



**IMU Board of Trustees
January 27, 2014
City Hall Council Chambers
5:30 p.m.**

Agenda

1. Roll Call
2. Consent
 - A. Claims
 - B. Minutes
 - C. Salaries
 - D. Purchase of Pickup Truck
 - E. 2012 Fiber Installation Project - Service Drop Installation Certificate of Substantial Completion
3. Reports
 - A. General Manager
 - B. Chairperson
 - C. Quarterly Safety Report
 - D. Financials
4. Revised IAMU Line Maintainer Registered Apprenticeship Program
5. 2014 Hwy 92 & I-35 Transmission Relocation Project
 - A. Resolution Approving Construction Contract & Bonds
 - B. Any other items thereto.
6. FY 2015 Budget
 - A. Presentation & Discussion of the Proposed Budget
 - B. Set February 24, 2014 as the date of a public hearing

7. Other Business

8. Adjourn

Information

Subject

Claims

Information

The 01/20/14 Claims List was distributed via e-mail last Friday.

Financial Impact

N/A

Staff Recommendation

IMU Regular Downstairs
Meeting Date: 01/27/2014

2. B.

Information

Subject

Minutes

Information

Financial Impact

N/A

Staff Recommendation

Attachments

Minutes

BOARD OF TRUSTEE MINUTES
REGULAR SESSION – JANUARY 13, 2014

The Board of Trustees met in regular session at 5:30 p.m. on January 13, 2014 in the City Hall Conference Room. Chairperson Eric Vander Linden called the meeting to order and on roll call the following members were present: Heather Hulen Grant Johnson, Bob Lester (via phone), Pat Reding and Eric Vander Linden.

City Clerk Diana Bowlin administered the oath of office to Heather Hulen.

It was moved by Johnson and seconded by Reding to enter into closed session under Iowa Code Chapter 20.17(3) to discuss union negotiations. On roll call the vote was, AYES: Reding, Hulen, Vander Linden, Lester and Johnson. NAYS: None. Whereupon the Chairperson declared the motion carried unanimously.

Reding moved and Johnson seconded to return to open session. On roll call the vote was, AYES: Hulen, Vander Linden, Lester, Johnson and Reding. Whereupon the Chairperson declared the motion carried unanimously.

The consent agenda consisting of the following was approved on a motion by Johnson and seconded by Lester. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

January 6, 2014 claims

December 9, 2013 minutes

Salaries:

Ben Hildreth, from Lead Generation Operator to Line Apprentice, effective January 19, 2014 – his hourly wage will be frozen within Range 26 until he is eligible to earn the appropriate wage rate based on his progression with the apprenticeship program and subject to union acceptance of US Dept. of Labor Standards of Apprenticeship currently in effect

Stephen Clingman, from Inventory Specialist/Storekeeper to Line Apprentice at Range 26-2 \$46,252/year effective January 19, 2014 – he will remain on this step until he is eligible for a step increase based on his progression within the apprenticeship program and subject to union acceptance of US Dept. of Labor Standards of Apprenticeship currently in effect

Change order #2 for the 2013 Hwy 92 Distribution Relocation Project – delays the start date to March 1, 2014

Certificate of Substantial Completion for the 2011 Hwy 65/69 Underground Conversion Project

The IDOT Reimbursement Agreement for the 2014 Hwy 92 & I-35 Transmission Relocation Project was approved on a motion by Johnson and seconded by Hulen. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

This being the time and place fixed for a public hearing on the matter of the adoption of plans, specifications, form of contract and estimate of cost relative to the 2014 Hwy. 92 Transmission Relocation Project for Indianola Municipal Utilities, Indianola, Iowa, the Chair called for any oral objections to the

adoption of the plans, specifications, form of contract and estimate of cost. No oral objections were offered and the Trustee Clerk reported that no written objections had been filed.

Board Member Reding introduced the following Resolution entitled "RESOLUTION ADOPTING PLANS, SPECIFICATIONS, FORM OF CONTRACT AND ESTIMATE OF COST" for the 2014 Hwy 92 Transmission Relocation Project, and moved that it be adopted. Board Member Lester seconded the motion to adopt. The roll was called and the vote was, AYES: Hulen, Vander Linden, Lester, Johnson and Reding. NAYS: None. Whereupon, the Chair declared the following resolution duly adopted:

RESOLUTION ADOPTING PLANS, SPECIFICATIONS,
FORM OF CONTRACT AND ESTIMATE OF COST
For the 2014 Hwy 92 Transmission Relocation Project

(The complete resolution may be viewed at the City Clerk's Office)

The Chair then announced that the City Clerk and the IMU General Manager had opened and tabulated the bids for the public improvements described in general as the 2014 Hwy. 92 Transmission Relocation Project for Indianola Municipal Utilities, Indianola, Iowa, in accordance with the plans and specifications previously adopted.

The following bids were presented by the City Clerk and the IMU General Manager.

Name & Address	Base Bid	Removal of 69 kV Poles	Removal of 13 kV Poles	Distribution Crossing Span
Hooper Corporation Madison, WI	\$779,628.62	\$526,466.96	\$228,986.56	\$24,175.10
Michels Corp Neenah, WI	\$423,624.16	\$300,822.69	\$110,301.47	\$12,500.00
Mid Plains Power LLC Grand Island, NE	No Bid			
The L.E. Myers Co. Rolling Meadows, IL	\$793,653.36	\$547,778.63	\$59,425.42	\$186,449.31
Par Electric Des Moines, Ia	\$618,495.00	\$351,295.00	\$201,578.00	\$65,622.00

The City Clerk and the IMU General Manager then recommended that the bid of Michels Power in the amount of \$423,624.16 be accepted. Al Power, P&E Engineering, discussed the project with the Board.

Board Member Reding introduced the following resolution entitled "RESOLUTION MAKING AWARD OF CONSTRUCTION CONTRACT" to Michels Corp for the 2014 Transmission Relocation Project, and moved its adoption. Board Member Lester seconded the motion to adopt. The roll was called and the vote was: AYES: Hulen, Vander Linden, Lester, Johnson and Reding. NAYS: None. Whereupon, the Chair declared the following Resolution duly adopted:

RESOLUTION MAKING AWARD OF CONSTRUCTION CONTRACT
For the 2014 Transmission Relocation Project

(The complete resolution may be viewed at the City Clerk's Office)

The Board discussed the November and December financial report.

General Manager Todd Kielkopf, presented the FY 2015 Budget. A more comprehensive document (with both operating strategies and line item detail) will be presented at the January 27, 2014 meeting.

The board discussed the hiring process for both open positions and potential new hires. The General Manager indicated that hiring two additional linemen should be postponed into the next fiscal year, given the reported financial ratio constraints. After discussion about the key roles of the open positions (Lead Operator & Inventory), it was the consensus to proceed with the internal hiring process.

The board next discussed the General Manager's news item pertaining to the location of regularly scheduled meetings. The consensus was to remain with the current meeting format.

Meeting adjourned on a motion by Reding and seconded by Johnson.

Eric Vander Linden, Chairperson

Diana Bowlin, City Clerk

Information

Subject

Salaries

Information

Nate Edwards, new appointment from Lineman (R 26-6 at \$27.028/hr.) to Lead Generation Operator (R 25-5 at \$27.951/hr.) effective January 26, 2014.

Jeremy Cross, new appointment, from Water Operator I to Inventory Specialist/Storekeeper (R 19-3 at \$19.821/hr.) effective January 26, 2014.

The net effect of the recent internal hiring processes is 1 additional lineman. Staff is now recommending delaying hiring a 2nd additional lineman position until 7/1/15 at the earliest, with an offset of the ongoing cost differential being from likely savings from retirements.

Financial Impact

N/A

Staff Recommendation

Information

Subject

Purchase of Pickup Truck

Information

Lou received quotes for the budgeted pickup truck for the Water Utility:

\$26,900 Karl Chevrolet

\$23,928 Noble Ford

\$23,511 Southtown (state contract bid price)

Staff's recommendation is to accept the quote from Southtown for a 2014 Dodge Ram plus applicable tax & license fees.

Financial Impact

N/A

Staff Recommendation

Information

Subject

2012 Fiber Installation Project - Service Drop Installation Certificate of Substantial Completion

Information

Staff and P&E Engineering are recommending that Trustees issue the attached Certificate of Substantial Completion for fiber service drop installation for the 2012 Fiber Installation Project.

From here out, installation of customer drops will be done individually and aside from a formal public improvement project. Pricing per drop will not change.

Financial Impact

N/A

Staff Recommendation

IMU Regular Downstairs
Meeting Date: 01/27/2014

3. A.

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: January 24, 2014

1. **Streetlights:** Electric Supt. Bob Miller and P&E Engineering continue their work on getting quotes for streetlights and fixtures. The goal is to bring a recommendation to the February 27 meeting, as research on the best option continues. There may be a delay into mid-summer before the project is completed due to lead times on materials.
2. **MEAN Meetings:** The higher-than-budget cost of purchased energy continues to be a financial issue deeper into the calendar year than last communicated. Forced outages (units taken offline for repairs) created a need to purchase market-priced energy into November & December. Meeting highlights include:
 - IMU General Manager Todd Kielkopf was again elected the Board's Secretary/Treasurer; bylaws were changed to add that position to the Executive Committee
 - The Cost of Service Study that will lead to a new MEAN rate structure is progressing; the first draft is on schedule to be reviewed by the Finance & Power Supply committees at the May meetings
 - The Southwest Power Pool integrated marketplace (similar to MISO for Iowa customers) goes live in March, with unknown market pricing impacts
 - The Western Area Power Administration, the federal agency that administers hydropower in the western U.S., has strongly signaled their intention for its Upper Great Plains area to join the Southwest Power Pool market at some point in the near future. This will have unknown impacts on the pricing of power in the western MEAN area since there currently is not a market there and energy is sold directly between generation owners and utilities that need it.
3. **Well #9:** The well casing is now scheduled to be scrubbed (last time was 26 years ago). Several (14) motor casing sections are also in need of replacement. The motor and pump will require only minor reconditioning. All in all, a good report for it being 9 years since last inspected. The re-estimated budget was increased to \$80,000 accordingly. This is the final well in the series of inspection/reconditioning after several years of not inspecting on a 5-year rotation.
4. **Bulk Electric System Definition:** The North American Electric Reliability Corp. (NERC), the industry organization that oversees reliability standards, is poised to adopt a new definition of the Bulk Electric System. Utilities that meet certain criteria must register with NERC and are subject to their rules for system maintenance and compliance with industry standards. IMU has always been exempt from NERC registration, however the standards are requiring more and more smaller utilities to register. MEAN staff is monitoring IMU's potential need to register with NERC as final rules are adopted.

5. **Nebraska/EPA suit:** The State of Nebraska, the only state where 100% of electric utilities are owned by the public or co-ops, sued the EPA for its recently-released new source standards for greenhouse gasses. The EPA regs would effectively require all future coal-fired power plants to implement carbon sequestration methods.

The State of Nebraska (and others, who will join the suit) contends that sequestration methods are not yet proven technologies that utilities can confidently and safely implement. A bill in the US House of Representatives was passed out of a subcommittee this week that would require the EPA to show commercial operation at 6 sites for at least one year prior to enforcing greenhouse gas standards.

IMU Regular Downstairs
Meeting Date: 01/27/2014

3. C.

Information

Subject

Safety Officer

Information

Financial Impact

N/A

Staff Recommendation

Attachments

Electric and Water Rpt

Network Services

QUARTERLY SAFETY REPORT

Water and Electric

October 1, 2013 To December 31, 2013

Water Department:

Safety trainings held.	4
Safety training attendance.	100%
Safety committee meetings held.	3
Safety committee attendance.	100%
Unsafe working conditions reported.	0
Tailgate meetings held.	0
Work zones setup.	10
Lockout/Tagouts performed.	0
Confined spaces entered.	1
Excavations entered.	15
Accidents reported.	0
Accidents investigated.	0
Eligible for safety awards.	5
Safety awards given.	5
2013 Incident Rate – 1 in 2013	12.35

Electric Department:

Safety trainings held.	4
Safety training attendance.	96%
Safety committee meetings held.	3
Safety committee attendance.	100%
Unsafe working conditions reported.	0
Tailgate meetings held.	1
Work zones setup.	3
Lockout/Tagouts performed.	7
Confined spaces entered.	0
Excavations entered.	0
High voltage zones entered.	5
Accidents reported.	1
Accidents investigated.	1
Eligible for safety awards.	11
Safety awards given.	10
2013 Incident Rate – 3 in 2013	19.61

Near misses and/or accidents.

None

Supervisor comments

None

Near misses and/or accidents.

Employee injured shoulder due to falling while entering a small excavation.

Supervisor comments

Employees are being verbally recognized for working safely.

Tailgate Meeting Topics

- Better communication between crews on equipment status/readiness

Days Since Last OSHA Recordable
Accident – 223

Days Since Last OSHA Recordable
Accident - 48

QUARTERLY SAFETY REPORT

Network Services

October 1, 2013 To December 31, 2013

Network Services Department:

Safety trainings held.	4
Safety training attendance.	100%
Safety committee meetings held.	3
Safety committee attendance.	100%
Unsafe working conditions reported.	0
Tailgate meetings held.	2
Work zones setup.	0
Lockout/Tagouts performed.	0
Confined spaces entered.	0
Excavations entered.	0
Accidents reported.	1
Accidents investigated.	1
Eligible for safety awards.	3
Safety awards given.	2
2013 Incident Rate	0.00

Near misses and/or accidents.

Employee was involved in a backing accident. No injuries.

Supervisor comments

Employees are being verbally recognized for working safely.

Better job of wearing traffic vests by fiber contractor.

Tailgate Meeting Topics

- Winter Driving
- Parking and Backing Vehicles

Days Since Last OSHA Recordable Accident – 730

IMU Regular Downstairs
Meeting Date: 01/27/2014

3. D.

Information

Subject

Financials

Information

Financial Impact

N/A

Staff Recommendation

Attachments

Nov T-Report

Dec T-Report

FINANCIAL REPORT
MONTH OF NOVEMBER, 2013

Page 1

FUND	Beginning Balance	Monies Received	Monies Disbursed	Transfer In	Transfer Out	Clerk's Balance	% of Total
001 General Government	1,282,664.46	74,097.33	126,404.05	105,849.98	2,352.07	1,333,855.65	
011 Police	421,046.15	139,860.86	171,531.73	40,914.89	15,324.54	414,965.63	
015 Fire	227,755.58	26,209.16	54,770.63	4,149.06	27.81	203,315.36	
016 Ambulance	219,750.01	62,621.53	65,807.22	2,072.60	2,985.02	215,651.90	
041 Library	31,812.96	72,222.50	52,403.75	4,006.52	77.25	55,560.98	
042 Park & Recreation	305,073.43	74,723.68	85,334.37	10,922.82	1,821.17	303,564.39	
045 Memorial Pool	-124,888.47	5,616.06	2,201.84	0.00	833.33	-122,307.58	
071 General Fund Deb Service	50,756.98	8,464.79	0.00	0.00	0.00	59,221.77	
099 Franchise Fees-MEC	95,766.28	0.00	0.00	0.00	0.00	95,766.28	
GENERAL FUND SUB-TOTAL	2,509,737.38	463,815.91	558,453.59	167,915.87	23,421.19	2,559,594.38	
110 Road Use Tax (Streets)	718,616.73	111,774.91	70,973.17	0.00	14,733.14	744,685.33	
112 Trust & Agency	0.00	38,524.22	0.00	0.00	38,524.22	0.00	
125 TIF--Downtown	133,165.85	54,111.27	0.00	0.00	0.00	187,277.12	
126 TIF--East Hwy 92	0.00	0.00	0.00	0.00	0.00	0.00	
127 TIF--Hillcrest/Industrial Park	353,891.87	129,983.54	125,000.00	0.00	66,957.81	291,917.60	
141 Library Special Revenue	32,396.23	51.86	846.38	0.00	0.00	31,601.71	
142 Park & Rec Special Revenue	129,028.80	1,521.44	13,939.70	0.00	0.00	116,610.54	
160 Downtown Revolving Loan	52,290.00	0.00	0.00	0.00	0.00	52,290.00	
161 Downtown Business Inc Program	5,928.33	0.00	3,415.16	0.00	0.00	2,513.17	
177 Police Forfeiture	3,420.31	0.00	0.00	15,000.00	0.00	18,420.31	
190 Vehicle Reserve	105,735.79	0.00	0.00	1,666.67	0.00	107,402.46	
199 Police Retirement	119,045.40	72.88	0.00	0.00	1,041.67	118,076.61	
SPECIAL REVENUES SUB-TOTAL	1,653,519.31	336,040.12	214,174.41	16,666.67	121,256.84	1,670,794.85	
200 DEBT SERVICE (SUB-TOTAL)	2,540,431.88	96,668.71	6,546.25	137,041.13	0.00	2,767,595.47	
301 Capital Projects (General)	497,990.30	0.00	467.39	1,666.67	0.00	499,189.58	
321 Capital Projects (Streets)	1,377,587.15	37.00	43,141.00	0.00	0.00	1,334,483.15	
344 Community Athletic Facility	33.18	1.24	166.40	0.00	0.00	-131.98	
353 Community ReDevelopment (D&D)	135,680.92	82.76	0.00	0.00	0.00	135,763.68	
CAPITAL PROJECTS SUB-TOTAL	2,011,291.55	121.00	43,774.79	1,666.67	0.00	1,969,304.43	
610 Sewer	54,956.32	0.00	121,926.60	139,250.00	33,283.14	38,996.58	
650 Stormwater Utility	194,790.06	16,523.79	0.00	0.00	5,208.33	206,105.52	
670 Recycling	39,191.52	17,176.42	2,418.50	0.00	1,375.00	52,574.44	
710 Sewer Capital Projects	178,968.69	770,722.89	220,589.12	0.00	256,391.66	472,710.80	
771 Sewer Reserve	114,238.70	0.00	0.00	0.00	0.00	114,238.70	
781 Sewer Plant Improvement	300,905.91	0.00	0.00	2,083.33	0.00	302,989.24	
791 Sewer Revenue Bonds	365,502.51	0.00	0.00	67,500.00	0.00	433,002.51	
820 Health Insurance	1,100,460.34	112,103.69	96,844.90	0.00	0.00	1,115,719.13	
830 Health Reimbursement Account	278,054.41	0.00	6,068.93	0.00	0.00	271,985.48	
840 Flex/STD	233,048.95	2,357.12	1,146.79	1,467.84	0.00	235,727.12	
850 Liability Insurance Reserve--City	2,047.19	2.47	0.00	0.00	0.00	2,049.66	
CITY UTILITY & IS SUB-TOTAL	2,862,164.60	918,886.38	448,994.84	210,301.17	296,258.13	3,246,099.18	
TOTAL CITY FUNDS	11,577,144.72	1,815,532.12	1,271,943.88	533,591.51	440,936.16	12,213,388.31	57%
TOTAL IMU FUNDS	9,980,638.10	1,369,193.06	1,857,325.36	276,668.01	369,323.36	9,399,850.45	43%
GRAND TOTAL CITY & IMU	21,557,782.82	3,184,725.18	3,129,269.24	810,259.52	810,259.52	21,613,238.76	
Cross Check Total						21,613,238.76	
Investments							
Bankers Trust	\$ 15,032,768.15	2.46%				Clerk's Balance	21,613,238.76
Bankers Trust - Electric Projects	\$ 386,447.66	2.78%					
Bankers Trust - Wellness Center Project	\$ 80,000.00	3.30%					
Iowa Public Agency Inv. Trust	\$ 111,099.18	0.010%					
Payroll Account, Community State	\$ 0.42	Earnings Credit				Plus Outstanding Checks	288,564.44
Checking Account, Community State	\$ 249,761.24	Earnings Credit				Unreconcilable Item	
Sweep Account, Community State	\$ 6,028,439.11	0.25%				Less Outstanding Deposits	-13,287.44
BANK BALANCE	21,888,515.76						21,888,515.76

600 Water	306,547.45	231,372.52	74,532.55	0.00	114,494.03	348,893.39
620 IMU Administration	17,566.50	14.84	42,016.33	84,458.34	28,611.80	31,411.55
625 Revolving Economic Development	102,268.33	61.76	0.00	0.00	0.00	102,330.09
626 USDA RLF	150,000.00	0.00	0.00	0.00	0.00	150,000.00
630 Electric	2,039,545.24	921,127.57	1,123,156.86	22,568.00	218,725.86	1,641,358.09
640 Fiber/Communications	400,574.93	17,960.40	23,461.88	0.00	7,491.67	387,581.78
700 Water Capital Projects	1,306,622.66	0.00	7,987.50	34,000.00	0.00	1,332,635.16
730 Electric Capital Projects	3,358,123.12	198,642.39	308,265.97	0.00	0.00	3,248,499.54
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	1,084,000.00	0.00	0.00	0.00	0.00	1,084,000.00
780 Water Capital Improvement	75,000.00	0.00	0.00	0.00	0.00	75,000.00
783 Electric Improvement	207,691.35	0.00	0.00	0.00	0.00	207,691.35
790 Water Revenue Bonds	255,122.18	0.00	275,682.50	23,325.00	0.00	2,764.68
793 Electric Revenue Bonds	519,716.68	0.00	0.00	112,316.67	0.00	632,033.35
855 Liability Insurance Reserve--IMU	22,859.66	13.58	2,221.77	0.00	0.00	20,651.47
IMU SUB-TOTAL	9,980,638.10	1,369,193.06	1,857,325.36	276,668.01	369,323.36	9,399,850.45

INTEREST DISTRIBUTION

	INTEREST			
	INCOME	% OF TOTAL	CALYTD	FYTD
Electric Funds	\$ 4,954.68	40.11%	\$ 117,221.27	\$ 43,252.02
Water Funds	\$ 1,248.86	10.11%	\$ 30,186.01	\$ 10,734.52
Sewer Funds	\$ 476.82	3.86%	\$ 10,814.54	\$ 4,108.58
Police Retirement	\$ 72.88	0.59%	\$ 1,790.24	\$ 649.14
Community Redevelopment	\$ 82.76	0.67%	\$ 871.84	\$ 865.32
All other	\$ 5,516.71	44.66%	\$ 167,430.22	\$ 53,882.35
TOTAL	\$ 12,352.71	100.00%	\$ 328,314.12	\$ 113,491.93

FINANCIAL REPORT
MONTH OF DECEMBER, 2013

Page 1

FUND	Beginning Balance	Monies Received	Monies Disbursed	Transfer In	Transfer Out	Clerk's Balance	% of Total
001 General Government	1,332,836.34	63,051.99	158,083.59	105,849.98	55,685.39	1,287,969.33	
011 Police	414,965.63	39,965.60	197,202.52	32,041.78	324.54	289,445.95	
015 Fire	203,315.36	8,090.31	39,542.82	2,126.98	27.81	173,962.02	
016 Ambulance	215,651.90	63,186.36	66,355.25	1,062.50	2,985.02	210,560.49	
041 Library	55,560.98	13,228.17	45,143.85	2,053.91	77.25	25,621.96	
042 Park & Recreation	303,564.39	32,840.20	79,348.98	6,005.62	1,821.17	261,240.06	
045 Memorial Pool	-122,307.58	1,815.59	632.62	0.00	833.33	-121,957.94	
071 General Fund Deb Service	59,221.77	2,504.42	5,185.00	0.00	0.00	56,541.19	
099 Franchise Fees-MEC	95,766.28	0.00	0.00	0.00	0.00	95,766.28	
GENERAL FUND SUB-TOTAL	2,558,575.07	224,682.64	591,494.63	149,140.77	61,754.51	2,279,149.34	
110 Road Use Tax (Streets)	744,685.33	116,520.04	103,702.22	0.00	14,733.14	742,770.01	
112 Trust & Agency	0.00	19,749.12	0.00	0.00	19,749.12	0.00	
115 YMCA Maintenance Obligations	0.00	0.00	840.00	53,333.32	0.00	52,493.32	
125 TIF--Downtown	187,277.12	4,849.11	0.00	0.00	5,448.67	186,677.56	
126 TIF--East Hwy 92	0.00	0.00	0.00	0.00	0.00	0.00	
127 TIF--Hillcrest/Industrial Park	291,917.60	1,488.49	0.00	0.00	118,855.00	174,551.09	
141 Library Special Revenue	31,601.71	3,580.27	179.28	0.00	0.00	35,002.70	
142 Park & Rec Special Revenue	116,610.54	3,991.88	535.99	0.00	0.00	120,066.43	
160 Downtown Revolving Loan	52,290.00	0.00	0.00	0.00	0.00	52,290.00	
161 Downtown Business Inc Program	2,513.17	0.00	-2,796.15	0.00	0.00	5,309.32	
177 Police Forfeiture	18,420.31	0.00	0.00	0.00	0.00	18,420.31	
190 Vehicle Reserve	107,402.46	0.00	0.00	1,666.67	0.00	109,069.13	
199 Police Retirement	118,076.61	208.27	0.00	0.00	1,041.67	117,243.21	
SPECIAL REVENUES SUB-TOTAL	1,670,794.85	150,387.18	102,461.34	54,999.99	159,827.60	1,613,893.08	
200 DEBT SERVICE (SUB-TOTAL)	2,767,595.47	31,226.84	249,738.11	194,386.99	0.00	2,743,471.19	
301 Capital Projects (General)	499,189.58	51,750.00	2,585.00	-1,300.00	0.00	547,054.58	
321 Capital Projects (Streets)	1,334,483.15	911.50	143,193.69	0.00	0.00	1,192,200.96	
344 Community Athletic Facility	-131.98	0.00	1,451.40	2,966.67	0.00	1,383.29	
353 Community ReDevelopment (D&D)	135,763.68	238.55	2,048.05	0.00	0.00	133,954.18	
CAPITAL PROJECTS SUB-TOTAL	1,969,304.43	52,900.05	149,278.14	1,666.67	0.00	1,874,593.01	
610 Sewer	38,996.58	0.00	79,011.61	139,250.00	33,283.14	65,951.83	
650 Stormwater Utility	206,105.52	16,547.52	0.00	0.00	5,208.33	217,444.71	
670 Recycling	52,574.44	18,098.88	14,917.38	0.00	1,375.00	54,380.94	
710 Sewer Capital Projects	473,730.11	283,398.76	268,045.08	0.00	256,391.66	232,692.13	
771 Sewer Reserve	114,238.70	0.00	0.00	0.00	0.00	114,238.70	
781 Sewer Plant Improvement	302,989.24	0.00	0.00	2,083.33	0.00	305,072.57	
791 Sewer Revenue Bonds	433,002.51	0.00	163,828.62	67,500.00	0.00	336,673.89	
820 Health Insurance	1,115,719.13	104,436.90	104,057.55	0.00	0.00	1,116,098.48	
830 Health Reimbursement Account	271,985.48	0.00	6,686.43	0.00	0.00	265,299.05	
840 Flex/STD	235,727.12	2,357.12	1,464.50	1,467.84	0.00	238,087.58	
850 Liability Insurance Reserve--City	2,049.66	3.79	0.00	0.00	0.00	2,053.45	
CITY UTILITY & IS SUB-TOTAL	3,247,118.49	424,842.97	638,011.17	210,301.17	296,258.13	2,947,993.33	
TOTAL CITY FUNDS	12,213,388.31	884,039.68	1,730,983.39	610,495.59	517,840.24	11,459,099.95	54%
TOTAL IMU FUNDS	9,399,850.45	1,283,007.18	927,055.21	276,668.01	369,323.36	9,663,147.07	46%
GRAND TOTAL CITY & IMU	21,613,238.76	2,167,046.86	2,658,038.60	887,163.60	887,163.60	21,122,247.02	
Cross Check Total						21,122,247.02	
Investments							
Bankers Trust	\$ 18,456,273.47	1.75%				Clerk's Balance	21,122,247.02
Bankers Trust - Wellness Center Project	\$ 80,001.28	0.01%					
Iowa Public Agency Inv. Trust	\$ 111,100.09	0.010%					
Payroll Account, Community State	\$ 0.16	Earnings Credit				Plus Outstanding Checks	156,794.77
Checking Account, Community State	\$ 249,759.86	Earnings Credit				Unreconcilable Item	
Sweep Account, Community State	\$ 2,367,291.56	0.25%				Less Outstanding Deposits	-14,615.37
BANK BALANCE	21,264,426.42						21,264,426.42

600 Water	348,893.39	220,083.96	83,688.44	0.00	114,494.03	370,794.88
620 IMU Administration	31,411.55	0.00	46,938.78	84,458.34	28,611.80	40,319.31
625 Revolving Economic Development	102,330.09	177.95	0.00	0.00	0.00	102,508.04
626 USDA RLF	150,000.00	0.00	0.00	0.00	0.00	150,000.00
630 Electric	1,641,358.09	956,306.17	762,077.68	22,568.00	218,725.86	1,639,428.72
640 Fiber/Communications	387,581.78	20,352.91	17,057.91	0.00	7,491.67	383,385.11
700 Water Capital Projects	1,332,635.16	0.00	2,053.81	34,000.00	0.00	1,364,581.35
730 Electric Capital Projects	3,248,499.54	86,044.54	15,238.59	0.00	0.00	3,319,305.49
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	1,084,000.00	0.00	0.00	0.00	0.00	1,084,000.00
780 Water Capital Improvement	75,000.00	0.00	0.00	0.00	0.00	75,000.00
783 Electric Improvement	207,691.35	0.00	0.00	0.00	0.00	207,691.35
790 Water Revenue Bonds	2,764.68	0.00	0.00	23,325.00	0.00	26,089.68
793 Electric Revenue Bonds	632,033.35	0.00	0.00	112,316.67	0.00	744,350.02
855 Liability Insurance Reserve--IMU	20,651.47	41.65	0.00	0.00	0.00	20,693.12
IMU SUB-TOTAL	9,399,850.45	1,283,007.18	927,055.21	276,668.01	369,323.36	9,663,147.07

<u>INTEREST DISTRIBUTION</u>	INTEREST		CALYTD	FYTD
	INCOME	% OF TOTAL		
Electric Funds	\$ 14,324.39	37.83%	\$ 131,545.66	\$ 57,576.41
Water Funds	\$ 3,650.18	9.64%	\$ 33,836.19	\$ 14,384.70
Sewer Funds	\$ 1,253.33	3.31%	\$ 12,067.87	\$ 5,361.91
Police Retirement	\$ 208.27	0.55%	\$ 1,998.51	\$ 857.41
Community Redevelopment	\$ 238.55	0.63%	\$ 1,110.39	\$ 1,103.87
All other	\$ 18,190.32	48.04%	\$ 185,620.54	\$ 72,072.67
TOTAL	\$ 37,865.04	100.00%	\$ 366,179.16	\$ 151,356.97

Information

Subject

Revised IAMU Line Maintainer Registered Apprenticeship Program

Information

The Iowa Association of Municipal Utilities' Line Apprenticeship Program, which qualifies participants that complete the program as Dept. of Labor-certified Journeymen, was revised on March 14, 2011.

Indianola Municipal Utilities needs to recognize the amended program via a formal agreement with its bargaining unit. They accepted it on January 17, 2014.

Financial Impact

N/A

Staff Recommendation

Attachments

Apprentice Program

IOWA ASSOCIATION OF MUNICIPAL UTILITIES

1735 NE 70th Avenue
Ankeny, Iowa 50021-9353
Phone: (515) 289-1999 -- FAX: (515) 289-2499

Enclosed is information regarding the IAMU Apprenticeship Program. Included in this packet:

- One-page history of the program outlining the elements of the program.
- IAMU Standards of Apprenticeship. This document will need to be approved by your council/board and union, if applicable. Once approved, you will need to initiate the Employer Acceptance Agreement form (Appendix F) and return it to IAMU to get your program up and running.
- The list of related fees for the duration of the program.
- A brochure for DMACC's AGS Program for Apprenticeship. Upon completion of the IAMU apprenticeship program, DMACC's program grants apprentices 47 credits of the 64 needed to receive an AGS degree from their institution.

The standards list all the procedures for the program. If you have any questions or need explanation please contact IAMU. More detailed information is in the attachments. Appendix E is the time sheet the apprenticeship program uses. Appendix A lists the tasks that fall into the different categories of OJT time and listing of the curriculum.

IAMU APPRENTICESHIP PROGRAM



The IAMU Apprenticeship Program has been in existence since 1993. The purpose of this program is to train an apprentice in the routine and non-routine tasks required of an Electric Line Maintainer. The goal is to ensure an apprentice completes the necessary tasks correctly and safely, not only for themselves but also for the safety of co-workers and the community they serve.



The program is completed through Course Work, Skills Evaluations, and a minimum of 7,000 on-the-job (OJT) training hours.

Course Work - The current course was purchased in January of 2003 to better meet the needs of our Municipal Electric Utility members. The basic course consists of eight steps divided into four years. Each step of the program is comprised of modules (or chapters) with written tests at the end of each one. A test is also required at the end of each step. Review questions are available at the end of each module to prepare for the tests. Module tests are taken online. A link to the test center is available through the IAMU website. All tests are password protected.



Skill Evaluations -- Most modules contain a Skills Evaluation. The apprentice's supervisor will administer the Skills Evaluation or arrangements can be made with IAMU for evaluation on-site. At the end of each year, an overall Skills Evaluation will be required before the apprentice can advance to the next year of the program.

OJT - Apprentices will be required to record and submit time sheets to IAMU. Each apprentice's hours will be entered into a database until the necessary number has been recorded in each category for qualified endorsements. An original template of the time sheet will be provided by IAMU and submissions should be made monthly.

Standards - Participating cities must form a Local Apprenticeship Committee to approve pattern standards customized for their needs. These standards are registered with the Department of Labor Office of Apprenticeship. IAMU serves as the sponsoring agency. Once the city is registered, individual apprentices may register for their course work or, at the discretion of their sponsor, make arrangements for advanced placement based on their experience. Upon completion of the program, the Department of Labor will issue a Completion Certificate and IAMU will issue a Journeyman Electric Line Maintainer wallet card.



Electric Workshops - In addition apprentices are encouraged to participate in electric workshops sponsored by IAMU throughout the term of their Apprenticeship. Apprentices can receive OJT credit for attending these training opportunities.

Cost - The cost includes all reference books, study and testing materials, annual Skill Evaluations at IAMU, documentation and certification upon completion of the program.

2+2 College Credit: Earn Your Degree – Receive College Credit! DMACC will give 47 credits towards an Associates of General Studies (A.G.S.) degree to anyone who completes the apprenticeship program. These 47 credits will count towards the 64 needed to receive an A.G.S. degree from DMACC. This degree is transferrable to all state universities in Iowa.

For more information please contact Chris Pham, Member Services Assistant or Tom Erickson, IAMU Electric Services Coordinator @ (800) 810-4268 or (515) 289-1999

Standards of Apprenticeship

DEVELOPED BY

*Iowa Association of Municipal
Utilities*

*For
Collective Bargaining Units*

FOR THE OCCUPATION OF

Line Maintainer

O*NET-SOC CODE: **49-9051.00** RAPIDS CODE: **0283R**

DEVELOPED IN COOPERATION WITH THE
U.S. DEPARTMENT OF LABOR
OFFICE OF APPRENTICESHIP

Registered as part of the National Apprenticeship Program in accordance with the basic Standards of Apprenticeship established by the Secretary of Labor.

*Dean Guido, Regional Director
USDOL/Office of Apprenticeship*

Date

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FOREWORD

The Iowa Association of Municipal Utilities (IAMU) recognizes that the electrical industry is one of the most rapidly changing industries in the country. The amount of electrical energy consumed by our homes, businesses and industries continues to increase. The challenge of transmitting increasing amounts of energy from the generating station and distributing it to customers is changing the construction and maintenance techniques employed by local utilities. This in turn requires increased training of line workers in the outside construction and maintenance field.

The line maintainer trade is unique in that it is mechanical as well as technical. It must select people who have natural ability for using tools, for mastering the intricacies of electrical science and keeping up with the progress of the industry.

This industry, by its very nature, places a high degree of personal responsibility on the individual Line Maintainer. While supervision is provided on many jobs, the individual Line Maintainer is still called upon to make decisions regarding the best and safest method of installation to produce a given result.

Electrical installation today has become very complex. To meet the increasing demand, the capacity and service quality of both transmission and distribution facilities are steadily being upgraded. This requires changes in tools, materials and equipment. The safety of both the public and fellow employees must be kept in mind. This requires not only skills but knowledge on the part of the person performing the work.

These Apprenticeship Standards have as their objective, the training of Line Maintainer skilled in all phases of the industry. The IAMU Sponsor recognizes that in order to accomplish this, there must be well-developed on-the-job learning combined with related instruction.

INTENT

Recognizing the above facts, the Iowa Association of Municipal Utilities, in its effort to foster and expand these skills, has adopted these Apprenticeship Standards, work procedures and related training schedules. IAMU has formed an Apprenticeship Committee to assure uniform training and a well-rounded skill level for participating employees of member utilities. It is the intent of the IAMU Apprenticeship Committee that through the Apprenticeship Program, highly qualified Journeypersons will be trained for the betterment of the individual, the utility, the community and the association.

This recognition has resulted in the development of these Standards of Apprenticeship. They were developed in accordance with the basic standards recommended by the U.S. Department of Labor, Office of Apprenticeship, as a basis from which the Sponsor can work to establish an apprenticeship training program that meets the particular needs of the area.

DEFINITIONS

APPRENTICE: Any individual employed by the employer meeting the qualifications described in the Standards of Apprenticeship who has signed an Apprenticeship Agreement with the Sponsor providing for training and related instruction under these Standards, and who is registered with the Registration Agency.

APPRENTICE ELECTRONIC REGISTRATION (AER): Is an electronic tool that allows for instantaneous transmission of apprentice data for more efficient registration of apprentices and provides Program Sponsors with a faster turnaround on their submissions and access to their apprenticeship program data.

APPRENTICESHIP AGREEMENT: Means a separate written Apprenticeship Agreement shall be made between each Apprentice, the Sponsor, and the Local Apprenticeship Committee. Such agreement shall contain a statement making the terms and conditions of these Standards a part of the agreement as if expressly written therein. A copy of the agreement shall be furnished to the Apprentice, the Sponsor, and the JATC (Joint Apprenticeship Training Committee). The Registration Agency will be advised promptly of the execution of each Apprenticeship Agreement by the IAMU Apprenticeship Committee and will be given all information required for registering the Apprentice.

IAMU APPRENTICESHIP TRAINING COMMITTEE (IAMU ATC): Means the Apprenticeship Committee of the Iowa Association of Municipal Utilities organized to administer these Standards of Apprenticeship.

JATC APPRENTICESHIP COMMITTEE (COMMITTEE): Apprenticeship Committee (Committee) means those persons designated by the sponsor to act as an agent for the sponsor in the administration of the program. A joint committee is as follows:

A joint committee is composed of representation of representatives of the employer(s) and of the employees represented by a bona fide collective bargaining agent(s).

CERTIFICATE OF COMPLETION OF APPRENTICESHIP: The Certificate of Completion of Apprenticeship issued by the Registration Agency to those registered apprentices certified and documented as successfully completing the apprentice training requirements outlined in these Standards of Apprenticeship.

COLLECTIVE BARGAINING AGREEMENT (CBA): The negotiated agreement between the Union and signatory employers that sets forth the terms and conditions of employment.

COURSE OR COURSE WORK: Means the study and testing materials approved by the IAMU Apprenticeship Committee.

ELECTRONIC MEDIA: Media that utilize electronics or electromechanical energy for the end user (audience) to access the content; and includes, but is not limited to, electronic storage media, transmission media, the Internet, extranet, lease lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic media and/or interactive distance learning.

IAMU: Means the Iowa Association of Municipal Utilities, a not-for profit organization incorporated in the State of Iowa with its principal office located in Polk, County, Iowa.

JOURNEYWORKER: A worker who has attained a level of skill, abilities and competencies recognized within an industry as having mastered the skills and competencies required for the occupation. (Use of the term may also refer to a mentor, technician, specialist or other skilled worker who has documented sufficient skills and knowledge of an occupation, either through formal apprenticeship or through practical on-the-job experience and formal training.)

LOCAL COORDINATOR:

Means the training coordinator appointed by the Local Apprenticeship Committee and approved by the Sponsor.

O*NET-SOC CODE: The Occupational Information Network (O*NET) codes and titles are based on the new Standard Occupational Classification (SOC) system mandated by the federal Office of Management and Budget for use in collecting statistical information on occupations. The O*NET classification uses an 8-digit O*NET-SOC code. Use of the SOC classification as a basis for the O*NET codes ensures that O*NET information can be readily linked to labor market information such as occupational employment and wage data at the national, State, and local levels.

ON-THE-JOB LEARNING (OJL): Tasks learned on-the-job in which the apprentice must become proficient before a completion certificate is awarded. The learning must be through structured, supervised work experience.

PRIMARY VOLTAGE: Means phase-to-ground voltage of greater than 600 volts.

PRIMARY ZONE: Means an area in which an electric Line Maintainer could be in danger of touching, falling or otherwise coming in contact with phase-to-ground voltage of over 600 volts.

PROGRAM COORDINATOR: Means the Electric Services Coordinator of the Iowa Association of Municipal Utilities, who shall serve as a liaison between the IAMU Apprenticeship Committee and the Local Apprenticeship Committee. The Program Coordinator will administer the program and be compensated for services rendered). The Program Coordinator has no vote.

PROGRAM SPONSOR: The Sponsor in whose name the Standards of Apprenticeship will be registered, and which will have the full responsibility for administration and operation of the apprenticeship program.

PROVISIONAL REGISTRATION: Means the 1-year initial provisional approval of newly registered programs that meet the required standards for program registration, after which program approval may be made permanent, continued as provisional, or rescinded following a review by the Registration Agency, as provided for in the criteria describe in Title 29, CFR part 29.3 (g) and (h).

REGISTERED APPRENTICESHIP PARTNERS INFORMATION DATA SYSTEM (RAPIDS): The Federal system which provides for the automated collection, retention, updating, retrieval and summarization of information related to apprentices and apprenticeship programs. <https://www.rapids.doleta>.

REGISTRATION AGENCY: Means the U.S. Department of Labor, Office of Apprenticeship or a recognized State Apprenticeship Agency that has responsibility for registering apprenticeship programs and apprentices; providing technical assistance; conducting reviews for compliance with Title 29, CFR parts 29 and 30 and quality assurance assessments. *U.S. Department of Labor's, Office of Apprenticeship 210 Walnut Room 715 Des Moines Iowa*

RELATED INSTRUCTION: An organized and systematic form of instruction designed to provide the apprentice with the knowledge of the theoretical and technical subjects related to the apprentice's occupation. Such instruction may be given in a classroom, through occupational or industrial courses, or by correspondence courses of equivalent value, electronic media, or other forms of self-study approved by the Registration Agency.

SECONDARY VOLTAGE: Means phase-to-ground voltage of 600 volts or less.

SECONDARY ZONE: Means an area in which an electric Line Maintainer could be in danger of touching, falling or otherwise coming in contact with phase-to-ground voltage of less than 600 volts.

SPONSOR/EMPLOYER: Means the Local Municipal Utility. Generally, an employer means any person or organization that employs an apprentice under these apprenticeship standards.

STANDARDS OF APPRENTICESHIP: This entire document including all appendices and attachments hereto, and any future modifications or additions approved by the Registration Agency.

SUPERVISOR OF APPRENTICE(S): An individual designated by the program sponsor to supervise or have charge and direction of an apprentice.

TIME-BASED OCCUPATION: The time-based approach measures skill acquisition through the individual apprentice's completion of at least 2,000 hours of on-the-job learning as described in a work process schedule. (if applicable)

TRANSFER: A shift of apprenticeship agreement from one program to another or from one employer within a program to another employer within that same program, where there is agreement between the apprentice and the affected apprenticeship committee or program sponsor.

UNION: Means any Local Unions party to an appropriate labor agreement between the parties.

SECTION I – PROGRAM ADMINISTRATION

Program Sponsors, at their discretion, may establish an IAMU Apprenticeship Training Committee (ATC) to carry out the responsibilities and duties required of a Program Sponsor as described in these Standards of Apprenticeship. If an ATC is established by the Program Sponsor, a list of the membership and the areas of expertise they represent must be provided to the Registration Agency. While the Office of Apprenticeship recommends that Program Sponsors utilize the services of an ATC, a Sponsor may also elect to administer the program without the services of an ATC.

Structure of the Apprenticeship and Training Committee (IAMU ATC)

An IAMU Apprenticeship Committee (IAMU ATC) shall be established for the purpose of successfully operating this program. Decisions shall be by majority vote of those attending the meeting. To hold a meeting greater than fifty percent of the members need to be present.

- A. The IAMU ATC shall be composed of at least five (5) representatives of IAMU member utilities.
- B. Membership will be composed of representatives appointed by the Program Sponsor. A minimum of two members must be journeyworkers in one of the trades covered under this program.
- C. Technical Assistance - such as that from the U.S. Department of Labor, Office of Apprenticeship, and vocational schools.

Administrative Procedures:

- A. The IAMU ATC will elect a Chairperson and a Secretary, and will determine the time and place of regular meetings which will take place at least quarterly. Additional meetings may be scheduled when required as determined by the Committee.
- B. Each Committee member will have one vote. The Chairperson and Secretary will have the power to vote on all questions affecting apprenticeship.
- C. The Electric Services Coordinator of IAMU will attend all meetings but will have no vote. He/she will conduct the meetings to insure that all committee members have an equal voice in the matters of the committee.

Responsibilities of the Apprenticeship and Training Committee:

- A. To develop plans for additional areas of training under these Standards.
- B. To work with the Local Utilities in setting up a local JATC and implementing training procedures set forth in these Standards.
- C. To review Apprentice applications made with the local JATC and transmit them to the Registration Agency.
- D. To grant OJT and / or approve advance placement of apprentices.
- E. To certify to the Registration Agency the names of those who have successfully completed all aspects of their assigned training and recommend that a certificate of completion be issued.
- F. To serve as a clearing house for all records between the Apprentice, JATC, IAMU and the Registration Agency. These records will be checked for their accuracy and completeness.
- G. To administer a test to each Apprentice at the end of each quarter of the Course and report the results of these tests to the Apprentice, JATC, and Sponsor/Employer.

- H. To report all suspensions, reinstatements, extensions, modifications, terminations and cancellations including final dates and closing wages to the Registration Agency with the reasons thereof and effective date.
- I. To serve as an Appeal Board for interpretations of the Standards of Apprenticeship, if requested by the JATC, the Apprentice, or the Sponsor/Employer.
- J. To periodically review the JATC's program to insure that it meets the intent of these Standards.
- K. To determine if a specific workshop or training program meets the definition of "required related training" and recommend credit be applied to the Apprentice training hours.
- L. To amend these Standards as necessary to meet changing needs and conditions and to register such agreements with the Registration Agency.
- M. Notify the appropriate Registration Agency of all new apprentices to be registered, credit granted suspensions for any reason, reinstatements, extensions, completions and cancellations with explanation of causes and notice of completions of Apprenticeship Agreements.
- N. Supervise all the provisions of the local standards and be responsible, in general, for the successful operation of the standards by performing the duties here listed by cooperating with public and private agencies which can be of assistance by obtaining publicity to develop public support of apprenticeship and by keeping in constant touch with all parties concerned; apprentices, employers and journeyworkers.
- O. Provide apprentices with a copy of the written rules and policies and the apprentice will sign an acknowledgment receipt of same. This procedure will be followed whenever revisions or modifications are made to the rules and policies.

Joint Local Apprenticeship Committee (JATC):

Local Municipal Utilities will establish an JATC to carry out the responsibilities and duties required as described in these Standards of Apprenticeship. The joint committee is composed of representation of representatives of the employer(s) and of the employees represented by a bona fide collective bargaining agent(s). A list of the membership and the areas of expertise they represent must be provided to Iowa Association of Municipal Utilities Committee.

The committee shall determine the time and place of regular meetings. The committee shall meet at least twice a year. The chairperson shall call a special meeting upon the request of any two (2) members of the committee. The committee shall establish such additional rules as are required or deemed necessary. Consultants to the Committee may attend meetings upon request of Committee and shall advise the Committee on problems affecting the Agency they represent and render such assistance as will aid in the trade preparation of the Apprentice. These consultants will have no vote.

The JATC shall appoint a coordinator to carry out the business of the Committee including the signing of Apprenticeship Agreements and Certificates of Completion and conducting necessary correspondence. In addition, the coordinator shall have custody of and be responsible for all records of the committee. All such records shall be turned over to the coordinator's successor. The Local Coordinator shall act under direction of the JATC. They will maintain the records of Apprenticeship required to be kept by the JATC.

- A. To carry out the requirements of these Standards.
- B. To establish rules for the conduct of the Apprentice and the administration of this Apprenticeship Program.
- C. To develop plans and suggestions for additional areas of training under these Standards.
- D. To keep minutes of the Committee meetings.

- E. To be responsible for the successful operation of the program. To work with the Apprentice for successful completion of apprenticeship.
- F. To evaluate the qualifications of Apprenticeship applicants and submit to the IAMU ATC documentation for approval of placement.
- G. To place each Apprentice under a written agreement and to insure that the agreement is forwarded to the IAMU ATC for proper enrollment.
- H. To forward to the IAMU ATC a copy of all documentation to be used for granting of OJT.
- I. To document selection, progress and completion by each Apprentice according to the Standards of Apprenticeship and to maintain these records for five (5) years.
- J. To evaluate Apprentice work records and reviews the progress of each Apprentice during training. After review, the JATC will make the appropriate recommendations.
- K. To maintain for each Apprentice, a record of training, work experience and progress in the knowledge of the trade. Documentation must be available for Registration Agency audit.
- L. To establish the frequency of examinations required by these Standards. The examination administered at the end of completion of each quarter of the Course will be administered by the Program Coordinator of the IAMU ATC.
- M. To promptly notify the IAMU ATC of all suspensions, reinstatements, extensions, modifications, terminations and cancellations including final dates and closing wages.
- N. To resolve differences between the apprentice and Sponsor/Employer when the problem is related to the Standards of Apprenticeship.
- O. To recommend to the IAMU ATC that certificates of completion be awarded to the Apprentice upon satisfactory completion of training.
- P. Provide apprentices with a copy of the written rules and policies and the apprentice will sign an acknowledgment receipt of same. This procedure will be followed whenever revisions or modifications are made to the rules and policies.

Responsibilities of the Employer:

- A. Instruct the Apprentice in safe and healthful work practices and shall insure that the Apprentice is trained in accordance with either the Occupational Safety and Health Standards promulgated by the Secretary of Labor under Public Law 91-596, or State Standards that have been found to be at least as effective as the Federal Standards.
- B. To furnish a place of employment that is free from recognized hazards that cause or are likely to cause death or serious physical harm.
- C. To select Apprentices.
- D. To apply to the JATC on behalf of the prospective Apprentice.
- E. To insure that each Apprentice is given instruction in safe work methods for each operation encountered during the term of his Apprenticeship.
- F. To insure that each Apprentice works under the direct supervision of a qualified Journeyman.

- G. To insure that the Apprentice receives the work experience required by these Standards.
- H. To maintain proper records required by the Standards of Apprenticeship.
- I. To be responsible for the successful operation of the program and cooperate with the JATC to give an opportunity for successful completion by the Apprentice.

SECTION II - EQUAL OPPORTUNITY PLEDGE – Title 29 CFR 29.5(b)(21) and 30.3(b)

The recruitment, selection, employment, and training of Apprentices during their Apprenticeship shall be without discrimination because of race, color, religion, national origin or sex. The Sponsor/Employer will take affirmative action to provide equal opportunity in Apprenticeship and will operate the Apprenticeship Program as required under Title 29 of the Code of Federal Regulations, Part 30 as amended.

It is the policy of the Sponsor/Employer to prohibit sexual harassment at the work site and in the work place. As defined by the Equal Opportunity Commission, sexual harassment is unwelcome or unsolicited verbal, physical, or sexual conduct that is made a term of condition of employment, advancement decisions or has the effect of unreasonably interfering with work or creating an intimidating, hostile, or offensive work environment. The Sponsor/Employer shall take whatever actions are necessary and within its power to preclude incidents of sexual harassment from occurring so that all Apprentices are afforded the opportunity to work in an environment free from unsolicited, unwelcome sexual overtones.

Apprentices are expected to support the efforts of the sponsor by fostering an open and friendly environment, yet one free of inappropriate pressures, for all workers.

Complaints of sexual harassment in the work place may be filed and processed under 29 CFR, Part 30, which sets out the procedures for processing discrimination complaints under Title VII of the Civil Rights Act of 1964, as amended.

SECTION III - QUALIFICATIONS FOR APPRENTICESHIP – Title 29 CFR 29.5(b)(10)

Applicants will meet the following minimum qualifications:

A. Age

An applicant must be at least 18 years of age at the time of employment.

B. Education

A high school diploma or GED equivalency is required. Applicant must provide an official transcript(s) for high school and post high school education and training. All GED records must be submitted if applicable.

Applicants must submit a DD-214 to verify military training and/or experience if they are a veteran and wish to receive consideration for such training/experience.

C. Physical

Applicants will be physically capable of performing the essential functions of the apprenticeship program, with or without a reasonable accommodation, and without posing a direct threat to the health and safety of the individual or others.

SECTION IV - APPRENTICESHIP AGREEMENT – Title 29 CFR 29.5(b)(11)

After an applicant for apprenticeship has been selected, but before employment as an apprentice or enrollment in related instruction, the apprentice will be covered by a written Apprenticeship Agreement (Appendix B) signed by the Sponsor/Employer and the apprentice and approved by and registered with the Registration Agency. Such

agreement will contain a statement making the terms and conditions of these standards a part of the agreement as though expressly written therein. A copy of each Apprenticeship Agreement will be furnished to the apprentice, the JATC, the Registration Agency, the Sponsor/Employer and the Union. An additional copy will be provided to the Veteran's State Approving Agency for those veteran apprentices desiring access to any benefits to which they are entitled.

Prior to signing the Apprenticeship Agreement, each selected applicant will be given an opportunity to read and review these Standards, the Sponsor/Employer and JATC's written rules and policies and the Apprenticeship Agreement and the sections of the Collective Bargaining Agreement (CBA) that pertain to apprenticeship.

SECTION V - RATIO OF APPRENTICES TO JOURNEYWORKERS – Title 29 CFR 29.5(b)(7)

A numeric ratio of apprentices to journeyworkers consistent with proper supervision, training, safety, and continuity of employment throughout the apprenticeship, the ratio of apprentices to journeyworkers will be one (1) apprentice to one (1) journeyworker. The ratio language must be specific and clearly described as to its application on the job site, workforce, department or plant.

No more Apprentices shall be employed than can be given proper supervision on the job or afforded employment opportunity upon completion of the Apprenticeship. (Appendix A)

SECTION VI - TERM OF APPRENTICESHIP – Title 29 CFR 29.5(b)(2)

The term of the occupation will be Three Years Six Months with an (OJL) attainment of 7000 hours supplemented by the required hours of related instruction as stated on the Work Process Schedule and Related Instruction Outline (Appendix A).

Full credit will be given for the probationary period.

SECTION VII - PROBATIONARY PERIOD – Title 29 CFR 29.5(b)(8), (b)(20)

All applicants selected for apprenticeship will serve a probationary period of 1000 hours of OJL.

During the probationary period either the apprentice, Sponsor/Employer, or the JATC may terminate the Apprenticeship Agreement, without stated cause, by notifying the other party(s) in writing. The records for each probationary apprentice will be reviewed prior to the end of the probationary period. Records may consist of periodic reports regarding progression made in both the OJL and related instruction, and any disciplinary action taken during the probationary period.

Any probationary apprentice evaluated as satisfactory after a review of the probationary period will be given full credit for the probationary period and continue in the program.

After the probationary period the Apprenticeship Agreement may be canceled at the request of the apprentice, or may be suspended or canceled by the Sponsor/Employer, or JATC for reasonable cause after documented due notice to the apprentice and a reasonable opportunity for corrective action. In such cases, the Sponsor/Employer and JATC will provide written notice to the apprentice and to the Registration Agency of the final action taken.

SECTION VIII - HOURS OF WORK

Apprentices will generally work the same hours as journeyworkers, except that no apprentice will be allowed to work overtime if it interferes with attendance in related instruction classes.

Apprentices who do not complete the required hours of OJL during a given segment will have the term of that segment extended until the required number of hours of training are accrued.

SECTION IX - APPRENTICE WAGE PROGRESSION – Title 29 CFR 29.5(b)(5)

Apprentices will be paid a progressively increasing schedule of wages during their apprenticeship based on the acquisition of increased skill and competence on-the-job and in related instruction. Before an apprentice is advanced to the next segment of training or to journeyworker status, the JATC will evaluate all progress to determine whether advancement has been earned by satisfactory performance in their OJL and in related instruction courses. In determining whether satisfactory progress has been made, the JATC will be guided by the work experience and related instruction records and reports.

The progressive wage schedule will be an increasing percentage of the journeyworker wage rate as established in the CBA. The percentages that will be applied to the applicable journeyworker rate are shown on the attached Work Process Schedule and Related Instruction Outline (Appendix A). In no case will the starting wages of apprentices be less than that required by any minimum wage law which may be applicable.

IAMU shall be compensated according to published fees. (Appendix “D”)

SECTION X - CREDIT FOR PREVIOUS EXPERIENCE – Title 29 CFR 29.5(b)(12) and 30.4(c)(8)

The JATC along with the ATC may grant credit towards the term of apprenticeship to new apprentices who demonstrate previous acquisition of skills or knowledge equivalent to that which would be received under these Standards.

Apprentice applicants seeking credit for previous experience gained outside the supervision of the JATC must submit the request at the time of application and furnish such records and affidavits to substantiate the claim. Applicants requesting such credit who are selected into the apprenticeship program will start at the beginning wage rate. The request for credit will be evaluated and a determination made by the ATC during the probationary period when actual on-the-job and related instruction performance can be examined. Prior to completion of the probationary period, the amount of credit to be awarded will be determined after review of the apprentice’s previous work and training/education record and evaluation of the apprentice’s performance and demonstrated skill and knowledge during the probationary period.

An apprentice granted credit will be advanced to the wage rate designated for the period to which such credit accrues. The Registration Agency will be advised of any credit granted and the wage rate to which the apprentice is advanced.

The granting of advanced standing will be uniformly applied to all apprentices.

Placement

Within 30 days of the utility’s adoption of the Program Registration and Apprenticeship Agreement, an employee working in a Journeyperson position with the utility may request in writing of the JATC an opportunity to test out of the Course Work by passing the written examinations and hands-on Skill Evaluations required by these standards or alternative examinations adopted by the IAMU ATC for this purpose, providing that the employee has five (5) years of experience in the trade with three (3) years as a Journeyperson. Initial testing must be completed within 90 days of the adoption of the apprenticeship standards by the utility and official registration through the Department of Labor. Individuals passing out of the Course Work will be required to record 1,000 OJT hours before a Completion Certificate will be awarded.

Upon request of the utility, the ATC will use Placement tests and hands-on Skill Evaluations for proper placement in the program.

Apprentices who attended a 1- or 2-year accredited technical program may request to test out of the first year of Course Work.

No individual may test beyond their experience.

SECTION XI - WORK EXPERIENCE – Title 29 CFR 29.5(b)(3) and 30.8

During the apprenticeship the apprentice will receive such OJL and related instruction in all phases of the occupation necessary to develop the skill and proficiency of a skilled journeyworker. The OJL will be under the direction and guidance of the supervisor of the apprentice(s).

SECTION XII - RELATED INSTRUCTION – Title 29 CFR 29.5(b)(4)

During each segment of training each apprentice is required to participate in coursework related to the job as outlined in Appendix A. For each occupation, the recommended term of apprenticeship will include no less than 144 hours of related instruction for the Line Maintainer for each year of the apprenticeship. Apprentices agree to take such courses as the ATC deems advisable. The Sponsor will secure the instructional aids and equipment it deems necessary to provide quality instruction. In cities, towns or areas having no vocational school or other schools that can furnish related instruction; the apprentice may be required to take an alternate form of instruction that meets the approval of the ATC and the Registration Agency.

Time spent in classes after regular working hours will not be considered working hours and requires no compensation. If required to attend classes during the regular working hours, the Apprentice will be compensated therefore at their regular hourly rate.

If applicable, the JATC will inform each apprentice of the availability of college credit through the Local Community College in their area.

All apprentice(s) will satisfactorily complete all course work before being advanced to the next period of training. In cases of failure of an apprentice to fulfill the obligations regarding related instruction (or OJL) without due cause, the JATC will take appropriate disciplinary action and may terminate the Apprenticeship Agreement after due notice to the apprentice and opportunity for corrective action.

To the extent possible, related instruction will be closely correlated with the practical experience and training received on-the-job. The JATC will monitor and document the apprentice's progress in related instruction classes.

The ATC will secure competent instructors whose knowledge, experience, and ability to teach will be carefully examined and monitored.

SECTION XIII - SAFETY AND HEALTH TRAINING – Title 29 CFR 29.5(b)(9)

All apprentices will receive instruction in safe and healthful work practices both on-the-job and in related instruction that are in compliance with the Occupational Safety and Health Standards promulgated by the Secretary of Labor under 29 U.S.C. 651 et seq., as amended, dated December 29, 1970, and subsequent amendments to that law, or State Standards that have been found to be at least as effective as the Federal Standards

Apprentices will be taught that accident prevention is very largely a matter of education, vigilance, and cooperation and that they should strive at all times to conduct themselves in their work to ensure their own safety and that of their fellow workers.

SECTION XIV - SUPERVISION OF APPRENTICES – Title 29 CFR 29.5(b)(14)

The employer will be responsible for the training of the apprentice on the job. Apprentices will be under the general supervision of the JATC and under the direct supervision of the journeyworker to whom they are assigned. The supervisor of apprentice(s) designated by the employer will be responsible for the apprentice's work assignments,

and will ensure the apprentice is working under the supervision of a skilled journeyworker, evaluation of work performance, and completion and submittal of progress reports to the Sponsor/Employer and JATC.

No apprentice will be allowed to work without direct journeyworker supervision.

SECTION XV - RECORDS AND EXAMINATIONS – Title 29 CFR 29.5(b)(6)

Each apprentice may be responsible for maintaining a record of his/her work experience/training on-the-job and in related instruction and for having this record verified by his/her supervisor at the end of each week. The apprentice will authorize an effective release of their completed related instruction records from the local school authorities to the Sponsor/Employer. The record cards and all data, written records of progress evaluations, corrective and final actions pertaining to the apprenticeship, will be maintained by and will be the property of the Sponsor/Employer. This record will be included in each apprentice's record file maintained by the Sponsor/Employer.

Before each period of advancement, or at any other time when conditions warrant, the JATC will evaluate the apprentice's record to determine whether he/she has made satisfactory progress. If an apprentice's related instruction or on-the-job progress is found to be unsatisfactory, the JATC may determine whether the apprentice will continue in a probationary status, or require the apprentice to repeat a process or series of processes before advancing to the next wage classification. In such cases, the JATC will initiate a performance improvement plan with the apprentice.

Should it be found that the apprentice does not have the ability or desire to continue the training to become a journeyworker, the Sponsor/Employer will, after the apprentice has been given adequate assistance and opportunity for corrective action, terminate the Apprenticeship Agreement.

SECTION XVI - MAINTENANCE OF RECORDS – Title 29 CFR 29.5(b)(23)

The Sponsor/Employer and JATC will maintain for a period of five (5) years from the date of last action, all records relating to apprentice applications (whether selected or not), the employment and training of apprentices, and any other information relevant to the operation of the program. This includes, but is not limited to, records on the recruitment, application and selection of apprentices, and records on the apprentice's job assignments, promotions, demotions, layoffs, terminations, rate of pay, or other forms of compensation, hours of work and training, evaluations, and other relevant data. The records will permit identification of minority and female (minority and non-minority) participants. These records will be made available on request to the Registration Agency.

SECTION XVII - CERTIFICATE OF COMPLETION OF APPRENTICESHIP – Title 29 CFR 29.5(b)(15)

Upon satisfactory completion of the requirements of the apprenticeship program as established in these Standards, the Sponsor/Employer will so certify in writing to certify the name of the completing Apprentice to the IAMU ATC. Such requests will be accompanied by the appropriate documentation for both the OJL and the related instruction as may be required by the Registration Agency. The IAMU ATC, after satisfactory review, will certify the name of the completing Apprentice to the Registration Agency, with a recommendation that a certificate of completion of Apprenticeship be awarded to them.

Certificates will be issued by the Iowa Association of Municipal Utilities and the U. S. Department of Labor, Office of Apprenticeship.

SECTION XVIII - NOTICE TO REGISTRATION AGENCY – Title 29 CFR 29.3(2)(d) and (e) and 29.5(b)(19)

The Registration Agency will be notified within forty-five (45) days of all new apprentices to be registered, credit granted, suspensions for any reason, reinstatements, extensions, modifications, completions, cancellations, and terminations of Apprenticeship Agreements and causes.

SECTION XIX - CANCELLATION AND DEREGISTRATION – Title 29 CFR 29.5(b)(18)

These Standards, upon adoption by the Sponsor/Employer and Union, will file three (3) copies of these Standards with the IAMU ATC. The IAMU ATC will submit all of these copies to the Registration Agency for approval. Such approval will be acquired before implementation of the program. Signed copies will be returned to the JATC, Sponsor/Employer and IAMU ATC.

The Sponsor/Employer reserves the right to discontinue at any time the apprenticeship program set forth herein. The Registration Agency will be notified promptly in writing of any decision to cancel the program.

Deregistration of these Standards may be initiated by the Registration Agency for failure of the Sponsor/Employer to abide by the provisions herein. Such deregistration will be in accordance with the Registration Agency's regulations and procedures.

Within fifteen (15) days of cancellation of the apprenticeship program (whether voluntary or involuntary), the Sponsor/Employer will notify each apprentice of the cancellation and the effect of same. This notification will conform to the requirements of Title 29, CFR part 29.7.

SECTION XX - AMENDMENTS OR MODIFICATIONS – Title 29 CFR 29.5(b)(18)

These Standards may be amended or modified at any time by the IAMU ATC provided that no amendment or modification adopted will alter any Apprenticeship Agreement in force at the time without the consent of all parties. Such amendment or modification will be submitted to the IAMU ATC for approval and will then be submitted to the Registration Agency for approval and registration prior to being placed in effect. A copy of each amendment or modification adopted will be furnished to each Sponsor/Employer.

SECTION XXI - ADJUSTING DIFFERENCES/COMPLAINT PROCEDURE – Title 29 CFR 29.5(b)(22) and 30(11)

The JATC and Sponsor/Employer will have full authority to supervise the enforcement of these Standards. Its decision will be final and binding on the employer and the apprentice, unless otherwise noted below.

An apprentice is encouraged to take up individual problems with their supervisor then if unresolved to the JATC administering this program. Either the JATC or the Apprentice may request assistance from the IAMU ATC or Registration Agency in resolving differences in interpretation of these Standards.

If an applicant or an apprentice believes an issue exists that adversely affects his/her participation in the apprenticeship program or violates the provisions of the Apprenticeship Agreement or Standards, relief may be sought through one or more of the following avenues, based on the nature of the issue:

Title 29 CFR 29.7(k)

For issues regarding wages, hours, working conditions, and other issues covered by the CBA, apprentices may seek resolution through the applicable Grievance and Arbitration procedures contained in the Articles of the CBA.

The JATC and Sponsor/Employer will hear and resolve all complaints of violations concerning the Apprenticeship Agreement and the registered Apprenticeship Standards, for which written notification is received within fifteen (15) days of violations. The JATC and Sponsor/Employer will make such rulings as it deems necessary in each individual case and within thirty (30) days of receiving the written notification. Either party to the Apprenticeship Agreement may consult with the Registration Agency for an interpretation of any provision of these Standards over which differences occur. The name and address of the appropriate authority to receive, process and make disposition of complaints is:

*IAMU Electric Services Coordinator
Iowa Association of Municipal Utilities
1735 NE 70th Avenue
Ankeny IA 50021
(515) 289-1999*

Title 29 CFR 30.11

Any apprentice or applicant for apprenticeship who believes that he/she has been discriminated against on the basis of race, color, religion, national origin, or sex, with regard to apprenticeship or that the equal opportunity standards with respect to his/her selection have not been followed in the operation of an apprenticeship program, may personally or through an authorized representative, file a complaint with the Registration Agency or, at the apprentice or applicant's election, with the private review body established by the Program Sponsor (if applicable).

The complaint will be in writing and will be signed by the complainant. It must include the name, address, and telephone number of the person allegedly discriminated against, the Program Sponsor involved, and a brief description of the circumstances of the failure to apply equal opportunity standards.

The complaint must be filed not later than one hundred eighty (180) days from the date of the alleged discrimination or specified failure to follow the equal opportunity standards, and in the case of complaints filed directly with the review body designated by the Program Sponsor to review such complaints, any referral of such complaint by the complainant to the Registration Agency must occur within the time limitation stated above or thirty (30) days from the final decision of such review body, whichever is later. The time may be extended by the Registration Agency for good cause shown.

Complaints of discrimination in the apprenticeship program may be filed and processed under Title 29, CFR part 30, and the procedures as set forth above.

The JATC and Sponsor/Employer will provide written notice of its complaint procedure to all applicants for apprenticeship and all apprentices.

SECTION XXII - COLLECTIVE BARGAINING AGREEMENTS – Title 29 CFR 29.11

Nothing in this part or in any apprenticeship agreement will operate to invalidate:

- (a) Any apprenticeship provision in any collective bargaining agreement between employers and employees establishing higher apprenticeship standards; or
- (b) Any special provision for veterans, minority persons, or women in the standards, apprentice qualifications or operation of the program, or in the apprenticeship agreement, which is not otherwise prohibited by law, Executive Order, or authorized regulation.

SECTION XXIII - TRANSFER OF AN APPRENTICE AND TRAINING OBLIGATION – Title 29 CFR 29.5(13)

The transfer of an apprentice between apprenticeship programs and within an apprenticeship program must be based on agreement between the apprentice and the affected apprenticeship committees, JATC(s), and program sponsors, and must comply with the following requirements:

- i. The transferring apprentice must be provided a transcript of related instruction and on-the-job learning by the committee or program sponsor:
- ii. Transfer must be to the same occupation; and

- iii. A new apprenticeship agreement must be executed when the transfer occurs between the Sponsor/Employers.

If the Sponsor/Employer is unable to fulfill his/her training obligation due to lack of work or failure to conform to these Standards, the Sponsor/Employer will make every effort to refer the apprentice with his/her consent to another employer, Registration Agency for placement into another registered apprenticeship program. This will provide the apprentice an opportunity for continuous employment and completion of their apprenticeship program. The apprentice must receive credit from the new employer for the training already satisfactorily completed.

SECTION XXIV - RESPONSIBILITIES OF THE APPRENTICE

Apprentices, having read these Standards formulated by the IAMU ATC and signed an Apprenticeship Agreement with the Sponsor/Employer agree to all the terms and conditions contained therein and agree to abide by the Sponsor/Employer's rules and policies, including any amendments, serve such time, perform such manual training, and study such subjects as the Sponsor/Employer may deem necessary to become a skilled Line Maintainer.

In signing the Apprenticeship Agreement, apprentices assume the following responsibilities and obligations under the apprenticeship program:

- A. Perform diligently and faithfully the work of the occupation and other pertinent duties assigned by the Sponsor/Employer in accordance with the provisions of these Standards.
- B. Respect the property of the Sponsor/Employer and abide by the working rules and regulations of the Sponsor/Employer.
- C. Attend and satisfactorily complete the required hours in the OJL and in related instruction in subjects related to the occupation as provided under these Standards.
- D. Maintain and make available such records of work experience and training received on-the-job and in related instruction as may be required by the Sponsor.
- E. Develop and practice safe working habits and work in such a manner as to assure his/her personal safety and that of fellow workers.
- F. Work for the employer to whom the apprentice is assigned for the completion of apprenticeship, unless reassigned to another employer or the Apprenticeship Agreement is terminated by the Sponsor/Employer.

SECTION XXV - CONTINUITY OF EMPLOYMENT

The Sponsor/Employer intends and expects to give the Apprentice continuous employment. However, the Sponsor/Employer reserves the right to suspend any Apprentice whenever conditions of business make that necessary. Any Apprentice whose term of Apprenticeship is suspended for such reason will be given an opportunity of reemployment before another Apprentice is employed.

SECTION XXVI - TECHNICAL ASSISTANCE

Technical Assistance such as that from the U.S. Department of Labor, Office of Apprenticeship, and vocational schools—may be requested to advise the JATC and Sponsor/Employer.

The JATC and Sponsor/Employer are encouraged to invite representatives from industry, education, business, private and/or public agencies to provide consultation and advice for the successful operation of their training program.

SECTION XXVII - OFFICIAL ADOPTION OF APPRENTICESHIP STANDARDS:

The *Iowa Association of Municipal Utilities* hereby adopts these Standards of Apprenticeship on this ____ Day of
(Insert Month/Year).

For IAMU Apprenticeship Committee (ATC):

Signature of Committee Member

Printed Name

Signature of Committee Member

Printed Name

Signature of Committee Member

Printed Name

Signature of Committee Member

Printed Name

Signature of Committee Member

Printed Name

Appendix A

OCCUPATION SCHEDULE FOR:

LINE MAINTAINER

O*NET-SOC CODE: 49-9051.00 RAPIDS CODE: 0283R

This schedule is attached to and a part of these Standards for the above identified occupation.

1. **TERM OF APPRENTICESHIP**

The term of the occupation shall be three years and six months with an OJL attainment of 7000 hours supplemented by the required hours of related instruction.

2. **RATIO OF APPRENTICES TO JOURNEYWORKERS**

The maximum ratio allowable shall not exceed one (1) apprentice to one (1) journeyworker steadily employed on a job site.

3. **APPRENTICE WAGE SCHEDULE**

Apprentices shall be paid a progressively increasing schedule of wages based on a percentage of the current journeyworker wage rate.

1st twelve months/2000 hrs. OJT 60% of Journeyperson rate
2nd twelve months/2000 hrs. OJT 70% of Journeyperson rate
3rd twelve months/2000 hrs. OJT 80% of Journeyperson rate
4th six months/1000 hrs OJT 90% of Journeyperson rate

The minimum Journeyperson rate \$16.00 per hour.

In no case will the starting wages of apprentices be less than that required by any minimum wage law which may be applicable.

4. **SCHEDULE OF WORK EXPERIENCE** (See attached Work Process Schedule)

5. **SCHEDULE OF RELATED INSTRUCTION** (See attached Related Instruction Outline)

Appendix A

WORK PROCESSES SCHEDULE

A Line Maintainer Apprentice's normal work day and any overtime accumulated will be credited to the OJT training requirement. The OJT training is based on 7,000 hours of work. The amount of actual hours may exceed the hours required to successfully complete the training program.

The OJT training is divided into six (6) categories that an Apprentice would normally encounter in the course of their career. Those six (6) categories are as follows: Basic Category, Overhead Distribution Category (under 34 kv), Underground Distribution Category, Metering Category, Transmission Category (34 kv & greater) and Substation Category. Each category will have a number of subsections.

Each Apprentice must finish 7,000 hours of OJT training in three (3) required categories. These three (3) categories are Basic Category, Overhead Distribution Category and Underground Distribution Category. However, no credit will be given for hours over the maximum in any category.

IAMU endorsements can be added to your wallet card after the requirements of the Apprenticeship are completed. OJT hours would have to be documented and an application filed with IAMU. These additional categories will be added to your wallet card at the time the certificate is renewed. *In order to receive an IAMU endorsement in any category, the hours needed for endorsement must be recorded in the respective category. The registration agency does not recognize IAMU endorsements.*

These six (6) categories will be listed on a "Time Report" supplied by the Committee and will be filled out daily by the Apprentice and signed by the Apprentice and their Supervisor. All times will be recorded to the nearest quarter hour.

The Apprentice will fill in hours worked per day for each category, then total these hours for the week. Refer to the "Time Report".

Appendix A

WORK PROCESS SCHEDULE

LINE MAINTAINER

O*NET-SOC CODE: 49-9051.00 RAPIDS CODE: 0283R

A.	<u>Basic Category</u>	<u>Required Hours for Category A:</u> <i>3,500 OJT Hours</i>
	1. Safety Meetings 2. Standard First Aid Course 3. Tailgate Conference 4. Bucket Rescue Training 5. CPR Training 6. Care of Hotsticks 7. Care of Rubber Gloves, Sleeves and Cover Material 8. Testing and Care of Aerial Baskets and Booms 9. Transformer Records 10. Inventory Control 11. Mapping and Job Orders 12. Radio and Telephone Communications 13. Payroll and Other Reports and Forms 14. System Inspections 15. Troubleshooting 16. Operate Boom Truck 17. Operate Basket Truck 18. Blueprint Reading 19. Testing and Grounding of Circuits 20. Use and Care of Grounding Sets 21. Care of Personal Protective Equipment (rubber gloves, sleeves, goggles and hard hat)	
B.	<u>Overhead Distribution Category</u> (under 34 kv)	<u>Required Hours for Category B & C:</u> <i>3500 OJT Hours</i>
	1. Pole Top Rescue Training 2. Digging Pole and Anchor Holes 3. Setting and Removing Poles 4. Installing Pole Stubs 5. Installing Single Arms 6. Installing Double Arms 7. Making Up Guys 8. Installing Guys 9. Stringing, Splicing, Sagging, Dead Ending and Tying in New Lines 10. Upgrading Conductors 11. Installing New Lines 12. Construction of Switching Installations	

Appendix A

13. Tree Trimming
14. Installing Secondary Hardware
15. Installing Secondary Conductors
16. Construction of Capacitor Installations
17. Learning Phasing and Proper Installation of Line Jumpers
18. Transferring Conductors
19. Construction of Single Transformer Installations
20. Construction of Multiple Transformer Installation
21. Construction of Capacitor Installations
22. Replacing Fuses and Other Maintenance
23. Installing and Replacement of Cutouts, Appraisers and OCB's
24. Installing or Removing Overhead Services
25. Installing Overhead Street Light Circuits and Lamps
26. Installing and Inspecting Street Light Controls
27. Use and Care of Rubber Protective Equipment
28. Live Line Maintenance (restricted by company policy). Live line maintenance work will include all work done on energized conductors either with sticks or by gloving and includes overhead, and transmission hot line work. This type of work will include such procedures as cutting in dead-ends, tying in, untying, installing equipment on energized lines, setting pole in line and any work on energized secondary lines and meter bases. Company policy for safety and working procedures must be strictly adhered to.

For the Overhead / Underground endorsement a minimum of 1,000 hours of live line maintenance work needs to be completed. 250 hours of those 1,000 hours can be done on secondary voltage. 750 hours have to be completed in the primary zone.

C. Underground Distribution Category

1. Dig Trench
2. Lay in Primary and Secondary Cable
3. Install or Replace Padmount Transformers
4. Install Padmount Switch Gear
5. Install Underground Services
6. Terminate, Splice and Repair Secondary and Primary Cable
7. Locate Buried Cables
8. Use of Hot Sticks or Elbow Pullers
9. Marking Underground Cables for Phasing and Direction
10. Frame Pothead Pole
11. Maintenance of Underground Street Light Circuits

Total Hours 7000

Appendix A

The following are IAMU endorsements offered (*the Registration Agency does not recognize IAMU endorsements*)

- | | | |
|----|--------------------------|--|
| A. | Basic Category | <u>Needed for IAMU
Endorsement:</u>
3,500 OJT Hours |
| B. | Overhead Category | <u>Needed for IAMU
Endorsement:</u>
2,000 OJT Hours |
| C. | Underground Category | <u>Needed for IAMU
Endorsement:</u>
2,000 OJT Hours |
| D. | <u>Metering Category</u> | <u>Needed for IAMU
Endorsement:</u>
2,000 OJT Hours |

1. Install One-Phase Meter Self-Contained or Instrument Rated
2. Install Three-Phase Meter Self-Contained or Instrument Rated
3. Troubleshoot Metering Problems
4. Test One-Phase or Three-Phase

In order to receive a Metering endorsement, an apprentice must also have an endorsement in Overhead and / or Underground.

- | | | |
|----|------------------------------|--|
| E. | <u>Transmission Category</u> | <u>Needed for IAMU
Endorsement:</u>
2,000 OJT Hours |
| | (34 kv & greater) | |

1. Digging Pole and Anchor Holes
2. Setting and Removing Poles
3. Installing Pole Stubs
4. Installing Single Arms
5. Installing Double Arms
6. Making Up Guys
7. Installing Guys
8. Stringing, Splicing, Sagging, Dead Ending and Tying in New Lines
9. Upgrading Conductors
10. Installing New Lines
11. Construction of Switching Installations
12. Tree Trimming

F. Substation Category:

Needed for IAMU
Endorsement:
2,000 OJT Hours

1. Assemble, Install and Repair Buses, Switches and Related Equipment
2. Substation Switching
3. Routine Inspection
4. Maintenance
5. Use of Hot Stick in Substation
6. Install, Maintain or Operate Tap Changer
7. Install, Maintain or Operate Voltage Regulator
8. Troubleshoot

Appendix A

RECOMMENDATION

It is recommended that the Apprentice working in the first and second compensation steps should be limited to climbing on practice poles and de-energized poles only. An Apprentice may climb energized secondary poles at the end of the second compensation step and energized primary poles at the end of the third compensation step. Pole top rescue practice is also a critical part of climbing and the Apprentice should practice this technique starting in the first compensation step, but should have several hours of previous climbing experience.

MANDATORY

The Apprentice shall not, under any circumstances, work on any energized conductor either primary or secondary during the first compensation step. A second compensation step Apprentice will be allowed to work on energized secondary following Skills Evaluation and supervisor approval. The Apprentice will not be allowed to work with transformers or energized primary until the third compensation step.

NOTE: The Apprentice is reminded to strictly follow the proper safety rules and procedures. The Apprentice must have adequate supervision to assure that the Sponsor rules are followed. It is important that an Apprentice know their limitations and feel comfortable in communications

Appendix A

RELATED INSTRUCTION SCHEDULE

IOWA ASSOCIATION OF MUNICIPAL UTILITIES
APPRENTICESHIP COURSE

The following pages outline the eight (8) steps of course work, Skills Evaluations and testing related to the Line Maintainer trade.

The recommended term of apprenticeship will include no less than 144 hours of related instruction for the Line Maintainer for each year of the apprenticeship.

LINE MAINTAINER TRAINING GUIDE

<i>Course Name</i>	<i>Course No.</i>	<i>Written Evaluation Completion</i>	<i>Written Evaluation Completion</i>	<i>Skill Evaluation Completion</i>
Article I. <u>FIRST 90 DAYS</u>		Section 1.01 ATE	SCORE	DATE / SCORE
1. Poles - Climbing Equipment	AELC1421			
A. Adjust and Put On Climbers	AELC1421A			A.
B. Put On Body Belt and Attach Safety Strap	AELC1421B			B.
2. Poles - Climbing	AELC1431			
A. Adjust A Safety Strap on the Ground	AELC1431A			A.
B. Perform a Pre-Climb Pole Inspection	AELC1431B			B.
C. Climb a Pole Using a Safety Belt	AELC1431C			C.
D. Adjusting the Safety Strap on the Pole	AELC1431D			D.
E. Climb a Pole Freehand	AELC1431E			E.
F. Climb a Pole Freehand and Belt Off	AELC1431F			F.
G. Climb Over a Crossarm	AELC1431G			G.
H. Rescue a Mannequin	AELC1431H			H.
I. Inspect Equipment, Climb a Pole, Perform Rescue	AELC1431I			I.
3. Two-Way Radio Operation	AFUN0031			
A. Using a Two-Way Radio	AFUN0031A			A.
4. Electrical Power - Introduction	AELC1021			
5. Vehicle Operation	AFUN0021			
A. Inspecting a Vehicle	AFUN0021A			A.
B. Setting Up a Safe Work Site	AFUN0021B			B.
C. Installing a Grounding Rod	AFUN0021C			C.

Appendix A

LINE MAINTAINER TRAINING GUIDE

<i>Course Name</i>	<i>Course No.</i>	<i>Written Evaluation Completion</i>	<i>Written Evaluation Completion</i>	<i>Skill Evaluation Completion</i>
Article II. <u>STEP 1, YEAR 1</u>		Section 2.01 ATE	SCORE	DATE / SCORE
6. <i>Electrical Reference Material</i>	AELC0371			
7. <i>Electrical Line Tools (WE only at this time)</i>	AELC0271			
8. <i>Excavation and Trench Safety (WE only at this time)</i>	AFUN0191			
A. <i>Classifying Soil</i>	AFUN0191A			A.
B. <i>Setting up a shielding system.</i>	AFUN0191B			B.
C. <i>Setting up a shoring system.</i>	AFUN0191C			C.
9. <i>Gas Industry - Introduction</i>	AGAS0721			
10. <i>Safety Rule Book</i>	ASAF0151			
11. <i>Oil Handling</i>	AFUN0311			
12. <i>Safe Housekeeping Practices</i>	AFUN0321			
13. <i>Tailgate Meetings</i>	AFUN0331			
14. <i>Hand Tools</i>	AFUN0271			
A. <i>Identifying and Maintaining Hand Tools</i>	AFUN0271A			A.
B. <i>Using Hand Tools</i>	AFUN0271B			B.
C. <i>Maintaining and Using Power Tools</i>	AFUN0271C			C.
<i>Line Maintainer Step 1 - Final Exam</i>	AELC2045			

LINE MAINTAINER TRAINING GUIDE

Course Name	Course No.	Written Evaluation Completion	Written Evaluation Completion	Skill Evaluation Completion
Article III. <u>STEP 2, YEAR 1</u>		Section 3.01 ATE	SCORE	DATE / SCORE
15. Electrical Circuits - Introduction	AELC0231			
16. Electrical Power – Trans. & Distribution System	AELC0361			
17. Fire Safety	ASAF0091			
A. Inspection and use of a fire extinguisher.	ASAF0091A			A.
18. General Math - Whole & Negative Numbers	AFUN0521			
19. General Math - Decimals	AFUN0441			
20. General Math - Fractions	AFUN0481			
21. General Math - Ratios & Percentages	AFUN0491			
22. Lifting & Moving Materials by Hand	AFUN0291			
A. Lifting a load safely.	AFUN0291A			A.
B. Moving a load with a hand truck.	AFUN0291B			B.
23. Pole Top Rescue	AELC0531			
A. Demonstrate pole rescue procedure from pole with crossarm (crossarm end method)	AELC0531A			A.
B. Demonstrate pole rescue procedure from pole with crossarm (wrapping rope around itself method)	AELC0531B			B.
C. Demonstrate pole rescue procedure from pole without crossarm.	AELC0531C			C.
24. Rubber Gloves & other Protective Gear	AFUN0111			
A. Inspect rubber gloves and gear.	AFUN0111A			A.
25. Bucket Rescue	AFUN0351			
A. Demonstrate bucket rescue by tipping the bucket	AFUN0351A			A.
B. Demonstrate bucket rescue by hoisting the victim	AFUN0351B			B.
26. Basic Tree Trimming	AELC0781			
A. Start a chain saw.	AELC0781A			A.
B. Remove a tree branch.	AELC0781B			B.
Line Maintainer Step 2 - Final Exam	AELC2046			
Line Maintainer First Year - Final Exam	AELC2046A			
Line Maintainer First Year – Skills Evaluation IAMU – Final Exam	AELC2046B			

Appendix A

LINE MAINTAINER TRAINING GUIDE

Course Name	Course No.	Written Evaluation Completion	Written Evaluation Completion	Skill Evaluation Completion
Article IV. STEP 3, YEAR 2		Section 4.01 ATE	SCORE	DATE / SCORE
1. Electric Services - Theory	AELC0381			
A. Check the phase sequence.	AELC0381A			A.
B. Check the phase rotation.	AELC0381B			B.
2. Hoists	AFUN0261			
A. Rigging.	AELC0261A			A.
B. Rigging a come-a-long.	AELC0261B			B.
3. Ladders and Scaffolding	AFUN0301			
A. Inspecting a ladder.	AFUN0301A			A.
B. Inspecting scaffolding.	AFUN0301B			B.
4. Vehicles w/ Hydraulic Equipment - Digger Derrick	AFUN0381			
A. Operate a derrick digger	AFUN0381A			A.
5. Poles - Installation	AELC0511			
A. Load pole on to a trailer.	AELC0511A			A.
B. Frame a pole with a single crossarm before setting the pole.	AELC0511B			B.
C. Frame a pole with a double crossarm before setting the pole.	AELC0511C			C.
D. Attach a crossarm while on the pole.	AELC0511D			D.
E. Ground a pole	AELC0511E			E.
F. Set a pole using a derrick truck.	AELC0511F			F.
6. Street Lighting	AELC0601			
A. Install a mast arm and luminaire on a pole.	AELC0601A			A.
B. Install a photoelectric cell, Change a bulb and luminaire.	AELC0601B			B.
7. Substations - Theory	AELC0621			
8. Vehicles w/ Hydraulic Equipment - Backhoe	AFUN0371			
A. Operating a backhoe	AFUN0371A			A.
9. Bucket Trucks	AFUN0141			
A. Operating a bucket truck	AFUN0141A			A.
B. Inspecting a bucket truck	AFUN0141			B.
Line Maintainer Step 3 - Final Exam	AELC2047			

Appendix A

LINE MAINTAINER TRAINING GUIDE

Course Name	Course No.	Written Evaluation Completion	Written Evaluation Completion	Skill Evaluation Completion
Article V. <u>STEP 4, YEAR 2</u>		Section 5.01 ATE	SCORE	DATE / SCORE
10. Circuit Breakers - Theory	AELC0121			
11. Conductors - Underground Joining and Terminating	AELC0191			
A. Install a mechanical connector.	AELC0191A			A.
B. Install a compression connector.	AELC0191B			B.
C. Install a load break connector.	AELC0191C			C.
D. Install a cable terminator.	AELC0191D			D.
E. Install a secondary splice.	AELC0191E			E.
F. Install a 3M cold shrink splice.	AELC0191F			F.
12. Conductors - Overhead Joining and Terminating	AELC0951			
A. Install a mechanical connector.	AELC0951A			A.
B. Install a compression connector.	AELC0951B			B.
C. Install a compression splice.	AELC0951C			C.
D. Install an automatic splice.	AELC0951D			D.
E. Install a splice on an ACSR conductor	AELC0951E			E.
13. Electric Services - Overhead Installation	AELC0961			
A. Connect an overhead service.	AELC0961A			A.
14. Vehicles w/ Hydraulic Equip - Trencher	AFUN0391			
A. Operate a trencher	AFUN0391A			A.
15. Conductors - Underground Installation	AELC0181			
A. Install a cable using the direct burial method.	AELC0181A			A.
B. Install a cable using conduit.	AELC0181B			B.
16. Electric Services - Underground Installation	AELC0971			
A. Connect an underground service.	AELC0971A			A.
17. Instrument Transformers - Theory	AELC0461			
18. Switches - Theory	AELC0661			
19. T&D Underground Systems - Theory	AELC0701			
20. Transformers - Theory	AELC0771			
21. Transformers - Connection Theory	AELC0671			
Line Maintainer Step 4 - Final Exam	AELC2048			
Line Maintainer Second Year - Final Exam	AELC2048A			
Line Maintainer Second Year – Skills Evaluation IAMU - Final Exam	AELC2048B			

Appendix A

LINE MAINTAINER TRAINING GUIDE

Course Name	Course No.	Written Evaluation Completion	Written Evaluation Completion	Skill Evaluation Completion
Article VI. <u>STEP 5, YEAR 3</u>		Section 6.01 ATE	SCORE	DATE / SCORE
1. Conductors - Overhead Installation	AELC0151			
A. Install an overhead conductor.	AELC0151A			A.
B. Sag a conductor using a sagging scope.	AELC0151B			B.
C. Sag a conductor using a stop-watch.	AELC0151C			C.
D. Install a pre-formed tie.	AELC0151D			D.
E. Install a hand tie using a top tie.	AELC0151E			E.
F. Install a hand tie using a side tie.	AELC0151F			F.
G. Install a conductor shoe.	AELC0151G			G.
2. Load Tap Changers - Theory	AELC0471			
3. Relays - Theory	AELC0541			
4. Transformers - Connections	AELC1011			
5. Transformers - Single-Phase, Pole-Mount Installation	AELC0761			
A. Install a single-phase pole-mount transformer.	AELC0761A			A.
B. Parallel two single-phase transformers.	AELC0761B			B.
6. Transformers - Single-Phase, Pad-Mount Installation	AELC0751			
A. Install a single-phase pad-mount transformer.	AELC0751A			A.
7. Voltage Regulators - Theory	AELC0821			
A. De-energizing and grounding a voltage regulator.	AELC0821A			A.
Line Maintainer Step 5 - Final Exam	AELC2049			

Appendix A

LINE MAINTAINER TRAINING GUIDE

<i>Course Name</i>	<i>Course No.</i>	<i>Written Evaluation Completion</i>	<i>Written Evaluation Completion</i>	<i>Skill Evaluation Completion</i>
Article VII. <u>STEP 6, YEAR 3</u>		Section 7.01 ATE	SCORE	DATE / SCORE
8. Arresters	AELC0081			
A. Perform a substation arrestor inspection.	AELC0081A			A.
B. Perform a line arrestor inspection.	AELC0081B			B.
C. Perform a substation arrester installation.	AELC0081C			C.
D. Perform a line arrester installation.	AELC0081D			D.
E. Perform an underground arrester installation.	AELC0081E			E.
9. Electrical Line Tools (Skills Evaluations only)	AELC0271		See Step 1	
A. Install an extension arm.	AELC0271A			A.
B. Install a pole top gin.	AELC0271B			B.
C. Operate a shotgun stick.	AELC0271C			C.
D. Install a protective ground.	AELC0271D			D.
E. Install an insulated jumper.	AELC0271E			E.
F. Open a fused cutout.	AELC0271F			F.
G. Use a tie stick.	AELC0271G			G.
H. Install a ground set.	AELC0271H			H.
10. Print Reading - Construction	AFUN0061			
A. Reading a construction print.	AFUN0061A			A.
11. Print Reading - Electrical	AFUN0071			
12. Print Reading - Mechanical	AFUN0081			
A. Reading a mechanical print.	AFUN0081A			A.
Line Maintainer Step 6 - Final Exam	AELC2050			
Line Maintainer Third Year - Final Exam	AELC2050A			
Line Maintainer Third Year – Skills Evaluation IAMU – Final Exam	AELC2050B			

Appendix A

LINE MAINTAINER TRAINING GUIDE

Course Name	Course No.	Written Evaluation Completion	Written Evaluation Completion	Skill Evaluation Completion
Article VIII. STEP 7, YEAR 3 and ½		Section 8.01 ATE	SCORE	DATE / SCORE
1. Capacitors	AELC0111			
A. Inspect a capacitor bank.	AELC0111A			A.
B. De-energize a capacitor bank.	AELC0111B			B.
C. Perform an insulation resistance test.	AELC0111C			C.
D. Install a capacitor on a single phase line.	AELC0111D			D.
E. Install capacitors on a three phase line	AELC0111E			E.
F. Replace a capacitor.	AELC0111F			F.
2. Switches - Installation	AELC0641			
A. Install a fused cutout for equipment protection.	AELC0641A			A.
B. Install a recloser.	AELC0641B			B.
C. Install a disconnect switch.	AELC0641C			C.
D. Install an oil switch.	AELC0641D			D.
3. Transformers - Three-Phase, Pad-Mount Installation	AELC0811			
A. Install a three-phase pad-mount transformer.	AELC0811A			A.
4. Transformers - Transformer Bank Installation	AELC0791			
A. Install a transformer bank.	AELC0791A			A.
5. Transformers - Pad-Mount Maintenance	AELC0731			
A. Isolate a pad-mount transformer.	AELC0731A			A.
B. Remove a pad-mount transformer.	AELC0731B			B.
6. Transformers - Pole-Mount Maintenance	AELC0741			
A. Isolate a single-phase pole-mount transformer.	AELC0741A			A.
B. Remove and replace a single-phase pole-mount transformer.	AELC0741B			C.
C. Isolate a transformer bank.	AELC0741C			B.
D. Remove and replace a transformer bank.	AELC0741D			D.
7. Voltage Regulators - Line Installation	AELC0981			
A. Install a single-phase voltage regulator.	AELC0981A			A.
Line Maintainer Step 7 - Final Exam	AELC2051			

LINE MAINTAINER TRAINING GUIDE

Course Name	Course No.	Written Evaluation Completion	Written Evaluation Completion	Skill Evaluation Completion
Article IX. <u>STEP 8, YEAR 3 and ½</u>		Section 9.01 ATE	SCORE	DATE / SCORE
8. Conductors - Overhead Maintenance	AELC0161			
A. Perform a distribution line inspection.	AELC0161A			A.
B. Perform a transmission line inspection	AELC0161B			B.
C. Troubleshoot a line.	AELC0161C			C.
D. Energize new conductors.	AELC0161D			D.
E. Remove conductors using the drop method.	AELC0161E			E.
F. Remove conductors using the tension method.	AELC0161F			F.
9. Conductors - Locating Underground	AELC0141			
A. Locate an underground conductor.	AELC0141A			A.
B. Find the depth of a conductor.	AELC0141B			B.
10. Conductors - Underground Maintenance	AELC0201			
A. Perform an underground line inspection.	AELC0201A			A.
B. Perform Hi-Pot test on an underground line.	AELC0201B			B.
C. Diagnose a problem on an underground line.	AELC0201C			C.
11. Portable Substations	AELC0521			
A. Prepare a portable substation to be moved.	AELC0521A			A.
B. Place a portable substation in service.	AELC0521B			B.
C. Remove a portable substation from service.	AELC0521C			C.
12. Electric T&D Switching and Hold Card Practices	AELC1751			
3. Substations - Inspection	AELC0591			
A. Perform a substation fence and gate inspection.	AELC0591A			A.
B. Perform a substation grounds inspection.	AELC0591B			B.
C. Perform a substation structure inspection.	AELC0591C			C.
D. Perform a substation control house inspection.	AELC0591D			D.
E. Perform a substation control panels inspection.	AELC0591E			E.
F. Perform a substation battery set and charger inspection.	AELC0591F			F.
G. Perform a periodic relay inspection.	AELC0591G			G.
H. Perform a substation arrester inspection.	AELC0591H			H.
I. Perform a periodic transformer inspection.	AELC0591I			I.
J. Perform a periodic load tap changer inspection.	AELC0591J			J.
K. Perform a substation voltage regulator inspection.	AELC0591K			K.
L. Perform a periodic circuit breaker inspection.	AELC0591L			L.

<i>Course Name</i>	<i>Course No.</i>	<i>Written Evaluation Completion</i>	<i>Written Evaluation Completion</i>	<i>Skill Evaluation Completion</i>
Article X. <u>STEP 8, YEAR 3 ½ (continued)</u>		Section 10.01 ATE	SCORE	DATE / SCORE
14. Switches - Maintenance	AELC0651			
A. Inspect a recloser.	AELC0651A			A.
B. Inspect an air breaker switch.	AELC0651B			B.
C. Inspect a disconnect switch.	AELC0651C			C.
D. Replace a fuse in a fused cutout.	AELC0651D			D.
E. Replace a disconnect switch.	AELC0651E			E.
Line Maintainer Step 8 - Final Exam	AELC2052			
Line Maintainer Fourth Year - Final Exam	AELC2052A			
Line Maintainer – Journey Exam	AELC2052B			
Line Maintainer Fourth Year – Skills Evaluation IAMU – Final Exam	AELC2052C			

Appendix B

ETA-671 Apprenticeship Agreement

Appendix C

APPRENTICE STATUS FORM

This form to be used to notify the IAMU Apprenticeship Committee and Registration Agency of the changing status of apprentice(s). Sign, date, make copy and return original to IAMU.

Utility Name

Apprentice Name

Status Change:

_____ *Reinstate*

Reinstatement Date: _____

_____ *Suspend*

Suspension Date: _____

_____ *Cancel*

Cancellation Date: _____

Reasons for Cancellation (check those that apply):

_____ *Discharged / Released*

_____ *Transferred to another program*

_____ *Left to accept released employment*

_____ *Illness / Death*

_____ *Left to accept other employment*

_____ *Program cancelled by Sponsor/Employer*

_____ *Unsatisfactory performance*

_____ *Program cancelled by Registration Agency*

_____ *Lack of work*

_____ *Voluntarily quit*

_____ *Entered military service*

_____ *Unknown*

Closing Date: _____ Closing Wage: _____

Signature: _____ Date: _____

Appendix D

CERTIFICATES AND FEES

FEES

All fees will be paid by the Sponsor. Current published fees will apply.

These payments are due at the time an Apprentice starts each quarter of the Course Work. They will be paid to the Iowa Association of Municipal Utilities. This fee will cover the Course Work, record keeping and the administration of final tests. A period in this context shall mean one quarter of the Course Work.

A score of 80% or better is needed to pass all tests of the Apprenticeship Program. Each written placement test will be offered only once. Competency must also be shown on the hands-on Skill Evaluations. Current Administrative Fees will apply to cover the application process and documentation of all OJT hours.

Material on placement tests includes critical information specific to the Line Maintainer trade.

Journeypersons may apply for additional endorsements by continuing to record and submit time sheets to the IAMU Apprenticeship Committee.

RECOMMENDATION

It is recommended that the local utility keep in mind that completion of the apprenticeship program should not be the end of training. Continuing Education in both related education and safety should happen each year they are in your employment.

Appendix E

TIME REPORT

LINE MAINTAINER
COMPLETE DAILY AND SUBMIT MONTHLY TO IAMU (record in ¼ hours)

NAME: _____ MONTH _____

DAYS _____ THRU _____, 20 _____

UTILITY NAME: _____

	S	M	T	W	T	F	S	Total
Basic Parameter								
Overhead Distribution Parameter								
Underground Distribution Parameter								
Metering Parameter								
Transmission Parameter								
Substation Parameter								
Total								
Secondary Hot Hours								
Primary Zone Hot Hours								

Signature of Apprentice _____

STUDENT NUMBER. _____

Signature of Supervisor _____ TOTAL

WEEKLY HOURS _____

CODE
S-SICK
V-VACATION
X-SAT/SUN

MAIL OR FAX TO:
IAMU
1735 NE 70th Avenue
Ankeny, IA 50021-9353
Fax (515) 289-2499

Appendix F

EMPLOYER ACCEPTANCE AGREEMENT

The foregoing undersigned employer and bargaining unit hereby subscribes to the provisions of the Apprenticeship Standards formulated and registered by the Iowa Association of Municipal Utilities and agrees to carry out the intent and purpose of said Standards and to abide by the rules and decisions of the Sponsor established under these Apprenticeship Standards. We have been furnished a true copy of the Standards and have read and understood them, and do hereby request certification to train apprentices under the provisions of these Standards, with all attendant rights and benefits thereof, until cancelled voluntarily or revoked by the Sponsor or Registration Agency. On-the-job, the apprentice is hereby guaranteed assignment to a skilled and competent journeyworker and is guaranteed that the work assigned to the apprentice will be rotated so as to ensure training in all phases of work. The employer further agrees to accept for employment apprentices who are selected and referred to him/her by the Apprenticeship Committee to the extent appropriate employment opportunities are available.

Employer

Signed: _____ Date: _____

Title: _____

Name of Company: _____

Address: _____

City/State/Zip Code: _____

Phone Number: _____

Local Union # _____

Signed: _____ Date: _____

Title: _____

Disposition:

Original –

Copies – Employer, Union and Registration Agency

2013 Apprenticeship Program Fees

Unbundled Rates Per Apprentice

The following fee structure is for all new apprentices entering into the apprenticeship program after 2-1, 2007.

Fee structure for existing apprentices, prior to 2-1-2007, will not change.

Description	One-Time Fee	Annual Fees	Fee per Service
IAMU Apprenticeship Program			
Utility Enrollment & Initial Setup (one per utility)	\$200		
Apprentice Enrollment & Registration (per apprentice)	\$30		
Certificate Upgrade	\$50		
Placement Testing Options			
At IAMU Offices (offered once a month)	\$50 per student		
Onsite (at Utility)			charged @ per diem rate
Materials			
Training Materials (IAMU program Hard Copy)		\$125	
Training Materials (IAMU program CD)		\$30	
Lineman's Handbook	\$73		
Standard Textbook of Electricity	\$132		
APPA Safety Manual	\$25		
<i>(Prices do not include tax. Book costs may vary based on supplier fees.)</i>			
Program			
Testing, Record Keeping & Skills Testing		\$925	
All Skills Testing at Utility		(\$150)	charged @ per diem rate
After 5-yrs in program, annual maintenance fee		\$250	

Merchant Program			
Utility Enrollment & Initial Setup	\$200		
Apprentice Enrollment & Registration	\$30		
Certificate Upgrade	\$50		
Merchant Does Not Allow Placement Testing			
Materials			
Training Materials (Merchant program Hard Copy)		Included	
Lineman's Handbook	\$73		
Standard Textbook of Electricity	\$132		
APPA Safety Manual	\$25		
<i>(Prices do not include tax and shipping)</i>			
Program			
Annual Fees including Testing & Record Keeping: Enrolled prior 2-1-07 \$900, after 2-1-07 \$1,400		\$1,400	
After 5-yrs in program, annual maintenance fee		\$250	

Pricing may be adjusted year-to-year due to unforeseen material and operation costs.

Information

Subject

Resolution Approving Construction Contract & Bonds

Information

The contract & bond are attached to this agenda item and require a roll call vote to approve via the attached resolution. Approval should be subject to final approval of the bond by the utility's attorney, as it was just received the day the packet was compiled.

Financial Impact

N/A

Staff Recommendation

Attachments

Resolution

Bond

INDIANOLA MUNICIPAL UTILITIES

PUBLIC IMPROVEMENT CONSTRUCTION
DOCUMENTS FOR:

**2014 HWY. 92 & I-35 TRANSMISSION RELOCATION
PROJECT FOR INDIANOLA MUNICIPAL UTILITIES,
INDIANOLA, IOWA.**

RESOLUTION APPROVING CONSTRUCTION CONTRACTS AND BONDS

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE INDIANOLA MUNICIPAL UTILITIES:

Section 1. The construction contract and bond executed by _____ dated the _____ day of _____, 2014, for the 2014 Hwy. 92 Transmission Relocation Project for Indianola Municipal Utilities, Indianola, Iowa, described in the Plans and Specifications previously adopted by the Board of Trustees, and which have been signed by the IMU General Manager and City Clerk on behalf of the Board of Trustees, be approved.

PASSED AND APPROVED this _____ day of _____, 2014.

ERIC VANDER LINDEN, Chair

ATTEST:

DIANA BOWLIN, City Clerk

PERFORMANCE BOND

Any singular reference to Contractor, Surety, Owner, or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):
Michels Power, a division of Michels Corporation
1775 E. Shady Lane, Neenah, WI 54956

OWNER (Name and Address):
Indianola Municipal Utilities
111 S. Buxton Street, PO Box 356
Indianola, IA 50125

CONTRACT

Date: January 16, 2014

Amount: \$423,624.16 Four hundred twenty-three thousand, six hundred twenty-four and 16/100

Description (Name and Location):
2014 Hwy 92 & I-35 Transmission Relocation Project

SURETY (Name and Address of Principal Place of Business):
Continental Casualty Company

333 S. Wabash Ave. 41st Floor
Chicago, IL 60604
and

Liberty Mutual Insurance Company
5600 New King St., Suite 360
Troy, MI 48098

BOND

Bond Number: 929586939 and 013125985

Date (Not earlier than Contract Date): January 22, 2014

Amount: \$423,624.16 Four hundred twenty-three thousand, six hundred twenty-four and 16/100

Modifications to this Bond Form: None

Surety and Contractor, intending to be legally bound hereby, subject to the terms printed on the reverse side hereof, do each cause this Performance Bond to be duly executed on its behalf by its authorized officer, agent, or representative.

CONTRACTOR AS PRINCIPAL

Company: Michels Power, a division of Michels Corporation

Signature: Mark Harasha (Seal)
Name and Title: Mark Harasha, Vice President

SURETY

Continental Casualty Company and

Liberty Mutual Insurance Company (Seal)
Surety's Name and Corporate Seal

By: Kimberly R. Holmes
Signature and Title Kimberly R. Holmes, Attorney-In-Fact
(Attach Power of Attorney)

(Space is provided below for signatures of additional parties, if required.)

Attest: Melissa Newman
Signature and Title Melissa Newman, Witness

CONTRACTOR AS PRINCIPAL

Company:

Signature: _____ (Seal)
Name and Title: _____

SURETY

Surety's Name and Corporate Seal (Seal)

By: _____
Signature and Title
(Attach Power of Attorney)

Attest: _____
Signature and Title:

EJCDC No. C-610 (2002 Edition)

Originally prepared through the joint efforts of the Surety Association of America, Engineers Joint Contract Documents Committee, the Associated General Contractors of America, and the American Institute of Architects.



**MICHELS POWER A DIVISION OF
MICHELS CORPORATION**
1775 E. Shady Lane • Neenah, WI 54956
Phone: (920) 720-5200 • Fax: (920) 720-5214

January 23, 2014

Bob Brunia
P&E Engineering
245 S 5th Street
Carlisle, IA 50047

Re: 2014 Hwy 92 & I-35 Transmission Relocation

Letter of Transmittal:

☒

Attached

☐

Under a Separate Cover

We are forwarding the items listed below:

Quantity	Description
2	Contract Books with P&P Bonds incorporated**
2	Certificates of Insurance

**Please send a fully executed signature page to me at the email address below. Thank you.

Michels Power a division of
MICHELS CORPORATION

Stacy Coulthard
Contracts & Office Manager
scoultha@michels.us
Ph: 920-721-9170



CERTIFICATE OF LIABILITY INSURANCE

MICHE-6

OP ID: MS

DATE (MM/DD/YYYY)

01/23/14

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Weible & Cahill 2300 Cabot Drive, Suite 100 Lisle, IL 60532 William P. Weible		Phone: 630-245-4600 Fax: 630-245-4601	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS: FAX (A/C, No):																					
INSURED Michels Power a division of Michels Corporation 1775 E Shady Lane Neenah, WI 56956		<table border="1"><thead><tr><th colspan="2">INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr></thead><tbody><tr><td>INSURER A :</td><td>Arch Insurance Company</td><td>11150</td></tr><tr><td>INSURER B :</td><td>Ironshore Specialty Ins. Co.</td><td>25445</td></tr><tr><td>INSURER C :</td><td>Zurich American Insurance Co</td><td></td></tr><tr><td>INSURER D :</td><td></td><td></td></tr><tr><td>INSURER E :</td><td></td><td></td></tr><tr><td>INSURER F :</td><td></td><td></td></tr></tbody></table>		INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A :	Arch Insurance Company	11150	INSURER B :	Ironshore Specialty Ins. Co.	25445	INSURER C :	Zurich American Insurance Co		INSURER D :			INSURER E :			INSURER F :		
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INSURER F :																								

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	X	41PKG8889304	02/01/13	02/01/14	EACH OCCURRENCE \$ 1,000,000
	☒ COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
	☐ CLAIMS-MADE ☒ OCCUR					MED EXP (Any one person) \$ 10,000
	☒ XCU Included					PERSONAL & ADV INJURY \$ 1,000,000
	☒ Stop Gap Included					GENERAL AGGREGATE \$ 2,000,000
GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG \$ 2,000,000
☐ POLICY ☒ PROJECT ☐ LOC						
A	AUTOMOBILE LIABILITY	X	41PKG8889304	02/01/13	02/01/14	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000
	☒ ANY AUTO					BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS					BODILY INJURY (Per accident) \$
	☒ HIRED AUTOS ☒ SCHEDULED AUTOS NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
	☒ MCS-90					
B	UMBRELLA LIAB ☒ OCCUR	X	000113203	02/01/13	02/01/14	EACH OCCURRENCE \$ 10,000,000
	☒ EXCESS LIAB ☐ CLAIMS-MADE					AGGREGATE \$ 10,000,000
	DED ☒ RETENTION \$ 0					
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	Y/N	41WC18889204	02/01/13	02/01/14	☒ WC STATUTORY LIMITS ☐ OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)					E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
						E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Builders Risk	X	MBR537239207	02/01/13	02/01/14	5,000,000 50,000 Any Project Deductible

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Re: Michels Job #49175, 2014 HWY 92 & I-35 Transmission Relocation Project;
Contract Amount: \$423,624
Primary Additional Insureds on General Liability, Auto and Excess and Loss
Payee on Builders Risk: (See Page 2)

CERTIFICATE HOLDER**CANCELLATION**

INDIA18 Indianola Municipal Utilities 110 N. First St. Indianola, IA 50125	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Kiyas Saikh</i>
--	---

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NOTEPAD:

HOLDER CODE **INDIA18**
INSURED'S NAME **Michels Power a division**

MICHE-6
OP ID: MS

PAGE **2**
DATE **01/23/14**

Re: Michels Job #49175, 2014 HWY 92 & I-35 Transmission Relocation
Project; Contract Amount: \$423,624

Primary Additional Insureds on General Liability, Auto, Builders Risk and
Excess and Loss Payee on Builders Risk:

- Indianola Municipal Utilities (Owner)
- P & E Engineering Co. (Engineer)
- MidAmerican Energy Company and their respective officers, directors,
partners, employees, agents, consultants and subcontractors

Information

Subject

Presentation & Discussion of the Proposed Budget

Information

A revised budget packet is attached to this agenda item.

Staff will present the proposed budget and note constraints for the viewing public. The budget is today's best estimate of future revenues and expenditures with very limited capital improvements other than proactive maintenance at the water plant & replacement of water mains. There are limited amounts of contingency for the many operational risks IMU annually faces such as-

1. Changing mix of sales and base vs. incremental wholesale energy costs due to weather.
2. Mechanical breakdowns.
3. Reliance on income other than those derived from utility rates to meet unrelated operational expenses.
4. Future wholesale rates due to the performance of wholesale supplier(s).
5. Changing regulatory environment.

Changes from the draft presentation prepared for the last Trustee discussion include-

1. Revised the lineman transition plan to reflect items contained on tonight's agenda.
2. Slightly higher kwh sales of electricity based on actual December & early January data.
3. Small adjustments to capital projects & material costs based on known upcoming changes.
4. Reduced the projected electric rate increase to 5.75% for both upcoming calendar years.
5. Refined the ratio analysis based on conversations with Moody's rating service staff.

The proposed electric rate increase will be necessary to maintain IMU's "A" rating over the next 3 fiscal years. Even with the proposed rates, the adjusted Debt Service Coverage ratio (which excludes PILOT payments) and the Fixed Obligation Charge Coverage ratio (which imputes the debt service portion of IMU's minimum demand charges from MEAN) are targeted to end below those for an "A" rating. Other measures, weighted heavier than those ratios, should remain favorable enough to retain the rating.

Water and network service rates are projected to remain stable.

Also attached is a memo from MEAN distributed at the January meeting detailing factors impacting wholesale rates. IMU staff is coordinating having MEAN staff attend a future Trustee televised meeting so dialog can occur.

Financial Impact

N/A

Staff Recommendation

Attachments

Budget

MEAN Memo

INDIANOLA MUNICIPAL UTILITIES



Electric • Network Services • Water

FY 2014 – 2016

ELECTRIC, WATER, COMMUNICATIONS &
ADMINISTRATION BUDGET

JANUARY 27, 2014

IMU Board of Trustees **Fund Summary**

	July 1, 2013 Beginning Balance	FY '14 Re-Estimated Revenue	FY '14 Re-Estimated Expenditures	June 30, 2014 Ending Balance	FY '15 Budgeted Revenue	FY '15 Budgeted Expenditures	June 30, 2015 Ending Balance
Total Electric Utility	\$ 7,549,600	\$ 17,817,600	\$ 19,164,000	\$ 6,203,200	\$ 14,366,200	\$ 14,655,600	\$ 5,913,800
Total Water Utility	\$ 1,899,900	\$ 2,861,400	\$ 3,296,100	\$ 1,465,200	\$ 3,162,600	\$ 3,351,200	\$ 1,276,600
Communications Utility							
640 Fiber	\$ 429,000	\$ 233,200	\$ 339,100	\$ 323,100	\$ 311,400	\$ 477,300	\$ 157,200
IMU Administration							
620 Administration	\$ -	\$ 955,700	\$ 955,700	\$ -	\$ 1,012,500	\$ 1,012,500	\$ -
855 Insurance Reserve	\$ 22,900	\$ 600	\$ 10,000	\$ 13,500	\$ 600	\$ 10,000	\$ 4,100
Total IMU Board of Trustees	\$ 9,901,400	\$ 21,868,500	\$ 23,764,900	\$ 8,005,000	\$ 18,853,300	\$ 19,506,600	\$ 7,351,700

IMU Electric Utility

EL Combined and O&M Summaries:

Revenue-

- Slightly FY 2014 higher kWh sales at lower-than-budget rate per kWh due to keeping rates stable this calendar year.
- Rate increases of 5.75% effective January 1, 2015 & 2016
- One-time \$340,000 refunding (income) of loan from Water Utility to fund increased reserve targets
- Return on CAPX investment starting in FY 2015 at \$40,000 per year
- Relatively stable other revenue

Expenditures-

- FY 2014 Re-Estimated Purchased Energy higher than expected due to \$350,000 in Pooled Energy Adjustment imposed by MEAN for its FY 2014
 - Higher amount of on-peak market purchases
 - Higher rate per MWh paid

- FY 2015 Purchased Energy significantly higher than expected at 12.8% plus the local cost of 18% increase in MEC transmission rates and landfill gas project; projected 5% increase for FY 2016 may end up low
 - FY 2014 operating results will end below targets
 - Expiration of Basin (non-member) contract in April means those kWhs will be sold at market rates, which are lower than were under contract
 - Assumed expiration of Fountain, CO however RFP not yet done
 - Member kWh sales also down leaving more market sales at lower prices
 - Needs revenues & cash to maintain ratios for continued financial stability
 - Debt service coverage ratio falling to 1.16x with rate increases
 - Target of 71 days cash on hand
 - Fixed cost coverage at 1.03; below minimum “A” target of 1.10
 - A&G increases due to increased complexity of operating in 3 regions

- Salaries & Benefits assume hiring of 1 additional lineman now; postponing a 2nd hire until as a replacement for a retiree
- Reduction of targeted Energy Efficiency dollars to .75% of rate revenue from 1% to reflect higher retail rates without corresponding cost increase of rebates & projects
- Reduction of Community Projects from \$30,000 to \$20,000 in future years to reflect anticipated requests
- Increased Payment in Lieu of Taxes
- Higher Worker's Comp (FY 2015) and Health Insurance (FY 2016) premiums

Net Income, Reserves & Ratios-

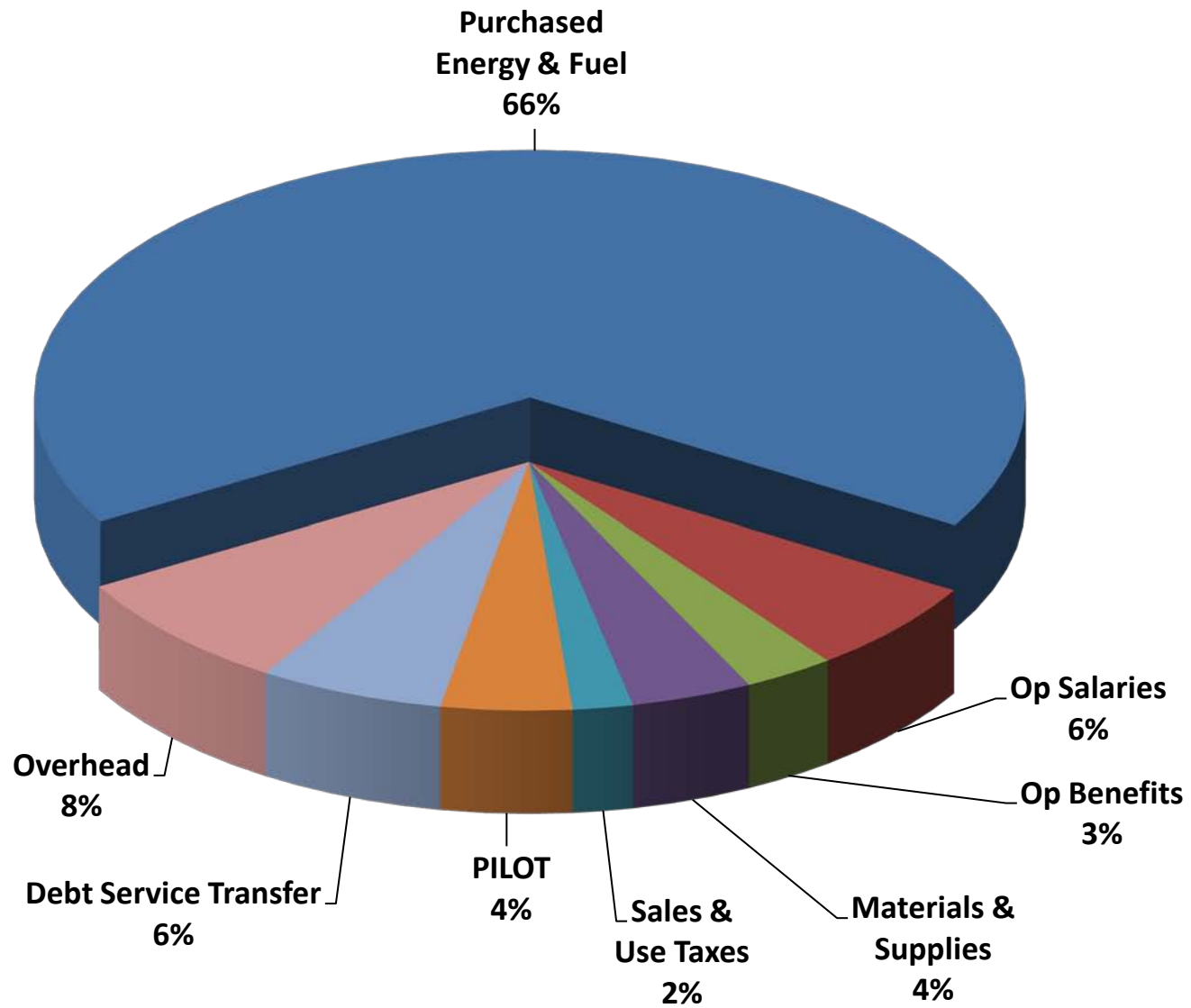
- Essentially breaking even in FY 2014; significant losses projected in FY 2015 & FY 2016 even with the recommended rate increases
- Lowering the Capital Fund Reserve Target from 4% to 3.5% of deployed assets slows the rate of growth in total reserves; appropriate with lack of new debt
- Days cash on hand for O&M activities falls until it stabilizes; targeting within the range to hold an “A” rating
- Debt service & fixed obligation charge coverage meets bare minimum standards in FY 2015 to preserve access to credit markets/bond rating in the future; lower debt service

EL - Combined	FY 2014 BUDGET	FY 2014 RE-EST	FY 2015 BUDGET	CHANGE	FY 2016 PROJECTIONS
Revenue:					
Sales of Electricity & Peaking	\$ 11,939,000	\$ 11,808,400	\$ 11,927,000	\$ 118,600	\$ 12,694,000
Sales Taxes	321,200	250,000	260,000	10,000	275,000
Other	1,225,000	1,366,100	1,400,000	33,900	1,434,700
Total O&M Revenue	\$ 13,485,200	\$ 13,424,500	13,587,000	162,500	\$ 14,403,700
Expenditures:					
Purchased Energy & Fuel	\$ 7,797,000	\$ 8,342,000	\$ 9,066,000	\$ 724,000	\$ 9,463,200
Operational Salaries	750,100	782,200	825,800	43,600	814,300
Operational Benefits	377,800	369,900	400,600	30,700	428,000
Materials, Suppl. & Contracts	518,300	517,100	535,700	18,600	536,800
Sales Taxes & Use Taxes	326,200	255,000	265,000	10,000	280,000
PILOT	538,700	538,700	577,100	38,400	587,400
Debt Service - Interest	792,800	307,800	278,300	(29,500)	263,800
Overhead, Admin & EE	1,080,500	948,300	1,052,200	103,900	1,082,900
Depreciation (Est)	1,328,500	1,328,500	1,368,400	39,900	1,409,500
Total O&M Expenses	\$ 13,509,900	\$ 13,389,500	14,369,100	979,600	\$ 14,865,900
Net Income (Operating & Other)	\$ (24,700)	\$ 35,000	(782,100)	(817,100)	\$ (462,200)
Capital Activities:					
Major Maintenance via Capital Fund	\$ (195,000)	\$ (52,500)	\$ (135,000)	\$ (82,500)	\$ (115,000)
Capital Contributions (Fiber)	119,500	182,500	199,000	16,500	217,000
Capital Contributions (Electric)	41,700	47,900	41,700	(6,200)	41,700
Net Income	\$ (58,500)	\$ 212,900	(676,400)	(889,300)	\$ (318,500)

EL - Combined	FY 2014 BUDGET	FY 2014 RE-EST	FY 2015 BUDGET	CHANGE	FY 2016 PROJECTIONS
Cash Flow:					
Net Income + Depreciation	\$ 1,270,000	\$ 1,541,400	\$ 692,000	\$ (849,400)	\$ 1,091,000
Water Loan Principal	214,800	554,800	220,200	(334,600)	225,800
Debt Service Principal	(555,000)	(1,040,000)	(540,000)	500,000	(555,000)
Debt Service Reserve Change	-	-	-	-	-
Capital Contributions (Developers)	925,000	1,885,100	125,000	(1,760,100)	125,000
Proceeds from Debt Issues	5,000,000	-	-	-	-
Capital Projects	(1,160,600)	(4,287,700)	(786,600)	3,501,100	(953,000)
Designated for Future Projects	-	-	-	-	-
Net Cash Flow	\$ 5,694,200	\$ (1,346,400)	\$ (289,400)	\$ 1,057,000	\$ (66,200)
Ending O&M and Capital Fund Balances:	\$ 11,550,500	\$ 4,509,900	\$ 4,220,500		\$ 4,154,300
Designated for Future Projects	5,000,000	-	-		-
Reserve Targets	3,785,900	3,732,900	3,969,000		4,154,300
Over/(Under)	\$ 2,764,600	\$ 777,000	\$ 251,500	\$ (525,500)	\$ -
Days Cash of O&M Activities & Major Main	188	126	114		108
Adjusted Days Liquidity	210	140	121		115
Debt Service Coverage Ratio w/ PILOT	1.9	1.8	1.9		2.4
Debt Service Coverage Ratio w/o PILOT	1.6	1.2	1.1		1.5
Fixed Obligation Charge Coverage Ratio	1.3	1.1	1.0		1.2
Debt Ratio	25%	16%	13%		12%

630 - EL O&M Fund

	FY 2014 BUDGET	FY 2014 RE-EST	FY 2015 BUDGET	CHANGE	FY 2016 PROJECTIONS
Revenue:					
Sales of Electricity & Peaking	\$ 11,939,000	\$ 11,808,400	\$ 11,927,000	\$ 118,600	\$ 12,694,000
Sales Taxes	321,200	250,000	260,000	10,000	275,000
Other	700,000	557,300	525,700	(31,600)	528,400
Fund Revenue	\$ 12,960,200	\$ 12,615,700	12,712,700	97,000	\$ 13,497,400
Expenditures:					
Purchased Energy & Fuel	\$ 7,797,000	\$ 8,342,000	\$ 9,066,000	\$ 724,000	\$ 9,463,200
Operational Salaries	750,100	782,200	825,800	43,600	814,300
Operational Benefits	377,800	369,900	400,600	30,700	428,000
Materials, Suppl. & Contracts	518,300	517,100	535,700	18,600	536,800
Sales Taxes & Use Taxes	326,200	255,000	265,000	10,000	280,000
PILOT	538,700	538,700	577,100	38,400	587,400
Debt Service	1,347,800	1,347,800	818,300	(529,500)	818,800
Overhead, Admin & EE	1,080,500	948,300	1,052,200	103,900	1,082,900
Fund Expenditures	\$ 12,736,400	\$ 13,101,000	13,540,700	439,700	\$ 14,011,400
O&M Activities Cash Flow:	\$ 223,800	\$ (485,300)	(828,000)	(342,700)	\$ (514,000)
Capital Fund Transfer (Out) In	\$ (770,000)	\$ -	\$ 700,000	\$ 700,000	\$ 425,000
Water Loan Principal In	214,800	554,800	220,200	(334,600)	225,800
O&M Fund Cash Flow:	\$ (331,400)	\$ 69,500	\$ 92,200	\$ 22,700	\$ 136,800
Ending Fund Balances:	\$ 1,565,600	\$ 1,966,500	\$ 2,058,700	\$ 92,200	\$ 2,195,500
17% Reserve Target	1,881,400	1,955,600	2,118,600	163,000	2,195,900
Over/Under Reserve Target	\$ (315,800)	\$ 10,900	\$ (59,900)	\$ (70,800)	\$ (400)



■ Purchased Energy & Fuel ■ Op Salaries ■ Op Benefits ■ Materials & Supplies ■ Sales & Use Taxes ■ PILOT ■ Debt Service Transfer ■ Overhead

**Average Revenue Collected
per kWh 2012**

per kWh 2012	Res	Comm	Ind	WAPA	Notes
Comparable size:					
Spencer City of	6.8	6.9	6.5	Y	
Denison City of	7.0	5.7	5.2	Y	
Atlantic Municipal Utilities	7.5	6.7	4.8	Y	
Sioux Center City of	8.7	8.3	7.2	Y	
Algona City of	9.5	8.3	5.2	N	
Indianola Municipal Utilities	10.0	9.1	6.8	N	IMU ranks last in Ind kWh sold (demand charge impact)
Webster City City of	11.1	9.9	7.5	N	
Pella City of	11.1	11.5	7.9	N	
Waverly Municipal Elec Utility	12.4	10.6	7.8	N	
Independence City of	17.1	11.3	8.7	N	
<u>Investor owned:</u>					
Interstate Power and Light Co	13.0	9.0	5.8	N	
MidAmerican Energy Co	8.8	6.8	4.3	N	
<u>Largest municipals:</u>					
Ames City of	11.4	8.5	7.6	N	
Cedar Falls Utilities	9.1	6.6	6.3	N	
Muscatine Board of Water Elec &	8.6	6.4	4.7	N	

Electric Capital Fund Summary:

- Transitioned to declaring revenue from capital-based sources, then transferring funds to the O&M fund when subsidizing O&M revenues & rates
 - MISO, CAPX2020, Capacity Payments, etc.
 - Water loan principal payment is built into today's retail rate base; will end in 2021
 - Average of about \$500,000 transferred to O&M over the 3-year period
 - Cash flow in FY 2016 after normal/minimal capital projects is slightly negative; does not bode well for FY 2017+
- F& 2014 re-estimate reflects IDOT & MEC reimbursements for West Hwy 92 and I-35 projects (updated amounts)
- Minimal new construction as presented in the 5-year CIP
 - Complete Summercrest Hills loop
 - N. Howard fiber/cabinet installation
 - Customer-paid
 - Streetlights

730 - EL CAP Fund

	FY 2014 BUDGET	FY 2014 RE-EST	FY 2015 BUDGET	CHANGE	FY 2016 PROJECTIONS
Revenue:					
Capital Contributions (Fiber)	\$ 119,500	\$ 182,500	\$ 199,000	\$ 16,500	\$ 217,000
Capital Contributions (Electric)	166,700	191,700	166,700	(25,000)	166,700
Capital Contributions (Reimb)	800,000	1,741,300	-	(1,741,300)	-
Water Loan Principal	214,800	554,800	220,200	(334,600)	225,800
Proceeds from Debt	5,000,000	-	-	-	-
Other	525,000	808,800	874,300	65,500	906,300
Fund Revenue	\$ 6,826,000	\$ 3,479,100	\$ 1,460,200	\$ (2,018,900)	\$ 1,515,800
Expenditures:					
Major Maintenance (Est.)	\$ 195,000	\$ 117,500	\$ 135,000	\$ 17,500	\$ 115,000
Vehicles	150,000	189,300	200,000	10,700	325,000
Relocations & Conversions	235,000	4,048,400	178,600	(3,869,800)	60,000
New Developments & Line Repl	141,000	138,000	138,000	-	138,000
Network Services	414,600	327,100	225,000	(102,100)	225,000
Other/Stock (Out) In	220,000	(480,100)	45,000	525,100	205,000
Fund Expenditures	\$ 1,355,600	\$ 4,340,200	\$ 921,600	\$ (3,418,600)	\$ 1,068,000
Capital Activities Cash Flow:					
Capital Fund Transfer (Out) In	\$ 555,200	\$ (554,800)	\$ (920,200)	\$ (365,400)	\$ (650,800)
Designated for Future Projects	-	-	-	-	-
Capital Fund Cash Flow:	\$ 6,025,600	\$ (1,415,900)	\$ (381,600)	\$ 1,034,300	\$ (203,000)
Ending Fund Balances:	\$ 9,984,900	\$ 2,543,400	\$ 2,161,800		\$ 1,958,800
4.0% & 3.5 %Reserve Target	\$ 1,904,500	\$ 1,777,300	\$ 1,850,400		\$ 1,958,400
Designated for Future Projects	5,000,000	-	-		-
Over/Under Reserve Target	\$ 3,080,400	\$ 766,100	\$ 311,400	\$ (454,700)	\$ 400

Pros/Cons:

- Definable reasons for increased retail rates; potential for implementing sooner than January 1 or via an energy adjustment clause
- Maintain a recoverable pace of short-term losses; will eventually need to stabilize
- Maintain reasonable creditworthy targets for reserves & ratios; may be placed on negative outlook
- Make some progress on the outside plant & maintain equipment; lack of spending won't impact the FY 2015 coverage ratio constraint
- Tighter cost estimates leave downside risk to weather patterns and another wholesale Purchased Energy Adjustment
- Manage the linemen retirement transition over the next 3-5 years
- Use existing \$75,000 Revolving Loan Fund balance as local match for \$300,000 USDA-RD grant to establish a 2nd larger loan fund

IMU Water Utility

- Reserves maintain policy of 2% of deployed assets + 17% of O&M Expenses
- No rate increases projected or anticipated
- Stable operating costs
- Negative cash flow due to proactive capital projects; those can be adjusted once reserves return to targets
- Debt retirement pending in FY 2017 will free up cash flow for projects as needed

WA - Combined	FY 2014 BUDGET	FY 2014 RE-EST	FY 2015 BUDGET	CHANGE	FY 2016 PROJECTIONS
Revenue:					
Sales of Water	\$ 2,153,000	\$ 2,252,200	\$ 2,162,100	\$ (90,100)	\$ 2,154,100
Sales Taxes	129,200	135,100	129,700	(5,400)	129,200
Other	121,300	156,200	141,100	(15,100)	138,600
Total O&M Revenue	\$ 2,403,500	\$ 2,543,500	2,432,900	(110,600)	\$ 2,421,900
Expenditures:					
Operational Salaries	363,500	378,200	405,800	27,600	417,900
Operational Benefits	164,800	159,500	178,300	18,800	192,500
Materials, Suppl. & Contracts	353,500	356,200	358,500	2,300	372,200
Sales Taxes & Use Taxes	129,200	135,100	129,700	(5,400)	129,200
PILOT	70,800	70,800	68,300	(2,500)	69,800
Debt Service - Interest	88,100	85,000	75,900	(9,100)	65,000
Overhead, Admin & EE	200,500	189,200	199,800	10,600	205,400
Depreciation (Est)	575,000	575,000	585,000	10,000	595,000
Total O&M Expenses	\$ 1,945,400	\$ 1,949,000	2,001,300	52,300	\$ 2,047,000
Net Income (Operating & Other)	\$ 458,100	\$ 594,500	431,600	(162,900)	\$ 374,900
Capital Activities:					
Major Maintenance via Capital Fund	\$ (85,000)	\$ (85,000)	\$ (85,000)	\$ -	\$ (25,000)
Net Income	\$ 373,100	\$ 509,500	346,600	(162,900)	\$ 349,900

Cash Flow:

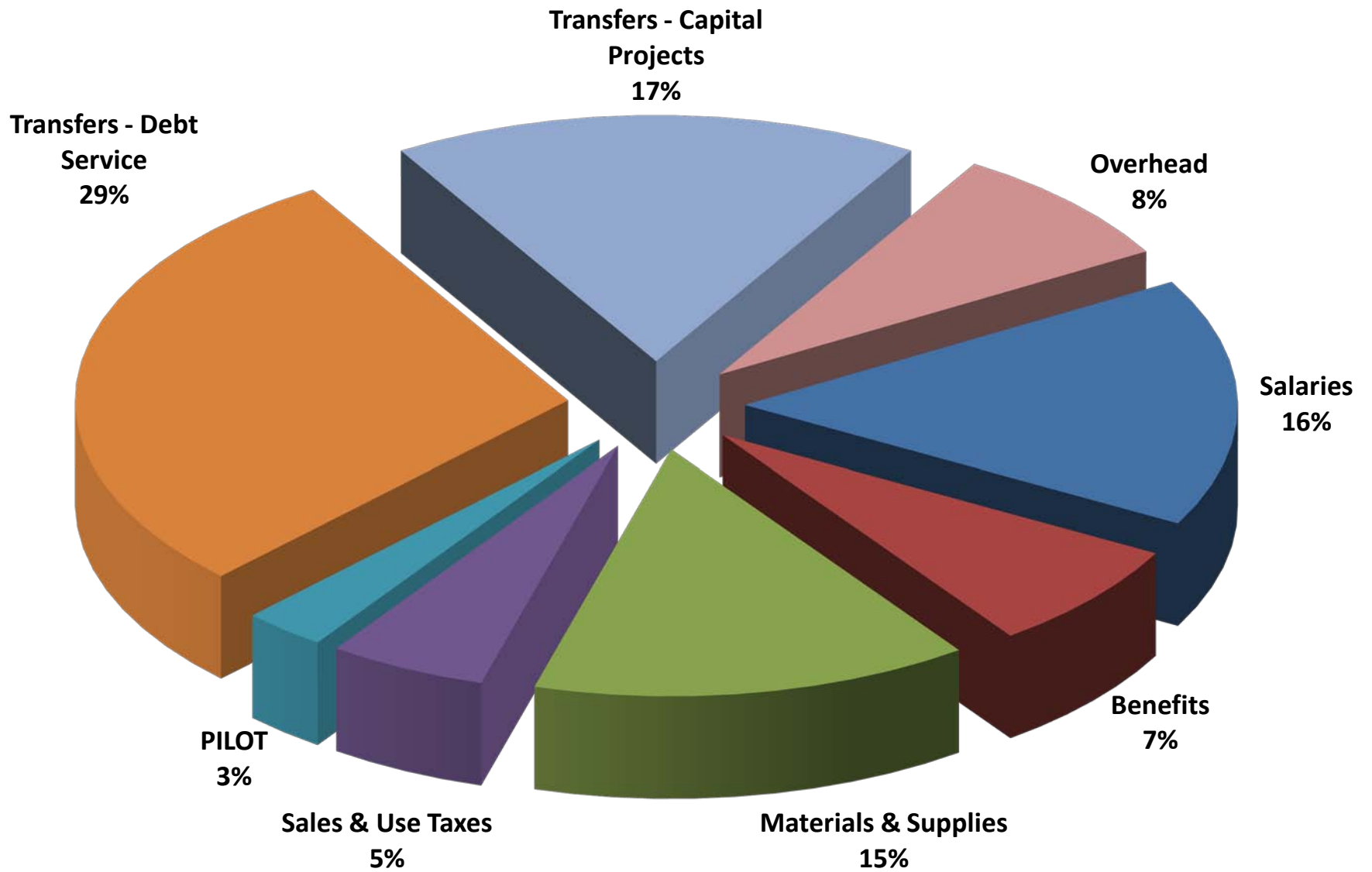
Net Income + Depreciation	\$ 948,100	\$ 1,084,500	\$ 931,600	\$ (152,900)	\$ 944,900
Sale of Land	-	20,000	20,000	-	20,000
Debt Service Principal	(1,056,700)	(979,200)	(645,200)	334,000	(650,800)
Debt Service Reserve Change	-	-	-	-	-
Capital Contributions (Developers)	-	-	-	-	-
Proceeds from Debt Issues	-	-	-	-	-
Capital Projects	(635,000)	(560,000)	(495,000)	65,000	(515,000)
Designated for Future Projects	-	-	-	-	-
Net Cash Flow	\$ (743,600)	\$ (434,700)	\$ (188,600)	\$ 246,100	\$ (200,900)

Ending O&M and Capital Fund Balances:	\$ 784,500	\$ 1,093,400	\$ 904,800		\$ 703,900
Designated for Future Projects	-	-	-		-
Reserve Targets	631,300	666,600	686,600		703,900
Over/(Under)	\$ 153,200	\$ 426,800	\$ 218,200	\$ (208,600)	\$ -

Days Cash on Hand of O&M Activities	117.98	169.60	160.20		122.18
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600 - WA O&M Fund

	FY 2014 BUDGET	FY 2014 RE-EST	FY 2015 BUDGET	CHANGE	FY 2016 PROJECTIONS
Revenue:					
Sales of Water	\$ 2,153,000	\$ 2,252,200	\$ 2,162,100	\$ (90,100)	\$ 2,154,100
Sales Taxes	129,200	135,100	129,700	(5,400)	129,200
Other	121,300	156,200	141,100	(15,100)	138,600
Fund Revenue	\$ 2,403,500	\$ 2,543,500	2,432,900	(110,600)	\$ 2,421,900
Expenditures:					
Operational Salaries	363,500	378,200	405,800	27,600	417,900
Operational Benefits	164,800	159,500	178,300	18,800	192,500
Materials, Suppl. & Contracts	353,500	356,200	358,500	2,300	372,200
Sales Taxes & Use Taxes	129,200	135,100	129,700	(5,400)	129,200
PILOT	70,800	70,800	68,300	(2,500)	69,800
Debt Service	1,144,800	1,064,200	721,100	(343,100)	715,800
Overhead & Admin	200,500	189,200	199,800	10,600	205,400
Fund Expenditures	\$ 2,427,100	\$ 2,353,200	2,061,500	(291,700)	\$ 2,102,800
O&M Activities Cash Flow:	\$ (23,600)	\$ 190,300	371,400	181,100	\$ 319,100
Capital Fund Transfer (Out) In	\$ (150,600)	\$ (18,000)	\$ (431,900)	\$ (413,900)	\$ (420,300)
Debt Service Reserve Change	-	-	-	-	-
O&M Fund Cash Flow:	\$ (174,200)	\$ 172,300	\$ (60,500)	\$ (232,800)	\$ (101,200)
Ending Fund Balances:	\$ 29,000	\$ 375,500	\$ 315,000	\$ (60,500)	\$ 213,800
17% Reserve Target	196,000	196,100	205,800	9,700	213,800
Over/Under Reserve Target	\$ (167,000)	\$ 179,400	\$ 109,200	\$ (70,200)	\$ -



■ Salaries ■ Benefits ■ Materials & Supplies ■ Sales & Use Taxes ■ PILOT ■ Transfers - Debt Service ■ Transfers - Capital Projects ■ Overhead

700 - WA CAP Fund

	FY 2014 BUDGET	FY 2014 RE-EST	FY 2015 BUDGET	CHANGE	FY 2016 PROJECTIONS
Revenue:					
Other (Sale of Land)	-	20,000	20,000	-	20,000
Fund Revenue	\$ -	\$ 20,000	\$ 20,000	\$ -	\$ 20,000
Expenditures:					
Vehicles	25,000	25,000	40,000	15,000	-
Water Towers	-	-	-	-	-
Plant	250,000	180,000	200,000	20,000	240,000
Wells	50,000	100,000	80,000	-	-
Water Mains	360,000	305,000	225,000	(80,000)	265,000
Other	35,000	35,000	35,000	-	35,000
Fund Expenditures	\$ 720,000	\$ 645,000	\$ 580,000	\$ (45,000)	\$ 540,000
Capital Activities Cash Flow:					
Capital Fund Transfer (Out) In	\$ 150,600	\$ 18,000	\$ 431,900	\$ 413,900	\$ 420,300
Designated for Future Projects	-	-	-	-	-
Capital Fund Cash Flow:	\$ (569,400)	\$ (607,000)	\$ (128,100)	\$ 458,900	\$ (99,700)
Ending Fund Balances:	\$ 755,500	\$ 717,900	\$ 589,800		\$ 490,100
Reserve Target	\$ 435,300	\$ 470,500	\$ 480,800		\$ 490,100
Designated for Future Projects	-	-	-		-
Over/Under Reserve Target	\$ 320,200	\$ 247,400	\$ 109,000	\$ (138,400)	\$ -

Communications Utility Capital Funds

- Lease payments received from public entities and MCG
- Moderate & rising take rate
- Potential need for splicing trailer; may split with MCG
- EMERGE Hub contribution at \$100,000 for videoconferencing room if the Temple building project moves forward in FY 2015

640 - NS O&M Fund	FY 2014 BUDGET	FY 2014 RE-EST	FY 2015 BUDGET	CHANGE	FY 2016 PROJECTIONS
Revenue:					
Fiber License Payments	\$ 234,000	\$ 228,200	\$ 306,400	\$ 78,200	\$ 362,200
Other	13,500	5,000	5,000	-	5,000
Fund Revenue	\$ 247,500	\$ 233,200	311,400	78,200	\$ 367,200
Expenditures:					
Salaries	\$ 20,000	\$ 10,000	\$ 10,600	\$ 600	\$ 11,000
Benefits	3,300	1,700	1,700	-	1,900
Materials, Suppl. & Contracts	284,000	231,000	365,500	134,500	243,500
Overhead, Admin & EE	99,900	96,400	99,500	3,100	102,600
Fund Expenditures	\$ 407,200	\$ 339,100	477,300	138,200	\$ 359,000
O&M Activities Cash Flow:	\$ (159,700)	\$ (105,900)	(165,900)	(60,000)	\$ 8,200
Electric CIAC (Out) In					
O&M Fund Cash Flow:	\$ (159,700)	\$ (105,900)	(165,900)	(60,000)	\$ 8,200
Ending Fund Balances:	\$ 269,300	\$ 323,100	\$ 157,200		\$ 165,400
17% Reserve Target	69,200	57,600	81,100		61,000
Designated for Future Projects	-	-	-		-
Over/Under Reserve Target	\$ 200,100	\$ 265,500	\$ 76,100	\$ (189,400)	\$ 104,400
Customers:					
Commercial		125	140		155
Residential		220	370		430

620 - ADM O&M Fund	FY 2014 BUDGET	FY 2014 RE-EST	FY 2015 BUDGET	CHANGE	FY 2016 PROJECTIONS
Revenue:					
IMU Transfers In	\$ 995,500	\$ 937,700	\$ 994,500	\$ 56,800	\$ 1,027,900
City Transfers In	18,000	18,000	18,000	-	18,500
Fund Revenue	\$ 1,013,500	\$ 955,700	1,012,500	56,800	\$ 1,046,400
Expenditures:					
Salaries	\$ 300,900	\$ 305,700	\$ 317,400	\$ 11,700	\$ 326,300
Benefits	159,500	143,600	150,200	6,600	160,700
Materials, Suppl. & Contracts	202,400	166,800	180,500	13,700	179,400
Overhead, Admin, Shared Staff	346,200	339,600	364,400	24,800	380,000
Fund Expenditures	\$ 1,009,000	\$ 955,700	1,012,500	56,800	\$ 1,046,400
O&M Fund Cash Flow:	\$ 4,500	\$ -	-	-	\$ -



MEAN wholesale electric rate pressures 2014-15

The Municipal Energy Agency of Nebraska (MEAN) is experiencing significant cost pressures in the current wholesale electric markets where it operates. These pressures are impacting MEAN's wholesale electric rates to its Participants. There are several factors impacting MEAN's rates. Below are explanations of several primary factors:

Reduced Revenue from Energy Sales (Non-Members/Members)

In recent years MEAN experienced a significant reduction in revenue from non-member energy sales in the wholesale electricity markets where it operates. MEAN relies on revenue from non-member energy sales to partially offset member rates.

- Non-member sales revenue since 2003:
 - From fiscal year 2003 through 2008: \$12.05 million avg. per year
 - From fiscal year 2009 through 2013: \$6.44 million avg. per year
 - Reduction of \$5.61 million avg. in revenues per year

Primary causes:

- MEAN's participation in Regional Transmission Organization (RTO) markets has led to reduced revenue from non-member electricity sales. MEAN is a participant in two RTOs due to increased federal regulatory and compliance measures implemented across the U.S. to primarily increase grid reliability. Nearly half of all energy MEAN generates and purchases goes into two RTO markets where MEAN operates. The RTO then uses an auction-based pricing model to set the market price, of which MEAN has no control.
- Market price spreads are narrower among the RTO wholesale markets where MEAN operates – resulting in reduced non-member sales revenue.
- Higher transmission costs associated with moving electricity in and out of markets has reduced MEAN's revenue-making opportunities.
- Reduced electricity demand primarily due to a relatively mild summer in 2013. This reduced demand contributed to reduced revenue from non-member and member electricity sales. MEAN's long-term member usage is below year-end budget projections, resulting in approximately \$3.1 million less revenue than budgeted in fiscal year-end 2013-14.

Generation Ownership/Fixed Contract Costs

MEAN provides electricity through generation ownership and power purchase contracts from other utilities. MEAN's annual fixed capacity and/or debt service cost is approximately 40 percent of MEAN's overall power supply budget. In the current wholesale power market, MEAN's fixed ownership costs are at times higher than market prices. Like a home mortgage, MEAN must pay its fixed ownership costs regardless of market or power plant operating conditions.

- MEAN's baseload generation ownership consists of output shares from four baseload coal-fired power plants: Walter Scott Unit 4 near Council Bluffs, Iowa; Whelan Energy Center Unit 2 near Hastings, Neb., Wygen Unit I near Gillette, Wyo., and Laramie River Station near Wheatland, Wyo.
- Utilities must plan long-term regarding baseload generation resources as the lifespan of a baseload power plant is typically 40-50 years. At times short-term market prices can be lower than fixed ownership resource costs.
 - It's important to note: The wholesale electricity market is continuously in flux. A variety of factors such as environmental and federal mandates, regulatory issues, changes in federal administration/policy, weather patterns and other factors all play a big part in affecting the market. Due to this continuous volatility, MEAN believes having stable, reliable generation ownership as part of its power supply mix is the best long-term strategy.
- The baseload power plants MEAN shares ownership in experienced several outages and conditions where generation output was backed down to run at less than maximum capacity periodically during the year. These occurrences, planned or unplanned, ultimately impact MEAN's bottom line as baseload power plants have fixed costs regardless of whether they are running at full capacity or not.

Continued Low Natural Gas Prices

- Natural gas prices continue to stay relatively low. This negatively impacts MEAN's revenues in a couple ways:
 - Low natural gas prices reduce the competitiveness of other fossil fuel generation such as coal in the market, and;
 - Wholesale electric prices typically follow the price of natural gas. Low wholesale electric prices results in less revenue, which is used to partially offset Participant rates;
- MEAN's decision to become a baseload generation owner was made several years earlier when natural gas market prices were significantly higher. Natural gas prices have since fallen the past couple years. It's important to remember, the price of natural gas is historically volatile.

"Negative Pricing" Skews Wholesale Market Prices Downward

- Another aspect of the RTO market structure impacting MEAN is the "negative pricing" scenario that occurs typically with wind generation. At times, additional wind generation is bid into the RTO markets at a negative price (the energy producer will actually pay someone to take their generation) to ensure production dispatch to collect tax credits and Renewable Energy Credits. This "negative pricing" scenario skews wholesale market prices downward, making fixed-cost generation less marketable.

Using Cash Reserve Funds vs. Rate Increase/Monthly PEA

MEAN must maintain a certain level of operating cash to fulfill its debt service and credit obligations and to remain financially healthy. Failing to meet these financial targets will result in increased costs to MEAN Participants in the form of higher interest rate expense, bank charges/fees and loss of interest income. MEAN has financial targets in four main areas:

Rate Stabilization Fund

- MEAN's Rate Stabilization Fund is used to provide cash reserves to help stabilize rate volatility. MEAN's board policy is to have 15 percent of operating expenses in its Rate Stabilization Fund.
 - The past two years, MEAN has drawn down its rate stabilization fund by approximately \$9 million to help minimize previous rate increases. Currently, MEAN is approximately \$9 million below its target balance.

Days Cash

- Days cash measures the adequacy of an organization's liquidity. MEAN has a board policy goal to have free operating cash reserves of at least 60 days operating expenses.
 - MEAN's monthly power costs average \$12 million and are generally paid by the 20th of the subsequent month. Bills to Participants are invoiced 40 days or more after each month end and include a 30-day repayment period. This delay between payment and receipt must be covered by MEAN's operating cash.
 - Failure to maintain adequate operating cash could result in late payment of expenses or borrowing from line of credit funds resulting in interest costs. Additional cash, bank fees and interest costs may be required as counterparties request advance payment for purchases and additional cash or credit collateral in order to engage in transactions. Counterparties may also choose not to engage in transactions with MEAN.

Debt Service Coverage

- MEAN is required through its bond resolution to establish rates reasonably expected to collect net revenues sufficient to cover all annual operating expenses and debt service obligations.
 - Failure to meet required debt service coverage results in a covenant violation which could trigger a bond call request for payment on all outstanding debt.
 - MEAN currently has approximately \$176 million in outstanding revenue bonds.

Fixed Cost Coverage

- Plant ownership and power purchase contracts obligate MEAN to pay a portion of the annual operating and debt service costs of the plant.
 - These fixed costs must be paid by MEAN regardless of whether the plant is running at full capacity or not and regardless of whether MEAN sells any electricity.
 - To remain financially healthy, MEAN must establish rates reasonably expected to collect net revenues sufficient to cover these fixed costs.
 - Due to the expected volatility in revenues, rating agencies and financial advisors recommend having net revenues of at least 10 percent above fixed costs.
 - Failure to meet fixed cost coverage requires use of cash reserves or borrowing from line of credit funds as discussed in the days cash section above.

MEAN Compared to Other Regional Wholesale Electric Utilities

- Despite the rate pressures, MEAN's wholesale rates remain competitive with wholesale electric utilities in the states where MEAN operates. In some cases, MEAN's rates are significantly lower.
- MEAN is strictly a wholesale power supplier – it does not own transmission lines, distribution systems, bucket trucks or employ line workers, etc. like a typical vertically-integrated utility. As strictly a wholesale power supplier, MEAN has fewer options/avenues to reduce internal costs and from whom to collect revenue.
- The same cost pressures affecting MEAN are impacting utilities across the U.S. The recently released Moody's Investor Service 2014 Public Power Electric Utilities Outlook cites the evolving energy markets (RTOs) as adding a layer of uncertainty, particularly for cost-recovery of the newest coal-fired generation assets.
 - The report states: "While we believe that the RTO and regional markets have positive features, there are potential longer-term implications for public power electric utilities. ...New public power generation financing requires long-term contracts to secure financing. This fits the public power business model well. But capacity markets (RTOs) typically offer short-term revenues that are subject to volatile auction-based pricing schemes and hold the potential for recoveries that are below costs."

Future Rate Projections

MEAN projects rate increases of approximately 4-7 percent from fiscal year 2016-2020 to build its rate stabilization fund toward established targets. The fund was utilized to help minimize rate increases the previous two years. MEAN's board policy is to have 15 percent of operating expenses in its rate stabilization fund.

MEAN provides cost-based rates and operates solely to cover its costs

- MEAN is a not-for-profit entity – its rates are cost based and set to "break even" each year. MEAN operates solely to cover the cost of operations for its wholesale electric Participants.
- In comparison to other regional wholesale power suppliers, MEAN has minimal staff and very low A&G costs – ***95 cents of every dollar MEAN spends goes directly toward purchasing/generating electricity.***

Information

Subject

Set February 24, 2014 as the date of a public hearing

Information

Attached is the public hearing announcement and budget form prescribed by the IA Dept. of Management for utility boards. This will be populated with the pertinent financial data & published prior to the public hearing on February 24, 2014. Once the public hearing is held, Trustees formally consider the budget for adoption.

Data contained in the IMU Public Hearing notice will also be inserted into the overall City of Indianola budget document for publication & adoption.

The adoption process for Trustees authorizes expenditures and ratification by Council recognizes that Trustees duly set the budget at those amounts. Council cannot change Trustees' authorized amounts other than creating an overall budget document that doesn't reflect accurate authorized expenditures.

Roll call vote setting February 24, 2014 as the date of a public hearing on the FY 2015 Budget for Indianola Municipal Utilities is in order.

Financial Impact

N/A

Staff Recommendation

Attachments

PH Form

NOTICE OF PUBLIC HEARING

Budget Estimate

Indianola Municipal Utilities
(Name of Enterprise)

The Indianola Municipal Utilities will conduct a public hearing on
(Governing Board)

the proposed Fiscal year 2015 budget at City Hall, 110 N. First St.
(specify fiscal or calendar) (xxxx/xxxx)
on 2/24/14, beginning at 5:30 o'clock. PM The Budget Estimate Summary of proposed revenues
(xx/xx/xx) (x:xx) (AM/PM)
and expenditures is shown below. Copies of the **detailed** proposed budget may be obtained or viewed at the office of the,
City Clerk, and at the city library. At the public hearing, any resident or taxpayer may present objections to, or arguments
in favor of, any part of the proposed budget.

(date) _____
(signature) Secretary



		Budget	Re-estimated	Actual
		2015	2014	2013
		(xxxx)	(xxxx)	(xxxx)
Revenues & Other Financing Sources				
Use of money and property		0	0	0
Charges for services		0	0	0
Miscellaneous		0	0	0
Other Financing Sources		0	0	0
Total Revenues & Financing Sources		0	0	0
Expenditures & Transfers Out				
Expenditures		0	0	0
Transfers Out		0	0	0
Total Expenditures & Transfers Out		0	0	0
Excess of Revenues & Other Sources				
(+) (-) Expenditures & Transfers Out		0	0	0
Beginning Fund Balance	July 1	9,901,400	9,901,400	9,901,400
	(month)			
Ending Fund Balance	June 30	9,901,400	9,901,400	9,901,400
	(month)			