation Property.

At 5:28 p.m. the Board Chairperson opened the public hearing to receive any citizens' comments regarding the Disposal of Colorado Street Substation Property. No written or oral comments were received regarding this conveyance of real estate. The secretary stated that publication of the hearing notice was published as required by the Code of Iowa.

The Secretary closed the public hearing for the Disposal of Colorado Street Substation Property.

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
JULY 26, 2011 – 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, July 26, 2011 at 5:30 p.m.

Chairperson Axel called the meeting to order. Members of the Board were present as follows: Trustees Warren Heidbreder, Scott Ingstad, Gary Carlson and Joan Axel. Trustee Doyle Tubandt was absent.

Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Donald W. Kerker, Board Secretary, Charles Potter, Muscatine Journal; Bill Harden, KWPC/KWCC Radio Station; Gary Wieskamp, Ray Danz, Erika Cox, Brandy Olson and Brenda Christensen of Muscatine Power and Water (MP&W).

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

The minutes of the June 28, 2011, regular meeting were presented as previously submitted to all Board members in written form. Trustee Heidbreder moved, seconded by Trustee Carlson, that the minutes be approved and placed on file as submitted. Motion carried. All Trustees present voted aye. The June 28, 2011, Audit/Finance Committee meeting minutes were received and placed on file.

The list of expenditures and transactions for June was presented as previously submitted to all Board members in written form. Mr. LoBianco stated that expenditures are up this month due to coal and coal transportation receipts, additional purchased power, and inventory and supplies for the unit outages. After review and discussion, Trustee Carlson moved, seconded by Trustee Ingstad, to ratify payment of \$10,164,283.69 for the Electric Utility, \$433,061.62 in the Water Utility, and \$862,752.41 for the Communications Utility for a cumulative total of \$11,460,097.72. Motion carried. All Trustees present voted aye.

Trustee Axel announced that the following appointments were recommended for the 2011/2012 Board Committees:

Audit and Finance – Scott Ingstad and Warren Heidbreder (Committee Chair)

Planning and Operations – Gary Carlson and Doyle Tubandt (Committee Chair)

Personnel and Public Relations – Doyle Tubandt and Gary Carlson (Committee Chair)

After discussion Trustee Heidbreder moved, seconded by Trustee Carlson, to receive and place on file the 2011/2012 Board Committee appointments. Motion carried. All Trustees present voted aye.

Mr. LoBianco reviewed the previously submitted memorandum to all Board members regarding the intent to dispose of real estate. At the July meeting the Board authorized the disposal of the former substation real estate located on Colorado Street. One bid was received for the site in the amount of \$500 from Members Community Credit Union. It is staff's recommendation to proceed with the sale of this property. General discussion was conducted on the bid and the site. The following resolution was submitted.

RESOLUTION 11-14
AUTHORIZING THE DISPOSAL OF REAL ESTATE
BY THE BOARD OF WATER, ELECTRIC, AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
COLORADO STREET SUBSTATION PROPERTY

WHEREAS, a resolution was adopted by Board of Water, Electric, and Communications Trustees ("Board") of the City of Muscatine, Iowa on the 28th day of June 2011, proposing to dispose of the following tract of real estate located in the City of Muscatine, Muscatine County, Iowa and more particularly described to-wit:

Commencing at the Southwest corner of the Northeast Quarter of Section Twenty-five (25), Township Seventy-seven (77) North, Range Two (2) West of the Fifth Principal Median; run thence East along the East and West center line of said Section Twenty-five (25) a distance of Ten hundred twelve (1012) feet; run thence North Sixty (60) feet to the true point of beginning; run thence North Fifty (50) feet; run thence East parallel with the East and West center line of said Section, Fifty (50) feet; run thence South Fifty (50) feet; run thence West Parallel with the East and West center line of said Section, Fifty (50) feet to the true point of the beginning.

WHEREAS, the Board set a public hearing to be held July 26, 2011, at 5:28 p.m., on the disposal of the above described real estate; and,

WHEREAS, the Board published notice of the public hearing in the Muscatine Journal as required by Section 362.3, Iowa Code; and,

WHEREAS, the Board also published Notice to Solicit Bids for the sale of the above described real estate and set the time and place for receipt of bids; and,

WHEREAS, a bid was received on the above described real estate from Members Community Credit Union, July 18, 2011, at 2:00 p.m., in the amount of \$500.00.

WHEREAS, the public hearing was held by the Board at the scheduled time and place; and,

WHEREAS, the Board has determined that the disposal of the above described real estate is in the best interest of the City of Muscatine; and,

WHEREAS, the above described real estate should be sold to Members Community Credit Union; and,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. The Chairperson and Secretary of the Board are directed to execute on behalf of the Board, a Special Warranty Deed to the above described real estate to Members Community Credit Union
2. The Special Warranty Deed shall be delivered to Members Community Credit Union upon their payment of \$500.00.

Trustee Carlson moved, seconded by Trustee Heidbreder, that said resolution be passed, approved, and adopted this 26th day of July 2011. On roll call Trustees Heidbreder, Ingstad, Carlson and Axel voted aye. Voting nay, none. Trustee Tubandt was absent.

Mr. LoBianco reviewed the next item on the agenda, a project request for approval of Installation and Upgrade of Electric Facilities at GPC for Drier House #5 Project. This project will remove overhead electric facilities and install new underground electric facilities at GPC to accommodate their construction of Drier House #5. Due to the timing of construction and cost of this project, GPC has agreed to pay an advance deposit for the cost of materials used on the construction of this project. The load for this project is not expected to be online for approximately one and one-half years. The deposit will be returned upon the completion of GPC's Drier House #5 project, provided the net load increase is at least 1.0 MW or a prorated return on deposit if the load is smaller, unless the load is less than .5MW. After general discussion, Trustee Ingstad moved, seconded by Trustee Carlson, that the project approval request for the Installation and Upgrade of Electric Facilities at GPC for Drier House #5 Project be approved. Motion carried. All Trustees present voted aye.

Mr. LoBianco advised that the next meeting agenda item pertained to the Board Policy Manual and that the manual had been provided under separate cover to the Board. Mr. LoBianco continued that the manual had been reviewed and updated, and submitted to all Board members in a "redline/track change mode" for their review. No action was being requested this evening. At the August Board meeting, it will be recommended that the policy manual be approved. If Board members have any questions or comments regarding the manual, let Mr. Wieskamp know prior to the next meeting.

In the General Manager's report, Mr. LoBianco reviewed his previously submitted memorandum that included an update of the Powder River Basin Coal Plant of the Year Award open house and the Governor's Volunteer Award that MP&W recently received for the Utilities long term participation in the Adopt a Highway program. Mr. LoBianco also reported that MP&W had responded to a Mutual Aid Program call from the Iowa Association of Municipal Utilities for the restoration of power in the Vinton, Iowa after a storm passed through on July 11, 2011.

The next item on the agenda was to receive and place on file the YTD and June Financial Operating Statements and Balance Sheets for each Utility and the Quarterly Investment Report. Mr. LoBianco stated that the June and YTD financial operating statements for the Electric, Water, and Communications Utilities would be reviewed in detail during the Second Quarter Critical Issue and Key Performance Indicator presentation. Trustee Heidbreder moved, seconded by Trustee Ingstad, that the YTD and June Financial Operating Statements

and Balance Sheets for the Water, Electric, and Communications Utilities, and the Quarterly Investment Report be received and placed on file. Motion carried. All Trustees present voted aye.

The Quarterly Project Status Report and Variance Analysis were presented as previously submitted to all Board members in written form. Trustee Heidbreder moved, seconded by Trustee Carlson, to approve the Quarterly Project Status Report and Variance Analyses. 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 form. There were no items for approval.

The Critical Issues and Key Performance Indicators presentation for the Water, Electric, and Communications Utilities was the next agenda item. Mr. LoBianco asked each critical issue leader to review the status of their critical issue and Mr. Kerker to review the key performance indicators. After review and discussion, Trustee Heidbreder moved, seconded by Trustee Carlson, to receive and place on file the 2011 Second Quarter Critical Issues and Key Performance Indicators for the Water, Electric, and Communications Utilities. Motion carried. All Trustees present voted aye.

The June Departmental Reports were presented as previously submitted to all Board members in written form. General discussion was conducted on the departmental reports. Trustee Ingstad moved, seconded by Trustee Heidbreder, to receive and place on file the June departmental reports. Motion carried. All Trustees present voted aye.

Chairperson Axel asked if there were any other items of business. With no other items of business, Trustee Carlson moved, seconded by Trustee Ingstad, that the meeting be adjourned at 6:55 p.m.

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



Donald W. Kerker
Board Secretary