



**IMU Board of Trustees
September 28, 2015
City Hall Council Chambers
5:30 p.m.**

Agenda

1. Roll Call
2. Public Comments
3. Consent Agenda
 - A. Claims for September 21st, 2015
 - B. Minutes for September 14th and 21st, 2015
4. Reports
 - A. Administrative News Items
 - B. Board Preview of the 125th Electric Anniversary Video
 - C. Electric, Mike Metcalf
 - D. Water, Lou Elbert
 - E. Network Services, Mike Metcalf
5. Consider Memo of Understanding with the Iowa Dept. of Administrative Services
6. Cost of Power Adjustment
7. Other Business
8. Adjourn

IMU Regular Downstairs

3. A.

Meeting Date: 09/28/2015

Information

Subject

Claims for September 21st, 2015

Information

Claims for September 21st, 2015, which were distributed via email September 18th, are attached for your approval.

Financial Impact

N/A

Staff Recommendation

Simple motion to approve is in order.

Attachments

APPROVAL OF CLAIMS 09-21-15

Vendor Name	GL Account Number	Description	Invoice Date	Net Invoice Amount
WATER OPERATING FUND				
AUTOMATIC SYSTEMS CO.	600-8120-63410	REPAIRS	08/25/2015	970.00
AUTOMATIC SYSTEMS CO.	600-8120-63410	REPLACED HYDRORANGER 200 CONTROLL	09/02/2015	4,192.50
BONNIE'S BARRICADES	600-8150-63453	JEFFERSON & SALEM	08/28/2015	194.00
CONTRACTOR SOLUTIONS	600-8150-65072	DIAMOND BLADE & STRAINER	09/01/2015	227.98
EMPLOYEE & FAMILY RESOUR	600-8180-61430	ANNUAL CONTRACT	09/02/2015	99.00
HD SUPPLY WATERWORKS	600-8150-65072	MATERIALS	08/21/2015	16.69
HD SUPPLY WATERWORKS	600-8150-65072	8' STEEL PROBE ROD	09/01/2015	64.30
KEYSTONE LABORATORIES IN	600-8110-64990	LEAD & COPPER TESTS	08/28/2015	687.00
LINDE LLC	600-8120-63410	SAFETY INSPECTION	08/20/2015	815.00
MC COY HARDWARE INC	600-8150-65072	BATTERIES	09/04/2015	21.13
MUNICIPAL ENERGY AGENCY	600-8110-63710	PURCHASED POWER - AUGUST (WELL KWH	09/11/2015	962.45
NORWALK READY-MIXED CON	600-8150-63453	WATER LEAK REPAIR - EUCLID	08/19/2015	490.00
NORWALK READY-MIXED CON	600-8150-63453	411 N K ST - WATER LEAK DRIVEWAY REPA	08/20/2015	1,247.00
NORWALK READY-MIXED CON	600-8150-63453	'J' ST & DETROIT	08/24/2015	637.00
STATE HYGENIC LABORATORY	600-8110-64990	BACTEE SAMPLES	08/31/2015	187.50
STERNQUIST CONST. INC.	600-8150-63453	CRUSHED CONCRETE	08/18/2015	419.90
THEISEN'S	600-8150-65072	SUPPLIES	08/31/2015	13.98
THEISEN'S	600-8120-65070	SUPPLIES	09/10/2015	13.98
UNUM LIFE INSURANCE CO OF	600-8180-61550	LIFE, AD&D AND LTD INSURANCE	09/16/2015	148.44
VANDERPOOL PLUMBING	600-8150-63453	SERVICE LINE REPAIRS	09/01/2015	622.11
VERIZON WIRELESS	600-8110-63730	WIRELESS FOR LAPTOP	08/26/2015	40.05
WASTE MANAGEMENT OF IOW	600-8120-64090	TRASH - AUG 2015 - SEPT 2015	09/01/2015	78.66
WESTRUM LEAK DETECTION	600-8150-63453	LEAK DETECTION	08/31/2015	537.50
Total WATER OPERATING FUND:				12,686.17

IMU ADMINISTRATION FUND

AHLERS & COONEY P.C.	620-8090-64110	HANKS - NEGOTIATIONS	08/26/2015	302.50
AHLERS & COONEY P.C.	620-8090-64110	TRANSFER OF WATER SERVICE	08/24/2015	300.00
DESIGN INK	620-8090-64140	INVITATION PRINTING & ENVELOPES - 125T	08/26/2015	108.12
DESTINY SOFTWARE INC	620-8090-67240	ANNUAL SOFTWARE LICENSE - AGENDAQU	08/01/2015	1,750.00
ELLIS LAW OFFICES P.C.	620-8090-64110	FILE# 11066-001 - MARTINEZ	08/31/2015	276.74
EMPLOYEE & FAMILY RESOUR	620-8080-61430	ANNUAL CONTRACT	09/02/2015	66.00
INFOMAX OFFICE SYSTEMS IN	620-8090-64990	LEASE - SEPTEMBER	08/24/2015	214.39
INFOMAX OFFICE SYSTEMS IN	620-8090-64990	SAVIN - IMAGING UNIT CONTRACT	08/21/2015	58.69
INFOMAX OFFICE SYSTEMS IN	620-8090-64990	OVERAGE CHARGES (350)	08/21/2015	24.97
IOWA ASSOC OF MUN UTILITIE	620-8092-64990	SAFETY CONSULTATION - AUGUST	08/31/2015	580.00
IOWA ONE CALL	620-8090-63730	EL-LOCATING NOTIFICATION/264 TICKETS	09/10/2015	237.60
IOWA ONE CALL	620-8090-63730	WA-LOCATING NOTIFICATION/268 TICKETS	09/10/2015	241.20
KLOOTWYK, MICHELLE	620-8090-63730	MOBILE DEVICE ALLOWANCE	09/01/2015	25.00
KLOOTWYK, MICHELLE	620-8080-61440	CHELLE AND JOHN GYM MEMBERSHIP - SE	09/01/2015	25.00
LONGER, CHRIS	620-8090-63730	MOBILE DEVICE ALLOWANCE	09/01/2015	50.00
MAHASKA COMMUNICATION G	620-8090-63730	TELEPHONE	09/01/2015	93.98
MAHASKA COMMUNICATION G	620-8090-63730	INTERNET CHARGES	09/01/2015	7.60
MAHASKA COMMUNICATION G	620-8090-63730	INTERNET	09/01/2015	21.99
MAHASKA COMMUNICATION G	620-8090-63730	TELEPHONE	09/01/2015	216.15
METCALF, MIKE	620-8090-63730	MOBILE DEVICE ALLOWANCE	09/01/2015	75.00
RADIO GARAGE PRODUCTION	620-8090-65077	VOICEOVER FOR 125TH VIDEO	08/29/2015	605.00
RECORD-HERALD & INDIANOL	620-8090-64020	CHAMBER PAGE	08/30/2015	35.00
RECORD-HERALD & INDIANOL	620-8090-64020	BT MIN-07	08/30/2015	80.73
RECORD-HERALD & INDIANOL	620-8090-64020	BT MIN-08	08/30/2015	130.10
TELRITE CORPORATION	620-8090-63730	IMU - ELECTRIC LONG DISTANCE	08/22/2015	24.40
U.S. BANK	620-8090-67240	APPLE STORE - iANNOTATE PDF FOR LONG	09/07/2015	9.99
U.S. BANK	620-8090-67240	APPLE STORE - iANNOTATE PDF FOR ROZG	09/07/2015	9.99
U.S. BANK	620-8090-65070	OFFICE DEPOT - OFFICE SUPPLIES	09/07/2015	51.49
U.S. BANK	620-8090-65070	OFFICE DEPOT - OFFICE SUPPLIES	09/07/2015	16.95
U.S. BANK	620-8090-65070	OFFICE DEPOT - OFFICE SUPPLIES	09/07/2015	67.96

Vendor Name	GL Account Number	Description	Invoice Date	Net Invoice Amount
U.S. BANK	620-8090-65070	OFFICE DEPOT - OFFICE SUPPLIES	09/07/2015	28.28
U.S. BANK	620-8090-62300	EAST BREMER DINER - WAVERLY VISIT (MC	09/07/2015	38.12
UNUM LIFE INSURANCE CO OF	620-8080-61550	LIFE, AD&D AND LTD INSURANCE	09/16/2015	162.96
VERIZON WIRELESS	620-8090-63730	WIRELESS FOR SPARE LAPTOP	08/26/2015	20.00
VERIZON WIRELESS	620-8090-63730	WIRELESS FOR SERVICE CREW LAPTOPS	08/26/2015	240.06
Total IMU ADMINISTRATION FUND:				6,195.96
ELECTRIC OPERATING FUND				
A-CHECK GLOBAL	630-8290-64990	BACKGROUND CHECKS	08/31/2015	34.50
CHAPMAN METERING	630-8250-64200	FIELD TESTING	08/25/2015	153.70
CINTAS FIRST AID & SAFETY	630-8250-65072	1ST AID SUPPLIES	08/28/2015	266.93
CITY OF INDIANOLA - REBATE	630-8290-67306	A/C REBATE	05/20/2015	100.00
CITY OF INDIANOLA - REBATE	630-8290-67306	A/C REBATE	08/17/2015	200.00
CITY OF INDIANOLA - REBATE	630-8290-67306	COMMERCIAL LIGHTING	08/24/2015	84.00
CITY OF INDIANOLA - REBATE	630-8290-67306	A/C REBATE	09/04/2015	200.00
CITY OF INDIANOLA - REBATE	630-8290-67306	COMMERCIAL LIGHTING	08/31/2015	272.00
CITY OF INDIANOLA - UTILITY	630-8210-63710	7/2/2015 - 8/2/2015 (17-17102-01)	08/31/2015	2,275.15
CR SERVICES	630-8250-65072	PAVEMENT STRIPING & MARKING STICKS	09/01/2015	90.66
CRAIG'S AUTOMOTIVE	630-8260-63320	SERVICE AND AIR FILTER UNIT #11	08/28/2015	60.50
DOWNING CONST. INC.	630-8290-67306	A/C REBATE	06/02/2015	400.00
DUST PROS JANITORIAL	630-8220-64090	AIR FRESHNER DISPENSER - ELECTRIC	09/01/2015	159.00
EMPLOYEE & FAMILY RESOUR	630-8280-61430	ANNUAL CONTRACT	09/02/2015	231.00
GREGG'S AUTOMOTIVE	630-8260-63320	NEW STARTER UNIT #3	09/04/2015	292.81
MC COY HARDWARE INC	630-8250-65072	RECIP BLADE KIT	08/25/2015	30.52
MC COY HARDWARE INC	630-8250-65072	GLASS SCRAPER FOR UNIT 29	09/02/2015	2.18
MC MASTER-CARR SUPPLY CO	630-8220-65072	MISC PLANT SUPPLIES	08/25/2015	29.75
MC MASTER-CARR SUPPLY CO	630-8220-65072	REPAIR KIT FOR PUMP	08/25/2015	151.48
MC MASTER-CARR SUPPLY CO	630-8220-65072	HOSE FITTING	08/27/2015	20.72
MC MASTER-CARR SUPPLY CO	630-8220-65072	REPAIR KIT FOR PUMP	08/27/2015	151.48
METHODIST OCCUPATIONAL H	630-8280-64121	SUBSTANCE TESTING - ELECTRIC DEPT	08/31/2015	86.00
MUNICIPAL ENERGY AGENCY	630-8230-63991	PURCHASED POWER - AUGUST (NET ELEC	09/11/2015	811,628.17
MUNICIPAL ENERGY AGENCY	630-8230-63992	TRANSMISSION/ADJUSTMENT - AUGUST	09/11/2015	103,538.09
MUNICIPAL ENERGY AGENCY	630-8230-63990	LANDFILL GAS ATRIBUTES - AUGUST	09/11/2015	13,260.00
MUNICIPAL ENERGY AGENCY	630-8200-45629	20% 69KV 30.9 CREDIT/ADMIN FEE - AUGUS	09/11/2015	7,741.73-
MUNICIPAL ENERGY AGENCY	630-8230-63991	IND TRANS SYSTEM OPERATOR CHARGE	09/11/2015	5,141.54
NAPA AUTO PARTS	630-8260-65072	HOSE FITTING FOR VAC TRAILER	09/04/2015	9.21
OVERHEAD DOOR COMPANY	630-8220-63100	DOOR SERVICE AND E. IA WAREHOUSE	08/27/2015	358.00
OVERHEAD DOOR COMPANY	630-8220-63100	NEW PHOTO EYES E. IA WAREHOUSE	09/09/2015	495.50
PAT MCCONNELL ENTERPRISE	630-8220-63100	GROUND MAINTENANCE - POP BUILDING	08/28/2015	201.40
S.D. MYERS INC	630-8220-64200	SUBSTATION TRANSFORMER TESTING	08/25/2015	3,397.07
SAFT AMERICA INC.	630-8225-63410	TURBINE #7 BATTERIES, HARDWARE AND	08/31/2015	8,240.89
SAFT AMERICA INC.	630-8225-63410	TURBINE #7 BATTERIES AND RACK	09/01/2015	1,202.49
SKARSHAUG TESTING LABORA	630-8250-64200	JULY TESTING ON PRIMARY MITTS	08/18/2015	240.80
SKARSHAUG TESTING LABORA	630-8250-64200	YEARLY TESTING ON LINE TOOLS FROM TR	08/21/2015	2,014.78
THEISEN'S	630-8220-65072	BAKING SODA AND FILTER CARTRIDGE	08/26/2015	12.64
THEISEN'S	630-8250-65072	SCREWDRIVER TOOLS FOR UNIT 29	08/27/2015	3.17
THEISEN'S	630-8220-65072	MISC. MATERIALS FOR PLANT	08/31/2015	14.18
UNUM LIFE INSURANCE CO OF	630-8280-61550	LIFE, AD&D AND LTD INSURANCE	09/16/2015	408.40
VERMEER SALES & SERVICE	630-8260-65072	PARTS FOR VAC	08/21/2015	141.00
WARREN COUNTY TREASURE	630-8255-65990	PROPERTY TAXES IMU	08/31/2015	431.00
WARREN COUNTY TREASURE	630-8240-65990	PROPERTY TAXES - 205 E BOSTON	08/31/2015	534.00
WASTE MANAGEMENT OF IOW	630-8220-64090	3 YD FEL RCY	09/01/2015	45.00
WESCO	630-8250-65072	NUT DRIVER	07/24/2015	48.21
WESCO	630-8250-65072	LETTERS AND NUMBERS FOR TRANSFORM	08/24/2015	42.93
WESCO	630-8250-65072	REPAIR PHASE STICKS UNIT 28	08/28/2015	172.04
WESCO	630-8250-65072	NUT DRIVER	09/01/2015	48.21-
WIEGERT DISPOSAL CO.	630-8220-64090	WASTE PICKUP - AUG 2015	09/01/2015	79.50

Vendor Name	GL Account Number	Description	Invoice Date	Net Invoice Amount
Total ELECTRIC OPERATING FUND:				949,162.45
FIBER/COMMUNICATIONS FUND				
CITY OF INDIANOLA - UTILITY	640-8550-63464	7/2/15 - 8/14/15 (96-00001-01)	08/31/2015	810.74
IOWA ONE CALL	640-8550-64990	FIBER - LOCATING NOTIFICATION/190 TICK	09/10/2015	171.00
Total FIBER/COMMUNICATIONS FUND:				981.74
WATER CAPITAL PROJECTS FUND				
HD SUPPLY WATERWORKS	700-8100-67405	MATERIALS	08/25/2015	666.76
HD SUPPLY WATERWORKS	700-8100-67405	MATERIALS	09/01/2015	2,121.34
METERING & TECHNOLOGY SO	700-8100-67905	METERS	09/02/2015	2,610.77
METERING & TECHNOLOGY SO	700-8100-67905	METERS	09/08/2015	649.87
NORWALK READY-MIXED CON	700-8100-67405	SALEM & JEFFERSON	08/27/2015	720.00
RECORD-HERALD & INDIANOL	700-8100-67402	PH VEHICLE STORAGE BLDG	08/30/2015	148.14
Total WATER CAPITAL PROJECTS FUND:				6,916.88
ELECTRIC CAPITAL PROJECTS FUND				
CALIX NETWORKS INC	730-8200-67906	ADVANTAGE SUBSCRIPTION 9/6/15 TO 9/5/1	09/06/2015	3,500.00
CALIX NETWORKS INC	730-8200-67906	SFP'S & POWER PACKS	08/20/2015	7,103.63
CR SERVICES	730-8200-67906	MARKING PAINT	09/01/2015	128.99
CR SERVICES	730-8200-67906	MARKING FLAGS	09/10/2015	420.05
DIG AMERICA INC	730-8200-67603	310 N BUXTON - FIBER	08/18/2015	2,610.22
FLETCHER-REINHARDT CO.	730-8200-67906	477-500 COMP STIRRUP INH FILLED	09/04/2015	570.60
MAHASKA COMMUNICATION G	730-8200-67603	FIBER SERVICE DROPS	09/01/2015	3,250.00
MODERN ENTERPRISE SOLUTI	730-8200-67906	762 ONT	08/28/2015	1,013.13
MUNICIPAL ENERGY AGENCY	730-8200-45629	80% 69KV 30.9 CREDIT/ADMIN FEE - AUGUS	09/11/2015	30,966.92-
POWER & TEL	730-8200-67906	40" AND 65" FIBER JUMPER	08/27/2015	924.04
POWER & TEL	730-8200-67906	FIBER VAULT LIDS	09/08/2015	1,135.30
RESCO	730-8200-67906	METER SOCKET ADAPTER	08/31/2015	302.06
RESCO	730-8200-67906	BRACKET FOR CUTOFF/ARREST	09/08/2015	193.98
SPECTRUM ADVANTAGE LLC	730-8200-67601	NEW FIBER - CUSTOMER PAID HOUSE OF	09/07/2015	1,708.00
WATTS ELECTRIC CO	730-8200-67903	2013 HWY 92 DISTRIBUTION RELOCATION P	09/03/2015	123,209.81
WESCO	730-8200-67906	NUT SQUARE 3/4 LOT	08/19/2015	143.10
WESCO	730-8200-67906	RED LOCATE PAINT	08/21/2015	106.85
WESCO	730-8200-67906	H-TAPS	08/28/2015	329.52
WESCO	730-8200-67906	SPLICES	08/28/2015	88.51
WESCO	730-8200-67906	BRACKETS	08/28/2015	105.05
WESCO	730-8200-67906	SWITCH GEAR FUSE	08/24/2015	992.16
WESCO	730-8200-67906	LOCATE PAINT	09/08/2015	98.71
WESCO	730-8200-67906	LOCATE PAINT	09/08/2015	213.70
Total ELECTRIC CAPITAL PROJECTS FUND:				117,180.49
Grand Totals:				1,093,123.69

Vendor Name	GL Account Number	Description	Invoice Date	Net Invoice Amount
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Board of Trustees: _____

IMU Regular Downstairs
Meeting Date: 09/28/2015

3. B.

Information

Subject

Minutes for September 14th and 21st, 2015

Information

Minutes for the September 14th and 21st, 2015 Trustee meeting are attached for your approval.

Financial Impact

N/A

Staff Recommendation

Simple motion to approve is in order.

Attachments

09-14-15 BOT Minutes

09-21-15 BOT Minutes

BOARD OF TRUSTEE MINUTES
REGULAR SESSION – SEPTEMBER 14, 2015

The Board of Trustees met in joint session with the City Council at 5:00 p.m. on September 14, 2015 in the City Hall Council Chambers. Co-Chairperson Deb White called the meeting to order and on roll call the following members were present: Jim McClymond, Mike Rozga, Adam Voigts and Deb White. Absent: Heather Hulen. Also present were: Mayor Kelly Shaw, Council members Greg Marchant, Eric Mathieu, John Parker and Greta Southall. Absent: Brad Ross.

Council member Ross arrived at the meeting.

The Board of Trustees met in joint session with the Mayor/City Council and discussed Economic Development and Home Based Iowa.

A motion was made by Voigts and seconded by Rozga to adjourn the joint meeting.

The Board of Trustee then reconvene in regular session at 6:00 p.m. in the City Hall Council Chambers. Those present were: Co-Chairperson Deb White, Heather Hulen, Jim McClymond, Mike Rozga and Adam Voigts.

The consent agenda consisting of the following was approved on a motion by Voigts and seconded by McClymond. Question was called for and on voice vote the Co-Chairperson White declared the motion carried unanimously.

September 8, 2015 claims

August 24, 31 and September 3, 2015 minutes

Continuation of Temporary Reassignment of Duties for Jason Henle, Temporary Crew Chief at \$64,767/year plus longevity until the Highway 92 project is completed

It was moved by Rozga and seconded by Hulen to enter into an exempt session under Iowa Code Chapter 20.17(3) to discuss union negotiations. Question was called for and on voice vote Co-Chair White declared the motion carried unanimously.

A motion was made by Voigts and seconded by McClymond to return to regular session. Question was called for and on voice vote Co-Chair White declared the motion carried unanimously.

Steve Burnett, MCG Sales and Marketing Manager and Frank Hansen, MCG General Manager discussed past marketing efforts and planned marketing efforts for the remainder of 2015. It was the consensus of the Board to authorize staff to look at the budget and bring back options on how to replace the F-5 Passive Optical Network System.

The August 2015 Treasurer's report was received.

Financial Director Chris Des Planques presented the August 2015 financial report.

It was moved by McClymond and seconded by Voigts to approve to forward the following amounts to the State Offset Program \$20,233.15 (electric) and \$4,715.02 (water). Question was called for and on voice vote Co-Chair White declared the motion carried unanimously.

Board member Hulen moved and Voigts seconded to approve the Red Rock Community Action Program LIHEAP Vendor Agreement. Question was called for and on voice vote Co-Chair White declared the motion carried unanimously.

A motion was made by Voigts and seconded by Hulen to hire Troy DeJoode, Executive Director for the Iowa Association of Municipal Utilities (IAMU), as the executive search firm for the General Manager Hiring Process. Question was called for and on voice vote Co-Chair White declared the motion carried unanimously.

It was the consensus of the Board of hold a special session on September 21, 2015 at 5:30 p.m. in the Conference Room of City Hall to discuss the General Manager Hiring Process with Troy DeJoode, Executive Director for the Iowa Association of Municipal Utilities (IAMU).

Meeting adjourned on a motion by Rozga and seconded by Voigts.

Deb White, Co-Chair

Diana Bowlin, City Clerk

BOARD OF TRUSTEE MINUTES
SPECIAL SESSION – SEPTEMBER 21, 2015

The Board of Trustees met in special session at 5:30 p.m. on September 21, 2015 in the City Hall Conference Room. Co-Chairperson Deb White called the meeting to order and on roll call the following members were present: Jim McClymond, Mike Rozga, Adam Voigts and Deb White. Absent: Heather Hulen. Also present were: Troy DeJoode, IAMU, and RoxAnne Hunerdosse.

Troy DeJoode led the Board through discussion regarding the recruitment process and competencies for the General Manager search.

Board members are to return their list of crucial, preferred and least important competencies to Mr. DeJoode by Friday, September 25, 2015.

The target is to be interviewing General Manager candidates the last week of October.

In other business, Co-Chair White announced the retirement of Crew Chief Rod Goodrich. The Board wished Rod the best of luck in retirement and thanked him for his 27 years of service.

Meeting adjourned on a motion by Rozga and seconded by Voigts.

Deb White, Co-Chair

Diana Bowlin, City Clerk

IMU Regular Downstairs

4. A.

Meeting Date: 09/28/2015

Information

Subject

Administrative News Items

Information

An update of weekly events and the 125th Electric Utility Anniversary public meet and greet invitation are attached.

Financial Impact

N/A

Staff Recommendation

Attachments

News Items

125th Meet & Greet Invitation

NEWS ITEMS

TO: IMU Trustees
FROM: IMU Administrative Staff
DATE: September 25, 2015

1. **125th Electric Anniversary Celebration:** A reminder that the 125th Anniversary of providing public power is quickly approaching. A public reception will be held on October 6th from 5:30-6:30 p.m. at the Kent Center on the Simpson Campus. A public invitation is attached so please feel free to spread the word to neighbors, co-workers, etc. to join us in recognizing this impressive milestone.
2. **Crew Chief Vacancy:** A letter of resignation/retirement was received by Rod Goodrich this week that leaves a crew chief vacancy. Mike Metcalf, Chris Longer, RoxAnne Hunerdosse, Mike Rozga and Adam Voigts met Wednesday morning to begin the replacement process. It was also discussed that Chris Longer and RoxAnne Hunerdosse will begin working on a formal succession plan for the utility as a whole.
3. **Network Services Equipment:** Mike Metcalf is moving ahead with getting more definitive price quotes on replacing the F-5 Passive Optical Network equipment. A formal recommendation will most likely be presented in October.
4. **MCG Meeting:** Fran Hansen, MCG General Manager has been working on a business model for expanding the telecom system throughout Indianola. Mike Metcalf, Jim McClymond and Chris Longer traveled to Oskaloosa Thursday to discuss the data and are meeting with an investment services advisor next week to discuss further, along with Chris DesPlanques.



You're invited!

MEET & GREET

Celebrating 125 years of providing public power service to Indianola.

TUESDAY, OCTOBER 6TH, 2015 • 5:30-6:30 P.M.

Simpson College at the Kent Center, Hubbell Hall Room North

open to the public • refreshments & cake • history highlights

Meeting Date: 09/28/2015

Information

Subject

Consider Memo of Understanding with the Iowa Dept. of Administrative Services

Information

The Offset Program, administered by the Iowa Department of Administrative Services (DAS), is requiring a new Memo of Understanding be signed and returned by all program participants as a result of changes in the Iowa Administrative Rules governing the program that were updated in February 2015.

Basically the changes center upon the appeals process that each participant must have in place for customers who have had unpaid balances turned over to the DAS for collection. IMU participates in this program as it has the highest success rate in recovering unpaid customer water and electric bills. The Clerk's office does provide a fifteen-day appeal process for customers who are due a refund through the state but also owe outstanding amounts to IMU. Signing the MOU signifies that the our public agency responsibilities are being fulfilled in accordance with the Iowa Code section that addresses this process.

Financial Impact

N/A

Staff Recommendation

Simple motion to approve is in order.

Attachments

Dept. of Administrative Services MOU

MEMORANDUM OF UNDERSTANDING
between
The Iowa Department of Administrative Services
State Accounting Enterprise
and

for
Participation in the INCOME OFFSET PROGRAM

SECTION 1. Identity of the Parties. The parties to this Memorandum of Understanding (MOU) are the Iowa Department of Administrative Services, State Accounting Enterprise (DAS/SAE), and _____ (Public Agency).

SECTION 2. Purpose. The purpose of this MOU is to set forth the terms and conditions between DAS/SAE and Public Agency for reimbursement of offsetting liabilities owed to Public Agency as authorized in **Iowa Code section 8A.504** and **11 Iowa Administrative Code (IAC) 40, et seq.**

SECTION 3. Eligibility. To be eligible for offset, both the debt ("debt" means the liability owed to the Public Agency by a member of the public), and the claim ("claim" means the liability owed by the Public Agency to a member of the public), shall be in the form of a liquidated sum due, owing and payable. All applicable remedies with regard to such a debt and claim must be exhausted or the time frame for exhaustion must have expired as a condition precedent for eligibility to participate in the offset program, provided in 11 IAC 40.3 (3).

SECTION 4. Compensation.

4.1 Fee. The parties agree that in exchange for participation in the offset program, DAS/SAE shall charge a fee of seven dollars (\$7.00) (the "fee") to the Public Agency to which the debt is owed for each individual debt that is placed in the offset program. The fee is to recover costs incurred by DAS/SAE in administering the offset program.

4.2 Deduction when Debt is Offset. If a debt is offset by DAS/SAE under this program, the fee will be deducted from the gross proceeds collected through offset. The fee will be charged for each individual offset event related to an individual debt.

4.3 Billing upon Termination. Following written notice of termination of this MOU, as provided in Section 7 below, DAS/SAE shall be entitled to compensation. DAS/SAE shall submit an invoice and proof of claim to the Public Agency within sixty (60) days of the receipt of the written notice of termination as required under Section 7 below.

4.4 Fee Review. DAS/SAE shall periodically review the costs of administering the offset program. Per Section 9.2 of this MOU, proposed adjustments to the specified fee shall require an amendment.

SECTION 5. DAS/SAE's Responsibilities.

5.1 Offset of Debt. DAS/SAE shall offset liabilities owed to Public Agency by implementing an offset program for Public Agency, developed and managed by DAS/SAE in accordance with **Iowa Code chapter 8A and 11 Iowa Administrative Rules 40.**

5.2 Compliance with AGA. DAS/SAE will comply with the Accountable Government Act, Iowa Code chapter 8E, in the performance of this MOU.

5.3 Refund of Balance after Offset. Before issuing an authorized payment to a debtor, DAS/SAE shall request verification of the claim pursuant to subrule 40.5. If notification is not made to DAS/SAE by the Public Agency within forty-five (45) days, the amount of the payment shall be released to the debtor or entity. DAS/SAE will apply the offset to the debt only after the Public Agency has notified the debtor as prescribed in subrule 40.4(4). DAS/SAE shall then refund any balance amount due from the Public Agency to the debtor or entity.

SECTION 6. Public Agency's Responsibilities.

6.1 Offset Eligibility Program. The Public Agency shall be responsible for developing and maintaining a system for reporting debts eligible for offset and any subsequent claims associated with those debts as required under Iowa Code section 8A.504 and 11 IAC chapter 40 to DAS/SAE at Public Agency's expense.

6.1.1 Minimum Debt Amount. Before a debt may be placed into the offset program, the amount of a debtor's original liability must be at least \$50, except when the source of the claim is a tax refund or tax rebate, in which case the debt may be as low as \$25.

6.1.2 Debtor's opportunity to challenge placement of debt in offset program. Before a debt may be placed into the offset program, the Public Agency must have:

- a.* Made a good faith effort to collect the debt through other means;
- b.* Provided the debtor advance notice that the debt will be placed in the offset program if not paid when due; and
- c.* Provided a formal or informal opportunity for the debtor to challenge placement of the debt into the offset program, as described in 11 IAC 40.3(4).

6.2 Formatting Requirements of Debtor Lists. The Public Agency shall provide the list of debtors it wishes to place into the offset program in a format and type prescribed by DAS/SAE.

6.3 Proof of Liability. Public agencies may only place debts into the offset program if the debts are legally enforceable. To establish enforceability the debt shall have been confirmed by mutual agreement of the parties or have been reduced to a final judgment or final agency determination that is no longer subject to appeal, certiorari, or judicial review, or has been affirmed through appeal, certiorari, or judicial review.

6.4 Notification of Changes. The Public Agency shall notify DAS/SAE within thirty (30) calendar days of any changes in the status of a debt to the state.

6.5 Semi-Annual Certification. The Public Agency shall provide on at least a semi-annual basis, certification of the liability file as prescribed by DAS/SAE.

6.6 Debtor Notification. The Public Agency shall comply with 11 IAC 40.4 when sending notifications to the debtor under this MOU which shall occur within ten (10) calendar days from the date Public Agency was notified by the DAS/SAE of a potential offset.

6.7 Payment of Residual Funds to Debtor. It is the responsibility of the Public Agency to reimburse the debtor for the difference between the amount of liability payable and the amount of the claim payable to the debtor.

6.8 Appeal Process. The Public Agency must provide an appeal process for debtors to challenge each offset after debtors are notified of a potential offset event. The appeal process shall include notice to the debtor and an opportunity for the debtor to contest the amount of the debt through a contested case procedure under Iowa Code chapter 17A or a substantially equivalent process, in accordance with Iowa Code section 8A.504(2)(f) and 11 IAC 40.4(6).

SECTION 7. Termination. This MOU shall remain in full force and effect until terminated or cancelled for convenience by written notice of the party wishing to cancel the MOU. Each party agrees to provide the other party with a sixty (60) day written notice of any intent to terminate this MOU. Either party may terminate without advance notice to the other at any time upon a material breach of the Agreement, or violation of Iowa Code section 8A.504 or 11 IAC chapter 40.

SECTION 8. Confidentiality of Information. Information shared between DAS/SAE and the Public Agency shall be deemed confidential pursuant to Iowa Code section 8A.504(2)(b) and shall be disclosed only to the extent necessary to sufficiently identify the debtor(s) liable to the public agency. Identifying information is to be used only for the purpose of participation in the offset program.

SECTION 9. MOU Administration.

9.1 Compliance with the Law. The parties, their employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations and orders when performing services under this MOU, including without limitation, all laws applicable for the prevention of discrimination in employment and the use of targeted small businesses as subcontractors or suppliers. The parties, their employees, agents and subcontractors shall also comply with all federal, state and local laws regarding business permits and licenses that may be required to carry out the activities performed under this MOU.

9.2 Amendments. This MOU may only be amended in writing by mutual consent of the parties. All amendments to this MOU must be in writing and fully executed by the parties.

9.3 Third Party Beneficiaries. There are no third party beneficiaries to this MOU. However, this MOU is intended to benefit the citizens and governments in the State of Iowa as well as DAS/SAE and Public Agency.

9.4 Assignment and Delegation. This MOU may not be assigned, transferred or conveyed in whole or in part without the prior written consent of the other party. For the purpose of construing this clause, a transfer of a controlling interest in Public Agency shall be considered an assignment.

9.5 Integration. This MOU represents the entire MOU between the parties regarding participation in the offset program. The parties shall not rely upon any representation that may have been made which is not included in this MOU.

9.6 Headings or Captions. The paragraph headings or captions used in this MOU are for identification purposes only and do not limit or construe the contents of the paragraphs.

9.7 Supersedes Former Agreements. This MOU supersedes all prior Agreements between the parties for services regarding participation in the offset program.

9.8 Notice. Notices, designations, consents, offers, acceptances or any other communication provided for herein shall be given in writing which shall be addressed to each party as set forth as follows:

If to DAS/SAE:

Calvin McKelvogue, Chief Operating Officer
Department of Administrative Services – State Accounting Enterprise
1305 East Walnut Street
Hoover State Office Building, Level 3
Des Moines, IA 50319

If to Public Agency:

Authorized Representative

Mailing Address

City, State, Zip Code

If a party changes its designated person and/or address hereunder, such change shall be in writing as provided herein.

9.9 Severability. If any provision of this MOU is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this MOU.

9.10 Non-Appropriation. In the event a non-appropriation, de-appropriation, or other legislative or gubernatorial action significantly impairs DAS/SAE's budget or ability to perform the terms of this agreement, DAS/SAE may immediately terminate this Agreement.

9.11 Indemnification. The following indemnification provisions shall apply to Public Agencies that are not agencies of the State of Iowa subject to Iowa Code chapter 669 and Iowa Code section 679A.19.

9.11.1 Public Agency agrees to defend, indemnify and hold DAS/SAE and the State of Iowa, its officers, employees and agents, harmless from any and all liabilities, damages, losses, demands, causes of action, claims, settlements, judgments, costs, expenses, and attorney fees, including a reasonable cost attributed to the services of the Attorney General, related to or arising from any violation of this Agreement, any negligent or intentional act or omission of Public Agency, its officers, employees, or agents, and any failure of Public Agency, its officers, employees, or agents to comply with all applicable local, state, and federal laws, rules, and regulations.

9.11.2 Consistent with Article VII, Section I of the Iowa Constitution, Iowa Code chapter 669, and other applicable law, DAS/SAE agrees to defend and indemnify Public Agency and hold Public Agency harmless against all losses, costs, damages, expenses, attorney fees, claims, demands, causes of action, judgments, and settlements arising out of the negligence or wrongful acts or omissions of DAS/SAE or its officers, employees or agents in the performance of this Agreement. DAS/SAE shall not defend, indemnify or hold harmless Public Agency or its officers, employees, or agents for any acts or omissions of any type attributable to Public Agency or its officers, employees, or agents.

Section 10. Execution

This MOU is fully executed by the following signatures:

IOWA DEPARTMENT OF ADMINISTRATIVE SERVICES:

Janet E. Phipps Burkhead, Director
Iowa Department of Administrative Services

Date

PUBLIC AGENCY:

Authorized Representative

Date

Public Agency

Printed Name of Authorized Representative

Title

Meeting Date: 09/28/2015

Information

Subject

Cost of Power Adjustment

Information

To recap, Trustees voted on April 27th, 2015 to amend the cost of energy policy (attached) authorizing the maximum increase in the quarterly cost of power adjustment (COPA) change from \$.0015/kWh to \$.0030/kWh. This ultimately resulted in a COPA of \$.0054/kWh for electric bills dated July 1, 2015 - September 1, 2015.

On June 22, 2015 a public hearing was held on the COPA policy that affects the October 1, 2015 - December 1, 2015 electric bills at a rate of \$.0084/kWh. Five citizens spoke against the increase and one spoke in favor of. Following the public hearing, no further action was taken by the board. Given that policy parameters state that the adjustment is to change on a quarterly basis, unless overridden by the Board, action by Trustees is prudent.

Financial Impact

N/A

Staff Recommendation

Staff is recommending that the COPA adjustment not increase, but remain at the \$.0054/kWh, for the October 1, 2015 - December 1, 2015 billings during which time the cost of service study will be considered and a recommendation will be made. Simple motion to maintain the current COPA at \$.0054/kWh is in order.

Attachments

Cost of Energy Adjustment Policy

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 (hereafter 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): \$.082 / kWh
 - b. Winter Season (October through May MEAN billing months): \$.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