

**OFFICIAL PROCEEDINGS OF THE  
BOARD OF WATER, ELECTRIC,  
AND COMMUNICATIONS TRUSTEES  
OF THE CITY OF MUSCATINE, IOWA  
JUNE 20, 2007—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 Wednesday, June 20, 2007, at 5:30 P.M., CDT.

Chairperson Axel called the meeting to order. Members of the Board were present as follows: Trustees Joan Axel, Warren Heidbreder, Scott Ingstad, Don Mead, and Doyle Tubandt.

Also present were Mr. Jay D. Logel, General Manager of Muscatine Power and Water; Mr. Duane J. Goedken, Board Attorney; Mr. Donald W. Kerker, Board Secretary; Mr. Charles Potter, KWPC/KMCS Radio Station; Mr. Sal LoBianco, and Meses. Erika Cox and Ann Jones of Muscatine Power and Water.

Chairperson Axel asked if there were any comments from the public. There were no comments.

The minutes of the May 29, 2007 public hearing and regular meeting were presented as previously submitted to all Board members in written form. Trustee Heidbreder moved, seconded by Trustee Ingstad, that the minutes be approved as submitted to all Board members. Motion carried. All Trustees voted aye.

The list of expenditures and transactions for May was presented as previously submitted to all Board members in written form. Discussion was conducted on several of the expenditures.

Trustee Mead moved, seconded by Trustee Ingstad to ratify payment of \$7,236,922.86 for the Electric Utility, \$338,012.93 in the Water Utility, and \$666,847.33 for the Communications Utility for a total amount of \$8,241,783.12 for the month of May. Motion carried. All Trustees voted aye.

Mr. Logel reviewed the previously submitted memorandum to all Board members regarding the recommendation to dispose of real estate. Over the last few years the Electric Utility has been converting the 4 kV distribution system to 13.8 kV, and therefore the elimination of small neighborhood substations. The Woodlawn and Northwood Lane substation sites have been de-energized, equipment removed, and staff recommended that the substation property be sold. It was staff's recommendation that dates be established by the Board of Trustees to receive bids at 2:00 p.m. on July 17, 2007 and to conduct a public hearing at 5:24 p.m. on July 31, 2007 for the disposal of Woodlawn and Northwood Lane substation sites.

The following resolution was submitted.

**RESOLUTION 07-28  
PROPOSING TO DISPOSE OF REAL ESTATE  
BY THE BOARD OF WATER, ELECTRIC, AND COMMUNICATIONS  
TRUSTEES OF THE CITY OF MUSCATINE, IOWA  
AND THE SETTING OF A PUBLIC HEARING ON THE PROPOSED DISPOSAL**

WHEREAS, the City of Muscatine, Iowa, by its Board of Water, Electric, and Communications Trustees ("Board"), is the owner of real estate located and situated in the City of Muscatine, County of Muscatine, State of Iowa and more particularly described to-wit:

1. Woodlawn Substation site: Lot Eleven (11) of Orange Street Addition to the City of Muscatine, Iowa, excluding the North 625 feet of Lot 11 conveyed to Ben Donald Holiday and Diana Karen Holiday by Special Warranty Deed and recorded in Book 300 of Lots, Page 788 at Muscatine County Recorder's Office.
2. Northwood Lane Substation site: A part of the North half of Section 26, Township 77 North, Range 2 West of the Fifth Principal Meridian, described as follows, to wit: Commencing at the most Northerly corner of Brossart-Lucas Addition to the City of Muscatine, Muscatine County, Iowa; Line 1: Run thence Southeasterly along the Northeasterly line of said addition, a distance of 110 Feet; Line 2; Run thence North 51°14' East, at right angles to Line 1, a distance of 60 Feet; Line 3: Run thence Northwesterly parallel to Line 1, a distance of 110 Feet; Line 4: Run thence South 51° 14' West, parallel with Line 2, a distance of 60 feet to the point of beginning

And

A part of the North half of Section 26, Township 77 North, Range 2 West of the Fifth Principal Meridian, described as follows, to wit: Commencing at the most Northerly corner of Brossart-Lucas Addition to the City of Muscatine, Muscatine County, Iowa; run thence Southeasterly, along the Northeasterly line of said addition, a distance of 110 feet to the true point of beginning: Line 1: Continue Southeasterly along said Northeasterly line a distance of 40 Feet; Line 2: Run thence North 51°14' East, at right angles to Line 1, a distance of 60 feet; Line 3: Run thence Northwesterly, parallel to Line 1, a distance of 40 Feet; Line 4: Run thence South 51°14' West, parallel to Line 2, a distance of 60 feet to the true point of beginning.

Excluding real estate conveyed to Ben F. Hanssen and Sharon K. Hanssen by Special Warranty Deed and Recorded in Book 341 of Lots, Page 356 at Muscatine County Recorder's Office. Said parcel conveyed to Ben F. Hanssen and Sharon K. Hanssen is described as follows:

A tract of land located in Section 26, Township 77 North, Range 2 West of the Fifth Principal Meridian, Muscatine County, Iowa, more particularly described as follows: Commencing at the Westerly corner of Lot 2 of McMullan Addition to the City of Muscatine, Iowa; thence South 38°51'16" East, 20 Feet to the South corner of said Lot 2; thence South 51°8'44" West, 60 Feet along the Northwesterly line of Lot 1 of McMullan Addition to the Northeasterly line of Brossart-Lucas Addition; thence North 38°51'16" West, 20 Feet along

said Northeasterly line of Brossart-Lucas Addition; thence North 51° 8'44" East, 50 Feet to the Point of Beginning

("referred to as "Real Estate")

WHEREAS, the Real Estate is owned by the City of Muscatine for the use and benefit of its Board of Water, Electric, and Communications Trustees which operates the city utilities, (electric, water, and communications); and,

WHEREAS, the Real Estate was utilized by the Board as sites for electric substations and all of said substations have been de-energized and dismantled but structures remain on the Woodlawn and Northwood Lane sites; and,

WHEREAS, the Real Estate is no longer needed for the distribution of electric energy and continued ownership of the Real Estate is a burden to the Board; and,

WHEREAS, the Board has fee simple title ownership to the Real Estate and the Board desires to solicit sealed bids for each of the two tracts of Real Estate and sell each tract to the highest bidder; and

WHEREAS, the sale of the Real Estate shall be by separate Special Warranty Deeds and in accordance with the terms and conditions set forth in the attached Notice to Solicit Bids.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF WATER, ELECTRIC, AND COMMUNICATIONS TRUSTEES AS FOLLOWS:**

1. The Board proposes to dispose of the Real Estate by Special Warranty Deed pursuant to the terms and conditions set forth in the attached Notice to Solicit Bids.
2. Sealed Bids will be received on July 17, 2007 at 2:00 P.M. CDT for the said real estate in the Board Room of the Administration Building of Muscatine Power and Water, located at 3205 Cedar Street, in the City of Muscatine, Iowa.
3. A public hearing shall be held on the proposed disposal of the Real Estate on the 31<sup>st</sup> day of July, 2007 at 5:24 P.M. in the Board Room of the Administration Building of Muscatine Power and Water, located at 3205 Cedar Street, in the City of Muscatine, Iowa.
4. That notice of hearing on the disposal of the Real Estate shall be published once in the Muscatine Journal, a newspaper of general circulation published daily in the City of Muscatine, Iowa, pursuant to Sections 362.3 and 364.7 of the Iowa Code.
5. Notice to Solicit Bids for each tract of Real Estate shall be published once in the Muscatine Journal, a newspaper of general circulation published daily in the City of Muscatine, Iowa, pursuant to Sections 362.3 and 364. 7 of the Iowa Code. The notice to be published shall be in the form of the attached "Sale Of Real Estate – Notice To Solicit Bids",

Trustee Tubandt moved, seconded by Trustee Ingstad, that the said resolution should be passed, approved, and adopted on this 20<sup>th</sup> day of June 2007. Trustees Axel, Heidbreder, Ingstad, Mead, and Tubandt voted aye. Voting nay, none.

Mr. Logel stated that the Board of Trustees usually elects new officers at the June or July 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 Warren Heidbreder be elected Chairperson and Trustee Doyle Tubandt be elected Vice Chairperson for the 2007/2008 year.

Trustee Ingstad moved, seconded by Trustee Mead, that Trustee Warren Heidbreder be elected Chairperson and Trustee Doyle Tubandt be elected Vice Chairperson of the Board of Water, Electric, and Communications Trustees for the 2007/2008 year. Motion carried. All Trustees voted aye.

Mr. Logel advised that part of the process of electing Board officers was to reconfirm the appointment of the Board Secretary. Mr. Don Kerker has served as the Board's Secretary since 1980, and Mr. Logel recommended that Mr. Kerker be reconfirmed as Board Secretary.

Trustee Heidbreder moved, seconded by Trustee Mead, that Mr. Donald W. Kerker be reconfirmed as Board Secretary for the 2007/2008 year. Motion carried. All Trustees voted aye.

In the General Manager's report Mr. Logel reviewed his previously submitted memorandum to all Board members.

At the May Board meeting several representatives from Lutheran Homes Board and management requested MP&W's Board of Trustees to consider ownership of Lutheran Homes' ten-inch water main located outside the city limits. A proposal has been submitted to Lutheran Homes' Board President that Muscatine Power and Water would assume ownership of the water main outside the city limits if Lutheran Homes relocated and improved the ten-inch main to a twelve-inch main and the new main met all drinking water standard requirements. Muscatine Power and Water would refund to Lutheran Homes fifty percent (50%) of the revenues derived from the water main (water consumption by Lutheran Homes, Bandag, and the Hickory Hills Sub-division) for a period of ten years not-to-exceed the original (2008) relocation expense. If Lutheran Homes' Board agrees to the proposal, the new agreement will be presented to the Board of Trustees for approval at a future meeting.

Mr. Logel had provided to the Board of Trustees a memorandum regarding the June 1 tornado damage and restoration of services. Muscatine Power and Water did not experience any major structural damage from the tornado; the damage was to the Electric Utility's distribution and transmission lines, the loss of transformers and poles, and the loss of the Communications Utility's fiber optic and coaxial lines. The tornado occurred Friday, June 1, during the lunch hour and the majority of the customers were back on-line by Sunday, June 3, evening.

System outages were a matter of standard operations and emergencies were handled year around by the Utilities' crews. Several years ago an Emergency Preparedness Manual was developed and the manual outlined the various steps for different types of emergencies. Muscatine Power and Water also participates in an Iowa Mutual Aid Program, where municipal

utilities provided assistance to other utilities. The cities of Ames, Cedar Falls, Durant, Tipton, and Wilton provided crews to assist with electric distribution restoration. Muscatine Power and Water also has an agreement with a contractor for emergency repair work, and the contractor completed the electric transmission line repair work on Highway 61 South and Houser Street. The Electric Utility had nine distribution and two transmission lines damaged by the tornado. Approximately twenty-three transformers were damaged and over fifty poles were destroyed by the storm. With the destruction of the electric lines the Communications service lines were also damaged.

Over one hundred Muscatine Power and Water employees worked that weekend to restore service to customers. Mr. Logel congratulated the employees for an excellent job in a difficult situation. Mr. Logel also would like to thank MUSCO for the use of their light truck which allowed the crews to work after sunset, to Grain Processing Corporation for reduction of load to conserve water consumption, and to the City of Muscatine crews for assistance in tree and storm debris clean up. Also he would like to thank Spouse Distribution for the contribution of pop and water for the crews working during the weekend. With all the hours of hard work, under less than desirable conditions, there were no accidents or injuries.

Mr. Logel asked Mr. Don Kerker, Director of Finance and Administrative Services, to review the storm damage cost estimates. Mr. Kerker stated that it was estimated that the overall cost was over \$700,000 with the Electric Utility experiencing \$611,000 in damages, the Communications Utility's losses at \$92,000, and the Water Utility's damage was \$2,000. These estimates included labor, materials, and the contractor charges. It was estimated that there were seven to eight weeks of cleanup work to be completed throughout Muscatine and Fruitland. Insurance companies do not provide coverage for distribution and transmission lines due to vulnerability to storm damage so there was no insurance coverage.

General discussion was conducted on the restoration of services, the costs and effect on the budget, and the excellent comments received by the Board from the public regarding Muscatine Power and Water's crews. The following resolution was submitted in recognition of the employees.

#### **RESOLUTION 07-29**

WHEREAS, a tornado struck the cities of Muscatine and Fruitland on June 1, 2007;  
and,

WHEREAS, Muscatine Power and Water employees worked diligently to restore services to the citizens of Muscatine and Fruitland; and,

WHEREAS, the pride of the employees in their jobs and in the Utility was evidenced throughout the restoration of services by their outstanding performance; and,

WHEREAS, good will and understanding of the citizens of Muscatine and surrounding areas resulted from the excellent performance of the employees; now therefore,

BE IT RESOLVED, that a sincere message of appreciation, thanks, and commendation from the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa be conveyed to all of the employees that participated in the restoration activities.

Trustee Ingstad moved, seconded by Trustee Mead, that the said resolution should be passed, approved, and adopted on this 20<sup>th</sup> day of June 2007. On roll call vote Trustees Axel, Heidbreder, Ingstad, Mead, and Tubandt voted aye. Voting nay, none.

Mr. Logel stated that this concluded his report unless there were questions from the Board of Trustees for him or the Directors.

The May financial operating statements and balance sheets for Electric, Water, and Communications Utilities were presented as previously submitted to all Board members in written form. General discussion was conducted on the financial statements and Mr. Kerker reviewed the financial highlights of all three utilities.

Trustee Ingstad moved, seconded by Trustee Heidbreder, that the May financial operating statements and balance sheets be received and placed on file. Motion carried. All Trustees voted aye.

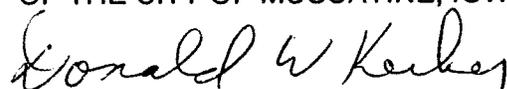
The Competitive Quotes for Public Improvements report was presented as previously submitted to all Board members in written format. Sealed quotes were received for two projects during May; below ground pole inspections – 2007 project, and Unit 9 environmental compliance – mercury continuous emission monitors. The project estimate for the underground pole inspection project was \$38,500; the best sealed quote in the amount of \$46,067.40 from Ameripole Inspection was accepted. This portion of the Unit 9 environmental compliance project was estimated at \$500,000 for mercury continuous emission monitors; the sealed quote from Altech Environment USA Corp. in the amount of \$560,372 was accepted.

General discussion was conducted on the projects. Trustee Tubandt moved, seconded by Trustee Heidbreder, to approve the May 2007 Competitive Quotes for Public Improvements report. Motion carried. All Trustees voted aye.

The departmental reports were presented as previously submitted to all Board members in written form. Mr. Logel directed the Board's attention to the Water Utility May's monthly production report. The report illustrated the high consumption of water during the month of May. Staff was monitoring the water usage by large consumers. Trustee Heidbreder moved, seconded by Trustee Tubandt, to receive and place on file the May departmental reports. Motion carried. All Trustees voted aye.

Chairperson Axel asked if there were any other items of business. With no other items of business, the meeting was adjourned at 6:15 p.m.

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



Donald W. Kerker  
Board Secretary

**SALE OF REAL ESTATE  
NOTICE TO SOLICIT BIDS  
MUSCATINE POWER AND WATER  
Woodlawn Substation  
Northwood Lane Substation**

The Board of Water, Electric and Communications Trustees, ("Board"), commonly referred to as Muscatine Power & Water, adopted a resolution to dispose of two tracts of Real Estate that were formerly used as electric substations. The two tracts are located in the City of Muscatine, Iowa and are described as follows:

1. Woodlawn Substation site: Lot Eleven (11) of Orange Street Addition to the City of Muscatine, Iowa, excluding the North 625 feet of Lot 11 conveyed to Ben Donald Holiday and Diana Karen Holiday by Special Warranty Deed and recorded in Book 300 of Lots, Page 788 at Muscatine County Recorder's Office.
2. Northwood Lane Substation site: A part of the North half of Section 26, Township 77 North, Range 2 West of the Fifth Principal Meridian, described as follows, to wit: Commencing at the most Northerly corner of Brossart-Lucas Addition to the City of Muscatine, Muscatine County, Iowa; Line 1: Run thence Southeasterly along the Northeasterly line of said addition, a distance of 110 Feet; Line 2; Run thence North 51°14' East, at right angles to Line 1, a distance of 60 Feet; Line 3: Run thence Northwesterly parallel to Line 1, a distance of 110 Feet; Line 4: Run thence South 51° 14' West, parallel with Line 2, a distance of 60 feet to the point of beginning

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2; thence South 51°8'44" West, 60 Feet along the Northwesterly line of Lot 1 of McMullan Addition to the Northeasterly line of Brossart-Lucas Addition; thence North 38°51'16" West, 20 Feet along said Northeasterly line of Brossart-Lucas Addition; thence North 51° 8'44" East, 50 Feet to the Point of Beginning.

("referred to as "Real Estate")

The Board is soliciting written bids on the sale of the two sites. Each site is to be bid on separately and the Board will accept the highest bid for each site.

The bid price shall be paid within thirty days of the bid opening at which time, the Board will deliver a Special Warranty Deed conveying its interest in the Real Estate to the highest bidder. An abstract of title will not be provided.

Anyone interested in submitting a bid on one of the sites should contact Connie Thede at Muscatine Power & Water, (563) 262-3340 to secure a bid packet. The sealed bid must be delivered to the attention of Connie R. Thede, Manager, Strategic Sourcing, Muscatine Power and Water, 3205 Cedar Street, Muscatine, IA 52761 no later than 2:00 P.M. July 17<sup>th</sup>, 2007 in order to be considered. The bid should be delivered in a sealed envelope with a notation on the envelope that it is a "Real Estate Bid". At that time, they will be opened and publicly read in the Board Room at that location.

It is the bidder's responsibility to determine whether the bidder's intended use of the Real Estate is permissible under the City Zoning Ordinance.

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

By: Warren W. Heidbreder  
Board Chairperson

ATTEST:

Donald W. Kerker  
Secretary