

**OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
APRIL 24, 2018 – 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, April 24, 2018, at 5:30 p.m.

Acting Chairperson Porter called the meeting to order. Members of the Board were present as follows: Trustees Tracy McGinnis, Susan Eversmeyer, Steven Bradford and Keith Porter. Trustee Doyle Tubandt was absent due to previously scheduled travel plans.

Also present were: Sal LoBianco, General Manager of Muscatine Power and Water; Jerry Gowey, Board Secretary; Charles Potter, Muscatine Journal; Erika Cox, Tim Reed, Gage Huston, Brandy Olson, and Brenda Christensen of Muscatine Power and Water.

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

The minutes of the March 27, 2018, public hearing and regular meeting were presented as previously submitted to all Board members. Trustee McGinnis moved, seconded by Trustee Eversmeyer, that the March 27, 2018, public hearing and regular meeting minutes be approved as submitted. All Trustees present voted aye. Motion carried. Meeting minutes of the March 27, 2018, Audit/Finance Committee Meeting were received and placed on file.

The list of expenditures and transactions for March 2018 was presented as previously submitted to all Board members. After review and discussion of the expenditures, Trustee Bradford moved, seconded by Trustee McGinnis, to ratify payment of \$10,504,213.15 for the Electric Utility, \$885,147.68 for the Water Utility, and \$1,696,827.68 for the Communications Utility for a cumulative total of \$13,086,188.51. All Trustees present voted aye. Motion carried.

Mr. LoBianco introduced the next agenda item as a recommendation to award a contract for the 69kV Duct Bank Construction and Conduit Installation for Linn Street Project that was approved with the 2017 Operating Budget for \$137,000 as part of the Mississippi Drive Corridor Underground Phase I Project with a total budget of \$5,920,100. He continued that the portion of the work for this project covers labor, materials, tools, equipment, and supervision necessary to construct the 69kV duct bank, transmission vault and install distribution conduit located at Linn Street. The published expenditure for this work was \$123,300. Mr. LoBianco stated a total of four bids were received, opened publicly, and read aloud on April 10, 2018, at 3:00 p.m. Management and MP&W consultant, Watersmith Engineering, reviewed and evaluated bids and recommend the award of contract be made to low bidder, Triple B Construction, of Wilton, IA, for a total price of \$144,738.50. The following resolution was submitted:

RESOLUTION 18-15

WHEREAS it appears in a written report from Muscatine Power and Water Management that the bid for the 69kV Duct Bank Construction and Conduit Installation for Linn Street Project, as submitted by Triple B Construction, of Wilton, IA, for a total price of \$144,738.50, was the best and lowest 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 Triple B Construction, of Wilton, IA, for a total price of \$144,738.50, for the 69kV Duct Bank Construction and Conduit Installation for Linn Street Project 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 Board of Water, Electric, and Communications Trustees.

Trustee McGinnis moved, seconded by Trustee Eversmeyer that said resolution should be passed, approved, and adopted on this 24th day of April 2018. On roll call Trustees McGinnis, Bradford, Eversmeyer, and Porter voted aye. Trustee Tubandt was absent. Voting nay, none. Resolution carried.

Mr. LoBianco introduced the next agenda item as a recommendation to award a contract for the Round Reservoir Rehabilitation Project. He continued the project was approved with the 2018 Operating Budget for \$543,000 and will cover furnishing all labor, materials, tools, equipment, and supervision necessary for rehabilitation of two 1.5 million-gallon round reservoirs. Rehabilitation includes cleaning and recoating the exterior and interiors of both tanks, installing elastomeric liners for the floor joints, repairing cracks in the floor, and recoating the domes. The published estimated total for this work is \$488,700. Mr. LoBianco stated a total of four bids were received, opened publicly, and read aloud on April 3, 2018. Management and our consultants, Watersmith Engineering and Dixon Engineering, have reviewed and evaluated bids and recommend the award of contract be made to low bidder, TMI Coatings, Inc., of St. Paul, Minnesota, for a total price of \$407,500. The following resolution was submitted:

RESOLUTION 18-16

WHEREAS it appears in a written report from Muscatine Power and Water Management that the bid for the Round Reservoir Rehabilitation Project, as submitted by TMI Coatings, Inc., of St. Paul, Minnesota, for a total price of \$407,500, was the best and lowest 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 TMI Coatings, Inc., of St. Paul, Minnesota, for a total price of \$407,500, for the Round Reservoir Rehabilitation Project 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 Board of Water, Electric, and Communications Trustees.

Trustee Bradford moved, seconded by Trustee Eversmeyer that said resolution should be passed, approved, and adopted on this 24th day of April 2018. On roll call Trustees McGinnis, Bradford, Eversmeyer, and Porter voted aye. Trustee Tubandt was absent. Voting nay, none. Resolution carried.

The next agenda item was introduced as a Recommendation to Accept Contract Change Order and Final Acceptance the New Well Field Water Main Transmission Line and Transmission Line Portion of Construct Well 49 Projects. The project covered furnishing all labor, materials, tools, equipment, and supervision necessary to complete these projects. The projects were approved with the 2014 & 2017 Operating Budgets with a combined expenditure total of \$1,618,300 and a published estimate of \$1,456,470. Mr. LoBianco reminded the Board that the projects had been awarded to Hagerty Earthworks, LLC. For \$1,193,700. He continued that work covered by this contract is complete and has been reviewed by Management and found to be in accordance with the specifications. Contract Change Order No. 1 pertains to additional work in the increased amount of \$106,176.78. The Contract Change Order was within the 10% threshold and was approved by the General Manager. The final Contract Price of \$1,299,876.78 is within the estimate of \$1,618,300 for these projects and Management recommends that the Board approve Contract Change Order No. 1 and accept as complete the contract with Hagerty Earthworks, LLC. for the New Well Field Water Main Transmission Line and Transmission Line Portion of Construct Well 49 Projects. The following resolutions were submitted:

RESOLUTION 18-17

WHEREAS, Contract Change Order No. 1 has been prepared to said contract with Hagerty Earthworks, LLC. for the New Well Field Water Main Transmission Line and Transmission Line Portion of Construct Well 49 Projects in the increased total amount of \$106,176.78 and said Contract Change Order was reviewed by the Board, and Muscatine Power and Water Management 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 Order No. 1 in the increased total net amount of \$106,176.78 be approved for an amended contract price of \$1,299,876.78 for the New Well Field Water Main Transmission Line and Transmission Line Portion of Construct Well 49 Projects.

Trustee Eversmeyer moved, seconded by Trustee McGinnis that said resolution should be passed, approved, and adopted on this 24th day of April 2018. On roll call Trustees McGinnis, Bradford, Eversmeyer, and Porter voted aye. Trustee Tubandt was absent. Voting nay, none. Resolution carried.

RESOLUTION 18-18

WHEREAS, it appears in a written report from Muscatine Power and Water Management that the contract with Hagerty Earthworks, LLC. for the New Well Field Water Main Transmission Line and Transmission Line Portion of Construct Well 49 Projects in the final amount of \$1,299,876.78 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 New Well Field Water Main Transmission Line and Transmission Line Portion of Construct Well 49 Projects, 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 McGinnis moved, seconded by Trustee Bradford, that said resolution should be passed, approved, and adopted on this 24th day of April 2018. On roll call Trustees McGinnis, Bradford, Eversmeyer, and Porter voted aye. Trustee Tubandt was absent. Voting nay, none. Resolution carried.

Acting Chairperson Porter explained that the 2017 Muscatine Power and Water Annual Report had been provided with the Board meeting material. Ms. Cox explained that the 2017 Annual Report and 2017 Highlights Report were both developed by MP&W's Marketing Department and Sycamore Printing produced the reports. The Annual Highlights Report will be distributed to all employees and will be included in a customer mailing in the near future. Trustee Bradford moved, seconded by Trustee McGinnis, that the 2017 Annual Report be received and placed on file as submitted. All Trustees present voted aye. Motion carried.

In the General Manager's report, Mr. LoBianco reviewed his previously submitted memorandum. The first topic was a discussion that updated Service Rule documents that are normally provided during the next few months will be provided to the Board for review and approval this Fall because Staff who would normally work on this effort are focused on other large projects. He stated that in the meantime, Service Rules for the Communications Utility will be updated to include the addition of telephone service, Rules related to redistribution of our Internet service will also be reviewed to ensure MP&W is protected from customers sharing a service between multiple units. These updated Communication Utility Service Rules will be made available on mpw.org as soon as complete and the Board's final approval will be requested in the Fall. Mr. LoBianco also communicated that MP&W has been conducting live testing of the telephone service in homes over the past several weeks. He continued that with April 23rd as the official launch date, the Utility has already begun offering MachLink Phone as an option to customers being scheduled for their fiber installations. Phone service is currently only available for residential users and will be rolled out to small business customers in the future.

The YTD and March Financial Operating Statements and Balance Sheets and Quarterly Investment Report were presented as previously submitted to all Board members. Mr. Gowey reviewed the year-to-date financials for each Utility. Trustee Eversmeyer moved, seconded by Trustee McGinnis, to receive and place on file the YTD and March Financial Operating Statements and Balance Sheets for the Water, Electric, and Communications Utilities and the Quarterly Investment Report. All Trustees present voted aye. Motion carried.

The Quarterly Project Status Report and Variance Analysis were presented as previously submitted to all Board members. Trustee Bradford moved, seconded by Trustee McGinnis, to receive and place on file the Quarterly Project Status Report and Variance Analysis. All Trustees present voted aye. Motion carried.

The Critical Issues and Key Performance Indicators for the Water, Electric, and Communications Utilities were previously submitted to all Board members. Chairperson Porter asked if any of the Trustees had questions about the presentation material; after discussion about the FTTH project and questions about their concern for the significant slippage in contractor schedule and need to get caught up to stay on timeline, Trustee Bradford moved, seconded by Trustee McGinnis, to receive and place on file the First Quarter 2018 Critical Issues and Key Performance Indicators 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. There were no items for approval. The report was received and placed on file.

The March Departmental Reports were presented as previously submitted to all Board members. Trustee Eversmeyer moved, seconded by Trustee Bradford, to receive and place on file the March Departmental Reports. All Trustees present voted aye. Motion carried.

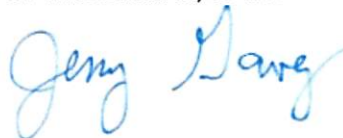
Acting Chairperson Porter stated that the Board would be going into closed session in accordance with Iowa Code Chapter 21.5(1)(i) to discuss General Manager Sal LoBianco's retirement plans. Trustee McGinnis moved, seconded by Trustee Eversmeyer, that the meeting be closed to the public in accordance with Iowa Code Chapter 21.5(1)(i).

The meeting reconvened to open session.

Motion passed for the Board to create a temporary Search Committee of appointed members of the Board, consisting of Susan Eversmeyer and Steven Bradford, to begin the process of an orderly replacement of Sal LoBianco, General Manager. The appointed Committee members will create a timeline and carry out the search and selection process according to that timeline. Trustee Bradford moved, seconded by Trustee McGinnis, that a Search Committee be created consisting of Susan Eversmeyer and Steven Bradford. All Trustees present voted aye. Motion carried.

The meeting was adjourned at 7:05 p.m.

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OF MUSCATINE, IOWA



Jerry Govey
Board Secretary