INDIANOLA MUNICIPAL UTILITIES

IMU

Electric • Communications • Water

IMU Board of Trustees
March 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, Splicing Contract - Certificate of Final Completion

3. 2014 West Iowa Ave. Water Main Project

   A. Public Hearing

   B. esolution adopting Plans, Specifications, Form of Contract, and Estimate of Cost

   C. Receive Bids

   D. Resolution Awarding Construction Contract

4. Reports

   A. General Manager

   B. Director of Finance

   C. Chairperson

   D. Indianola Development Association/EMERGE

   E. Financials

5. Streetlights on The Square

6. Other Business

7. Adjourn

Information

Subject

Claims

Information

The City Council will not meet until Tuesday, March 25. The Claims List for Trustees to approve for the week of March 24, 2014 will be sent via e-mail on Friday, March 21, 2014.

Financial Impact

N/A

Staff Recommendation

IMU Regular Downstairs **2. B.**

Meeting Date: 03/24/2014

Information

Subject

Minutes

Information

Minutes of the Tuesday, March 11, 2014 meeting are attached.

Financial Impact

N/A

Staff Recommendation

Attachments

Minutes

BOARD OF TRUSTEE MINUTES
REGULAR SESSION – MARCH 11, 2014

The Board of Trustees met in regular session at 5:30 p.m. on March 11, 2014 in the City Hall Conference Room. Chairperson Eric Vander Linden called the meeting to order and on roll call the following members were present: Heather Hulen, Grant Johnson, Bob Lester (via phone), Pat Reding and Eric Vander Linden.

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

March 3, 2014 claims

February 24, 2014 minutes

2012 Fiber Installation Project – Service Drop Installation Certificate of Final Completion

The Board discussed the reimbursement for water consumption at the Memorial Aquatic Center. A motion was made by Johnson and seconded by Reding to contribute the full value of up to 2.3 million gallons at the government services rate of $6.00/1,000 gallons. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

Jim Hanks, Ahlers and Cooney, discussed the July 2014 – June 2016 union contract. It was moved by Reding and seconded by Johnson to approve the July 2014 through June 2016 Union Contract terms and conditions. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

Board Member Lester introduced the following Resolution entitled "RESOLUTION ORDERING CONSTRUCTION OF CERTAIN PUBLIC IMPROVEMENTS (2014 West Iowa Avenue Water Main Project) AND FIXING A DATE FOR HEARING (March 24, 2014) AND TAKING OF BIDS (March 20, 2014)", and moved that it be adopted. Board Member Johnson seconded the motion to adopt. The roll was called and the vote was, AYES: Vander Linden, Reding, Johnson, Hulen and Lester. NAYS: None. Whereupon, the Chair declared the following resolution duly adopted:

RESOLUTION ORDERING CONSTRUCTION OF
CERTAIN PUBLIC IMPROVEMENTS (2014 West Iowa Avenue Water Main Project)
AND FIXING A DATE FOR HEARING (March 24, 2014) AND TAKING OF BIDS (March 20, 2014)

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

A motion was made by Johnson and seconded by Hulen to approve a handwritten check to the IDNR for the West Iowa Avenue Water Main Project construction permit. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

Board Member Hulen introduced the following Resolution entitled "RESOLUTION ORDERING CONSTRUCTION OF CERTAIN PUBLIC IMPROVEMENTS (2014 Head Tank Aerator Assembly Replacement Project) AND FIXING A DATE FOR HEARING (April 14, 2014) AND TAKING OF BIDS (April 10, 2014)", and moved that it be adopted. Board Member Reding seconded the motion to adopt. The roll was called and the vote was, AYES: Lester, Vander Linden, Reding, Johnson and Hulen. NAYS: None. Whereupon, the Chair declared the following resolution duly adopted:

RESOLUTION ORDERING CONSTRUCTION OF
CERTAIN PUBLIC IMPROVEMENTS (2014 Head Tank Aerator Assembly Replacement Project)
AND FIXING A DATE FOR HEARING (April 14, 2014) AND TAKING OF BIDS (April 10, 2014)

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

The Board reviewed and discussed the FY 2015 Adopted Budget Detailed Line Items for the Electric, Water, Communications Utilities, IMU Administration and the Capital Improvement Plan.

The Board reviewed the FY 2014 Electric Utility Financial Review Process which included either a monthly cost of energy adjustment versus a general retail rate increase to meet any revenue requirements. It was the consensus of the Board to authorize staff to define the parameters by which an adjustment is calculated for discussion at a future Board meeting.

The quotes for the Streetlights on The Square was tabled until the next Board meeting.

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

Eric Vander Linden, Chairperson	Diana Bowlin, City Clerk

IMU Regular Downstairs **2. C.**

Meeting Date: 03/24/2014

Information

Subject

2012 Fiber Installation Project, Splicing Contract - Certificate of Final Completion

Information

Trustees had previously approved a Certificate of Substantial Completion, but not a Certificate of Final Completion, for the splicing contract with MCG for the fiber trunk lines constructed in the East Side Conversion area. Work is satisfactory completed.

Financial Impact

N/A

Staff Recommendation

IMU Regular Downstairs **3. A.**
Meeting Date: 03/24/2014

Information

Subject

Public Hearing

Information

The first order of business is for the Chair to open a public hearing on the plans, specifications, form of contract, and estimate of cost, then receive comments, and then close the hearing.

As recap, the project consists of installing an 8" water main (1870') along West Iowa Ave. from "E" to "I" St.

The attached document contains the two resolutions noted in the following agenda items and the form of bid tabulation to be completed by the Clerk.

Financial Impact

N/A

Staff Recommendation

Attachments

Resolutions

INDIANOLA MUNICIPAL UTILITIES

PUBLIC IMPROVEMENT CONSTRUCTION DOCUMENTS FOR:

2014 WEST IOWA AVENUE WATER MAIN PROJECT FOR INDIANOLA MUNICIPAL UTILITIES, INDIANOLA, IOWA.

The Meeting was called to order by the Chair, Eric Vander Linden, and on roll call the following Board Members were

Present:____

Absent:____

This being the time and place fixed for a public hearing on the matter of the adoption of plans, specifications, form of contract and estimate of cost relative to the 2014 W. IA Ave. Water Main Project for Indianola Municipal Utilities, Indianola, Iowa, the Chair called for any oral objections to the adoption of the plans, specifications, form of contract and estimate of cost. No oral objections were offered and the Trustee Clerk reported that no written objections had been filed.

Board Member___________________________________introduced the following Resolution entitled "RESOLUTION ADOPTING PLANS, SPECIFICATIONS, FORM OF CONTRACT AND ESTIMATE OF COST", and moved that it be adopted. Board Member ______________________________ seconded the motion to adopt. The roll was called and the vote was,

AYES:____

NAYS:____

Whereupon, the Chair declared the following resolution duly adopted:

RESOLUTION ADOPTING PLANS, SPECIFICATIONS,
FORM OF CONTRACT AND ESTIMATE OF COST

WHEREAS, on the_______day of_________________, 2014, plans, specifications, form of contract and estimate of cost were filed with the City Clerk for the Indianola Municipal Utilities, for certain public improvements described in general as the 2014 W. IA Ave. Water Main Project for Indianola Municipal Utilities, Indianola, Iowa, and

WHEREAS, notice of hearing on plans, specifications, form of contract and estimate of costs of the public improvements was published as required by law.

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

Section 1. The plans, specifications, form of contract and estimate of cost are approved as the plans, specifications, form of contract and estimate of cost for the public improvements described in the preamble of this Resolution.

PASSED AND APPROVED this______day of________________, 2014.

____
ERIC VANDER LINDEN, Chair

ATTEST:

____
DIANA BOWLIN, City Clerk

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

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

Name and Address of Bidder	Amount of Bid

The City Clerk and the IMU General Manager then recommended that the bid of ___________________________________ in the amount of $______________be accepted.

Board Member__________________________introduced the following resolution entitled "RESOLUTION MAKING AWARD OF CONSTRUCTION CONTRACT", and moved its adoption. Board Member __________________ seconded the motion to adopt. The roll was called and the vote was:

AYES:____

NAYS:____

Whereupon, the Chair declared the following Resolution duly adopted:

RESOLUTION MAKING AWARD OF CONSTRUCTION CONTRACT

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

Section 1. The bid of__________________________________ in the amount of $_____________for the 2014 W. IA Ave. Water Main Project for Indianola Municipal Utilities, Indianola, Iowa, described in the plans and specifications previously adopted by this Board on the_______day of _________________, 2014, is accepted, it being the lowest responsible bid for the work and materials.

Section 2. The IMU General Manager and the City Clerk are directed to execute a contract with the contractor for the construction of the public improvement. The contract not to be binding on the Board of Trustees until approved by the Board.

PASSED AND APPROVED this_______day of________________, 2014.

____
ERIC VANDER LINDEN, Chair

ATTEST:

____
DIANA BOWLIN, City Clerk

IMU Regular Downstairs **3. B.**

Meeting Date: 03/24/2014

Information

Subject

Resolution adopting Plans, Specifications, Form of Contract, and Estimate of Cost

Information

The next agenda item is for Trustees to adopt the attached (to the previous item) resolution authorizing plans, specifications, form of contract and estimate of cost.

Financial Impact

N/A

Staff Recommendation

Roll call vote is in order.

IMU Regular Downstairs **3. C.**
Meeting Date: 03/24/2014

Information

Subject

Receive Bids

Information

Clerk Diana Bowlin will be e-mailing out the bid tabulation with other items on the Friday prior to the meeting.

Financial Impact

N/A

Staff Recommendation

IMU Regular Downstairs **3. D.**

Meeting Date: 03/24/2014

Information

Subject

Resolution Awarding Construction Contract

Information

The final agenda item pertaining to this project is to adopt a Resolution Awarding the Construction Contract (attached to the prior item) to the low bidder recommended by staff & engineers.

Again, Clerk Diana Bowlin will forward Trustees bidding information on the Friday prior to the meeting.

Financial Impact

N/A

Staff Recommendation

Roll Call vote is in order to adopt the Resolution Awarding Construction Contract. Minutes will reflect both the bidder and amount once Trustees receive the bids and engineer's/staff's recommendation.

IMU Regular Downstairs **4. A.**

Meeting Date: 03/24/2014

Information

Subject

Administrative News Items

Information

News items for the week will be sent out via e-mail if there are any to report. Otherwise, the General Manager will report at the meeting.

Financial Impact

N/A

Staff Recommendation

IMU Regular Downstairs **4. D.**

Meeting Date: 03/24/2014

Information

Subject

Economic Development

Information

Jerry Kelley will provide an update on the Indianola Development Association's (IDA) activities pertaining to their 2-year Memorandum of Understanding (MOU)with IMU.

Terms in the MOU (see attached) were agreed upon by the Indianola Development Association to transition their efforts from traditional economic development into a local economic gardening model. The slogan "What is planted together, grows together" applies to the process of forming venture teams in Indianola (both within Simpson and outside campus) that successfully transition to viable local business ventures. Anticipated benefits of this strategy:

1. Simpson College resources (Students, faculty,and alumni) become more integrated into the growth of Indianola in partnership with Indianola's business community. This is an important component to attracting human capital and improving the flow of value-added ideas within Indianola's local economy. Their participation also removes bottlenecks of having only publicly paid staff working with idea-stage ventures when that staff is also needed to work with those in later growth stages that qualify for traditional public incentives.
2. Indianola is able to attain access to regional resources through both virtual & mentoring networks that help existing business ventures grow and new ones start. Again, these efforts are a partnership of the college, alumni, faculty, existing Indianola businesses, and outside investors. Local public funding is targeted to capacity-building efforts, not only financial incentives. These are capacities that Indianola are difficult to attract through solo efforts.
3. Indianola gains visibility in the metro as a tech-oriented destination for by working with the West Des Moines Incubator (via Simpson's West Des Moines Campus), StartUp City or downtown tech ecosystem, and as the southern gateway to the corridor with Ames/IA State as its northern gateway. This complements Indianola's position of having the metro's largest fiber-to-the-premise network and being a Certified Connected Community.

There has been significant progress on several of the Major Components set forth in Exhibit "A" of the MOU:

1. EMERGE@Simpson College has been officially formed with Simpson Board of Trustee approval in February, staffed by both a program director and faculty advisers, and financed until 12/31/14 (Component #3). Planning has been led in a joint partnership of in-kind staff salaries provided by IMU, Simpson College, and private donations that cover out-of-pocket expenses. Meidh, a Des Moines start-up, relocated from StartUp City to Simpson's campus (thru a separate IDA/Simpson agreement) and diversified into a programming design consulting shop for EMERGE ventures and is providing many services on speculation vs. upfront funds. They are also contracting out work to metro developers through other financial arrangements, which is not a resource currently accessible in Indianola.
2. Marketing messaging that concisely describe the EMERGE program's breadth of services are under development by Red Eleven Group of Pleasant Hill, following 2 meetings over the past month (Component #4). A significant portion of this planning was donated by Riley Resource Group, a metro ag-tech company headed by Bob Riley, who also chairs the Iowa Innovation

Corporation. The IDA and EMERGE representatives are aiming to have a more in-depth discussion with IMU Trustees about the program's potential and future, at the April 14, 2014 IMU Trustee meeting. Draft materials will be available then.

3. Simpson's grant-writing and development staff are working with the EMERGE@Simpson College program director to solicit additional funds. The IDA will help lead efforts locally and within the metro in the fundraising and grant solicitations. Raising additional private & outside funds will be a key match for IMU's potential $25,000 annual investment with the budget reduction discussed at the last IMU Trustee meeting.
4. A beta version of the EMERGE Hub (Component #2) has been developed and is currently being populated with both ventures (26 at latest count) and mentors/volunteers (40+ have followed/participated in some form). This "incubator-in-a-box" approach allows virtual teams to attract resources, set/track milestones, and protect their intellectual property under a common agreement. This approach lowers start-up costs and improves cross-pollination of ideas that reduces failure rates (or quickens the failure of ventures that are not viable, another benefit).
5. The EMERGE Hub has been spun off into its own venture to be financed through a software licensing program offered to other communities (Component #2). Simpson officials and the EMERGE project team (IMU, IDA, Meidh) have outlined a strategy by which Simpson will pay for a sliding percentage of the program director's salary over a 5-year period in exchange for a hub license. Meetings have been held with several potential partners, with positive responses. Indianola (IMU/IDA/WCEDC) has a permanent license for economic development efforts and the right to re-sell it for other uses such as a community-based project management tool (Component #5).
6. Preliminary design work for a future physical location at the current old Masonic Temple has been completed (Component #1). Warren Co. has demonstrated interest in up to $250,000 towards renovating the core of the building. IMU has targeted $100,000 for a teleconferencing center and the IDA has $50,000 in old IDC funds targeted towards a permanent office. Next steps towards raising the $1 million (cost estimate) are to raise funds for the EMERGE@Simpson College program (rent would be paid for classroom/incubator space) and the EMERGE Hub (would also pay rent). Naming rights are being considered, also. Up to $375,000 in rent would be collateralized into a USDA-Rural Development grant request to be submitted by IMU and guaranteed by Warren Co. As rent is paid (as a loan repayment), IMU would use those funds to establish a revolving loan fund for Indianola-based ventures utilizing EMERGE services.
7. Once a venture's (either a new one or a project-oriented one in an existing business) team & business plan is formed, it will be soon able to access WCEDC's Small Business Assistance Program and then work with them to attain state (Economic Development agencies) & federal (USDA-Rural Development and US Small Business Adm.) assistance (Component #1). Ventures from outside of Indianola that are working with WCEDC are able to use EMERGE Hub resources through IMU's contribution as a founding member. Training on the beta version of The EMERGE Hub for WCEDC staff is scheduled for March with data population for their program's participants anticipated in April.

Feedback from several metro-area leaders has been positive about Indianola being proactive in these efforts to complement traditional economic development activities. Efforts by IMU to help differentiate the Simspon Experience from those offered elsewhere have been greatly appreciated by those in leadership roles at IMU's largest customer. As such, Simpson Trustees have authorized the President to finalize negotiations of a 28E Agreement (see attached document) when partners are ready to move forward. That document also contains a more updated "Current Resource Status" section than the March 2013 MOU.

Again, the presentation at this meeting is only meant to help Trustees understand the project's goals and an update on its outcomes. More insight will be available at the April 14, 2014 IMU Trustee meeting with discussion expected. Trustees will then have 2-3 months to evaluate and consider participation options at future meetings.

Financial Impact

N/A

Staff Recommendation

Attachments

MOU

Simpson Authorization

Memorandum of Understanding
March 2013

Section 1 – Introduction

This Memorandum of Understanding is undertaken between the Parties of-

Simpson College
Indianola Development Association (IDA)
Indianola Municipal Utilities (IMU)
Warren County Board of Supervisors

It sets out an agreement among the signatories of the principles that will underlie the provision of development services between the founding parties pertaining to the vision and mission set forth in Exhibit A to this Agreement. Intended outcomes include-

1. Development of a local entrepreneurial program
    a. Educational tracts and practicum experiences
    b. Mentoring networks and business experiences
    c. A collaborative work site or hub and other infrastructure

2. Integrating Indianola's and the Des Moines metro's technology sector
    a. Adoption of innovative and reliable network services
    b. Identification and tapping of regional and national resources
    c. Cluster groups of local technology companies to form a tech park

3. Cooperative market opportunities & assets
    a. Develop a marketing program that positively impacts all parties' brands
    b. Attraction of customers, businesses, and students to Indianola
    c. Improvement to the area's economic vitality and infrastructure

This Agreement is a statement of intent among the founding parties to continue to work in a cooperative manner towards forming a public-private partnership at the appropriate risk tolerances and division of resources acceptable to each party as all parties work towards these outcomes. This MOU replaces previous MOUs agreed to in 2012 by the Indianola Development Association and Indianola Municipal Utilities.

This MOU does not create enforceable legal obligations between or among the parties. It is intended to be binding in honor, only. Any party may terminate its participation by providing 60 days notice to all other parties. In the event that any party is advised by its legal counsel that it cannot enter into particular contractual relationships for any reason, it shall act in good faith to develop a suitable alternative contractual structure to meet the objectives, agreements, and performance targets set forth in this MOU.

<u>Section 2 – Objectives</u>

The signatories agree to the following objectives-

- **Simpson College** seeks to implement growth objectives contained in its Strategic Plan using strategies that include-
    1. Enhancing academic offerings for those pursuing entrepreneurial activities
    2. Connecting academia resources, Simpson students, Indianola residents, Simpson College alumni, and others to enhance the greater Indianola area economy
    3. Cooperatively participate in Indianola-based partnerships to market both Simpson College and the greater Indianola area
    4. Using Indianola's communication system assets as a media platform for students, faculty, and alumni relations

- **The IDA** seeks to-
    1. Transition its approach to economic development to an Economic Gardening model
    2. Connect entrepreneurs with interest in Indianola to local resources, marketing those resources, and providing networking opportunities
    3. Establish and lead a Steering Committee to establish an Indianola Entrepreneurial Development Initiative
    4. Establish, administer, and represent a Members Council comprised participants of the IMU Network Services Partners program

- **IMU** seeks to implement Utility growth objectives contained in its Strategic Plan using strategies that include-
    1. Fostering a local economy that results in responsible growth of Utility system usage:
        a. Attracts new customers
        b. Promotes a cohesive and efficient retail customer base
        c. Additional retail sales by the Utility and its partners
    2. Utilizing the Utility's capacities to enhance the growth of local businesses and entities:
        a. Dynamic Utility growth thru the economic prosperity of its customer base
        b. Efficiency improvements within the Utility and customer use of Utility services
        c. Synergies within the Utility and between other public entities in the delivery of public services
    3. Developing new Utility partners:
        a. New Utility services delivered to Utility customers
        b. New Utility partners offering new services or customer choice

- **Warren County** seeks to promote regional economic development by helping establish a centrally-located building for entrepreneurial activities

Section 3 – Agreements

The signatories agree to the following commitments-

Simpson College shall:

1. Assign Simpson College personnel to serve on the IDA Board of Directors, Advisory Committees, or project Steering Committees as needed.
2. Participate in the IMU Partners Program as both a dues-paying member and on the IDA's IMU Partners Member's Council; dues will be determined at a level mutually acceptable to all parties. Simpson College hereby agrees that the IMU Partners Agency is to be automatically added as a party to this MOU once established.
3. Negotiate in good faith a 28E Agreement with the IDA and other partners that includes activities set forth in Exhibits "A" and "B" of this MOU.
4. Work towards the performance targets in general conformance to those described in Exhibit "C" of this MOU.
5. Within its standard operating policies & procedures, allow use of Simpson College resources to implement activities contained in this MOU including those described in Exhibit "D" of this MOU.

The IDA shall:

1. Negotiate in good faith to form the IMU Partners Agency, who shall automatically become a party to this MOU once established.
2. Develop membership criteria for the IMU Partners Program Members Council in consultation with the IMU Board of Trustees and members of the IMU Partners Agency, once established-
    - The IDA shall empower the IMU Partners Member's Council to:
        1. Nominate its representation to the IMU Partners Agency Board of Directors.
        2. Collectively and individually advise the Board of Directors of the Agency on its operations.
        3. Collect program dues and forward said dues to the Agency on at least a quarterly basis. Dues shall be set by a vote of the Members Council as recommended solely by Agency Board of Directors.
    - Membership into the IMU Partners Program may require payment of IDA dues for general membership, limited to the manner, method, and amount duly set by the IDA Board of Directors for any other general membership of the IDA. Different classes of IDA membership are allowed but cannot be discriminatory to the IMU Partners Program.
    - Membership shall include Simpson College; dues will be determined at a level mutually acceptable to all parties.
    - The IDA shall only accept members approved by the Board of Directors of the IMU Partners Agency, once established.
3. Form a Steering Committee to transition to an approach that focuses on entrepreneurial development as described in Exhibit "A" to this MOU.
4. Negotiate in good faith a 28E Agreement that includes activities set forth in Exhibits "A" and "B" of this MOU.
5. Work towards the performance targets in general conformance to those described in Exhibit "C" of this MOU.
6. Within its standard operating policies & procedures, allow use of IDA resources to implement activities contained in this MOU including those described in Exhibit "D" of this MOU.

Warren County shall:

1. Participate with the IDA Board of Directors, Advisory Committees, or project Steering Committees as needed.
2. Negotiate in good faith a 28E Agreement with the IDA and other partners that includes activities set forth in Exhibits "A" and "B" of this MOU.
3. Within its standard operating policies & procedures, allow use of Warren County resources to implement activities contained in this MOU including those described in Exhibit "D" of this MOU.

Indianola Municipal Utilities shall:

1. Negotiate in good faith to form the IMU Partners Agency, who shall automatically become a party to this MOU once established.
2. Provide funding for FY 2013 & FY 2014 (with renewal options) to the IDA based on performance targets in general conformance to those described in Exhibit "C" of this MOU; Reimburse the IDA or the IMU Partners Agency up to $50,000 per year of actual expenditures for services rendered.
3. Support the IMU General Manager's assignment of IMU personnel to serve on the IDA Board of Directors, Advisory Committees, or project Steering Committees as needed.
4. Within its standard operating policies & procedures, allow use of budgeted IMU resources to implement activities contained in this MOU.
5. Negotiate in good faith a 28E Agreement with the IDA and other partners that includes activities set forth in Exhibits "A" and "B" of this MOU.

Section 4 – Benchmarks

- ✓ IDA revises its organization's mission statement and operating plan to conform to concepts contained in this MOU.
- ✓ IDA appoints representation to a Steering Committee to undertake establishing a local entrepreneurial initiative, tentatively named the iSC.EDI Carver Corridor.
- ✓ Stakeholders develop a Strategic Plan for the iSC.EDI Carver Corridor.
- ✓ Establish the IMU Partners Agency as a 28 Entity.

1. IDA forms the IMU Partners Members Council and enters into a management agreement as needed for implementing processes in conjunction with the IMU Partners Agency.
2. IDA establishes a budget for FY 2014, including a dues structure for the IMU Network Services Members Council.
3. Parties form a 28E Entity to replace the iSC.EDI Steering Committee and establish a mission, objectives, strategies, and goals to implement desired activities for the new entity.

This MOU defines the relationship between the parties at the time of signing. Terms contained within any contractual or other agreements between the parties shall supersede those in this MOU. This memorandum is hereby approved by:

_________________________	_________________________
For Simpson College	IDA Board President
_________________	_________________
Date	Date
_________________________	_________________________
For IMU	For Warren County
_________________	_________________
Date	Date

EXHIBIT "A"

Our community has the potential to be a destination location within the metro for businesses likely to thrive in the modern economy, be they grown from within or attracted to Indianola. We can achieve this by connecting entrepreneurs at the right point of a venture's growth stage to new technologies, complimentary team members, capital, infrastructure, and markets.

Successful growth companies are comprised of innovative ideas, nurtured by great teams, which are then embraced by investors and customers. These can be uniquely supported here by converging our business community, technology, and connectivity. The greater Indianola area and the Simpson Experience can both be enhanced by forming these multi-discipline teams who learn how to solve real-world problems together. Their shared experiences become a library of lessons learned, placing all on a path to better recognizing future opportunities as they arise.

Indianola can implement this local Economic Gardening approach as a collaborative initiative. Complimentary project & attraction-oriented economic development, performed at the county and regional level, will maximize its impact on the area's economy. George Washington Carver's journey of innovation taught that we can do common things in uncommon ways to better our community. This initiative to bring vibrancy to the Carver Corridor intends to do just that.

Mission:

Nurture innovative ideas into collaborative successes.

Organization:

An Indianola Development Association (IDA) Project Steering Committee (PSC) is guiding the initiative until a formal 28E Entity structure is adopted. It is comprised of:

Indianola Development Association (Jerry Kelley, Chris Draper)
Simpson College (Dr. Byrd, Steve Griffith, Marilyn Mueller)
Indianola Municipal Utilities or IMU (Pat Reding, Todd Kielkopf)
Warren Co. Economic Development Corp. or WCEDC (Hollie Askey, Doug Shull)
At-Large (Clark Raney, Kay Neumann-Thomas)

Major Components of the Carver Corridor:

1. A business incubator site on (temporary) and then adjacent (permanent) to the Simpson College campus accessible to both students and local residents.
   - Collaborative workspace
   - Capstone projects or other college credit for individuals or multi-discipline teams
     - Supervised by Faculty Advisor
     - Mentored by non-faculty Project Manager and others via agreement with the IDA
   - Regional & community business development and support services via collaboration with WCEDC & the IDA
   - Expand into a co-operative office building and then a local technology park that compliments quality of life amenities

2. Facilitate the exchange of ideas, intellectual property, experiential learning opportunities, and incubation management strategies between Indianola and the Des Moines metro tech ecosystem through collaborations with-
   - Greater Des Moines Partnership with StartUp City & West Des Moines
   - Iowa State University and the ISU Research Park
   - Des Moines chapter of SCORE

3. Provide formal academic programs at Simpson College that develop individuals & teams with entrepreneurial skill sets across multiple disciplines-
   - Product development, adapting new technologies, and operations
   - Corporate governance and management of internal business processes
   - Corporate finance & developing pricing models
   - Strategic marketing
   - Sales and improvements to the customer experience

4. Develop a marketing program that highlights each strategic partner's efforts and the Indianola-area technology economy at-large.

5. Utilize IMU and their Partners' evolving media and technology platforms to affordably interconnect the incubator, experiential exchanges, academic programs, and marketing programs.

EXHIBIT B

Parties may contract for services to ensure a comprehensive and cooperative approach in providing these activities. Nothing in this Agreement shall preclude parties from providing additional activities.

Activity #1: Connect Indianola-area entrepreneurs, including those that are Simpson students, to resources such as mentors, information, funding, and infrastructure thru community-based programs.

Activity #2: Provide administrative functions that properly ensure public funds are used for the intended public purpose and in the public's interest. This includes implementing activities related to achieving the Utility's growth objectives and the IMU Partners Program.

Activity #3: Maintain a high level of knowledge pertaining to major aspects of entrepreneurial development and factors impacting technology businesses.

Activity #4: Maintain awareness of Indianola, Warren Co., Des Moines metro, and other applicable resources and their missions, goals, activities, and concerns related to entrepreneurial development and technology business growth.

Activity #5: Market to and with prospective candidates, funding agencies, donors, partners, and others. Develop a public awareness program that enhances support within the community and promotes Indianola's entrepreneurial and technology culture as it evolves. Respond to requests for information about local programs and their role in the greater Indianola-area economy.

Activity #6: Facilitate the development of a new 28E Agreement or Entity and a strategic plan to transition Indianola-based entrepreneurial development to a collaborative initiative (the iSc.EDI Carver Corridor) of the Utility, Simpson College, the Association, Warren County and its economic development efforts, and other community partners.

Activity #6a: Form a Project Steering Committee and help it achieve planning milestones. Major strategic components shall include governance, facilities, education programs, and partnerships with other entities.

Activity #6b: Ensure that the Project Steering Committee sets viable goals for sustainable pursuit of the initiative's mission and work to attain financial resources.

Activity #6c: Evaluate the feasibility of a local site at which entrepreneurs can interact and learn, particularly for those focusing on technology-oriented products and services that would benefit from collaboration. Develop a local site if financially viable.

EXHIBIT C

Ratings on a 1 to 5 scale (low to high) for each Activity shall be compiled by stakeholders.

Activity #1: Did the IDA transition to focusing on an Economic Gardening model of service delivery? How effectively did local resources reach Indianola-area entrepreneurs?

Activity #2: Were public funds used for the intended public purpose and in the public's interest? Did the IDA's activities result in achieving the Utility's and Partners' growth objectives?

Activity #3 Is entrepreneurial development programming being offered at a high level of quality and effort?

Activity #4: Is there a demonstrated awareness of Indianola, Warren Co., Des Moines metro, and other applicable resources and their missions, goals, activities, and concerns related to entrepreneurial development and technology business growth?

Activity #5: Are there marketing activities related to entrepreneurial development and Indianola's technology culture?

Activity #6: Did the iSc.EDI Steering Committee form?

Was a 28E Agreement reached and a strategic plan developed?

Did the plan set and achieve planning milestones related to governance, facilities, education programs, and partnerships with other entities?

Were viable goals set and met?

Was the feasibility of a local site evaluated? If so, was it developed?

EXHIBIT D

Warren County, the Indianola Development Association, IMU, and Simpson College agree to engage the Carver Corridor Project Steering Committee to develop a site plan for a permanent location of a business incubator as described in Exhibit A-

1. Fifteen year agreement
   - Evaluation of program effectiveness at the end of the 5th year
     i. 28E board to establish benchmarks
     ii. Any 2 entities may vote together to terminate the agreement if benchmark attainment does not warrant continuing with programming
   - Evaluation of program effectiveness at the end of the 15th year
     i. Option to continue the 28E based on unanimous vote of the 28E Board
     ii. Any 1 entity may vote to terminate the agreement if the 28E Board does not unanimously vote to continue the 28E

2. Warren County to consider contributing use of the Masonic Temple site to the 28E Entity for economic development purposes-
   - Site would be appraised as-is; appraised value recorded in the 28E Entity as a contribution.
   - Up-front contribution up to $250,000 to be used as local match for building improvements to the incubator space of approximately 2,000 sq. ft. Improvements to be made in a manner consisted with future county government operations.
   - Hold first option to re-purchase at remodeled cost less depreciated value-
     i. Zero depreciation if terminated following an evaluation 5-year
     ii. 35% depreciation if terminated at the 15-year mark

3. The Indianola Development Association to consider contributing $50,000 in funds derived from the dissolution of the Indianola Development Corp. for locating an office and use of spaces for community-based mentoring purposes totaling 350 sq. ft. plus furnishings.

4. Indianola Municipal Utilities and IMU Partners Agency to consider co-locating compatible teleconference room and future connectivity-
   - Conference room sponsorship at a cost up to $100,000 for 650 sq. ft. including A/V equipment & furnishings.
   - Coordinate a Revolving Loan Fund interest-free loan to the 28E Entity or Simpson College of $375,000 to finance donation commitments over 5 years.
   - Provide connectivity & server platforms (Estimated value of $10,000 annually).
   - Hold third option to purchase at remodeled cost less depreciated value + original appraised value or at zero if agreed to by all participating parties.

5. Simpson College to evaluate space needs up to 2,500 sq. ft. to be used for academic programs complimentary to Indianola's technology & economic development needs including an A/V studio-
   - Solicit funds for grants, local match, building improvements, and furnishings.
   - Hold second option to purchase at remodeled cost less depreciated value + original appraised value

6. The Project Steering Committee to fund common areas totaling $200,000 plus furnishings and equipment costs-
   - Solicit funds from grants, naming rights, other donors, and rent collateralization for local match, building improvements, or furnishings.

AUTHORIZATION TO PROCEED TO
FINALIZE A 28E AGREEMENT

MAY 2013

Executive Summary:

Simpson College, the Indianola Development Association, Indianola Municipal Utilities and the Warren County Board of Supervisors have entered into a non-binding Memorandum of Understanding. Its purpose is to cooperatively provide development services to bring vibrancy to the Carver Corridor by nurturing ideas into collaborative successes.

An Indianola Development Association (IDA) Project Steering Committee (PSC) is guiding the initiative until a formal 28E Entity structure is adopted. It is comprised of:

Indianola Development Association (Jerry Kelley, Chris Draper)
Simpson College (Dr. Byrd, Steve Griffith, Marilyn Mueller)
Indianola Municipal Utilities or IMU (Patrick Reding, Todd Kielkopf)
Warren Co. Board of Supervisors & Economic Dev. Corp. (Hollie Askey, Doug Shull)
At-Large (Clark Raney, Kay Neumann-Thomas)

The PCS is requesting that the Simpson College President agree to proceed to finalize the 28E Agreement to implement this initiative, including a site plan, structure, and management of this collaborative effort.

Each party committing to the 28E Agreement will be expected to commit $10,000 to be used for planning purposes.

The remainder of this document describes the Carver Corridor development initiative, its major components, and the current resource status.

__________________________ __________________________
For Simpson College

________________ ________________
Date Date

Carver Corridor Development Initiative

Our community has the potential to be a destination location within the metro for businesses likely to thrive in the modern economy, be they grown from within or attracted to Indianola. We can achieve this by connecting entrepreneurs at the right point of a venture's growth stage to new technologies, complimentary team members, capital, infrastructure, and markets.

Successful growth companies are comprised of innovative ideas, nurtured by great teams, which are then embraced by investors and customers. These can be uniquely supported here by converging our business community, technology, and connectivity. The greater Indianola area and the Simpson Experience can both be enhanced by forming these multi-discipline teams who learn how to solve real-world problems together. Their shared experiences become a library of lessons learned, placing all on a path to better recognizing future opportunities as they arise.

Indianola can implement this local Economic Gardening approach as a collaborative initiative. Complimentary project & attraction-oriented economic development, performed at the county and regional level, will maximize its impact on the area's economy. George Washington Carver's journey of innovation taught that we can do common things in uncommon ways to better our community. This initiative to bring vibrancy to the Carver Corridor intends to do just that.

Mission:

Nurture innovative ideas into collaborative successes.

Major Components:

1. A site for a business resource center on (temporary) and then adjacent (permanent) to the Simpson College campus accessible to both students and local residents.
    - Collaborative workspace for the EMERGE@Simpson College
    - Capstone projects or other college credit for individuals or multi-discipline teams
    - All Student experiential learning activities to be supervised by a Faculty Advisor
    - Mentoring activities to be performed by non-faculty Project Manager(s) and others via a separate agreement with the IDA
    - Regional & community business development and support services via collaboration with WCEDC & the IDA
    - Expand into a co-operative office building and then a local technology park that compliments quality of life amenities

2. Facilitate the exchange of ideas, intellectual property, experiential learning opportunities, and incubation management strategies between Indianola and the Des Moines metro tech ecosystem through collaborations with-
    - Greater Des Moines Partnership with StartUp City & West Des Moines
    - Iowa State University and the ISU Research Park
    - WCEDC-based programming & Des Moines chapter of SCORE

3. Provide formal academic programs at Simpson College that develop individuals & teams with entrepreneurial skill sets across multiple disciplines-
    - Product development, adapting new technologies, and operations
    - Corporate governance and management of internal business processes
    - Corporate finance & developing pricing models
    - Strategic marketing
    - Sales and improvements to the customer experience

4. Develop a marketing program that highlights each strategic partner's efforts and the Indianola-area technology economy at-large.

5. Utilize IMU and their Partners' evolving media and technology platforms to affordably interconnect the incubator, experiential exchanges, academic programs, and marketing programs.

Current Resource Status:

1. Fifteen year agreement
    - Evaluation of the initiative's effectiveness at the end of the 5th year
        i. 28E board to establish benchmarks
        ii. Any 2 entities may vote together to terminate the agreement if benchmark attainment does not warrant continuing
    - Evaluation of program effectiveness every 5 years at and after the 15th year
        i. Option to continue the 28E based on unanimous vote of the 28E Board
        ii. Any 1 entity may vote to terminate the agreement if the 28E Board does not unanimously vote to continue the 28E

2. Warren County to consider contributing use of the Masonic Temple site to the 28E Entity for economic development purposes-
    - Site would be appraised as-is; appraised value recorded in the 28E Entity as a contribution.
    - Up-front contribution up to $250,000 to be used as local match for building improvements of approximately 2,000 sq. ft. Improvements to be made in a manner consisted with future county government operations.
    - Hold first option to re-purchase at remodeled cost less depreciated value-
        i. Zero depreciation if terminated following an evaluation 5-year
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3. The Indianola Development Association to consider contributing $50,000 in funds derived from the dissolution of the Indianola Development Corp. for locating an office and use of spaces for community-based mentoring purposes totaling 350 sq. ft. plus furnishings.

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    - Conference room sponsorship at a cost up to $100,000 for 650 sq. ft. including A/V equipment & furnishings.
    - Coordinate a Revolving Loan Fund interest-free loan to the 28E Entity or Simpson College of $375,000 to finance donation commitments over 5 years, contingent upon the availability of funds.
    - Provide connectivity & server platforms (Estimated value of $10,000 annually).
    - Hold third option to purchase at remodeled cost less depreciated value + original appraised value or at zero if agreed to by all participating parties.

5. The Project Steering Committee to fund common areas totaling $200,000 plus furnishings and equipment costs-
    - Solicit funds from grants, naming rights, other donors, and rent collateralization for local match, building improvements, or furnishings.

6. The Project Steering Committee to evaluate space needs up to 2,500 sq. ft. to be used for a combination of the EMERGE@Simpson College and other academic programs, space for a business incubator, or other uses that compliment Indianola's technology & economic development needs including an A/V studio-
    - Solicit funds for grants, local match, building improvements, and furnishings.
    - Simpson College to hold second option to purchase at remodeled cost less depreciated value + original appraised value.

IMU Regular Downstairs **4. E.**
Meeting Date: 03/24/2014

Information

Subject

Financials

Information

Attached is the February 2014 financial report packet. Notes pertaining to FY to-date performance are contained in that report.

Also attached are updated financial projections for the Electric Utility with reductions in annual spending for many categories as per Trustee direction.

Items reduced include:

1. Reduction in community projects by $5,000 each in FY 2015 & FY 2016
2. Reduction in economic development by $25,000 each in FY 2015 & FY 2016
3. Reduction in energy efficiency programs to .5% of rate revenue by $30,000 in FY 2015 & $31,000 in FY 2016
4. Reduction in IMU Administration for travel, training/conferences, and computers with total of $4,800 in FY 2015 & $7,700 in FY 2016
5. Reduction in maintenance line items of $15,000 per year each in FY 2015 & FY 2016

In addition to these items, capital projects were both re-estimated and then altered. Reductions include:

1. Shifting the Line Truck from FY 2015 to FY 2016 and then shifting the Boring Machine out of the 2-year budget
2. Delaying painting the turbines 1 year
3. Reducing streetlight replacements (in future years) to $20,000 per year

Purchased energy adjustment expenses are now more refined (now total and projected in both the re-estimates and budgets for wholesale energy. Also, the FY 2014 average rate collected is slightly lower than anticipated because of more energy being sold at lower industrial & all-electric rates vs. the average.

The projections are also now based on imposing a cost of energy adjustment averaging 1.9% starting in July thru the summer months of 2014 and rising as both transmission & wholesale energy prices increase thru mid-2016. Purchased energy adjustments imposed by MEAN on IMU would also be passed thru on top of those amounts.

Note that minimal bond rating parameters are still met with these projections, with some minor FY 2016 ending fund balance contingency.

Staff intends to proceed with developing a cost of energy adjustment policy for Trustee consideration in April.

Financial Impact

N/A

Staff Recommendation

Attachments

Financials
Electric Update

IMU Monthly Financial Reports

Notes & Comments

1. Total Cash Flow from all activities the on Treasurer's Report was +$176,519.

2. Electric sales (page 5) are exceeding the re-estimated goal of 120,700,000 particularly given what should be a higher February (April 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 at the seasonally-adjusted re-estimated budget. A $62,600 Purchased Energy Adjustment scheduled to be paid in February was accidently not submitted until March. So in essence, it was more of a break-even month than actual results imply.

   The spread between $/kWh of sales and cost will be less than in the previous year by design, as the Purchased Energy Adjustments imposed in November. IMU's retail rates have not increased in the same manner. More kWhs were sold at lower than average kWh rates due to industrial & all-electric consumption. 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) rose to a loss of $27,272 vs. a seasonally-adjusted budget of -$1,900. 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, excluding the re-estimated additional principal payment. 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 "Desginated for Future Projects" on the Summary Page). There will still be funds for additional projects if needed (page 14).

6. The Communications Utility (page 15) and Admin. Fund (page 16) cash flows are essentially at re-estimated budgets.

FINANCIAL REPORT

MONTH OF FEBRUARY, 2014

FUND	Beginning Balance	Monies Received	Monies Disbursed	Transfer In	Transfer Out	Clerk's Balance	% of Total
001 General Government	1,114,976.58	30,274.45	151,558.67	105,849.98	2,352.07	1,097,190.27	
011 Police	72,160.00	9,054.51	175,525.75	23,840.74	339.99	-70,810.49	
015 Fire	133,076.48	1,924.47	67,398.91	258.06	27.81	67,832.29	
016 Ambulance	169,541.34	66,656.82	68,108.42	128.91	2,985.02	165,233.63	
041 Library	-27,868.51	4,385.31	44,805.46	249.19	77.25	-68,116.72	
042 Park & Recreation	168,551.23	12,595.07	72,822.92	1,460.87	1,805.72	107,978.53	
045 Memorial Pool	-123,143.66	375.88	217.87	0.00	833.33	-123,818.98	
071 General Fund Deb Service	57,205.22	526.49	0.00	0.00	0.00	57,731.71	
099 Franchise Fees-MEC	95,766.28	37,391.24	0.00	0.00	0.00	133,157.52	
GENERAL FUND SUB-TOTAL	**1,660,264.96**	**163,184.24**	**580,438.00**	**131,787.75**	**8,421.19**	**1,366,377.76**	
110 Road Use Tax (Streets)	742,530.75	140,558.78	73,673.39	0.00	14,733.14	794,683.00	
112 Trust & Agency	0.00	2,396.10	0.00	0.00	2,396.10	0.00	
115 YMCA Maintenance Obligations	46,058.32	0.00	5,875.00	0.00	0.00	40,183.32	
125 TIF--Downtown	193,400.38	10,368.43	0.00	0.00	0.00	203,768.81	
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	1,509.33	0.00	0.00	0.00	176,060.42	
141 Library Special Revenue	35,078.23	220.59	892.81	0.00	0.00	34,406.01	
142 Park & Rec Special Revenue	112,154.97	416.15	3,955.00	0.00	0.00	108,616.12	
160 Downtown Revolving Loan	52,290.00	7,290.75	0.00	0.00	0.00	59,580.75	
161 Downtown Business Inc Program	423.43	0.00	23,196.44	0.00	0.00	-22,773.01	
177 Police Forfeiture	18,420.31	0.00	0.00	0.00	0.00	18,420.31	
190 Vehicle Reserve	110,735.80	0.00	0.00	1,666.67	0.00	112,402.47	
199 Police Retirement	116,285.59	163.14	0.00	0.00	1,041.67	115,407.06	
SPECIAL REVENUES SUB-TOTAL	**1,601,928.87**	**162,923.27**	**107,592.64**	**1,666.67**	**18,170.91**	**1,640,755.26**	
200 **DEBT SERVICE (SUB-TOTAL)**	**2,820,276.30**	**6,141.23**	**0.00**	**70,083.32**	**0.00**	**2,896,500.85**	
301 Capital Projects (General)	544,041.50	0.00	854.12	0.00	0.00	543,187.38	
321 Capital Projects (Streets)	1,162,059.82	2,792.63	47,191.00	0.00	0.00	1,117,661.45	
344 Community Athletic Facility	2,984.36	0.00	40.00	1,666.67	0.00	4,611.03	
353 Community ReDevelopment (D&D)	117,128.60	183.55	97,545.23	0.00	0.00	19,766.92	
CAPITAL PROJECTS SUB-TOTAL	**1,826,214.28**	**2,976.18**	**145,630.35**	**1,666.67**	**0.00**	**1,685,226.78**	
610 Sewer	69,831.57	0.00	87,888.52	139,250.00	33,283.14	87,909.91	
650 Stormwater Utility	229,225.19	16,620.21	0.00	0.00	5,208.33	240,637.07	
670 Recycling	55,663.24	17,894.25	15,559.00	0.00	1,375.00	56,623.49	
710 Sewer Capital Projects	648,398.52	250,380.84	178,064.55	0.00	256,391.66	464,323.15	
771 Sewer Reserve	114,238.70	0.00	0.00	0.00	0.00	114,238.70	
781 Sewer Plant Improvement	307,155.90	0.00	0.00	2,083.33	0.00	309,239.23	
791 Sewer Revenue Bonds	404,173.89	0.00	0.00	67,500.00	0.00	471,673.89	
820 Health Insurance	1,110,599.14	122,642.89	132,055.81	0.00	0.00	1,101,186.22	
830 Health Reimbursement Account	254,698.29	0.00	687.20	0.00	0.00	254,011.09	
840 Flex/STD	234,040.98	2,550.33	1,219.06	1,467.84	0.00	236,840.09	
850 Liability Insurance Reserve--City	2,054.98	2.91	0.00	0.00	0.00	2,057.89	
CITY UTILITY & IS SUB-TOTAL	**3,430,080.40**	**410,091.43**	**415,474.14**	**210,301.17**	**296,258.13**	**3,338,740.73**	
TOTAL CITY FUNDS	**11,338,764.81**	745,316.35	1,249,135.13	415,505.58	322,850.23	**10,927,601.38**	**53%**
TOTAL IMU FUNDS	**9,643,556.50**	1,386,456.63	1,117,281.85	276,668.01	369,323.36	**9,820,075.93**	**47%**
GRAND TOTAL CITY & IMU	**20,982,321.31**	2,131,772.98	2,366,416.98	692,173.59	692,173.59	**20,747,677.31**	
Cross Check Total						20,747,677.31	

Investments

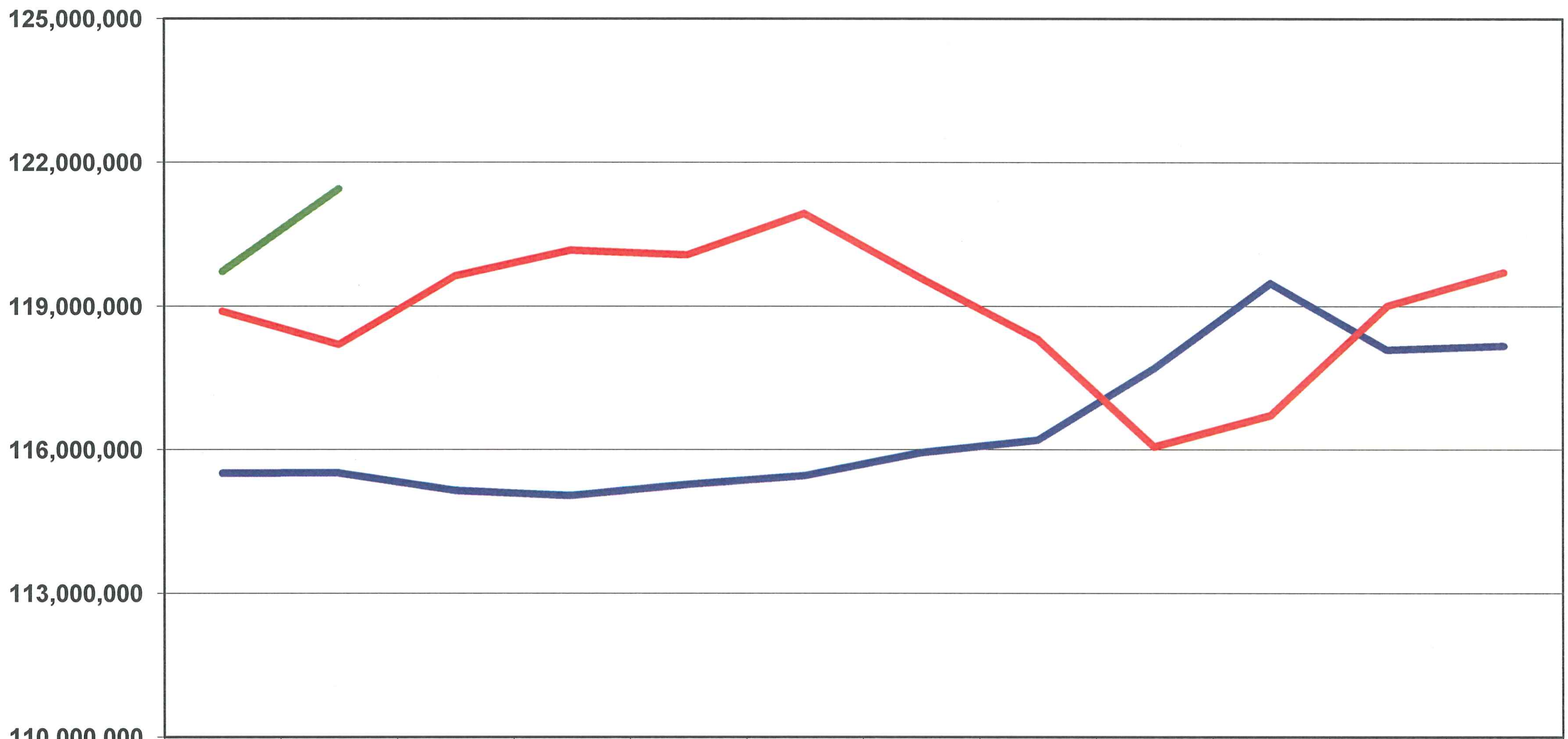
Bankers Trust	$	18,499,768.27	1.92%
Bankers Trust - Wellness Center Project	$	80,002.64	0.01%
Iowa Public Agency Inv. Trust	$	111,101.98	0.011%
Payroll Account, Community State	$	0.06	Earnings Credit
Checking Account, Community State	$	249,769.01	Earnings Credit
Sweep Account, Community State	$	1,922,614.64	0.25%
BANK BALANCE		**20,863,256.60**	

Clerk's Balance	20,747,677.31
Plus Outstanding Checks	140,067.40
Unreconcilable Item	
Less Outstanding Deposits	-24,488.11
	3
	20,863,256.60

600 Water	352,134.99	196,837.59	92,438.18	0.00	114,494.03	342,040.37
620 IMU Administration	26,305.59	0.00	46,440.30	84,458.34	28,611.80	35,711.83
625 Revolving Economic Development	102,579.85	142.75	0.00	0.00	0.00	102,722.60
626 USDA RLF	150,000.00	0.00	0.00	0.00	0.00	150,000.00
630 Electric	1,483,266.48	1,080,002.91	817,842.91	22,568.00	218,725.86	1,549,268.62
640 Fiber/Communications	378,107.26	20,883.58	41,507.75	0.00	7,491.67	349,991.42
700 Water Capital Projects	1,360,149.89	0.00	1,988.93	34,000.00	0.00	1,392,160.96
730 Electric Capital Projects	3,362,531.31	88,560.66	117,063.78	0.00	0.00	3,334,028.19
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	49,414.68	0.00	0.00	23,325.00	0.00	72,739.68
793 Electric Revenue Bonds	856,666.69	0.00	0.00	112,316.67	0.00	968,983.36
855 Liability Insurance Reserve--IMU	20,708.41	29.14	0.00	0.00	0.00	20,737.55
IMU SUB-TOTAL	**9,643,556.50**	**1,386,456.63**	**1,117,281.85**	**276,668.01**	**369,323.36**	**9,820,075.93**

INTEREST DISTRIBUTION	**INTEREST INCOME**	**% OF TOTAL**	**CALYTD**	**FYTD**
Electric Funds	$ 10,962.65	37.63%	$ 16,449.79	$ 74,026.20
Water Funds	$ 2,718.09	9.33%	$ 4,056.64	$ 18,441.34
Sewer Funds	$ 1,034.21	3.55%	$ 1,782.95	$ 7,144.86
Police Retirement	$ 163.14	0.56%	$ 247.19	$ 1,104.60
Community Redevelopment	$ 183.55	0.63%	$ 279.82	$ 1,383.69
All other	$ 14,071.10	48.30%	$ 21,596.63	$ 93,716.11
TOTAL	$ 29,132.74	100.00%	$ 44,413.02	$ 195,816.80

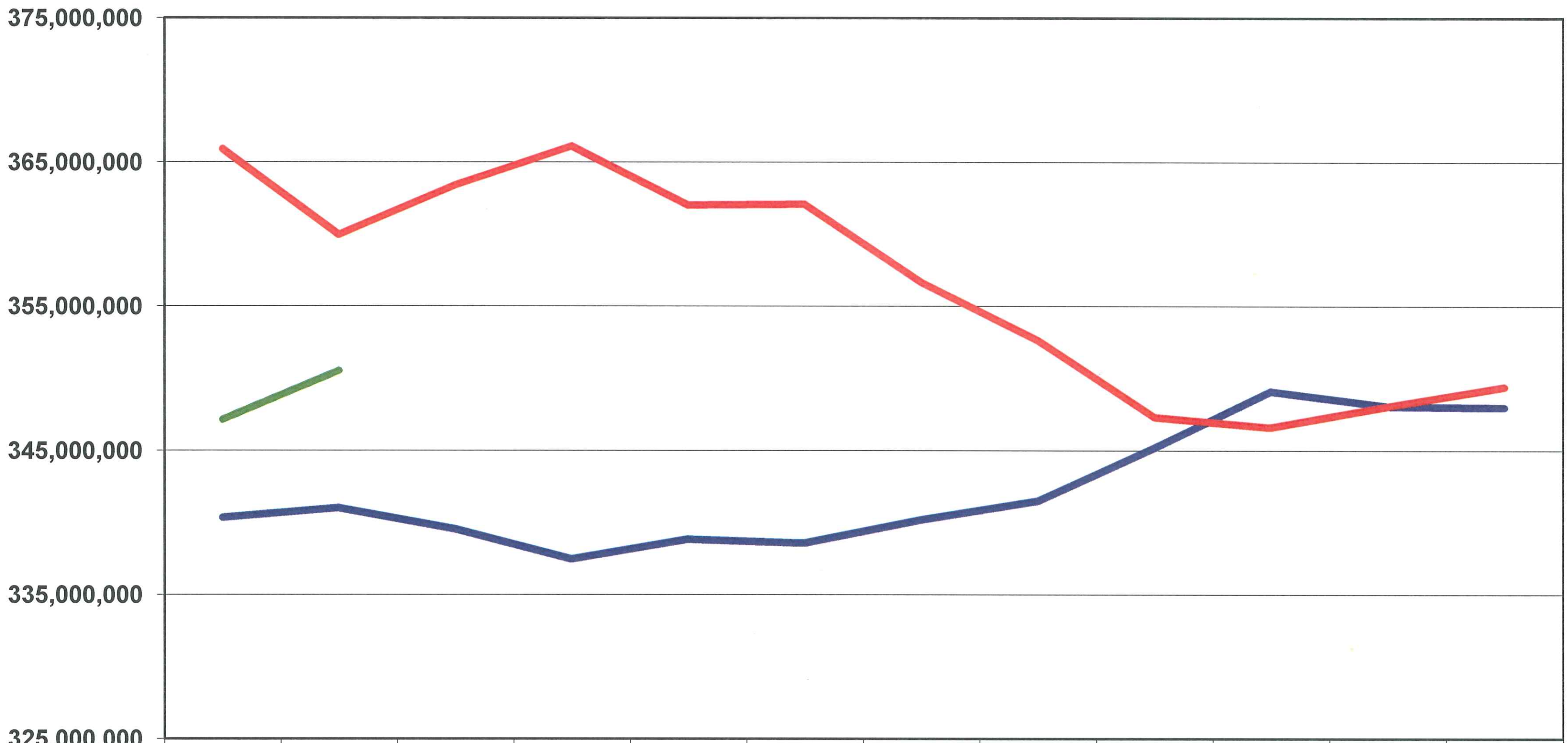
KWH's Sold
(Kwh's sold based on a rolling 12 month total)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010-12 EL Avg	115,504,571	115,510,191	115,146,374	115,035,112	115,264,081	115,450,035	115,932,776	116,191,990	117,696,056	119,480,253	118,086,537	118,170,412
2013	118,891,021	118,202,221	119,631,688	120,171,895	120,076,507	120,932,710	119,588,591	118,315,752	116,056,744	116,714,088	119,004,031	119,704,377
2014	119,720,292	121,443,815										

2010-12 EL Avg 2013 2014

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



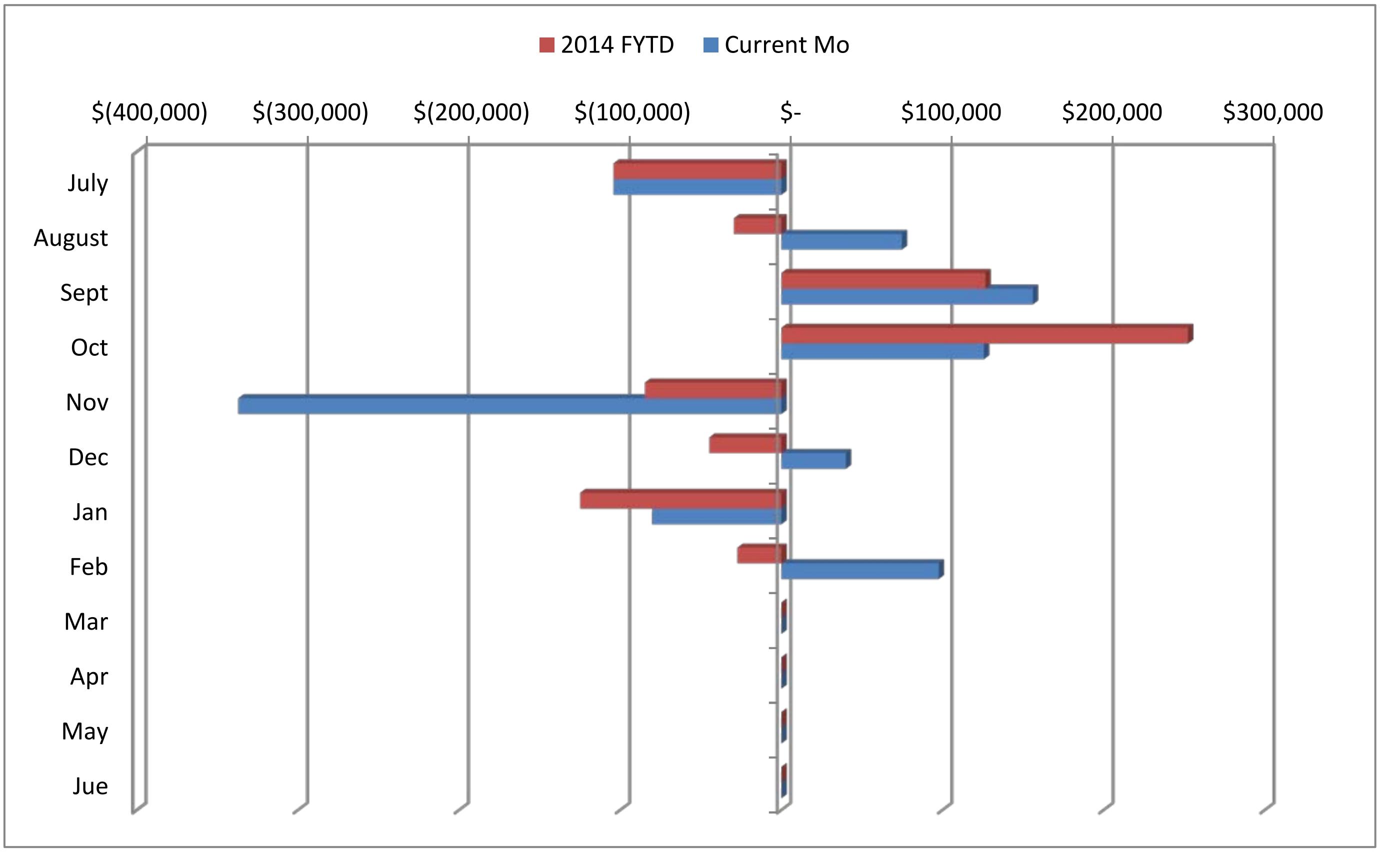
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010-12 WA Avg	340,342,990	341,005,490	339,539,389	337,453,792	338,839,263	338,574,698	340,162,998	341,474,254	345,182,293	349,066,685	348,054,010	347,985,339
2013	365,895,631	359,942,960	363,394,396	366,100,603	362,000,442	362,055,593	356,662,419	352,641,949	347,305,723	346,600,567	348,031,082	349,385,924
2014	347,116,769	350,493,280										

2010-12 WA Avg 2013 2014

2014 February IMU Financial Report Summary

	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Electric Utility:			
Gross Margin	$ 1,897,211	$ 1,846,300	$ 50,911
Cash-based Net Income (incl. Depr.)	$ (27,272)	$ (1,900)	$ (25,372)
Net O&M + Capital Funds Cash Flow	$ (972,929)	$ (350,800)	$ (622,129)
Ending O&M and Capital Fund Balances	$ 4,883,297	$ 5,564,200	
Less-			
Designated for Future Projects	-	-	-
Reserve Targets	3,732,900	3,732,900	-
Over/(Under)	$ 1,150,397	$ 1,831,300	$ (680,903)
Debt Service Coverage Ratio w/o PILOT	1.20	1.23	
Water Utility:			
Cash-based Net Income (incl. Depr.)	$ 454,730	$ 221,700	$ 233,030
Net O&M + Capital Funds Cash Flow	$ 206,117	$ (150,400)	$ 356,517
Ending O&M and Capital Fund Balances	$ 1,734,200	$ 1,377,700	$ -
Less-			
Designated for Future Projects	340,000	340,000	-
Reserve Targets	666,600	666,600	-
Over/(Under)	$ 727,600	$ 371,100	$ 356,500
Debt Service Coverage Ratio w/o PILOT	1.79	1.21	
Communications Utility:			
Net Cash Flow	$ (78,977)	$ (75,600)	$ (3,377)
Ending Fund Balances	$ 349,991	$ 353,400	$ -
Less-			
Designated for Future Projects	-	-	-
Reserve Targets	323,100	323,100	-
Over/(Under)	$ 26,891	$ 30,300	$ (3,409)
Commercial Customers	108	117	-9
Residential Customers	153	180	-27
Administrative Fund:			
Net Cash Flow	$ 35,712	$ 45,500	$ (9,803)

EL - Combined		FYTD ACTUAL		FYTD BUD/RE-EST		VARIANCE
Revenue:						
Sales of Electricity & Peaking	$	8,345,598.31	$	8,436,900	$	(91,302)
Sales Taxes		154,060.86		178,800		(24,739)
Other		918,650.53		1,016,100		(97,449)
Total O&M Revenue	**$**	**9,418,309.70**		**9,631,800**		**(213,490)**
Expenditures:						
Purchased Energy & Fuel	$	6,089,253.99	$	6,231,500	$	(142,246)
Salaries		531,799.86		541,300		(9,500)
Benefits		256,722.51		269,300		(12,577)
Materials, Suppl. & Contracts		345,943.01		344,700		1,243
Sales Taxes & Use Taxes		160,770.89		182,300		(21,529)
PILOT		359,133.36		359,100		33
Debt Service - Interest Only		205,233.36		205,200		33
Overhead, Admin & EE		715,717.74		692,300		23,418
Depreciation (Est)		902,900.00		902,900		-
Total O&M Expenses	**$**	**9,567,474.72**		**9,728,600**		**(161,125)**
Net Income (Operating & Other)	**$**	**(149,165.02)**		**(96,800)**		**(52,365)**
Capital Activities:						
Major Maintenance via Capital Fund	$	(27,500.00)	$	(58,800)	$	31,300
Capital Contributions (Fiber)		125,135.51		121,700		3,436
Capital Contributions (Electric)		24,257.35		32,000		(7,743)
Net Income	**$**	**(27,272.16)**		**(1,900)**		**(25,372)**
Cash Flow:						
Net Income + Depreciation	$	875,627.84	$	901,000	$	(25,372)
Water Loan Principal		143,200.00		143,200		-
Debt Service Principal		(693,300.00)		(693,300)		-
Debt Service Reserve Change		-		-		-
Capital Contributions (Developers)		141,104.04		966,500		(825,396)
Proceeds from Debt Issues		-		-		-
Capital Projects		(1,439,560.67)		(1,668,200)		228,639
Designated for Future Projects		-		-		-
Net Cash Flow	**$**	**(972,928.79)**	**$**	**(350,800)**	**$**	**(622,129)**



	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	$ (27,272)	$ 97,623	$ 608,217	$ 187,264
Mar	$ -	$ -	$ 734,330	$ 126,113
Apr	$ -	$ -	$ 810,152	$ 75,822
May	$ -	$ -	$ 810,203	$ 51
Jue	$ -	$ -	$ 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	$ 8,345,598.31	$ 8,436,900	$ (91,302)
Sales Taxes	154,060.86	178,800	(24,739)
Other	367,313.01	476,900	(109,587)
Fund Revenue	**$ 8,866,972.18**	**$ 9,092,600**	**$ (225,628)**
Expenditures:			
Purchased Energy & Fuel	$ 6,089,253.99	$ 6,231,500	$ (142,246)
Salaries	531,799.86	541,300	(9,500)
Benefits	256,722.51	269,300	(12,577)
Materials, Suppl. & Contracts	345,943.01	344,700	1,243
Sales Taxes & Use Taxes	160,770.89	182,300	(21,529)
PILOT	359,133.36	359,100	33
Debt Service	898,533.36	898,500	33
Overhead, Admin & EE	715,717.74	692,300	23,418
Fund Expenditures	**$ 9,357,874.72**	**$ 9,519,000**	**$ (161,125)**
O&M Activities Cash Flow:	**$ (490,902.54)**	**$ (426,400)**	**$ (64,503)**
Capital Fund Transfer (Out) In	$ 143,200.00	$ -	$ 143,200
O&M Fund Cash Flow:	**$ (347,702.54)**	**$ (426,400)**	**$ 78,697**
Ending Fund Balances:	**$ 1,549,268.62**	**$ 1,470,600**	
17% Reserve Target	**$ 1,955,600.00**	**$ 1,955,600**	
Over/Under Reserve Target	**$ (406,331.38)**	**$ (485,000)**	**$ 78,669**

730 - EL CAP Fund	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Capital Contributions (Fiber)	$ 125,135.51	$ 121,700	$ 3,436
Capital Contributions (Electric)	97,029.39	127,800	(30,771)
Capital Contributions (Reimb)	68,332.00	870,700	(802,368)
Water Loan Principal	143,200.00	143,200	-
Proceeds from Debt	-	-	-
Other	551,337.52	539,200	12,138
Fund Revenue	**$ 985,034.42**	**$ 1,802,600**	**$ (817,566)**
Expenditures:			
Major Maintenance (Est.)	$ 27,500.00	$ 58,800	$ (31,300)
Vehicles	102,347.60	189,300	(86,952)
Relocations & Conversions	888,889.37	1,245,000	(356,111)
New Developments & Line Repl	135,764.68	92,000	43,765
Network Services	133,443.97	135,300	(1,856)
Other/Stock (Out) In	179,115.05	(52,100)	231,215
Fund Expenditures	**$ 1,467,060.67**	**$ 1,668,300**	**$ (201,239)**
Capital Activities Cash Flow:			
Capital Fund Transfer (Out) In	$ (143,200.00)	$ -	$ (143,200)
Designated for Future Projects	-	-	-
Capital Fund Cash Flow:	**$ (625,226.25)**	**$ 134,300**	**$ (759,526)**
Ending Fund Balances:	**$ 3,334,028.19**	**$ 4,093,600**	
Reserve Target	**$ 1,777,300**	**$ 1,777,300**	
Designated for Future Projects			
Over/Under Reserve Target	**$ 1,556,728**	**$ 2,316,300**	**$ (759,572)**

WA - Combined	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Sales of Water	$ 1,585,526.16	$ 1,610,300	$ (24,774)
Sales Taxes	81,742.35	96,600	(14,858)
Other	144,207.72	104,100	40,108
Total O&M Revenue	**$ 1,811,476.23**	**$ 1,811,000**	**$ 476**
Expenditures:			
Salaries	$ 271,896.67	$ 261,700	$ 10,197
Benefits	112,799.35	116,100	(3,301)
Materials, Suppl. & Contracts	241,375.37	237,500	3,875
Sales Taxes & Use Taxes	82,693.34	96,600	(13,907)
PILOT	47,200.00	47,200	-
Debt Service - Interest Only	56,710.64	283,400	(226,689)
Overhead, Admin & EE	141,850.89	138,100	3,751
Depreciation (Est)	352,000.00	352,000	-
Total O&M Expenses	**$ 1,306,526.26**	**$ 1,532,600**	**$ (226,074)**
Net Income (Operating & Other)	**$ 504,949.97**	**$ 278,400**	**$ 226,550**
Capital Activities:			
Major Maintenance via Capital Fund	$ (50,220.25)	$ (56,700)	$ 6,480
Net Income	**$ 454,729.72**	**$ 221,700**	**$ 233,030**
Cash Flow:			
Net Income + Depreciation	$ 806,729.72	$ 573,700	$ 233,030
Debt Service Principal	(426,100.00)	(426,100)	-
Debt Service Reserve Change	-	-	-
Capital Projects	(174,512.67)	(298,000)	123,487
Designated for Future Projects	-	-	-
Net Cash Flow	**$ 206,117.05**	**$ (150,400)**	**$ 356,517**

600 - WA O&M Fund	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Sales of Water	$ 1,585,526.16	$ 1,610,300	$ (24,774)
Sales Taxes	81,742.35	96,600	(14,858)
Other	124,207.72	104,100	20,108
Fund Revenue	**$ 1,791,476.23**	**$ 1,811,000**	**$ (19,524)**
Expenditures:			
Salaries	$ 271,896.67	$ 261,700	$ 10,197
Benefits	112,799.35	116,100	(3,301)
Materials, Suppl. & Contracts	241,375.37	237,500	3,875
Sales Taxes & Use Taxes	82,693.34	96,600	(13,907)
PILOT	47,200.00	47,200	-
Debt Service	482,810.64	709,500	(226,689)
Overhead & Admin	141,850.89	138,100	3,751
Fund Expenditures	**$ 1,380,626.26**	**$ 1,606,700**	**$ (226,074)**
O&M Activities Cash Flow:	**$ 410,849.97**	**$ 204,300**	**$ 206,550**
Capital Fund Transfer (Out) In	$ (272,000.00)	$ (12,000)	$ (260,000)
Debt Service Reserve Change	-	-	-
O&M Fund Cash Flow:	**$ 138,849.97**	**$ 192,300**	**$ (53,450)**
Ending Fund Balances:	**$ 342,038.63**	**$ 395,500**	
17% Reserve Target	**$ 196,100.00**	**$ 196,100**	
Over/Under Reserve Target	**$ 145,938.63**	**$ 199,400**	**$ (53,461)**

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**	**$ -**	**$ 20,000**
Expenditures:			
Major Maintenance (Est.)	$ 50,220.25	$ 56,700	$ (6,480)
Vehicles	-	25,000	(25,000)
Water Towers	-	-	-
Plant	4,955.87	90,000	(85,044)
Water Mains	169,556.80	183,000	(13,443)
Other	-	-	-
Fund Expenditures	**$ 224,732.92**	**$ 354,700**	**$ (129,967)**
Capital Activities Cash Flow:			
Capital Fund Transfer (Out) In	$ 272,000.00	$ 12,000	$ 260,000
Designated for Future Projects	-	-	-
Capital Fund Cash Flow:	**$ 67,267.08**	**$ (342,700)**	**$ 409,967**
Ending Fund Balances:	**$ 1,392,160.96**	**$ 982,200**	**$ 409,961**
Reserve Target	**$ 470,500.00**	**$ 470,500**	**$ -**
Designated for Future Projects	**340,000.00**	**340,000**	**-**
Over/Under Reserve Target	**$ 581,660.96**	**$ 171,700**	**$ 409,961**

640 - NS O&M Fund	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Fiber License Payments	$ 154,681.95	$ 152,100	$ 2,582
Other	6,004.48	3,300	2,704
Fund Revenue	**$ 160,686.43**	**$ 155,400**	**$ 5,286**
Expenditures:			
Salaries	$ 6,832.20	$ 6,900	$ (68)
Benefits	1,133.18	1,200	(67)
Materials, Suppl. & Contracts	157,435.20	154,000	3,435
Overhead, Admin & EE	74,263.03	68,900	5,363
Fund Expenditures	**$ 239,663.61**	**$ 231,000**	**$ 8,664**
O&M Activities Cash Flow:	**$ (78,977.18)**	**$ (75,600)**	**$ (3,377)**
Electric CIAC (Out) In	$ -	$ -	$ -
O&M Fund Cash Flow:	**$ (78,977.18)**	**$ (75,600)**	**$ (3,377)**
Ending Fund Balances:	**$ 349,991.42**	**$ 353,400**	
FY Ending Balance Target	**$ 323,100.00**	**$ 323,100**	
Designated for Future Projects	**-**	**-**	
Over/Under Reserve Target	**$ 26,891.42**	**$ 30,300**	**$ (3,409)**

620 - ADM O&M Fund		FYTD ACTUAL		FYTD BUD/RE-EST		VARIANCE
Revenue:						
IMU Transfers In	$	683,666.72	$	700,500	$	(16,833)
City Transfers In		12,000.00		12,000		-
Refund/Reimbursement		14.84				
Fund Revenue	**$**	**695,681.56**	**$**	**712,500**	**$**	**(16,833)**
Expenditures:						
Salaries	$	210,947.48	$	211,500	$	(553)
Benefits		99,797.66		104,500		(4,702)
Materials, Suppl. & Contracts		123,852.44		124,500		(648)
Overhead, Admin, Shared Staff		225,372.15		226,500		(1,128)
Fund Expenditures	**$**	**659,969.73**	**$**	**667,000**	**$**	**(7,030)**
O&M Fund Cash Flow:	**$**	**35,711.83**	**$**	**45,500**	**$**	**(9,803)**

EL - Combined	FY 2014 BUDGET	FY 2014 RE-EST	FY 2015 BUDGET	CHANGE	FY 2016 PROJECTIONS
Revenue:					
Sales of Electricity & Peaking	$ 11,939,000	$ 11,937,400	$ 12,081,000	$ 143,600	$ 12,511,000
Sales Taxes	321,200	250,000	260,000	10,000	275,000
Other	1,225,000	1,368,200	1,402,000	33,800	1,434,700
Total O&M Revenue	**$ 13,485,200**	**$ 13,555,600**	**13,743,000**	**187,400**	**$ 14,220,700**
Expenditures:					
Purchased Energy & Fuel	$ 7,797,000	$ 8,610,000	$ 9,185,000	$ 575,000	$ 9,643,000
Operational Salaries	750,100	782,200	825,800	43,600	814,300
Operational Benefits	377,800	369,900	390,600	20,700	428,000
Materials, Suppl. & Contracts	518,300	499,600	520,700	21,100	521,800
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	944,800	987,400	42,600	1,014,200
Depreciation (Est)	1,328,500	1,328,500	1,368,400	39,900	1,409,500
Total O&M Expenses	**$ 13,509,900**	**$ 13,636,500**	**14,398,300**	**761,800**	**$ 14,962,000**
Net Income (Operating & Other)	**$ (24,700)**	**$ (80,900)**	**(655,300)**	**(574,400)**	**$ (741,300)**
Capital Activities:					
Major Maintenance via Capital Fund	$ (195,000)	$ (27,500)	$ (60,000)	$ (32,500)	$ (140,000)
Capital Contributions (Fiber)	119,500	182,500	199,000	16,500	217,000
Capital Contributions (Electric)	41,700	41,700	41,700	-	41,700
Net Income	**$ (58,500)**	**$ 115,800**	**(474,600)**	**(590,400)**	**$ (622,600)**

EL - Combined

	FY 2014 BUDGET	FY 2014 RE-EST	FY 2015 BUDGET	CHANGE	FY 2016 PROJECTIONS
Cash Flow:					
Net Income + Depreciation	$ 1,270,000	$ 1,444,300	$ 893,800	$ (550,500)	$ 786,900
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	1,904,600	125,000	(1,779,600)	125,000
Proceeds from Debt Issues	5,000,000	-	-	-	-
Capital Projects	(1,160,600)	(4,184,800)	(593,000)	3,591,800	(973,000)
Designated for Future Projects	-	-	-	-	-
Net Cash Flow	**$ 5,694,200**	**$ (1,321,100)**	**$ 106,000**	**$ 1,427,100**	**$ (390,300)**
Ending O&M and Capital Fund Balances:	$ 11,550,500	$ 4,535,200	$ 4,641,200		$ 4,250,900
Designated for Future Projects	5,000,000	-	-		-
Reserve Targets	3,785,900	3,774,800	3,974,000		4,171,700
Over/(Under)	**$ 2,764,600**	**$ 760,400**	**$ 667,200**	**$ (93,200)**	**$ 79,200**
Days Cash of O&M Activities & Major Main	**188**	**124**	**125**		**110**
Adjusted Days Liquidity	**210**	**138**	**133**		**117**
Debt Service Coverage Ratio w/ PILOT	**1.9**	**1.7**	**2.1**		**2.0**
Debt Service Coverage Ratio w/o PILOT	**1.6**	**1.2**	**1.2**		**1.1**
Fixed Obligation Charge Coverage Ratio	**1.3**	**1.1**	**1.1**		**1.1**
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	$ 11,937,400	$ 12,081,000	$ 143,600	$ 12,511,000
Sales Taxes	321,200	250,000	260,000	10,000	275,000
Other	700,000	559,400	527,700	(31,700)	528,400
Fund Revenue	**$ 12,960,200**	**$ 12,746,800**	**12,868,700**	**121,900**	**$ 13,314,400**
Expenditures:					
Purchased Energy & Fuel	$ 7,797,000	$ 8,610,000	$ 9,185,000	$ 575,000	$ 9,643,000
Operational Salaries	750,100	782,200	825,800	43,600	814,300
Operational Benefits	377,800	369,900	390,600	20,700	428,000
Materials, Suppl. & Contracts	518,300	499,600	520,700	21,100	521,800
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	944,800	987,400	42,600	1,014,200
Fund Expenditures	**$ 12,736,400**	**$ 13,348,000**	**13,569,900**	**221,900**	**$ 14,107,500**
O&M Activities Cash Flow:	**$ 223,800**	**$ (601,200)**	**(701,200)**	**(100,000)**	**$ (793,100)**
Capital Fund Transfer (Out) In	$ (770,000)	$ -	$ 850,000	$ 850,000	$ 575,000
Water Loan Principal In	214,800	554,800	220,200	(334,600)	225,800
O&M Fund Cash Flow:	**$ (331,400)**	**$ (46,400)**	**$ 369,000**	**$ 415,400**	**$ 7,700**
Ending Fund Balances:	$ 1,565,600	$ 1,850,600	$ 2,219,600	$ 369,000	$ 2,227,300
17% Reserve Target	1,881,400	1,997,500	2,123,600	126,100	2,212,300
Over/Under Reserve Target	**$ (315,800)**	**$ (146,900)**	**$ 96,000**	**$ 242,900**	**$ 15,000**

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	166,700	166,700	-	166,700
Capital Contributions (Reimb)	800,000	1,779,600	-	(1,779,600)	-
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**	**$ 3,492,400**	**$ 1,460,200**	**$ (2,032,200)**	**$ 1,515,800**
Expenditures:					
Major Maintenance (Est.)	$ 195,000	$ 92,500	$ 60,000	$ (32,500)	$ 140,000
Vehicles	150,000	167,300	25,000	(142,300)	325,000
Relocations & Conversions	235,000	3,985,300	160,000	(3,825,300)	80,000
New Developments & Line Repl	141,000	138,000	138,000	-	138,000
Network Services	414,600	264,900	225,000	(39,900)	225,000
Other/Stock (Out) In	220,000	(435,700)	45,000	480,700	205,000
Fund Expenditures	**$ 1,355,600**	**$ 4,212,300**	**$ 653,000**	**$ (3,559,300)**	**$ 1,113,000**
Capital Activities Cash Flow:					
Capital Fund Transfer (Out) In	$ 555,200	$ (554,800)	$ (1,070,200)	$ (515,400)	$ (800,800)
Designated for Future Projects	-	-	-	-	-
Capital Fund Cash Flow:	**$ 6,025,600**	**$ (1,274,700)**	**$ (263,000)**	**$ 1,011,700**	**$ (398,000)**
Ending Fund Balances:	**$ 9,984,900**	**$ 2,684,600**	**$ 2,421,600**		$ 2,023,600
4.0% & 3.5 %Reserve Target	**$ 1,904,500**	**$ 1,777,300**	**$ 1,850,400**		**$ 1,959,400**
Designated for Future Projects	5,000,000	**-**	**-**		-
Over/Under Reserve Target	**$ 3,080,400**	**$ 907,300**	**$ 571,200**	**$ (336,100)**	**$ 64,200**

Information

Subject

Streetlights on The Square

Information

This item was tabled at a prior meeting due to lack of consensus. Staff and P&E Engineering recommended a $78,500 project that installed new, decorative, colored spun concrete poles with LED fixtures on the outside of The Square. The black steel poles on the inside of The Square would have new LED fixtures placed on them so the color of the light produced matches that of the outside of The Square.

The cost was $18,500 higher than budgeted.

Since the meeting, staff has discussed options and is collecting additional information. Three options not discussed at the last meeting are:

1. Proceed as planned for the outside of The Square being more decorative given their visibility and proximity to period-style buildings. Then change the scope of the FY 2015 project for replacing those extending from The Square to the highways from spun concrete poles to painted steel poles with limited decorative features to reduce costs.
2. Have all the poles be black painted steel with limited decorative features to reduce costs over the entire replacement schedule.
3. Delay the entire project one or two years and receive more input.

The short, globe-style, poles are nearing the end of their useful life and staff/engineers are not recommending purchasing new long-lasting LED fixtures to be installed on poles of this age & condition that will not meet the lighting levels desired. That option had been discussed at the prior meeting.

The steel poles would look similar to the attached drawing, only the pole will not be fluted or have a base skirt. It is just a round pole with the top features. Options #1 and #2 will have some payback in that the LEDs will use much less energy over a 15-year period and require less maintenance. Staff will need to re-engage officials at the City of Indianola and Keep Indianola Beautiful if there is a desire to consider this change in plans. Trustees should also note that the steel poles will need repainted at various points in their life-cycle, which is a reason staff preferred spun concrete.

Staff is still waiting on quotes from distributors on the steel poles with limited decorative features in order to provide the amount of cost savings, however it is expected to be over $10,000 for this first project (12 new poles replace 20 old). Altering the long-term replacement plan will increase the cost savings from changing pole attributes (as there are over 90 poles to replace).

Perhaps the more essential question to be answered first is if the poles should be minimally decorative and highly functional (steel) or if they should be highly decorative and highly functional (spun concrete) just on the basic cost-saving principle, no matter what those savings are?

The 2-4 year financial trends are not likely to change so Trustees can assume that any replacement dollars spent will be an annual trade-off with other capital project needs. At a minimum, Trustees can provide staff more input on any additional factors to consider and any public input received since prior meetings.

Financial Impact

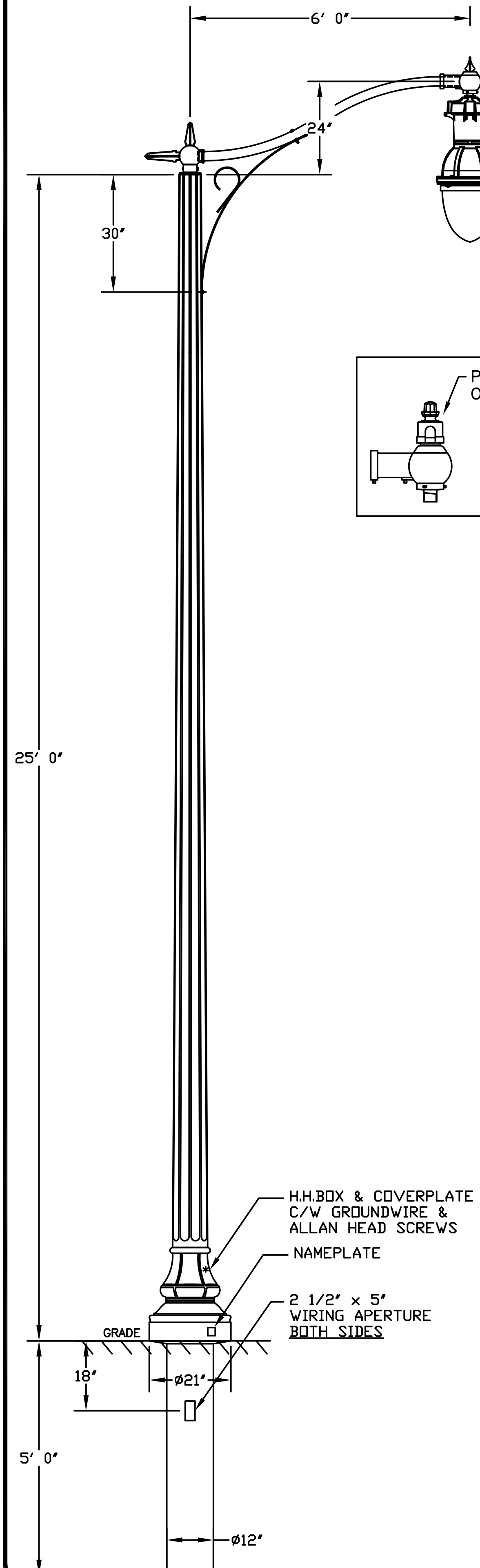
N/A

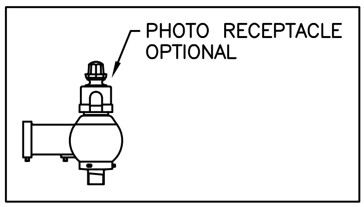
Staff Recommendation

Attachments

Pole Drawing

REV.	ALTERATION	DATE	BY





LUMINAIRE SPECIFICATIONS

CATALOGUE NO.:	K804-FADR-III-165(SSL) -16000-___
QUANTITY:	
OPTICAL SYSTEM:	FLAT ARRAY DEEP RIPPLED LENS
IES LTG. CLASS.:	TYPE III
WATTAGE:	165W
LIGHT SOURCE:	SOLID STATE LIGHTING
SERIES:	16000
LINE VOLTAGE:	_V
PAINT:	TEXTURED BLACK

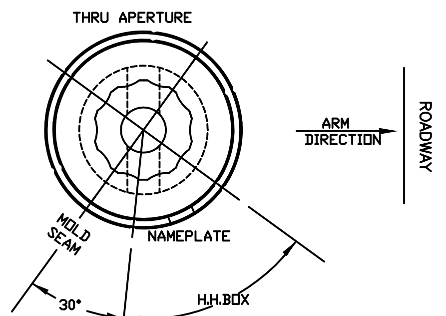
ARM SPECIFICATIONS

CATALOGUE NO.:	KA30-T-1-6'-KPL20
QUANTITY:	
MATERIAL:	ALUMINUM
PAINT:	TEXTURED BLACK

POLE SPECIFICATIONS

CATALOGUE NO.:	KWH25-G-E11 C/W 140-25/30
QUANTITY:	
SECTION:	FLUTED ROUND
COLOR:	ECLIPSE
FINISH:	ETCHED
POLE TOP:	ø5 11/16"
POLE BUTT:	ø12"
POLE LENGTH:	30' 0"
APPROX WEIGHT:	1,825 lbs.
MIN. RACEWAY:	1 1/8"ø

COATINGS REQUIRED:
-2 COATS JB ACRYLIC
FULL LENGTH



TOP VIEW

Notes:
StressCrete makes no claims that the reference embedment depth shown is suitable for supporting this structure. It is recommended that a competent professional evaluate the soils present on site, confirming required embedment depth, hole diameter and backfill material to be used.

CUSTOMER APPROVAL & DATE: ______________________

King Luminaire • StressCrete • Est. 1953

S T R E S S C R E T E
G R O U P

Manufacturing Locations:
Burlington, Ontario 1-800-268-7809
Northport, Alabama 1-800-435-6563
Atchison, Kansas 1-800-837-1024
Jefferson, Ohio 1-800-268-7809

PROJECT/CUSTOMER:
INDIANOLA, IOWA

DRAWN BY:	AT:	CHECKED BY:	DATE:	REVISION:
G.R.	SC1		08/19/11	

DRAWING TYPE:	DRAWING NUMBER:
CONCEPT DRAWING	206A6391-1