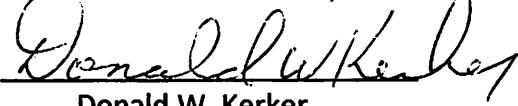


ADOPTED BUDGET CERTIFICATE
CERTIFICATION

TO: Muscatine, Iowa, City Council

At the November 27, 2012, meeting of the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, the proposed budget for calendar year 2013 was adopted as summarized and attached hereto.

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

By: 
Donald W. Kerker
Board Secretary

Record of Public Hearing and Adoption of Budget

On November 27, 2012, the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, met for the purpose of conducting a public hearing on the proposed 2013 budget as published. Notice of time and place of hearing had been published on November 14, 2012, in the Muscatine Journal and the affidavit of publication was available to file with the City Council.

The hearing provided residents, taxpayers and consumers the opportunity to speak for or against the proposed budget for calendar year 2013.

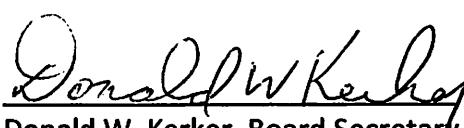
The Board adopted the following budget resolution:

A Resolution Adopting The Annual Budget for Calendar Year 2013. Be It Resolved by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa: The annual budget for calendar year 2013, as set forth in the Utility's Revised 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.

Passed and approved on November 27, 2012, by the following vote: (List Names)

| | |
|----------------------------|--------------|
| Ayes: <u>Doyle Tubandt</u> | Nayes: _____ |
| <u>Tracy McGinnis</u> | _____ |
| <u>Scott Ingstad</u> | _____ |
| <u>Joan Axel</u> | _____ |
| <u>Warren Heidbreder</u> | _____ |


Warren Heidbreder, Chairperson


Donald W. Kerker, Board Secretary

ADOPTED BUDGET SUMMARY

| NAME OF ENTERPRISE | Calendar (specify fiscal or calendar year budget) | YEAR | |
|--|--|--------------------|------------|
| | | 2013 | 2013 |
| Muscatine Power and Water | | | |
| Budget | | | |
| | (specify budget years) | 2013 | 2012 |
| REVENUES & OTHER FINANCING SOURCES | | | |
| Use of Money and Property (line 398) | 241 | 1,421,050 | 271 |
| Charges for Services* (line 414) | 243 | 96,987,393 | 273 |
| Miscellaneous (line 416) | 245 | 1,472,020 | 275 |
| Operating Transfers In (line 417) | 247 | | 277 |
| Proceeds of Long Term Debt (line 418) | 248 | 4,800,000 | 278 |
| Proceeds of Fixed Asset Sales (line 419) | 249 | | 279 |
| Total Revenues & Other Financing Sources | 250 | 104,680,463 | 280 |
| EXPENDITURES & TRANSFERS OUT | | | |
| Expenditures (line 386) | 255 | 98,114,069 | 285 |
| Transfers Out (line 387) | 259 | | 289 |
| Total Expenditures & Transfers Out | 260 | 98,114,069 | 290 |
| Excess of Revenues & Other Sources | | | |
| Over (Under) Expenditures & Transfers Out | 261 | 6,566,394 | 291 |
| BEGINNING Fund Balance (line 390) | 262 | 19,105,542 | 292 |
| ENDING Fund Balance (line 388) | 263 | 25,671,936 | 293 |
| | | | |

*Includes wholesale energy sales in the Midwest ISO market.

RESOURCES DETAIL

| | Budget | | Calendar | |
|------------------------------------|--------------------------------|----------------------|----------------|--|
| | 2013 (specify budget years) | Re-Estimated 2012 | Actual 2011 | (specify if budget is fiscal or calendar year) |
| Beginning Fund Balance | 390 | 19,105,542 | | 30,222,853 |
| Use of Money & Property | 398 | 1,421,050 | | 1,463,165 |
| Charges for Services: | | | | |
| Communications ¹ | 411 | 12,445,389 | | 11,372,169 |
| Water | 404 | 4,699,050 | | 4,429,274 |
| Sewer | 405 | | | |
| Electric ² | 406 | 79,842,954 | | 81,889,122 |
| Gas | 407 | | | |
| Total Charges for Services | 414 | 96,987,393 | | 97,690,565 |
| Miscellaneous | 418 | 1,472,020 | | 1,529,961 |
| Other Financing Sources: | | | | |
| Operating Transfers In | 417 | | | |
| Proceeds of Long Term Debt | 418 | 4,800,000 | | 40,904 |
| Proceeds of Fixed Asset Sales | 419 | | | |
| Total Resources | 421 | 123,786,005 | 107,309,948 | 130,947,448 |

REQUIREMENTS DETAIL

| | Budget | | Re-Estimated | |
|-----------------------------|--------------------------------|-------------|--------------|-------------|
| | 2013 (specify budget years) | 2012 | 2011 | |
| Expenditures: | | | | |
| Communications ¹ | 338 | 13,619,023 | | 11,866,359 |
| Water | 380 | 8,987,590 | | 4,369,670 |
| Sewer | 357 | | | |
| Electric | 381 | 75,507,456 | | 99,140,137 |
| Gas | 362 | | | |
| Total Expenditures: | 388 | 98,114,069 | 88,204,406 | 115,376,166 |
| Transfers Out | 387 | | | |
| Ending Fund Balance | 388 | 25,671,936 | 19,105,542 | 15,571,282 |
| Total Requirements | 389 | 123,786,005 | 107,309,948 | 130,947,448 |

¹Communications inserted in place of Hospital.

²Includes wholesale energy sales in the Midwest ISO market.

PROOF OF PUBLICATION

I, Jeff Lee, being duly sworn, on my oath, say that I am an advertising clerk at the *Muscatine Journal*, a newspaper of general circulation, published in the City of Muscatine, Muscatine County, Iowa; and that the following Notice:

Muscatine Power & Water
Public Hearing-Budget Estimate Calendar Year 2013
PO #113162

Of which the annexed printed slip is a true, correct and complete copy, was published in said *Muscatine Journal* one time having been made there in on:

November 14, 2012

Jeff Lee

**STATE OF IOWA
MUSCATINE COUNTY**

Subscribed and sworn to before me this
14th day of November, 2012

Beth Lester
Beth Lester, Notary Public



Beth Lester
Iowa Notarial Seal
Commission number 745921
My Commission Expires 03/20/2013

| NOTICE OF PUBLIC HEARING BUDGET ESTIMATE Calendar Year 2013 | | | |
|--|--------------|-------------|-------------|
| The Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, will conduct a public hearing on the proposed 2013 budget at the Administration Building, 3205 Cedar Street, Muscatine, Iowa, on November 27, 2012, beginning at 5:28 o'clock p.m. | | | |
| The Budget Estimate Summary of proposed revenue and expenditures is shown below. Copies of the detailed proposed 2013 budget may be obtained or reviewed at the said Administration Building, or at the Office of the City Clerk, and at the City Library. | | | |
| At the public hearing, any resident, taxpayer or consumer may present objections to, or arguments in favor of, any part of the proposed budget. | | | |
| BOARD OF WATER, ELECTRIC AND COMMUNICATIONS TRUSTEES OF THE CITY OF MUSCATINE, IOWA By: /s/ Donald W. Kerkar Secretary | | | |
| BUDGET ESTIMATE SUMMARY COMBINED WATER, ELECTRIC, AND COMMUNICA- TIONS UTILITIES | | | |
| For Current Proprietary Operations Modified Cash and Accrual Basis | | | |
| 2013 | 2012 Actual | 2011 | |
| Proposed | Re-estimated | Actual | |
| Revenues: | | | |
| Use of Money & Property | 1,421,524 | 1,544,861 | 1,463,165 |
| Charges for Services | 96,987,393 | 87,905,406 | 97,690,565 |
| Miscellaneous | 1,351,920 | 2,288,399 | 1,529,961 |
| Other Financing Sources | 4,800,000 | — | 40,904 |
| Total Revenues & Other Financing Sources | 104,560,837 | 91,738,666 | 100,724,595 |
| Expenditures & Transfers Out: | | | |
| Expenditures | 97,863,969 | 88,204,406 | 115,376,166 |
| Transfers Out | — | — | — |
| Total Expenditures & Transfers Out: | | | |
| 97,863,969 | 88,204,406 | 115,376,166 | |
| Excess of Revenues Over/Under Expenditures | | | |
| 6,696,868 | 3,534,260 | -14,651,571 | |
| Beginning Balance Jan. 1 | 19,105,542 | 15,571,282 | 30,222,853 |
| Ending Balance Dec. 31 | 25,802,410 | 19,105,542 | 15,571,282 |