INDIANOLA MUNICIPAL UTILITIES

IMU

Electric • Communications • Water

IMU Board of Trustees
June 22, 2015
City Hall Council Chambers
5:30 p.m.

Agenda

1. Roll Call

2. Public Hearing on Cost of Power Adjustment Policy

3. Consent

    A. Minutes

    B. Claims

    C. Salaries

4. Reports

    A. Chairperson

    B. General Manager

    C. Director of Finance

    D. Monthly Financials

5. Quarterly Write-offs to State Offset Program

6. Accept Proposal for Electric Cost of Service Study

7. Insurance Renewals - Liability, Property, Worker's Compensation, and Machinery & Equipment Replacement

8. Amend Chapter 7 of the Personnel Management Guide

9. Pool Reimbursement for Water Consumption

10. 2015 Iowa Ave. Water Main Improvements

    A. Overview of Solicitation for Quotations

    B. Review Quotations

C. Award of Contract to Lowest Responsible Quoter

D. Approval of Contract and Bonds

E. Any other items thereto

11. 2015 Vice Chairperson Appointment

12. Other Business

13. Adjourn

Information

Subject

Public Hearing on Cost of Power Adjustment Policy

Information

Attached is a draft memo regarding the Cost of Power Adjustment Policy. Also attached is the policy itself and calculations for the past year, as per request.

In essence, the graphs show that progress can be made to collect unrecovered costs this fall by allowing the adjustment to rise $.003/kWh to $.0084/kWh. Projections are then for it to either remain stable or be slightly reduced as the rate study is being compiled. This progress is made because more of the (higher) summer base rate is applied to purchasing energy, and in addition that energy cost is projected to be less than previous years due to the new wholesale rate structure.

The draft memo also refers to maintaining creditworthiness standards. Having access to cost-effective debt, when either needed in an emergency or to take advantage of an opportunity to replace or expand components of the electric system, is an important goal.

Moody's Investors Service recently prepared the attached Public Power Electric Utility Scorecard. IMU staff highlighted the approximate, long-term, status of each of the scorecard factors. IMU's last rating was in the "A" range, although financial advisers projected that rating to be downgraded to the "Baa" range based on forward-looking financial metrics and delayed rate-setting decisions as wholesale power costs have risen.

FY 2015's debt service coverage is adequate due to restructuring principal payments and continued reliance on treating costs not recovered through the cost of power adjustment as deferred. IMU did agree to having adequate ongoing rates that support debt service as a covenant in its loan agreement.

Financial Impact

N/A

Staff Recommendation

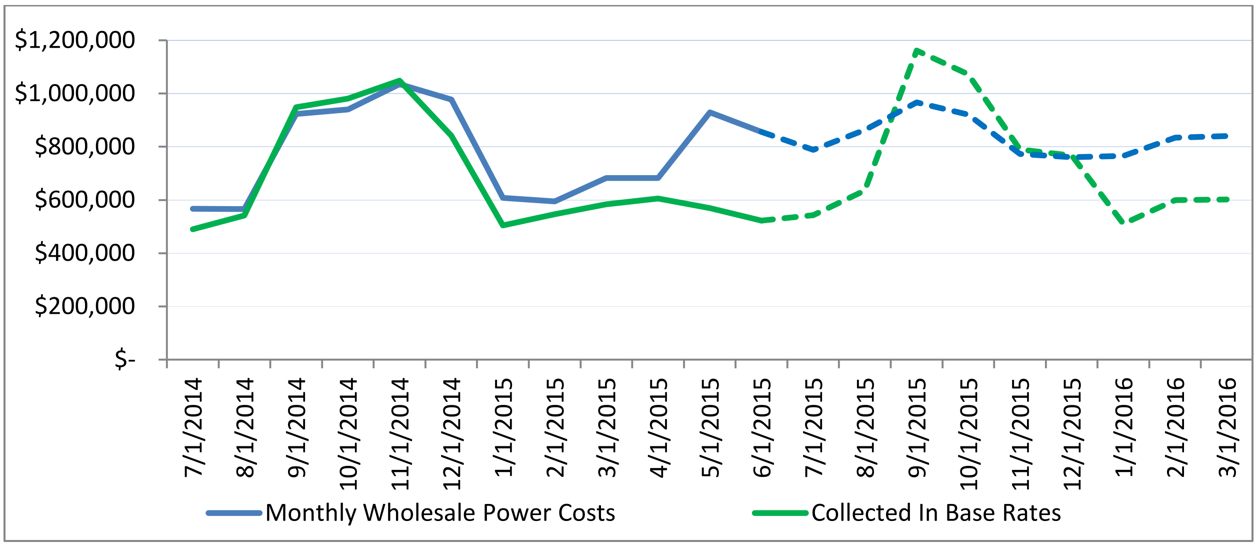
Attachments

Memo
Policy
FY 2015 Calculations
Moodys Scorecard

Cost of Power Adjustment Policy Discussion

June 22, 2015 (DRAFT)

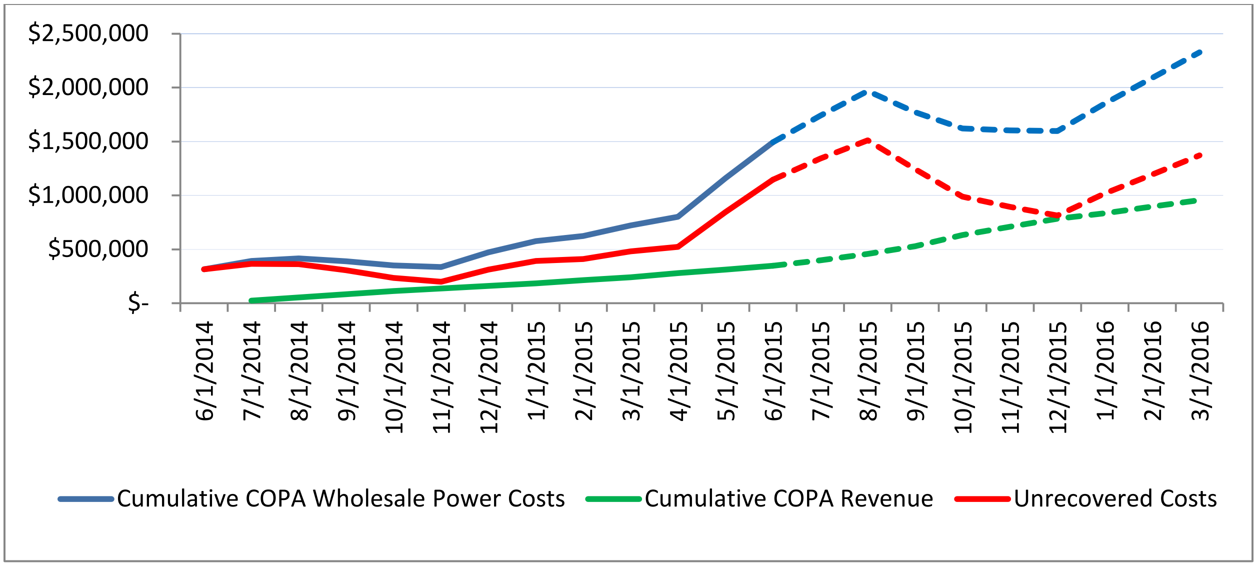
The cost to purchase wholesale electricity has risen significantly since the last IMU retail rate adjustment in 2012. Factors that contribute to these rising costs include higher market prices, higher transmission rates, and the inequity of capacity pricing between regions. Most of the cost of wholesale electricity is recovered through base rates that have not changed (see graph below).



In order to recover these recently-incurred higher costs, the IMU Board of Trustees approved a **cost of power adjustment** (COPA) policy. The adjustment was first imposed on the July 1, 2014 bills at a rate of $.0026/kWh. As seen in the chart above, wholesale costs have continued to increase and have exceeded those collected in base rates. As shown with dotted lines, a steady gap is predicted following the summer cooling season.

The adjustment increased from $.0039/kWh to $.0054/kWh on July 1, 2015 utility bills to start recovering higher costs over the next 12 months. A predicted rate of <u>$.0084/kWh</u> on October 1, 2015 reducing to <u>$.00579/kWh</u> on January 1, 2016 provides the revenue needed under average conditions. However, unanticipated expenses during the summer could result in January's rate remaining at October's more elevated level.

The projected increase on October 1st is the maximum quarterly increase allowed under the COPA policy. The purpose of the June 22, 2015 public hearing is to receive input on this policy. As shown on the chart on the following page, increasing the adjustment sooner rather than later can level the trend of higher unrecovered costs. As revenue sources and positive operating results occur, the IMU Board of Trustees also has the ability to reduce the adjustment accordingly.



To summarize, today's base rates are not adequate to pay for ongoing costs for wholesale power. As IMU continues to implement the cost of power adjustment policy, increases to the adjustment are expected to help stabilize unrecovered costs. IMU has also restructured debt and delayed equipment replacements and construction projects to help close the gap; however these were only one-time cash savings. Long-term cash reserves are projected to be maintained at the minimum to retain desired creditworthiness standards and to meet unanticipated expenses that may occur.

Maintaining a financially healthy electric utility is in the best long-term interests of ratepayers. Adequate rates and financial capital are tools in that endeavor. Another is to continue reconstructing the overhead electric system at a higher voltage so less energy is wasted over its new 40-year lifespan, which directly impacts future rates. Providing citizens new underground electric service lines also adds value to both homes and neighborhoods.

Smaller periodic rate increases, such as now being seen through the cost of power adjustment, are generally preferable to sudden, larger, spikes. The IMU Board has authorized the commissioning of an independent cost of service study in 2015, which will help project long-term costs and the rates needed to pay for them given various policies and targets for financial strength. The Board will then set the rate-setting parameters needed to meet those financial and system improvement goals.

COST OF ENERGY ADJUSTMENT

The purpose of the cost of energy adjustment policy is to provide administrative guidance for the imposition of Section 2.4(9) Cost of Energy Adjustment or other applicable section of the Electric Rate Resolution in effect at any particular point in time.

Goals

- Relative rate stability and predictability in light of unpredictable purchased energy & transmission costs
- Simplicity in explaining the methodology to the public and staff while recognizing a complex set of set cost-related factors such as summer & winter wholesale rates, both wholesale demand & energy rates, and unreimbursed fuel costs to run the turbines
- Protection of financial ratios including debt service coverage and days liquidity
- Minimizing administrative burden by completing calculations on a quarterly basis as opposed to monthly

General

A rolling "bank" of wholesale energy costs, less cost of energy adjustment collections, shall be established, hereafter referred to as the COE Bank.

"Withdrawals" from the COE Bank, or assessments, are essentially the actual cost of energy/transmission incurred, net of those included in a wholesale base rate per kWh, plus any unpredicted wholesale costs or rate recovery necessary to ensure adequate debt service coverage.

"Deposits" into the COE Bank, or credits, are monies collected from retail customers through the cost of energy adjustment (herafter referred to as the COE). The negative "balance" of the COE Bank is calculated on a per kWh base of an average of kWh sold over the past 12 full quarters and becomes the cost of energy adjustment or COE. If the balance becomes positive, then credits per kWh are issued the subsequent quarter.

From an explanatory standpoint, the form filed with the City Clerk's Office shall refer to "The cost of energy adjustment is based on the actual cost of wholesale energy used by customers, minus that included in base rates. Costs exceed those rates by at least $.000x per kWh for the last quarter. If and when those costs are fully recovered, then IMU no longer collects an adjustment to recover them. At this time, there are $yyy,yyy.yy of energy costs yet to be recovered."

Parameters

The adjustment is to change on a quarterly basis, unless overridden by the IMU Board for purposes of ensuring adequate debt service coverage or to otherwise protect IMU's bond rating.

The adjustment shall not increase more than $.0030/kWh in any given quarter above that of the previous quarter without IMU Board approval.

The IMU Board may place additional credits into the COE Bank (and thus reduce the cost of energy adjustment) if non-rate revenue sources such as capacity payments or budget surpluses from increased kWh sales are available and it is desired to reduce rates in future periods.

The IMU Board may identify an amount from a future wholesale base rate change intended to be applied to a COE Bank deficit. Those amounts will be applied to the COE Bank as they occur.

From a formula standpoint, the COE = - COE Bank / Annual Energy Sales in kWh as averaged over the past 3-year actual 12-month periods.

If the absolute value of the COE Bank balance is less than $25,000, staff may set the COE to zero for the ensuing quarter.

A filing by IMU to the City Clerk's Office certifying the COE and COE Bank shall remain in effect until otherwise superseded by a subsequent filing.

Procedures-

1. IMU staff shall calculate the average cost of energy for each month of the preceding quarter no later than the 30th day of the month prior to the month to which the COE is to be applied (i.e. by May 30th for July 1 bills to IMU customers). Calculations for each quarter will occur after receipt of the invoice (issued by MEAN) for wholesale power purchased in March, June, September and December.

2. For each month, the actual energy cost is compared to the base energy cost included in the rate schedule. The base energy cost (BEC) is set at:

    a. Summer season (June through September MEAN billing months): $0.082 / kWh
    b. Winter Season (October through May MEAN billing months): $0.054 / kWh

3. The monthly variance in costs is calculated using the following formula:

   ECV = (EP * BEC) – AEC - UC

   ECV is Energy Cost Variance
   EP is Energy Purchased, from MEAN invoice, in kWh
   BEC is Base Energy Cost, as shown above
   AEC is monthly Actual Energy Cost from MEAN Invoice
   UC is Unexpected Costs that the utility plans to recover from COE. This may include unbudgeted costs for fuel, costs incurred to meet legal mandates or directives from governmental entities or oversight authorities including balancing authorities, FERC and independent system operators, or any other unbudgeted cost that IMU could not reasonably foresee that, without recovering the cost through COE, could jeopardize financial stability.

   A negative ECV indicates actual energy costs were higher than base amounts expected. A positive ECV indicates costs were lower than base amounts expected.

4. The initial balance in the COE Bank is the negative of the sum of "Pooled Energy Adjustments" assessed by IMU's wholesale supplier for the wholesale billing period July 1, 2013 through March 31, 2014 less any credits applied. Subsequently, the balance of the COE Bank (EB) is the cumulative amounts credited through COE collections and the ECV assessments.

5. The quarterly COE shall be calculated as follows:

   COE = -EB / AES

   COE is Cost of Energy adjustment, in $/kWh
   EB is Ending Balance of COE Bank
   AES is Annual Energy Sales (kWh), based on retail sales to IMU customers, defined as an average of the actual annual retail energy sales for previous three calendar years

   A negative ending balance would result in a COE charge. A positive ending balance would result in a COE credit

FY 2014 & FY 2015 Cost of Power Adjustment Transactions

	EB COPA Bank	COPA Bank Credits	COPA Bank Assessments
Initial Balances	$ (314,977.49)	57,933.90	$ (372,911.39)
		(billed amounts)	$ -
6/1/2014	$ (314,977.49)	-	$ -
7/1/2014	$ (366,311.42)	$ 25,235.65	(76,569.58)
8/1/2014	$ (363,167.63)	$ 27,498.06	(24,354.27)
9/1/2014	$ (306,601.68)	$ 31,362.01	25,203.95
10/1/2014	$ (236,496.75)	$ 29,521.99	40,582.94
11/1/2014	$ (199,478.89)	$ 24,007.91	13,009.96
12/1/2014	$ (312,010.94)	$ 22,933.31	(135,465.37)
1/1/2015	$ (390,991.10)	$ 24,171.21	(103,151.37)
2/1/2015	$ (410,269.96)	$ 28,956.03	(48,234.89)
3/1/2015	$ (482,344.04)	$ 26,953.22	(99,027.29)
4/1/2015	$ (522,023.12)	$ 38,195.93	(77,875.01)
5/1/2015	$ (847,057.82)	$ 34,398.86	(359,433.56)
6/1/2015	$ (1,146,548.10)	$ 33,138.15	(332,628.43)

Public Power Electric Utility Scorecard

Factor	Weight	Aaa	Aa	A	Baa	Ba
Total Weight	100%	1	3	6	9	12
1. Cost Recovery Framework Within Service Territory	25%	Monopoly with unregulated rate setting; Very strong service area economy	Monopoly with unregulated rate setting; Strong service area credit economy	Monopoly with unregulated rate setting; Average service area economy	Regulation of rates by State; Weak service area economy	Regulation of rates by State; Very weak service area economy
2. Willingness and Ability to Recover Costs with Sound Financial Metrics	25%	Excellent rate-setting record; Rates, fuel, & purchased power cost adjustments less than 10 days; No political intervention in past or extremely high support from related government; Very limited General Fund transfers governed by policy	Strong rate-setting record; Rates, fuel, & purchased power cost adjustments 10 to 30 days; Limited political intervention in past or high support from related government; Conservative and well-defined General Fund transfers governed by policy	Adequate rate-setting record; Rates, fuel, & purchased power cost adjustments 31 to 60 days; Some political intervention in past or average support from related government; Moderate General Fund transfers	Below average rate-setting record; Rates, fuel, & purchased power cost adjustments 61 to 99 days; Persistent political intervention or below average support from related government; Large General Fund transfer not governed by policy	Consistent record of insufficiently setting rates; Rates, fuel, & purchased power cost adjustments 100 days or more; Highly political climate or no support from related government; Sizeable General Fund transfer not governed by policy
3. Management of Generation Risks	10%	Very strong management of generation risks; High degree of diversification of generation and/or fuel sources; Well insulated from commodity price changes; Single generation asset typically provides less than 20% of power; and/or up to 20% of energy from coal-fired generation with carbon mitigation strategy	Strong management of generation risks; Some diversification of generation and/or fuel sources; Minimally affected by commodity price changes; Single generation asset typically provides less than 40% of power; and/or 21% to 40% of energy from coal-fired generation with carbon mitigation strategy	Average management of generation risks; Some reliance in one type of generation or fuel source, but diversified with purchased power sources; Modest exposure to commodity price changes; Single generation asset typically provides 40% to 55% of power; and/or 41% to 55% of energy from coal-fired generation with carbon mitigation strategy	Below average management of generation risks; Reliance on a single type of generation or fuel source, with limited diversification via purchased power; Moderate exposure to commodity prices; Single generation asset typically provides 56% to 75% of power; and/or 56% to 70% of of energy from coal-fired generation with no carbon mitigation strategy	Poor management of generation risks; High concentration in a single type of generation or highly reliant on a single fuel source, with minimal diversification via purchased power; Notably exposed to commodity price shocks; Single generation asset typically provides over 75% of power; and/or 71% to 100% of energy from coal-fired generation with no carbon mitigation strategy
4. Rate Competitiveness	10%	More than 25% below average	25% to 7.51% below average	7.5% below average to 7.5% above average	7.51% to 25% above average	More than 25% above average
5. Adjusted Days Liquidity on Hand (days)	10%	≥ 250 days	≥ 150 days to 249 days	≥ 90 days to 149 days	≥ 30 days to 89 days	Less than 30 days
5. Debt Ratio (%)	10%	Less than 25%	≥ 25% less than 50%	≥ 50% less than 75%	≥ 75% less than 100%	≥ 100%
5. Adjusted Debt Service Coverage Ratio or Fixed Obligation Coverage Ratio (x)	10%	≥ 2.50x	≥ 2.00x to 2.49x	≥ 1.50x to 1.99x	≥ 1.10x to 1.49x	Below 1.10x
Notching Factors						
1. Operational - (i.e. Customer Concentration, additional borrowing needs, construction risk)						
2. Financial - (i.e. Covenant or Derivative Risks, Financial Engineering, other liquidity related risks, DSRF funding levels below AADS)						
3. Other - (i.e. factors not appropriately captured in the grid like regional rate competitiveness compared to the state)						

MOODY'S
INVESTORS SERVICE

IMU Regular Downstairs **3. A.**

Meeting Date: 06/22/2015

Information

Subject

Minutes

Information

Draft minutes of the June 15, 2015 meeting are attached.

Financial Impact

N/A

Staff Recommendation

Attachments

Minutes

BOARD OF TRUSTEE MINUTES
REGULAR SESSION – JUNE 15, 2015

The Board of Trustees met in regular session at 5:30 p.m. on June 15, 2015 in the Activity Center Conference Room. Chairperson Pat Reding called the meeting to order and on roll call the following members were present: Heather Hulen, Jim McClymond, Pat Reding and Deb White. Absent: None. Also present were: Human Resource Director RoxAnne Hunerdosse, General Manager Todd Kielkopf, Office Manager Chelle Klootwyk, Program Coordinator Chris Longer, Technical Services Coordinator Mike Metcalf, MCG General Manager Frank Hansen, MCG staff member Steve Burnett and members of the public.

The consent agenda consisting of the following was discussed. The consent agenda as amended was approved on a motion by McClymond and seconded by Hulen. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

June 1, 2015 claims

May 26, 2015 minutes

The FY 2016 Salary Resolution was approved on a motion by White, seconded by McClymond

[The complete resolution is on file at the City Clerk’s Office]

The Board discussed the Strategic Plan particular to the status and challenges pertaining to expanding the IMU fiber network throughout Indianola. Members of the public speaking in support of expansion included:

Mark Diino, 810 N. D Street
Ron Heideman, 304 N F Street
Cory Sinclair, 807 W. Scenic Valley Dr.
Tammy Johnson, 210 N. Kenwood
Erika Runyan, 1306 Apple Dr.
Teri Seidl, 605 E. Norwood

Meeting adjourned on a motion by White and seconded by Hulen.

Pat Reding, Chair	Todd Kielkopf, IMU General Manager

IMU Regular Downstairs **3. B.**
Meeting Date: 06/22/2015

Information

Subject

Claims List

Information

Claims for the week of June 15, 2015 were previously distributed.

Financial Impact

N/A

Staff Recommendation

IMU Regular Downstairs **3. C.**

Meeting Date: 06/22/2015

Information

Subject

Salaries

Information

Justin Brand, Water Operator, for attaining Grade II certification from the IDNR effective Friday, June 13, 2015. As per union contract, Justin changes pay ranges from R 21-3 ($46,430/year) to R 24-1 ($48,751). His new wage effective June 28 will be $24.083/hr. ($50,092/year). Congratulations to Justin for his classroom work!

Financial Impact

N/A

Staff Recommendation

IMU Regular Downstairs **4. B.**
Meeting Date: 06/22/2015

Information

Subject

Administrative News Items

Information

Financial Impact
N/A

Staff Recommendation

Attachments

News Items

NEWS ITEMS

TO: IMU Trustees
FROM: IMU Administrative Staff
DATE: June 19, 2015

1. **Transmission Rate of Return:** MEAN, IMU, and Waverly Light & Power are all working with MMTG's attorneys on a response to MISO's protest about the three entities' ability to receive the .5% rate of return adder. Again, the adder is important ($11,000/year) over the long run, as it is widely anticipated that the rate of return on transmission asset ownership will decline in the near future. The 40-year+ tenure of the adder on IMU's $2.7 million in eligible transmission assets makes the issue worth pursuing. The Midwest Municipal Transmission Group is funding the filings to avoid an adverse national precedence for public power owners that operate within independent system operator tariffs, such as MISO.

2. **Fiber Network Partner meeting:** IMU staff reconnected on Thursday with a potential 3rd-party partner that expressed interest in March/April about assisting to build out Indianola's fiber network. MCG had then been put in contact with the company to vet their credibility, technology acumen, and business models. MCG did this and, as discussed at this past Monday's IMU retreat, is moving forward into the feasibility stages with this company in another sizable Iowa community. This company is also in negotiations with a 3rd sizable Iowa community.

   Indianola is of high interest to this 3rd-party and the business models appear to fit well together conceptually. The next step will be developing diagrams of how a specific business model can evolve and a meeting with IMU's legal counsel. It is a promising alternative to a pure municipally-financed model.

3. **Simpson Water Tower/A.T.&T.:** A.T.&T. installed cellular antennas on IMU's Simpson Water Tower a few years ago. They have been delaying completing repairs to the tower from damage caused during installation. This now includes concrete repairs to the 10' trail/driveway from the Indianola pool parking lot. A new main point of contact is now working with IMU to resolve the issue. They also contacted IMU about re-appraising the lease value, however the lease already contains reappraisals at 5-year break points.

IMU Regular Downstairs **4. D.**

Meeting Date: 06/22/2015

Information

Subject

Financials

Information

Financial reports, including the Treasurer's Report, for the month of May are attached.

Financial Impact

N/A

Staff Recommendation

Attachments

Financials

IMU Monthly Financial Reports

Notes & Comments

1. Total Cash Flow from all activities the on Treasurer's Report was -$145,132. This was primarily due to progress on Electric Utility capital projects and continuing operating losses. Water and Communication utility operating and capital activities were positive.

2. Electric kWh sales (page 5) graph over the past 12 months shows a return to historical trends, accounting for some growth due to newer buildings constructed the past two years. Water consumption (page 6) has also returned to historical averages following 2 dry years where watering lawns was more prevalent than average.

3. The Electric Gross Margin (page 7) remains higher than the seasonally-adjusted budget. The budget targets accrual-based debt service coverage. Normally, the difference between cash-based and accrual-based gross is not meaningful. However the transition to the new MEAN rate structure has higher costs earlier in IMU's cash fiscal year that will show on FY 2015's accrual-based financial reports. So cash-based gross margin and net income will end the year higher than the accrual-based budget.

   Total Electric Utility fund balances are slightly ahead of budget when accounting for the $320,000 forthcoming pre-payment of the Water Utility note to the Electric Utility, less remaining W. Hwy 92 net expenses.

4. Using the cash-based + depreciation model, FYTD Electric Utility Net Income (page 8) was a loss of $765,417. While this is less than the cash-based re-estimated budget, it still shows that rates are not recovering total operating costs.

5. The Water Utility (pages 7 & 12) is generally meeting budget expectations in terms of Net Income. Total reserves remain at targeted levels. Adjusting entries will be made between its operating and capital project funds once the loan pre-payment is made so that both operating and capital project fund balances meet targets. The Iowa Ave. Water Main replacement project was delayed, which will expend most of the positive total fund balance compared to the re-estimated budget.

6. The Communications Utility (page 15) and Admin. Fund (page 16) cash flows are essentially fairly close to the post-budget operating targets. Administrative expenses are projected to end the fiscal year near re-estimated amounts and ends each fiscal year with a zero balance.

FINANCIAL REPORT
MONTH OF MAY, 2015

FUND	Beginning Balance	Monies Received	Monies Disbursed	Transfer In	Transfer Out	Clerk's Balance	% of Total
001 General Government	1,165,991.24	51,474.63	140,028.61	112,886.40	8,463.18	1,181,860.48	
011 Police	672,557.35	59,889.87	167,604.03	145,644.48	324.45	710,163.22	
015 Fire	363,328.87	17,010.32	28,144.60	4,721.24	24.72	356,891.11	
016 Ambulance	350,322.34	74,771.23	70,011.54	2,452.63	5,572.66	351,962.00	
041 Library	86,375.98	11,502.13	41,401.11	3,578.00	61.80	59,993.20	
042 Park & Recreation	686,586.65	65,751.25	92,850.46	-87,863.67	123.60	571,500.17	
045 Memorial Pool	-34,231.75	15,787.04	10,148.41	0.00	0.00	-28,593.12	
071 General Fund Deb Service	125,708.12	3,516.06	0.00	0.00	0.00	129,224.18	
099 Franchise Fees-MEC	368,123.56	0.00	0.00	0.00	0.00	368,123.56	
GENERAL FUND SUB-TOTAL	**3,784,762.36**	**299,702.53**	**550,188.76**	**181,419.08**	**14,570.41**	**3,701,124.80**	
110 Road Use Tax (Streets)	1,150,111.68	67,176.70	101,272.73	0.00	15,158.15	1,100,857.50	
112 Trust & Agency	0.00	44,616.01	0.00	0.00	44,616.01	0.00	
115 YMCA Maintenance Obligations	80,859.24	0.00	0.00	6,111.11	0.00	86,970.35	
125 TIF--Downtown	418,170.71	20,719.40	0.00	0.00	0.00	438,890.11	
126 TIF--East Hwy 92	12,684.16	3,096.64	0.00	0.00	0.00	15,780.80	
127 TIF--Hillcrest/Industrial Park	791,326.33	54,413.69	125,000.00	0.00	0.00	720,740.02	
141 Library Special Revenue	37,192.19	1,098.49	736.33	0.00	0.00	37,554.35	
142 Park & Rec Special Revenue	125,071.58	5,336.00	287.20	0.00	0.00	130,120.38	
160 Downtown Revolving Loan	110,347.60	0.00	0.00	0.00	0.00	110,347.60	
161 Downtown Business Inc Program	4,999.68	0.00	1,336.58	0.00	0.00	3,663.10	
177 Police Forfeiture	19,830.07	0.00	0.00	0.00	0.00	19,830.07	
190 Vehicle Reserve	88,188.99	0.00	0.00	1,666.67	0.00	89,855.66	
199 Police Retirement	102,658.20	140.06	0.00	0.00	1,041.67	101,756.59	
SPECIAL REVENUES SUB-TOTAL	**2,941,440.43**	**196,596.99**	**228,632.84**	**7,777.78**	**60,815.83**	**2,856,366.53**	
200 **DEBT SERVICE (SUB-TOTAL)**	**3,113,192.51**	**41,335.29**	**61,271.25**	**60,774.99**	**0.00**	**3,154,031.54**	
301 Capital Projects (General)	998,490.51	18,483.63	0.00	0.00	900,000.00	116,974.14	
321 Capital Projects (Streets)	-1,299,374.90	386,632.50	150,214.65	900,000.00	0.00	-162,957.05	
344 Community Athletic Facility	6,615.69	9.15	40.00	0.00	0.00	6,584.84	
353 Community ReDevelopment (D&D)	-33,439.89	0.00	0.00	0.00	0.00	-33,439.89	
CAPITAL PROJECTS SUB-TOTAL	**-327,708.59**	**405,125.28**	**150,254.65**	**900,000.00**	**900,000.00**	**-72,837.96**	
610 Sewer	225,213.84	0.00	68,504.76	140,600.00	34,901.03	262,408.05	
650 Stormwater Utility	404,001.01	17,150.99	0.00	0.00	5,158.33	415,993.67	
670 Recycling	75,020.92	18,179.09	15,466.70	0.00	1,441.67	76,291.64	
710 Sewer Capital Projects	569,545.65	280,611.55	68,846.51	0.00	239,483.33	541,827.36	
771 Sewer Reserve	114,238.70	0.00	0.00	0.00	0.00	114,238.70	
781 Sewer Plant Improvement	338,405.85	0.00	0.00	2,083.33	0.00	340,489.18	
791 Sewer Revenue Bonds	663,803.21	0.00	0.00	61,016.67	0.00	724,819.88	
820 Health Insurance	1,013,394.08	103,411.80	147,628.93	0.00	0.00	969,176.95	
830 Health Reimbursement Account	246,518.92	0.00	12,921.71	0.00	0.00	233,597.21	
840 Flex/STD	223,760.96	2,025.40	6,559.91	1,405.95	0.00	220,632.40	
850 Liability Insurance Reserve--City	36,651.28	51.45	246.84	0.00	0.00	36,455.89	
CITY UTILITY & IS SUB-TOTAL	**3,910,554.42**	**421,430.28**	**320,175.36**	**205,105.95**	**280,984.36**	**3,935,930.93**	
TOTAL CITY FUNDS	**13,422,241.13**	1,364,190.37	1,310,522.86	1,355,077.80	1,256,370.60	**13,574,615.84**	**65%**
TOTAL IMU FUNDS	**7,419,960.06**	1,307,630.61	1,354,056.07	157,894.81	256,602.01	**7,274,827.40**	**35%**
GRAND TOTAL CITY & IMU	**20,842,201.19**	2,671,820.98	2,664,578.93	1,512,972.61	1,512,972.61	**20,849,443.24**	
Cross Check Total						20,849,443.24	

Investments

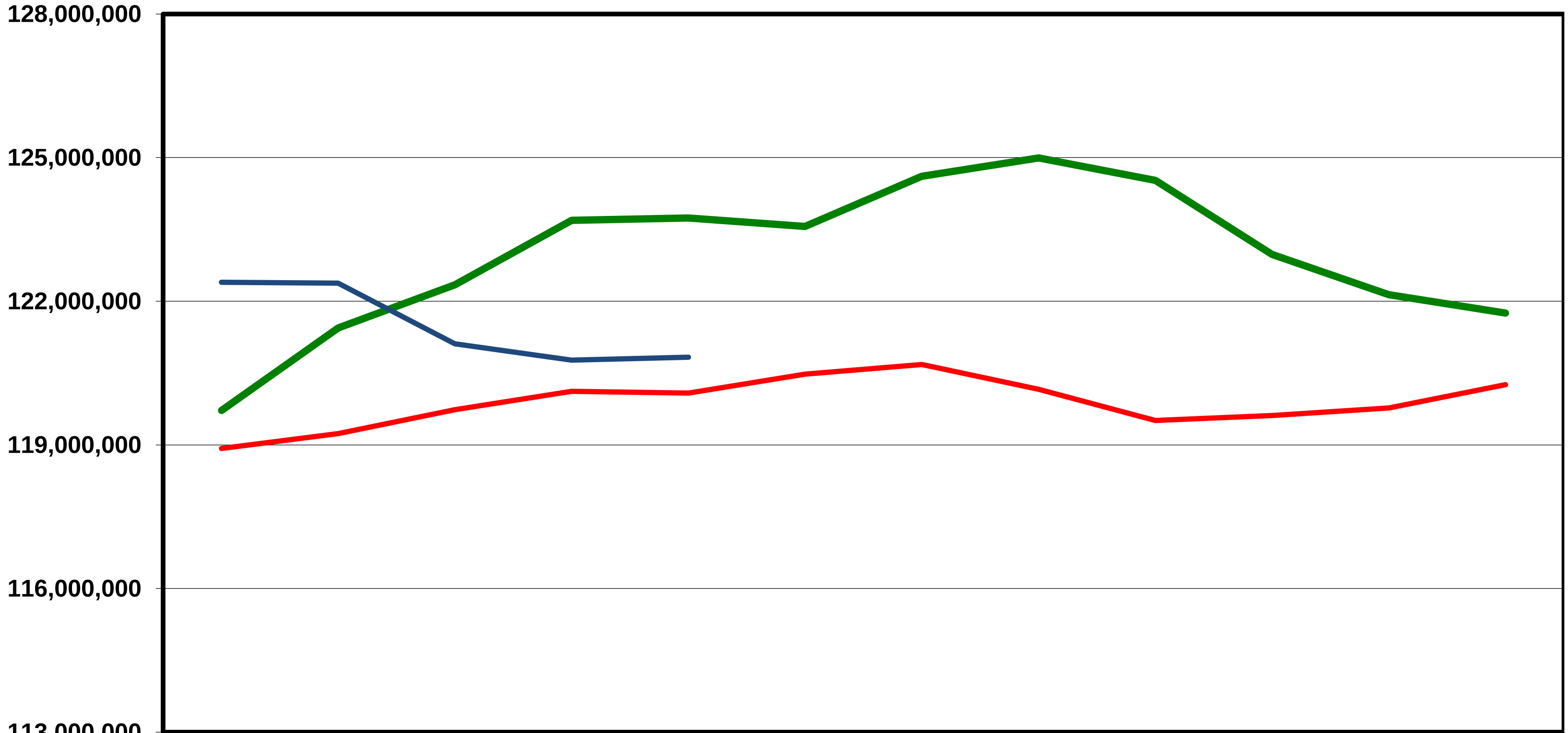
Bankers Trust	$	16,393,319.33	2.15%
Iowa Public Agency Inv. Trust	$	111,115.82	0.010%
Payroll Account, City State Bank	$	-	Earnings Credit
Checking Account, City State Bank	$	244,986.78	Earnings Credit
Checking & Payroll Account, Community Bank	$	-	
Sweep Account, City State Bank	$	4,135,685.69	0.35%
BANK BALANCE		**20,885,107.62**	

Clerk's Balance	20,849,443.24
Plus Outstanding Checks	64,741.29
Oustanding Deposit	-29,076.91
	20,885,107.62

600 Water	398,589.88	192,789.82	66,467.83	0.00	115,959.38	408,952.49
620 IMU Administration	89,131.30	745.00	47,773.23	84,375.00	30,053.47	96,424.60
625 Revolving Economic Development	104,587.90	142.91	0.00	0.00	0.00	104,730.81
626 USDA RLF	225,000.00	0.00	0.00	0.00	0.00	225,000.00
630 Electric	2,095,918.97	936,906.92	983,725.57	22,566.67	101,444.44	1,970,222.55
640 Fiber/Communications	285,106.16	26,760.00	1,842.70	0.00	9,144.72	300,878.74
700 Water Capital Projects	793,047.50	78,211.57	17,557.51	35,991.67	0.00	889,693.23
730 Electric Capital Projects	2,905,830.65	72,051.52	233,166.73	-58,333.33	0.00	2,686,382.11
740 Fiber/Comm Capital Projects	0.00	0.00	0.00	0.00	0.00	0.00
770 Water Reserve	135,000.00	0.00	0.00	0.00	0.00	135,000.00
773 Electric Reserve	0.00	0.00	0.00	0.00	0.00	0.00
780 Water Capital Improvement	75,000.00	0.00	0.00	0.00	0.00	75,000.00
783 Electric Improvement	0.00	0.00	0.00	0.00	0.00	0.00
790 Water Revenue Bonds	118,064.68	0.00	3,522.50	23,150.00	0.00	137,692.18
793 Electric Revenue Bonds	178,672.02	0.00	0.00	50,144.80	0.00	228,816.82
855 Liability Insurance Reserve--IMU	16,011.00	22.87	0.00	0.00	0.00	16,033.87
IMU SUB-TOTAL	**7,419,960.06**	**1,307,630.61**	**1,354,056.07**	**157,894.81**	**256,602.01**	**7,274,827.40**

INTEREST DISTRIBUTION	**INTEREST INCOME**	**% OF TOTAL**	**CALYTD**	**FYTD**
Electric Funds	$ 8,291.49	29.14%	$ 49,219.94	$ 111,469.78
Water Funds	$ 2,083.74	7.32%	$ 10,626.67	$ 24,402.30
Sewer Funds	$ 2,158.05	7.58%	$ 11,442.85	$ 22,107.08
Police Retirement	$ 14.06	0.05%	$ 729.25	$ 1,486.20
Community Redevelopment	$ -	0.00%	$ 12,930.95	$ 3.26
All other	$ 15,910.13	55.91%	$ 48,435.35	$ 130,152.85
TOTAL	$ 28,457.47	100.00%	$ 133,385.01	$ 289,621.47

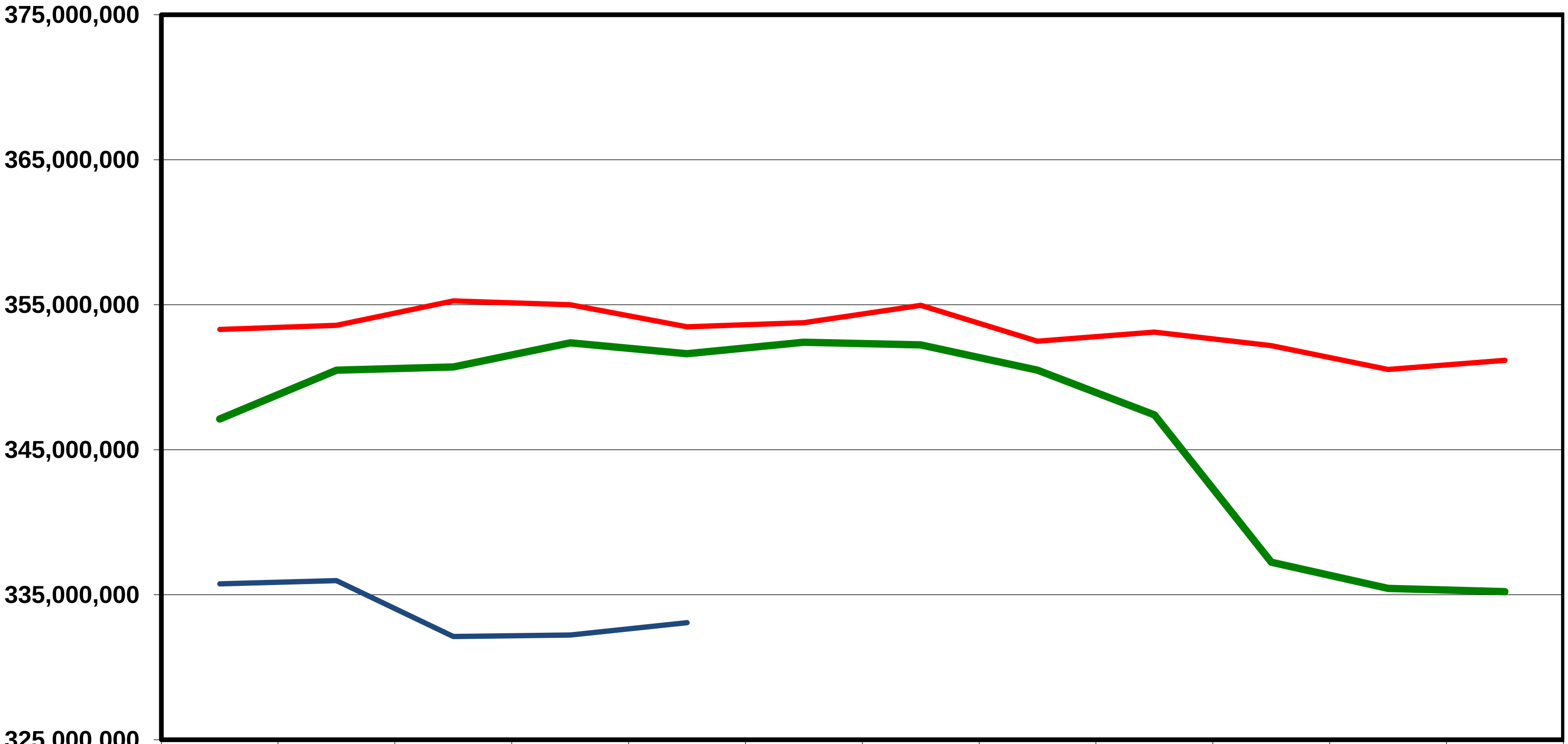
KWH's Sold
(kWh's sold based on a rolling 12 month total)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2011-13 EL Avg	118,924,56	119,235,47	119,735,74	120,120,59	120,080,91	120,478,36	120,676,47	120,158,49	119,509,56	119,614,44	119,770,57	120,256,40
2014	119,720,29	121,443,81	122,342,35	123,691,45	123,736,17	123,563,28	124,608,72	124,993,82	124,523,64	122,976,19	122,136,97	121,750,71
2015	122,395,95	122,376,36	121,110,70	120,770,69	120,831,88							

2011-13 EL Avg　2014　2015

Gallons Sold
(Gallons sold based on a rolling 12 month total)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2011-13 WA Avg	353,286,500	353,585,613	355,262,170	354,990,367	353,467,567	353,758,810	354,945,533	352,488,900	353,105,840	352,175,773	350,528,957	351,157,697
2014	347,116,769	350,493,280	350,702,914	352,367,788	351,619,538	352,415,905	352,218,550	350,478,950	347,394,680	337,247,260	335,441,120	335,212,610
2015	335,757,080	335,982,370	332,114,980	332,229,530	333,075,220							

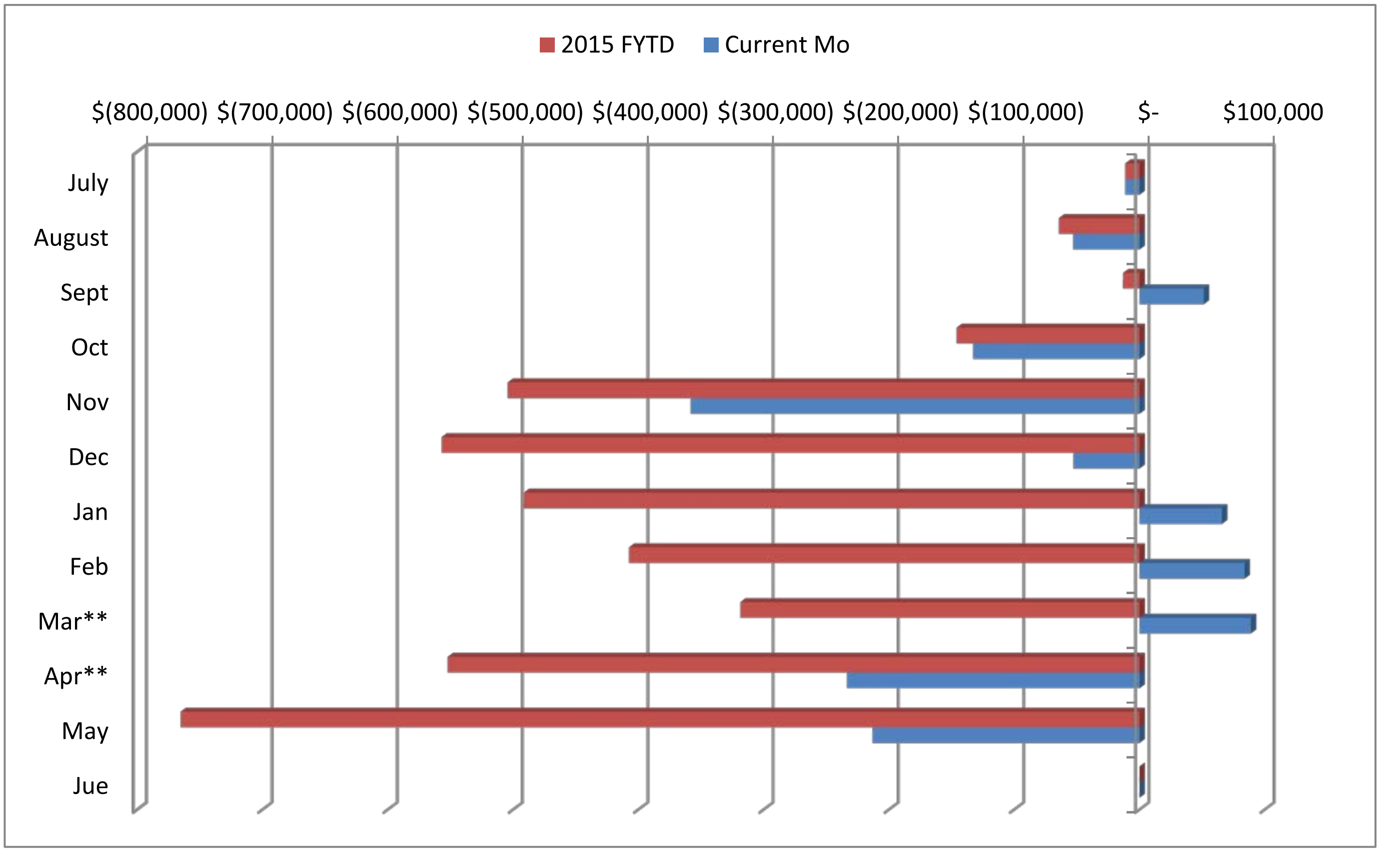
2011-13 WA Avg 2014 2015

2015 May IMU Financial Report Summary

		FYTD ACTUAL		FYTD BUD/RE-EST		VARIANCE
Electric Utility:						
Gross Margin	$	1,772,537	$	1,252,200	$	520,337
Cash-based Net Income (incl. Depr.)	$	(765,417)	$	(1,199,700)	$	434,283
Net O&M + Capital Funds Cash Flow	$	(376,409)	$	(635,300)	$	258,891
Ending O&M and Capital Fund Balances	$	4,656,605	$	4,397,700		
Less-						
Designated for Future Projects		(20,000)		-		
Reserve Targets		4,325,800		4,325,800		
Over/(Under)	$	350,805	$	71,900	$	278,905
Debt Service Coverage Ratio w/o PILOT		3.72		3.41		
COPA Deferred Balance	$	(847,058)				
Water Utility:						
Cash-based Net Income (incl. Depr.)	$	369,737	$	300,100	$	69,637
Net O&M + Capital Funds Cash Flow	$	(7,671)	$	(457,000)	$	449,329
Ending O&M and Capital Fund Balances	$	1,298,646	$	849,300		
Less-						
Designated for Future Projects		320,000		-		-
Reserve Targets		803,300		803,300		-
Over/(Under)	$	175,346	$	46,000	$	129,346
Debt Service Coverage Ratio w/o PILOT		1.45		0.93		
Communications Utility:						
Net Cash Flow	$	(32,392)	$	(62,600)	$	30,208
Ending Fund Balances	$	300,879	$	270,700	$	-
Less-						
Designated for Future Projects		-		-		-
Reserve Targets		299,200		299,200		-
Over/(Under)	$	1,679	$	(28,500)	$	30,179
Commercial Customers		113		136		-23
Residential Customers		302		330		-28
Administrative Fund:						
Net Cash Flow	$	96,425	$	60,400	$	36,025

EL - Combined		FYTD ACTUAL		FYTD BUD/RE-EST		VARIANCE
Revenue:						
Sales of Electricity & Peaking	$	11,160,985	$	10,986,800	$	174,185
Sales Taxes	$	195,207		220,400		(25,193)
Other	$	1,300,708		1,217,100		83,608
Total O&M Revenue	**$**	**12,656,900**		**12,424,300**		**232,600**
Expenditures:						
Purchased Energy & Fuel	$	8,859,440	$	9,205,600	$	(346,160)
Salaries	$	776,476		760,100		16,376
Benefits	$	359,068		372,300		(13,232)
Materials, Suppl. & Contracts	$	500,676		494,400		6,276
Sales Taxes & Use Taxes	$	199,496		225,100		(25,604)
PILOT	$	529,008		529,000		8
Debt Service - Interest Only	$	238,668		124,000		114,668
Overhead, Admin & EE	$	909,312		895,000		14,312
Depreciation (Est)	$	1,217,800		1,217,800		-
Total O&M Expenses	**$**	**13,589,945**		**13,823,300**		**(233,355)**
Net Income (Operating & Other)	**$**	**(933,045)**		**(1,399,000)**		**465,955**
Capital Activities:						
Major Maintenance via Capital Fund	$	(21,300)	$	(21,300)	$	-
Capital Contributions (Fiber)	$	168,986		182,400		(13,414)
Capital Contributions (Electric)	$	19,941		38,200		(18,259)
Net Income	**$**	**(765,417)**		**(1,199,700)**		**434,283**
Cash Flow:						
Net Income + Depreciation	$	452,383	$	18,100	$	434,283
Water Loan Principal	$	171,634		508,600		(336,966)
Debt Service Principal	$	(275,000)		(275,000)		-
Debt Service Reserve Change	$	(182,300)		(192,300)		10,000
Capital Contributions (Developers)	$	1,873,417		1,987,100		(113,683)
Proceeds from Debt Issues	$	-		-		-
Capital Projects	$	(2,416,543)		(2,681,800)		265,257
Designated for Future Projects	$	-		-		-
Net Cash Flow	**$**	**(376,409)**	**$**	**(635,300)**	**$**	**258,891**
Ending O&M and Capital Fund Balances:	$	4,656,605	$	4,397,700		
Designated for Future Projects	$	(20,000)		-		
Reserve Targets	$	4,325,800		4,325,800		
Over/(Under)	**$**	**350,805**	**$**	**71,900**	**$**	**278,905**

EL Combined Net Income History



		2015 FYTD		Current Mo		2014 FYTD*		Current Mo*
July	$	(11,428)	$	(11,428)	$	(104,177)	$	(104,177)
August	$	(64,417)	$	(52,989)	$	(29,431)	$	74,745
Sept	$	(13,170)	$	51,247	$	126,633	$	156,064
Oct	$	(146,012)	$	(132,842)	$	252,324	$	125,691
Nov	$	(504,384)	$	(358,372)	$	(84,706)	$	(337,030)
Dec	$	(557,190)	$	(52,806)	$	(44,691)	$	40,015
Jan	$	(491,415)	$	65,775	$	(124,895)	$	(80,204)
Feb	$	(407,531)	$	83,884	$	(27,272)	$	97,623
Mar**	$	(318,629)	$	88,902	$	(48,555)	$	(21,283)
Apr**	$	(552,274)	$	(233,645)	$	83,249	$	131,804
May	$	(765,417)	$	(213,143)	$	91,881	$	8,633
Jue	$	-	$	-	$	190,770	$	98,889

*Tracking purposes only

**Adjusted for 2nd wholesale power bill paid in March and due in April

630 - EL O&M Fund	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Sales of Electricity & Peaking	$ 11,160,985	$ 10,986,800	$ 174,185
Sales Taxes	$ 195,207	220,400	(25,193)
Other	$ 556,655	478,200	78,455
Fund Revenue	**$ 11,912,847**	**$ 11,685,400**	**$ 227,447**
Expenditures:			
Purchased Energy & Fuel	$ 8,859,440	$ 9,205,600	$ (346,160)
Salaries	$ 776,476	760,100	16,376
Benefits	$ 359,068	372,300	(13,232)
Materials, Suppl. & Contracts	$ 500,676	494,400	6,276
Sales Taxes & Use Taxes	$ 199,496	225,100	(25,604)
PILOT	$ 529,008	529,000	8
Debt Service	$ 513,668	399,000	114,668
Overhead, Admin & EE	$ 909,312	895,000	14,312
Fund Expenditures	**$ 12,647,145**	**$ 12,880,500**	**$ (233,355)**
O&M Activities Cash Flow:	**$ (734,298)**	**$ (1,195,100)**	**$ 460,802**
Capital Fund Transfer (Out) In	$ 813,301	$ 1,150,300	$ (336,999)
Bond Reserve Transfer (Out)	$ (182,300)	$ (192,300)	$ 10,000
O&M Fund Cash Flow:	**$ (103,297)**	**$ (237,100)**	**$ 133,803**
Ending Fund Balances:	**$ 1,970,223**	**$ 1,836,400**	
17% Reserve Target	**$ 2,481,300**	**$ 2,481,300**	
Over/Under Reserve Target	**$ (511,077)**	**$ (644,900)**	**$ 133,823**

730 - EL CAP Fund		FYTD ACTUAL		FYTD BUD/RE-EST		VARIANCE
Revenue:						
Capital Contributions (Fiber)	$	168,986	$	182,400	$	(13,414)
Capital Contributions (Electric)	$	79,764		152,800		(73,036)
Capital Contributions (Reimb)	$	1,813,594		1,872,500		(58,906)
Water Loan Principal	$	171,634		508,600		(336,966)
Proceeds from Debt	$	-		-		-
Other	$	744,053		738,900		5,153
Fund Revenue	**$**	**2,978,031**	**$**	**3,455,200**	**$**	**(477,169)**
Expenditures:						
Major Maintenance (Est.)	$	21,300	$	21,300	$	-
Vehicles	$	11,857		-		11,857
Relocations & Conversions	$	2,351,526		2,492,100		(140,574)
New Developments & Line Repl	$	73,881		191,600		(117,719)
Network Services	$	219,412		234,200		(14,788)
Other/Stock (Out) In	$	(240,134)		(236,100)		(4,034)
Fund Expenditures	**$**	**2,437,843**	**$**	**2,703,100**	**$**	**(265,257)**
Capital Activities Cash Flow:						
Capital Fund Transfer (Out) In	$	(813,301)	$	(1,150,300)	$	336,999
Designated for Future Projects	$	-		-		-
Capital Fund Cash Flow:	**$**	**(273,112)**	**$**	**(398,200)**	**$**	**125,088**
Ending Fund Balances:	**$**	**2,686,382**	**$**	**2,561,300**		
Reserve Target	**$**	**1,844,500**	**$**	**1,844,500**		
Designated for Future Projects	**$**	**(20,000)**				
Over/Under Reserve Target	**$**	**861,882**	**$**	**716,800**	**$**	**145,082**

WA - Combined		FYTD ACTUAL		FYTD BUD/RE-EST		VARIANCE
Revenue:						
Sales of Water	$	1,977,717	$	1,981,800	$	(4,083)
Sales Taxes	$	105,015		110,400		(5,385)
Other	$	147,441		147,100		341
Total O&M Revenue	**$**	**2,230,173**	**$**	**2,239,300**	**$**	**(9,127)**
Expenditures:						
Salaries	$	352,756	$	381,100	$	(28,344)
Benefits	$	141,526		157,300		(15,774)
Materials, Suppl. & Contracts	$	330,752		370,200		(39,448)
Sales Taxes & Use Taxes	$	106,096		112,100		(6,004)
PILOT	$	62,608		62,600		8
Debt Service - Interest Only	$	64,900		64,900		-
Overhead, Admin & EE	$	192,580		178,900		13,680
Depreciation (Est)	$	527,100		527,100		-
Total O&M Expenses	**$**	**1,778,318**	**$**	**1,854,200**	**$**	**(75,882)**
Net Income (Operating & Other)	**$**	**451,855**	**$**	**385,100**	**$**	**66,755**
Capital Activities:						
Major Maintenance via Capital Fund	$	(82,118)	$	(85,000)	$	2,882
Net Income	**$**	**369,737**	**$**	**300,100**	**$**	**69,637**
Cash Flow:						
Net Income + Depreciation	$	896,837	$	827,200	$	69,637
Debt Service Principal	$	(596,108)		(891,400)		295,292
Sale of Land - Payment	$	20,000		20,000		-
Debt Service Reserve Change	$	-		-		-
Capital Projects	$	(328,400)		(412,800)		84,400
Designated for Future Projects	$	-		-		-
Net Cash Flow	**$**	**(7,671)**	**$**	**(457,000)**	**$**	**449,329**

600 - WA O&M Fund		FYTD ACTUAL		FYTD BUD/RE-EST		VARIANCE
Revenue:						
Sales of Water	$	1,977,717	$	1,981,800	$	(4,083)
Sales Taxes	$	105,015		110,400		(5,385)
Other	$	147,441		147,100		341
Fund Revenue	**$**	**2,230,173**	**$**	**2,239,300**	**$**	**(9,127)**
Expenditures:						
Salaries	$	352,756	$	381,100	$	(28,344)
Benefits	$	141,526		157,300		(15,774)
Materials, Suppl. & Contracts	$	330,752		370,200		(39,448)
Sales Taxes & Use Taxes	$	106,096		112,100		(6,004)
PILOT	$	62,608		62,600		8
Debt Service	$	661,008		956,300		(295,292)
Overhead & Admin	$	192,580		178,900		13,680
Fund Expenditures	**$**	**1,847,326**	**$**	**2,218,500**	**$**	**(371,174)**
O&M Activities Cash Flow:	**$**	**382,847**	**$**	**20,800**	**$**	**362,047**
Capital Fund Transfer (Out) In	$	(395,908)	$	(395,900)	$	(8)
Debt Service Reserve Change	$	-		-		-
O&M Fund Cash Flow:	**$**	**(13,062)**	**$**	**(375,100)**	**$**	**362,038**
Ending Fund Balances:	**$**	**408,952**	**$**	**46,900**		
17% Reserve Target	**$**	**332,800**	**$**	**332,800**		
Over/Under Reserve Target	**$**	**76,152**	**$**	**(285,900)**	**$**	**362,052**

700 - WA CAP Fund	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Proceeds from Debt	$ -	$ -	$ -
Other (Sale of Land)	$ 20,000	20,000	-
Fund Revenue	**$ 20,000**	**$ 20,000**	**$ -**
Expenditures:			
Major Maintenance (Est.)	$ 82,118	$ 85,000	$ (2,882)
Vehicles	$ 50,404	36,700	13,704
Water Towers	$ -	-	-
Plant	$ 190,317	256,100	(65,783)
Water Mains	$ 170,405	120,000	50,405
Other	$ (82,725)	-	(82,725)
Fund Expenditures	**$ 410,518**	**$ 497,800**	**$ (87,282)**
Capital Activities Cash Flow:			
Capital Fund Transfer (Out) In	$ 395,908	$ 395,900	$ 8
Designated for Future Projects	$ -	-	-
Capital Fund Cash Flow:	**$ 5,390**	**$ (81,900)**	**$ 87,290**
Ending Fund Balances:	**$ 889,693**	**$ 802,400**	**$ 87,293**
Reserve Target	**$ 470,500**	**$ 470,500**	**$ -**
Designated for Future Projects	**$ 320,000**	**-**	**320,000**
Over/Under Reserve Target	**$ 99,193**	**$ 331,900**	**$ (232,707)**

640 - NS O&M Fund

	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Fiber License Payments	$ 253,213	$ 265,800	$ (12,587)
Other	$ 15,100	4,600	10,500
Fund Revenue	**$ 268,313**	**$ 270,400**	**$ (2,087)**
Expenditures:			
Salaries	$ 10,146	$ 9,800	$ 346
Benefits	$ 1,660	1,800	(140)
Materials, Suppl. & Contracts	$ 175,671	206,700	(31,029)
Overhead, Admin & EE	$ 113,228	114,700	(1,472)
Fund Expenditures	**$ 300,705**	**$ 333,000**	**$ (32,295)**
O&M Activities Cash Flow:	**$ (32,392)**	**$ (62,600)**	**$ 30,208**
Electric CIAC (Out) In	$ -	$ -	$ -
O&M Fund Cash Flow:	**$ (32,392)**	**$ (62,600)**	**$ 30,208**
Ending Fund Balances:	**$ 300,879**	**$ 270,700**	
FY Ending Balance Target	**$ 299,200**	**$ 299,200**	
Designated for Future Projects	**$ -**	**-**	
Over/Under Reserve Target	**$ 1,679**	**$ (28,500)**	**$ 30,179**

620 - ADM O&M Fund		FYTD ACTUAL		FYTD BUD/RE-EST		VARIANCE
Revenue:						
IMU Transfers In	$	994,500	$	996,600	$	(2,100)
City Transfers In	$	16,500		16,500		-
Refund/Reimbursement	$	4,319		3,000		1,319
Fund Revenue	**$**	**1,015,319**	**$**	**1,016,100**	**$**	**(781)**
Expenditures:						
Salaries	$	292,267	$	295,500	$	(3,233)
Benefits	$	130,909		137,600		(6,691)
Materials, Suppl. & Contracts	$	162,227		188,600		(26,373)
Overhead, Admin, Shared Staff	$	333,491		334,000		(509)
Fund Expenditures	**$**	**918,895**	**$**	**955,700**	**$**	**(36,805)**
O&M Fund Cash Flow:	**$**	**96,425**	**$**	**60,400**	**$**	**36,025**

IMU Regular Downstairs **5.**

Meeting Date: 06/22/2015

Information

Subject

Quarterly Write-offs to State Offset Program

Information

Attached is the quarterly amounts to be sent to the state offset program for electric and water bills due as prepared by the Clerk's Office. The state then places accounts on file and collects them from any source due to the account holder, such as a state income tax refund or gambling winnings. The program has proven to be more successful, at a lower cost, than a collections agency.

The amounts of $14,545.47 for the Electric Utility and $3,829.29 for the Water Utility were slightly below-average amounts, for both the quarter and recent past, in terms of as a percentage of billings (see the attached report).

Financial Impact

N/A

Staff Recommendation

Simple motion approving transferring accounts in the presented amounts to the state offset program is in order.

Attachments

Offset report

Historical Write-offs

Mar-15

		Electric	%	Water	%
March	2013	$ 35,766.64	1.40%	$ 5,173.54	1.02%
June	2013	$ 23,778.95	1.02%	$ 5,616.54	1.17%
September	2013	$ 22,223.60	0.68%	$ 4,456.19	0.71%
December	2013	$ 23,783.45	0.78%	$ 2,920.64	0.45%
March	2014	$ 20,913.08	0.77%	$ 5,165.68	1.00%
June	2014	$ 33,050.77	1.39%	$ 7,955.09	1.63%
September	2014	$ 16,911.80	0.51%	$ 3,830.77	0.64%
December	2014	$ 29,854.24	1.06%	$ 4,875.11	0.86%
March	2015	$ 14,545.47	0.55%	$ 3,829.29	0.77%
Average for Qtr			0.91%		0.93%
Average for Report			0.91%		0.92%

Information

Subject

Accept Proposal for Electric Cost of Service Study

Information

The Request for Proposals for the Cost of Service Study was responded to by four entities. General activities within the study includes:

- Data collection
- Calculating revenue requirements for a test year plus projections
- Analyze the cost of service for each rate class based on generally accepted rate-making principles for municipal utilities consistent with those prepared by the American Public Power Association, National Association of Regulatory Utilities Commissioners, and the Federal Energy Regulatory Commission
- Design rates for each rate class
- Review results, prepare reports, and present information to IMU Trustees

NMPP Energy's non-profit retail utility services affiliate provided the lowest-priced core proposal at an estimated $17,300 for one study plus one update in two years with the requested on-site meetings. The update is a non-firm quote however it is estimated at today's cost. NMPP is based in Lincoln, NE. Their fee is half their true cost because NMPP Energy's wholesale energy affiliate and IMU's supplier, the Municipal Energy Agency of Nebraska, provides this incentive for its member utilities in order to promote maintaining financial strength by conducting routine cost of service studies. Further, it is prudent to disclose that IMU's General Manager Todd Kielkopf is the President (non-compensated, however) of the board of directors for the non-profit entity supplying the quoted service. NMPP conducted IMU's 2008 cost of service study. Their additional fees for additional work are billed at $150/hr.

JK Energy Consulting, LLC of Lincoln, NE provided the second-lowest proposal at $20,500 for one study plus one update in two years with the requested on-site meetings. JK Energy provided this service to IMU in 2012. JK Energy notes that they are independent of IMU's wholesale power supplier in their proposal. JK Energy will also provide additional services at a rate of $125/hr. The need for this will be determined after the completion of the cost of service study and only if that study does not adequately meet IMU's needs. JK noted that they are amicable to slightly reducing the fee for actual time worked on the study if it is completed in less time than estimated.

Both of these submissions adequately meet IMU's needs and can be relied upon to deliver the requested information. The IMU General Manager routinely works with both groups, although not in several years with the NMPP staff conducting the study. The notable differences are a slight estimated price difference (NMPP) and degree of perceived independence (JK Energy).

Two other proposals were also received. The Prime Group from Crestwood, KY submitted a quote of a base of $15,000, hourly work estimated between $4,000 - $8,000 plus $2,000 + travel for each on-site meeting (3 are anticipated). A reasonable estimate of this quotation is $30,000.

Dremstedt, Robers & Associates of Orlando, FL submitted a quote of $51,480.

The first two submissions are significantly lower than the next two primarily due to their familiarity with both IMU's internal cost structure, MEAN's wholesale energy cost structure, and how these factors relate to final rate design.

Financial Impact

N/A

Staff Recommendation

Simple motion engaging either NMPP Energy or JK Energy Consulting for a cost of service & rate design study is in order, based on Trustees' preference.

Information

Subject

Insurance Renewals - Liability, Property, Worker's Compensation, and Machinery & Equipment Replacement

Information

Attached is a memo prepared by RoxAnne Hunerdosse, the Director of HR and Risk Management for the City of Indianola. The City and IMU coordinate purchasing various insurance coverage under joint policies. Staff reviews policy and coverage options and consults with local agent representative Joe Weinman for these policies.

The Iowa Communities Assurance Pool, or ICAP, is a non-profit, member-owned agency, comprised of public entities, that provides general liability, auto, property, and officals' liability insurance. IMU's premium for these policies will increase from $78,504 to $82,015, or 4.4%, primarily due to the timing of a credit voucher/rebate. Recommended coverages are the same as last year, as several changes occurred then following an in-depth review.

The Iowa Municipalities Workers' Compensation Association, or IMWCA, is a similar program in that it is operated for the benefit of its municipal policyholders. The policy is based on a combination of payroll, worker classification, and experience rating (or MOD factor). IMU's share of the premium is $27,727 which is 18% less than last year.

Boiler & Machinery insurance is a commercial policy with Cincinnati Insurance Company in the amount of $46,216 and is the same as the prior year. This policy provides some protection on major equipment such as the turbines in the event of mechanical failure. Actual insured coverage is modest, however, because claims are based on the age of the equipment and IMU has older equipment that is generally well-maintained.

Financial Impact

N/A

Staff Recommendation

Attachments

HR Director Report

TO: Eric Hanson, City Manager
Todd Kielkopf, General Manager
FROM: RoxAnne Hunerdosse, Director of HR and Risk Management
DATE: May 28, 2015

RE: LIABILITY, AUTO, PROPERTY, WORKER'S COMPENSATION, MACHINERY AND EQUIPMENT REPLACEMENT, AND VOLUNTEER FIREFIGHTER AD&D INSURANCE RENEWAL

Renewals are effective July 1, 2015 for worker's compensation, auto, liability, property, life/AD&D insurance, and equipment replacement policies. Attached are detailed spreadsheets representing each department's contribution for the various premiums for our current fiscal year and our renewal rates for 2015-16.

1. **ICAP (Iowa Communities Assurance Pool):** The ICAP policy includes coverage for general liability, auto, officials' liability, law enforcement liability and property insurance.

   The council's portion equals $112,924 ($107,160 in 2014) and trustee's $ 82,015 ($78,504 in 2014) for a grand total of $194,939 (this includes a $18,907 credit) which compares to last year's $185,664.

   The renewal premium increases by $9,275 over last year due to the increased property and vehicle values and a decrease in credit voucher (we paid $62,000 less in premium last year over the prior year thus earned $2,022 less in credit).

   We've been with ICAP since July of 1992, a few years after it was first established through efforts of the Iowa League of Cities. Today the pool has nearly 700 members including cities, counties, fair boards and other governmental entities.

2. **IMWCA (Iowa Municipalities Workers' Compensation Association)**
   The attached summary sheet displays the premiums for worker's compensation at $147,696 (Council $119,969 & Trustees $27,727).

   The premium is based on payroll (estimated to be over $6.3 million for 2015-16), experience mod factor, member discounts and work classification rates. Our estimated premium of $147,969 is a decrease of $16,464 over the current year's $164,433.

   This is a very good renewal for our group with kudos to our Safety Committee, department heads and employees.

   If we did ***not*** receive member discounts of 38% and ***if*** we did not receive 18% savings in our experience mod factor we would be paying a premium of at least $292,086 for our workers' compensation coverage next year. For example, without discounts our Fire Department premium would be $95,654 but due to discounts we will be paying $39,907 in 2015-16.

So far in our current plan year through April, actual claims have been $28,242.

3. **Cincinnati Insurance Company**
   This will be our fifth year with Cincinnati Insurance Company for our Machinery and Equipment Replacement (Boiler & Machinery) coverage. It was moved to Cincinnati five years ago with rate guarantee and a $5,500 savings per year. This is repair and replacement coverage for turbines, boilers, pump stations and substations for a sudden and accidental breakdown that manifests itself by physical damage requiring repair or replacement not including wear and tear.

   Attached are the proposed renewal rates. If you have any questions or need additional information, please let me know.

4. **Volunteer Firefighters AD&D**
   The council has purchased a AD&D policy for our volunteer firefighters to assist members should an accident occur.

Information

Subject

Amend Chapter 7 of the Personnel Management Guide

Information

Background:

Non-union personnel are subject to employment terms and conditions set forth in the Personnel Management Guide. Union personnel have similar terms within their contract. General working conditions that apply to both, and are not subject to collective bargaining under Iowa Code, are provided for in the Employee Handbook.

IMU and the City of Indianola provide health insurance coverage for both non-union and union personnel under a self-insured pool referred to as the Indianola Health Plan. IMU Trustees have historically not adopted the Indianola Health Plan document, as reinsurance and other contracts are directly with the City of Indianola and thus approved by the City Council.

City of Indianola and IMU management worked during the fall of 2014 and spring of 2015 to propose substantial plan design changes to the Indianola Health Plan to be applicable only to non-union personnel. Several objectives were identified, with the primary goal being how to better design the plan so individual employees and their family members have more of an incentive to improve their health and well-being. And to keep the pool's long-term reserves adequate without impacting premiums charged to each department (i.e. Fire, Police, Electric, Water, etc.). Several City Council members and Trustees were involved in sporadic discussions.

Summary of Changes:

The result of this joint planning is a set of plan design changes that combines higher deductibles and co-pays to be paid by employees, wellness program participation to promote proactive cost avoidance, and other features that result in lower annual medical costs paid by the plan. The City and IMU have not historically offered vision and dental insurance, however research indicates a tie between dental health and overall health so proposed changes include both of these features outside the health plan itself.

Employer costs for vision and dental benefits are being offset by increased employee medical and drug plan contributions (see attached slide). Again, the larger goal is to reduce long-term medical costs, which directly benefits each municipal department. Both City and IMU management are confident this can be achieved through more employee engagement about health and wellness.

Employee benefit policies are listed in the Personnel Management Guide, and the attached amendment adds vision and dental coverage to Chapter 7 (see amended policy) for only non-union employees. Union personnel benefits are listed directly in the union contract and are thus unaffected by providing vision and dental coverage in addition to the health plan.

The City of Indianola has already proceeded with making the necessary arrangements for this to be effective July 1, 2015 for non-union personnel under the City Council. This includes employee informational meetings also attended by affected IMU staff. There appears to be broad policymaker and management support for the proposed changes.

Financial Impact

N/A

Staff Recommendation

Simple motion approving the amended Chapter 7 of the IMU Personnel Management Guide, as presented, is in order.

Attachments

Savings Slide

Chapter 7

Projected Savings/(Expense)

- **<u>PROJECTED SAVINGS</u>**
  - Increase in Deductible $14,460
  - Increase in Out-of-Pocket Maximum $15,000
  - Increase in Generic Drug Co-pay $10,849
  - Increase in Brand Name Co-pay $2,545

  Projected Plan Changes: Savings $42,854

- **<u>PROJECTED EXPENSE</u>**
  - Dental plan (Delta Dental) ($38,000)
  - Vision plan ($5,500)
  - Wellness program ($2,955)

  Projected Additional Benefit Expense <u>($46,455)</u>

- **Projected Plan Expense Without Additional Dental & Vision Premium ($3,601)**
- **Additional Employee Premium for Dental & Vision $11,731**
- ***<u>Projected Savings Today with Additional Employee Premium $8,130</u>***

CHAPTER 7
GROUP INSURANCE

7.1 MEDICAL INSURANCE

Insurance coverage is available to full time employees. Regular part-time employees averaging twenty (20) or more hours per week are eligible for employee coverage (single) only after completing one continuous year of service. Coverage includes major medical, prescription drugs, dental, vision and an optional “flex spending” benefit as outlined in the plan booklets.

A. Eligibility for Receiving Benefits

Employees are eligible to receive benefits:

1. On the 1st day of the month following receipt by the insurance company of an application, if the employee enrolled within 30 days of starting date or within 30 days of eligibility if the employee is part-time.
2. If enrolled after the 31st day of start date for full-time and 31st day after eligibility for regular part-time, benefits will begin at option of the carrier.

B. Coverage

Optional dependent coverage is available, if the employee is enrolled.

C. Payment of Premiums

1. Full Time Employees - Effective July 1, 2015, the Utility will pay 95% of the premium for single health/drug insurance coverage and 90% of the difference between the premium for single insurance coverage and the premium for family insurance coverage. For the purposes of this provision, the single premium will be determined to be one-half of the family premium.
2. Full Time Employees – Effective July 1, 2015, employees who elect single dental and vision insurance coverage will pay $7 per month towards the dental premium and $2 per month towards the vision insurance premium. Employees who elect family dental and vision insurance coverage will pay $20 per month towards the dental premium and $5 per month towards the vision insurance premium.
3. Regular Part Time Employees Averaging over 20 Hours/Week – will be allowed to participate in the group plan for single coverage only and will pay their own premiums.
4. Employee Contribution – the employee will continue to pay his/her proportionate share of the premium while receiving employee compensation.

A. Cobra

By law, the Utility must offer continuation of health coverage to full-time employees and dependents under certain termination-of-employment situations. All employees and dependents participating under Cobra will pay 102% of the premium.

B. Retirees

Iowa Code Section 509A.13 provides continuation coverage to employees who retire while employed by the Utility prior to age 65. Coverage is provided to age 65 at the retired employee's expense.

Information

Subject

Pool Reimbursement for Water Consumption

Information

Trustees have recently been granting a fixed, maximum, amount of water to the Memorial Aquatic Center (pool). In 2014, the contribution was the full value of up to 2.3 million gallons at the government services rate of $6.00/1,000 gallons.

A similar request has been made this year. The number of gallons is based on a typical hot summer. Setting a ceiling on the gallons provides an incentive for the pool to fix leaks, which it has successfully done over the past two or more years.

The value of the request is $13,800 in foregone water utility billings. This is the only foregone billings for the water utility and it is a way to help the pool maintain affordable public rates.

A representative from the pool commission plans to attend.

Financial Impact

N/A

Staff Recommendation

Simple motion to contribute the full value of up to 2.3 million gallons at the government services rate of $6.00/1,000 gallons is in order.

Attachments

Request Letter

TO: IMU Board of Trustees, Todd Kielkopf

FROM: Jeff Lucas, Director, Veterans Memorial Aquatic Center

RE: Water Donation

DATE: June, 11, 2015

I am writing on behalf of the Veterans Memorial Building Commission and Aquatic Center staff. Veterans Memorial Aquatic Center (VMAC) is requesting approval from the IMU Board of Trustees for a service/usage threshold for the 2015 season; specifically our usage will not exceed 2.3 million gallons of water usage. If usage exceeds 2.3 million, VMAC would expect to be billed for that usage. In years past, the Aquatic Center has been granted similar waivers.

Much repair work has been done to conserve our water usage and reduce leakage. In 2014, gutter and concrete work was done to stop large leaking. As you may know, a different leak was identified after filling the pool in 2014. Failed caulking in the deep end was the cause and was repaired. In 2014, VMAC used 1.68 million gallons of water. The year prior usage was over 2.5 million. Simply put, the repairs we made worked.

This spring, the entire pool was repainted. This added an additional two layers of epoxy coating. In addition to painting, the entire small pool was re-caulked and approximately 70 feet of caulking was repaired in the large pool. This was all done to limit, if not eliminate, any leaks.

All told, VMAC has invested $70,000 to repair, recoat, and re-caulk just in the past two years. I feel we have made it a priority to conserve and limit our usage. I hope you would consider our facility for the waiver of usage. Thank you for your support.

IMU Regular Downstairs **10. A.**

Meeting Date: 06/22/2015

Information

Subject

Overview of Solicitation for Quotations

Information

This project has an engineer's cost estimate less than the $135,000 threshold required for a formal public bidding process.

At a cost estimate of $125,000, Iowa Code does provide for a public quotation process for these levels of projects.

Attached is the Solicitation for Quotation provided by engineers at Veenstra & Kimm, whom IMU contracted with to design and monitor the project. The project consists of constructing 550 liner feet of 6-inch pvc directional bored water main and associated work on Iowa Avenue in the general vicinity of Hy-Vee, Walgreens, and Hwy 65/69 westward to Howard Street.

This project was prioritized ahead of others in the 5-year plan reviewed by Trustees last December due to persistent main breaks and other water flow issues.

Financial Impact

N/A

Staff Recommendation

Attachments

Solicitation for Quotations

SOLICITATION FOR QUOTATION

SOLICITATION FOR QUOTATION FOR 2015 IOWA AVENUE WATER MAIN IMPROVEMENTS, INDIANOLA MUNICIPAL UTILITIES, INDIANOLA, IOWA

Quotations will be received by the Indianola Municipal Utilities hereinafter referred to as the "Owner" in the Council Chambers of the Indianola Municipal Building, 110 N. 1st Street, Indianola, Iowa until 2:00 P.M. local time on June 17, 2015. It is expected the Board of Trustees of the Indianola Municipal Utilities will accept a quotation or reject all quotations at the public meeting on June 22, 2015 at 5:30 P.M.

The work to be done at the location shown on the plans includes construction of the 2015 Iowa Avenue Water Main Improvements, including all labor, materials and equipment necessary to construct 550 linear feet of 6-inch pvc directional bored water main and miscellaneous associated work, including cleanup.

The person, firm or corporation submitting the successful quotation, hereinafter referred to as the "Contractor", will be notified on or before the 23rd day of June, 2015 that his quotation has been accepted. Work on the project shall commence within ten (10) calendar days after the date set forth in written Notice to Proceed. All work on the water main and services, including finished grading but excluding seeding, shall be completed by November 21, 2015. All work on the project shall be completed by May 31, 2016.

Liquidated damages in the amount of Two Hundred Fifty Dollars ($250.00) per consecutive calendar day will be assessed for each day that the work on the water main and services remains uncompleted after November 21, 2015. Liquidated damages in the amount of Two Hundred Fifty Dollars ($250.00) per calendar day will be assessed for each day the work shall remain uncompleted after the end of the contract period. Separate damage assessments may be made for each of the two completion dates with due allowance for extensions of the contract period due to conditions beyond the control of the Contractor.

In accordance with the requirements of the Iowa Department of Labor all bidders must submit a fully completed Bidder Status Form. The Bidder Status Form must be included with and is considered an essential attachment to the Quotation. Any Quotation that does not include a fully completed Bidder Status Form may result in the Quotation being determined non-responsive.

The Contractor submitting the successful quotation will be required to furnish bond in an amount equal to one hundred percent (100%) of the contract price, said bond to be issued by a responsible surety approved by the Board of Trustees and shall guarantee the faithful performance of the contract and the terms and conditions therein contained and shall guarantee the prompt payment for all materials and labor and protect and save harmless the Owner from claims and damages of any kind caused by the operations of the Contractor, and shall guarantee the work against faulty workmanship and materials for a period of two (2) years after its completion and acceptance by the Board of Trustees.

The Owner will issue a sales tax exemption certificate applicable for all materials purchased for the project.

The Contractor will be paid ninety-five percent (95%) of the Owner's final estimate of the value of acceptable work completed. Final payment will be made not earlier than thirty-one (31) days after completion of the work and acceptance by the Owner.

No such final payment will be due until the Contractor has certified to the Owner that the materials, labor and services involved in the final estimate have been paid for in full.

Bid security or bid bond not required.

ADDENDUM NO. 1
TO
PLANS AND SPECIFICATIONS
FOR
2015 IOWA AVENUE WATER MAIN IMPROVEMENTS
INDIANOLA MUNICIPAL UTILITIES
INDIANOLA, IOWA

SPECIFICATIONS
DETAILED SPECIFICATIONS
PART 4 – WATER MAIN AND APPURTENANCES

Page 4-4, under side heading "<u>4. WATER MAIN INSTALLATION</u>", in subparagraphs 4.1.1 and 4.1.2 delete "C900" and insert "C605".

Page 4-13, under side heading "<u>12. TESTS</u>", in subparagraph 12.3.4, delete "133,200" and insert "148,000".

Page 4-14, under side heading "<u>12. TESTS</u>", in subparagraph 12.3.5, delete table in its entirety and insert the following:

"Water Main Diameter, in.	Allowable Leakage, gal./hour
4	0.33
6	0.50
8	0.66
10	0.83
12	0.99
16	1.32"

ADDENDUM NO. 2
TO
PLANS AND SPECIFICATIONS
FOR
2015 IOWA AVENUE WATER MAIN IMPROVEMENTS
INDIANOLA MUNICIPAL UTILITIES
INDIANOLA, IOWA

PLANS

DRAWING NO. 3, in white detail box, add note "Existing Water Main Size at 6" Tapping Valve and Sleeve is 6".

I hereby certify that this engineering document was prepared by me or under my direct personal supervision and that I am a duly licensed Professional Engineer under the laws of the State of Iowa.

LICENSED PROFESSIONAL ENGINEER
Forrest S. Aldrich
No.
12248
* IOWA *

Signed: Forrest Aldrich

Date: 6/15/2015

Forrest S. Aldrich P.E.
Iowa License No. 12248
My license renewal date is December 31, 2015

Detailed parts covered by this seal:

____

____

VEENSTRA & KIMM, INC.
3000 Westown Parkway • West Des Moines, Iowa 50266-1320
515-225-8000 • 515-225-7848(FAX) • 800-241-8000(WATS)

PLAN HOLDERS FOR:

Last Update: June 11, 2015

Indianola Municipal Utilities
Indianola, Iowa
2015Iowa Avenue Water Main Improvements

Engineers Estimate: $125,000
Bids Received: 2:00 P.M., June 17, 2015
Addendum No. 1 issued June 11, 2015

CONTRACTORS

Halbrook Excavating
Chris Wiemann
4807 SE Rio Court
Ankeny, Iowa 50021
515-289-2506
515-289-4540 (Fax)

Lawson Construction LLC
Louise Lawson
29032 State Highway 11
Kirksville, Missouri 63501
660-665-7014

Neuvirth's Construction, Inc.
Penny Korisko
7386 County Road P35
Blair, NE 68008
402-455-2255
402-455-2266 (Fax)

Bonnie's Barricades, Inc.
Randy Cole
1547 Michigan
Des Moines, IA 50314
515-282-8877
515-282-4620 (Fax)

Morris Enterprises, Inc.
Renee Morris
2967 275th Street
Clutier, IA 52217
319-479-2126
319-479-2127 (Fax)

Vanderpool Construction, Inc..
Justin Peterson
1100 N. 14th Street
Indianola, Iowa 50125
515-961-4682
515-961-8813 (Fax)

Jamie Crubaugh
J & K Contracting LLC
1307 East Lincoln Way
Ames, IA 50010
515-233-5500
515-233-4049 (Fax)

KM King Inc.
Margie
4765 Summer Street
Burlington, Iowa 52601
319-753-0507
319-753-2924 (Fax)

Acme Contracting
Chad Elliot
1006 West Gate Avenue
Kelly, Iowa 50134
515-360-3021
515-769-2404 (Fax)

GM Contracting.
Sue Harazin
19810 515th Avenue
Lake Crystal, MN 56055-0736
507-726-6433
507-726-6399 (Fax)

IMU Regular Downstairs **10. B.**

Meeting Date: 06/22/2015

Information

Subject

Review Quotations Received

Information

Out of the 10 planholders, 2 quotations were received (see attachment memo).

Financial Impact

N/A

Staff Recommendation

Attachments

Summary Memo

2015 Iowa Avenue Water Main Improvements
Indianola Municipal Utilities

Bid Summary

K.M. King Inc. Burlington, Iowa	$134,175.00
ACME Contracting LLC Kelley, Iowa	$127,856.36

IMU Regular Downstairs **10. C.**

Meeting Date: 06/22/2015

Information

Subject

Award of Contract to Lowest Responsible Quoter

Information

See the attached recommendation for the recommendation to award the construction contract to Acme Contracting LLC in the amount of $127,856.36.

Although there were only 2 quotes received, staff's recommendation is to proceed since they were both highly competitive and highly comparable to the engineer's estimate of $125,000.

Financial Impact

N/A

Staff Recommendation

Simple motion awarding the construction contract for the 2015 IA Ave. Water Main Improvements project to Acme Construction LLC in the amount of $127,856.36.

Attachments

Contract Award

VEENSTRA & KIMM, INC.
3000 Westown Parkway • West Des Moines, Iowa 50266-1320
515-225-8000 • 515-225-7848(FAX) • 800-241-8000(WATS)

June 18, 2015

Todd Kielkopf
General Manager
Indianola Municipal Utilities
111 South Buxton
P.O. Box 356
Indianola, IA 50125

INDIANOLA MUNICIPAL UTILITIES
INDIANOLA, IOWA
2015 IOWA AVENUE WATER MAIN IMPROVEMENTS
RECOMMENDATION OF AWARD

The Indianola Municipal Utilities received quotations until 2:00 P.M., June 17, 2015 for the 2015 Iowa Avenue Water Main Improvements project. A total of two quotation were received as follows:

Contractor	Total Quotation
Acme Contracting LLC	$127,856.36
K.M. King, Inc.	$134,175.00

The apparent low quotation was submitted by Acme Contracting LLC from Kelley, Iowa in the amount of $127,856.36. The Engineer's Estimate of cost was $125,000.

We recommend Indianola Municipal Utilities designate Acme Contracting LLC as the apparent low bidder and award the contract to Acme Contracting LLC in the amount of $127,856.36.

Enclosed is a copy of our tabulation of quotation.

If you have any questions or comments concerning the project, please contact us at 225-8000.

VEENSTRA & KIMM, INC.

Original Signed By
Forrest S. Aldrich

Forrest S. Aldrich

FSA:jrh
28592
Enclosure

QUOTATION TABULATION
INDIANOLA MUNICIPAL UTILITIES
INDIANOLA, IOWA
2015 IOWA AVENUE WATER MAIN IMPROVEMENTS

1. Construct 2015 Iowa Avenue Water Main Improvements for the following unit and lump sum prices:				Acme Contracting LLC 1006 Westgate Avenue Kelley, Iowa 50134		K.M. King, Inc. 4765 Summer Street Burlington, Iowa 52601	
ITEM NO.	**DESCRIPTION**	**UNIT**	**ESTIMATED QUANTITY**	**UNIT PRICE**	**EXTENDED PRICE**	**UNIT PRICE**	**EXTENDED PRICE**
1.1	Traffic Control	LS	XXXXX	$ XXXXX	$ 9,085.00	$ XXXXX	$ 7,500.00
1.2	Sod	SQ	20	201.25	4,025.00	250.00	5,000.00
1.3	6" Water Main Directional Bored in Place	LF	550	51.29	28,209.50	60.00	33,000.00
1.4	Connection to Existing System	Ea.	2	3,363.27	6,726.54	5,000.00	10,000.00
1.5	Tapping Valve & Sleeve	Ea.	3	4,079.98	12,239.94	5,000.00	15,000.00
1.6	Water Service Connection	Ea.	15	824.58	12,368.70	800.00	12,000.00
1.7	Curb Stop and Box	Ea.	15	824.10	12,361.50	500.00	7,500.00
1.8	Water Service Pipe in Open Cut	LF	140	19.28	2,699.20	20.00	2,800.00
1.9	Water Service Pipe Directional Bored in Place	LF	570	20.14	11,479.80	25.00	14,250.00
1.10	Hydrant Assembly	Ea.	2	5,588.09	11,176.18	5,000.00	10,000.00
1.11	7" PCC Pavement	SY	130	96.00	12,480.00	100.00	13,000.00
1.12	6" PCC Driveway	SY	10	96.00	960.00	85.00	850.00
1.13	PCC Sidewalk	SF	300	8.00	2,400.00	8.00	2,400.00
1.14	Granular Surfacing	Tons	35	47.00	1,645.00	25.00	875.00
		TOTAL QUOTATION	**(Items 1.1 - 1.14)**		**$127,856.36**		**$134,175.00**

I hereby certify that this is a true tabulation of bids received on June 17, 2015 by the Indianola Municipal Utilities, Indianola, Iowa

LICENSED PROFESSIONAL ENGINEER
Forrest S. Aldrich
No. 12248
* IOWA *

Forrest S. Aldrich, P.E.
Iowa License No. 12248
My license renewal date is December 31, 2015

IMU Regular Downstairs **10. D.**

Meeting Date: 06/22/2015

Information

Subject

Approval of Contract and Bonds

Information

Staff's recommendation is to authorize the General Manager, subject to attorney's review, to sign the construction contract so construction can begin in mid-July.

Financial Impact

N/A

Staff Recommendation

Simple motion approving the construction contract and bonds with Acme Contracting LLC, subject to IMU General Manager and Attorney review, is in order.
