



**IMU Board of Trustees
April 14, 2014
Conference Room City Hall
5:30 p.m.**

Agenda

1. Roll Call
2. Consent
 - A. Claims
 - B. Minutes
3. Reports
 - A. General Manager
 - B. Chairperson
 - C. Economic Development - WCEDC
4. 2014 Head Tank Aerator Assembly Replacement Project
 - A. Public Hearing on the Plans, Specifications, Form of Contract, and Estimate of Cost
 - B. Resolution on the Plans, Specifications, Form of Contract, and Estimate of Cost
 - C. Receive Bids
 - D. Resolution Awarding Contract
 - E. Any other items thereto
5. 2014 West Iowa Ave. Water Main Project
 - A. Resolution Approving Construction Contract & Bonds
 - B. Change order #1
 - C. Any other items thereto
6. 2014 Hwy 92 & I-35 Transmission Relocation Project

- A. Change Order #2
 - B. Access easement and handwritten warrant
7. Discussion Items
- A. IMU Partners / EMERGE Update
 - B. Other Business
8. Adjourn

Information

Subject

Claims

Information

The April 7, 2014 Claims List was previously distributed.

Financial Impact

N/A

Staff Recommendation

IMU Regular Upstairs

2. B.

Meeting Date: 04/14/2014

Information

Subject

Minutes

Information

Financial Impact

N/A

Staff Recommendation

Attachments

Minutes

BOARD OF TRUSTEE MINUTES
REGULAR SESSION – MARCH 24, 2014

The Board of Trustees met in regular session at 5:30 p.m. on March 24, 2014 in the City Hall Council Chambers. Vice Chairperson Grant Johnson called the meeting to order and on roll call the following members were present: Heather Hulen, Grant Johnson, Bob Lester (via phone) and Pat Reding. Absent: Eric Vander Linden.

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

March 25, 2014 claims

March 11, 2014 minutes

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

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. Iowa Ave. Water Main Project for Indianola Municipal Utilities, Indianola, Iowa, the Vice 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 Hulen introduced the following Resolution entitled "RESOLUTION ADOPTING PLANS, SPECIFICATIONS, FORM OF CONTRACT, AND ESTIMATE OF COST" for the 2014 West Iowa Avenue Water Main Project, and moved that it be adopted. Board Member Lester seconded the motion to adopt. The roll was called and the vote was, AYES: Johnson, Reding, Lester and Hulen. NAYS: None. Absent: Vander Linden. Whereupon, the Vice Chair declared the following resolution duly adopted:

RESOLUTION ADOPTING PLANS, SPECIFICATIONS, FORM OF CONTRACT AND ESTIMATE OF
COST (2014 West Iowa Avenue Water Main Project)

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

The Vice 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 West Iowa 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.

Vanderpool Construction, Inc.	\$186,537.50
GM Contracting, Inc.	\$194,188.00
Synergy Contracting, LLC	\$256,671.50

The City Clerk and the IMU General Manager then recommended that the bid of Vanderpool Construction in the amount of \$186,537.50 be accepted.

Continued on Page 108

BOARD OF TRUSTEE MINUTES
REGULAR SESSION – MARCH 24, 2014 (Continued)

Board Member Lester introduced the following resolution entitled “RESOLUTION MAKING AWARD OF CONSTRUCTION CONTRACT” for the 2014 West Iowa Water Main Project to Vanderpool Construction in an amount of \$186,537.50, and moved its adoption. Board Member Hulen seconded the motion to adopt. The roll was called and the vote was, AYES: Hulen, Johnson, Reding and Lester. NAYS: None. Absent: Vander Linden. Whereupon, the Vice Chair declared the following resolution duly adopted.

RESOLUTION MAKING AWARD OF CONSTRUCTION CONTRACT
For the West Iowa Water Main Project

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

The February 2014 Treasurer’s Report was approved on a motion by Reding and seconded by Hulen. Question was called for and on voice vote the Vice Chairperson declared the motion carried unanimously.

Jerry Kelley, 510 North I Street, Indianola, Iowa, provided an update on the Indianola Development Association’s (IDA) activities pertaining to their 2-year Memorandum of Understanding (MOU) with IMU.

The quotes for the Streetlights on The Square was tabled until more price options are available between steel poles with limited decorative features or spun concrete poles with decorative features.

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

Grant Johnson, Vice Chairperson

Diana Bowlin, City Clerk

IMU Regular Upstairs

3. A.

Meeting Date: 04/14/2014

Information

Subject

Administrative News Items

Information

Financial Impact

N/A

Staff Recommendation

Attachments

News Items

NEWS ITEMS

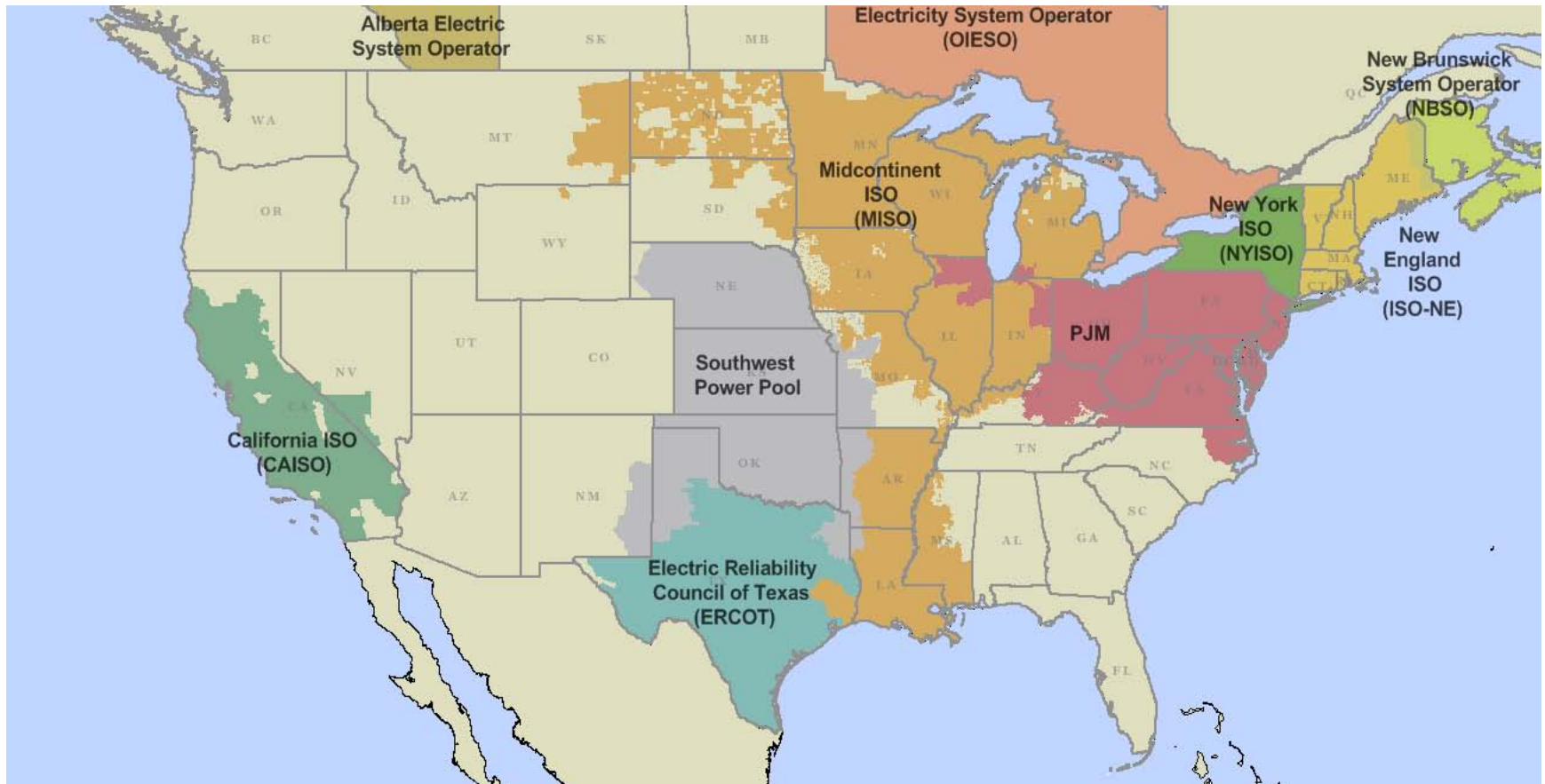
TO: IMU Trustees
FROM: IMU Administrative Staff
DATE: April 11, 2014

- 1. RP3 Award:** IMU was again recognized as a Platinum-level Reliable Public Power Provider (RP3 Award) by the American Public Power Association. This 3-year designation has been earned by 184 utilities nationwide out of the more than 2,000 public power communities. RP3 criteria allocate points for system reliability, system improvements, safety, and workforce development. The designation demonstrates industry praise for many of Trustees' strategic goals & operating strategies. Many thanks to IMU's Chris Longer for compiling the application and the Electric Dept. team for all their work. IMU staff intends to highlight the RP3 award in coming months.
- 2. MCG Marketing/Signups:** Doug Pals of Re:Sourceful Communications, MCG's marketing firm, met with IMU staff on Thursday. He is re-compiling an address list of potential customers based on revised GIS information of where fiber is available. A new set of direct mail pieces is expected to begin being sent in the first week of May. There are now over 200 residential customers and 107 commercial customers when including the multi-family dwelling units that will show on status reports starting in August, relatively close to budget.
- 3. New OSHA Requirements:** The federal Occupational Safety and Health Agency has overhauled work rules related to the electric generation, transmission, and distribution work for the first time in about 40 years. The new rules go into effect July 2014. Some standards, such as fall protection, become enforceable actions later. The American Public Power Association and Iowa Association of Municipal Utilities have been monitoring proposed changes, most of which are formal adoptions of today's standard industry practices. From IMU's perspective, Electric Supt. Bob Miller and Technical Director Mike Metcalf will work in their respective areas to implement any new standards.
- 4. Iowa Administrative Code:** The Iowa Association of Municipal Utilities reports that the State of Iowa formally adopted the 2012 National Electric Safety Code, handbook, and errata in the Iowa Administrative Code. IMU's Electric Service Plan refers to the most recent Iowa Electric Safety Code as adopted in the Iowa Administrative Code, so there is no action needed by Trustees in order to adopt the code and expect the Electric Utility to follow its guidelines for new facilities. Older facilities are grandfathered as compliant with the code in effect at the time of construction as long as the utility retains older versions.
- 5. I-35/Hwy 92 Project:** Michaels Power started construction this week.
- 6. W. IA Water Main Project:** Vanderpool Construction intends to start within the next 2 weeks. Letters to homeowners in the area will be distributed.

7. **Consumer Reports Article:** IAMU released Consumer Reports' ratings on national TV, Phone & Internet carriers based on customer surveys. The CenturyLink/DirecTV bundle placed average (8/14) while Mediacom was last (14/14). CenturyLink's Internet service placed better at 6 out of 29 while Mediacom was 28th. DirecTV was 5th, Dish was 6th, and Mediacom 17th out of 17 television services. These results somewhat mirror IMU staff's customer experiences in that more Mediacom customers seem to make the switch to MCG service than satellite TV customers with CenturyLink DSL service.
 8. **MISO Winter Report:** MISO released their Winter Report spanning operations over the winter peaking period. Forced outages escalated with temperature drops in January – March. Utilities in MISO were still able to export on most peak days to the eastern seaboard PJM market, despite these forced outages. A separate report by PJM shows an increased reliance on imports from other markets due to forced outages (interruptible gas-fired generation).
- The significance of these trends is that market-based power prices are heading higher due to regional and fuel availability factors. So when MEAN's base-load units are under repair and they are supplementing Iowa members' load with market purchases, which happened this winter, it does and will indeed cost more based on these external factors. It also shows the disadvantages of relying on market-based sources.
9. **MEAN/FYTD Position:** MEAN's fiscal year ends March 31 of each year. February's financials just released show stabilization of its financial position. No Purchased Energy Adjustment was imposed again for February. Net income is \$1.78 million above budget with 1 month to go (out of about \$170 million revenue/expense). Both revenues and expenses were higher than budget. Revenue per kWh within the members' rate structure was sufficient to cover increased costs for the market purchases of energy needed to serve participants' load.
 10. **APPA/Capacity Markets:** The American Public Power Association participated in a congressional briefing regarding the inability of ISO (such as MISO & PJM) markets to efficiently supply capacity. **The attached map shows** the regional market boundaries (defined by who owns the transmission and which ISO they have voluntarily joined). APPA contends that the market mechanisms such as short-term auctions are fundamentally not able to incentivize building new generation due to short-term price swings being incompatible with long-term financing for power plant construction.

MEAN's experience with the WEC 2 plant, brought online during Iowa's transition into market-based pricing when MidAmerican joined MISO and NPPD joined the SPP is a very good example. Capacity and energy prices in the short-term are below long-term ownership cost. Yet, with announced retirements and planned exports, tight supplies are expected by MISO in 2015 and beyond. MEAN had counted on stable, traditional, and bilateral pricing when planning the plant 10 years ago and prior to the regional expansion of markets.

RTO Map



IMU Regular Upstairs**3. C.****Meeting Date:** 04/14/2014

Information**Subject**

Economic Development - WCEDC

Information

Warren Co. Economic Development Corp.'s Executive Director Jason White will attend to present an update on their organization's activities. IMU is funding \$2,500 per year from the Network Services budget to WCEDC, as they are promoting that utility in their presentations and helping attract new business customers.

Financial Impact

N/A

Staff Recommendation

Information

Subject

Public Hearing on the Plans, Specifications, Form of Contract, and Estimate of Cost

Information

The first order of business is to conduct a public hearing on the plans, specifications, form of contract, and estimate of cost.

The Board Chair opens and closes the public hearing. No comments, following the publication of the public hearing notice, have been received to-date.

Financial Impact

N/A

Staff Recommendation

Information

Subject

Resolution on the Plans, Specifications, Form of Contract, and Estimate of Cost

Information

The next agenda item is for Trustees to adopt the attached resolution on the Plans, Specifications, Form of Contract, and Estimate of Cost.

Financial Impact

N/A

Staff Recommendation

Roll Call vote is in order.

Attachments

Resolution

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 Head Tank Aerator Assembly Replacement 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 Head Tank Aerator Assembly Replacement 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 Head Tank Aerator Assembly Replacement 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:

Meeting Date: 04/14/2014

Information

Subject

Receive Bids

Information

The attached bid tab and recommendation was prepared by engineers at Veenstra & Kimm for the project.

Financial Impact

N/A

Staff Recommendation

Attachments

Bids



VEENSTRA & KIMM, INC.

3000 Westown Parkway • West Des Moines, Iowa 50266-1320

515-225-8000 • 515-225-7848(FAX) • 800-241-8000(WATS)

April 11, 2014

Todd Kielkopf
General Manager
Indianola Municipal Utilities
111 South Buxton
P.O. Box 356
Indianola, IA 50125

INDIANOLA MUNICIPAL UTILITIES
INDIANOLA, IOWA
HEAD TANK AERATOR ASSEMBLY REPLACEMENT
RECOMMENDATION TO AWARD CONTRACT

The Indianola Municipal Utilities received bids on April 10, 2014 for the Head Tank Aerator Assembly Replacement project. A total of two bids were received as follows:

Contractor	Total Bid
Weidner Construction, Inc.	\$79,990
C.L. Carroll Company, Inc.	\$167,761

The apparent low bid was submitted in the amount of \$79,990.00 by Weidner Construction Inc. of Marshalltown, Iowa. The Engineers Estimate of cost for the construction of the project was \$150,000.

Veenstra & Kimm, Inc. recommends the Indianola Municipal Utilities designate Weidner Construction, Inc. as the apparent low bidder and award the contract to Weidner Construction, Inc. for the Head Tank Aerator Assembly Replacement project.

A copy of the bid tabulation is enclosed.

Todd Kielkopf
April 11, 2014
Page 2

If you have any questions or comments, please contact us at 225-8000.

VEENSTRA & KIMM, INC.

A handwritten signature in blue ink, appearing to read "Forrest Aldrich". The signature is fluid and cursive, with the first name "Forrest" and last name "Aldrich" clearly distinguishable.

Forrest S. Aldrich

FSA:jrh
28582
Enclosure

**HEAD TANK AERATOR ASSEMBLY REPLACEMENT
INDIANOLA MUNICIPAL UTILITIES
INDIANOLA, IOWA**

BID TABULATION

Construct Head Tank Aerator Assembly Replacement including all labor, materials, and equipment necessary to provide 16-inch bypass piping, 16-inch and 24-inch butterfly valves, removal of existing aerator, fabrication and installation of new aerator, and miscellaneous associated work, including cleanup, for the Bid Price of:

Weidner Construction, Inc.
2607 255th Street
Marshalltown, Iowa 50158

C.L. Carroll Company, Inc.
3623 Sixth Avenue
Des Moines, Iowa 50313

\$79,990

\$167,761

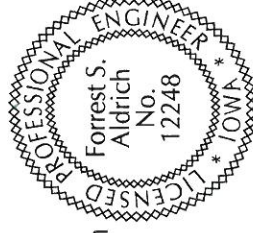
I hereby certify that this is a true tabulation of bids received on
April 10, 2014 by the Indianola Municipal Utilities,
Indianola, Iowa

Forrest S. Aldrich

Forrest S. Aldrich

Iowa License No. 12248

My license renewal date is December 31, 2015



Meeting Date: 04/14/2014

Information

Subject

Resolution Awarding Contract

Information

IMU staff and V&K are recommending awarding the contract to the low bidder, Weidner Construction in the amount of \$79,990.

V&K did contact Weidner to confirm their understanding of the scope of work. Also, V&K have reviewed their work in the past on water & sewer plant remodeling projects and have had positive experiences.

Financial Impact

N/A

Staff Recommendation

Roll call vote awarding the contract to Weidner Construction in the amount of \$79,990 is in order.

Meeting Date: 04/14/2014

Information

Subject

Resolution Approving Contract

Information

The attached resolution approves the construction contract & bond with Vanderpool Construction, which have been reviewed by legal counsel.

Financial Impact

N/A

Staff Recommendation

Attachments

Resolution

RESOLUTION APPROVING CONSTRUCTION CONTRACTS AND BONDS

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

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

PASSED AND APPROVED this _____ day of _____, 2014.

ERIC VANDER LINDEN, Chair

ATTEST:

DIANA BOWLIN, City Clerk

Meeting Date: 04/14/2014

Information

Subject

Change order #1

Information

Attached is V&K recommendations to approve change order #1, which is a change in specifications to meet DNR regulations at no additional cost.

Financial Impact

N/A

Staff Recommendation

Attachments

Change Order



VEENSTRA & KIMM, INC.

3000 Westown Parkway • West Des Moines, Iowa 50266-1320

515-225-8000 • 515-225-7848(FAX) • 800-241-8000(WATS)

April 7, 2014

Todd Kielkopf
General Manager
Indianola Municipal Utilities
111 South Buxton
P.O. Box 356
Indianola, IA 50125

INDIANOLA MUNICIPAL UTILITIES
INDIANOLA, IOWA
WEST IOWA AVENUE WATER MAIN PROJECT
CHANGE ORDER NO. 1

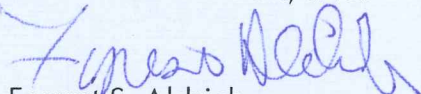
Enclosed are three signed copies of Change Order No. 1 in accordance with the contract between the Indianola Municipal Utilities and Vanderpool Construction, Inc. for the West Iowa Avenue Water Main Project.

We recommend approval of Change Order No. 1 by the Board of the Indianola Municipal Utilities. Change Order No. 1 is for amendments to the project specifications at the request of the Iowa Department of Natural Resources. Change Order No. 1 does not change the contract price or modify the completion date for the West Iowa Avenue Water Main Project.

Please execute all three copies of Change Order No. 1 in the spaces provided. Please return one copy to Veenstra & Kimm, Inc., forward one copy to Vanderpool Construction, Inc., and retain one copy for your files.

If you have any questions or comments, please contact us at 225-8000.

VEENSTRA & KIMM, INC.


Forrest S. Aldrich

FSA:skk

Enclosure

cc: Lou Elbert, IMU w/ enclosure

IMU Regular Upstairs

6. A.

Meeting Date: 04/14/2014

Information

Subject

Change Order #2

Information

MEC has changed specifications to their underbuild in the amount of \$1,150 (see attached). They will reimburse IMU for this change order.

Financial Impact

N/A

Staff Recommendation

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. 2

Owner: Indianola Municipal Utilities
Contractor: Michels Power, a division of Michels Corporation
Project: 2014 Hwy 92 & I-35 Transmission Relocation Project
Date: March 21, 2014

Original Contract Amount	\$	423,624.16
Previous Change Order Adjustments	\$	11,600.00
Amount of this Change Order	\$	1,150.00
Current Value of Contract	\$	436,374.16

Items included in this Change Order

Item	Description	Amount
1	Make the following changes related to the MEC underbuild distribution construction, as shown on drawing set WMS-REV.2294851-2. Secondary wire size changed to #6 triplex for 3ph recloser (poles 65-66 on page 2) Added cutout/fuse for 1ph tap across road (pole TLS009 on page 2) Added cutouts/fuses for future 3ph tap (pole TLS007 on page 5) Changed fuse size to 50T's at pole RM80 on page 6 Owner will provide all materials in accordance with Contract.	\$ 1,150.00

Total Value of Change Order \$ 1,150.00

Recommended for Approval


Allan Powers, PE
P & E Engineering Co.

Date 3/21/14

Approved

For Indianola Municipal Utilities

Date _____

Accepted by Contractor

For Michels Power, a division of Michels Corporation

Date _____

Meeting Date: 04/14/2014

Information

Subject

Access easement and handwritten warrant

Information

An access easement to be used during construction has been negotiated (see attached) that is needed to begin construction on the project. P&E is requesting a handwritten warrant to maintain the project schedule. It was an oversight by all involved that a farm drive was not available.

Financial Impact

N/A

Staff Recommendation

Attachments

Access Easement



RECOMMENDATION FOR PAYMENT

Owner: Indianola Municipal Utilities
Payable to: T. Alan Benshoof and Robert Benshoof
Project: 2014 Hwy 92 and I-35 Distribution Relocation Project
P&E Project No. 9061

Date 4/9/2014

Full amount of payment \$ 1,250.00

Current Payment Amount \$ 1,250.00

Remaining Payment \$ -

Amount Due with this Application \$ 1,250.00

(Payable to T. Alan Benshoof and Robert Benshoof)

This is full payment for the attached access agreement.
The payment must be delivered to Benshoof's and a
signed receipt obtained from them prior to utilizing
the access route covered by the agreement.

Allan Powers, P.E.
P&E Engineering Co.

INGRESS-EGRESS EASEMENT

For and in the consideration of the sum of one dollar (\$1.00) and other valuable consideration receipt of which is hereby acknowledged; T. Alan Benshoof and Robert Benshoof, owners of the property described herein, (collectively, the "Grantor") grant to the City of Indianola acting through the Indianola Municipal Utilities, an Iowa municipal corporation, ("Grantee"), a temporary easement for ingress-egress access for construction of a new electric transmission line to be constructed on the land owned by the grantors. The Easement Area is located in the southwest quarter of Section 20, Township 76 North, Range 25 West of the 5th principal meridian in Warren County, Iowa and south of Warren County Jersey St.

The general access route will enter the property from the south side of Jersey St approximately 1100 ft east of 20th Ave., extending south to the north side of an existing waterway, and then following the north and east edge of the waterway to the existing easement that has been granted to the City of Indianola for construction of a 69 kV transmission line. The access route will be 30 ft in width and approximately 1300 ft long, with the exact route to be defined by the Grantor.

Grantee agrees to pay to Grantor a one time lump sum amount for the use of the access route from April 1, 2014 through July 1, 2014 or until construction of the transmission line is completed, whichever occurs first. This one time payment will cover all aspects of the use of the access route by Grantee, including loss of use of the access route for crop planting, reduced crop yields, and all restoration work necessary to return the access route to normal crop production.

Grantee will be responsible for all costs to make the route suitable for the intended use. Any improvements, including a new culvert and field entrance at Jersey St. will be left in place for the future use of the Grantor.

This agreement will terminate upon completion of the transmission line construction, but no later than July 1, 2014.

The Grantor herein covenants that they have full and lawful right to convey the interest created by this instrument.

Dated this 19th day of March, 2014

T. Alan Benshoof
Signature

T. Alan Benshoof
Print

Robert Benshoof
Signature

Robert Benshoof
Print

RECEIPT FOR PAYMENT
FOR INGRESS-EGRESS EASEMENT

We; T. Alan Benshoof and Robert Benshoof, hereby acknowledged receipt of a check from the City of Indianola in the amount of \$1,250 for full and complete payment for the attached temporary easement for ingress-egress access. This agreement grants access rights to the City of Indianola acting through the Indianola Municipal Utilities to allow construction of a new electric transmission line on the land owned by the grantors.

This attached agreement will be effective immediately upon signing of this receipt, and will terminate upon completion of the transmission line construction, but no later than July 1, 2014.

Dated this _____ day of _____, 2014

Signature

T. Alan Benshoof
Print

Signature

Robert Benshoof
Print

Information

Subject

Economic Development - Indianola Development Association

Information

At the last Trustee meeting, information pertaining to the status of the IDA's activities as they related to the Memorandum of Understanding was presented. The purpose of this agenda item is to initiate discussions about the structure and services that Trustees want after that MOU expires on June 30, 2014.

The IMU Partners Association was formed as a 28E entity between IMU (electric & communications utilities), the Indianola Development Association, and MCG of Oskaloosa. Its core purposes are to:

1. Promote use and expansion of the IMU communications system, particularly MCG and any future auxiliary services provided by other partners.
2. Develop new utility partners and auxiliary services.
3. Promote broadband use and adoption through community outreach by participating in the Iowa Connected Communities Program.
4. Enhance growth of local business and other entities. This is where EMERGE fits, which is the main focus of this agenda item.

Note that there are actually 3 components to EMERGE:

1. The EMERGE Hub incubator-in-a-box platform with mentoring services
2. The EMERGE@Simpson College campus-based program
3. The EMERGE Center proposal for a facility at the current Masonic Temple site.

Staff's recommendation is to consider start funding IDA activities through the IMU Partners starting in FY 2015, or this coming July 1. This would use the existing budgeted \$25,000 (reduced from current \$50,000) in the Electric Utility for economic development. The additional \$10,000 budgeted in the Communications Utility for Sponsorship/Support would also be appropriated to IMU Partners to fund other programs. IDA & IMU staff time will shift from mainly EMERGE planning to implementing the 4 broader purposes described above. The IDA is an IMU Partners 28E member and will indeed receive up to \$25,000 next fiscal year for helping meet specific objectives, which will need specified in a new MOU. More information on those objectives is available in the attached memo.

A franchise model is being developed for the EMERGE Hub that combines use licenses, local human capital attraction efforts, promoting it to interested investors/mentors, and building a network of trusted business service providers. This will help bring outside and self-sustaining financial resources. A primary role for the IDA will be to maximize the local benefit and resources using Indianola's license. The IDA will also work with IMU staff to solicit Members Council memberships.

If funding for the EMERGE Center becomes viable, a separate one-time IMU Trustee appropriation from the Communications Utility is budgeted and available. As the Communications Utility adds customers, its Sponsorship/Support budget can grow to match that of the electric utility. Funding priorities for contracted parties, such as the IDA and others, can then adjust based on broader needs.

The strategic goal of this integrated approach is to better leverage IMU's technological infrastructure investment. The value of the network is what it brings to the community. It comes in the form of cost savings, new opportunities, and providing local businesses the tools they need to expand and grow. Increasingly, attaining those rely on both human capital & advertising/marketing as well as infrastructure in order to attract both rooftops and electric load growth.

Attached is a presentation prepared by the EMERGE planning team that will be used to sell beta version franchises to potential partnering communities. Interest in hearing the presentation and seeing the beta version of the site has already been expressed by other potential partners. Funds collected from beta version site licenses would be used to further develop the EMERGE Hub site and the legal agreements needed to implement it.

Core concepts behind EMERGE have now been vetted. Students participating in the EMERGE@Simpson College program are both expanding their horizons and finding both success & failure to be valuable. Ventures are being formed, one of which has already received state innovation funding. Demonstration sites and product models are being designed and tested. Mentors are following projects and have actively participated. A venture capital fund has expressed interest in funding a local venture.

The EMERGE project is at a major inflection point in that it is financially able to leverage IMU's future investment of \$25,000 per year several times over now that initial structure is set, marketing messages defined, and the beta site is functional. Local/regional site licenses, a corporate bundle of site licenses & continuing education experiences at Simpson, equity stakes in the EMERGE Hub and naming rights to the EMERGE Center will all be investigated. The EMERGE@Simpson College program will be separately funded through donations & grants. Other leverage is being gained thru in-kind time spent by Simpson College professors/staff, Chris Draper and his team at Meidh, and local mentors/investors.

In addition to the attached Memo & Presentation slides, you will find letters of support for EMERGE from Simpson College President Jay Simmons and Bob Riley, Chair of the Iowa Innovation Corp.

Financial Impact

N/A

Staff Recommendation

Attachments

[Presentation](#)

[EMERGE support letter](#)

[EMERGE support letter #2](#)

[Riley Letter](#)

[Simmons Letter](#)

MEMO

The IMU Partners Association was formed as a 28E entity between IMU (electric & communications utilities), the Indianola Development Association, and MCG of Oskaloosa. Its core purposes are to:

1. Promote use and expansion of the IMU communications system, particularly MCG and any future auxiliary services provided by other partners. Strategies for joint marketing efforts are being developed by Re:Sourceful Communications, MCG, and IMU staff. Funding will be derived primarily from the Network Services utility budget and MCG.
2. Develop new utility partners and auxiliary services. The initial primary strategy is to help local businesses reach local customers through a local video channel, which would also be available to non-MCG customers via the Internet. It is hoped that local ad insertion onto metro & national channels will also become viewable by MCG customers. A local mobile application integrated with the local channel may also be feasible. This program should become self-sustaining using advertising revenue to fund contracted firms that specialize in these areas. Discussions have already been held with both the Record-Herald/Gannett staff (for collaboration & sales), the Iowa Cable Advertising Network (for ad sales & video production), and Simpson College (for alumni relations).
3. Promote broadband use and adoption through community outreach by participating in the Iowa Connected Communities Program. Examples may include efforts to promote Indianola's image as a technology leader in the metro, STEM activities at Indianola schools such as its new HyperStream program, and support of digital literacy at the Indianola Library and Activity Center. Funding broader WCEDC activities and having staff participation within their and Indianola Chamber of Commerce's promotional efforts also fits within this program. IMU staff's goal is to have its staff lead these efforts and collect sponsorship funds through memberships sold via the Indianola Development Association. The IDA is a member of the 28E in order to create an IMU Partners Member Council that collects these funds and has limited representation for its members. The advantage of this arrangement is that members can join and leave without impacting the 28E entity's governance structure.
4. Enhance growth of local business and other entities. This is where EMERGE fits within the overall strategy and the primary focus of this presentation. IMU staff has negotiated non-exclusive use of EMERGE services for (a) Indianola-specific new ventures, (b) use by WCEDC efforts to promote new business formation that have grown beyond their initial venture stage, and (c) integration of EMERGE@Simpson College student-led ventures into the Indianola local economy in perpetuity. The IDA is the local resource for maximizing the use of available EMERGE resources, be it human or financial capital.

Note that there are actually 3 components to EMERGE:

1. The EMERGE Hub incubator-in-a-box platform with mentoring services
2. The EMERGE@Simpson College campus-based program
3. The EMERGE Center proposal for a facility at the current Masonic Temple site.

Attached is a presentation prepared by the EMERGE planning team that will be used to sell beta version franchises to potential partnering communities. Interest in hearing the presentation and seeing the beta version of the site has already been expressed by other potential partners. Funds collected from beta version site licenses would be used to further develop the EMERGE Hub site and the legal agreements needed to implement it.

A franchise model is being developed that combines use of the EMERGE Hub licenses, local human capital attraction efforts, promoting it to interested investors/mentors, and building a network of trusted business service providers. The IDA will work to:

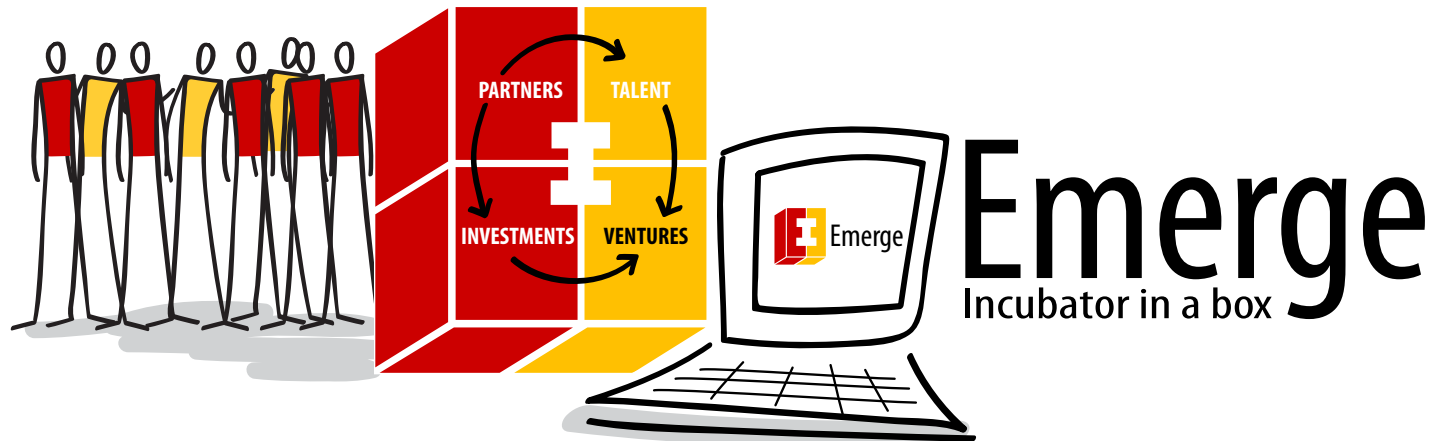
- Develop outside and self-sustaining financial resources.
- Solicit and manage IMU Partners Members Council memberships.
- Help plan and attract new auxiliary network services.
- Plan and host relationship events and marketing efforts highlighting IMU Partners activities & value to Indianola.
- Maximize the value of the Indianola EMERGE Hub license to the local business community.
- Integrate EMERGE@Simpson College into the metro economy.
- Planning for the EMERGE Hub Center.

Link to the EMERGE Hub how-to video:

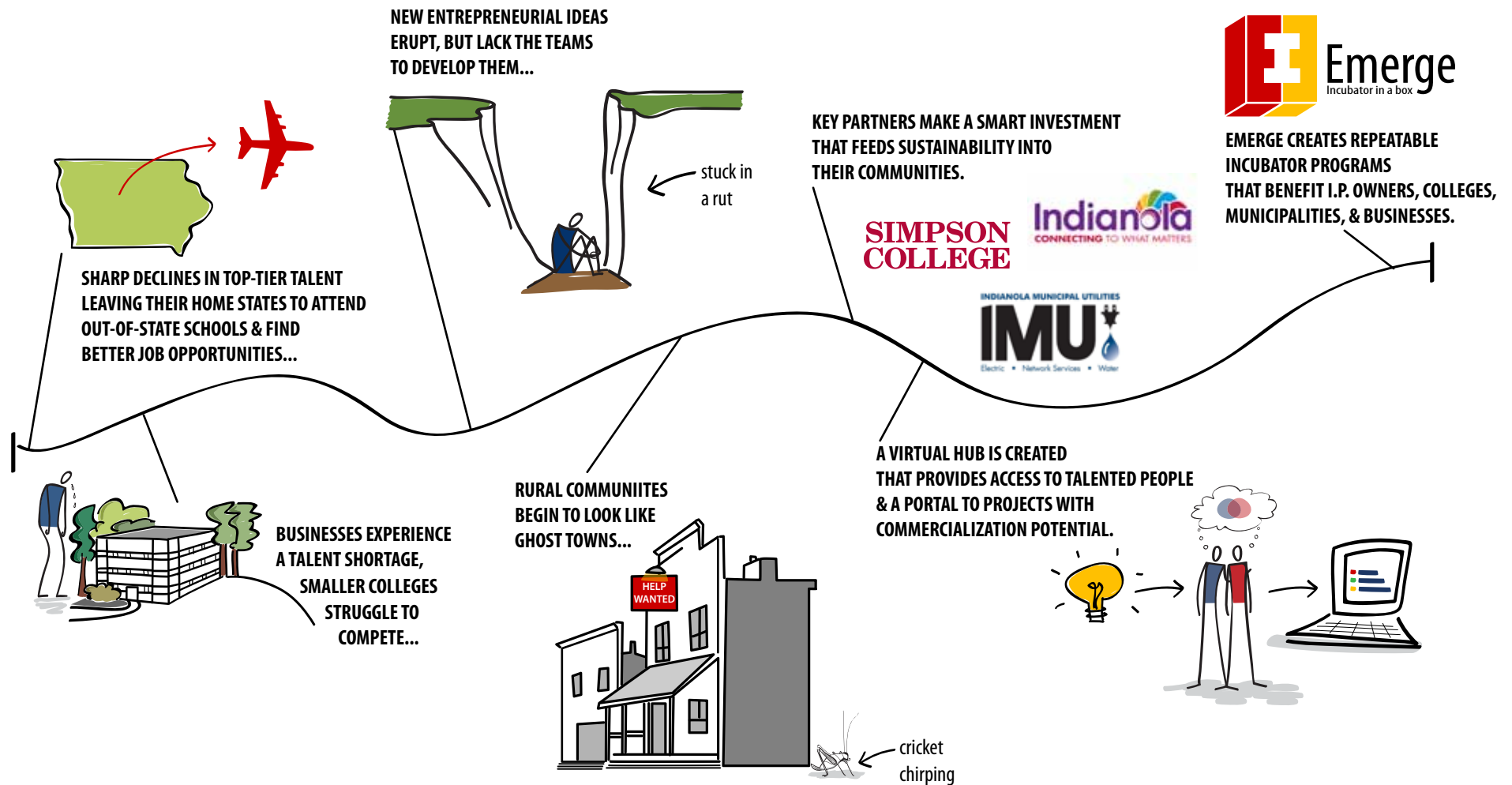
<http://www.emergehub.org/info/about/using-the-emergehub/>



The story of our organization,
what we do,
and how you can be a part of it



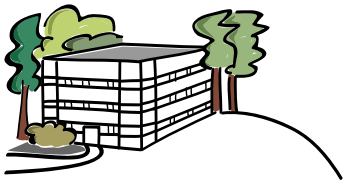
The EMERGE Story - How & Why We Began



Who We Serve & What They Need

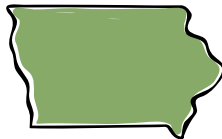


SMALL COLLEGES



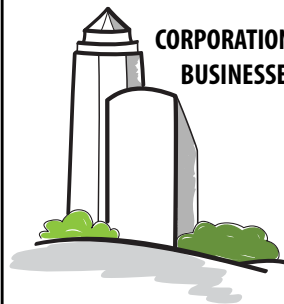
- NEED TO DIFFERENTIATE THEMSELVES
- NEED A NEW RECRUITING STRATEGY
- WANT TO ATTRACT A BROADER RANGE OF STUDENTS WHO ARE ALREADY FUNDED
- WANT TO CREATE A BETTER "TOWN TO GOWN" EXPERIENCE FOR STUDENTS

MUNICIPALITIES & ECONOMIC DEVELOPMENT ORGANIZATIONS



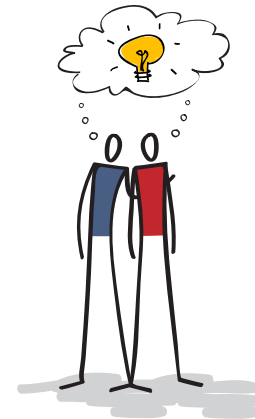
- NEED A FUNNEL FOR ATTRACTING VENTURE FUNDING
- NEED ACCESS TO TALENT OUTSIDE THEIR COMMUNITY IN ORDER TO BUILD A WIDER RESOURCE BASE
- WANT THE REGION TO "GROW THEIR OWN" & KEEP OPPORTUNITIES LOCAL
- WANT TO REACH RURAL AREAS & CREATE OPPORTUNITY IN MORE PLACES

CORPORATIONS & BUSINESSES



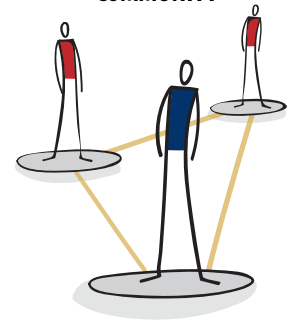
- NEED HELP TO TEACH EMPLOYEES HOW TO INNOVATE IN TEAMS
- NEED TO ATTRACT TOP TALENT
- NEED TO HELP EMPLOYEES LEARN HOW TO TAKE SMART RISKS
- NEED TO RETAIN TOP TALENT THROUGH EXPERIENTIAL DEVELOPMENT
- WANT TO DEVELOP PROFESSIONALS AS INTRAPRENEURS, OR WORKING ENTREPRENEURIALY INSIDE OF THE COMPANY

OWNERS & DEVELOPERS OF INTELLECTUAL PROPERTY



- NEED TO CONFIDE AN IDEA WITHOUT LOSING CONTROL & OWNERSHIP
- NEED AFFORDABLE & TALENTED TEAMS TO DEVELOP THE IDEA
- NEED TO PAY FOR PERFORMANCE, NOT CAPITAL UP-FRONT
- WANT PARTNERS TO HELP FUND THE IDEA TO COMMERCIALIZATION

THE VENTURE CAPITAL COMMUNITY



- NEED EXPERT TEAMS IN WHICH TO INVEST
- NEED STRATEGIC PARTNERSHIPS
- WANT TRANSPARENCY & PROJECT MANAGEMENT TRACKING
- WANT DIVERSIFICATION FOR RISK MITIGATION

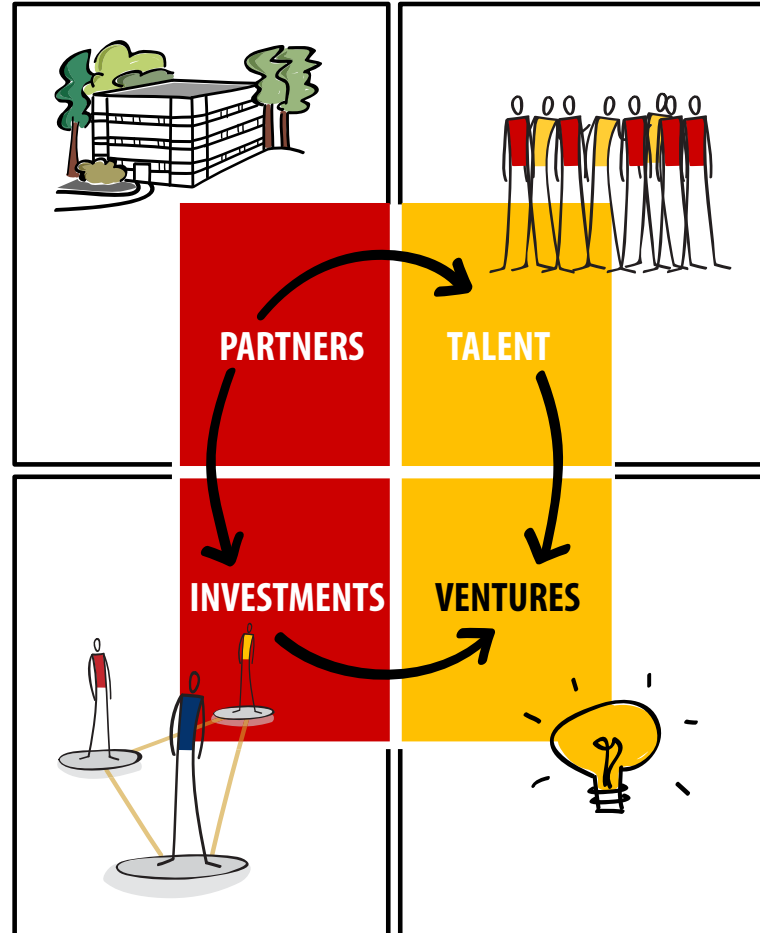


The Incubator in a Box



WILLING TO START AN EMERGE PROGRAM

- HIGHER EDUCATION INSTITUTIONS
- MUNICIPALITIES
- BUSINESSES
- INCUBATOR HUB CENTERS



WILLING TO ACCEPT DEFERRED COMPENSATION

- STUDENTS
- FACULTY
- ENTREPRENEURS
- INTRAPRENEURS

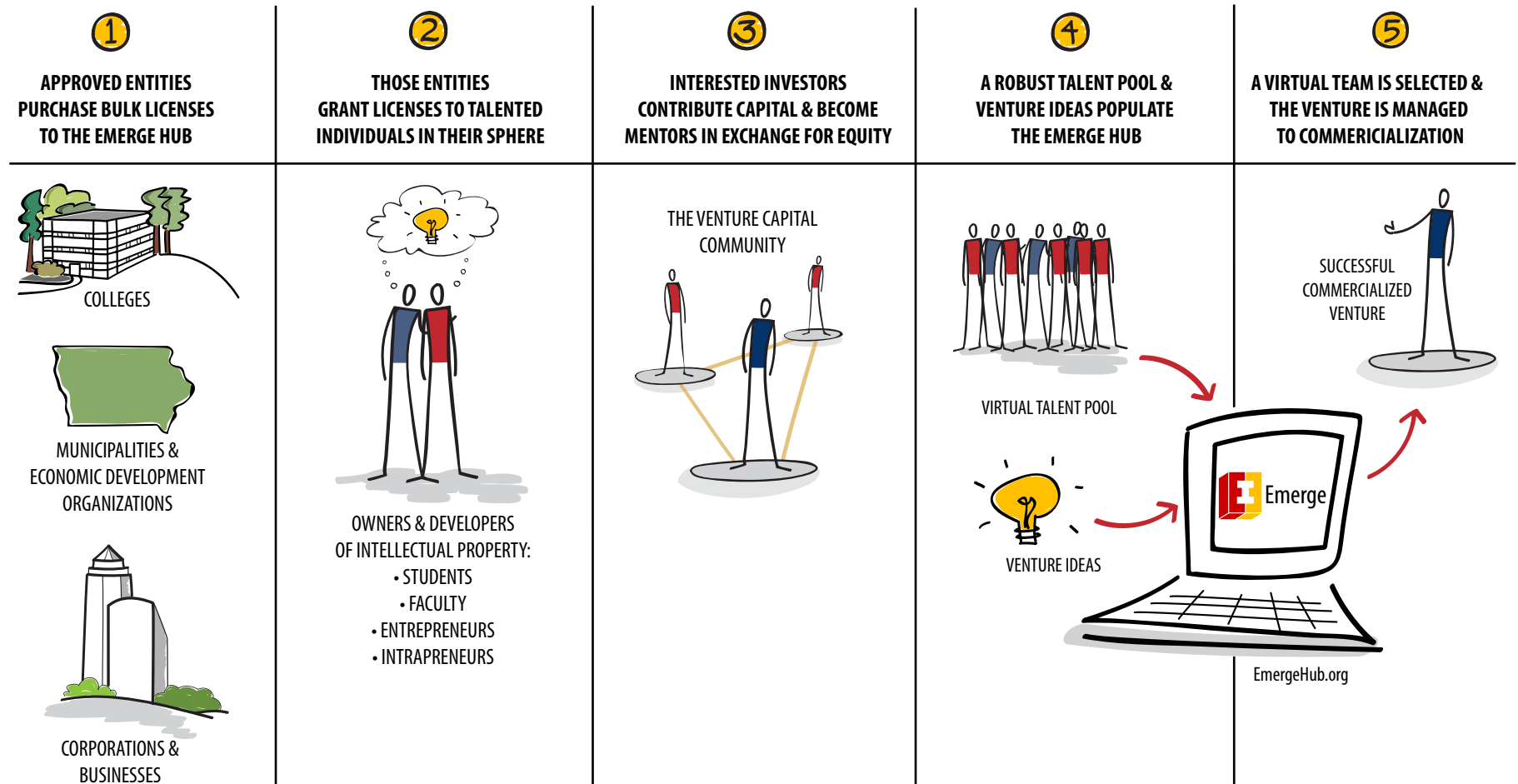
WILLING TO FRONT CAPITAL

- LOW-RISK, TARGETED INVESTMENTS

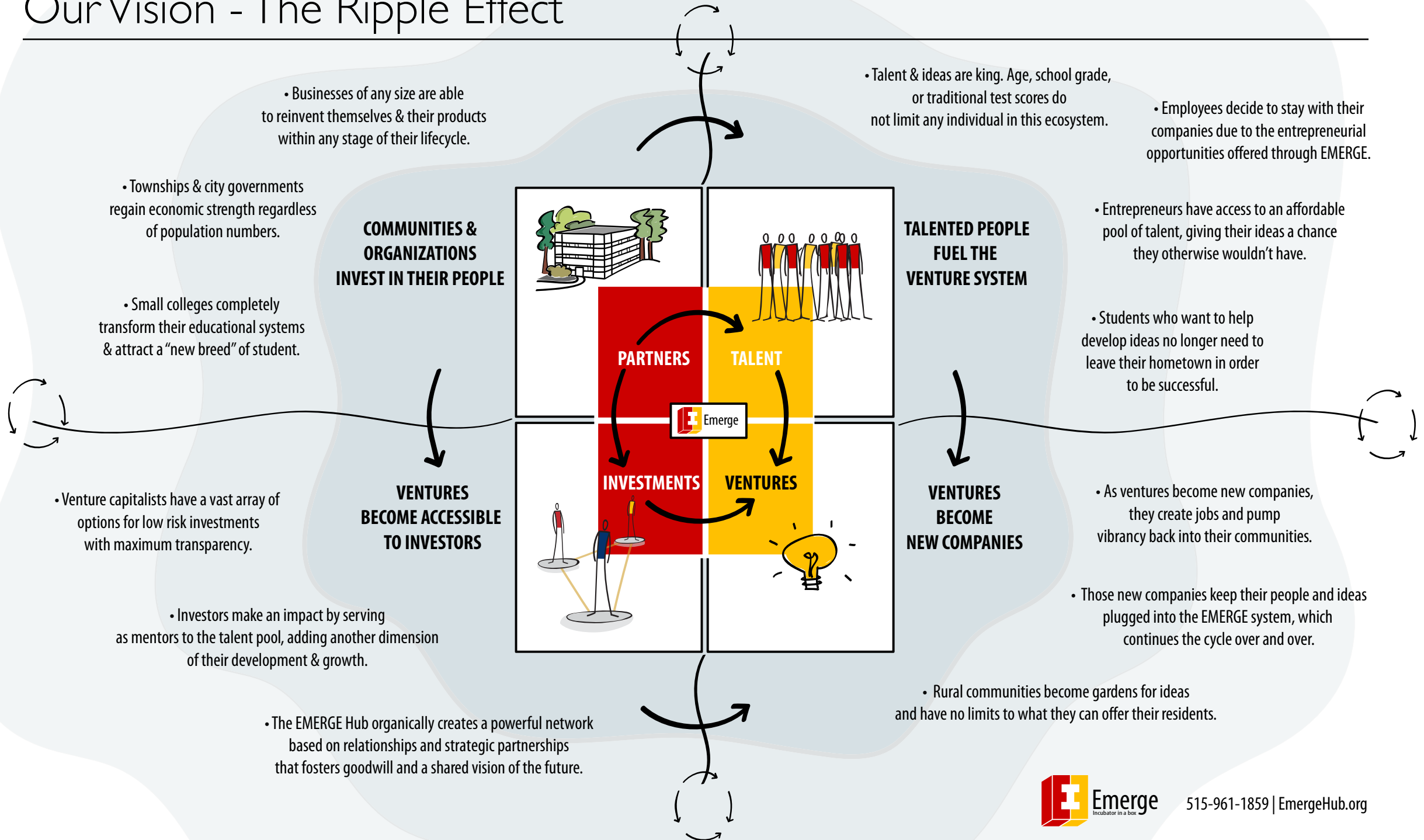
WILLING TO GIVE UP TO 25% EQUITY

- LATENT I.P.
- IDEAS WITH COMMERCIALIZATION POTENTIAL

How it Works



Our Vision - The Ripple Effect





April 3, 2014

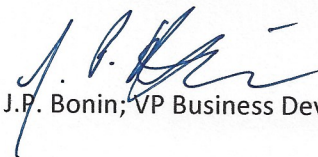
To Whom It May Concern:

Hilo is a human resources technology company that was founded in the Washington, D.C., metropolitan area and received over \$1.1M in investment over its first five years of existence. Like many technology startups, however, Hilo experienced a significant misstep during rollout that limited its access to follow-on funding.

By bringing Hilo into EMERGE from Washington, D.C., the team has been able to continue building expert partnerships at an extremely low cost through EMERGE's pay for performance structure. Without this program, it is unclear whether Hilo would have been able to survive the platform and management overhaul that was required to refocus the company on future opportunities.

It is rare to see a company like Hilo experience this type of revival following such a fundamental misstep. If not for EMERGE, Hilo likely would not have a second chance to reach its full potential.

Sincerely,



J.P. Bonin; VP Business Development

The Rex Group | 1101 King Street, Suite 360, Alexandria, VA 22314

April 8, 2014

To Whom It May Concern:

The Rex Group invests in speculative technology companies. No matter how much due diligence is done on any investment, these types of companies carry an extraordinary amount of financial risk. The targetable, convertible debt-based financing structure employed by EMERGE, combined with the public-private project management platform used by EMERGE ventures, offers a unique level of investment control and insight. This combination of control and insight is a welcome tool for mitigating our downside risk.

The venture capital community has continually explored innovative ways to leverage both private equity and public investment. However, EMERGE is the first innovation that directly addresses the fundamental risk faced by speculative technology companies: the cost of securing expertise.

While the Rex Group spans a traditional technology corridor from Washington, D.C., to Boston, the EMERGE model is a unique solution for a historically unsolvable problem.

The progress we have seen by partnering ventures like Hilo and GFEX with EMERGE has exceeded our expectations. We are excited to maintain a long, active relationship with this program.

With kind regard, I remain

Respectfully Yours,



Matthew A. Tederick, Partner

April 9, 2014

To whom it may concern:

I have been involved with the Emerge program at Simpson College for the last six months or so, as a Trustee representative from the Board of Trustees at Simpson College. In addition to this position, I am a business owner of various companies that operate under the descriptor "Riley Resource Group. (RRG)" The entities are involved in energy feeds for livestock, biofuel by-products, management services, corn oil refining, and dynamic risk based modeling.

Another entity with which I have great familiarity is the Ia. Economic Development Authority (IEDA), on whose board I sat for four and a half years, also serving on the Technology Commercialization Committee, the deliberative body for the Demonstration Fund. I then was named to, and elected chair, of the Ia. Innovation Corp. (Ia. Innovation Corp. (IICorp), an entity designed to support the innovation eco-system in the state of Iowa, and to put together public and private funding of these ventures.

With the experience I have gained in statewide traditional "attract and retain" economic development programs, over three different gubernatorial administrations, and my experience in the innovation based" economic development, I have come to appreciate the business model that is used to manage Emerge.

There have been many attempts to put together incubators and accelerators, but to my mind, the model of Emerge has the highest likelihood to succeed. The "student equity" model is unique. The introduction of a marketable product or service idea which already exists is unique. The fact of this starting in a local business, with "shovel ready" production capacity, is unique. The familiarity with the product that the mentoring business is providing to the startup is unique.

In my opinion, all the unique components of Emerge, when combined, and properly executed, have a greater propensity to succeed than any of the current models we seem to have in the marketplace today. The management of the Emerge Center at Simpson by Chris Draper, Bob DeGraff and Marilyn Mueller, with the help and the guidance of Jay Simmons and Jerry Kelley, provide me with the confidence needed to invest in this program, both with donations for general expenses, and soon, with some "off the shelf" ideas we have in our businesses that would benefit from Emerge.

In short, Emerge, in my opinion, is a viable model for innovation based economic development, and after some successes have been recorded at the Simpson/Indianola location, should be adopted across the state.

Should you have any questions or comments, please don't hesitate to call me

Robert G. Riley, Jr. President, Riley Resource Group (RRG) – Feed Energy, Further Engineered Co-products (FECS), Riverhead Resources, Decision Innovation Solutions (DIS)

4400 E University Ave, Pleasant Hill, Iowa 50327
515-263-0408 (O) or 515-229-9100 (C)

SIMPSON COLLEGE



April 8, 2014

Mr. Todd Kielkopf
General Manager
Indianola Municipal Utilities
111 South Buxton Street
Indianola IA 50125

Dear Mr. Kielkopf:

Permit me to begin by expressing my appreciation for your counsel and guidance as we have worked to establish Emerge@Simpson. Emerge@Simpson presents a singular opportunity for Simpson College and its students. Your presentations to our Emerge Task Force have helped us give shape and definition to our program.

Emerge@Simpson is unique among Iowa's private colleges. Emerge offers a forum in which students, faculty, and staff may propose and develop ideas that may have potential for commercial application. The Modern Dickens Project currently sponsored by the College's English department is a perfect illustration of this point. That project features faculty and students working together to serialize novels in much the same way that Charles Dickens did in the 19th century. These serializations are then published on the internet using modern publishing standards and applications. This experience is particularly valuable for our students. Not only are some of our English majors involved in learning details of the contemporary publishing industry, but they are also distributing creative work and selling it. The experience and knowledge they gain will prove invaluable to them as they pursue their own careers and entrepreneurial activities.

Indeed, we believe that Emerge has the potential to become an important feature in recruiting students to Simpson College. As projects develop, we will seek investors to support our projects. Not only would our students benefit educationally and financially, but Simpson College might also realize an alternative revenue stream in support of our operations.

Again, thank you for your encouragement of Emerge@Simpson as well as Indianola Municipal Utilities' support of the Indianola Development Association. In both cases, your efforts have been of great help to Simpson's efforts to establish Emerge@Simpson.

Sincerely,

Jay K. Simmons
President

INDIANOLA

APR 08 2014

MUNICIPAL UTILITIES

Office of the President