



**IMU BOARD OF TRUSTEES OF THE ELECTRIC,
WATER AND COMMUNICATIONS UTILITIES**

July 25, 2022

5:30 PM

City Hall Council Chambers

110 N 1st St

Agenda

- 1. Call to Order**
- 2. Roll Call**
- 3. Public Comment**
- 4. Consent Agenda:**
 - A. Approval of Claims
 - B. Approval of Minutes of the prior board meeting
- 5. Electric Utility Informational Items**
- 6. Water Utility Informational Items**
- 7. Communications Utility Action Items**
 - A. Approval of engagement agreements with Dorsey & Whitney LLP for the Communications Revenue and Refunding Bonds, 2022A/B.
 - B. Resolution fixing a date for a public hearing on a proposal to enter into one or more Communication Revenue and Refunding Loan Agreements and to borrow money thereunder in a principal amount not to exceed \$12,200,000.
- 8. Communications Utility Informational Items**
- 9. Combined Electric, Water and Communications Action Items**
 - A. Resolution approving salaries.
- 10. Combined Electric, Water and Communications Informational Items**
- 11. Other Business**
 - A. Enter into closed session in accordance with Iowa Code Section 388.9(1) to discuss marketing and pricing strategies and proprietary information of the telecommunications division whose competitive position will be harmed by public disclosure that is not required of potential or actual competitors and no public purpose is served by such disclosure.
 - B. Enter into closed session in accordance with Iowa Code Section 21.5 (1)(i) to evaluate the professional competency of an individual whose appointment,

hiring, performance, or discharge is being considered when necessary to prevent needless and irreparable injury to that individual's reputation and that individual requests a closed session.

12. Adjourn

MEMORANDUM

To: IMU Board of Trustees of the Electric, Water and Communications Utilities
From:
Date: July 25, 2022
Subject: Approval of Claims

Recommendation: Simple motion is in order.

Attachments: 1. 072622 Elation Claims List

AP Check Preview

Date Range: All Dates

Indianola Municipal Utilities

Thursday, July 21, 2022

8:06:07 AM

Vendor	Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number
Account To Be Paid From 0000-10120-999										
ACCO UNLIMITED CORP. - VEND-2810										
7/7/2022	ACCO liquid chlorinating	Open Terms	2,131.60	0.00	0.00	2,131.60	2,131.60	0224161-IN	BL-8789	
						2,131.60	2,131.60			
Bankers Trust Company - VEND-1003										
8/10/2022	2nd Qtr investment management fees	Net 30	1,831.60	0.00	15.00	1,831.60	1,831.60	220711-513724	BL-8802	
						1,831.60	1,831.60			
Bobs Custom Trophies - VEND-1153										
8/11/2022	Name plate	Net 30	10.50	0.00	15.00	10.50	10.50	31954	BL-8730	
						10.50	10.50			
Border States Industries Inc - VEND-1070										
8/11/2022	1 1/2" PVC - ELBOW 90 DEGREE & 1" PVC -	Net 30	1,230.59	0.00	15.00	1,230.59	1,230.59	924547938	BL-8783	
						1,230.59	1,230.59			
Calix Inc - VEND-1028										
8/5/2022	ONT - 803G	Net 30	6,446.14	0.00	15.00	6,446.14	6,446.14	299960	BL-8779	
8/6/2022	GPON	Net 30	4,298.70	0.00	15.00	4,298.70	4,298.70	300051	BL-8769	
						10,744.84	10,744.84			
Cedar Falls Utilities - VEND-1045 - BL-8758										
7/28/2022	Support, licensing, switches, fiber transport	Net 30	32,342.80	0.00	15.00	32,342.80	32,342.80	92223	BL-8758	
						32,342.80	32,342.80			
Cedar Falls Utilities - VEND-1045 - BL-8771										
8/4/2022	0622 Broadband & 5g	Net 30	6,780.00	0.00	15.00	6,780.00	6,780.00	0622 Broadband & 5g	BL-8771	
						6,780.00	6,780.00			
CELLULAR ADVANTAGE INC - VEND-8130										
7/6/2022	Otterbox phone cases	Open Terms	46.46	0.00	0.00	46.46	46.46	OS421IN9872	BL-8788	
						46.46	46.46			
City Of Indianola - VEND-1008 - BL-8723										
8/10/2022	0722 Professional Services	Net 30	12,122.17	0.00	15.00	12,122.17	12,122.17	2911	BL-8723	
						12,122.17	12,122.17			
City Of Indianola - VEND-1008 - BL-8792										

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Indianola Municipal Utilities

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Vendor	Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number
	8/14/2022	Square streetscape project - pay app 12	Net 30	17,636.75	0.00	15.00	17,636.75	17,636.75	2915	BL-8792
							17,636.75	17,636.75		
Des Moines Register Media - VEND-1010										
	7/30/2022	BOT Minutes	Net 30	583.62	0.00	15.00	583.62	583.62	4749416	BL-8747
							583.62	583.62		
DICKINSON LAW - VEND-101709										
	7/6/2022	Legal services	Open Terms	3,432.00	0.00	0.00	3,432.00	3,432.00	1139164	BL-8729
							3,432.00	3,432.00		
DNR - VEND-1167										
	7/29/2022	Annual water supply fee - FY23. 070122-0630	Net 30	1,743.90	0.00	15.00	1,743.90	1,743.90		BL-8793
							1,743.90	1,743.90		
Dust Pros Janitorial - VEND-1011										
	8/14/2022	Cleaning supplies - Fiber	Net 30	36.92	0.00	15.00	36.92	36.92	2583	BL-8776
	8/14/2022	0722 Cleaning - Fiber	Net 30	856.00	0.00	15.00	856.00	856.00	2582	BL-8777
	8/14/2022	0722 Cleaning - Util Svcs	Net 30	749.00	0.00	15.00	749.00	749.00	2854	BL-8750
	8/14/2022	Cleaning supplies - Util Svcs	Net 30	36.92	0.00	15.00	36.92	36.92	2585	BL-8751
							1,678.84	1,678.84		
ECHO Group, Inc - VEND-1061										
	8/5/2022	1" PVC - 10' STICK	Net 30	493.55	0.00	15.00	493.55	493.55	S009570392.001	BL-8780
							493.55	493.55		
GRAYMONT WESTERN LIME INC - VEND-101387										
	7/12/2022	High calcium quicklime	Open Terms	5,303.38	0.00	0.00	5,303.38	5,303.38	173435	BL-8794
							5,303.38	5,303.38		
Hearst Television Inc - VEND-1131										
	7/30/2022	0622 KCCI	Net 30	5,803.25	0.00	15.00	5,803.25	5,803.25	447263	BL-8768
							5,803.25	5,803.25		
IMWCA - VEND-1130										
	7/31/2022	Premiums - Installment 1	Net 30	2,957.14	0.00	15.00	2,957.14	2,957.14	INV83735	BL-8735
							2,957.14	2,957.14		
Independent Advocate - VEND-1136										
	8/8/2022	Digital advertising	Net 30	200.00	0.00	15.00	200.00	200.00	2045	BL-8775

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Indianola Municipal Utilities

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Vendor	Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number
							200.00	200.00		
INDIANOLA PARKS AND RECREATION - VEND-24730										
7/14/2022	Full page ad - Indianola magazine	Open Terms	750.00	0.00	0.00	750.00	750.00			BL-8774
							750.00	750.00		
Innovative Systems - VEND-1048										
8/6/2022	0722 Printing, Postage & Flyer	Net 30	6,503.97	0.00	15.00	6,503.97	6,503.97	INV-04315		BL-8745
							6,503.97	6,503.97		
Internal Revenue Service - VEND-1307										
8/7/2022	941 Income tax payable	Net 30	25,022.98	0.00	15.00	25,022.98	25,022.98	070822 Payroll		BL-8734
8/21/2022	941 Income tax payable	Net 30	25,498.44	0.00	15.00	25,498.44	25,498.44	072222 Payroll		BL-8801
							50,521.42	50,521.42		
Iowa Department Of Human Services - VEND-1310										
8/7/2022	Garnishment payable	Net 30	1,040.99	0.00	15.00	1,040.99	1,040.99	070822 Payroll		BL-8733
8/21/2022	Garnishment payable	Net 30	1,040.99	0.00	15.00	1,040.99	1,040.99	072222 Payroll		BL-8800
							2,081.98	2,081.98		
Iowa Dept Of Revenue - VEND-1117										
8/7/2022	IA Income tax payable	Net 30	4,355.77	0.00	15.00	4,355.77	4,355.77	070822 Payroll		BL-8732
8/21/2022	IA Income tax payable	Net 30	4,431.04	0.00	15.00	4,431.04	4,431.04	072222 Payroll		BL-8799
							8,786.81	8,786.81		
IPERS - VEND-1309										
8/21/2022	IPERS payable	Net 30	34,407.83	0.00	15.00	34,407.83	34,407.83	072222 Payroll		BL-8797
							34,407.83	34,407.83		
LINDE INC - VEND-6415										
7/6/2022	Carbon dioxide	Open Terms	3,234.46	0.00	0.00	3,234.46	3,234.46	11437020		BL-8743
							3,234.46	3,234.46		
Mid American Energy Co - VEND-1018										
7/20/2022	Gas - 909 E Hillcrest	Net 30	15.88	0.00	15.00	15.88	15.88	57216194		BL-8773
							15.88	15.88		
MIDWEST MUNICIPAL TRANSMISSION GROUP - VEND-34604										
7/6/2022	MMTG Dues. July-Dec 2022	Open Terms	1,805.00	0.00	0.00	1,805.00	1,805.00	1570		BL-8748
							1,805.00	1,805.00		

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Mission Square - VEND-1303										
	8/7/2022	457 Payable	Net 30	5,483.40	0.00	15.00	5,483.40	5,483.40	070822 Payroll	BL-8731
	8/21/2022	457 Payable	Net 30	5,545.61	0.00	15.00	5,545.61	5,545.61	072222 Payroll	BL-8798
							11,029.01	11,029.01		
MUNICIPAL ENERGY AGENCY OF NEBRASKA - VEND-35805										
	8/12/2022	Purchased Power - June 22	Net 30	872,997.86	0.00	15.00	872,997.86	872,997.86	303218	BL-8749
							872,997.86	872,997.86		
National Cable Television Cooperative, Inc. - VEND-1095										
	6/18/2022	MOCA ADAPTER	Net 30	1,253.95	0.00	15.00	1,253.95	1,253.95	35884	BL-8722
							1,253.95	1,253.95		
Power & Tel - VEND-1037										
	8/5/2022	SPLITTER - 3 WAY MOCA & SPLITTER - CAI	Net 30	2,403.21	0.00	15.00	2,403.21	2,403.21	7524136-00	BL-8781
							2,403.21	2,403.21		
RESCO - VEND-47234										
	7/8/2022	Penta bolts for transformers	Open Terms	71.27	0.00	0.00	71.27	71.27	852535-00	BL-8763
							71.27	71.27		
SPEE-DEE DELIVERY SERVICE INC - VEND-102273										
	7/3/2022	Shipping high voltage rubber gloves	Open Terms	45.56	0.00	0.00	45.56	45.56	609779	BL-8761
							45.56	45.56		
STATE HYGIENIC LABORATORY - VEND-23245										
	7/1/2022	Testing	Open Terms	135.00	0.00	0.00	135.00	135.00	235839	BL-8790
							135.00	135.00		
STERNQUIST CONST. INC. - VEND-50360										
	7/12/2022	New primary install	Open Terms	338.49	0.00	0.00	338.49	338.49	1640	BL-8760
	7/14/2022	New primary install	Open Terms	706.20	0.00	0.00	706.20	706.20	1650	BL-8759
							1,044.69	1,044.69		
Teklink - VEND-1262										
	8/8/2022	Conduit bury and bore	Net 30	3,774.00	0.00	15.00	3,774.00	3,774.00	WE 7/09/22	BL-8770
	8/15/2022	Conduit bury and bore	Net 30	3,718.00	0.00	15.00	3,718.00	3,718.00	WE 7/16/22	BL-8778
							7,492.00	7,492.00		
Terry-Durin Co - VEND-1038										

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Vendor	Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number
	8/6/2022	Pulling Tape	Net 30	211.86	0.00	15.00	211.86	211.86	112367-00	BL-8767
							211.86	211.86		
TrueNorth Companies LC - VEND-1100										
	7/28/2022	June safety meeting	Net 30	275.00	0.00	15.00	275.00	275.00	132604	BL-8728
							275.00	275.00		
ULINE - VEND-1251										
	7/27/2022	Envelopes	Net 30	62.32	0.00	15.00	62.32	62.32	150678310	BL-8784
	8/4/2022	Stackable bins	Net 30	80.81	0.00	15.00	80.81	80.81	150949905	BL-8785
							143.13	143.13		
VAN WERT INC - VEND-101069										
	7/2/2022	2S Electric Meters	Open Terms	32,356.80	0.00	0.00	32,356.80	32,356.80	18055	BL-8766
							32,356.80	32,356.80		
VANDERPOOL CONSTRUCTION - VEND-57230										
	7/1/2022	Black dirt for repairs	Open Terms	600.00	0.00	0.00	600.00	600.00	8152	BL-8762
							600.00	600.00		
VERIZON WIRELESS - VEND-3535										
	7/1/2022	0622 Hot spots	Open Terms	500.09	0.00	0.00	500.09	500.09	9910023310	BL-8726
							500.09	500.09		
Warren County Assessor - VEND-1128										
	7/31/2022	FY2023 GIS Services/Support	Net 30	7,650.00	0.00	15.00	7,650.00	7,650.00	FY2023 GIS Services/Supp	BL-8725
							7,650.00	7,650.00		
Warren County Engineer - VEND-1102										
	8/12/2022	0622 Fuel Distribution	Net 30	5,286.13	0.00	15.00	5,286.13	5,286.13	0622 Fuel Distribution	BL-8724
							5,286.13	5,286.13		
Waste Management - VEND-1086										
	7/28/2022	2 Yard dumpster service	Net 30	105.57	0.00	15.00	105.57	105.57	6920002-0516-5	BL-8727
							105.57	105.57		
Waverly Utilities - VEND-1142										
	8/13/2022	Used amino kamai 651 IPTV STB	Net 30	1,660.93	0.00	15.00	1,660.93	1,660.93	13735	BL-8795

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							1,660.93	1,660.93		
Weinman Insurance - VEND-1129										
7/31/2022	22-23 Boiler & Machinery	Net 30	38,553.50	0.00	15.00	38,553.50	38,553.50	22-23 Boiler & Machinery	BL-8736	
							38,553.50	38,553.50		
WESCO - VEND-60220										
7/6/2022	Anchor Rod	Open Terms	321.96	0.00	0.00	321.96	321.96	240446	BL-8737	
7/6/2022	4/0 Primary Cable	Open Terms	10,469.95	0.00	0.00	10,469.95	10,469.95	240447	BL-8738	
7/6/2022	Red Locate Paint	Open Terms	331.91	0.00	0.00	331.91	331.91	240449	BL-8741	
7/6/2022	350 URD Tri-plex	Open Terms	8,025.00	0.00	0.00	8,025.00	8,025.00	240448	BL-8742	
7/13/2022	Parking Stand - Dust Caps - Arrester Elbow	Open Terms	2,682.97	0.00	0.00	2,682.97	2,682.97	247562	BL-8764	
7/14/2022	Photo Controls - Ground Rods	Open Terms	644.35	0.00	0.00	644.35	644.35	248678	BL-8765	
							22,476.14	22,476.14		
Check Count: 49				Totals:			1,221,472.04	1,221,472.04		

MEMORANDUM

To: IMU Board of Trustees of the Electric, Water and Communications Utilities
From:
Date: July 25, 2022
Subject: Approval of Minutes of the prior board meeting

Recommendation: Simple motion is in order.

Attachments: 1. 07112022 BOT Minutes



**IMU BOARD OF TRUSTEES OF THE ELECTRIC,
WATER AND COMMUNICATIONS UTILITIES**

July 11, 2022

5:30 PM

City Hall Council Chambers

Minutes

Call to Order

The Indianola Municipal Utilities Board of Trustees met in regular session at 5:30 PM on July 11, 2022, in the City Hall Council Chambers. Chairperson Lori Smith called the meeting to order and on roll call the following members were present: Dom Selgrade, Deb White, Lori Smith, Mike Rozga, and Adam Voigts. Absent: None.

Public Comment

There were no public comments offered.

Consent Agenda:

Voigts moved to approve the consent agenda and Rozga seconded it. Question was called for and on voice vote the Chairperson declared the motion carried unanimously. The consent agenda was as follows:

- Approval of June 30, 2022 Claims
- Approval of July 11, 2022 Claims
- Approval of the May 2022 financial reports.
- Approval of Minutes of the prior Board meeting

Mayor Erickson administered the Oath of Office to Board Member Dom Selgrade.

Electric Utility Informational Items

Electric Superintendent Mike Metcalf provided an update on the audit inventory review, repairs to the phase three primary cable on the Downtown Reconstruction Project and to diesel fuel pricing.

Water Utility Informational Items

There were no Water Utility Informational Items.

Communications Utility Action Items

Board Member White moved to approve payment to Murphy Tower Services in the amount of \$67,562.35 for work completed on the Fiber Network Extension to the Water Resource Recovery Facility project. Selgrade seconded it. In discussion, Telecommunications Director Ripperger stated the amount represents 70% of the contract amount and recommended approval. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

Communications Utility Informational Items

Ripperger provided an update on NewCom's projects and the Downtown Square Reconstruction project.

Combined Electric, Water and Communications Informational Items

Michael Maloney of D.A. Davidson presented a summary of the 28E Agreement with the City of Pella and a timeline for securing financing for a fiber transport project.

Other Business

General Manager Des Planques gave an update on the solar field installation agreement.

Rozga moved at 6:21 p.m. to enter into closed session in accordance with Iowa Code Section 21.5 (1)(i) to evaluate the professional competency of an individual whose appointment, hiring, performance, or discharge is being considered when necessary to prevent needless and irreparable injury to that individual's reputation and that individual requests a closed session. Selgrade seconded it. On roll call, the vote was AYES: Selgrade, White, Smith, Rozga, Voigts. NAYS: None. Whereas the Chairperson declared the motion carried unanimously.

Rozga moved at 7:18 p.m. to exit the closed session and White seconded it. On roll call, the vote was AYES: Selgrade, White, Smith, Rozga, Voigts. NAYS: None. Whereas the Chairperson declared the motion carried unanimously.

No decisions were made on items discussed in the closed session.

Adjourn

The meeting was adjourned at 7:18 p.m. on a motion by Voigts and seconded by Rozga. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

Lori Smith, Chairperson

ATTEST:

Jackie Raffety, City Clerk

MEMORANDUM

To: IMU Board of Trustees of the Electric, Water and Communications Utilities

From:

Date: July 25, 2022

Subject: Approval of engagement agreements with Dorsey & Whitney LLP for the Communications Revenue and Refunding Bonds, 2022A/B.

Recommendation: Simple motion is in order.

Attachments: 1. INDIANOLA MU ENGAGEMENT LETTER BOND AND DISCLOSURE (2022AB)

July 22, 2022

Chris DesPlanques, General Manager
Indianola Municipal Utilities
210 W 2nd Ave.
Indianola, Iowa 50125

Re: ***Indianola Municipal Utilities, Iowa
Communications Revenue and Refunding Bonds, 2022A/B (the "Bonds")***

Dear Chris:

Thank you for the opportunity for Dorsey & Whitney LLP ("Dorsey") to provide Bond Counsel and Disclosure Counsel services to the Indianola Municipal Utilities (the "Utility") in connection with the proposed Bonds. It is our understanding that the City of Indianola, Iowa, acting by and through the Board of Trustees (the "Board") for the Utility, will issue the Bonds in an approximate principal amount not to exceed \$12,200,000. It is anticipated that the Bonds will likely be issued into the municipal bond market and that D.A. Davidson will serve as the underwriter for the transaction (the "Underwriter").

As Bond Counsel, it is our responsibility to provide legal representation with respect to the authorization and issuance of the Bonds. In serving as Bond Counsel, we will prepare appropriate resolutions, notices, agreements, filings and certificates related to the issuance of the Bonds, consult with the Underwriter, and undertake such additional duties as we deem necessary to help you through this transaction. At closing of the issuance of the Bonds, assuming the proper conditions have been met, we will deliver our opinion that (1) the Bonds are valid and binding limited obligations payable from the net revenues of the Utility's municipal communication utility system; and (2) the interest paid on the Bonds will be excluded from gross income for federal income tax purposes.

We have also been asked to serve as Disclosure Counsel in order to assist with securities regulatory compliance for the offering of the Bonds. As Disclosure Counsel we will prepare the body of the Official Statement which will be necessary for the sale of the Bonds and consult and advise on related disclosure and continuing disclosure matters. We will perform "due diligence" functions and perform certain other functions as may be necessary to fulfill our responsibilities as Disclosure Counsel. While we will not be responsible for the preparation of Appendix A to the Official Statement, we will coordinate with the Underwriter as they work with the Utility to prepare the financial and operating data for that portion of the Official Statement. At closing, assuming the proper conditions have been met, we will provide our Disclosure Counsel opinion with respect to the Bonds.

In performing our services as Bond Counsel and Disclosure Counsel, our sole client in this matter will be the Utility. We will not represent any other party in this financing and it is mutually understood that the services to be provided by us as described herein are solely for the benefit of the Utility.

From time to time, Dorsey provides legal counsel to D.A. Davidson for various matters unrelated to this transaction. Professional rules require a law firm to obtain client consents before representing one client on a matter which is adverse to another current client. D.A. Davidson has previously provided Dorsey with such a waiver. While Dorsey is representing the Utility with respect to the matter identified above, (1) Dorsey may represent other clients who may be adverse to the Utility in unrelated matters; and (2) Dorsey may represent other parties who may be adverse to the Utility in this matter in unrelated matters. In requesting these consents, we assure you: (1) that we will not use confidential client information in any way to either client's disadvantage, and (2) that we will be able, fully and properly, to represent the Utility and D.A. Davidson on their separate matters without our representation of either client being affected by our representation of the other client. If there is agreement regarding the above please confirm that consent, as well as prospective consents to other unrelated representations as described above, by signing and dating this letter and returning it to me, retaining a copy for your files.

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing, (ii) the duties we will undertake, (iii) the time we anticipate devoting to the project, and (iv) the responsibilities we will assume, we estimate that our fees and expenses for legal services as Bond Counsel and Disclosure Counsel are anticipated not to exceed \$55,000. If the financing plan differs from the proposed structure, including but not limited to a material change in the timeline, material increase in the par amount of the Bonds or the addition of multiple series/official statements than is contemplated by the current structure, we may need to modify our fee quote and inform you of such modification. We will also bill for our expenses for such things as postage, overnight delivery services, faxes, transcripts and other expenses which are estimated to not exceed \$500.

We will submit a statement for those services at the end of the matter/closing of the Bonds. If for any reason the financing does not close, our firm will be entitled to receive compensation for the work performed in connection therewith, but not to exceed the foregoing amounts.

After this arrangement is approved on behalf of the Utility, please have this letter executed in the space below and scan and email an executed copy to me at kuhn.cristina@dorsey.com. If you have questions, please do not hesitate to contact me.

We look forward to working with you. Thank you for the opportunity to serve the Utility.

Very truly yours,



Cristina Kuhn

CK/kb

I understand and agree to the arrangements stated above.

INDIANOLA MUNICIPAL UTILITIES

By: _____
Chris DesPlanques, General Manager

Date: _____

MEMORANDUM

To: IMU Board of Trustees of the Electric, Water and Communications Utilities

From: Cassandra Mosher, Deputy City Clerk

Date: July 25, 2022

Subject: Resolution fixing a date for a public hearing on a proposal to enter into one or more Communication Revenue and Refunding Loan Agreements and to borrow money thereunder in a principal amount not to exceed \$12,200,000.

Recommendation: Roll call is in order.

Attachments:

1. Davidson Memo Regarding Fiber Financing Public Hearing Process - 07-25-22
2. Set Hrg Comm Rev Rfdg LA (Bd) (Indianola MU 2022)-v5

Memorandum

To: Board of Trustees, Indianola Municipal Utilities
Chris DesPlanques, General Manager, Indianola Municipal Utilities,
Chris Longer, Finance and HR Director, Indianola Municipal Utilities

From: Michael Maloney, Managing Director – D.A. Davidson & Co.
Telephone: 515.471.2723 Email: mmaloney@dadco.com

Date: Wednesday, July 20, 2022 Page 1 of 2

Re: Telecommunications Utility Financing – Public Hearing Process

At Monday's (7/25) Board meeting, the financing process for the telecommunications utility will begin by setting the public hearing for the August 8th Board meeting to gain authority for potentially issuing debt for the transmission project with Pella and refinancing of the Series 2017A/B Notes.

The public hearing simply allows IMU to take additional action to secure financing at any subsequent Board meeting, but does NOT obligate any borrowing. There are two elements for the public hearing proceedings under the Iowa Code: first, the Board must provide the purpose for the planned financing, and second, the Board must provide a not-to-exceed borrowing amount.

Purpose language has been drafted to outline the planned elements necessary for the joint transmission line extension project with Pella as well as include refinancing of outstanding debt obligations. For the not-to-exceed borrowing amount, we provided bond counsel with conservative project and borrowing estimates for each component to assemble into the aggregate \$12.2 million value included in the proceedings.

Please note that the not-to-exceed amount simply establishes a maximum upper bound for borrowing, but does NOT require IMU borrow even \$1 for this purpose. It is important to use a conservative value as if there is a need to borrow additional funds over this amount, the Board would be required to hold another public hearing process over two subsequent meetings for that purpose.

In terms of next steps, while we await the transmission bids currently being procured by the City of Pella's Municipal Telecommunications Utility, the financing working group will be assembling necessary due diligence items and developing an offering document for the planned financing. At this time, Davidson is working to determine the cost-benefit for both bond-market vs. bank loan financing options as well as the potential for securing a municipal bond rating from Moody's Investors Service or S&P Global Ratings. We expect to provide feedback on these items to staff in the coming weeks and will update the Board in August.

Davidson looks forward to working through this financing process with IMU staff and the Board and appreciates the opportunity to once again serve IMU.

MINUTES TO SET DATE FOR HEARING
ON ENTERING INTO
COMMUNICATION REVENUE AND
REFUNDING LOAN AGREEMENTS

Indianola, Iowa

July 25, 2022

The Board of Trustees of the Indianola Municipal Utilities, Indianola, Iowa, met on July 25, 2022, at 5:30 o'clock p.m., at the Council Chambers, City Hall, Indianola, Iowa. The Chairperson presided and the roll was called showing the following members of the Board present and absent:

Present: _____

Absent: _____.

• • Other Business • •

Board Member _____ introduced the resolution hereinafter next set out and moved its adoption, seconded by Board Member _____; and after due consideration thereof by the Board, the Chairperson put the question upon the adoption of the said resolution and the roll being called, the following named Board Members voted:

Ayes: _____

Nays: _____.

Whereupon, the Chairperson declared the resolution duly adopted as follows:

RESOLUTION NO. _____

Resolution fixing a date for a public hearing on a proposal to enter into one or more Communication Revenue and Refunding Loan Agreements and to borrow money thereunder in a principal amount not to exceed \$12,200,000

WHEREAS, the City of Indianola (the “City”), in Warren County, State of Iowa, did heretofore establish the Indianola Municipal Utilities (the “Utility”) in and for the City; and

WHEREAS, the management and control of the Utility are vested in the Board of Trustees (the “Board”) of the Utility; and

WHEREAS, pursuant to a resolution (the “Series 2017A Note Resolution”) adopted and approved by the Board on July 24, 2017, the City, by and through the Board, authorized the issuance of \$6,287,000 Communications Utility Revenue Capital Loan Notes, Series 2017A, dated August 10, 2017 (the “Series 2017A Notes”) to finance improvements to the Municipal Communications Utility of the Utility (the “System”), a portion of which remains outstanding, and the outstanding Series 2017A Notes are optional for redemption on any date subject to the provisions of the Series 2017A Note Resolution; and

WHEREAS, pursuant to a resolution (the “Series 2017B Note Resolution”) adopted and approved by the Board on July 24, 2017, the City authorized the issuance of \$3,000,000 Taxable Communications Utility Revenue Capital Loan Notes, Series 2017B, dated August 10, 2017 (the “Series 2017B Notes”) to finance improvements to the System, a portion of which remains outstanding, and the Series 2017B Notes are optional for redemption on any date subject to the provisions of the Series 2017B Note Resolution; and

WHEREAS, the City, acting by and through the Board, now proposes to enter into one or more loan agreements (the “Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$12,200,000, pursuant to the provisions of Section 384.24A of the Code of Iowa, for the purpose of paying the cost, to that extent, of (1) constructing improvements and extensions to the System, including the acquisition of equipment and installation of conduit, underground cable, vaults, pedestals and cabinets for transfer connection, and other miscellaneous improvements, extensions and equipment purchases to benefit the System (the “Projects”); (2) current refunding the outstanding Series 2017A Notes; and (3) current refunding the outstanding Series 2017B Notes; and it is now necessary to fix a date of meeting of the Board at which it is proposed to take action to enter into the Loan Agreement and to give notice thereof as required by such law;

NOW, THEREFORE, Be It Resolved by the Board of Trustees of the Indianola Municipal Utilities, as follows:

Section 1. This Board shall meet on August 8, 2022, at the City Council Chambers, in the City, at 5:30 o’clock p.m., at which time and place a hearing will be held and proceedings will be instituted and action taken to enter into the Loan Agreement.

Section 2. The Board Secretary is hereby directed to give notice of the proposed action on the Loan Agreement setting forth the amount and purpose thereof, the time when and place where the said meeting will be held by publication at least once, not less than four (4) and not more than twenty (20) days before the meeting, in a legal newspaper which has a general circulation in the City. The notice shall be in substantially the following form:

NOTICE OF PROPOSED ACTION TO INSTITUTE PROCEEDINGS TO
ENTER INTO LOAN AGREEMENTS AND TO BORROW MONEY
THEREUNDER IN A PRINCIPAL AMOUNT NOT TO EXCEED \$12,200,000

(TELECOMMUNICATIONS REVENUE)

The City of Indianola, by and through the Board of Trustees of the Indianola Municipal Utilities (the “Issuer”), will meet on August 8, 2022, at the Council Chambers, City Hall, Indianola, Iowa (the “City”), at 5:30 o’clock p.m., for the purpose of instituting proceedings and taking action to enter into one or more loan agreements (the “Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$12,200,000 for the purpose of paying the cost, to that extent, of (1) constructing improvements and extensions to the Municipal Communications Utility of the Issuer (the “System”), including the acquisition of equipment and installation of conduit, underground cable, vaults, pedestals and cabinets for transfer connection, and other miscellaneous improvements, extensions and equipment purchases to benefit the System; (2) current refunding the outstanding Communications Utility Revenue Capital Loan Notes, Series 2017A; and (3) current refunding the outstanding Taxable Communications Utility Revenue Capital Loan Notes, Series 2017B.

The Loan Agreement will not constitute a general obligation of the City, nor will it be payable in any manner by taxation, but together with any additional obligations as may be hereafter issued and outstanding from time to time ranking on a parity therewith, will be payable solely and only from the Net Revenues of the System.

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

By order of the Board of Trustees of the Indianola Municipal Utilities, Indianola, Iowa.

Board Secretary

Section 3. Pursuant to Section 1.150-2 of the Income Tax Regulations (the “Regulations”) of the Internal Revenue Service, the City declares (a) that it intends to undertake the Projects which are reasonably estimated to cost approximately \$2,100,000, (b) that other than (i) expenditures to be paid or reimbursed from sources other than the issuance of bonds, notes or other obligations (the “Bonds”), or (ii) expenditures made not earlier than 60 days prior to the date of this Resolution or a previous intent resolution of the City, or (iii) expenditures amounting to the lesser of \$100,000 or 5% of the proceeds of the Bonds, or (iv) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Regulations, no expenditures for the Projects have heretofore been made by the City and no expenditures will be made by the City until after the date of this Resolution or a prior intent resolution of the City, and (c) that the City reasonably expects to reimburse the expenditures made for costs of the City out of the proceeds of the Bonds. This declaration is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

Section 4. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved this July 25, 2022.

Chairperson, Board of Trustees

Attest:

Board Secretary

• • • •

On motion and vote, the meeting adjourned.

Chairperson, Board of Trustees

Attest:

Board Secretary

ATTESTATION CERTIFICATE

STATE OF IOWA
COUNTY OF WARREN
INDIANOLA MUNICIPAL UTILITIES

SS:

I, the undersigned, Board Secretary of the Board of Trustees of the Indianola Municipal Utilities, do hereby certify that attached hereto is a true and correct copy of the proceedings of the Board of Trustees relating to fixing a date for hearing on the Board's proposal to take action in connection with one or more loan agreements, as referred to therein.

WITNESS MY HAND hereto affixed this _____ day of _____, 2022.

Board Secretary

ORGANIZATION AND ESTABLISHMENT CERTIFICATE

STATE OF IOWA
COUNTY OF WARREN
INDIANOLA MUNICIPAL UTILITIES

SS:

I, the undersigned, Board Secretary of the Board of Trustees (the “Board”) of the Indianola Municipal Utilities (the “Utility”), do hereby certify that the City of Indianola (the “City”) has heretofore established the Utility.

I do further certify that the management and control of the Utility are vested in the Board; that the Utility is now being operated by said Board and that the present members of the Board, with their respective terms of office, are as follows:

_____, for the term ending _____;

_____, for the term ending _____;

_____, for the term ending _____;

_____, for the term ending _____;

_____, for the term ending _____.

I do further certify that the officials of the Board are as follows:

_____, Chairperson

_____, Board Secretary

I do further certify that there is no litigation pending, prayed or threatened involving the Utility or the organization or existence of the Board or any of its officials hereinbefore named.

WITNESS MY HAND this _____ day of _____, 2022.

Board Secretary

OUTSTANDING DEBT CERTIFICATE

STATE OF IOWA
COUNTY OF WARREN
INDIANOLA MUNICIPAL UTILITIES

SS:

I, the undersigned, Board Secretary of the Board of Trustees (the “Board”) of the Indianola Municipal Utilities (the “Utility”), do hereby certify that there are no bonds or other obligations of any kind now outstanding which are secured by and payable from the revenues derived from the operation of the Municipal Communications Utility (the “System”), except as follows:

<u>Dated</u>	<u>Type</u>	<u>Principal Amount Outstanding</u>	<u>Maturity</u>
August 10, 2017	Communications Utility Revenue Capital Loan Note, Series 2017A	\$_____	June 1, 2032
August 10, 2017	Taxable Communications Utility Revenue Capital Loan Note, Series 2017B	\$_____	June 1, 2032

(Attach here a separate sheet listing any other outstanding obligations of the City secured by and payable from the revenues of the System, if any, excluding the proposed issue.)

WITNESS MY HAND this _____ day of _____, 2022.

Board Secretary

PUBLICATION CERTIFICATE

(PLEASE NOTE: Please do not date and return this certificate until you have received the publisher's affidavit and have verified that the notice was published on the date indicated in the affidavit, but please return all other completed pages to us as soon as they are available.)

STATE OF IOWA
COUNTY OF WARREN
INDIANOLA MUNICIPAL UTILITIES

SS:

I, the undersigned, Secretary of the Board of Trustees of the Indianola Municipal Utilities, do hereby certify that pursuant to the resolution of its Board fixing a date of meeting at which it is proposed to take action to enter into loan agreements, the notice, of which the printed slip attached to the publisher's affidavit hereto attached is a true and complete copy, was published on the date and in the newspaper specified in such affidavit, which newspaper has a general circulation in the City of Indianola.

WITNESS MY HAND this _____ day of _____, 2022.

Board Secretary

(Attach here the publisher's original affidavit with clipping of the notice, as published.)

MEMORANDUM

To: IMU Board of Trustees of the Electric, Water and Communications Utilities
From:
Date: July 25, 2022
Subject: Resolution approving salaries.

Recommendation: Roll call is in order.

Attachments: 1. Resolution No 2022- Salaries

Indianola Municipal Utilities

Resolution No 2022-

RESOLUTION APPROVING SALARIES

This action sets salaries in accordance with the personnel management guide and union contract.

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

Michael Metcalf, Electric Superintendent from 12-8 to 13-7 \$117,359/year, effective July 31, 2022.

Elisha Brown, Utility Services Superintendent from 8-2 to 9-2 \$69,778/year, effective July 31, 2022.

Lori Smith, IMU Board Chair

ATTEST:

Jackie Raffety, City Clerk

MEMORANDUM

To: IMU Board of Trustees of the Electric, Water and Communications Utilities

From:

Date: July 25, 2022

Subject: Enter into closed session in accordance with Iowa Code Section 388.9(1) to discuss marketing and pricing strategies and proprietary information of the telecommunications division whose competitive position will be harmed by public disclosure that is not required of potential or actual competitors and no public purpose is served by such disclosure.

Recommendation: Roll call to enter and exit the closed session is in order.

Attachments: None

MEMORANDUM

To: IMU Board of Trustees of the Electric, Water and Communications Utilities

From:

Date: July 25, 2022

Subject: Enter into closed session in accordance with Iowa Code Section 21.5 (1)(i) to evaluate the professional competency of an individual whose appointment, hiring, performance, or discharge is being considered when necessary to prevent needless and irreparable injury to that individual's reputation and that individual requests a closed session.

Recommendation: Roll call to enter and exit the closed session is in order.

Attachments: None