

**PUBLIC HEARING OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
APRIL 30, 2013 – 5:26 P.M.**

The Board of Trustees conducted a public hearing in Muscatine Power and Water's Administration/Operations Building, 3205 Cedar Street, Muscatine, Iowa, on Tuesday, April 30th at 5:26 p.m.

Chairperson Heidbreder called the public hearing to order. Members of the Board were present as follows: Trustees Tracy McGinnis, Scott Ingstad, Joan Axel, and Warren Heidbreder.

Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Duane J. Goedken, Board Attorney; Charles Potter, Muscatine Journal; Erika Cox, Brandy Olson, Tim Reed, Gage Huston, and Brenda Christensen of Muscatine Power and Water.

The purpose of the public hearing was to receive any citizens' comments regarding the A/O North Parking Lot - Phase 2 Project.

Ms. Christensen, the acting Board Secretary, opened the public hearing at 5:26 p.m. to receive any citizens' comments regarding the A/O North Parking Lot - Phase 2 Project.

Ms. Christensen stated that no written or oral comments were received regarding this project, and that the public hearing notice was published as required by the Code of Iowa.

A resolution passed approving the final plans and specifications of the project.

RESOLUTION 13-07

WHEREAS, the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa has given tentative approval to plans and specifications for the A/O North Parking Lot - Phase 2 Project; and,

WHEREAS, bids have been received and there are 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 the A/O North Parking Lot - Phase 2 Project be adopted.

Trustee Ingstad moved, seconded by Trustee McGinnis, that the said resolution should be passed, approved, and adopted this 30th day of April 2013. On roll call Trustees Axel, Ingstad, McGinnis, and Heidbreder voted aye. Voting nay, none. Resolution carried.

At 5:27 the Secretary closed the public hearing for the A/O North Parking Lot - Phase 2 Project.

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

A handwritten signature in cursive script, appearing to read "Brenda Christensen".

Brenda K. Christensen
Acting Board Secretary

**PUBLIC HEARING OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
APRIL 30, 2013 – 5:28 P.M.**

The Board of Trustees conducted a public hearing in Muscatine Power and Water's Administration/Operations Building, 3205 Cedar Street, Muscatine, Iowa, on Tuesday, April 30th at 5:28 p.m.

Chairperson Heidbreder called the public hearing to order. Members of the Board were present as follows: Trustees Doyle Tubandt, Tracy McGinnis, Scott Ingstad, Joan Axel, and Warren Heidbreder.

Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Duane J. Goedken, Board Attorney; Charles Potter, Muscatine Journal; Erika Cox, Brandy Olson, Tim Reed, Gage Huston, and Brenda Christensen of Muscatine Power and Water.

The purpose of the public hearing was to receive any citizens' comments regarding the Progress Park Treatment 24" Bypass Construction Project.

Ms. Christensen, the acting Board Secretary, opened the public hearing at 5:28 p.m. to receive any citizens' comments regarding the Progress Park Treatment 24" Bypass Construction Project.

Ms. Christensen stated that no written or oral comments were received regarding this project, and that the public hearing notice was published as required by the Code of Iowa.

A resolution passed approving the final plans and specifications of the project.

RESOLUTION 13-08

WHEREAS, the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa has given tentative approval to plans and specifications for the Progress Park Treatment 24" Bypass Construction Project; and,

WHEREAS, bids have been received and there are 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 the Progress Park Treatment 24" Bypass Construction Project be adopted.

Trustee Axel moved, seconded by Trustee McGinnis, that the said resolution should be passed, approved, and adopted this 30thth day of April 2013. On roll call Trustees Axel, Ingstad, McGinnis, Tubandt, and Heidbreder voted aye. Voting nay, none. Resolution carried.

At 5:29 the Secretary closed the public hearing for the Progress Park Treatment 24" Bypass Construction Project.

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

A handwritten signature in cursive script, reading "Brenda K. Christensen".

Brenda K. Christensen
Acting Board Secretary

**OFFICIAL PROCEEDINGS OF THE
BOARD OF WATER, ELECTRIC,
AND COMMUNICATIONS TRUSTEES
OF THE CITY OF MUSCATINE, IOWA
APRIL 30, 2013 – 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 30, 2013, at 5:30 p.m.

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

Also present were Sal LoBianco, General Manager of Muscatine Power and Water; Duane Goedken, Board Attorney; Charles Potter, Muscatine Journal; Brandy Olson, Tim Reed, Gage Huston, Erika Cox, and Brenda Christensen of Muscatine Power and Water (MP&W).

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

The minutes of the March 28, 2013, regular meeting were presented as previously submitted to all Board members in written form. Trustee Axel moved, seconded by Trustee McGinnis, that the March 28, 2013, meeting minutes be approved as submitted. After discussion, all Trustees present voted aye. Motion carried. Meeting minutes of the March 20, 2013, and March 28, 2013, Audit/Finance Committee Meetings were received and placed on file.

The list of expenditures and transactions for March 2013 was presented as previously submitted to all Board members in written form. After review and discussion of the expenditures, Trustee Ingstad moved, seconded by Trustee Tubandt to ratify payment of \$3,663,125.96 for the Electric Utility, \$302,973.26 for the Water Utility, and \$787,090.63 for the Communications Utility, for a cumulative total of \$4,753,189.85. All Trustees present voted aye. Motion carried.

Mr. LoBianco reviewed the previously submitted memorandum to all Board members regarding the receipt and evaluation of bids for the A/O North Parking Lot Concrete Repairs – Phase 2 Project; this project was approved with the 2013 Operating Budget. Specifications pertaining to the subject were mailed to twenty-three (23) potential bidders. A total of nine (9) bids were received, opened publicly, and read aloud on April 4, 2013. The total approved expenditure for this project is \$192,500; with a published estimate of \$173,250. The bids were reviewed and conformance of the low bidder to the specifications was established. MP&W Management recommended that the low bidder, Heuer Construction, Inc. of Muscatine, Iowa, be awarded the contract for A/O North Parking Lot Concrete Repairs – Phase 2 Project for the total contract price of \$170,330.43, which included a \$9,499.75 increase to the base bid for additional work. After review of the project, the following resolution was submitted:

RESOLUTION 13-09

WHEREAS, it appears in a written report from Muscatine Power and Water Management that the bid for the A/O North Parking Lot Concrete Repairs – Phase 2 Project, as submitted by Heuer Construction, Inc. of Muscatine, Iowa, in the amount of \$170,330.43, 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 Heuer Construction, Inc. of Muscatine, Iowa, in the amount of \$170,330.43 for the A/O North Parking Lot Concrete Repairs – Phase 2 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 Axel moved, seconded by Trustee Tubandt, that the resolution should be passed, approved, and adopted this 30th day of April 2013. On roll call Trustees Tubandt, McGinnis, Ingstad, Axel, and Heidbreder voted aye. Voting nay, none. Resolution carried.

Mr. LoBianco reviewed the next agenda item previously submitted to all Board members regarding the receipt and evaluation of bids for the Progress Park Treatment 24" Bypass Construction – 2013 Project; this project was approved with the 2013 Operating Budget. Specifications pertaining to the subject were mailed to twenty (20) potential bidders. A total of five (5) bids were received, opened publicly, and read aloud on April 2, 2013. The total approved expenditure for this project is \$442,200 with a published estimate of \$397,980. The bids were reviewed and conformance of the low bidder to the specifications was established. MP&W Management recommended that the low bidder, Sulzberger Excavating, Inc. of Muscatine, Iowa, be awarded the contract for Progress Park Treatment 24" Bypass Construction – 2013 Project for the total contract price of \$417,162.23, which included an option amounting to \$5,000 increase to the base bid. After review of the project, the following resolution was submitted:

RESOLUTION 13-10

WHEREAS, it appears in a written report from the Muscatine Power and Water Management that the bid for the Progress Park Treatment 24" Bypass Construction – 2013 Project, as submitted by Sulzberger Excavating, Inc. of Muscatine, Iowa, in the amount of \$417,162.23, 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 Sulzberger Excavating, Inc. of Muscatine, Iowa, in the amount of \$417,162.23 for the Progress Park Treatment 24" Bypass Construction – 2013 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 Ingstad, that the resolution should be passed, approved, and adopted this 30th day of April 2013. On roll call Trustees Axel, Ingstad, McGinnis, Tubandt, and Heidebreder voted aye. Voting nay, none. Resolution carried.

The next item on the agenda was approval of the NPDES Thermal 316(a) Variance Request Demonstration Studies Project with an expenditure of \$340,000. Mr. LoBianco stated that MP&W will challenge onerous cooling water temperature discharge limits that are being imposed on MP&W generating units by Iowa Department of Natural Resources (IDNR) in the National Pollutant Discharge Elimination System (NPDES) renewal permit. Clean Water Act regulations require certain data and studies be conducted to justify variation from the limits set forth in the new NPDES permit. Mr. LoBianco continued that this project will utilize the services of a consultant to perform a number of tasks necessary to justify the variance request, including thermal plume studies, fish sampling and comparison of such data to prior sampling, mussel studies, and hydrothermal modeling, with the goal being to prove that the temperature limits in the new NPDES permit are more stringent than necessary to protect the indigenous shellfish and fish in the Mississippi River. After review and discussion, Trustee Tubandt moved, seconded by Trustee Ingstad, to approve the NPDES Thermal 316(a) Variance Request Demonstration Studies Project. All Trustees present voted aye. Motion carried.

Mr. LoBianco introduced the next item on the agenda as approval of Unit 8A Turbine and Gear Reducer Overhaul Project with an expected expenditure of \$500,000 to perform a routine overhaul of the Unit 8A turbine & gear reducer. This project was originally scheduled to take place in May 2014; however, MP&W Staff has recently identified some significant degradation of operational efficiency on the turbine. Due to these operational concerns, MP&W Management is recommending that this overhaul be completed in May 2013, one year ahead of the original schedule. A project that was approved and scheduled with the 2013 Operating Budget to perform an overhaul of the Unit 8A generator in 2013 costing \$127,000 will be postponed until May 2014, therefore increasing the Electric Utility's operating expenses by \$373,000 for 2013. After review and discussion, Trustee Axel moved, seconded by Trustee McGinnis, to approve the Unit 8A Turbine and Gear Reducer Overhaul Project. All Trustees present voted aye. Motion carried.

The next item on the agenda was a Recommendation for Final Acceptance for the Construct Well 43 at Grandview Well Field – 2012 Project. Mr. LoBianco told the Board that this project was approved at the July 31, 2012 Board meeting with an estimated expenditure of \$250,000 and awarded to Northway Corporation. Work covered by this contract is complete and has been reviewed by MP&W Management and found to be in accordance with the specifications. A Contract Change Order was submitted and MP&W Management recommends approval by the Board of Trustees for a net increase in the amount of

\$1,311.40, for a new final contract price of \$198,147.65. MP&W Management recommends proceeding with final acceptance and release of retainage.

After discussion and review, the following resolutions were submitted:

RESOLUTION 13-11

WHEREAS, Contract Change Order No. 1 has been prepared for the Construct Well 43 at Grandview Well Field – 2012 Project in the increased amount of \$1,311.40 and said Contract Change Order was reviewed by the Board, and Muscatine Power and Water Management has recommended approval of said Contract Change Order; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees that said Contract Change Order in the increased amount of \$1,311.40 be approved for an amended contract price of \$198,147.65 for the Construct Well 43 at Grandview Well Field – 2012 Project.

Trustee Axel moved, seconded by Trustee Ingstad, that said resolution be passed, approved, and adopted this 30th day of April 2013. On roll call, Trustees Tubandt, McGinnis, Ingstad, Axel, and Heidbreder voted aye. Voting nay, none. Resolution carried.

RESOLUTION 13-12

WHEREAS, it appears in a written report from Muscatine Power and Water Management that the contract with Northway Corporation for the Construct Well 43 at Grandview Well Field – 2012 Project in the final amount of \$198,147.65 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 Construct Well 43 at Grandview Well Field – 2012 Project, 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 Axel moved, seconded by Trustee Ingstad, that said resolution be passed, approved, and adopted this 30th day of April 2013. On roll call, Trustees Axel, Ingstad, McGinnis, Tubandt, and Heidbreder voted aye. Voting nay, none. Resolution carried.

The next item on the agenda was a recommendation to approve a revised project summary form for the ISP Core Network Enhancement Project for \$161,800; this project was originally submitted in 2012 to upgrade the ISP Core Network for a total project cost of \$35,500. Mr.

LoBianco explained that the project is necessary to upgrade the core network to provide full redundancy, increased capacity to between network devices to meet current bandwidth needs and provide future expansion capability, and to support other network devices. Upon a thorough review of our network by a consultant, an RFP was issued to perform the necessary network upgrade; responses to the RFP resulted in higher project costs than originally anticipated. The original project scope has changed to include the addition of two gateway routers and professional installation services. The addition of the gateway routers was a recommendation to meet 'best network practices' in order to provide network resiliency and redundancy. To offset the additional costs for this project, other capital projects will be deferred to ensure that the overall Communications capital budget will not be exceeded. After additional discussion, Trustee McGinnis moved, seconded by Trustee Ingstad, that the revised project summary form for the ISP Core Network Enhancement Project be approved in the amount of \$161,800. All Trustees present voted aye. Motion carried.

Mr. LoBianco introduced the next agenda item, asking the Board to approve a revised project summary form for the PM_{2.5} Reduction Projects with an expenditure of \$120,000. A project was previously approved with the 2013 Operating Budget entitled "#8 Bottom Ash Haul Road Paving (PM_{2.5} Requirement)" to pave a roadway near the Unit 8 Bottom Ash pile to reduce the modeled fugitive PM_{2.5} in this area. Since the time of project approval, MP&W Management have been working with IDNR to finalize PM_{2.5} emission modeling. As a result of these efforts, MP&W will be pursuing some additional PM_{2.5} reduction modifications at the Plant site. These additional modifications have been rolled into the original project, thus requiring a revision to the project costs and title. The revision will result in an increase of project cost from \$50,000 to \$120,000, or an increase of \$70,000. After additional discussion, Trustee Ingstad moved, seconded by Trustee Axel, that the revised project summary form for the PM_{2.5} Reduction Projects be approved in the amount of \$120,000. All Trustees present voted aye. Motion carried.

Mr. LoBianco stated that the next item on the agenda was to approve an electric rate adjustment for 2013 and 2014. He reminded the Board that at the March Board of Trustees meeting, MP&W Management, along with Russ Hissom of Baker Tilly Virchow Krause, LLP (BT), presented the results of the Cost of Service/Rate Design Study with a recommendation that a revenue adjustment of four percent (4%) be implemented effective August 1, 2013 and August 1, 2014, for Electric Utility customers. Mr. LoBianco continued that MP&W Management met with Industrial II Customers personally and all other Industrial Customers received a letter notifying them of the pending increase, including the reactivation of the Energy Adjustment Clause (EAC). After discussion and review, the following resolution was submitted:

RESOLUTION 13-13

WHEREAS, certain studies have been made of the financial condition of the Electric Utility and presented to the Board of Water, Electric, and Communications Trustees for its consideration; and,

WHEREAS, the Board has reviewed these studies and determined that revenue increases are necessary to keep the Electric Utility in sound financial condition; now therefore,

BE IT RESOLVED, by the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa that the electric revenue be increased by a four percent (4%) overall increase, effective with electric usage starting August 1, 2013, and August 1, 2014; and,

BE IT FURTHER RESOLVED, that the energy adjustment clause be reactivated effective August 1, 2013 using a six-month rolling average; and,

BE IT FURTHER RESOLVED, that said increases be effected by adoption of the rates proposed by Baker Tilly Virchow Krause, LLP (BT) Cost of Service/Rate Design Study dated March 2013, with modification recommended by BT in their April 8, 2013, memo; and,

BE IT FURTHER RESOLVED, that proper notice be given to contract customers in accordance with the terms of the contracts.

Trustee Ingstad moved, seconded by Trustee Axel, that said resolution be passed, approved, and adopted this 30th day of April 2013. On roll call, Trustees Tubandt, McGinnis, Ingstad, Axel, and Heidbreder voted aye. Voting nay, none. Resolution carried.

Mr. LoBianco stated that the 2012 Muscatine Power and Water Annual Report has been completed and introduced Ms. Cox to present the report. Ms. Cox pointed out that the annual reports had been distributed to each of the Board members and asked if they had any questions about the report. She reminded the Board that Sycamore Printing was in the second year of a two year publication contract and that staff at Sycamore Printing were very good to work with, met all deadlines, and produced a quality report. She went on to explain how and to whom the annual report would be distributed to, including customer/owners and employees. Trustee Ingstad moved, seconded by Trustee McGinnis, that the 2012 Annual Report be received and placed on file as submitted. Motion carried. All Trustees present voted aye.

Mr. LoBianco informed the Board that a public hearing will need to be held on the Issuance of Debt for the Electric Utility. He reminded the Board that in May of 2012 the Board entered into a \$10M line of credit (LOC) with the three local banks. The LOC was entered into to provide backup liquidity, deemed necessary due to low operating/reserve cash and investment balances; that coupled with soft wholesale energy prices and a larger than anticipated coal pile inventory, tying up cash, necessitated backup liquidity. Thus far in 2013, liquidity conditions have improved significantly, primarily due to higher wholesale energy prices and volumes; with improved wholesale energy volumes, the coal inventory has reduced significantly from what it was in 2012, converting coal to cash. MP&W Management believes the LOC is still warranted for the Electric Utility, but should be reduced to \$5 million. The lower LOC was discussed with the Audit Finance Committee at the March 28, 2013 meeting and the committee concurred with the recommendation. After additional discussion, the following resolution was submitted:

RESOLUTION 13-14

Resolution to fix a date for a public hearing on a loan agreement in a principal amount not to exceed \$5,000,000

WHEREAS, the City of Muscatine, in the County of Muscatine, State of Iowa (hereinafter referred to as the "City"), did heretofore establish the Municipal Electric Utility System (the "Electric System") in and for the City, which has continuously supplied electric light, power and energy service in and to the City and its inhabitants since its establishment; and

WHEREAS, the Muscatine Power and Water Management and control of the Electric System are vested in the Board of Trustees of Water, Electric, and Communications (the "Board") of the City doing business as Muscatine Power and Water (the "Utility"); and

WHEREAS, the Board proposes to cause the Utility to enter into a loan agreement (the "Loan Agreement") in a principal amount not to exceed \$5,000,000, pursuant to the provisions of Section 384.24A of the Code of Iowa, for the purpose of funding costs and expenses, making improvements and operating the Electric System;

NOW, THEREFORE, It is resolved by the Board, as follows:

Section 1. This Board shall meet on the 28th day of May, 2013, at the Muscatine Power and Water Administration Building, 3205 Cedar Street, Muscatine, Iowa 52761, at 5:28 p.m., at which time and place a hearing will be held and following the hearing, a meeting will be held at 5:30 p.m., at which meeting proceedings will be considered and action taken to enter into the Loan Agreement.

Section 2. The Board Secretary is hereby directed to give notice of the proposed action on the Loan Agreement setting forth the amount and purpose thereof, the time and place where the said meeting will be held, by publication at least once, and not less than 4 nor more than 20 days before the date of said meeting, in a legal newspaper which has a general circulation in the City. The notice shall be in substantially the following form:

***NOTICE OF PROPOSED ACTION TO INSTITUTE PROCEEDINGS
TO ENTER INTO A LOAN AGREEMENT AND BORROW
MONEY IN A PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000
(ELECTRIC REVENUE)***

The Board of Trustees of Water, Electric, and Communications (the "Board") of the City of Muscatine, Iowa (the "City") doing business as Muscatine Power and Water (the "Utility"), Muscatine, Iowa, will meet on the 28th day of May, 2013, at the Muscatine Power and Water Administration Building, 3205 Cedar Street, Muscatine, Iowa 52761, at 5:28 p.m., at which time and place a hearing will be held and following the hearing, a meeting will be held at 5:30 p.m., at which meeting proceedings will be considered and action taken to enter into a loan agreement (the "Loan Agreement") and borrow money in a

principal amount not to exceed \$5,000,000, for the purpose of funding costs and expenses, making improvements and operating the municipal electric utility system.

The Loan Agreement will not constitute a general obligation of the City, nor will it be payable in any manner by taxation, but will be payable solely and only from the net revenues of the Utility.

The Loan Agreement is proposed to be entered into pursuant to authority contained in Section 384.24A of the Code of Iowa.

At the time and place set out above, oral or written objections may be filed or made to the proposal to enter into the Loan Agreement. After receiving objections, the Board may determine to enter into the Loan Agreement, in which case, the decision will be final unless appealed to the District Court within fifteen (15) days thereafter.

By order of the Board of Water, Electric, and Communications Trustees of the City of Muscatine, Iowa.

*Donald W. Kerker
Board Secretary*

Section 3. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Trustee Axel moved, seconded by Trustee Tubandt, that said resolution recommending a public hearing for the 2013 Electric Utility Financing be set for 5:28pm on May 28, 2013, be passed, approved, and adopted this 30th day of April 2013. On roll call, Trustees Tubandt, McGinnis, Ingstad, Axel, and Heidbreder voted aye. Voting nay, none. Resolution carried.

In the General Manager's report, Mr. LoBianco reviewed his previously submitted memorandum that included Ms. Olson's APPA Legislative Rally update.

The YTD and March Financial Operating Statements and Balance Sheets were presented as previously submitted to all Board members in written form. Mr. LoBianco stated that financials would be covered in the Key Performance Indicators presentation. Trustee Axel moved, seconded by Trustee Tubandt, 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 in written form. Trustee Axel 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 in written format. Mr. LoBianco asked each critical issue leader to review the status of their critical issue and stated

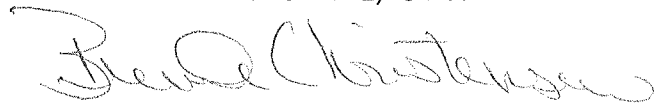
that he would review the key performance indicators. After review and discussion, Trustee Tubandt moved, seconded by Trustee Axel, to receive and place on file the First Quarter 2013 Critical Issues and Key Performance Indicators for the Water, Electric, and Communications Utilities. All Trustees present voted aye. Motion carried.

The Competitive Quotes for Public Improvements Report was presented as previously submitted to all Board members in written form. There were no items for approval.

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

The meeting of the Board of Trustees was adjourned at 7:20 p.m.

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

A handwritten signature in dark ink, appearing to read "Brenda K. Christensen", written in a cursive style.

Brenda K. Christensen
Acting Board Secretary