

OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
JUNE 29, 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, June 29, 2010, at 5:30 p.m.

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

Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Donald W. Kerker, Board Secretary; Duane J. Goedken, Board Attorney; Amy Cahill, Muscatine Journal; Gary Wieskamp, Ray Danz, Erika Cox, Brandy Olson, Jeff Beer, and Brenda Christensen of Muscatine Power and Water.

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

The minutes of the May 25, 2010, regular meeting were presented as previously submitted to all Board members in written form. Trustee Tubandt moved, seconded by Trustee Axel, that the minutes be approved and placed on file as submitted. Motion carried. All Trustees present voted aye.

The list of expenditures and transactions for May was presented as previously submitted to all Board members in written form. After review and discussion, Trustee Axel moved, seconded by Trustee Heidbreder, to ratify payment of \$5,813,678.02 for the Electric Utility, \$313,070.44 in the Water Utility, and \$703,489.82 for the Communications Utility for a cumulative total of \$6,830,238.28. Motion carried. All Trustees present voted aye.

At the June 17, 2010, City Council meeting, Mayor O'Brien appointed Trustee Warren Heidbreder to the Board of Trustees for a six-year term beginning July 1, 2010 through June 30, 2016 and the City Council ratified the appointment. Trustee Axel moved, seconded by Trustee Tubandt, to receive and place on file the Certificate of Appointment for Warren Heidbreder to the Board of Trustees for a period of July 1, 2010 through June 30, 2016. Motion carried. All Trustees present voted aye.

Mr. LoBianco stated that the Board of Trustees usually elects new officers at the June meeting for the following year. In the Board's meeting information was a memorandum that listed each Board member's appointed term. It was recommended that Trustee Gary Carlson be elected Chairperson and Trustee Joan Axel be elected Vice Chairperson for the 2010/2011 year, beginning July 1, 2010. Trustee Tubandt moved, seconded by Trustee Heidbreder, that Trustee Gary Carlson be elected Chairperson and Trustee Joan Axel be elected Vice Chairperson for the 2010/2011 year. Motion carried. All Trustees present voted aye.

Mr. LoBianco advised that part of the process of electing Board officers, a Board Secretary is appointed. Mr. Don Kerker has served as the Board's Secretary since 1980, and Mr. LoBianco recommended that Mr. Kerker be reappointed as Board Secretary. Mr. LoBianco also mentioned that if appointed, Mr. Kerker would begin his 30th consecutive year

serving as Board Secretary. Trustee Axel, seconded by Trustee Heidbreder, that Mr. Don Kerker be appointed as Board Secretary for the 2010/2011 year. Motion carried. All Trustees present voted aye.

Mr. LoBianco introduced Mr. Danz to review the next item on the agenda, project request for the Unit 9 GE Mark V and EX2000 Upgrade. Mr. Danz referenced the project summary form included in the Board Packet saying that this work will be completed during the Unit 9 spring 2011 maintenance outage, but is being submitted now for approval because of the significant lead times. Mr. Danz reviewed the project description and General Electric equipment needed for the project. Trustee Heidbreder moved, seconded by Trustee Axel, that the project approval request for the Unit 9 GE Mark V and EX2000 Upgrade Project be approved in the amount of \$1,300,000. Motion carried. All Trustees present voted aye.

The next item on the agenda was a Recommendation for Final Acceptance for the West Hill 24" Water Main and Pump Header Modifications Project. Mr. LoBianco reviewed the memorandum to the Board and the history of the project that was included in the Board packet. In September 2009, the Board approved Contract Change Order No. 1 for an increase of \$144,603.94 and a revised contract with Sulzberger Excavating, Inc. for a new contract total of \$1,317,548.69. Two additional Contract Change Orders have been generated and staff recommends approval by the Board of Trustees in the amounts of \$29,800.04 and \$6,283.70, for a new final contract price \$1,353,632.43. Mr. LoBianco stated that there are still two customers with restoration concerns regarding their property. Staff recommends proceeding with final acceptance and release of retainage pending resolution of outstanding concerns to Staff's satisfaction. Work covered by this contract has been completed, checked by staff and found to be in accordance with the specifications.

After discussion and review, the following resolutions were submitted.

RESOLUTION 10-03

WHEREAS, the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, on September 29, 2009, approved Contract Change Order No. 1, a revised Project Summary Form and revised contract with Sulzberger Excavating, Inc. for a new project total of \$1,317,548.69 for West Hill 24" Water Main and Pump Header Modifications Project; and,

WHEREAS, Contract Change Order No. 2 and Contract Change Order No. 3 have been prepared to said contract in the increased amount of \$36,083.74 and said contract change orders were reviewed by the Board and the Board's staff has recommended approval of said contract change orders; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees that said contract change orders in the increased amount of \$36,083.74 be and the same was hereby approved for an amended contract price of \$1,353,632.43.

Trustee Axel moved, seconded by Trustee Tubandt, that the said resolution should be passed, approved, and adopted on this 29th day of June, 2010. On roll call Trustees Tubandt, Heidbreder, Axel, and Ingstad voted aye. Voting nay, none. Trustee Carlson was absent.

RESOLUTION 10-04

WHEREAS, it appears in a written report from Board's staff that the contract with Sulzberger Excavating, Inc. for the West Hill 24" Water Main and Pump Header Modifications Project in the final amount of \$1,353,632.43 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 West Hill 24" Water Main and Pump Header Modifications Project, furnished under the above named contract be and the same was hereby 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 of remaining customer concerns to Staff satisfaction, all in accordance with the provisions of the Code of Iowa.

Trustee Heidbreder moved, seconded by Trustee Axel, that the said resolution should be passed, approved, and adopted on this 29th day of June, 2010. On roll call Trustees Tubandt, Heidbreder, Axel, and Ingstad voted aye. Voting nay, none. Trustee Carlson was absent.

Mr. LoBianco next advised the Board that they had been provided with updated/revised Service Rules for the Electric and Water Utilities under separate cover. He told the Board that no action was being requested at this meeting, but approval will be requested at the July Board meeting. Mr. LoBianco introduced Ms. Cox and Ms. Olson to review the Board memo and address any questions the Trustees may have. Ms. Cox stated that the Service Rules were last published in 1997 and the document was extensively overhauled and will now follow one consistent format between all three Utility documents. She stated that the Service Rules for the Communication Utility were under development and would be presented to the Board for review in a few months. Ms. Cox reviewed the major changes to each of the Utility Service Rules and asked that the Board review and return any comments before the July Board Meeting.

Mr. LoBianco introduced the next agenda item of the 2010 Annual Audit and the request for the Board's approval to continue the engagement of Baker Tilly Virchow Krause LLP (BT). Trustee Heidbreder, Chair of the Audit/Finance Committee, told the Board that the audit review was discussed at the Audit/Finance Committee meeting that had preceded the Board meeting. He stated that the Audit/Finance Committee agreed with the staff recommendation to continue the engagement of BT for the 2010 audit. He continued that staff and the Committee believe the fees were reasonable and that the audits were completed in a timely and professional manner. Trustee Axel moved, seconded by Trustee Tubandt, that Baker Tilly Virchow Krause LLP be engaged for the 2010 Annual Audit. Motion carried. All Trustees present voted aye.

In the General Manager's report, Mr. LoBianco reviewed his previously submitted memorandum that included an update of the discontinuation of Machlink DSL Service, an update of the Unit 8 spring outage that was completed in May, and several key performance indicators comparing MP&W to other utilities.

The May 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. Mr. Kerker then reviewed the year-to-date financial statements for all three utilities. After review, Trustee Heidbreder moved, seconded by Trustee Axel, to receive and place on file the May 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 form. There were no items for approval.

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

Chairperson Ingstad asked if there were any other items of business. With no other items of business, Trustee Tubandt moved, seconded by Trustee Axel, that the meeting be adjourned at 6:20 p.m.

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



Donald W. Kerker
Board Secretary