



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

July 18, 2024

9:00 AM

IMU Boardroom

Agenda

- 1. Call to Order**
- 2. Roll Call**
- 3. IMU Strategic Planning Session**
 - A. Presentation
- 4. Adjourn**



STRATEGIC PLAN UPDATE

IAMU BOARDROOM

JULY 18, 2024



ELECTRIC



Electric • Communications • Water

ELECTRIC STRATEGIC PLAN

Quick Facts

- **Serving Electric in Indianola Since 1890**
- **7,281 Electric Meters**
- **34.068 MW Peak July 2012**
- **37 MW of Generation Capacity**
- **10.35 Electric Territory Square Miles**
- **15 FTE in the Electric Department**

WHAT WE DO AND DON'T DO

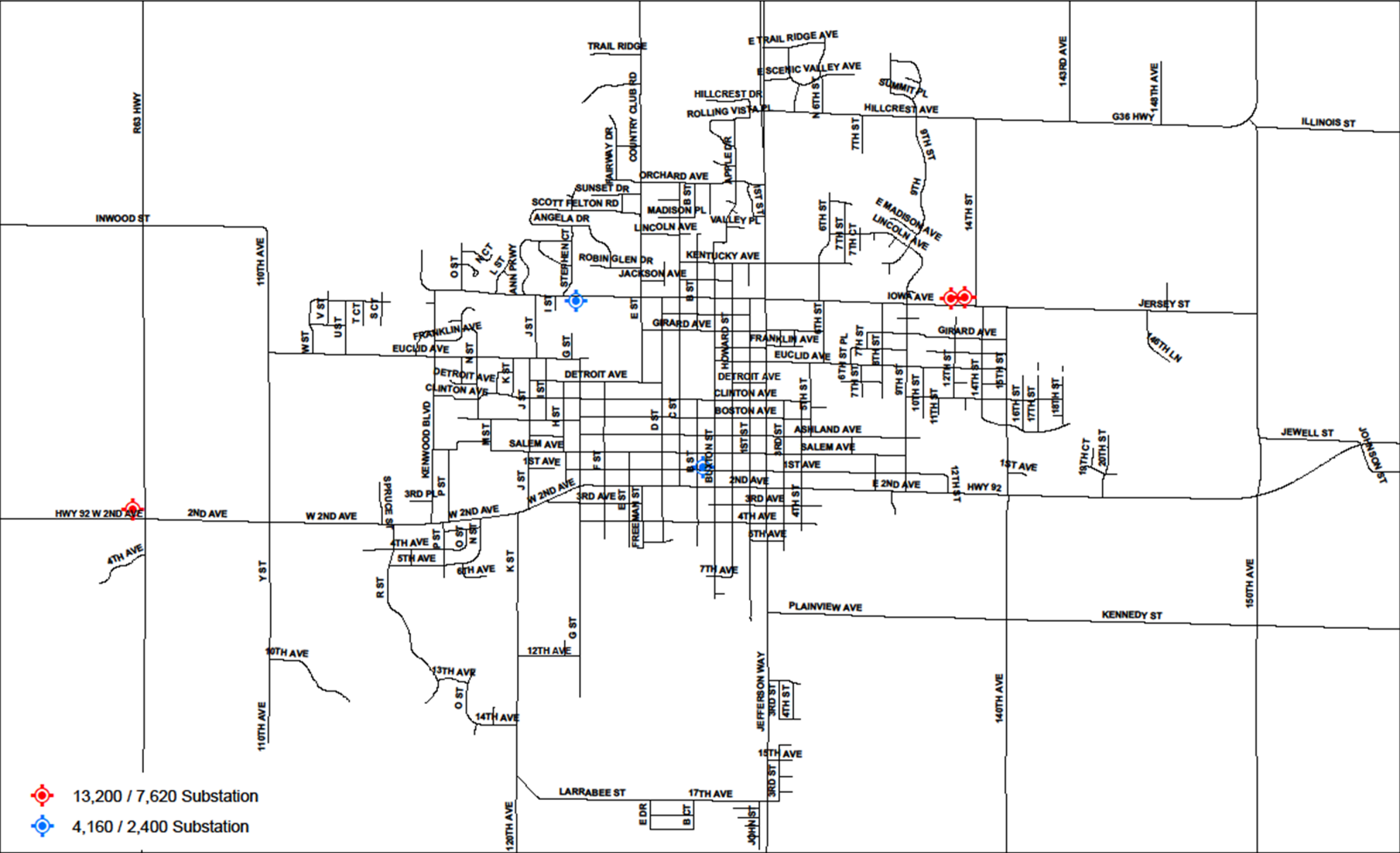
- **What we do:**

- **Maintain transmission system, distribution system, substations and generation facilities**
- **Install electric infrastructure in new developments**
- **Convert overhead electric lines to underground**
- **Upgrade existing underground**
- **Provide meter readings for billing**

- **What we don't do:**

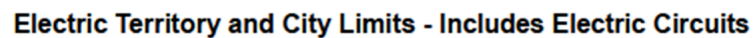
- **Own or maintain anything beyond the electric meter**
- **Sell electric appliances, equipment or devices**

ELECTRIC STRATEGIC PLAN



Substations

INDIANOLA MUNICIPAL UTILITIES
IMU
Electric • Communications • Water



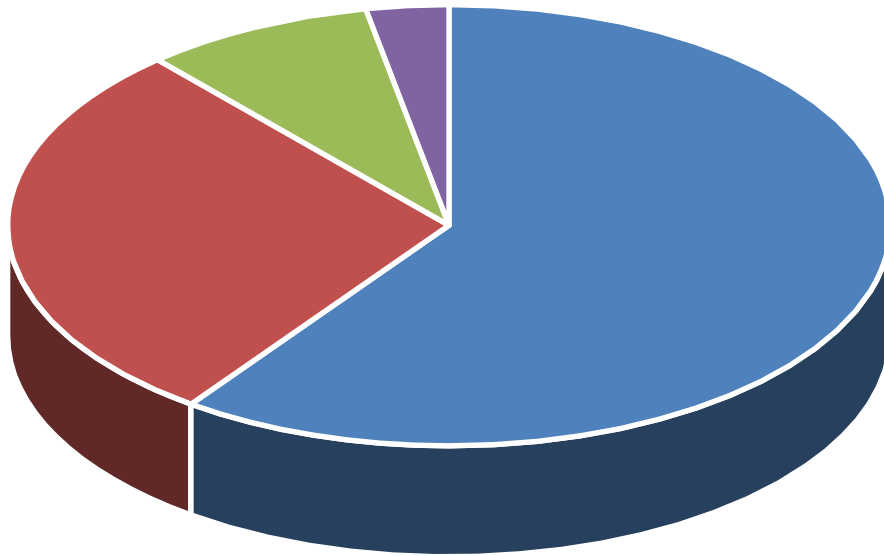
INDIANOLA MUNICIPAL UTILITIES
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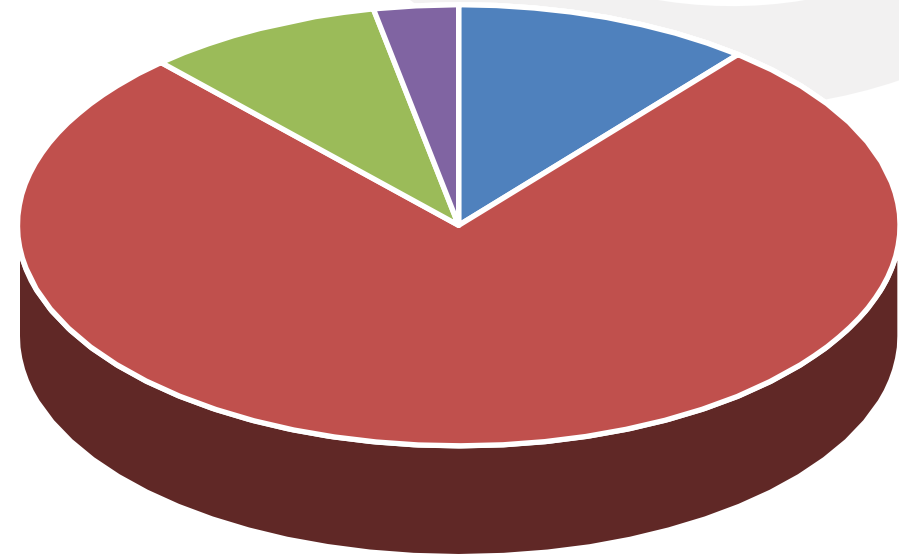
LED STREET LIGHT CONVERSION

2021



■ 150 Watt HPS ■ 70 Watt LED ■ 108 Watt LED ■ 160 Watt LED

2024



■ 150 Watt HPS ■ 70 Watt LED ■ 108 Watt LED ■ 160 Watt LED



Directional Drilling

DIRECTIONAL DRILLING

- **6,131 Feet or 7 blocks bored**
- **14,663 Feet of conduit installed**
- **Unquantified savings in time and ability to schedule projects**
 - **Bore when we want and need to**
- **Main reason behind IMU's ability to forego rate increases in 2024**

ELECTRIC STRATEGIC PLAN

Goal 1:

IMU is a leader in providing electric reliability, safety, and renewable energy. IMU is committed to offering reliable, safe delivery and affordable power to our community.

1.1 IMU provides reliable distribution of electricity – Undergrounding, Maintenance and Improvements

2024 Projects

Downtown/1st Street Undergrounding

K Street (Moving Poles)

Solar Field

PROJECTS

1-Year

- **Solar Field Project - \$160,000**
- **Turbine 8 Controls - \$700,000 ✓✓ Substantially Complete**

3-Years

- **Downtown Conversion - \$400,000 Plus Electrician Work**
- **Hillcrest Project - \$100,000**
- **K Street Project - \$150,000**
- **1st Street Conversion - \$250,000**
- **LED Street Lights – \$50,000**
- **SCADA Control Upgrade – \$200,000**
- **69 kV Relays - \$360,000**

5 - 10 Years

- **South 92 and North 92 Project - \$700,000 to \$800,000 per year**

Repetitious

- **Transmission Line Poles - \$175,000**
- **Substations/Turbines - \$80,000**
- **Meter Replacements – \$46,000**

ELECTRIC STRATEGIC PLAN

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ROADBLOCKS

Boring Machine- How much can our crew accomplish in a year?

- Too Fast, Do we have enough money?
 - Electric Rate Pressure
 - Quality vs Quantity
 - Safety
- Too Slow, Does the timeframe work out?
 - Contractors?
 - Ready for new developments vs delays for current progress

Supply Chain – Transformers and related likely to remain expensive for the future

Inflation-Keeping up with Increasing costs

ELECTRIC STRATEGIC PLAN

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1.1 IMU provides reliable distribution of electricity – Undergrounding, Maintenance and Improvements

ROADBLOCKS

- MEAN Contract
 - Environmental/Renewables/Cleanup-Unknown and expectations vary
 - New “PPA” philosophy means less risk in the long run, with higher annual costs
- Salary Study – will adjustments be required?
Compensation philosophy-Why behind employee compensation
Employers use their compensation policy to attract, retain, and motivate employees
- New IUB Regulations?

ELECTRIC STRATEGIC PLAN

Goal 6:

A future employee pipeline is nurtured and encouraged.

6.1. Continue apprenticeship program

- Two new entrants into program
- Offering schools tours and promoting IMU at High School

WATER



INDIANOLA MUNICIPAL UTILITIES



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WATER

Quick Facts

- 368 million gallons of water billed
 - New peak in 2023/24 – A gain of 4% since 2009
- 5,944 water meters
- 914 Fire Hydrants
- Almost 100 miles of water mains
- 6 FTE in Water Department

WATER

Goal 2:

IMU's water utility is proactively upgrading infrastructure to maintain high quality water and sufficient water pressure for existing and expanding connections.

- 2.1 Improve the water distribution system by replacing aging lines.
- 2.2 Continue to maintain and upgrade the water plant, water treatment and production equipment. Life span of these assets can be extended with appropriate thoughtful maintenance
- 2.3 IMU maintains healthy water infrastructure by following operational plan to conduct annual maintenance of distribution, meters and other equipment. Life span of these assets can be extended with appropriate thoughtful maintenance

WATER

Goal 2:

IMU's water utility is proactively upgrading infrastructure to maintain high quality water and sufficient water pressure for existing and expanding connections.

- 2.1 Improve the water distribution system by replacing aging lines.
- 2.2 Maintain and upgrade the water plant
- 2.3 Annual maintenance of distribution, meters and other equipment

2023 Progress

- Water Main Replacement
- Water Plant Upgrades

WATER

5 Yr Capital Improvement Plan Main Replacement

- N 6th Pl – E Franklin to N 8th and N 7th – E Girard to N 8th.
 - 5 Blocks of 4" CI.
- N H St. from W Boston to W Detroit and W Clinton from N I St. to N G St.
 - 1 Block of 6" CI and 3 Blocks of 4" CI
- W Detroit from N G St. to N J St. and N J St. from Detroit to W Euclid. Transfer Services on W Euclid and Eliminate a Dual Main.
 - 5 Blocks of 4" CI
- W Clinton from N G St. to N D St. Transfer Services on W Clinton and Eliminate a Dual Main.
 - 4 Blocks of 4" CI
- S 1st St. from E 4th Ave to S Jefferson Way.
 - 5.5 Blocks of 6" CI

WATER

Projects 24-25

- Filter media testing and replacement.
- Roof upgrades on plant and garage.
- Lime Silo sandblasted and painted.
- Standby generator.
- West Clinton Howard to Buxton main replacement, with City Project.
- North K water main project from West Clinton to West Euclid.

WATER

5 Yr Capital Improvement Plan

Plant/Wells/Towers

- Security – Will have fence for security with solar farm, look into security cameras or alarm system.
- Plant control upgrades – Continue to replace and upgrade plant controls.
- Water towers inspected and cleaned/clear well inspected and cleaned.
- Water meters – Continue to replace and update water meters.
- Hydrants and Valves – Replace aging valves and hydrants.
- DNR regulations and testing – Continue to keep up with DNR standards and additional testing.
- Pull Well #10 and inspect and replace.

WATER

Goal 2:

IMU's water utility is proactively upgrading infrastructure to maintain high quality water and sufficient water pressure for existing and expanding connections.

2.1 Improve the water distribution system by replacing aging lines.

2.2 Maintain and upgrade the water plant

2.3 Annual maintenance of distribution, meters and other equipment

AREAS THAT COULD HELP

- Large Customer(s)
- Increase Residential Units (in excess of general conservation improvements)
- Rate Study

ROADBLOCKS

- Continued sales stagnation (New Housing vs Increased efficiency)
- Following City CIP (Tail wagging the dog)
 - Cost vs Accomplishing IMU priorities
- With Planned 5% rate increase we will have 15 miles done in 10 years.
 - Construction Inflation
 - Future Rate increase are more conceptually difficult now that we are “average” priced

WATER

Other Future Considerations:

- DNR recommends once we have reached 85% of our max daily capacity to start looking into plant expansion and upgrades.
- Additional Water Tower, DNR recommends having one day of storage for an average day of consumption.
- Install a new deep well as well #9 is our oldest well and smallest well and is not able to be re-cased as it has the smallest casing you can have.
- Staffing, DNR'S recommendation regarding the size of town is that an additional operator in the 5 Yr. plan and another operator after as the town will continue to grow.
- Explore different treatment options to comply with DNR and EPA'S new requirements that will be implemented in the future.

WATER

UCMR 5 Results

Lithium Results

COMMUNICATIONS



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COMMUNICATIONS

Goal 3:

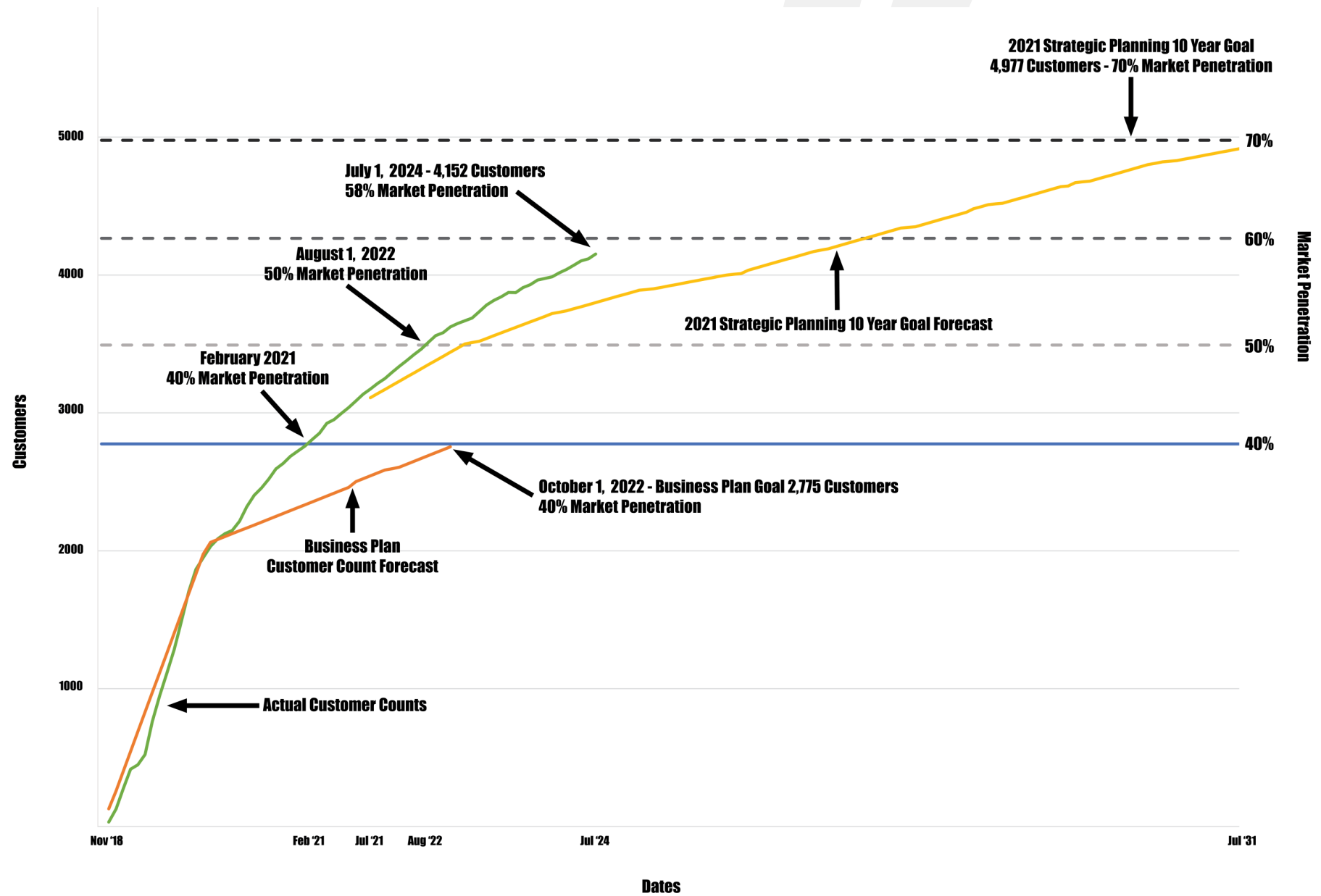
IMU's communication utility is serving more customers.

- 3.1 Expand customer base within Indianola
- 3.2 Explore financially feasible options for expansion beyond Indianola (ROI positive)
- 3.3 Prepare for increasing customer speed and capacity demand (e.g. Wi-Fi 6, TV Streaming)

IDENTIFIED GOALS & STRATEGIES FALL 2021

Goal/Strategy	Timeline	July 23	July 24	Per	Progress
Expand Customer Base Within Indianola 70% Market Penetration 10 Years	FY24	4,000	4,152	58%	4,152 Customers at the End of FY 2023 Increase of 280 Customers from 2023 Current Market Penetration at 58% Increase from 55% in 2023
	FY25	4,150	4,350	61%	
	FY26	4,275	4,525	64%	
	FY27	4,400	4,675	66%	
	FY28	4,525	4,800	68%	
	FY29		4,925	69%	
	FY30		5,050	71%	

Based on 7,110 Potential Subs

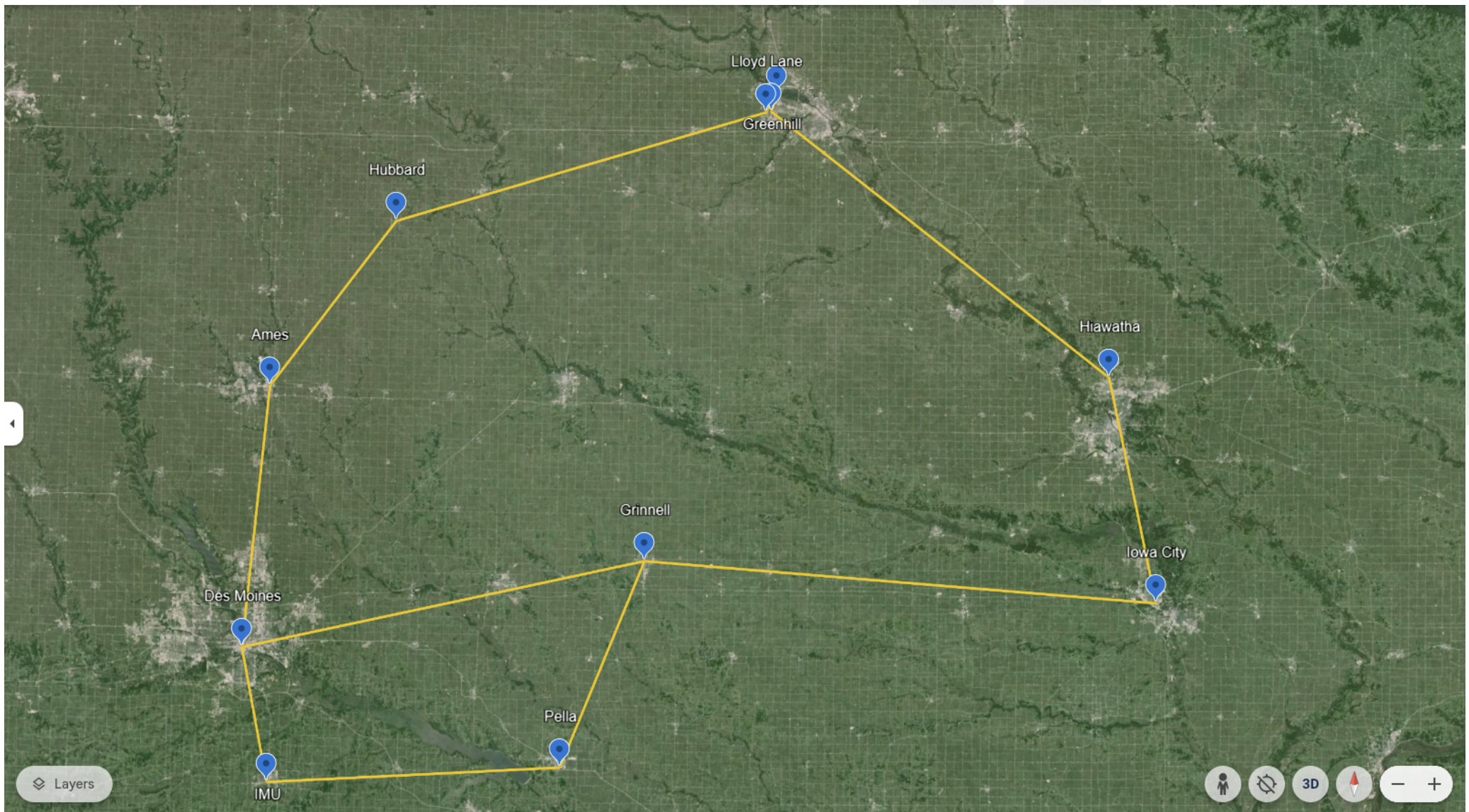


IDENTIFIED GOALS & STRATEGIES FALL 2021

Goal/Strategy	Timeline	Progress
Explore Financially Feasible Options for Expansion Beyond Indianola – ROI Positive	First Projects in FY23	NOFA 7 North Project Completed 11 Customers with Service – 29% Phase 2 NOFA 7 South Project Completed Customer Installation began June 24 7 Customers with Service – 32% NOFA 7 South Project Planned for Completion in FY26

IDENTIFIED GOALS & STRATEGIES FALL 2021

Goal/Strategy	Timeline	Progress
Prepare for Increasing Customer Speed and Capacity Demand	Redundant Transport Capacity at 20 Gbps by 2023	Construction Completed on the IMU/Pella Route
	Redundant Transport 40 Gbps by 2025	OTN Equipment Turned Up and Functioning – Multiple Redundant Paths Now Available
	Offer Consumers Speeds in Excess of 1 Gbps in 2025	XGS-PON in Testing Phase Service Rollout Anticipated for FY2025



IDENTIFIED GOALS & STRATEGIES FALL 2021

Goal/Strategy	Timeline	Progress
Employee Development, Training, Cross Training	Ongoing	Fiber Employees Attended Calix Connections in Las Vegas IAMU Broadband Conference in Des Moines.
Goal/Strategy	Timeline	Progress
Provide Consultations for Other Utilities in All Core Service Areas	As Requested	Waterloo Only New ISP

IDENTIFIED GOALS & STRATEGIES FALL 2021

Goal/Strategy

**Provide Sponsorships
for Events as Allowable**

Timeline

**As
Requested**

**Seek
Opportunities
in FY25**

Progress

**Renewed IHS Scoreboard
Marketing Opportunity**

Homecoming Parade

Library Trunk or Treat

Chamber Pre-Party Sponsorship

Simpson College Athletics (planned)

12 TO 24 MONTH FOCUS

Staffing

Locating

**New Tech Position has
Reduced Pressure While
Maintaining Install Levels**

**Need for Additional
Engineering Position**

28hr to 40hr Position

Projects

MDU's

XGS-PON

NOFA 7 South

Streaming TV

NOC Remodel – Phase 2

**POP Improvements
(ICN)**

Aging CPE

Capital Purchases

$\frac{3}{4}$ Ton Truck

Engineering Vehicle

$\frac{1}{2}$ Ton Truck

Small Vac

FCC/ FTC Regulation

Chevron Deference Ruling

EAS Cybersecurity

Net Neutrality

Digital Discrimination

Bulk Billing Rules

Broadband Labeling

ADMINISTRATIVE



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ADMIN

Goal 4:

IMU will explore investment opportunities as they arise.

- 4.1 IMU will be involved in State and Regional Municipal Utility associations to identify potential investment opportunities – CAPEX expansion/reconnector upgrades approved

Goal 5:

To increase employee retention while improving productivity and quality of customer service.

- 5.1 Employee development, training, cross training, apprenticeship training and certifications.
- 5.2 Employee Recruitment and Retention; attend job fairs and increase public outreach targeting most imminent skillsets needed.
- 5.3 Host IMU employee recognition events and partner with City for various events (bowling, golf...) include years of service and customer acknowledgements

ADMIN

Goal 7:

IMU customers are aware of the Utility's services, programs and performance.

- 7.1 Develop a plan that will drive communications (determine audiences, messages and methods)
- 7.2 Encourage/enable staff and trustees to be more visible in local organizations (e.g. Lions, Rotary) as members and/or speakers
- 7.3 Provide sponsorships for events as allowable and activities, support community decorating efforts (install holiday lights, banners, etc.)
- 7.4 Partner with community assistance and other organizations to help families with energy efficiency and conservation efforts (e.g. LIHEAP, local nonprofits, rebate programs)
 - Annual Contract signed

ADMIN

Goal 8:

IMU remains fiscally responsible to our customer owners while maintaining a financially sustainable business.

8.1 Set annual budgets with capital planning in mind.

8.2 Work with City staff to develop infrastructure replacement plans

8.3 Strategic Plan will be annually reviewed

TOPICS OF DISCUSSION

- Rates and Fees
 - CPI-U indexed, keep pace without annual updates?
- New Property
 - Electric-10 years before next action
 - Water-Well location
 - Admin-Parking
- Staffing
- Downtown Plant-see Map
- Safety
- Security

DOWNTOWN PLANT





THANK YOU



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