



**IMU Board of Trustees
February 24, 2014
City Hall Council Chambers
5:30 p.m.**

Agenda

1. Roll Call
2. Consent
 - A. Claims
 - B. Minutes
 - C. 2012 Fiber Installation Project - Service Drop Installation - Change Order #1
3. Reports
 - A. Administrative News Items
 - B. Director of Finance
 - C. Chairperson
 - D. Financials
4. FY 2015 Budget
 - A. Public Hearing
 - B. Adoption
5. 2014 Hwy 92 & I-35 Transmission Relocation Project
 - A. Change Order #1
 - B. MidAmerician Reimbursement Agreement
6. Streetlights on The Square
7. Pool Reimbursement for Water Consumption
8. Other Business

9. Adjourn

Information

Subject

Claims

Information

The February 17, 2014 Claims List was distributed the previous week.

Financial Impact

N/A

Staff Recommendation

IMU Regular Downstairs
Meeting Date: 02/24/2014

2. B.

Information

Subject

Minutes

Information

Minutes of the February 10, 2014 meeting are attached.

Financial Impact

N/A

Staff Recommendation

Attachments

Minutes

BOARD OF TRUSTEE MINUTES
REGULAR SESSION – FEBRUARY 10, 2014

The Board of Trustees met in regular session at 5:30 p.m. on February 10, 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: Grant Johnson, Bob Lester (via phone), Pat Reding and Eric Vander Linden. Absent: Heather Hulen.

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

February 3, 2014 claims

January 27, 2014 minutes

Salaries:

Eric Lane, Network Services Associate, from Range 19-2 \$39,644/year to Range 19-3 \$41,228/year effective February 9, 2014

Justin Brand, Water Operator 1, Range 21-2 \$43,661/year effective February 23, 2014

Amounts to be forwarded to the State Offset Program \$23,783.45 (electric) and \$2,920.64 (water)

Investment Policy

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

Amend the Miscellaneous Fee Schedule – will charge \$500 to replace Optical Network Terminals owned by IMU if a customer does not allow access to the premise following a permanent disconnection of service

The Board discussed the Strategic Plan (update), Service Objectives and Operating Strategies.

The Board discussed the Mid-year Performance Report.

The Board discussed the possibility of adding a Cost of Energy Adjustment to utility bills including:

- A benefit of this approach is that consumers see the exact per kWh surcharge that is due to higher wholesale costs on their bill
- First consideration is to evaluate this option to see if Trustees should raise the base from today's level
- Second consideration would be to direct staff to draft a policy prescribing direction on how to proceed with imposing a cost of energy adjustment and a maintenance adjustment
- Final consideration would be the timing and an initial level

It was the consensus of the Board to authorize Todd Kielkopf, General Manager, to continue to pursue this and to survey other municipal cities.

Board member Lester requested General Manager Todd Kielkopf to review options regarding the MEAN contract.

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

Eric Vander Linden, Chairperson

Diana Bowlin, City Clerk

Information

Subject

2012 Fiber Installation Project - Service Drop Installation - Change Order #1

Information

The value of the contract with MCG needs reduced by \$4,275.00 to reflect concrete replacement work that had been estimated to be needed however wasn't due to actual drop routes/installations. The new (final) contract amount is \$41,040.00 and is ready to be closed out.

Financial Impact

N/A

Staff Recommendation

IMU Regular Downstairs
Meeting Date: 02/24/2014

3. B.

Information

Subject

Director of Finance

Information

Financial Impact

N/A

Staff Recommendation

IMU Regular Downstairs
Meeting Date: 02/24/2014

3. D.

Information

Subject

Financials

Information

Financial Impact

N/A

Staff Recommendation

Attachments

Financials

IMU Monthly Financial Reports

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Notes & Comments

1. Total Cash Flow from all activities the on Treasurer's Report was -\$19,591.
2. Electric sales (page 5) are on track to meet the re-estimated goal of 120,700,000 particularly given what should be a higher January (March billings) next month. Water consumption (page 6) has returned closer to a range of between 2012 (hot/dry year) and the prior 3-year average. This trend will likely to continue.
3. The Electric Gross Margin (page 7) is trending less than the seasonally-adjusted budget. The spread between \$/kWh of sales and cost will be less than in the previous year by design, as the Purchased Energy Adjustment imposed in November. IMU's retail rates have not increased in the same manner. Reserves remain above policy levels & targets, however the vast majority of that is committed to current year projects (W. Hwy 92, I-35, and Network Services signups).
4. Using the cash-based + depreciation model, Electric Utility Net Income (page 8) fell to a loss of \$124,895 vs. a seasonally-adjusted budget of -\$8,400. Electric O&M Activities Cash Flow (Page 10) remained as expected as a FYTD negative. Again, this was expected due to the timing of seasonal wholesale power bill expenses.
5. The Water Utility (pages 7 & 12) is meeting seasonal expectations in terms of Net Income and Cash Flow. Reserves are well above targets due to the timing of capital projects. Staff continues to allocate \$340,000 of current balances for a future debt service use (listed as "Designated for Future Projects). There will still be funds for additional projects if needed (page 14).
6. The Communications Utility (page 15) remains under budget until cash is transferred for Partner programming & services. The Admin. Fund (page 16) cash flow is under budget primarily due to the timing of contracted services payments.

NOTE: February's reports will contain FY 2014 Re-Estimated numbers and then be used to more closely monitor results compared to revised targets.

FINANCIAL REPORT
MONTH OF JANUARY, 2014

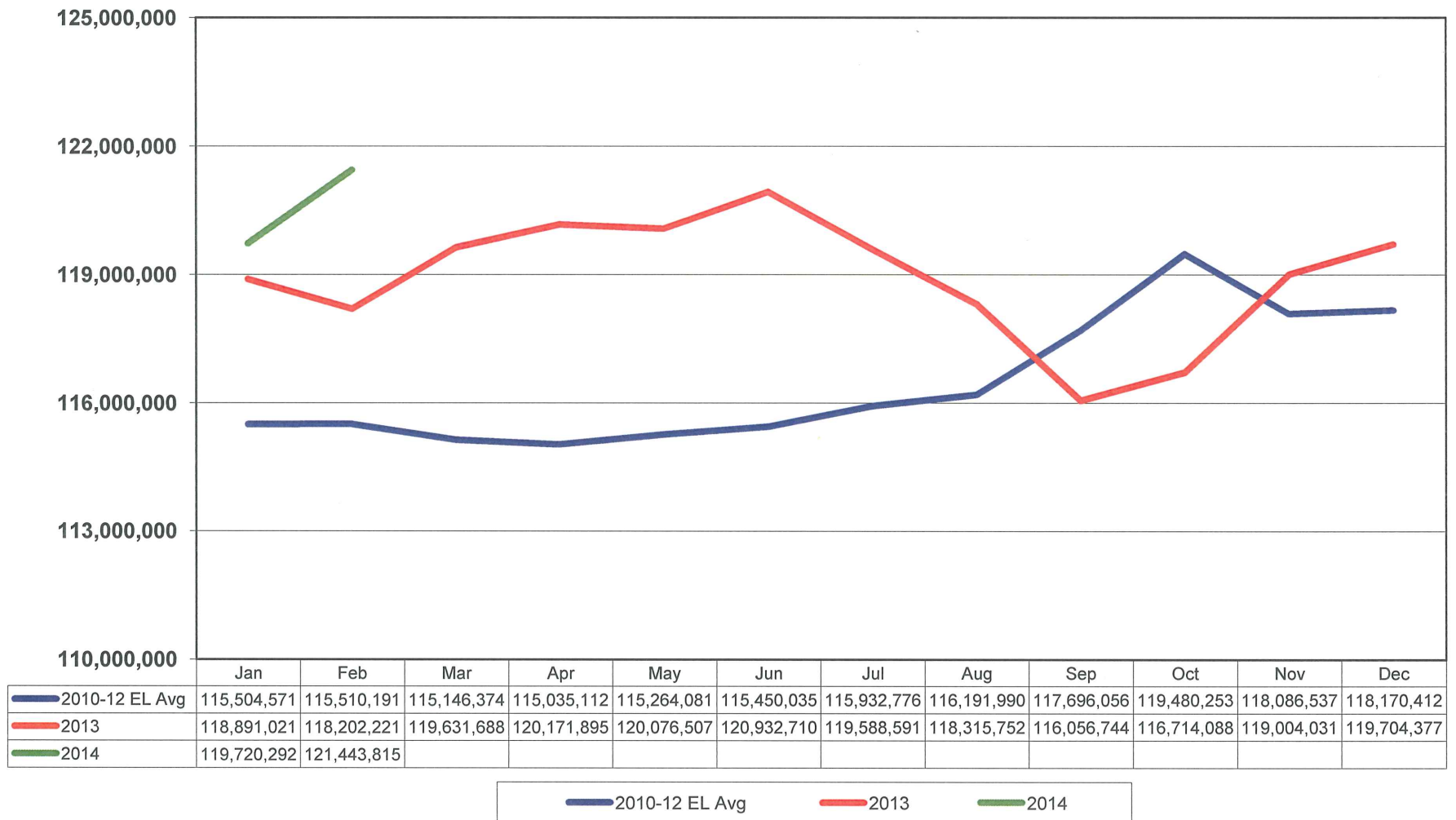
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FUND	Beginning Balance	Monies Received	Monies Disbursed	Transfer In	Transfer Out	Clerk's Balance	% of Total
001 General Government	1,287,969.33	61,731.56	181,605.39	107,333.15	160,452.07	1,114,976.58	
011 Police	289,445.95	11,433.46	251,981.43	24,136.56	874.54	72,160.00	
015 Fire	173,962.02	2,962.68	44,145.89	325.48	27.81	133,076.48	
016 Ambulance	210,560.49	52,911.11	248,107.83	157,162.59	2,985.02	169,541.34	
041 Library	25,621.96	4,611.67	58,339.18	314.29	77.25	-27,868.51	
042 Park & Recreation	261,240.06	24,120.09	116,628.01	1,624.81	1,805.72	168,551.23	
045 Memorial Pool	-121,957.94	439.01	791.40	0.00	833.33	-123,143.66	
071 General Fund Deb Service	56,541.19	664.03	0.00	0.00	0.00	57,205.22	
099 Franchise Fees-MEC	95,766.28	0.00	0.00	0.00	0.00	95,766.28	
GENERAL FUND SUB-TOTAL	2,279,149.34	158,873.61	901,599.13	290,896.88	167,055.74	1,660,264.96	
110 Road Use Tax (Streets)	742,770.01	115,665.12	101,171.24	0.00	14,733.14	742,530.75	
112 Trust & Agency	0.00	3,022.06	0.00	0.00	3,022.06	0.00	
115 YMCA Maintenance Obligations	52,493.32	0.00	6,435.00	0.00	0.00	46,058.32	
125 TIF--Downtown	186,677.56	6,722.82	0.00	0.00	0.00	193,400.38	
126 TIF--East Hwy 92	0.00	0.00	0.00	0.00	0.00	0.00	
127 TIF--Hillcrest/Industrial Park	174,551.09	0.00	0.00	0.00	0.00	174,551.09	
141 Library Special Revenue	35,002.70	1,172.04	1,096.51	0.00	0.00	35,078.23	
142 Park & Rec Special Revenue	120,066.43	713.54	8,625.00	0.00	0.00	112,154.97	
160 Downtown Revolving Loan	52,290.00	0.00	0.00	0.00	0.00	52,290.00	
161 Downtown Business Inc Program	5,309.32	0.00	4,885.89	0.00	0.00	423.43	
177 Police Forfeiture	18,420.31	0.00	0.00	0.00	0.00	18,420.31	
190 Vehicle Reserve	109,069.13	0.00	0.00	1,666.67	0.00	110,735.80	
199 Police Retirement	117,243.21	84.05	0.00	0.00	1,041.67	116,285.59	
SPECIAL REVENUES SUB-TOTAL	1,613,893.08	127,379.63	122,213.64	1,666.67	18,796.87	1,601,928.87	
200 DEBT SERVICE (SUB-TOTAL)	2,743,471.19	6,721.79	0.00	70,083.32	0.00	2,820,276.30	
301 Capital Projects (General)	547,054.58	0.00	3,013.08	0.00	0.00	544,041.50	
321 Capital Projects (Streets)	1,192,200.96	3,287.88	33,429.02	0.00	0.00	1,162,059.82	
344 Community Athletic Facility	1,383.29	0.00	65.60	1,666.67	0.00	2,984.36	
353 Community ReDevelopment (D&D)	133,954.18	96.27	16,921.85	0.00	0.00	117,128.60	
CAPITAL PROJECTS SUB-TOTAL	1,874,593.01	3,384.15	53,429.55	1,666.67	0.00	1,826,214.28	
610 Sewer	65,951.83	0.00	102,087.12	139,250.00	33,283.14	69,831.57	
650 Stormwater Utility	217,444.71	16,988.81	0.00	0.00	5,208.33	229,225.19	
670 Recycling	54,380.94	17,580.30	14,923.00	0.00	1,375.00	55,663.24	
710 Sewer Capital Projects	232,692.13	694,413.39	22,315.34	0.00	256,391.66	648,398.52	
771 Sewer Reserve	114,238.70	0.00	0.00	0.00	0.00	114,238.70	
781 Sewer Plant Improvement	305,072.57	0.00	0.00	2,083.33	0.00	307,155.90	
791 Sewer Revenue Bonds	336,673.89	0.00	0.00	67,500.00	0.00	404,173.89	
820 Health Insurance	1,116,098.48	113,922.28	119,421.62	0.00	0.00	1,110,599.14	
830 Health Reimbursement Account	265,299.05	0.00	12,250.76	1,650.00	0.00	254,698.29	
840 Flex/STD	238,087.58	3,484.59	8,983.58	1,452.39	0.00	234,040.98	
850 Liability Insurance Reserve--City	2,053.45	1.53	0.00	0.00	0.00	2,054.98	
CITY UTILITY & IS SUB-TOTAL	2,947,993.33	846,390.90	279,981.42	211,935.72	296,258.13	3,430,080.40	
TOTAL CITY FUNDS	11,459,099.95	1,142,750.08	1,357,223.74	576,249.26	482,110.74	11,338,764.81	54%
TOTAL IMU FUNDS	9,663,147.07	1,147,999.69	1,073,451.74	276,668.01	370,806.53	9,643,556.50	46%
GRAND TOTAL CITY & IMU	21,122,247.02	2,290,749.77	2,430,675.48	852,917.27	852,917.27	20,982,321.31	
Cross Check Total						20,982,321.31	
Investments							
Bankers Trust	\$ 18,471,032.34	1.78%				Clerk's Balance	20,982,321.31
Bankers Trust - Wellness Center Project	\$ 80,001.96	0.01%					
Iowa Public Agency Inv. Trust	\$ 111,101.03	0.010%					
Payroll Account, Community State	\$ 0.27	Earnings Credit				Plus Outstanding Checks	48,286.23
Checking Account, Community State	\$ 249,764.11	Earnings Credit				Unreconcilable Item	
Sweep Account, Community State	\$ 2,108,246.29	0.25%				Less Outstanding Deposits	-10,461.54
BANK BALANCE	21,020,146.00						21,020,146.00

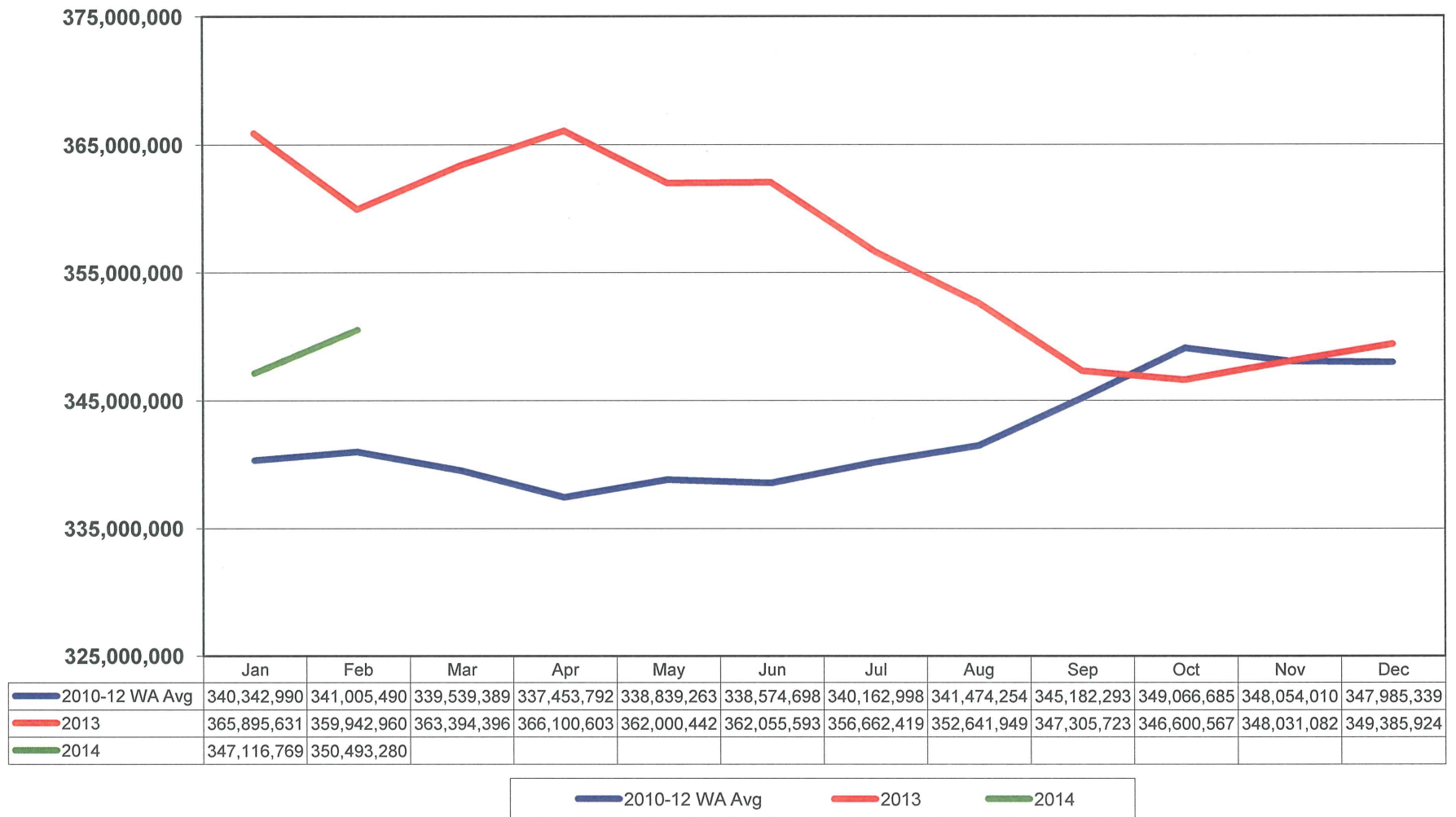
600 Water	370,794.88	183,386.30	87,552.16	0.00	114,494.03	352,134.99
620 IMU Administration	40,319.31	0.00	69,860.26	84,458.34	28,611.80	26,305.59
625 Revolving Economic Development	102,508.04	71.81	0.00	0.00	0.00	102,579.85
626 USDA RLF	150,000.00	0.00	0.00	0.00	0.00	150,000.00
630 Electric	1,639,428.72	855,380.72	815,385.10	22,568.00	218,725.86	1,483,266.48
640 Fiber/Communications	383,385.11	21,353.90	17,656.91	0.00	8,974.84	378,107.26
700 Water Capital Projects	1,364,581.35	0.00	38,431.46	34,000.00	0.00	1,360,149.89
730 Electric Capital Projects	3,319,305.49	87,791.67	44,565.85	0.00	0.00	3,362,531.31
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	26,089.68	0.00	0.00	23,325.00	0.00	49,414.68
793 Electric Revenue Bonds	744,350.02	0.00	0.00	112,316.67	0.00	856,666.69
855 Liability Insurance Reserve--IMU	20,693.12	15.29	0.00	0.00	0.00	20,708.41
IMU SUB-TOTAL	9,663,147.07	1,147,999.69	1,073,451.74	276,668.01	370,806.53	9,643,556.50

INTEREST DISTRIBUTION	INTEREST			
	INCOME	% OF TOTAL	CALYTD	FYTD
Electric Funds	\$ 5,487.14	35.80%	\$ 5,487.14	\$ 63,063.55
Water Funds	\$ 1,338.55	8.73%	\$ 1,338.55	\$ 15,723.25
Sewer Funds	\$ 748.74	4.89%	\$ 748.74	\$ 6,110.65
Police Retirement	\$ 84.05	0.55%	\$ 84.05	\$ 941.46
Community Redevelopment	\$ 96.27	0.63%	\$ 96.27	\$ 1,200.14
All other	\$ 7,572.34	49.40%	\$ 7,572.34	\$ 79,645.01
TOTAL	\$ 15,327.09	100.00%	\$ 15,327.09	\$ 166,684.06

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

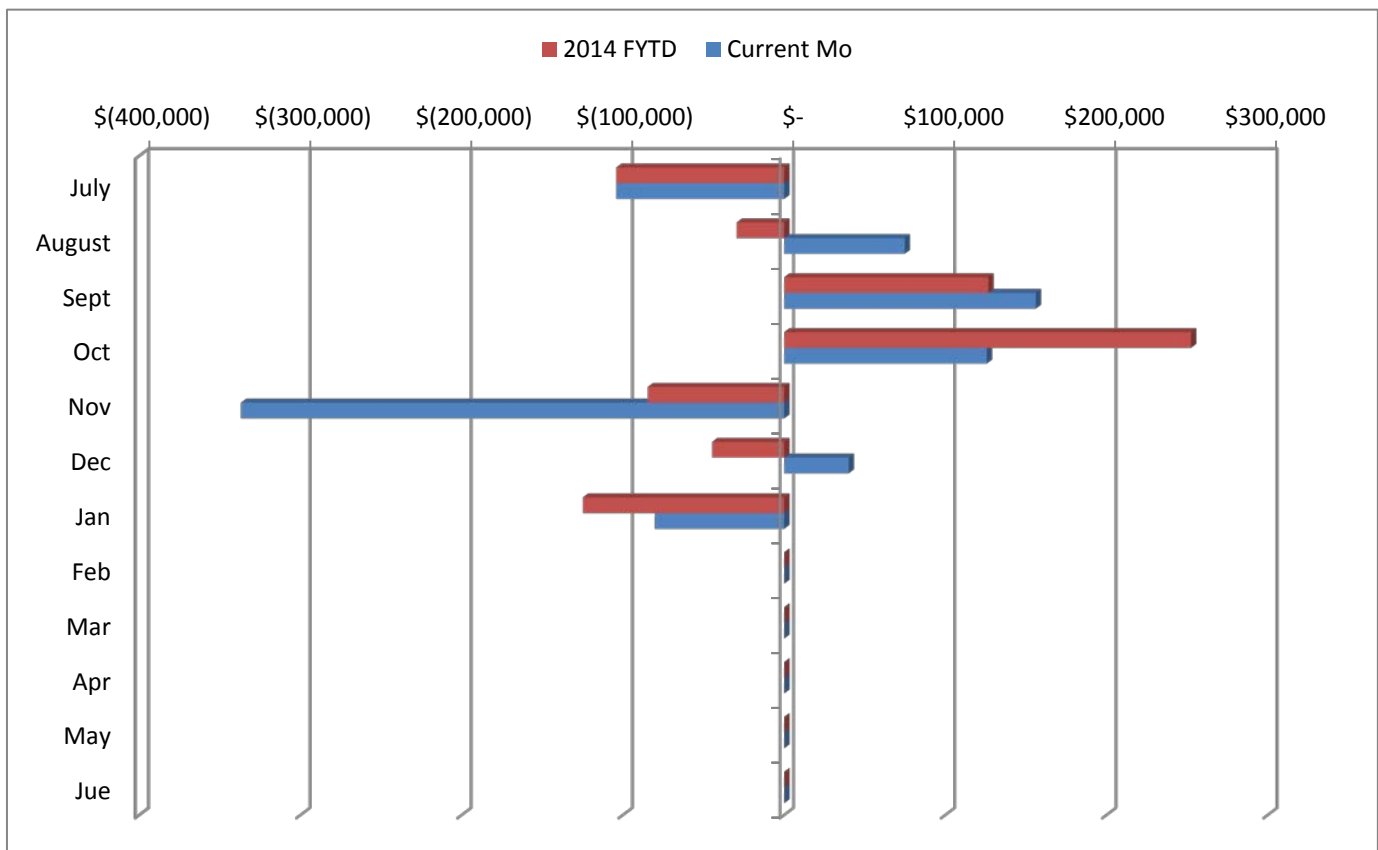


Gallons Sold
(Gallons sold based on a rolling 12 month total)



	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Electric Utility:			
Gross Margin	\$ 1,597,929	\$ 1,935,900	\$ (337,971)
Cash-based Net Income (incl. Depr.)	\$ (124,895)	\$ (8,400)	\$ (116,495)
Net O&M + Capital Funds Cash Flow	\$ (1,010,428)	\$ (682,300)	\$ (328,128)
Ending O&M and Capital Fund Balances	\$ 4,845,798	\$ 5,222,800	
Less-			
Designated for Future Projects	-	-	-
Reserve Targets	3,898,100	3,898,100	-
Over/(Under)	\$ 947,698	\$ 1,324,700	\$ (377,002)
Debt Service Coverage Ratio w/o PILOT	1.07	1.22	
Water Utility:			
Cash-based Net Income (incl. Depr.)	\$ 420,914	\$ 319,700	\$ 101,214
Net O&M + Capital Funds Cash Flow	\$ 184,034	\$ (48,700)	\$ 232,734
Ending O&M and Capital Fund Balances	\$ 1,712,117	\$ 1,479,400	\$ -
Less-			
Designated for Future Projects	390,000	390,000	-
Reserve Targets	666,400	666,400	-
Over/(Under)	\$ 655,717	\$ 423,000	\$ 232,717
Debt Service Coverage Ratio w/o PILOT	1.84	1.60	
Communications Utility:			
Net Cash Flow	\$ (50,861)	\$ (102,800)	\$ 51,939
Ending Fund Balances	\$ 378,107	\$ 326,200	\$ -
Less-			
Designated for Future Projects	-	-	-
Reserve Targets	285,600	285,600	-
Over/(Under)	\$ 92,507	\$ 40,600	\$ 51,907
Commercial Customers	109	115	-6
Residential Customers	144	170	-26
Administrative Fund:			
Net Cash Flow	\$ 26,306	\$ 44,800	\$ (18,509)

EL - Combined		FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:				
Sales of Electricity & Peaking	\$ 7,326,554.63	\$ 7,591,000	\$ (264,445)	
Sales Taxes	138,056.63	204,300	(66,243)	
Other	810,062.19	714,600	95,462	
Total O&M Revenue	\$ 8,274,673.45	8,509,900	(235,227)	
Expenditures:				
Purchased Energy & Fuel	\$ 5,414,383.98	\$ 5,340,900	\$ 73,484	
Salaries	471,481.79	461,300	10,182	
Benefits	226,937.29	249,300	(22,363)	
Materials, Suppl. & Contracts	313,801.62	302,300	11,502	
Sales Taxes & Use Taxes	144,015.05	207,500	(63,485)	
PILOT	314,241.69	314,200	42	
Debt Service - Interest Only	179,516.69	179,500	17	
Overhead, Admin & EE	650,227.84	718,500	(68,272)	
Depreciation (Est)	790,000.00	790,000	-	
Total O&M Expenses	\$ 8,504,605.95	8,563,500	(58,894)	
Net Income (Operating & Other)	\$ (229,932.50)	(53,600)	(176,333)	
Capital Activities:				
Major Maintenance via Capital Fund	\$ (27,500.00)	\$ (48,800)	\$ 21,300	
Capital Contributions (Fiber)	109,168.60	69,700	39,469	
Capital Contributions (Electric)	23,369.00	24,300	(931)	
Net Income	\$ (124,894.90)	(8,400)	(116,495)	
Cash Flow:				
Net Income + Depreciation	\$ 665,105.10	\$ 781,600	\$ (116,495)	
Water Loan Principal	125,300.00	125,300	-	
Debt Service Principal	(606,700.00)	(606,700)	-	
Debt Service Reserve Change	-	-	-	
Capital Contributions (Developers)	128,363.98	272,900	(144,536)	
Proceeds from Debt Issues	-	-	-	
Capital Projects	(1,322,496.89)	(1,255,400)	(67,097)	
Designated for Future Projects	-	-	-	
Net Cash Flow	\$ (1,010,427.81)	\$ (682,300)	\$ (328,128)	



	2014 FYTD		Current Mo		2012 FYTD*		Current Mo*	
July	\$	(104,177)	\$	(104,177)	\$	45,358	\$	45,358
August	\$	(29,431)	\$	74,745	\$	(9,709)	\$	(55,067)
Sept	\$	126,633	\$	156,064	\$	(25,852)	\$	(16,143)
Oct	\$	252,324	\$	125,691	\$	225,794	\$	251,646
Nov	\$	(84,706)	\$	(337,030)	\$	70,948	\$	(154,846)
Dec	\$	(44,691)	\$	40,015	\$	215,574	\$	144,626
Jan	\$	(124,895)	\$	(80,204)	\$	420,953	\$	205,379
Feb	\$	-	\$	-	\$	608,217	\$	187,264
Mar	\$	-	\$	-	\$	734,330	\$	126,113
Apr	\$	-	\$	-	\$	810,152	\$	75,822
May	\$	-	\$	-	\$	810,203	\$	51
Jun	\$	-	\$	-	\$	1,108,104	\$	297,901

*Modified from Variance Report for tracking purposes only

630 - EL O&M Fund		FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:				
Sales of Electricity & Peaking	\$	7,326,554.63	\$ 7,591,000	\$ (264,445)
Sales Taxes		138,056.63	204,300	(66,243)
Other		317,690.01	302,200	15,490
Fund Revenue	\$	7,782,301.27	\$ 8,097,500	\$ (315,199)
Expenditures:				
Purchased Energy & Fuel	\$	5,414,383.98	\$ 5,340,900	\$ 73,484
Salaries		471,481.79	461,300	10,182
Benefits		226,937.29	249,300	(22,363)
Materials, Suppl. & Contracts		313,801.62	302,300	11,502
Sales Taxes & Use Taxes		144,015.05	207,500	(63,485)
PILOT		314,241.69	314,200	42
Debt Service		786,216.69	786,200	17
Overhead, Admin & EE		650,227.84	718,500	(68,272)
Fund Expenditures	\$	8,321,305.95	\$ 8,380,200	\$ (58,894)
O&M Activities Cash Flow:	\$	(539,004.68)	\$ (282,700)	\$ (256,305)
Capital Fund Transfer (Out) In	\$	125,300.00	\$ -	\$ 125,300
O&M Fund Cash Flow:	\$	(413,704.68)	\$ (282,700)	\$ (131,005)
Ending Fund Balances:				
	\$	1,483,266.48	\$ 1,614,300	
17% Reserve Target	\$	1,860,300.00	\$ 1,860,300	
Over/Under Reserve Target	\$	(377,033.52)	\$ (246,000)	\$ (131,034)

730 - EL CAP Fund

	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Capital Contributions (Fiber)	\$ 109,168.60	\$ 69,700	\$ 39,469
Capital Contributions (Electric)	93,475.98	97,200	(3,724)
Capital Contributions (Reimb)	58,257.00	200,000	(141,743)
Water Loan Principal	125,300.00	125,300	-
Proceeds from Debt	-	-	-
Other	492,372.18	412,400	79,972
Fund Revenue	\$ 878,573.76	\$ 904,600	\$ (26,026)
Expenditures:			
Major Maintenance (Est.)	\$ 27,500.00	\$ 48,800	\$ (21,300)
Vehicles	101,288.80	150,000	(48,711)
Relocations & Conversions	794,707.02	671,700	123,007
New Developments & Line Repl	127,846.70	80,500	47,347
Network Services	122,543.80	268,600	(146,056)
Other/Stock (Out) In	176,110.57	35,800	140,311
Fund Expenditures	\$ 1,349,996.89	\$ 1,255,400	\$ 94,597
Capital Activities Cash Flow:			
Capital Fund Transfer (Out) In	\$ (125,300.00)	\$ -	\$ (125,300)
Designated for Future Projects	-	-	-
Capital Fund Cash Flow:	\$ (596,723.13)	\$ (350,800)	\$ (245,923)
Ending Fund Balances:	\$ 3,362,531.31	\$ 3,608,500	
Reserve Target	\$ 2,037,800	\$ 2,037,800	
Designated for Future Projects			
Over/Under Reserve Target	\$ 1,324,731	\$ 1,570,700	\$ (245,969)

WA - Combined		FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE			
Revenue:							
Sales of Water	\$	1,413,986.11	\$	1,369,300	\$	44,686	
Sales Taxes		72,475.48		82,200		(9,725)	
Other		128,009.05		70,800		57,209	
Total O&M Revenue	\$	1,614,470.64	\$	1,522,300	\$	92,171	
Expenditures:							
Salaries	\$	239,212.31	\$	223,600	\$	15,612	
Benefits		101,182.60		108,800		(7,617)	
Materials, Suppl. & Contracts		202,762.62		206,200		(3,437)	
Sales Taxes & Use Taxes		73,169.08		82,200		(9,031)	
PILOT		41,300.00		41,300		-	
Debt Service - Interest Only		49,559.31		49,600		(41)	
Overhead, Admin & EE		127,606.39		133,300		(5,694)	
Depreciation (Est)		308,000.00		308,000		-	
Total O&M Expenses	\$	1,142,792.31	\$	1,153,000	\$	(10,208)	
Net Income (Operating & Other)		\$	471,678.33	\$	369,300	\$	102,378
Capital Activities:							
Major Maintenance via Capital Fund	\$	(50,764.48)	\$	(49,600)	\$	(1,164)	
Net Income		\$	420,913.85	\$	319,700	\$	101,214
Cash Flow:							
Net Income + Depreciation	\$	728,913.85	\$	627,700	\$	101,214	
Debt Service Principal		(372,900.00)		(372,900)		-	
Debt Service Reserve Change		-		-		-	
Capital Projects		(171,979.51)		(303,500)		131,520	
Designated for Future Projects		-		-		-	
Net Cash Flow		\$	184,034.34	\$	(48,700)	\$	232,734

600 - WA O&M Fund		FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:				
Sales of Water	\$	1,413,986.11	\$ 1,369,300	\$ 44,686
Sales Taxes		72,475.48	82,200	(9,725)
Other		108,009.05	70,800	37,209
Fund Revenue	\$	1,594,470.64	\$ 1,522,300	\$ 72,171
Expenditures:				
Salaries	\$	239,212.31	\$ 223,600	\$ 15,612
Benefits		101,182.60	108,800	(7,617)
Materials, Suppl. & Contracts		202,762.62	206,200	(3,437)
Sales Taxes & Use Taxes		73,169.08	82,200	(9,031)
PILOT		41,300.00	41,300	-
Debt Service		422,459.31	422,500	(41)
Overhead & Admin		127,606.39	133,300	(5,694)
Fund Expenditures	\$	1,207,692.31	\$ 1,217,900	\$ (10,208)
O&M Activities Cash Flow:	\$	386,778.33	\$ 304,400	\$ 82,378
Capital Fund Transfer (Out) In	\$	(238,000.00)	\$ (333,200)	\$ 95,200
Debt Service Reserve Change		-	-	-
O&M Fund Cash Flow:	\$	148,778.33	\$ (28,800)	\$ 177,578
Ending Fund Balances:				
	\$	351,966.99	\$ 174,400	
17% Reserve Target	\$	195,700.00	\$ 195,700	
Over/Under Reserve Target	\$	156,266.99	\$ (21,300)	\$ 177,567

700 - WA CAP Fund		FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:				
Proceeds from Debt	\$	-	\$	-
Other (Sale of Land)		20,000.00	-	20,000
Fund Revenue	\$	20,000.00	\$	-
Expenditures:				
Major Maintenance (Est.)	\$	50,764.48	\$	49,600
Vehicles		-	25,000	(25,000)
Water Towers		-	-	-
Plant		4,186.87	62,500	(58,313)
Water Mains		167,792.64	216,000	(48,207)
Other		-	-	-
Fund Expenditures	\$	222,743.99	\$	353,100
Capital Activities Cash Flow:				
Capital Fund Transfer (Out) In	\$	238,000.00	\$	333,200
Designated for Future Projects		-	-	(95,200)
Capital Fund Cash Flow:	\$	35,256.01	\$	(19,900)
Ending Fund Balances:				
	\$	1,360,149.89	\$	1,305,000
				\$
Reserve Target	\$	470,700.00	\$	470,700
Designated for Future Projects		390,000.00		390,000
Over/Under Reserve Target	\$	499,449.89	\$	444,300
				\$
				55,150

640 - NS O&M Fund		FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:				
Fiber License Payments	\$	134,328.59	\$ 136,500	\$ (2,171)
Other		5,474.26	4,400	1,074
Fund Revenue	\$	139,802.85	\$ 140,900	\$ (1,097)
Expenditures:				
Salaries	\$	6,054.58	\$ 12,300	\$ (6,245)
Benefits		1,005.36	2,200	(1,195)
Materials, Suppl. & Contracts		116,908.79	165,700	(48,791)
Overhead, Admin & EE		66,695.46	63,500	3,195
Fund Expenditures	\$	190,664.19	\$ 243,700	\$ (53,036)
O&M Activities Cash Flow:	\$	(50,861.34)	\$ (102,800)	\$ 51,939
Electric CIAC (Out) In	\$	-	\$ -	\$ -
O&M Fund Cash Flow:	\$	(50,861.34)	\$ (102,800)	\$ 51,939
Ending Fund Balances:		\$ 378,107.26	\$ 326,200	
FY Ending Balance Target	\$	285,600.00	\$ 285,600	
Designated for Future Projects		-	-	
Over/Under Reserve Target	\$	92,507.26	\$ 40,600	\$ 51,907

620 - ADM O&M Fund		FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:				
IMU Transfers In	\$	600,708.38	\$ 661,000	\$ (60,292)
City Transfers In		10,500.00	10,500	-
Refund/Reimbursement		14.84		
Fund Revenue	\$	611,223.22	\$ 671,500	\$ (60,292)
Expenditures:				
Salaries	\$	187,497.22	\$ 185,100	\$ 2,397
Benefits		86,927.62	105,300	(18,372)
Materials, Suppl. & Contracts		113,670.64	133,700	(20,029)
Overhead, Admin, Shared Staff		196,822.15	202,600	(5,778)
Fund Expenditures	\$	584,917.63	\$ 626,700	\$ (41,782)
O&M Fund Cash Flow:	\$	26,305.59	\$ 44,800	\$ (18,509)

Information

Subject

Public Hearing

Information

Attached are both the public hearing notice and budget, formatted by the IA Dept. of Management to submit to the Warren Co. Auditor's office and City of Indianola.

The City of Indianola simply certifies that Trustees held a public hearing and includes amounts in their forms so the public has a complete view of the municipal corporation's budget. Both the City's and IMU's budgets are then forwarded to Warren County and then on to the Dept. of Management.

Financial Impact

N/A

Staff Recommendation

Attachments

State Budget Forms

NOTICE OF PUBLIC HEARING

Budget Estimate

Indianola Municipal Utilities
(Name of Enterprise)

The _____ IMU Board of Trustees _____ will conduct a public hearing on
(Governing Board)

the proposed _____ Fiscal _____ year _____ 2015 _____ budget at _____ City Hall, 110 N. First St., Indianola, IA _____
(specify fiscal or calendar) (xxxx/xxxx)
on _____ 2/24/14 _____, beginning at _____ 5:30 _____ o'clock. _____ P.M. _____ 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	519,100	437,700	490,949
Charges for services	14,061,100	13,950,700	13,945,069
Miscellaneous	2,179,800	4,285,868	1,756,533
Other Financing Sources	1,098,800	2,256,500	4,731,934
Total Revenues & Financing Sources	17,858,800	20,930,768	20,924,485
Expenditures & Transfers Out			
Expenditures	17,413,300	20,570,700	15,710,866
Transfers Out	1,098,800	2,256,500	4,731,934
Total Expenditures & Transfers Out	18,512,100	22,827,200	20,442,800
Excess of Revenues & Other Sources (+) (-) Expenditures & Transfers Out	-653,300	-1,896,432	481,685
Beginning Fund Balance July 1	8,004,800	9,901,232	9,419,547
Ending Fund Balance June 30	7,351,500	8,004,800	9,901,232

ADOPTED BUDGET SUMMARY

Indianola Municipal Utilities		Fiscal		YEAR		2015	
NAME OF ENTERPRISE		(specify fiscal or calendar year budget)					
		Budget		Re-Estimated		Actual	
		2015		2014		2013	
		(specify budget years)					
REVENUES & OTHER FINANCING SOURCES							
Use of Money and Property	(line 398)	241	519,100	271	437,700	301	490,949
Charges for Services	(line 414)	243	14,061,100	273	13,950,700	303	13,945,069
Miscellaneous	(line 416)	245	2,179,800	275	4,285,868	305	1,756,533
Operating Transfers In	(line 417)	247	1,098,800	277	2,256,500	307	4,731,934
Proceeds of Long Term Debt	(line 418)	248	0	278	0	308	0
Proceeds of Fixed Asset Sales	(line 419)	249	0	279	0	309	0
Total Revenues & Other Financing Sources		250	17,858,800	280	20,930,768	310	20,924,485
EXPENDITURES & TRANSFERS OUT							
Expenditures	(line 386)	255	17,413,300	285	20,570,700	315	15,710,866
Transfers Out	(line 387)	259	1,098,800	289	2,256,500	319	4,731,934
Total Expenditures & Transfers Out		260	18,512,100	290	22,827,200	320	20,442,800
Excess of Revenues & Other Sources							
Over (Under) Expenditures & Transfers Out		261	-653,300	291	-1,896,432	321	481,685
BEGINNING Fund Balance	(line 390)	262	8,004,800	292	9,901,232	322	9,419,547
ENDING Fund Balance	(line 388)	263	7,351,500	293	8,004,800	323	9,901,232

NAME OF ENTERPRISE

RESOURCES DETAIL

Fiscal

(specify if budget is fiscal or calendar year)

		Budget 2015	Re-Estimated 2014	Actual 2013
	(specify budget years)			
Beginning Fund Balance	390	8,004,800	9,901,232	9,419,547
Use of Money & Property	398	519,100	437,700	490,949
Charges for Services:				
Hospital	411			
Water	404	2,162,100	2,252,200	2,320,518
Sewer	405			
Electric	406	11,899,000	11,698,500	11,624,551
Telecomm	407			
Total Charges for Services	414	14,061,100	13,950,700	13,945,069
Miscellaneous	416	2,179,800	4,285,868	1,756,533
Other Financing Sources:				
Operating Transfers In	417	1,098,800	225,650	4,731,934
Proceeds of Long Term Debt	418			
Proceeds of Fixed Asset Sales	419			
Total Resources	421	25,863,600	30,832,000	30,344,032

REQUIREMENTS DETAIL

		Budget 2015	Re-Estimated 2014	Actual 2013
	(specify budget years)			
Expenditures:				
Hospital	338			
Water	360	2,384,700	2,401,400	1,895,633
Sewer	357			
Electric	361	14,551,300	17,830,200	13,608,669
Telecomm	362	477,300	339,100	206,564
Total Expenditures:	386	17,413,300	20,570,700	15,710,866
Transfers Out	387	1,098,800	2,256,500	473,934
Ending Fund Balance	388	7,351,500	8,004,800	9,901,232
Total Requirements	389	25,863,600	30,832,000	30,344,032

Information

Subject

Adoption

Information

Attached is the detailed budget for each utility as discussed at the January 27, 2014 Trustee meeting. Expenditure category amounts did not change, however there was a slight (\$200) change to beginning fund balances due to rounding and the electric comparable table was updated to that previously distributed to Trustees via e-mail. This budget equals that in the public hearing notice used for the previous agenda item.

Financial Impact

N/A

Staff Recommendation

Roll Call vote adopting the FY 2015 budget as presented is in order.

Attachments

Budget Detail

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	\$ 7,549,500	\$ 17,817,600	\$ 19,164,000	\$ 6,203,100	\$ 14,366,200	\$ 14,655,600	\$ 5,913,700
Total Water Utility	\$ 1,899,800	\$ 2,861,400	\$ 3,296,100	\$ 1,465,100	\$ 3,162,600	\$ 3,351,200	\$ 1,276,500
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	\$ 9,901,200	\$ 21,868,500	\$ 23,764,900	\$ 8,004,800	\$ 18,853,300	\$ 19,506,600	\$ 7,351,500

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-

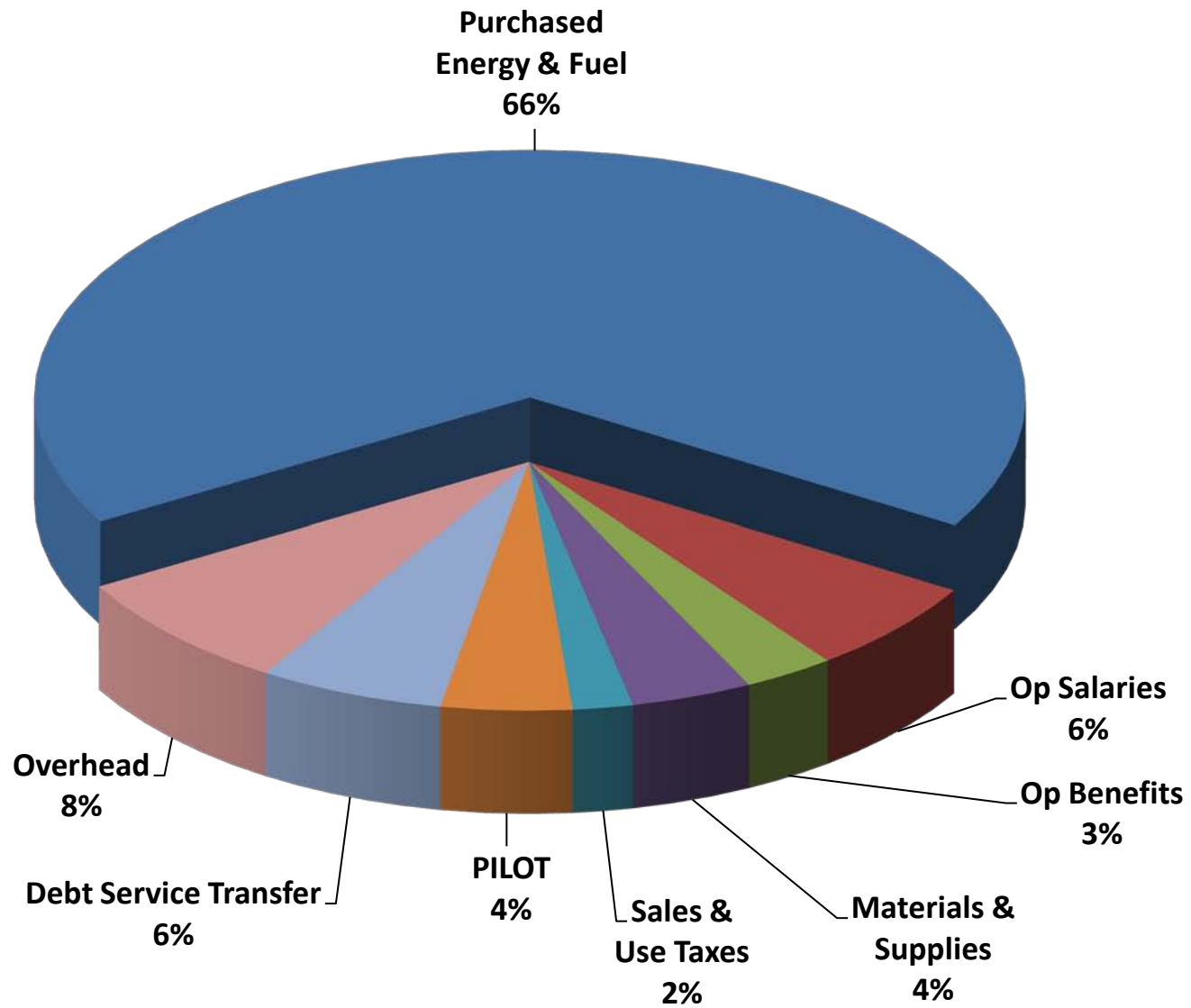
- Essentially breaking even in FY 2014; significant losses projected in FY 2015 & FY 2016 even with the recommended rate increases
- Lowering the Capital Fund Reserve Target from 4% to 3.5% of deployed assets slows the rate of growth in total reserves; appropriate with lack of new debt
- Days cash on 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	Peak MW	Res	Comm	Ind	Supplier	Joint Action?	WAPA ?
Comparable size:							
Spencer	34	6.8	6.9	6.5	North Iowa MECA	Y	Y
Denison	31	7.0	5.7	5.2	Missouri River ES	Y	Y
Atlantic Municipal Utilities	26	7.5	6.7	4.8	Missouri River ES	Y	Y
Sioux Center	34	8.7	8.3	7.2	Missouri River ES	Y	Y
Orange City	22	9.0	8.8	7.8	Missouri River ES	Y	Y
Algona	25	9.5	8.3	5.2	North Iowa MECA	Y	N
Forrest City	19	9.5	8.7	8.8	Dairyland Power	N	N
Indianola Municipal Utilities	34	10.0	9.1	6.8	MEAN	Y	N
Webster City	26	11.1	9.9	7.5	North Iowa MECA	Y	N
Pella	46	11.1	11.5	7.9	Missouri River ES	Y	N
Waverly Municipal Elec Utility	35	12.4	10.6	7.8	MEAN	Y	N
Harlan Municipal Utilities	15	12.5	10.4	7.2	Louisa Plant/WAPA	Y	Y
Maquoketa	18	12.7	11.4	-	Wisconsin PPI	Y	N
Mt. Pleasant	20	13.0	11.4	-	Ameren UE	N	N
Independence	15	17.1	11.3	8.7	Wisconsin PPI	Y	N
Average	27	10.5	9.3	7.0			
Investor owned:							
Interstate Power and Light Co		13.0	9.0	5.8		N	N
MidAmerican Energy Co		8.8	6.8	4.3		N	N
Largest municipals:							
Ames City of	154	11.4	8.5	7.6		N	N
Cedar Falls Utilities	110	9.1	6.6	6.3		N	N
Muscatine Board of Water Elec &	138	8.6	6.4	4.7		N	N
Dec. 2013 MEAN Survey:							
NMPP Regional report (139)		10.9	9.8	7.7			
MEAN communities (62)		10.5	9.4	7.6			
IMU		10.3	9.9	7.6			

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:

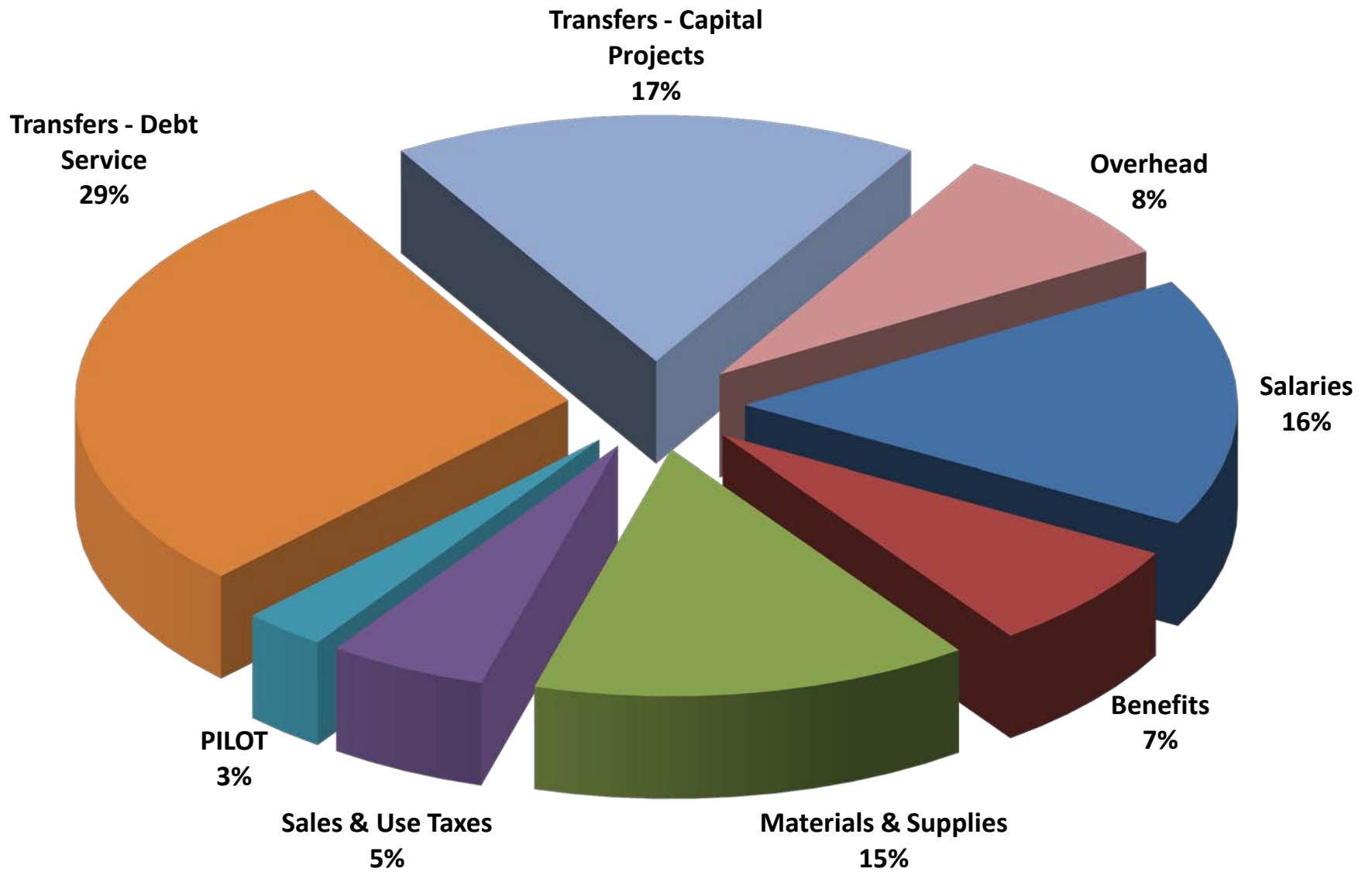
Net Income + Depreciation	\$ 948,100	\$ 1,084,500	\$ 931,600	\$ (152,900)	\$ 944,900
Sale of Land	-	20,000	20,000	-	20,000
Debt Service Principal	(1,056,700)	(979,200)	(645,200)	334,000	(650,800)
Debt Service Reserve Change	-	-	-	-	-
Capital Contributions (Developers)	-	-	-	-	-
Proceeds from Debt Issues	-	-	-	-	-
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	\$ -	-	-	\$ -

Meeting Date: 02/24/2014

Information

Subject

Change Order #1

Information

P&E Engineering is recommending Change Order #1 (see attached), which is labor to install a laminate pole vs. a guyed pole. IDOT reviewed final plans and noted that the federal designation of the I-35 corridor prevented guy wires in the rights-of-way, which was in the specification. New contract amount is \$435,224.16 following the \$11,600.00 change order.

Financial Impact

N/A

Staff Recommendation

Simple motion approving Change Order #1 to the 2014 Hwy 92 & I-35 Transmission Relocation contract with Michels in the amount of \$11,600 is in order.

Attachments

Change Order



Allan R. Powers, P.E. Richard D. Kline, P.E.
Timothy G. Ernst, P.E.

245 S. 5th St., PO Box 620, Carlisle, IA 50047
p.515-989-3083 f.515-989-3138 pe@peengr.com

CHANGE ORDER NO. 1

Owner: Indianola Municipal Utilities
Contractor: Michels Power, a division of Michels Corporation
Project: 2014 Hwy 92 & I-35 Transmission Relocation Project
Date: Feb. 20, 2014

Original Contract Amount	\$	423,624.16
Previous Change Order Adjustments	\$	-
Amount of this Change Order	\$	11,600.00
Current Value of Contract	\$	435,224.16

Items included in this Change Order

Item	Description	Amount
1	Replace work instructions for Pole 01 with the following. Replace existing pole with self supporting laminated wood pole. Frame per drawing T69-064. Set temporary pole and down guy as required to facilitate stringing new conductor. Splice new conductor to existing near temporary pole, minimum of 40 ft from new laminated wood pole. See attached drawings E9061-T204 and T69-064.	\$ 11,600.00

Owner will provide poles, insulators, conductor, and guy wire in accordance with Contract. Contractor to provide all other materials.

Total Value of Change Order	\$ 11,600.00
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Recommended for Approval

Allan Powers, PE
P & E Engineering Co.

Date _____

Approved

For Indianola Municipal Utilities

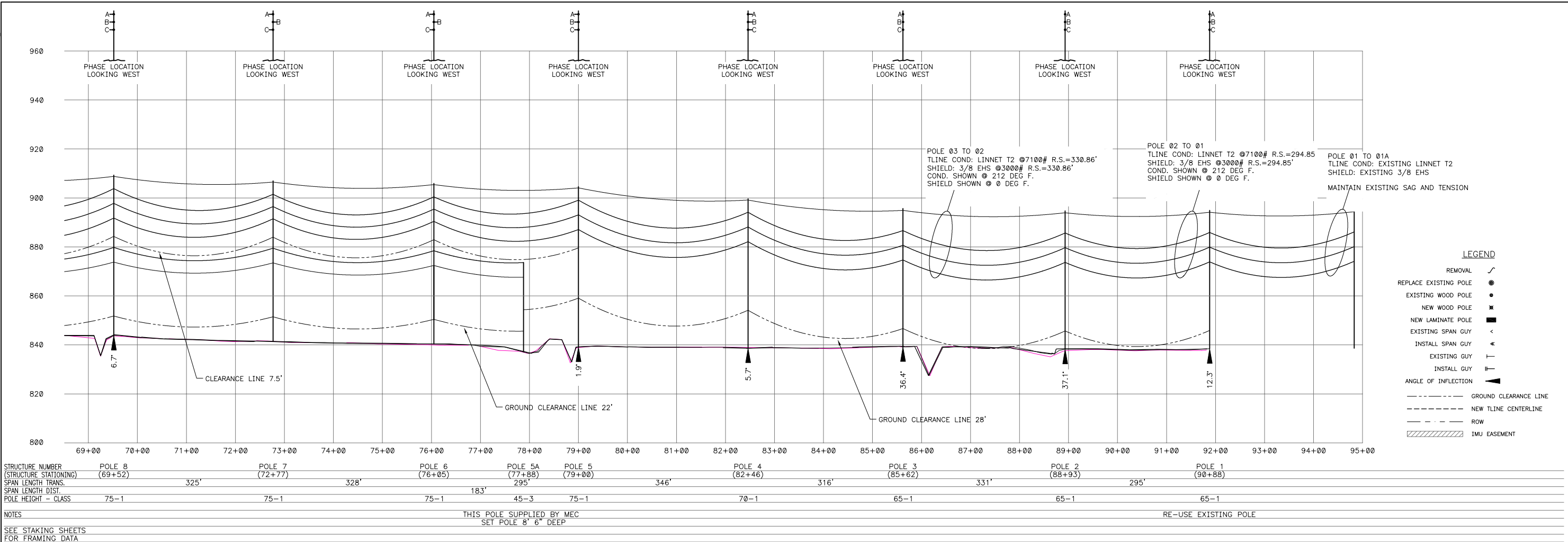
Date _____

Accepted by Contractor

For Michels Power, a division of Michels Corporation

Date _____

P&E ANSI D 18-14-00



T203



**ISSUED
FOR CONSTRUCTION**

REV	DATE	DESIG	DFTR	APP	DESCRIPTION
1	02-18-14	P&E	RWB	ARP	CHANGE POLE 1 FROM GUYED TO LAM WOOD
0	1-16-14	P&E	RWB	ARP	ISSUED FOR CONSTRUCTION
B	11-21-13	P&E	RWB	ARP	ISSUED FOR BID
A	10-25-13	P&E	RWB	ARP	ORIGINAL DESIGN

P & E ENGINEERING CO.
POWER SYSTEM ANALYSIS AND DESIGN
245 S. 5th
P.O. Box 820
Carlisle, IA 50047
Office: 515-989-3083
FAX: 515-989-3138
peengr@peengr.com

INDIANOLA MUNICIPAL UTILITIES
IMU
Electric • Network Services • Water

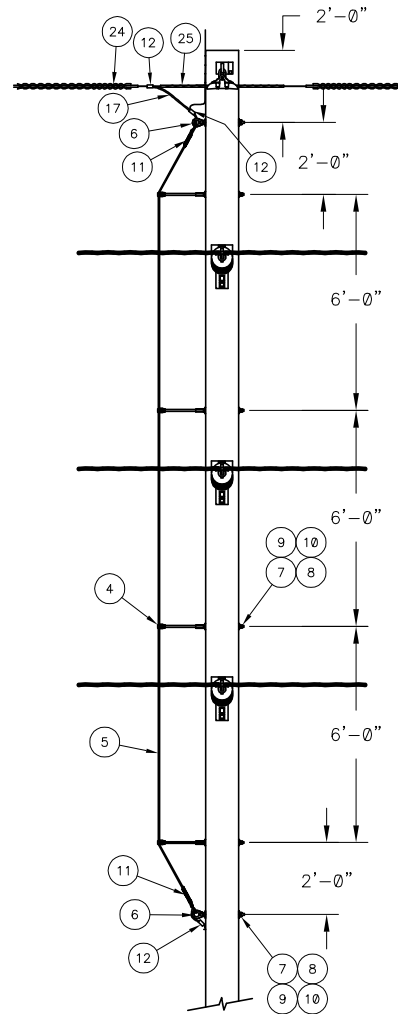
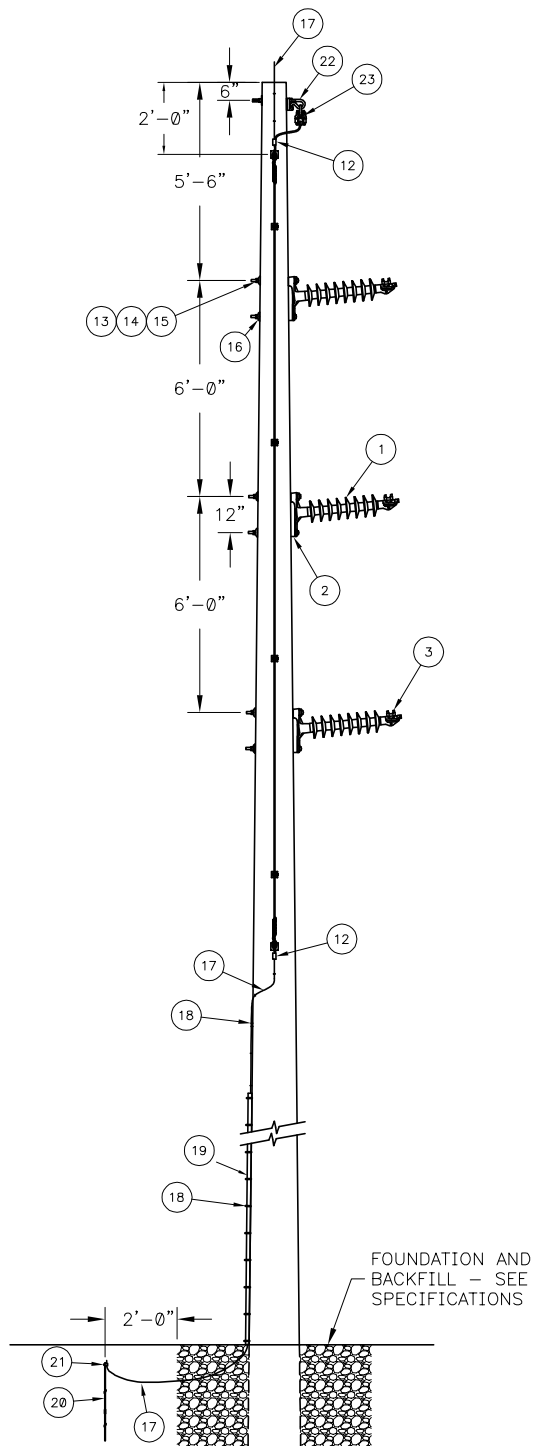
DATE 10-25-13
DESIGNED P&E
DRAWN RWB
APPROVED JWE
APPROVED ARP

INDIANOLA MUNICIPAL UTILITIES
TRANSMISSION PLAN AND PROFILE
I-35 TRANSMISSION RELOCATION

SCALE:
AS SHOWN

DWG NO
E9061-T204

6500 7/2/24



SPECIFY VARIABLE MATERIAL BY:
 ARMOR ROD: 1-T001xx
 CONDUCTOR CLAMP: 3-T002xx
 SUSPENSION CLAMP: 1-T003xx
 VIBRATION DAMPER: 2-T004xx

69kV LIGHT ANGLE
 LINE POST FRAMING
 SIDE MOUNT SHIELD WIRE
 SUSPENSION CLAMP
 LAMINATED WOOD POLE

SCALE: 3/16" = 1'-0"
 DATE: 12-2-11
 DESIGNED: P&E
 DRAWN: DAW
 APPROVED: JWE
 APPROVED: ARP

P & E ENGINEERING CO.
 POWER SYSTEM ANALYSIS AND DESIGN

SECTION

T

DRAWING NO.

T69-064

Information

Subject

MidAmerican Reimbursement Agreement

Information

IMU staff, Ahlers Law Firm, and P&E Engineering have worked with MidAmerican to complete the attached reimbursement agreement. It will reimburse IMU approximately \$160,883 (final depends on actual construction cost) for constructing MidAmerica's distribution system on IMU's transmission poles (generally referred to as underbuild facilities). The form of the agreement generally follows that between the two parties for the 2014 W. Hwy 92 Transmission Relocation project.

This should be the last of the 4 reimbursement agreements for the 2 major construction projects in 2014.

Financial Impact

N/A

Staff Recommendation

Attachments

MEC Agreement

REIMBURSEMENT AGREEMENT

IT IS AGREED this ____ day of _____, 2014, by and between the City of Indianola, Iowa, acting through the Board of Trustees of Indianola Municipal Utilities an Iowa municipal corporation located in the County of Warren, ("Indianola" or "IMU") and MidAmerican Energy Company, an Iowa corporation, its successors and assigns ("MidAmerican") as follows:

Recitals

- A. WHEREAS, Indianola and MidAmerican have previously entered into a joint use agreement, which provides for MidAmerican to attach underbuild electric distribution lines to Indianola's poles along U.S. Highway 92;
- B. WHEREAS, such underbuild electric distribution lines are an integral part of MidAmerican's electric system providing electric service to Warren County, Iowa;
- C. WHEREAS, road improvement work (DOT project IM 035-2(353)54-13-91) is planned on U.S. Highway 92 requiring Indianola to relocate its affected poles and associated electric facilities and requiring MidAmerican to relocate its affected underbuild electric distribution lines, as shown on the attached document identified as Exhibit A (the "Work");
- D. WHEREAS, Indianola is willing to relocate MidAmerican's underbuild electric distribution lines and related distribution facilities as part of the Work; in accordance with provisions described in Exhibit A in return for reimbursement set forth in this reimbursement agreement;
- E. WHEREAS, both parties agree IMU's relocation of the MidAmerican lines will be done in accordance with Exhibit A and is not necessary for IMU's completion of the Work, but was planned for the benefit of MidAmerican;
- F. WHEREAS, MidAmerican has agreed to pay for the incremental construction costs to relocate MidAmerican electric distribution lines associated with the Work and MidAmerican will reimburse Indianola for the incremental costs incurred to relocate, thus accommodating Exhibit A; and
- G. THEREFORE, the parties agree as follows:
 - 1. Project Management & Ownership. Indianola shall be the Project Manager of the Work and shall make all decisions and approvals regarding progress payments to contractor and final acceptance and closeout of the Work upon completion, subject to MidAmerican's inspection and acceptance of all work performed on MidAmerican's facilities. For purposes of the public bidding requirements and Iowa Code Chapter 26, Indianola shall be the Owner of the Work. MidAmerican shall continue to own, operate, and maintain all facilities it held prior to the commencement of the Work

2. Services. The Services to be provided by Indianola under this Reimbursement Agreement consist of the transfer, replacement or reconstruction of MidAmerican's underbuild electric distribution lines to Indianola's relocated poles and related work as generally shown on attached Exhibit A. Indianola shall commence the Services after execution of this Reimbursement Agreement and in accordance with the Work.
3. Site Conditions. MidAmerican assumes that any information furnished by Indianola is accurate and complete and is relying on such information. If Indianola encounters toxic substances, hazardous substances, or hazardous wastes (as such terms are defined in any Federal, state or local statute, regulation or ordinance), which require special handling and/or disposal, Indianola shall immediately suspend further work in the area of such substances or wastes and notify appropriate authorities of the condition. Indianola shall immediately take whatever precautions are legally required to eliminate such hazardous conditions and properly handle and dispose of such substances or wastes at its costs so that the Services hereunder may safely proceed. If during the course of these Services, Indianola observes the existence of asbestos or asbestos-containing substances or wastes, Indianola will immediately suspend further work in the area of the substances or wastes and notify the appropriate authorities of the condition, and Indianola will determine the further course of action at its costs.
4. Reimbursement. All reimbursement for the Services under this Reimbursement Agreement shall be based on Indianola's costs. The reimbursement to be paid to Indianola for these Services is estimated by both parties to be one hundred sixty thousand eight hundred eighty-three and no/100 dollars U.S. (\$160,883). The actual reimbursement amount will be determined as follows:
 - A. Base bid for distribution relocation work including the I-35 crossing span by the Contractor selected to perform the work covered by this agreement, as identified in the Bid Proposal (Contract Section 00300) which is attached to this agreement as Exhibit B;
 - B. The cost of materials to be supplied by IMU and used for the distribution I-35 crossing span, including materials purchased by IMU for this project and materials supplied from IMU stock.
 - C. Any change orders that affect the Contract Amount and that are approved by IMU and authorized by MidAmerican in writing;
 - D. The cost to integrate the MidAmerican plans and specifications into the IMU Contract as determined by P&E Engineering Co. (P&E) and billed to IMU by P&E;

- E. A proportionate share of construction phase services provided by P&E Engineering Co. to support the Work as determined by and billed to IMU by P&E;
- F. A proportionate share of administrative expenses incurred by IMU in support of the Work.
- G. The MEC portion of the cost to obtain an easement from the Kelderman Trust

During the course of the Services, Indianola shall provide MidAmerican with a monthly invoice detailing the cost of such Services completed to the time of such invoice, which invoice shall be the amount of total reimbursement due MidAmerican. Payment shall be due and payable upon presentment of such invoice. Indianola shall provide MidAmerican reasonable notice to the undersigned MidAmerican representative or to another representative designated in writing by MidAmerican if the total cost for the Services are expected to exceed the estimate provided above. MidAmerican will promptly communicate to Indianola the name and title of the person responsible for approving payments.

- 5. Sale of Poles. IMU agrees to transfer the Ownership of eleven poles as identified on Exhibit A to MidAmerican with the transfer to be documented by an appropriate Bill of Sale, attached hereto as Exhibit C.
- 6. Term. This Agreement shall remain in effect until all invoiced costs from Indianola are paid by MidAmerican.
- 7. Taxes. It is the obligation of MidAmerican to comply with all property tax filing requirements imposed under Iowa Code Chapter 437A (2013).
- 8. Public Improvement. This Agreement recognizes that the Work constitutes a public improvement and subjects Indianola to the requirements of Iowa Code Chapter 26. As such, Indianola shall approve the plans, specifications, contract form and estimates, and will advertise for bids for the Work in accordance with Chapter 26. Indianola agrees to accept a bid or bids and to award a contract or contracts for the Work only if:
 - a. The Bid(s) will allow the Work to be completed as designed and contemplated by the parties to this Agreement at a reasonable cost; and
 - b. Indianola determines that the bidder represents the lowest responsive and responsible bidder and/or that Indianola deems the chosen bid(s) to be in the best interests of the city, pursuant to Chapter 26 of the Code of Iowa (2013).
- 9. Each Party hereto agrees to assume all risk of damage to their respective properties resulting from the relocation, reconstruction, and continued

common use herein provided, except to the extent arising out of the other party's negligence or intentional misconduct.

10. To the extent allowed by law, MidAmerican shall indemnify, hold harmless and reimburse Indianola from, for and against any and all claims damages, injuries, including death or loss to the person or property of any third person, and all expense incidental thereto to the extent caused directly by the negligence of MidAmerican pursuant to this Agreement, or by failure of MidAmerican to operate and maintain its facilities as provided in this Agreement or its failure to comply with the terms of this Agreement.
11. To the extent allowed by law, Indianola shall indemnify, hold harmless and reimburse MidAmerican from, for and against any and all claims damages, injuries, including death or loss to the person or property of any third person, and all expense incidental thereto to the extent caused directly by the negligence of Indianola pursuant to this Agreement, or by failure of Indianola to operate and maintain its facilities as provided in this Agreement or its failure to comply with the terms of this Agreement.
12. Under no circumstances shall either party be liable to the other party for any indirect, special, incidental or consequential losses, costs or damages, other than death or bodily injury whether based in whole or in part in contract, in tort (including negligence), strict liability, or any other theory of liability, including but not limited to, loss of use, loss of revenue, loss of profit, cost of replacement power, interest charges or claims of such party's customers.
13. In the event of a dispute under this Agreement, after management representatives of the Parties have made good faith efforts to resolve the dispute in writing, either party may demand the dispute be submitted to binding arbitration by providing written notification to the other party identifying the dispute and requesting arbitration. The parties shall, within thirty (30) days from the date of written notice, select an arbitrator. If the parties cannot agree upon an arbitrator, either party may petition the district court to appoint an arbitrator. The arbitrator's fees shall be determined as part of the arbitration
14. Nothing in this Agreement shall be construed to confer any right upon any third party and the parties hereto specifically acknowledge, agree and declare that no person is intended to be a third party beneficiary of this Agreement.
15. Governing Law. This Agreement and all its attachments and exhibits shall be governed by, construed and enforced in accordance with the laws of the State of Iowa now and hereinafter applicable hereto.
16. This instrument and its attachments constitutes the entire agreement between Indianola and MidAmerican with respect to the subject matter thereof and supersedes all prior statements, representations, promises and agreements, oral

or written. This Agreement shall only be modified upon the mutual written agreement of both parties.

IN WITNESS WHEREOF, the City of Indianola and MidAmerican Energy Company have caused this Agreement to be executed by their duly authorized representatives to be effective on the date and year first above written.

**CITY OF INDIANOLA
ACTING THROUGH THE BOARD
OF TRUSTEES OF INDIANOLA
MUNICIPAL UTILITIES**

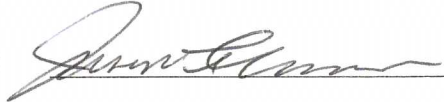
By: _____

Name: _____

Title: _____

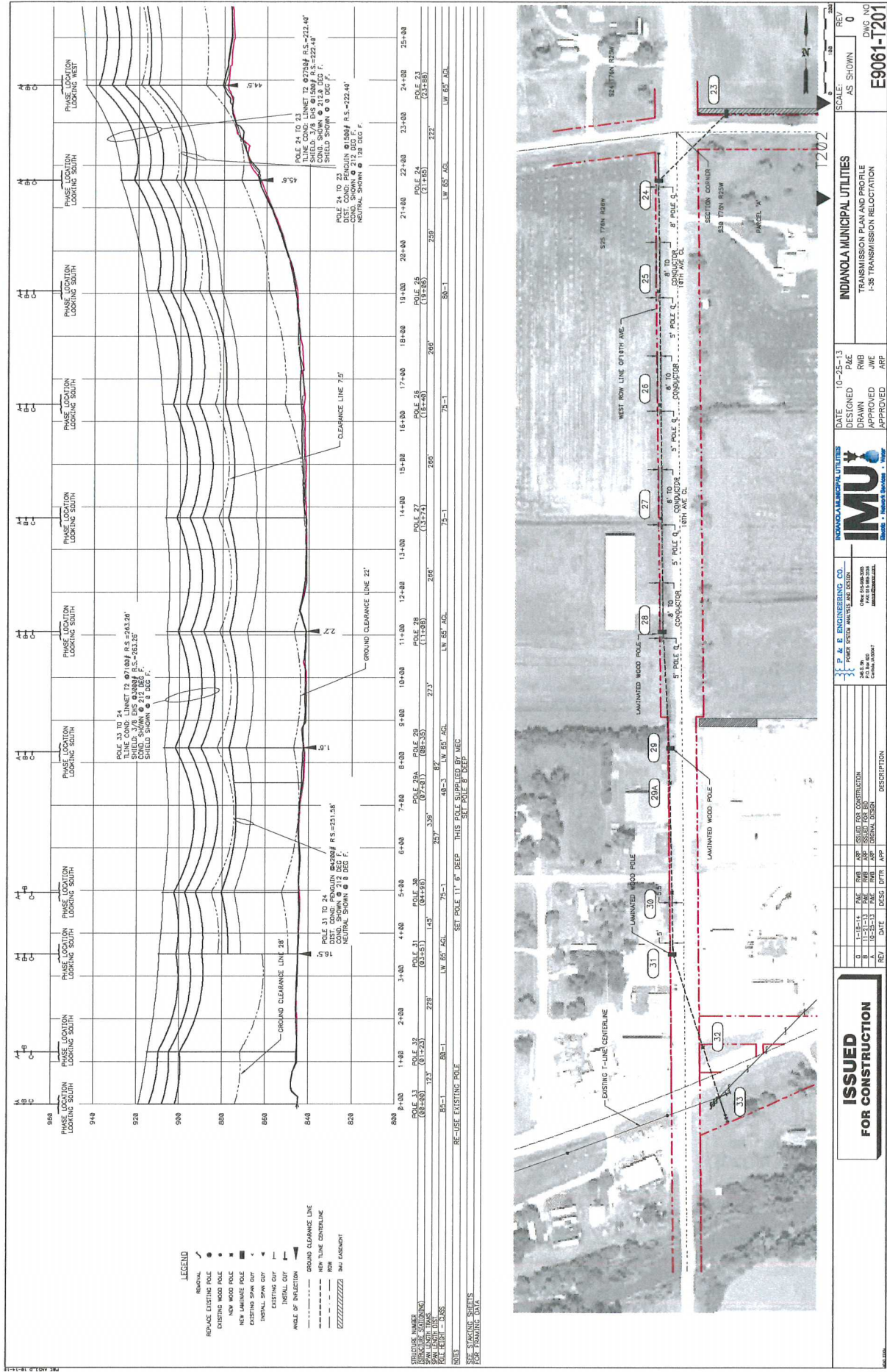
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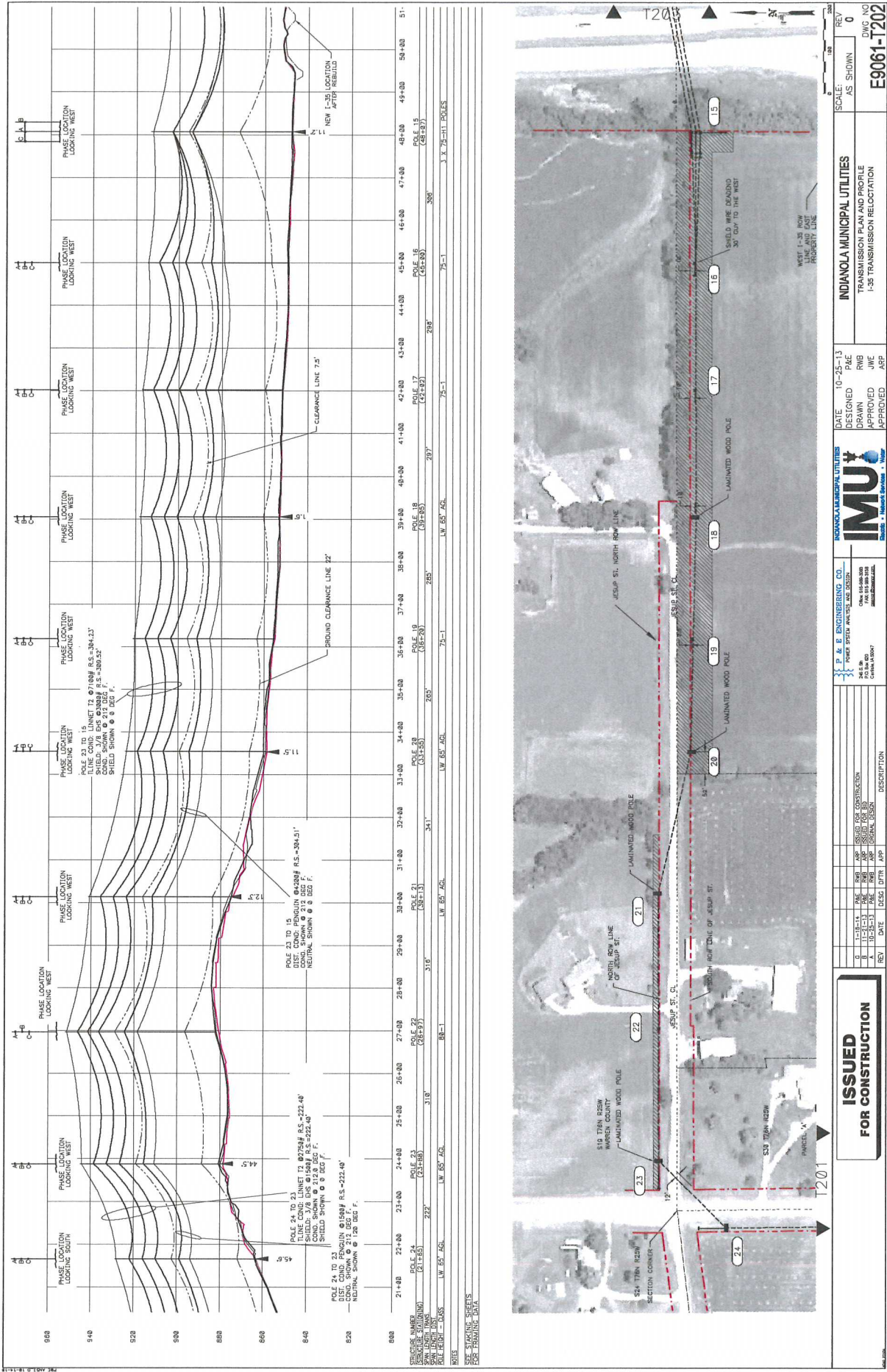
**MIDAMERICAN ENERGY
COMPANY**

By: 

Name: Joseph F. Moore

Title: Vice President





**ISSUED
FOR CONSTRUCTION**

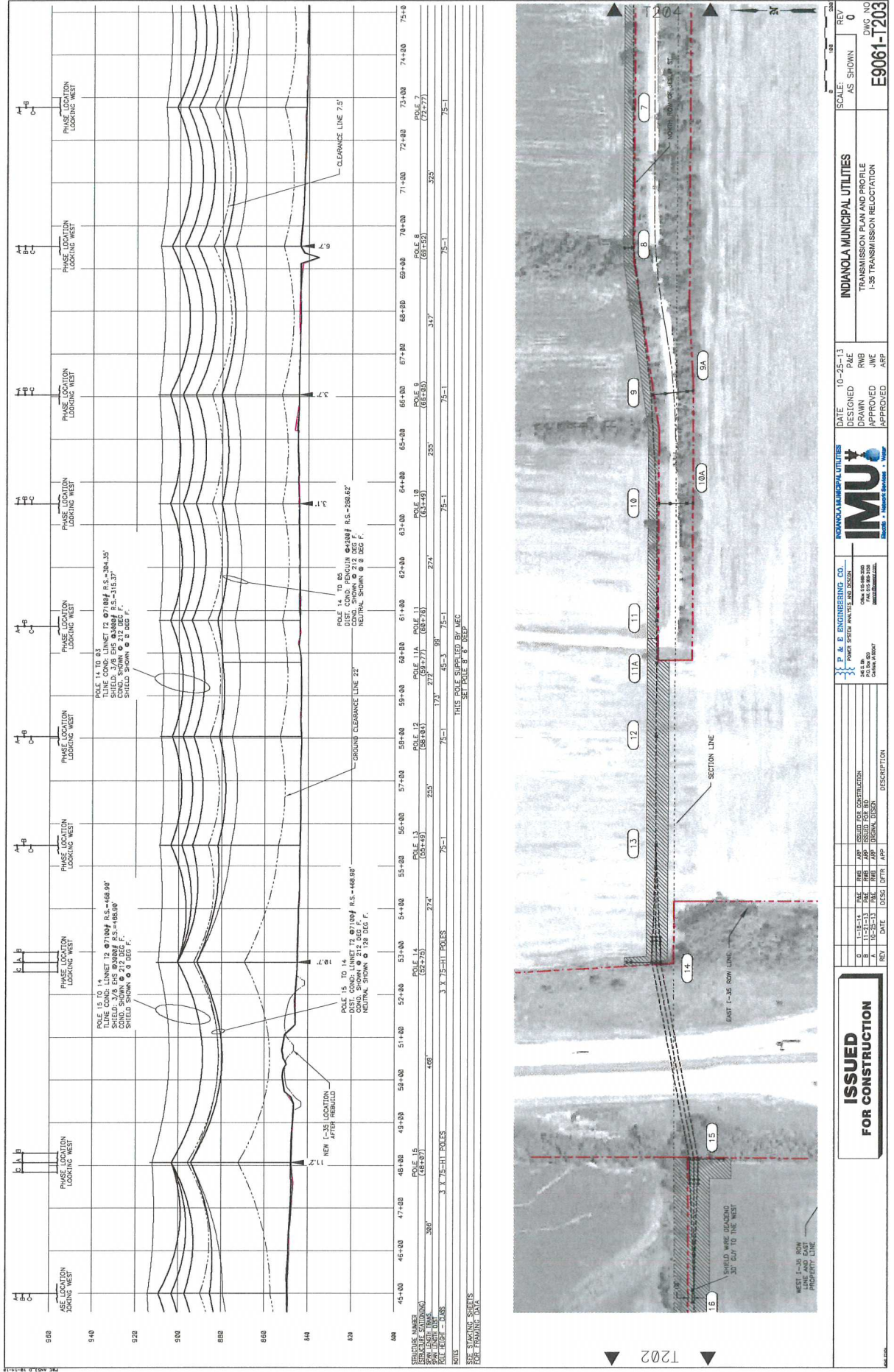
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2	11-15-13	REVISIONS
3	11-15-13	REVISIONS
4	11-15-13	REVISIONS
5	11-15-13	REVISIONS
6	11-15-13	REVISIONS
7	11-15-13	REVISIONS
8	11-15-13	REVISIONS
9	11-15-13	REVISIONS
10	11-15-13	REVISIONS

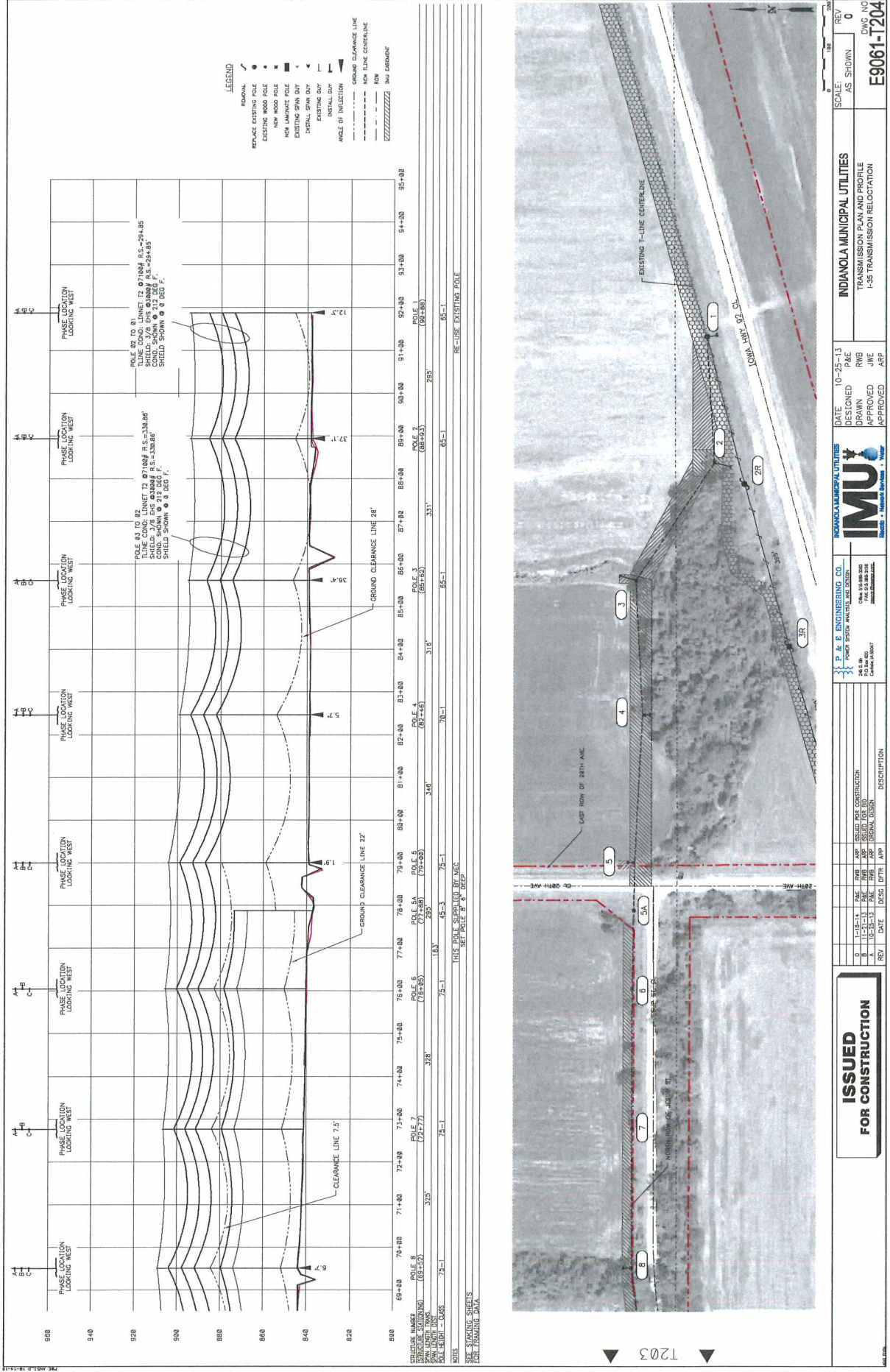
P & B ENGINEERING CO.
POWER SPEED AMPLIFIER DESIGN
11-15-13
Caleb A. Burt

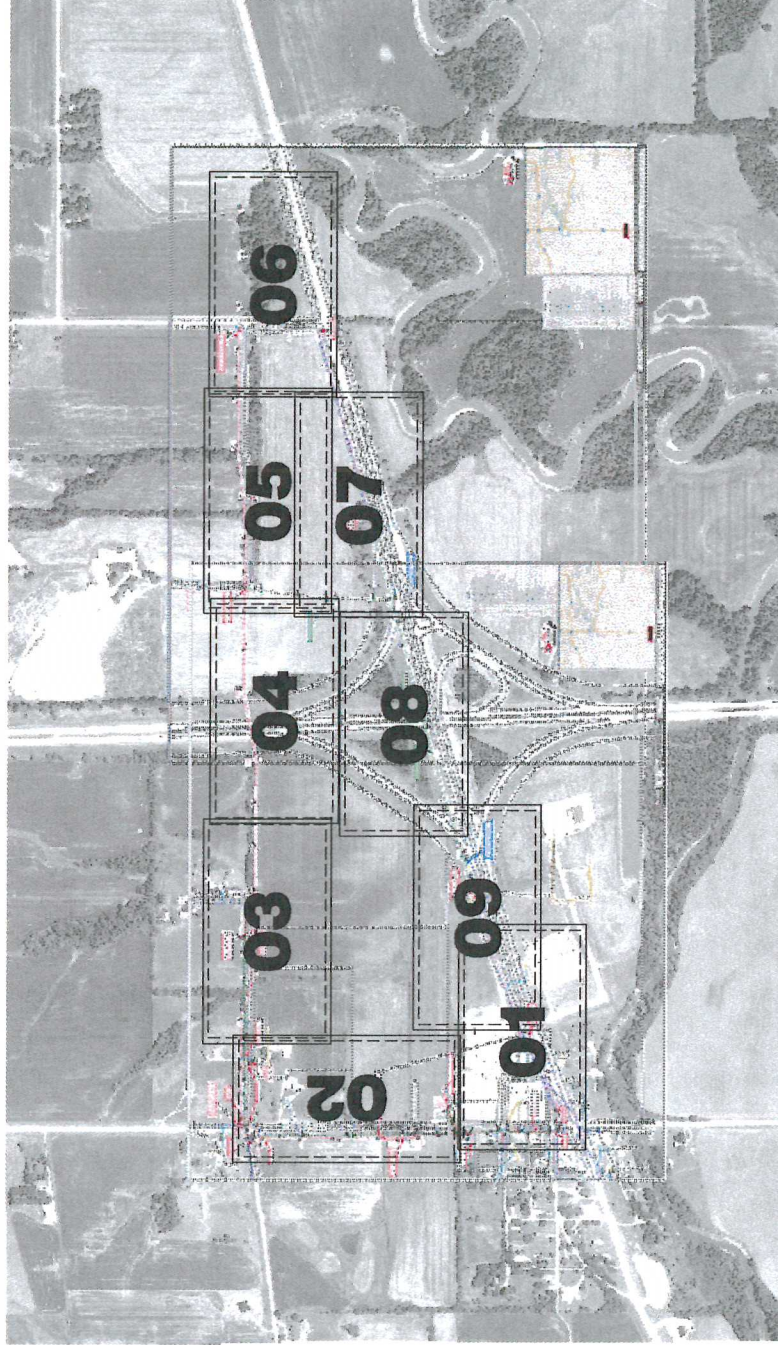
IMU
INDIANOLA MUNICIPAL UTILITIES
11-15-13
Caleb A. Burt

DATE: 10-25-13
DESIGNED: P&B
DRAWN: RMB
APPROVED: JWE
APPROVED: ASP

INDIANOLA MUNICIPAL UTILITIES
TRANSMISSION PLAN AND PROFILE
I-35 TRANSMISSION RELOCATION
SCALE: AS SHOWN
REV: 0
DWG NO: E9061-T202







**ISSUED
FOR CONSTRUCTION**

REV	DATE	DESCRIPTION
0	11-18-13	ISSUED FOR CONSTRUCTION
1	11-18-13	ISSUED FOR CONSTRUCTION
2	11-18-13	ISSUED FOR CONSTRUCTION
3	11-18-13	ISSUED FOR CONSTRUCTION
4	11-18-13	ISSUED FOR CONSTRUCTION
5	11-18-13	ISSUED FOR CONSTRUCTION
6	11-18-13	ISSUED FOR CONSTRUCTION
7	11-18-13	ISSUED FOR CONSTRUCTION
8	11-18-13	ISSUED FOR CONSTRUCTION
9	11-18-13	ISSUED FOR CONSTRUCTION

P & E ENGINEERING CO.
POWER SYSTEM ANALYSIS AND DESIGN
245 S.W. 11th Ave., Suite 200
Fort Lauderdale, FL 33315
Phone: 954-588-3300
Fax: 954-588-3301
www.pandesign.com

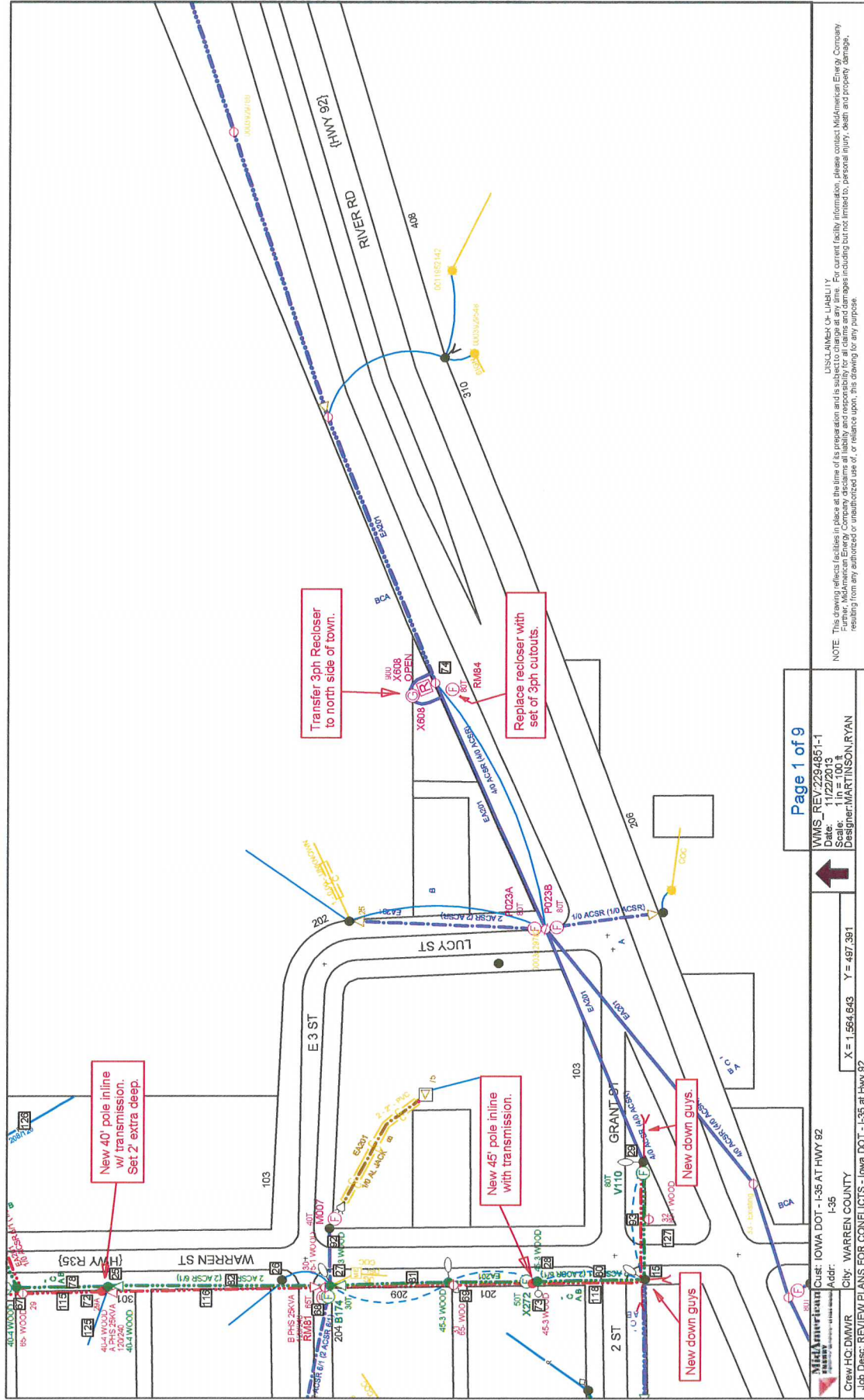


DATE: 11-18-13
DESIGNED: P&E
DRAWN: RWB
APPROVED: JWE
APPROVED: APP

INDIANOLA MUNICIPAL UTILITIES
MEC DIST. PLAN
I-35 TRANSMISSION RELOCATION

SCALE: AS SHOWN
REV: 0
DWG. NO: E9061-D200

[illegible]



NOTE: This drawing reflects facilities in place at the time of its preparation and is subject to change at any time. For current facility information, please contact MidAmerican Energy Company. The MidAmerican Energy Company disclaims all liability and responsibility for claims and damages including but not limited to, personal injury, death and property damage, resulting from any authorized or unauthorized use of, or reliance upon, this drawing for any purpose.

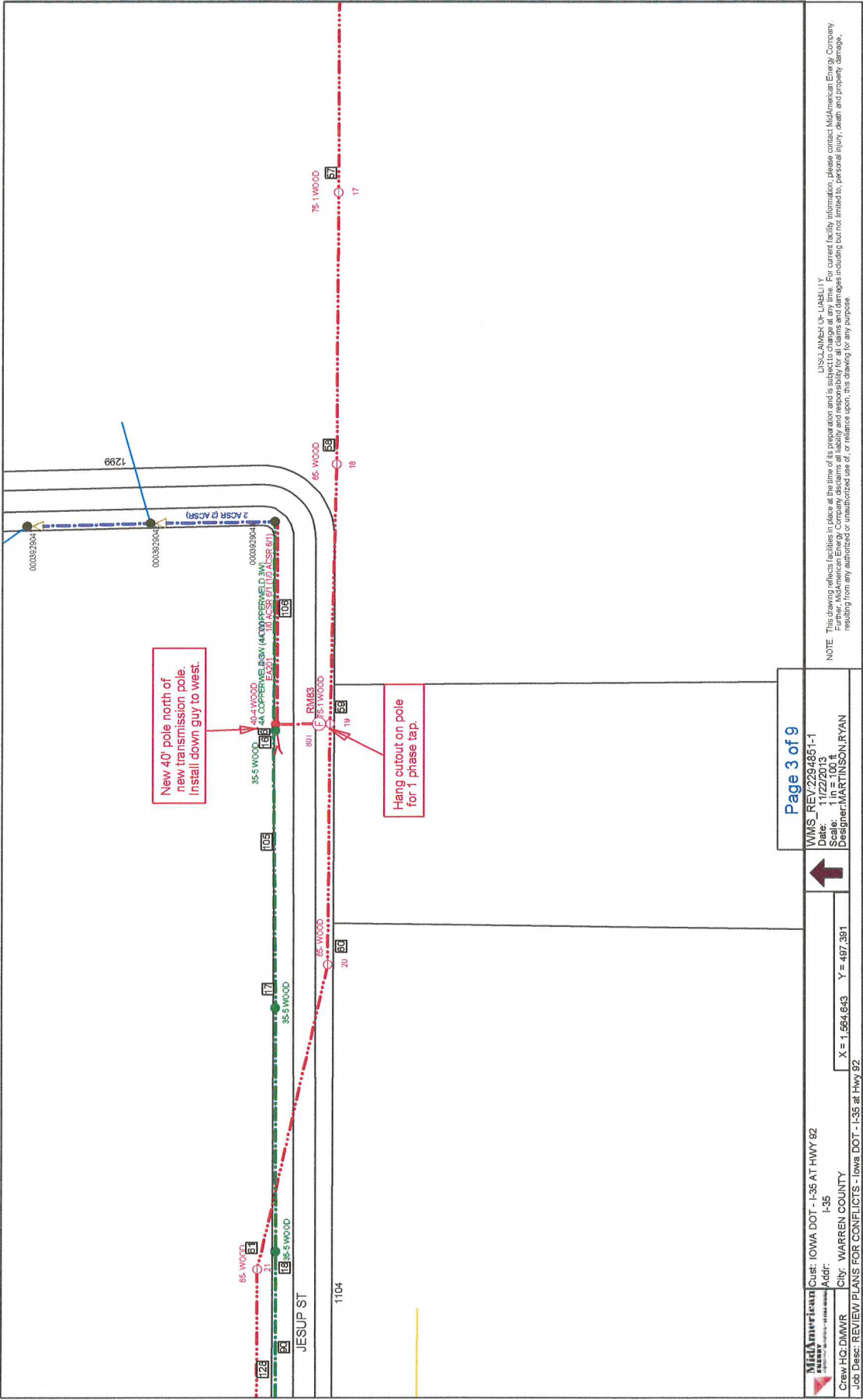
Page 1 of 9

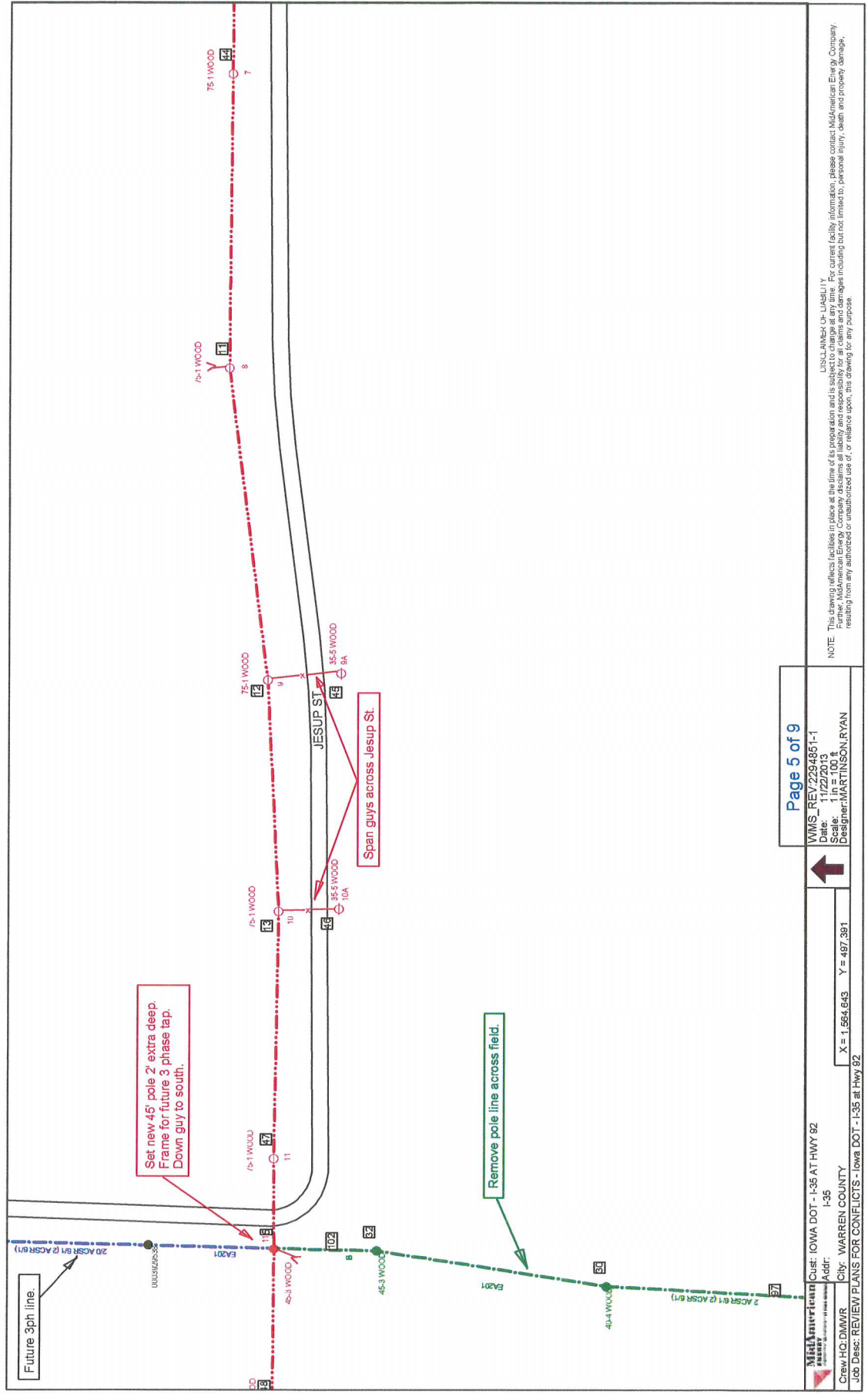
WMIS REV/2294851-1
 Date: 11/22/2013
 Scale: 1 in = 100 ft
 Designer: MARTINSON, RYAN

Project: IOWA DOT - I-35 AT HWY 92
 Addr: I-35
 City: WARREN COUNTY
 Job Desc: REVIEW PLANS FOR CONFLICTS - Iowa DOT - I-35 at Hwy 92

X = 1,564,643 Y = 497,381

MidAmerican Energy





WMS REV/2294851-1
Date: 11/22/2013
Scale: 1 in = 100 ft
Designer: MARTINSON, RYAN

MidAmerican
Cust: IOWA DOT - I-35 AT HWY 92
Addr: I-35
City: WARREN COUNTY
Job Desc: REVIEW PLANS FOR CONFLICTS - Iowa DOT - I-35 at Hwy 92

NOTE: This drawing reflects facilities in place at the time of its preparation and is subject to change at any time. For current facility information, please contact MidAmerican Energy Company. This drawing is not intended to be used for construction purposes including but not limited to, personal injury, death and property damage, resulting from any authorized or unauthorized use of, or reliance upon, this drawing for any purpose.

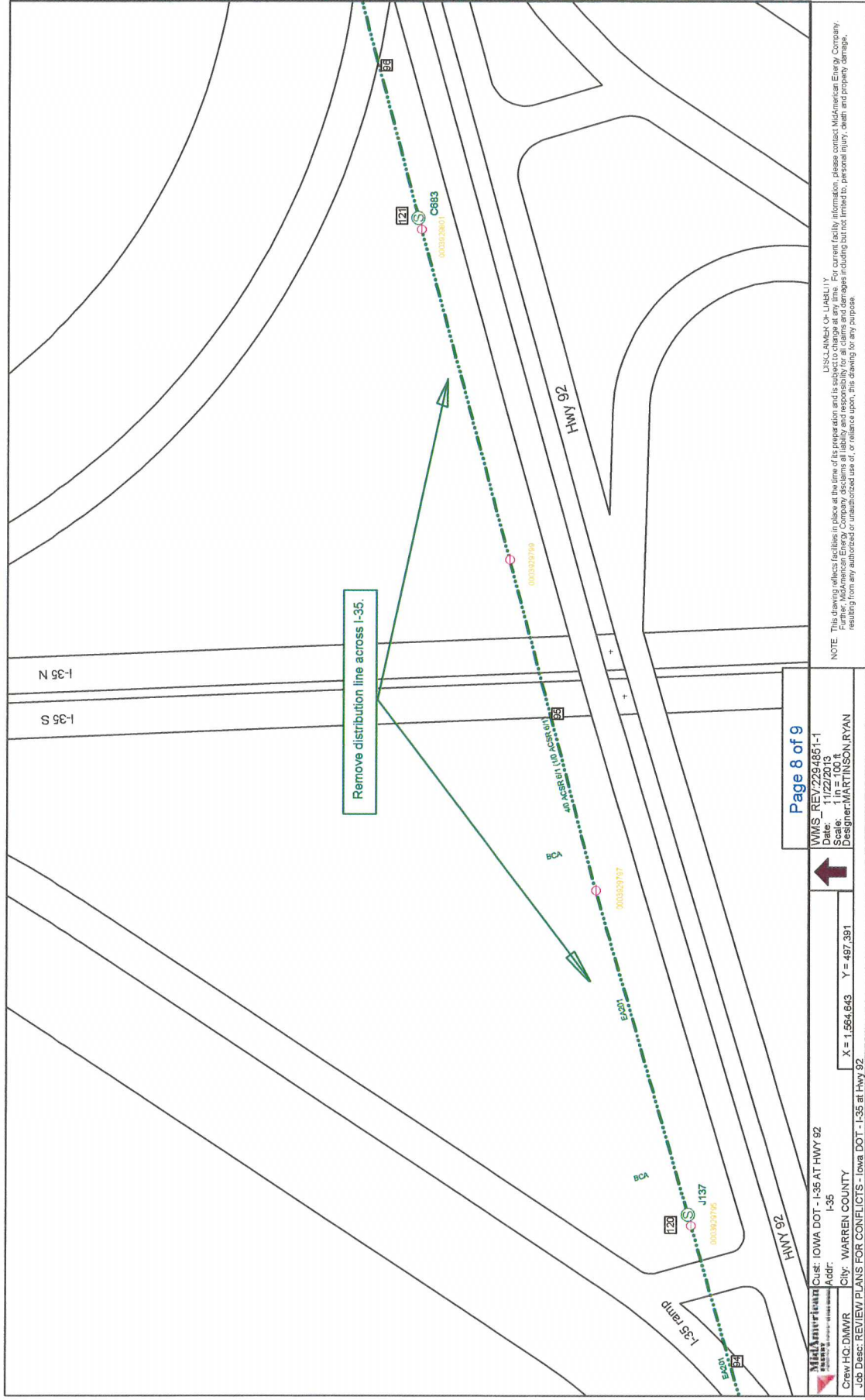


Exhibit B

INDIANOLA MUNICIPAL UTILITIES
2014 Hwy 92 & I-35 Transmission Relocation Project
Section 00300 – BID FORM

OFFICE OF CITY CLERK

JAN 06 2014

INDIANOLA, IOWA

PROJECT IDENTIFICATION

2014 Hwy 92 & I-35 Transmission Relocation Project

Contract includes construction of approximately 1.75 miles of new 69 kV overhead transmission line with related 13 kV underbuild; and removal of existing overhead lines to clear the area for an Iowa DOT project. The work is in the vicinity of Iowa Hwy 92 and Interstate Hwy 35 in Warren and Madison Counties in Iowa.

THIS BID IS SUBMITTED TO (Owner):

Indianola Municipal Utilities
111 South Buxton St.
Indianola, Iowa 50125

THIS BID IS SUBMITTED BY (Bidder):

Michels Power, a division of Michels Corporation

1.01 The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an Agreement with Owner in the form included with the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices and within the times indicated in this Bid and in accordance with the other terms and conditions in the Bidding Documents

2.01 Bidder accepts all terms and conditions of the Agreement, the Notice of Letting and Public Hearing, and Instructions to Bidders, including without limitation those dealing with the disposition of Bid Security. The Bid will remain subject to acceptance for 30 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of Owner.

3.01 In submitting this Bid, Bidder represents, as set forth in the Agreement, that:

- A. Bidder has examined and carefully studied the Bidding Documents, the other related data identified in the Bidding Documents, and the following Addenda, receipt of all which is hereby acknowledged.

Addendum No.	Addendum Date
<u>1</u>	<u>12-17-13</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

INDIANOLA MUNICIPAL UTILITIES
2014 Hwy 92 & I-35 Transmission Relocation Project
Section 00300 – BID FORM

- B. Bidder has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 - C. Bidder is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress and performance of the Work.
 - D. Bidder declares that he has examined to his own satisfaction the Drawings, Specifications, and other Bidding Documents, the character and location of the work, the conformation of the ground, the character, quality and quantity of materials to be supplied, the character of equipment and facilities needed preliminary to and during the prosecution of the work, the general and local conditions, and other matters which can affect the work under this contract; and that this proposal is made with full knowledge of the intent and purpose of the same. He further declares that in respect to these matters he is not relying upon any representation made to him by any officer, agent, or employee of the Owner, or by any other person on behalf of Owner, but that he relies solely upon his own investigation.
 - E. Bidder does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Bid for performance of the Work at the price(s) bid and within the times and in accordance with the other terms and conditions of the Bidding Documents.
 - F. Bidder has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and the written resolution thereof by Engineer is acceptable to Bidder.
 - G. The Bidding Documents are generally sufficient to indicate and convey all terms and conditions of the performance of the Work for which this Bid is submitted.
 - H. The undersigned certifies that the bid prices contained herein have been carefully checked and are submitted as correct and final. It is proposed to do the work at the prices set out for each item.
- 4.01 Bidder further represents that:
- A. This Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any agreement or rules of any group, association, organization, or corporation;
 - B. Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid;
 - C. Bidder has not solicited or induced any individual or entity to refrain from bidding;
and
 - D. Bidder has not sought by collusion to obtain for itself any advantage over any other bidder or over Owner.

INDIANOLA MUNICIPAL UTILITIES
2014 Hwy 92 & I-35 Transmission Relocation Project
Section 00300 – BID FORM

5.01 Bidder (Michels Power, a division of Michels Corporation) will complete the Work in accordance with the Contract Documents for the following price.

LUMP SUM BASE BID

Four Hundred Twenty-three Thousand Six Hundred Twenty-four and 16/100 Dollars (\$ 423,624.16)
(use words) (figures)

5.02 The contract, if awarded, will be awarded on the basis of the Lump Sum Base Bid Price given in paragraph 5.01. The following prices will be used by Owner for accounting purposes only and will not be used in the evaluation of bids. The sum of these prices must be equal to the Lump Sum Bid Price given above. The Bidder certifies that the prices shown represent a reasonable and fair allocation of the Bid Price to the indicated work.

Cost attributable to installation and removal of the transmission (69 kV) poles and conductor. This includes the total cost to set, remove, or top all poles that have 69 kV conductor attached thereto, including poles that also have attached under build, but does not include the cost of installing and removing the under build framing, conductors, and equipment.

Three Hundred Thousand Eight Hundred Twenty-two and 69/100 Dollars (\$ 300,822.69)
(use words) (figures)

Cost attributable to the installation and removal of the distribution (13 kV and secondary) poles, conductor, anchors, guys, and related equipment, including all distribution attachments located on transmission poles; but excluding the distribution crossing span over I-35 and the distribution circuit framing on crossing poles 14 and 15.

One Hundred Ten Thousand Three Hundred and One and 47/100 Dollars (\$ 110,301.47)
(use words) (figures)

Cost attributable to the installation of the distribution crossing span over I-35, including all distribution level framing, guys, and anchors on crossing poles 14 and 15.

Twelve Thousand Five Hundred and 00/100 Dollars (\$ 12,500.00)
(use words) (figures)

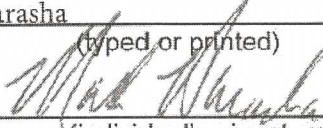
INDIANOLA MUNICIPAL UTILITIES
2014 Hwy 92 & I-35 Transmission Relocation Project
Section 00300 – BID FORM

8.01 The terms used in this Bid with initial capital letters have the meanings indicated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

Submitted on January 6, 2013.

Firm Name Michels Power, a division of Michels Corporation

By Mark Harasha
(typed or printed)


(individual's signature)

Title Vice President

Business address 1775 E. Shady Lane

Neenah, WI 54956

Phone No. 920-720-5200

FAX No. 920-720-5214

Email powerbids@michels.us

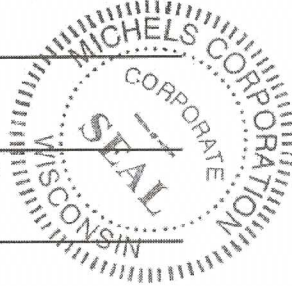


Exhibit C

BILL OF SALE

For the consideration of the sum of six thousand one hundred thirty five and 63/100 dollars, (\$6,135.63) and other valuable consideration, the City of Indianola, Iowa, acting through the Board of Trustees of Indianola Municipal Utilities an Iowa municipal corporation, (the "Seller") does hereby sell, transfer and assign to MidAmerican Energy Company, an Iowa corporation, its successors and assigns (the "Buyer") the following described personal property (the "Property") located in Warren County, State of Iowa:

ALL ASSETS ASSOCIATED WITH OR RELATING TO ELEVEN UTILITY POLES IDENTIFIED ON EXHIBIT A AS FOLLOWS.

Pole 5R	70 ft Class 1 round wood pole
Pole 6R	70 ft Class 1 round wood pole
Pole 7R	70 ft Class 1 round wood pole
Pole 8R	70 ft Class 1 round wood pole
Pole 9R	70 ft Class 1 round wood pole
Pole 17R	75 ft Class 1 round wood pole
Pole 18R	70 ft Class 1 round wood pole
Pole 19R	70 ft Class H1 round wood pole
Pole 20R	75 ft Class H1 round wood pole
Pole 21R	85 ft Class H2 round wood pole
Pole 22R	35 ft Class 3 round wood pole

Seller hereby covenants with Buyer that Seller is the owner of the Property, that Seller has good and lawful authority to sell, transfer, and assign the same and that the same is free and clear of all liens, security interests and encumbrances except as may be above stated; and Seller covenants to warrant and defend the Property against the lawful claims of all persons except as may be above stated.

SELLER HEREBY SELLS, TRANSFERS AND ASSIGNS SAID PROPERTY IN "AS IS" CONDITION. ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE IN REGARD TO THE PROPERTY ARE HEREBY EXCLUDED. THERE ARE NO WARRANTIES OF FITNESS WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF.

Tender of delivery and receipt of the Property shall be at the address where the Property is located or other location designed by Seller. Title to this Property shall pass at the time of tender of delivery and receipt.

CERTIFICATION. Buyer and Seller each certify that they are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to

any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and are not engaged in this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Each party hereby agrees to defend, indemnify and hold harmless the other party from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.

Words and phrases herein, including acknowledgment hereof, shall be construed as in the singular or plural number, and as the appropriate gender, according to the context.

Dated _____, 2014.

CITY OF INDIANOLA ACTING
THROUGH THE BOARD OF TRUSTEES
OF INDIANOLA MUNICIPAL UTILITY.

By:

Title:

MIDAMERICAN ENERGY COMPANY.



By: *Joseph F. Moore*

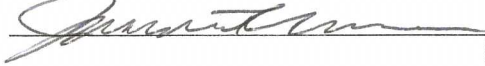
Title: *Vice President*

*****RECEIPT FOR SALE OF PROPERTY*****

The undersigned does hereby acknowledge receipt and assent to becoming the owner of the above described Property.

Date: _____

MIDAMERICAN ENERGY COMPANY:

 Signature

Information

Subject

Streetlights on The Square

Information

The streetlights on The Square are slated for replacement due to condition (need repainted) and a desire by the City of Indianola to beautify The Square using hanging flower baskets. Trustees reviewed the staged plan last fall and gave staff direction to proceed. Staff engaged the Keep Indianola Beautiful Committee to recommend the type and color of light & fixtures. They indicated preference for IMU staff & engineer's concept of taller, tear-drop style light (as opposed to globes) and a brighter light. Both Trustees and City of Indianola staff have also reviewed the pole style selected.

Staff has now received quotes (process reviewed by P&E Engineering, see attached recommendation) for the lights and recommend purchasing StressCrete poles from Irby in the amount of \$45,227 and Holophane LED fixtures from Resco in the amount of \$33,273.

The \$78,500 total is \$18,500 higher than budgeted, primarily because the budget didn't contain 8 fixtures that will be mounted on the existing poles on the inside of The Square. This is being recommended so the entire square has uniform light color vs. the inside being more yellow than the outside.

The back 2 pages show that the recommended lights have the best coverage pattern (first graph) compared to the second-best choice. Trustees can refer to this research effort if & when citizens complain about the amount of light on The Square in the future, which is inevitable.

The LED fixtures, likely to be the standard purchase choice throughout the city from now forward, are more costly up-front, however they provide both energy savings (to the city) and a longer life span (current estimate is 12-15 years). A formula, which recoups that up-front marginal difference over the first 5 years following construction through energy savings, will be used within the existing street light multiplier submitted for billing purposes. The City of Indianola will then receive the full 10-year cost reduction from using LEDs vs. high pressure sodium lights. IMU should avoid a cycle of fixture replacements over that span. This method provides an incentive for LED construction by both groups.

The City of Indianola will see about a 40% reduction in costs to light The Square, however, because it is currently much more over-lit (in terms of wattage consumed) compared to the average residential neighborhood.

Financial Impact

N/A

Staff Recommendation

Simple motion approving the attached recommended street light purchases is in order.

Attachments

Street Light recommendation

Feb. 19, 2014

Mr. Todd Keilkopf
Indianola Municipal Utilities
PO Box 356
Indianola, Iowa 50125

Dear Todd,

Informal bids for the purchase of street light poles and luminaires for installation around the courthouse square were received on January 7, 2014. Specifications for the poles and luminaires were prepared and sent to nine (9) vendors in accordance with the requirements for competitive quotation procedures in Iowa Code 26.14.

Five vendors responded with proposals. All five of the vendors quoted StressCrete poles and King luminaires. In addition, one vendor quoted Holophane poles and luminaires.

The specifications asked for luminaires to be quoted with both a conventional 150 watt metal halide lamp and an alternate light emitting diode (LED) light source that would provide equivalent light output.

The following table shows a summary of the quotes that were received.

Distributor	Mfg	Pole with arm and brackets	MH Luminaire	LED Luminaire
Irby	StressCrete	\$3,479	\$1,184	\$1,438
Resco	StressCrete	\$3,487	\$1,188	\$1,439
WESCO	StressCrete	\$3,487	\$1,186	\$1,441
Fletcher Reinhardt	StressCrete	\$3,851	\$1,312	\$1,594
Border States	StressCrete	\$3,855	\$1,315	\$1,600
Resco	Holophane	\$3,599	\$1,049	\$1,584
Add \$1500 for freight on Holophane poles				

An initial evaluation of the luminaire quotes determined that the recommendation would be to purchase an LED fixture. This was based on the lighting efficiency, estimated life, superior lumen maintenance, and general state of the art in acceptance of the LED source as the preferred light source.

Both the Holophane and King LED luminaires were evaluated for the amount and pattern of light that would be provided, both on the street and also on the front of the buildings surrounding the square. As part of this evaluation, both Holophane and King provided information on alternate LED optic assemblies that would provide more uniform light. In the final analysis, both King and Holophane fixtures provide an average lighting level of 1.4 – 1.8 fc on the street surface, but the Holophane fixture provides a significantly more uniform level of illumination. The lighting level plots for both luminaires are attached for reference. Consideration was also given to the fact that the Holophane fixture is identical to luminaires that are presently installed along N. Jefferson St. (except for the LED light source), and the favorable experience and support from the manufacturer that IMU has had with these fixtures. The originally quoted prices remain valid for the alternate designs that were ultimately accepted. I recommend that IMU purchase the Holophane luminaires from RESCO.

Both the Holophane and StressCrete poles as originally quoted met the general intent of the specification, but discussion with both manufacturers revealed that an alternate design would better meet the IMU requirements. Both manufacturers provided an alternate design that was found to be acceptable and met the full intent of the specification. The StressCrete poles are slightly lower in cost. IMU has inspected similar poles from StressCrete that are installed locally, and has received favorable reports on their durability. The originally quoted prices remain valid for the alternate designs that were ultimately accepted. I recommend that IMU purchase the StressCrete poles from Irby.

A total of 12 poles with luminaires will be installed around the outside of the square streets. In addition, the eight (8) existing cobra head high pressure sodium fixtures on the poles around the inside of the square streets will be replaced with the same LED fixtures. Including one spare pole and one spare fixture, the total quantity to be purchased is thirteen (13) poles and twenty one (21) luminaires.

Feb. 19, 2014
Mr. Todd Keilkopf
Page 3 of 3

Distributor	Mfg	Pole with arm and brackets	LED Luminaire	Quantity	Total Price
Irby	StressCrete	\$3,479		13	\$45,227
Resco	Holophane		\$1,584	21	\$33,273
Total Purchase					\$78,500

Sincerely,



Allan Powers, P.E.

cc: Chris Longer
Bob Miller

Indianola Municipal Utilities
Street Light Quote Summary

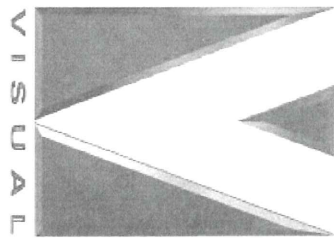
Distributor	Mfg	Pole	Arm	Brackets, etc.	Total Pole	Pole Freight	LED Luminaire	Total Assembly	Total for 13 poles and 21 luminaires
Irby	Stress Crete 16" Globe	\$2,339	\$634	\$506	\$3,479		\$1,438	\$4,917	\$75,425
Resco	Stress Crete 16" Globe	\$2,339	\$638	\$510	\$3,487		\$1,439	\$4,926	\$75,550
WESCO	Stress Crete 16" Globe	\$2,343	\$636	\$508	\$3,487		\$1,441	\$4,928	\$75,592
Fletcher Reinhardt	Stress Crete 16" Globe	\$2,591	\$700	\$560	\$3,851		\$1,594	\$5,445	\$83,537
Border States	Stress Crete 16" Globe	\$2,590	\$715	\$550	\$3,855		\$1,600	\$5,455	\$83,715
Resco	Holophane 14" Globe	\$3,599			\$3,599	\$1,500	\$1,584	\$5,183	\$81,560
Recommended Purchase	Stresscrete pole and Holophane fixture				\$3,479		\$1,584	\$5,063	\$78,500
Lowest Price									
Recommended Purchase									

Luminaire Schedule

Symbol	Label	Quantity	Manufacturer	Catalog Number	Description	Lamp	Number Lamps	Filename	Lumens Per Lamp	Light Loss Factor	Wattage
○		5	Holophane	ESL 150 4K AS X 4	LED TEARDROP	150W 136 LED ARRAY	1	ESL_150_4K_AS_X_4.ies	10900.01	1	148
●	C										

Statistics

Description	Symbol	Avg	Max	Min	Max/Min	Avg/Min	Avg/Max
Building Front	+	0.5 fc	5.5 fc	0.0 fc	N/A	N/A	0.1:1
Sidewalk	+	0.5 fc	1.0 fc	0.2 fc	5.0:1	2.5:1	0.5:1
Street	+	1.4 fc	2.5 fc	0.2 fc	12.5:1	7.0:1	0.6:1



INDIANOLA COURTHOUSE SQUARE

Designer
 P & E Engineering
Date
 1/23/2014
Scale
 As Shown
Drawing No.
 Summary

Luminaire Schedule

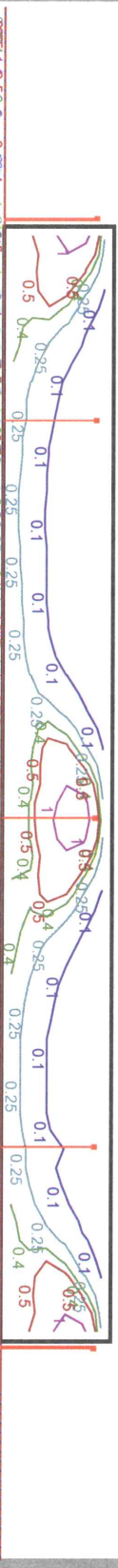
Symbol	Label	Quantity	Manufacturer	Catalog Number	Description	Lamp	Number Lamps	Filename	Lumens Per Lamp	Light Loss Factor	Wattage
O		5	KING LUMINAIRE BURLINGTON, ONTARIO	K833-FARAD-III-150(SSL)8090-EE4	KING LUMINAIRE K833 LUMINAIRE WITH RIPPLED ACRYLIC DEEP DISH LENS AND PHASE III OPTICS	90 CREE XPG2 EE4 WHITE LEDS, LUMEN OUTPUT = 12000 LMS.	1	H079C.IES	12028.88	1	156.74
D											

VISUAL



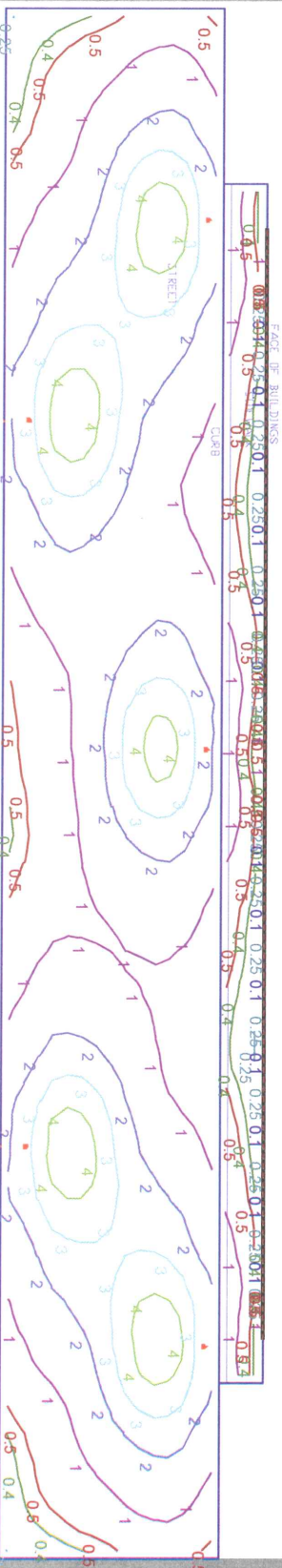
Statistics

Description	Symbol	Avg	Max	Min	Max/Min	Avg/Min	Avg/Max
Building Front	+	0.3 fc	1.5 fc	0.0 fc	N/A	N/A	0.2:1
Sidewalk	+	0.7 fc	1.9 fc	0.2 fc	9.5:1	3.5:1	0.4:1
Street	+	1.8 fc	4.7 fc	0.2 fc	23.5:1	9.0:1	0.4:1



North View

Scale - 1" = 50'



Plan View

Scale - 1" = 50'

INDIANOLA COURTHOUSE SQUARE

Designer
P & E Engineering
Date
1/23/2014
Scale
As Shown
Drawing No.
Summary

Information

Subject

Pool Reimbursement for Water Consumption

Information

Representatives from the Memorial Pool Commission plan to attend to request a continuation of the \$5,000 (or a different amount) donation for water purchased from IMU. IMU has predicated this donation on routine repairs to avoid leaks (that do need done in 2014 based on rising consumption trends) and waiving of sewer fees by the City of Indianola.

Financial Impact

N/A

Staff Recommendation
