

OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
JANUARY 26, 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, January 26, 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, Joan Axel and Gary Carlson.

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; Ray Danz, Gary Wieskamp, 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 December 22, 2009 regular meeting were presented as previously submitted to all Board members in written form. Trustee Axel moved, seconded by Trustee Tubandt that minutes be approved and placed on file as submitted. Motion carried. All Trustees present voted aye.

The list of expenditures and transactions for December was presented as previously submitted to all Board members in written form. Mr. LoBianco commented that expenditures were up compared to previous months. After review, Trustee Heidbreder moved, seconded by Trustee Carlson, to ratify payments of \$6,991,051.51 for the Electric Utility, \$443,449.63 for the Water Utility, and \$1,852,810.30 for the Communications Utility for a total amount of \$9,287,311.44. Motion passed. All Trustees present voted aye.

In the General Manager's report, Mr. LoBianco reviewed his previously submitted memorandum that included updates on the MP&W digital transition and the Reliability Standards Audit by the MRO.

The next item on the agenda was to receive and place on file the YTD and December Financial Operating Statements and Balance Sheets for each Utility. Mr. LoBianco stated that the December financial operating statements for the Electric, Water, and Communications Utilities would be reviewed in detail during the Fourth Quarter Critical Issue and Key Performance Indicator presentation. Mr. LoBianco reminded the Board that 2009 was one of the most challenging years the Electric Utility had encountered in the last quarter of a century. Native system sales were down nearly 6% from the previous year and the magnitude of change in the wholesale market was unanticipated with a significant reduction in net wholesale sales and nearly a 40% reduction in pricing compared to 2008. Management and Staff reduced 2009 costs significantly from the approved budget by deferring or canceling major expense projects and

capital expenditures, along with reductions in labor and fringe benefit cost by not filling open positions.

Trustee Tubandt moved, seconded by Trustee Axel, that the December Financial Operating Statements and Balance Sheets for the Water, Electric, and Communications Utilities and the Quarterly Investment Report be received and placed on file. 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 format. There were no items for approval

The Quarterly Project Status Report and Variance Analysis were presented as previously submitted to all Board members in written form. Trustee Axel moved, seconded by Trustee Heidbreder, to approve the Quarterly Project Status Report and Variance Analyses. Motion carried. All Trustees present voted aye.

The Critical Issues and Key Performance Indicators for the Water, Electric, and Communications Utilities were previously submitted to all Board members in written format. Mr. LoBianco asked each critical issue leader to review the status of their critical issue and Mr. Kerker to review the key performance indicators including financials.

After review and discussion, Trustee Heidbreder moved, seconded by Trustee Axel, to receive and place on file the 2009 Fourth Quarter Critical Issues and Key Performance Indicators for the Water, Electric, and Communications Utilities. Motion carried. All Trustees present voted aye.

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

Chairperson Ingstad then recommended that the meeting be closed to the public in accordance with Iowa Code Chapter 21.5 (1.i) to review the performance evaluations completed by the Board of Trustees regarding the General Manager's performance.

Trustee Heidbreder moved, seconded by Trustee Axel, that the meeting be closed to the public in accordance with Iowa Code Chapter 21.5 (1.i) for the purpose of reviewing the general manager's performance. On roll call vote Trustees Heidbreder, Axel, Carlson, Tubandt and Ingstad voted aye. Voting nay, none.

The meeting was closed to the public at 6:50 p.m. All attendees of the meeting, except for Mr. LoBianco and the Board of Trustee members, left the meeting. At 7:10 p.m. Mr. LoBianco left the closed session.

Trustee Axel moved, seconded by Trustee Carlson, to reconvene the meeting to open session. At 7:40 p.m. the meeting was reconvened to open session.

Trustee Heidbreder moved, seconded by Trustee Tubandt to ratify a salary adjustment for the General Manager in accordance with his performance and the Salary Administration Program. Motion carried. All Trustees voted aye.

Chairperson Ingstad asked if there were any other items of business. With no other items of business, Trustee Heidbreder moved, seconded by Trustee Carlson, that the meeting be adjourned at 7:45 p.m.

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Donald W. Kerker
Board Secretary

CERTIFICATION FOR RECORDS

It is my understanding that my performance, as an employee of Muscatine Power and Water, is to be discussed by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa in their meeting on January 26, 2010. I hereby request that such discussion be conducted in closed session in accordance with Chapter 21.5(1i) of the Code of Iowa.



Sal LoBianco
General Manager