

**PUBLIC HEARINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
NOVEMBER 27, 2007**

The Board of Trustees conducted two public hearings in Muscatine Power and Water's Administration/Operations Building, 3205 Cedar Street, Muscatine, Iowa, on Tuesday, November 27, 2007.

The roll was called and the following Trustees were present: Trustees Warren Heidbreder, Doyle Tubandt, Scott Ingstad, and Don Mead. Trustee Joan Axel was absent.

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 Lorensen, 1808 Briarwood Lane; Ms. Jennifer Meyer, Muscatine Journal; Messrs. Sal LoBianco, Ray Danz, Gary Wieskamp, Wes Beverlin, and Mses. Erika Cox, Brandy Dulceak, and Ann Jones of Muscatine Power and Water.

The purpose of the hearings was to receive any comments for or against the Electric, Water, and Communications Utilities' Budget Estimate Summary and for the Units 7 and 8 Traveling Screen Wash Pump Installation Project.

At 5:26 p.m. Board Secretary Kerker opened the public hearing for the 2008 Electric, Water, and Communications Utilities' Budget Estimate Summary as required by the State of Iowa.

Chairperson Heidbreder asked Secretary Kerker if any written or oral comments had been received regarding the budget summary, and the Secretary replied that no comments had been received. The Chairperson asked the Secretary if the notice of hearing publication had been published as required by the Code of Iowa, and the Secretary replied that it had been published on November 16, 2007. The Budget Estimate Summary was also posted at the Library, at City Hall, and at MP&W's A/O Center for citizens' information.

The Secretary asked if anyone in attendance wished to make any comments regarding the budget summary.

Mr. Lorensen asked to address the Board of Trustees and expressed his concerns about the expenditures. He agreed with the recent Letter to the Editor published in the Muscatine Journal regarding Muscatine Power and Water's expenditures. Mr. Lorensen had voted for the establishment of the communications utility so there would be competition within the city. Muscatine Power and Water purchased the competitor's assets and incurred additional debt for the ratepayers. Muscatine Power and Water should not be installing new lights downtown and on the bridge. Muscatine Power and Water should be reducing expenses like the City of Muscatine and the County. The utility rates were so high in Muscatine, no one could afford to live in the City and he would be moving as soon as possible.

Chairperson Heidbreder thanked Mr. Lorensen for his comments. With no other comments, the hearing was closed.

At 5:28 p.m., the Secretary opened a public hearing for Units 7 and 8 Traveling Screen Wash Pump Installation Project.

Chairperson Heidbreder asked Secretary Kerker if any written or oral comments had been received regarding the Units 7 and 8 Traveling Screen Wash Pump Installation Project and the Secretary replied that no comments had been received. The Chairperson asked the Secretary if the notice of hearing and taking of bids in connection therewith had been published as required by the Code of Iowa and the Secretary replied that they had been published.

The Secretary asked if anyone in attendance wished to make any comments regarding this project. There were no comments.

The following resolution was submitted:

RESOLUTION 07-45

WHEREAS, the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, has given tentative approval to plans and specifications for Units 7 and 8 Traveling Screen Wash Pump Installation Project; and,

WHEREAS, bids have been received and there were no written or oral objections to proceeding with this project; now therefore,

BE IT RESOLVED by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that the plans and specifications for Units 7 and 8 Traveling Screen Wash Pump Installation Project be adopted.

Trustee Ingstad moved, seconded by Trustee Tubandt, that the said resolution should be passed, approved, and adopted on this 27th day of November 2007. On roll call Trustees Heidbreder, Tubandt, Ingstad, and Mead voted aye. Voting nay, none. Trustee Axel was absent.

The Secretary closed the hearing.

**BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE 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
NOVEMBER 27, 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 Tuesday, November 27, 2007, at 5:30 p.m., CST.

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

Also present were Mr. Jay D. Logel, General Manager of Muscatine Power and Water; Mr. Duane J. Goedken, Board Attorney; Mr. Donald Kerker, Board Secretary; Mr. Charles Lorensen, 1808 Briarwood Lane; Mr. Charles Potter, KWPC/KMCS radio station; Ms. Jennifer Meyer, Muscatine Journal; Messrs. Sal LoBianco, Ray Danz, Gary Wieskamp, Wes Beverlin, and Meses. Erika Cox, Brandy Dulceak, and Ann Jones of Muscatine Power and Water.

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

The minutes of the October 30, 2007 regular meeting were presented as previously submitted to all Board members in written form. Trustee Ingstad moved, seconded by Trustee Tubandt, that the minutes be approved as submitted to all Board members. Motion carried. All Trustees present voted aye.

The list of expenditures and transactions for October was presented as previously submitted to all Board members in written form. Mr. Logel directed the Board's attention to page eighteen of the listing, check 170971 written to Heinz for a water main repair. A ten-inch water main was located on Monroe Street and subsequently Heinz completed a building expansion across Monroe Street over the water main. Mr. Logel stated that the ten-inch water main was now located in the interior of the Heinz building. The ten-inch water line was leaking, in both the Heinz's and the Utility's sections. Muscatine Power and Water authorized Heinz to repair the water line within their building and MP&W agreed to pay for a portion of the repair charges. Discussion was being conducted with Heinz representatives regarding the water line and there was a good possibility that the line could be abandoned by the Utility.

After discussion and review of other items, Trustee Tubandt moved, seconded by Trustee Ingstad, to ratify payment of \$6,784,118.73 for the Electric Utility, \$443,241.04 for the Water Utility, and \$723,309.95 for the Communications Utility for a total amount of \$7,950,669.72. Motion carried. All Trustees present voted aye.

Mr. Logel stated that the agreement with the International Brotherhood of Electrical Workers, Local 55.10 expires December 8, 2007. At the end of September the Local 55.10 presented their proposals and the following week the Utility presented their items for discussion. Mr. Logel stated that a tentative agreement has been reached between Local 55.10 and the Utility for a new three-year agreement. Mr. Logel recognized both teams in the successful

negotiations, and asked Ms. Erika Cox, Director of Employee Services, to review the agreement highlights.

Ms. Cox reviewed her previously submitted memorandum to all Board members in written form. The last agreement was for two years with minor changes to the health insurance plan. The Local 55.10 agreed to participate in a committee regarding health insurance and four employees met with management to review and discuss the health insurance coverage. The Utility's goals for the new agreement included achieving a voluntary settlement, a multi-year agreement, insurance changes, and reasonable wage increases.

After two days of negotiations and discussions resolution was reached on all items excluding wages, insurance, and comp time. Mediation services were enlisted for a third day of negotiations. At the end of the third day a settlement had been obtained with the understanding that the Local 55.10 membership and the Board of Trustees must accept/ratify the proposed three-year agreement. Ms. Cox continued that it was management's recommendation that the proposed agreement be accepted by the Board of Trustees for the following reasons: the agreement was for three years resulting in stability and predictability; the settlement was competitive and meets the key tests to attract and retain well-qualified employees while protecting the interest of the customer/owners; the agreement included continued movement on the medical insurance plan to be fully aligned with the salaried employees medical insurance plan by January 1, 2010; the shift differential was increased from forty cents an hour to fifty cents an hour; and the wage increase was 3.5 percent per year.

Ms. Cox stated that the Ames and Cedar Falls Utilities were used as comparables to Muscatine Power and Water, and both agreements were equivalent to the settlement agreement reached by Muscatine Power and Water. A new labor attorney, Mr. Mike Galloway of Ahlers & Cooney PC, was engaged by Muscatine Power and Water. Mr. Galloway was very familiar with Iowa public labor agreements. The management team consisted of Ms. Cox and Messrs. Sal LoBianco, Director of Generation and Telecommunications; Don Kerker, Director of Finance and Administrative Services; Ray Danz, Director of Utility Operations; Mike Avesing, Manager of Power Generation; and Tim Reed, Manager of Engineering and Construction.

Discussion was conducted on the agreement. It was asked if changes were made to the salaried employee health insurance will the changes be automatically reflected on bargaining employees health insurance. Ms. Cox stated that it would be necessary to negotiate any changes to the health insurance plan besides the modifications made during this negotiation session. A question was raised regarding the comp time issue. Ms. Cox explained there was a Letter of Understanding between Local 55.10 and Muscatine Power and Water that authorized the conversion of overtime to comp time. The Letter of Understanding has been included in the labor agreement with a cap on the number of hours the bargaining employees may convert and use during a calendar year to eighty hours. Mr. Logel stated that the key issue for staff with comp time was supervising appropriate use.

Trustee Ingstad moved, seconded by Trustee Mead, to approve the three-year agreement, December 9, 2007 through December 11, 2010, with the International Brotherhood of Electrical Workers, Local 55.10, as previously outlined and discussed. Motion carried. All Trustees present voted aye.

The Board of Trustees recognized both team members for resolution of issues and the new agreement.

Mr. Logel reviewed the previously submitted memorandum to all Board members pertaining to the employee defined pension plan. Muscatine Power and Water provided a defined-benefit pension plan for all employees. In 2005 an amendment was approved by the Board of Trustees to authorize employee salary contributions to the pension plan. The Amendment established an Administrative Committee to make recommendations to the Board of Trustees regarding employee contributions. The Committee consisted of the Director of Employee Services, the Director of Finance and Administrative Services, and the General Manager.

At the April 2005 Board meeting the Administrative Committee made a recommendation to the Board of Trustees that all bargaining employees should contribute two percent of wages to the pension plan. The employee contribution was recommended to offset the six percent total package costs of the 2005 labor agreement. The primary driver was the cost of health insurance as management had attempted to align the bargaining employees medical plan with the salaried employees plan to reduce overall total package costs; however, the labor employees agreed to only modest medical plan revisions. The two percent bargaining employee contribution was implemented July 1, 2005.

In subsequent labor negotiations there have been additional medical plan modifications and the labor health insurance plan will be fully aligned with the salaried employees medical plan effective January 1, 2010. With the implementation of the plan changes, and wellness and preventative initiatives, there has been favorable employee experience. The premiums in 2007 and for 2008 have only increased three percent, which was well below the national average.

The Administrative Committee recommended that the bargaining employee contribution be reduced to zero percent (0%) effective December 16, 2007. All employee contributions will remain in the pension trust fund.

After further discussion Trustee Mead moved, seconded by Trustee Ingstad, to set the bargaining employee contribution to the defined pension plan at zero percent effective December 16, 2007. Motion carried. All Trustees present voted aye.

Mr. Beverlin left the meeting.

The next meeting topic pertained to the updated/revised Strategic Plan. Mr. Logel advised that the Plan was presented at the October Board of Trustees meeting with a request for comments and input from the Board. Only minimal comments were received from the Board of Trustees with the major topic being environmental issues and how MP&W was planning to address them in the future.

Trustee Tubandt moved, seconded by Trustee Mead, to approve the updated/revised Strategic Plan as previously submitted to all Board members in written format. Motion carried. All Trustees present voted aye.

Mr. Logel advised that the 2008 Operating Budgets for the Electric, Water, and Communications Utilities were submitted to all Board members in written form for review and

information at the October Board meeting. The budgets were reviewed with the Board's Audit/Finance Committee. Based on the Board's feedback and comments the budgets have been revised and he asked Mr. Kerker to present the revised primary drivers for the budgets.

The Electric Utility budget was revised to include loan interest payments from the Communications Utility. Previously management had proposed the forgiveness of interest payments as a method to finance the Communications Utility's digital conversion project. The Electric budget also included an additional project to replace Unit 9 boiler feed pump motors and bases. The estimated cost for the project was \$1,000,000. Unit 9's boiler feed pump motors have a history of vibration problems and multiple consultants have evaluated the situation. Staff has learned to operate Unit 9 within the pump limitations to maintain unit reliability. Recently vibration in one of the motors exceeded the limits and destroyed the motor bearings; the bearings were replaced but the vibration levels still exceeds operating limits and the experts have not been able to recommend a solution. Unit 9 was currently operating with only one pump and no back up pump. The loss of this pump would force Unit 9 off line and require the purchase of replacement power for the native system as Units 7 and 8 were not able to produce sufficient power. The financial impact to purchase power for one month was estimated at \$4,600,000; therefore the boiler feed pump project has been included in the 2008 Electric budget.

Discussion was conducted on the project. Mr. LoBianco stated that the motors were 4500 horsepower and were not readily available. It was estimated there could be a thirty-plus week lead time to obtain a replacement motor. The replacement schedule was to place a new motor on an old base during the 2008 outage and in the 2009 spring outage new motor bases will be installed and the second pump motor installed. The project will be completed during normal scheduled Unit 9 maintenance outages and will not require any additional time off line.

The Communications Utility budget has been revised to include the loan interest payments, approximately \$1,200,000 annually, to the Electric Utility. The Communications Utility budget also was revised to include the commitment to begin the digital cable television system conversion in response to regulatory requirements and to meet customers/owners requests for additional services. The budget incorporated external financing for the \$6,000,000 digital conversion project with \$2,000,000 to be expended in 2008 fourth quarter, the second phase of the project being completed in 2009, and the system operational first quarter 2010. Annual loans were projected over a three-year period with the first one in 2008 for \$2,000,000 at five percent interest and a five-year amortization for each loan for the digital project.

Discussion was conducted on the budget changes and revisions. The revised primary drivers were submitted to all Board members with the meeting material and a revised 2008 budget for each Utility.

Trustee Ingstad moved, seconded by Trustee Tubandt, to approve the revised 2008 Operating Budgets for the Electric, Water, and Communications Utilities. Motion carried. All Trustees present voted aye.

The Board recognized management and staff for their response and incorporation of the Board's input to the budgets and all the additional work.

Mr. Logel stated that the next agenda item also pertained to the 2008 Operating Budgets. Muscatine Power and Water was required by the Iowa Code to submit a summary of the Operating Budgets to the City Clerk who then forwarded the budget summary to Muscatine County for submittal to the State of Iowa Auditor. The revised budget certificate summary was presented as previously submitted in written form to all Board members. The budget summary was published on November 16, 2007 in the Muscatine Journal. Copies of the budget summary with additional data were available to the citizens at City Hall, the Public Library, and at MP&W's Administrative/Operations Office. The budget hearing was conducted earlier this evening and Mr. Lorensen's comments were the only comments received regarding the 2008 budget summary. The following resolution was submitted.

RESOLUTION 07-46

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that the annual budget for calendar year 2008, as set forth in Muscatine Power and Water's Revised Budget Estimate Summary showing the revenue and expenditure estimates for said calendar year was adopted, and the Secretary was directed to file the same with the Clerk of the City of Muscatine, Iowa.

Trustee Ingstad moved, seconded by Trustee Mead, that the said resolution should be passed, approved, and adopted on this 27th day of November 2007. On roll call Trustees Heidbreder, Tubandt, Ingstad, and Mead voted aye. Voting nay, none. Trustee Axel was absent.

The next meeting agenda item pertained to Units 7 and 8 Traveling Screen Wash Pump Installation Project, and Mr. Logel reviewed the previously submitted memorandum to all Board members. Currently city water was utilized to wash the traveling screens for Unit 7 and 8 and if river water was used to wash the screens the operational costs were reduced. Plans and specifications were mailed to seventeen potential bidders, and the published estimate for the project was \$67,500. Five bids were received and publicly opened October 30, 2007 at 3:00 p.m.

The low bid in the amount of \$68,688.00 was received from Frank Millard & Company, Inc. for Units 7 and 8 Traveling Screen Wash Pump Installation Project. Staff has reviewed the low bid, and a request for additional data on the strainer to be provided revealed that Frank Millard & Company intended to supply a different manufacturer than specified in the plans and specifications. Frank Millard & Company has agreed to provide the specified strainer at no additional cost. With no previous experience with Frank Millard & Company, staff verified several of the references and received positive responses. There were no exceptions or clarifications to the plans and specifications by the low bidder. It was staff's recommendation that the bid in the amount of \$68,688.00 received from Frank Millard & Company, Inc. be accepted and a contract awarded for Units 7 and 8 Traveling Screen Wash Pump Installation Project.

After discussion and review the following resolution was submitted.

RESOLUTION 07-47

WHEREAS, it appears in a written report from the Board's staff that the bid as submitted by Frank Millard & Company, Inc. in the amount of \$68,688.00 for Units 7 and 8 Traveling Screen Wash Pump Installation Project 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 of Frank Millard & Company, Inc. in the amount of \$68,688.00 for Units 7 and 8 Traveling Screen Wash Pump Installation Project was hereby accepted as submitted; and,

BE IT FURTHER RESOLVED, that the Chairperson and Secretary of the Board be and they were hereby authorized, empowered, and directed to execute a contract in the sum heretofore approved by the said Board of Water, Electric, and Communications Trustees; and,

BE IT FURTHER RESOLVED, that the bid security be returned to the unsuccessful bidders.

Trustee Tubandt moved, seconded by Trustee Ingstad, that the said resolution should be passed, approved, and adopted on this 27th day of November 2007. Trustees Heidbreder, Tubandt, Ingstad, and Mead voted aye. Voting nay, none. Trustee Axel was absent.

Mr. Logel advised that a written request was received from Jason Harder of JDHP Development LLC for water service outside the city limits. A developer was proposing a new subdivision, Oak Drive Addition, located on the east side of Highway 38 North next to the existing Rolling Acres Subdivision. The request included the existing forty-six homes in Rolling Acres Subdivision and the proposed thirteen homes in the Oak Drive Addition for a total of fifty-nine houses. It was estimated that the water demand would increase by approximately eighteen thousand gallons a day. The additional system demand would not significantly affect the Board's water reserve capacity.

There would be no cost to the Board for this installation as the developer would construct the water main extension per Muscatine Power and Water specifications and be responsible for all costs. Discussion was conducted if electric or communications services were provided to the subdivisions, and Rolling Acres Subdivision receives communications services but the existing and new subdivisions were outside the electric service territory.

Trustee Mead moved, seconded by Trustee Ingstad, to authorize water service outside the city limits to the Oak Drive Addition and Rolling Acres Subdivisions. Motion carried. All Trustees present voted aye.

Mr. Lorensen left the meeting.

The final phase of the dust control project will be completed in 2008 and Mr. Logel stated that it was staff's recommendation that dates be set for the receipt of bids and to conduct a public hearing. The dust control project was initiated in 2002 with an engineering study and various projects completed each year since to control coal dust at the Generation site. The

total approved project amount was \$5,717,235. Approximately \$3,882,527 has been expended for the completed portions of the project with an estimate of \$900,000 for the 2008 work. This portion of the dust control project included Unit 9's main building, Unit 9 crusher house, and Unit 8 coal silo. Previous work on Unit 9's crusher house and conveyor systems required modifications and this project will include additional work and improvements to the systems.

It was staff's recommendation that bids be received January 3, 2008 at 2:30 p.m. and a public hearing be conducted at 5:28 p.m. on January 29, 2008. The published estimate for this project was \$810,000. After discussion the following resolution was submitted.

RESOLUTION 07-48

WHEREAS, plans and specifications have been prepared for Unit 9 Crusher House, Unit 9 Main Building, and Unit 8 Coal Silo Dust Control Project; and,

WHEREAS, said proposed plans and specifications and proposed form of contract were now on file with the Secretary of the Board and the Board finds the same were in substantial conformity with the requirements necessary to carry out said plans; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that the plans and specifications in the proposed form for Unit 9 Crusher House, Unit 9 Main Building, and Unit 8 Coal Silo Dust Control Project were tentatively approved; and,

BE IT FURTHER RESOLVED, that the date of January 3, 2008, at 2:30 p.m., CST, was hereby set for receipt of bids on said project at which time the Board's duly appointed representative was hereby authorized, empowered, and directed to receive, open and read aloud all sealed bids, and receive and record all oral bids, and keep a written record of said proceedings and notice to bidders be published not less than twenty (20) days nor more than forty-five (45) days prior to said date for receipt of bids all as required by the Code of Iowa; and,

BE IT FURTHER RESOLVED, that the hearing on said plans and specifications and proposed form of contract as provided by statute, be held in the office of the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, on January 29, 2008, at 5:28 p.m., CST, and notice to bidders be published not less than four (4) days nor more than twenty (20) days prior to said hearing all as required by the Code of Iowa.

Trustee Tubandt moved, seconded by Trustee Mead, that the said resolution should be passed, approved, and adopted on this 27th day of November 2007. Trustees Heidbreder, Tubandt, Ingstad, and Mead voted aye. Voting nay, none. Trustee Axel was absent.

The next meeting item was a recommendation to set dates for the receipt of bids and to conduct a public hearing. Mr. Logel stated that the insurance carrier has recommended that an aqueous film forming foam (AFFF) system be installed to supplement the existing lube oil fire protection for Unit 9's turbine generator. The project estimate was \$125,000. It was staff's recommendation that bids be received January 3, 2008 at 3:00 p.m. and a public hearing be conducted at 5:26 p.m. on January 29, 2008. After discussion and review of the project, the following resolution was submitted.

RESOLUTION 07-49

WHEREAS, plans and specifications have been prepared for Unit 9 AFFF System Project; and,

WHEREAS, said proposed plans and specifications and proposed form of contract were now on file with the Secretary of the Board and the Board finds the same were in substantial conformity with the requirements necessary to carry out said plans; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, that the plans and specifications in the proposed form for Unit 9 AFFF System Project were tentatively approved; and,

BE IT FURTHER RESOLVED, that the date of January 3, 2008, at 3:00 p.m., CST, was hereby set for receipt of bids on said project at which time the Board's duly appointed representative was hereby authorized, empowered, and directed to receive, open and read aloud all sealed bids, and receive and record all oral bids, and keep a written record of said proceedings and notice to bidders be published not less than twenty (20) days nor more than forty-five (45) days prior to said date for receipt of bids all as required by the Code of Iowa; and,

BE IT FURTHER RESOLVED, that the hearing on said plans and specifications and proposed form of contract as provided by statute, be held in the office of the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa, on January 29, 2008, at 5:26 p.m., CST, and notice to bidders be published not less than four (4) days nor more than twenty (20) days prior to said hearing all as required by the Code of Iowa.

Trustee Ingstad moved, seconded by Trustee Tubandt, that the said resolution should be passed, approved, and adopted on this 27th day of November 2007. Trustees Heidbreder, Tubandt, Ingstad, and Mead voted aye. Voting nay, none. Trustee Axel was absent.

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

Unit 9's #4 high pressure feedwater heater has failed. This failure and resultant replacement was not anticipated and therefore was not included in the 2008 Electric Utility Operating Budget. This was the original feedwater heater and was twenty-four years old. The lead-time on the heater replacement was a year with costs in the range of \$250,000 to \$300,000. Mr. Logel advised that once all the data and costs have been finalized, the project will be presented to the Board of Trustees for approval. In the interim Unit 9's efficiency will be adversely affected by the loss of #4 high pressure feedwater heater.

Mr. Logel reminded the Board of Trustees that the December Board of Trustees meeting will be December 20, 2007.

The wind demonstration project was producing power. The wind generator was connected on November 16, 2007. The current Solar Muscatine program will be expanded and

improved to include the wind energy also. The program will allow customers to contribute on a monthly basis to green energy production.

This concluded the General Manager's report, unless there were questions from the Board of Trustees.

The October financial operating statements and balance sheets for the Electric, Water, and Communications Utilities were presented as previously distributed to all Board members in written form. Mr. Logel asked Mr. Kerker to review the financial statements for each Utility.

Mr. Kerker reviewed the financial highlights of each Utility's statements. All three utilities were experiencing a good year. Discussion was conducted on the variance of the wholesale sales during October as the sales were below budget. Mr. Danz stated that the warmer October weather has resulted in the market being softer with lower prices. There were some TLR (transmission line relief) cuts experienced during October but the majority of the reduced revenue was due to the market prices.

Trustee Ingstad moved, seconded by Trustee Mead, to receive and place on file the October financial operating statements and balance sheets for Electric, Water, and Communications Utilities. Motion carried. All Trustees present voted aye.

The Competitive Quotes for Public Improvements (\$40,000 to \$100,000) report was presented as previously submitted to all Board members in written form. There were no quotes awarded during the month of October. The report was received and placed on file.

The Department Reports were submitted as previously provided to all Board members in written form. Trustee Mead moved, seconded by Trustee Tubandt, to receive and place on file the Departmental Reports. Motion carried. All Trustees present voted aye.

Trustee Ingstad asked about the status of the bridge lighting project. Mr. Wieskamp, Director of Utility Relations, stated that the lights were furnished by MUSCO and would be installed in the spring of 2008. Muscatine Power and Water will provide the energy and maintenance of the lighting system.

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