INDIANOLA MUNICIPAL UTILITIES

IMU

Electric • Communications • Water

IMU Board of Trustees
July 14, 2014
City Hall Council Chambers
5:30 p.m.

Agenda

1. Roll Call

2. Consent

   A. Claims

   B. Minutes

3. Reports

   A. General Manager

   B. Director of Finance

   C. Chairperson

   D. Financials

4. W. Hwy 92 Transmission Relocation Project - Easement

5. Other Business

6. Adjourn

IMU Regular Downstairs **2. A.**

Meeting Date: 07/14/2014

Information

Subject

Claims

Information

The June 16 and July 7 Claims Lists were previously distributed.

Financial Impact

N/A

Staff Recommendation

IMU Regular Downstairs **2. B.**
Meeting Date: 07/14/2014

Information

Subject

Minutes

Information

Minutes of the June 9, 2014 meeting are attached to this agenda item.

Financial Impact

N/A

Staff Recommendation

Attachments

Minutes

BOARD OF TRUSTEE MINUTES
REGULAR SESSION – JUNE 9, 2014

The Board of Trustees met in regular session at 5:30 p.m. on June 9, 2014 in the City Hall Council Chambers. Chairperson Eric Vander Linden called the meeting to order and on roll call the following members were present: Grant Johnson, Bob Lester, Pat Reding and Eric Vander Linden. Absent: Heather Hulen.

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.

June 2, 2014 claims

May 27, 2014 minutes

Personnel salary – Chris Longer, Program Coordinator, from CE 9-6 $60,843/year to CE 9-7 $63,162/year effective June 1, 2014

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

The Board presented Bob Lester with a plaque for his service on the Board from March 2, 2007 to June 30, 2014.

The Board discussed the possibility of cancelling the June 23, 2014 meeting.

General Manager Todd Kielkopf reviewed the FY 2014 third quarter Performance Report.

Board member Johnson moved and Reding seconded to adopt the following resolution entitled, "A RESOLUTION SETTING THE SALARIES FOR APPOINTED OFFICERS AND EMPLOYEES OF THE INDIANOLA MUNICIPAL UTILITIES FOR THE PERIOD BEGINNING JUNE 29, 2014." On roll call the vote was, AYES: Lester, Vander Linden, Reding and Johnson. NAYS: None. ABSENT: Hulen. Whereupon the Chairperson declared the motion carried unanimously and the following resolution duly adopted.

A RESOLUTION SETTING THE SALARIES FOR APPOINTED OFFICERS AND EMPLOYEES OF THE INDIANOLA MUNICIPAL UTILITIES FOR THE PERIOD BEGINNING JUNE 29, 2014

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

The Personnel Management Guide and Employee Handbook were approved on a motion by Lester and seconded by Johnson subject to modifications to change applicable dates from 2013 to 2014. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

A motion was made by Lester and seconded by Reding to approve the Workers compensation, general liability, auto, official's liability, property, life/AD&D and equipment, insurance premiums for FY 14/15 - with Iowa Municipal Workers Compensation Association (IMWCA), Iowa Community Assurance Pool (ICAP) and Cincinnati. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

The revised schedules of administrative charges, service fees and Contribution in Aid of Construction rates were approved on a motion by Lester and seconded by Johnson. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

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

Eric Vander Linden, Chairperson	Diana Bowlin, City Clerk

IMU Regular Downstairs **3. A.**
Meeting Date: 07/14/2014

Information

Subject

Administrative News Items

Information
Noteworthy items for the week are attached.

Financial Impact
N/A

Staff Recommendation

Attachments

News Items

NEWS ITEMS

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

1. **Water Dept. Project Planning:** Veenstra & Kimm (contracted engineers) will be re-visiting finalizing the scope of work and planning for the demolition of the old water plant, scheduled for this fall/early winter. Also, they will be working with IMU staff on options for re-painting the interior/tuck-pointing the exterior, a garage addition at the plant, and investigating the need for a mixer inside the Hillcrest tower to improve chlorine levels.

   The goal is to have a medium-term plan in place that expends the FY 2014 carryover, the new (current) year's capital budget and helps develop priorities for the following year. As stated previously, current rates are projected to be sufficient to proactively maintain the plant & system plus a debt issue will be retired within the planning period.

2. **URGE Test:** The annual certification test that establishes the capacity (in MW) of the generating units was held last week. The emergency-only units at the downtown plant ran as intended. However, IMU crews identified issues at the turbines that indicated damage from lightning. One turbine (Unit #8) is fully operational today since its issue was only a tripped cooling fan breaker discovered after a temperature issue arose. The other (#7) needs a specialized breaker repaired (minimal cost). The units will both be re-tested following completion of repairs (2-week anticipated downtime).

3. **MCG/Marketing:** MCG's marketing push is showing positive results. Late summer & fall are typically more active times of the year for people to switch providers according to MCG. A letter was sent this week to prospective customers and a third mailing is scheduled for two weeks from now. New yard signs have been ordered so neighbors can see when a customer has signed up, subject to the customers' permission to place it in the yard for 2 weeks. A third day per week to schedule installs is now being offered to prevent delays and due to increasing demand.

4. **Hwy 92/I-35 Transmission Relocation:** IMU reps. had their final walk-thru and the project is generally complete.

5. **W. Hwy 92 Distribution Relocation:** Trustees can expect a change order due to a need to now relocate all feeders on the north side of Hwy 92, as there will be a few more boring crossings of Hwy 92 than had it remained on the south side. The elevation at "Y" St. is lowering more than anticipated and there are other utility conflicts. Plans and costs are still being finalized. One benefit is that the feeders will remain in IMU's existing easement, so any future relocation will without question be at IDOT's expense.

6. **IMU Partners/IDA:** A scope of work has been agreed to for the coming fiscal year by the Indianola Development Association. An IMU Partners meeting will be scheduled and funding will be appropriated from IMU to IMU Partners in July.

7. **Sustainability Planning:** IMU's Chris Longer and the City's Mindi Robinson coordinated a sustainability committee planning forum this past Tuesday. Community leaders and others active in this area were invited, and several attended. IMU's commitments to both wind & landfill gas energy purchases, energy efficiency, and Sustainability Committee support were noted. Two desired outcomes of the forums are developing more awareness about the committee's efforts and planning future direction. The next one is scheduled for August 12.

8. **IMU Partners/EMERGE:** Simpson College has received pledges in the amount needed to complete the establishment & transition of the EmergeHUB as a stand-alone service provider (independently owned, not by Simpson or IMU Partners, yet affiliated with both) by December 31.

   The EmergeHUB will move forward with planning for a Simpson/Iowa Association of Business & Industry innovation immersion course, regional franchises, alliances with Iowa-based business accelerators, and working with advanced venture teams that show the most commercial promise. A proposal was sent to the Iowa Innovation Corp. (at their request) for helping them manage Small Business Innovation Research grant applications, which are typically ad-hoc innovation teams and are seen as a good fit for the HUB platform. West Des Moines Incubator staff is still very interested in an affiliation through the EmergeHUB also.

   Simpson is finalizing how to allocate ongoing funds for operating their EMERGE@Simpson program post-January 2015, however there appears to be support & viable options. The effect will be that Simpson can match IMU's ongoing funding, with theirs focusing on-campus and IMU Partners (IDA, MCG & IMU) focusing on community-based adoption & integration. The two will coordinate via a Simpson steering committee also comprised of community members. Simpson intends to be a member of IMU Partners, also.

9. **Strategic Planning Worksheet:** The annual strategic planning process starts with a review of the utility's mission/values and a preview of potential strengths, improvements, opportunities, and challenges. Documents are attached for Trustee's review and to initiate discussion for the next meeting. Year-end cash-based financial reports and a quarterly report will be available then to help connect known issues to broader strategic concepts.

INDIANOLA MISSION STATEMENT

The City of Indianola and the Indianola Municipal Utilities will cooperatively provide essential, high-quality, and cost-effective services that give opportunities for residents to pursue the highest possible quality of life.

We Value…

A dedicated, creative, professional, and skilled workforce including appointed and elected officials that possess integrity and perform their duty in an ethical and impartial manner;

A safe and efficient workplace and community;

Attaining a high level of customer service;

Sustainable service delivery based on research and foresight;

Protection and responsible use of natural resources;

Affordable rates that balances needs in the community;

Working as partners within our community and with other entities;

Fairly and consistently imposing and applying regulatory actions;

Providing equal access to resources that benefit people's lives;

Citizens that are knowledgeable and engaged in our community.

Strategic Analysis-

Traditional strengths:

Educated, trained and committed team of core stakeholders that are supportive of new ideas and adaptable to change

Workforce sized to respond to outages and emergencies in a timely manner

Utility plant assets are proactively maintained to provide long-term reliable services with capacity to meet future needs

Competitive rates and fees built on a relatively conservative and stable financial plan

Commitment to safety

Diverse wholesale sources with relatively predictable long-term cost per unit trends

Brand name associated with quality, community leadership and customer service

Stable economy & consumption patterns

New opportunities to capitalize on:

Ability to attract strategic partners that bring dynamic perspectives & new auxiliary network services that benefit both residential & commercial customers and drive sales growth

Continued growth in metro-area technology-oriented companies and entrepreneurs; build on IMU's investments & metro tech image as a community differentiating factor

EPA-mandated generation unit retirements may increase the value of peaking capacity, resulting in funds for priority capital projects

Improving economic viability of customer-owned solar arrays as on-peak resources that reduce demand charges; potential grant-funded study by IAMU how to best integrate solar into local systems

Ways to improve traditional strengths & overcome known challenges:

Hire employees with the abilities to implement the utility's strategies during the upcoming retirement transition; also invest in mentoring as needed

Train, plan, and equip for unexpected events that disrupt commerce, workforce activities & customers

Consistently reinvest ratepayer funds in projects that proactively counteract decaying infrastructure & facilities based on updated long-term plans

Broader marketing of the fiber system and its capacities

Improve customers' experiences & feedback through use of more streamlined technologies

Address cyber security issues to avoid negative perceptions and events

Ways to capitalize on opportunities & overcome potential challenges:

Integrate new media/technology platforms that create public relations synergies between public/utility services, including those provided by private partners

Proactively maintain high customer satisfaction by communicating reliability, programs, and services including sustainability efforts; consistently address IMU's roles on city projects and with service partners

Work with community leaders and metro-area developers on smart growth strategies & policies

Plan how to adapt to regulatory changes, particularly those impacting air quality, carbon footprint, and fluoride tolerance levels

IMU Regular Downstairs **3. D.**

Meeting Date: 07/14/2014

Information

Subject

Financials

Information

May financials (previously sent via News Items) are attached. Treasurer Doug Shull will not be attending, however the Treasurer's report does balance to the Clerk's Office and investments do still comply with the investment policy.

Financial Impact

N/A

Staff Recommendation

Attachments

Financials

IMU Monthly Financial Reports

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Notes & Comments

1. Total Cash Flow from all activities the on Treasurer's Report was -$366,265, primarily due to Electric Utility capital projects. Note that while the Water Utility additional loan payment (to the Electric Utility) caused its O&M fund balance to be reduced near zero, an adjusting entry transferring that $340,000 from the Water Capital Projects fund has been prepared for June.

2. Electric sales (page 5) are exceeding the re-estimated goal of 120,700,000 by a larger amount than expected. 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 slightly below the seasonally-adjusted re-estimated budget. 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 won't begin to be collected until the July 1 Cost of Power Adjustment is in effect. Reserves remain above policy levels & targets, however the vast majority of that is committed to capital projects (W. Hwy 92, I-35, and Network Services signups).

4. Using the cash-based + depreciation model, Electric Utility Net Income (page 8) rose slightly to a gain of +$91,882 vs. a seasonally-adjusted budget of +$140,700. Electric O&M Activities Cash Flow (Page 10) remained as expected as a FYTD negative due to the purchased energy adjustments paid to MEAN in previous months this fiscal year. Cash balances were maintained this fiscal year only through the internal loan principal repayments from the Water Utility.

5. The Water Utility (pages 7 & 12) is meeting seasonal expectations in terms of Net Income and Cash Flow. Reserves are well above targets, primarily due to the timing of capital projects under contract but yet to be completed. These fund balances are scheduled to be expended over the next two years on proactive capital projects.

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

FINANCIAL REPORT

MONTH OF MAY, 2014

FUND	Beginning Balance	Monies Received	Monies Disbursed	Transfer In	Transfer Out	Clerk's Balance	% of Total
001 General Government	1,227,394.85	49,382.33	144,625.60	105,849.98	2,352.07	1,235,649.49	
011 Police	526,440.71	66,821.11	169,787.19	31,567.50	339.99	454,702.14	
015 Fire	194,840.86	14,866.80	35,074.03	2,018.90	24.72	176,627.81	
016 Ambulance	218,187.25	79,569.35	57,536.25	1,008.51	2,972.66	238,256.20	
041 Library	54,622.08	56,982.44	52,596.02	1,949.54	77.25	60,880.79	
042 Park & Recreation	454,674.05	74,026.62	86,346.08	5,742.80	1,774.82	446,322.57	
045 Memorial Pool	-90,074.60	7,763.23	2,166.43	0.00	833.33	-85,311.13	
071 General Fund Deb Service	108,188.64	4,118.90	75,185.00	0.00	0.00	37,122.54	
099 Franchise Fees-MEC	220,484.97	0.00	0.00	0.00	0.00	220,484.97	
GENERAL FUND SUB-TOTAL	**2,914,758.81**	**353,530.78**	**623,316.60**	**148,137.23**	**8,374.84**	**2,784,735.38**	
110 Road Use Tax (Streets)	843,057.69	71,712.76	96,761.42	0.00	14,733.14	803,275.89	
112 Trust & Agency	0.00	18,745.58	0.00	0.00	18,745.58	0.00	
115 YMCA Maintenance Obligations	28,058.67	0.00	0.00	0.00	0.00	28,058.67	
125 TIF--Downtown	362,237.60	25,898.68	0.00	0.00	25,577.70	362,558.58	
126 TIF--East Hwy 92	0.00	0.00	0.00	0.00	0.00	0.00	
127 TIF--Hillcrest/Industrial Park	420,410.67	91,727.77	8,572.60	0.00	458,855.00	44,710.84	
141 Library Special Revenue	35,127.04	6,435.39	3,928.04	0.00	0.00	37,634.39	
142 Park & Rec Special Revenue	117,465.62	2,143.79	326.47	0.00	0.00	119,282.94	
160 Downtown Revolving Loan	59,580.75	2,500.00	0.00	0.00	0.00	62,080.75	
161 Downtown Business Inc Program	-27,633.45	0.00	1,892.90	0.00	0.00	-29,526.35	
177 Police Forfeiture	18,420.31	0.00	22.00	0.00	0.00	18,398.31	
190 Vehicle Reserve	115,735.81	0.00	0.00	1,666.67	0.00	117,402.48	
199 Police Retirement	113,549.74	170.21	0.00	0.00	1,041.67	112,678.28	
SPECIAL REVENUES SUB-TOTAL	**2,086,010.45**	**219,334.18**	**111,503.43**	**1,666.67**	**518,953.09**	**1,676,554.78**	
200 **DEBT SERVICE (SUB-TOTAL)**	**3,465,632.14**	**-628,061.93**	**2,499,075.00**	**554,516.02**	**0.00**	**893,011.23**	
301 Capital Projects (General)	455,918.01	0.00	20.14	0.00	0.00	455,897.87	
321 Capital Projects (Streets)	1,104,458.45	60.00	6,817.69	0.00	0.00	1,097,700.76	
344 Community Athletic Facility	7,864.37	0.00	40.08	1,666.67	0.00	9,490.96	
353 Community ReDevelopment (D&D)	18,082.75	28.37	18,018.00	0.00	0.00	93.12	
CAPITAL PROJECTS SUB-TOTAL	**1,586,323.58**	**88.37**	**24,895.91**	**1,666.67**	**0.00**	**1,563,182.71**	
610 Sewer	92,104.83	8,815.24	78,114.07	139,250.00	33,267.69	128,788.31	
650 Stormwater Utility	265,166.75	16,733.48	0.00	0.00	5,208.33	276,691.90	
670 Recycling	60,380.39	18,052.49	15,241.00	0.00	1,375.00	61,816.88	
710 Sewer Capital Projects	642,180.16	256,311.47	9,833.43	0.00	256,391.66	632,266.54	
771 Sewer Reserve	114,238.70	0.00	0.00	0.00	0.00	114,238.70	
781 Sewer Plant Improvement	313,405.89	0.00	0.00	2,083.33	0.00	315,489.22	
791 Sewer Revenue Bonds	606,673.89	0.00	0.00	67,500.00	0.00	674,173.89	
820 Health Insurance	1,126,365.45	109,848.70	109,489.57	0.00	0.00	1,126,724.58	
830 Health Reimbursement Account	236,437.31	0.00	0.00	0.00	0.00	236,437.31	
840 Flex/STD	232,900.00	2,323.06	5,535.69	1,421.49	0.00	231,108.86	
850 Liability Insurance Reserve--City	-438.01	6.30	0.00	0.00	0.00	-431.71	
CITY UTILITY & IS SUB-TOTAL	**3,689,415.36**	**412,090.74**	**218,213.76**	**210,254.82**	**296,242.68**	**3,797,304.48**	
TOTAL CITY FUNDS	**13,742,140.34**	356,982.14	3,477,004.70	916,241.41	823,570.61	**10,714,788.58**	**55%**
TOTAL IMU FUNDS	**8,965,273.27**	1,162,391.94	1,435,986.34	616,668.01	709,338.81	**8,599,008.07**	**45%**
GRAND TOTAL CITY & IMU	**22,707,413.60**	1,519,374.08	4,912,991.04	1,532,909.42	1,532,909.42	**19,313,796.64**	
Cross Check Total						19,313,796.64	

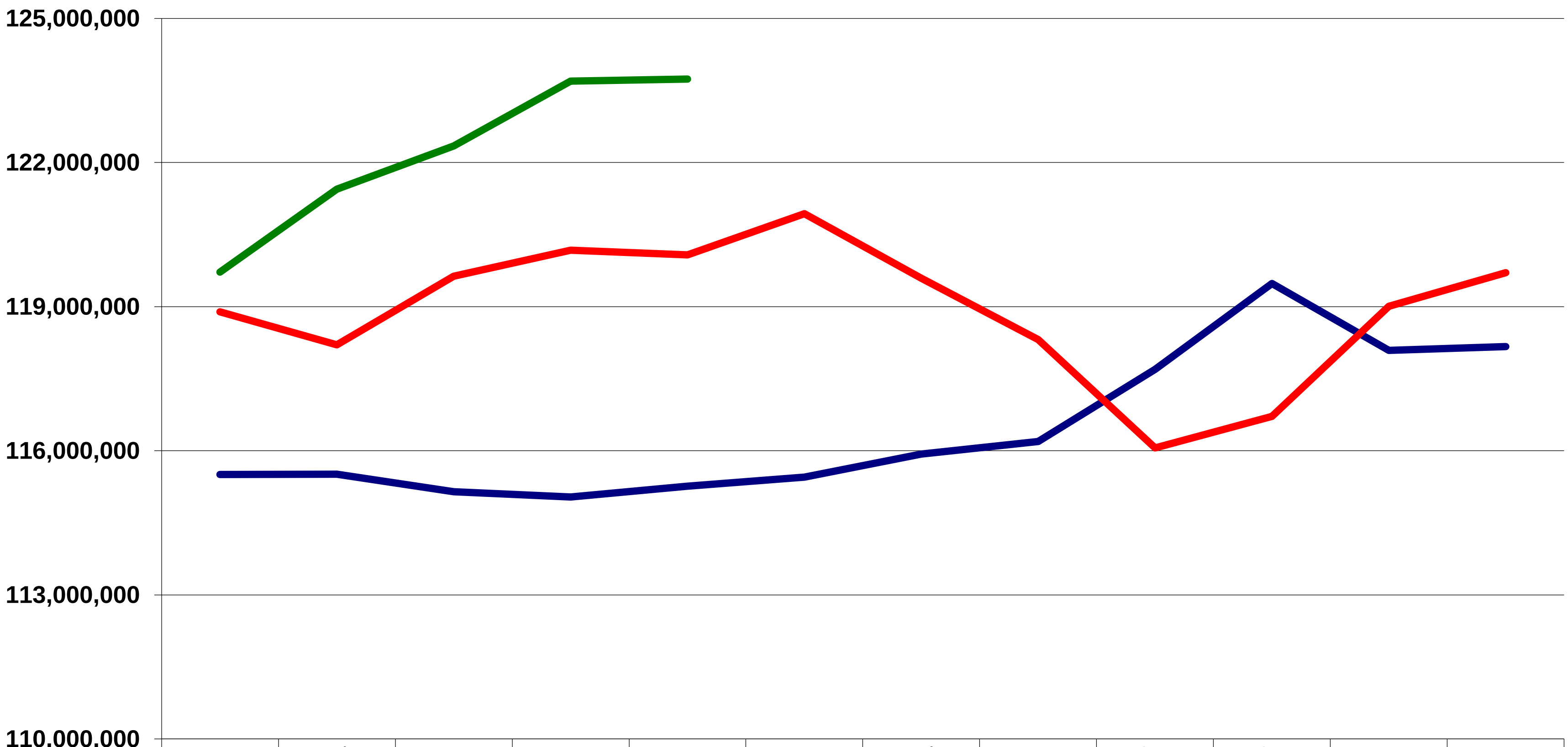
Investments			
Bankers Trust	$	17,400,059.22	2.09%
Bankers Trust - Wellness Center Project	$	-	0.00%
Iowa Public Agency Inv. Trust	$	111,104.74	0.010%
Payroll Account, Community State	$	0.01	Earnings Credit
Checking Account, Community State	$	249,763.81	Earnings Credit
City State Bank Account	$	250,000.00	
Sweep Account, Community State	$	1,340,512.58	0.25%
BANK BALANCE		**19,351,440.36**	

Clerk's Balance	19,313,796.64
Plus Outstanding Checks	51,938.30
Unreconcilable Item	
Less Outstanding Deposits	-14,294.58
	19,351,440.36

600 Water	365,226.75	188,506.69	76,574.52	0.00	454,494.03	22,664.89
620 IMU Administration	45,845.70	0.00	44,606.43	84,458.34	28,611.80	57,085.81
625 Revolving Economic Development	102,924.07	154.44	0.00	0.00	0.00	103,078.51
626 USDA RLF	150,000.00	0.00	0.00	0.00	0.00	150,000.00
630 Electric	1,572,653.42	872,129.93	705,948.97	362,568.00	218,741.31	1,882,661.07
640 Fiber/Communications	338,612.74	20,990.77	18,387.08	0.00	7,491.67	333,724.76
700 Water Capital Projects	1,409,536.01	0.00	93,732.56	34,000.00	0.00	1,349,803.45
730 Electric Capital Projects	3,339,348.41	80,578.59	491,999.28	0.00	0.00	2,927,927.72
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	119,389.68	0.00	4,737.50	23,325.00	0.00	137,977.18
793 Electric Revenue Bonds	-733.30	0.00	0.00	112,316.67	0.00	111,583.37
855 Liability Insurance Reserve--IMU	20,778.44	31.52	0.00	0.00	0.00	20,809.96
IMU SUB-TOTAL	**8,965,273.27**	**1,162,391.94**	**1,435,986.34**	**616,668.01**	**709,338.81**	**8,599,008.07**

INTEREST DISTRIBUTION	**INTEREST INCOME**	**% OF TOTAL**	**CALYTD**	**FYTD**
Electric Funds	$ 12,147.32	38.54%	$ 44,151.89	$ 101,728.30
Water Funds	$ 3,117.20	9.89%	$ 11,053.41	$ 25,438.11
Sewer Funds	$ 2,058.18	6.53%	$ 6,204.42	$ 11,566.33
Police Retirement	$ 170.21	0.54%	$ 643.42	$ 1,500.83
Community Redevelopment	$ 28.37	0.09%	$ 485.37	$ 1,500.83
All other	$ 13,997.47	44.41%	$ 54,328.70	$ 126,401.37
TOTAL	$ 31,518.75	100.00%	$ 116,867.21	$ 268,135.77

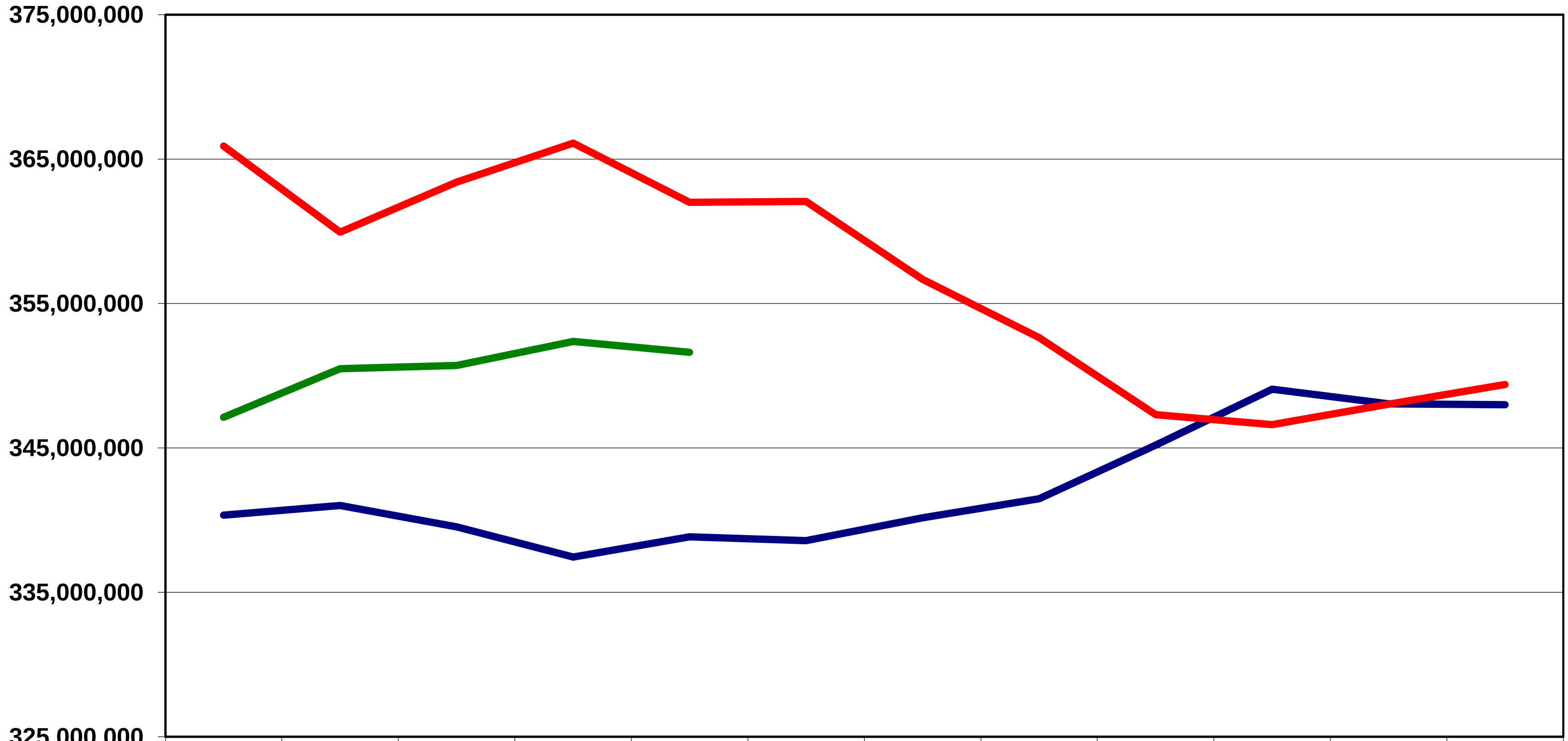
KWH's Sold
(Kwh's sold based on a rolling 12 month total)



	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	122,342,355	123,691,451	123,736,172							

2010-12 EL Avg 2013 2014

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



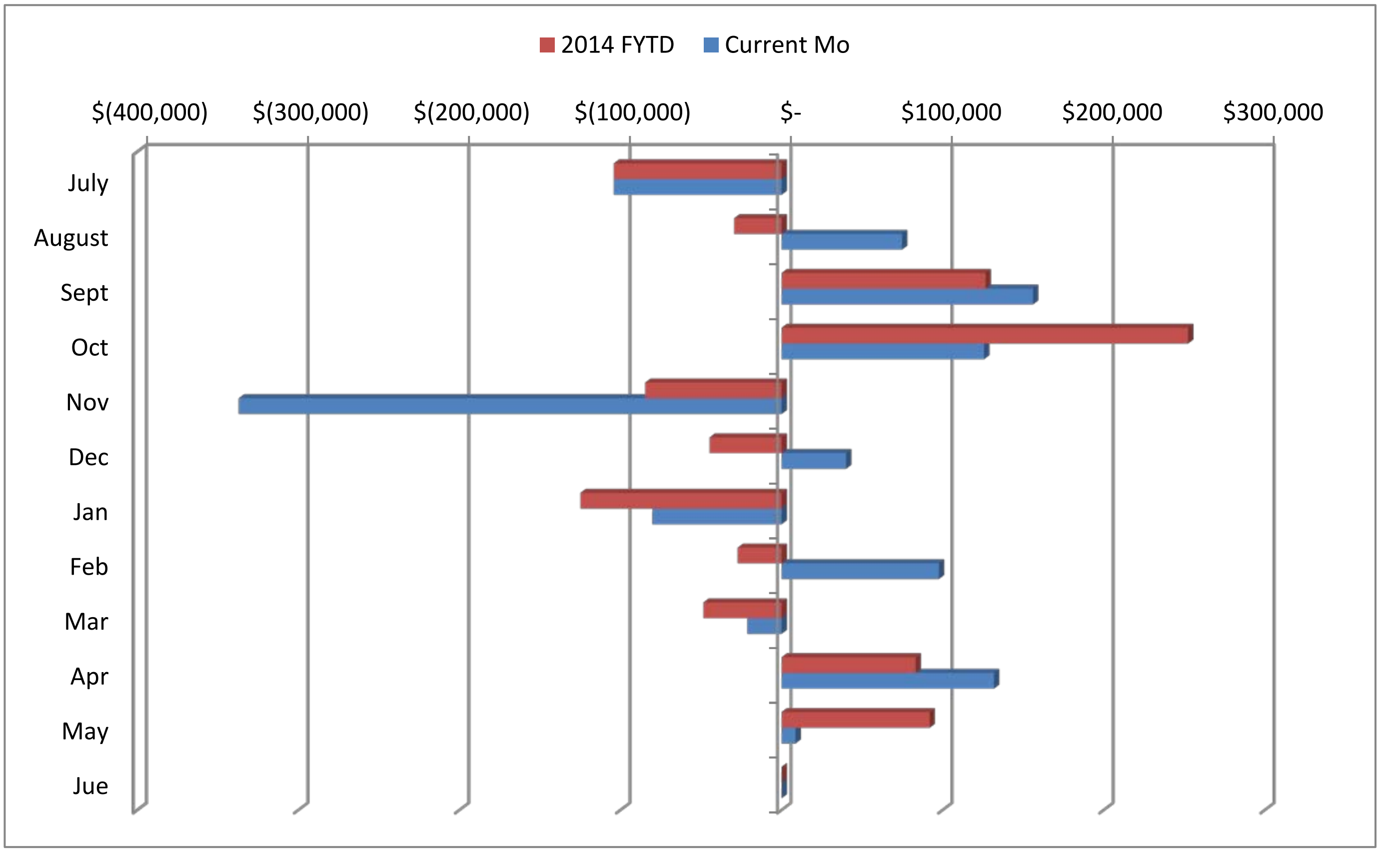
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010-12 WA Avg	340,342,990	341,005,490	339,539,389	337,453,792	338,839,263	338,574,698	340,162,998	341,474,254	345,182,293	349,066,685	348,054,010	347,985,339
2013	365,895,631	359,942,960	363,394,396	366,100,603	362,000,442	362,055,593	356,662,419	352,641,949	347,305,723	346,600,567	348,031,082	349,385,924
2014	347,116,769	350,493,280	350,702,914	352,367,788	351,619,538							

2010-12 WA Avg 2013 2014

2014 May IMU Financial Report Summary

		FYTD ACTUAL		FYTD BUD/RE-EST		VARIANCE
Electric Utility:						
Gross Margin	$	2,611,307	$	2,725,000	$	(113,693)
Cash-based Net Income (incl. Depr.)	$	91,882	$	140,700	$	(48,818)
Net O&M + Capital Funds Cash Flow	$	(1,045,525)	$	(1,287,600)	$	242,075
Ending O&M and Capital Fund Balances	$	4,810,700	$	4,567,900		
Less-						
Designated for Future Projects		-		-		-
Reserve Targets		3,732,900		3,732,900		-
Over/(Under)	$	1,077,800	$	835,000	$	242,800
Debt Service Coverage Ratio w/o PILOT		1.31		1.35		
Water Utility:						
Cash-based Net Income (incl. Depr.)	$	522,195	$	541,800	$	(19,605)
Net O&M + Capital Funds Cash Flow	$	(155,614)	$	(351,300)	$	195,686
Ending O&M and Capital Fund Balances	$	1,372,468	$	1,176,800		
Less-						
Designated for Future Projects		-		-		-
Reserve Targets		666,600		666,600		-
Over/(Under)	$	705,868	$	510,200	$	195,668
Debt Service Coverage Ratio w/o PILOT		1.11		1.13		
Communications Utility:						
Net Cash Flow	$	(95,244)	$	(97,200)	$	1,956
Ending Fund Balances	$	333,725	$	331,800	$	-
Less-						
Designated for Future Projects		-		-		-
Reserve Targets		323,100		323,100		-
Over/(Under)	$	10,625	$	8,700	$	1,925
Commercial Customers		106		123		-17
Residential Customers		214		210		4
Administrative Fund:						
Net Cash Flow	$	57,086	$	57,000	$	71

EL - Combined	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Sales of Electricity & Peaking	$ 11,127,294.70	$ 11,026,900	$ 100,395
Sales Taxes	200,627.08	233,500	(32,873)
Other	1,257,533.39	1,272,900	(15,367)
Total O&M Revenue	**$ 12,585,455.17**	**12,533,300**	**52,155**
Expenditures:			
Purchased Energy & Fuel	$ 8,022,179.27	$ 7,808,100	$ 214,079
Salaries	710,929.35	722,000	(11,071)
Benefits	333,414.84	344,700	(11,285)
Materials, Suppl. & Contracts	454,724.69	474,000	(19,275)
Sales Taxes & Use Taxes	206,996.67	238,200	(31,203)
PILOT	493,808.37	493,800	8
Debt Service - Interest Only	282,183.37	282,200	(17)
Overhead, Admin & EE	919,305.41	881,900	37,405
Depreciation (Est)	1,241,400.00	1,241,400	-
Total O&M Expenses	**$ 12,664,941.97**	**12,486,300**	**178,642**
Net Income (Operating & Other)	**$ (79,486.80)**	**47,000**	**(126,487)**
Capital Activities:			
Major Maintenance via Capital Fund	$ (27,500.00)	$ (117,500)	$ 90,000
Capital Contributions (Fiber)	170,738.54	167,300	3,439
Capital Contributions (Electric)	28,130.06	43,900	(15,770)
Net Income	**$ 91,881.80**	**140,700**	**(48,818)**
Cash Flow:			
Net Income + Depreciation	$ 1,333,281.80	$ 1,382,100	$ (48,818)
Water Loan Principal	532,300.00	532,300	-
Debt Service Principal	(953,300.00)	(953,300)	-
Debt Service Reserve Change	-	-	-
Capital Contributions (Developers)	178,195.24	1,873,100	(1,694,905)
Proceeds from Debt Issues	-	-	-
Capital Projects	(2,136,002.18)	(4,121,800)	1,985,798
Designated for Future Projects	-	-	-
Net Cash Flow	**$ (1,045,525.14)**	**$ (1,287,600)**	**$ 242,075**



	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	$ (48,555)	$ (21,283)	$ 734,330	$ 126,113
Apr	$ 83,249	$ 131,804	$ 810,152	$ 75,822
May	$ 91,881	$ 8,633	$ 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	$ 11,127,294.70	$ 11,026,900	$ 100,395
Sales Taxes	200,627.08	233,500	(32,873)
Other	502,421.77	531,500	(29,078)
Fund Revenue	**$ 11,830,343.55**	**$ 11,791,900**	**$ 38,444**
Expenditures:			
Purchased Energy & Fuel	$ 8,022,179.27	$ 7,808,100	$ 214,079
Salaries	710,929.35	722,000	(11,071)
Benefits	333,414.84	344,700	(11,285)
Materials, Suppl. & Contracts	454,724.69	474,000	(19,275)
Sales Taxes & Use Taxes	206,996.67	238,200	(31,203)
PILOT	493,808.37	493,800	8
Debt Service	1,235,483.37	1,235,500	(17)
Overhead, Admin & EE	919,305.41	881,900	37,405
Fund Expenditures	**$ 12,376,841.97**	**$ 12,198,200**	**$ 178,642**
O&M Activities Cash Flow:	**$ (546,498.42)**	**$ (406,300)**	**$ (140,198)**
Capital Fund Transfer (Out) In	$ 532,300.00	$ -	$ 532,300
O&M Fund Cash Flow:	**$ (14,198.42)**	**$ (406,300)**	**$ 392,102**
Ending Fund Balances:	**$ 1,882,772.74**	**$ 1,490,700**	
17% Reserve Target	**$ 1,955,600.00**	**$ 1,955,600**	
Over/Under Reserve Target	**$ (72,827.26)**	**$ (464,900)**	**$ 392,073**

730 - EL CAP Fund	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Capital Contributions (Fiber)	$ 170,738.54	$ 167,300	$ 3,439
Capital Contributions (Electric)	112,520.23	175,700	(63,180)
Capital Contributions (Reimb)	93,805.07	1,741,300	(1,647,495)
Water Loan Principal	532,300.00	532,300	-
Proceeds from Debt	-	-	-
Other	755,111.62	741,400	13,712
Fund Revenue	**$ 1,664,475.46**	**$ 3,358,000**	**$ (1,693,525)**
Expenditures:			
Major Maintenance (Est.)	$ 27,500.00	$ 117,500	$ (90,000)
Vehicles	162,063.60	189,300	(27,236)
Relocations & Conversions	1,468,630.39	4,012,100	(2,543,470)
New Developments & Line Repl	105,710.88	126,600	(20,889)
Network Services	161,814.19	309,700	(147,886)
Other/Stock (Out) In	237,783.12	(515,100)	752,883
Fund Expenditures	**$ 2,163,502.18**	**$ 4,240,100**	**$ (2,076,598)**
Capital Activities Cash Flow:			
Capital Fund Transfer (Out) In	$ (532,300.00)	$ -	$ (532,300)
Designated for Future Projects	-	-	-
Capital Fund Cash Flow:	**$ (1,031,326.72)**	**$ (882,100)**	**$ (149,227)**
Ending Fund Balances:	**$ 2,927,927.72**	**$ 3,077,200**	
Reserve Target	**$ 1,777,300**	**$ 1,777,300**	
Designated for Future Projects			
Over/Under Reserve Target	**$ 1,150,628**	**$ 1,299,900**	**$ (149,272)**

WA - Combined

		FYTD ACTUAL		FYTD BUD/RE-EST		VARIANCE
Revenue:						
Sales of Water	$	2,098,803.09	$	2,103,600	$	(4,797)
Sales Taxes		109,262.93		126,200		(16,937)
Other		196,584.15		143,200		53,384
Total O&M Revenue	**$**	**2,404,650.17**	**$**	**2,373,000**	**$**	**31,650**
Expenditures:						
Salaries	$	365,964.48	$	349,100	$	16,864
Benefits		147,412.54		148,700		(1,287)
Materials, Suppl. & Contracts		314,790.09		326,500		(11,710)
Sales Taxes & Use Taxes		109,532.56		126,200		(16,667)
PILOT		64,900.00		64,900		-
Debt Service - Interest Only		106,264.63		77,900		28,365
Overhead, Admin & EE		184,709.64		176,000		8,710
Depreciation (Est)		484,000.00		484,000		-
Total O&M Expenses	**$**	**1,777,573.94**	**$**	**1,753,300**	**$**	**24,274**
Net Income (Operating & Other)	**$**	**627,076.23**	**$**	**619,700**	**$**	**7,376**
Capital Activities:						
Major Maintenance via Capital Fund	$	(104,881.67)	$	(77,900)	$	(26,982)
Net Income	**$**	**522,194.56**	**$**	**541,800**	**$**	**(19,605)**
Cash Flow:						
Net Income + Depreciation	$	1,006,194.56	$	1,025,800	$	(19,605)
Debt Service Principal		(897,600.00)		(897,600)		-
Debt Service Reserve Change		-		-		-
Capital Projects		(264,208.76)		(479,500)		215,291
Designated for Future Projects		-		-		-
Net Cash Flow	**$**	**(155,614.20)**	**$**	**(351,300)**	**$**	**195,686**

600 - WA O&M Fund		FYTD ACTUAL		FYTD BUD/RE-EST		VARIANCE
Revenue:						
Sales of Water	$	2,098,803.09	$	2,103,600	$	(4,797)
Sales Taxes		109,262.93		126,200		(16,937)
Other		176,584.15		143,200		33,384
Fund Revenue	**$**	**2,384,650.17**	**$**	**2,373,000**	**$**	**11,650**
Expenditures:						
Salaries	$	365,964.48	$	349,100	$	16,864
Benefits		147,412.54		148,700		(1,287)
Materials, Suppl. & Contracts		314,790.09		326,500		(11,710)
Sales Taxes & Use Taxes		109,532.56		126,200		(16,667)
PILOT		64,900.00		64,900		-
Debt Service		1,003,864.63		975,500		28,365
Overhead & Admin		184,709.64		176,000		8,710
Fund Expenditures	**$**	**2,191,173.94**	**$**	**2,166,900**	**$**	**24,274**
O&M Activities Cash Flow:	**$**	**193,476.23**	**$**	**206,100**	**$**	**(12,624)**
Capital Fund Transfer (Out) In	$	-	$	(16,500)	$	16,500
Debt Service Reserve Change		-		-		-
O&M Fund Cash Flow:	**$**	**193,476.23**	**$**	**189,600**	**$**	**3,876**
Ending Fund Balances:	**$**	**396,664.89**	**$**	**392,800**		
17% Reserve Target	**$**	**196,100.00**	**$**	**196,100**		
Over/Under Reserve Target	**$**	**200,564.89**	**$**	**196,700**	**$**	**3,865**

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.)	$ 104,881.67	$ 77,900	$ 26,982
Vehicles	24,174.00	25,000	(826)
Water Towers	-	-	-
Plant	12,760.05	180,000	(167,240)
Water Mains	227,274.71	274,500	(47,225)
Other	-	-	-
Fund Expenditures	**$ 369,090.43**	**$ 557,400**	**$ (188,310)**
Capital Activities Cash Flow:			
Capital Fund Transfer (Out) In	$ -	$ 16,500	$ (16,500)
Designated for Future Projects	-	-	-
Capital Fund Cash Flow:	**$ (349,090.43)**	**$ (540,900)**	**$ 191,810**
Ending Fund Balances:	**$ 975,803.45**	**$ 784,000**	**$ 191,803**
Reserve Target	**$ 470,500.00**	**$ 470,500**	**$ -**
Designated for Future Projects	**-**	**-**	**-**
Over/Under Reserve Target	**$ 505,303.45**	**$ 313,500**	**$ 191,803**

640 - NS O&M Fund

	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Fiber License Payments	$ 215,186.05	$ 209,200	$ 5,986
Other	8,965.12	4,600	4,365
Fund Revenue	**$ 224,151.17**	**$ 213,800**	**$ 10,351**
Expenditures:			
Salaries	$ 9,210.73	$ 9,200	$ 11
Benefits	1,524.21	1,600	(76)
Materials, Suppl. & Contracts	204,370.67	211,800	(7,429)
Overhead, Admin & EE	104,289.40	88,400	15,889
Fund Expenditures	**$ 319,395.01**	**$ 311,000**	**$ 8,395**
O&M Activities Cash Flow:	**$ (95,243.84)**	**$ (97,200)**	**$ 1,956**
Electric CIAC (Out) In	$ -	$ -	$ -
O&M Fund Cash Flow:	**$ (95,243.84)**	**$ (97,200)**	**$ 1,956**
Ending Fund Balances:	**$ 333,724.76**	**$ 331,800**	
FY Ending Balance Target	**$ 323,100.00**	**$ 323,100**	
Designated for Future Projects	**-**	**-**	
Over/Under Reserve Target	**$ 10,624.76**	**$ 8,700**	**$ 1,925**

620 - ADM O&M Fund		FYTD ACTUAL		FYTD BUD/RE-EST		VARIANCE
Revenue:						
IMU Transfers In	$	932,541.74	$	933,900	$	(1,358)
City Transfers In		16,500.00		16,500		-
Refund/Reimbursement		14.84		-		-
Fund Revenue	**$**	**949,056.58**	**$**	**950,400**	**$**	**(1,358)**
Expenditures:						
Salaries	$	282,115.80	$	282,200	$	(84)
Benefits		132,221.89		133,800		(1,578)
Materials, Suppl. & Contracts		166,610.93		166,000		611
Overhead, Admin, Shared Staff		311,022.15		311,400		(378)
Fund Expenditures	**$**	**891,970.77**	**$**	**893,400**	**$**	**(1,429)**
O&M Fund Cash Flow:	**$**	**57,085.81**	**$**	**57,000**	**$**	**71**

Information

Subject

W. Hwy 92 Transmission Relocation Project Easement

Information

An easement has been negotiated with Robert and Verna Hutt for .261 total acres in order to complete pole installation on the revised route (far left side of the attached plan drawing). Al Powers of P&E Engineering is planning to attend to provide a high-level overview of that revision.

A change order (mostly funded by IDOT) will be forthcoming, hopefully in time for the July 28 Trustee meeting. To recap, the original design placed this west end of the project on the south side of Hwy 92. Trustees approved a change order providing for it to mostly remain on the north side for several reasons, including easements & tree clearing. That change order was rescinded by engineers once it was determined that there would be grading issues. Now, it is back to the south side with a crossing to the north side at the western end (left side of drawing).

Easement considerations include:

1. There have been several alternative pole locations and routes analyzed. The proposed pole location (is at the end of the relocated line) is the only remaining viable place due to conflict with a rural water main and is the most cost-effective option.
2. Easement rights include the pole & anchors (small triangle), an ongoing access easement from the driveway (long rectangle), and fee title to the right of way (large rectangle).
3. The IDOT is settling final agreements with property owners for right of way acquisition (for the roadway) at or above the cost per acre of the proposed $10,000 value of this easement.
4. The route avoids the need for a previously-agreed to $5,000 tree clearing agreement with the owner of the property on the other side of the highway, which is the primary alternate plan if not agreeing to this easement.
5. The property owner is very amicable to working with IMU & the contractor to restore likely damage to the area when constructing the pole (as opposed to what staff believes would be a contentious effort with other property owners).
6. The cost of the easement will be mostly borne by IDOT under the cost-share agreement.

Staff and engineers recommend Trustees approval of the easement agreement as presented.

Financial Impact

N/A

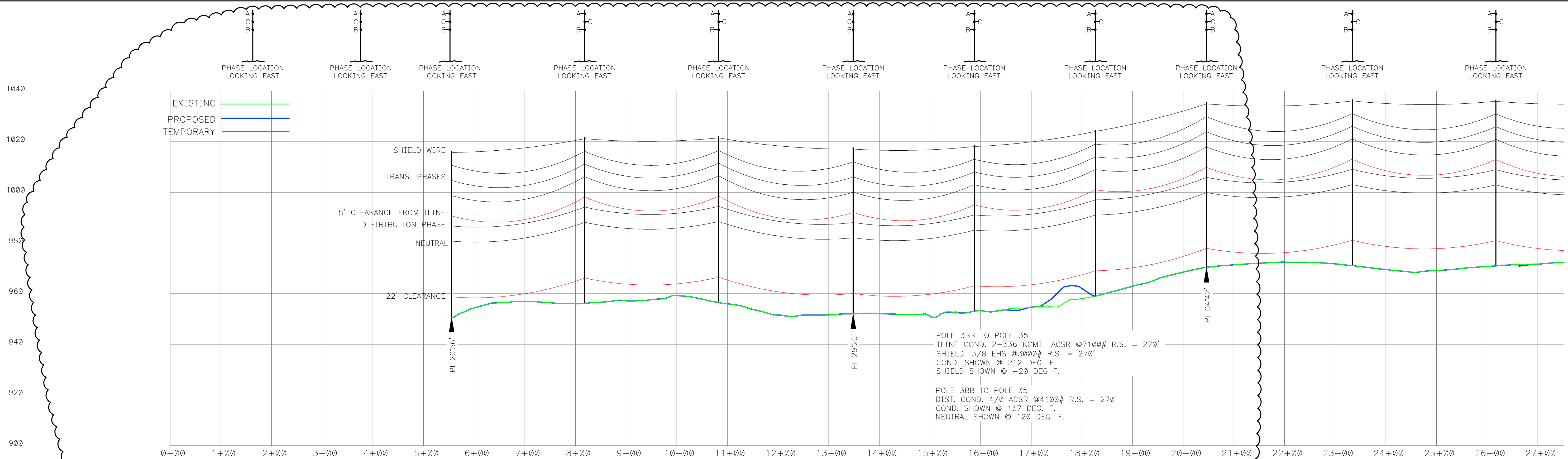
Staff Recommendation

Simple motion approving the easement agreement is in order.

Attachments

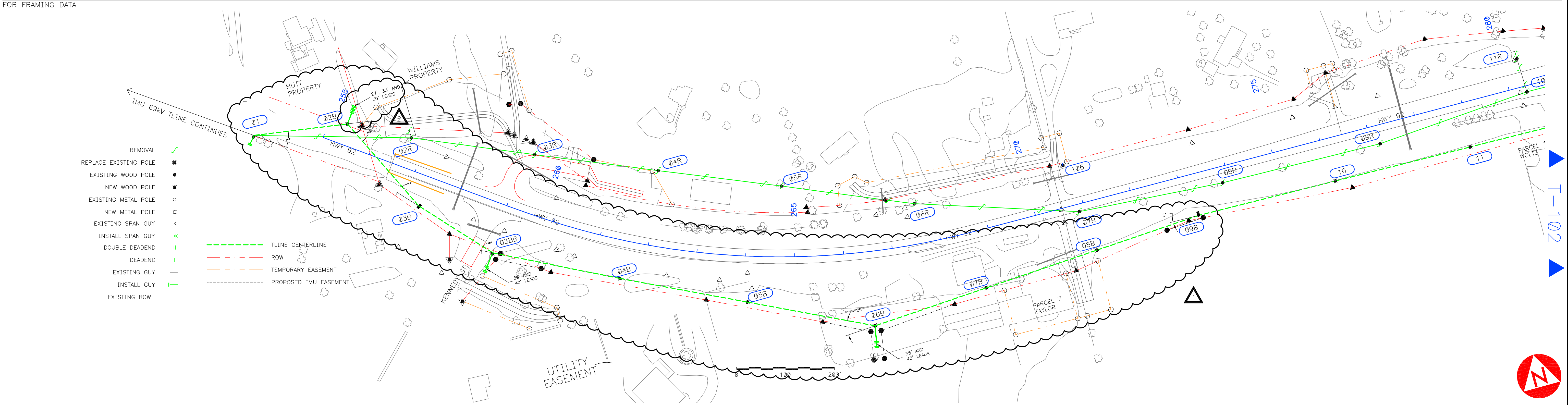
Plan Drawing

Easement agreement



STRUCTURE NUMBER	POLE 1	POLE 02B	POLE 03B	POLE 03BB	POLE 04B	POLE 05B	POLE 06B	POLE 07B	POLE 08B	POLE 09B	POLE 10	POLE 11
(STRUCTURE STATIONING)		(01+64)	(03+85)	(05+62)	(08+27)	(10+92)	(13+58)	(15+97)	(18+26)	(20+46)	(23+34)	(26+18)
SPAN LENGTH	192'	221'	177'	265'	265'	266'	239'	239'	220'	288'	284'	
DIST SPAN LENGTH												
POLE HEIGHT - CLASS	75-1	65-1	LW 65' AGL	80-1	75-1	75-1	75-1	75-1	75-1	LW 65' AGL	75-1	75-1
TRANS-DIST SPACING	12'	9'	12'	12'	12'	12'	12'	12'	12'	12'	12'	12'
NOTES	EXISTING POLE TO REMAIN		POLE MARKED 6A									

SEE STAKING SHEETS FOR FRAMING DATA



ISSUED FOR CONSTRUCTION

REV	DATE	DESG	DFTR	APP	DESCRIPTION
2	07-07-14	P&E	RWB	ARP	MOVED POLE 2B
1	06-26-14	P&E	RWB	ARP	UPDATED ROUTING BASED ON LATEST DESIGN
0	05-23-14	P&E	RWB	ARP	ISSUED FOR CONSTRUCTION
B	01-22-14	P&E	RWB	ARP	ALTERNATE ROUTING
A	03-13-13	P&E	RWB	ARP	ORIGINAL DESIGN

P & E ENGINEERING CO.
POWER SYSTEM ANALYSIS AND DESIGN
245 S. 5th
P.O. Box 620
Carlisle, IA 50047
Office: 515-989-3083
FAX: 515-989-3138
peengr@peengr.com

INDIANOLA MUNICIPAL UTILITIES
IMU
Electric • Network Services • Water

DATE	01-08-12
DESIGNED	P&E
DRAWN	RMB
APPROVED	JWE
APPROVED	ARP

INDIANOLA MUNICIPAL UTILITIES

HIGHWAY 92 DOT PROJECT
TRANSMISSION PLAN & PROFILE

SCALE: AS NOTED
REV 2
DWG NO E8958-T101

AGREEMENT REGARDING EASEMENT

THIS AGREEMENT is made and effective this 10th day of July, 2014 by and between Robert Hutt and Verna Hutt (Husband and Wife), 7959 Highway 92, Indianola, Iowa 50125 (Grantor), and Indianola Municipal Utilities (Grantee).

RECITALS

A. On July 10, 2014, Grantor, entered into an easement with IMU, as Grantee (the "Easement") contemporaneously with this Agreement, on certain land described in the Easement.

B. As consideration for the Easement, Grantee (IMU), agreed to pay the following sum (the "Total Payment"): The sum of Ten Thousand and No/100 dollars, ($10,000.00).

C. In addition to the terms and conditions in the Easement, Grantor and Grantee agreed to certain additional terms and conditions as further consideration for the grant of the Easement by Grantor to Grantee as set forth herein.

NOW, therefore, in consideration of the promises and covenants herein, and other good and valuable consideration, the adequacy, receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Grantee (Indianola Municipal Utilities shall pay the Total Payment to Grantee not later than 30 days following the execution of the above mentioned easement.

2. Grantee shall negotiate with Landowner and make separate payment for damages caused by the exercise of the rights granted by the Easement promptly upon completion of the construction project; provided, Grantor reserves the right to submit additional claims for damages that were not apparent at the time of the work and which were not otherwise compensated

.

3. Grantor acknowledges and agrees that this Agreement Regarding Easement is personal to Grantor, that it is not assignable by, and that it shall not run with the land.

4. Notwithstanding anything to the contrary contained herein, nothing in this Agreement shall be deemed to modify, restrict, increase or otherwise change the Easement.

5. This Agreement shall not be recorded by either party hereto without the written consent of the other party.

6. Grantor represents and warrants to IMU that he/she is the sole owner(s) of the Property and has the full authority and power to enter into this Agreement and the Easement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year set forth above.

BY SIGNING THIS DOCUMENT THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTOOD THE FOREGOING TERMS AND AGREE TO THE TERMS AND CONDITIONS THEREIN.

LANDOWNER:

Signature: Verna Hutt

Printed Name: VeRNA Hutt

Signature: Robert Hutt

Printed Name: Robert Hutt

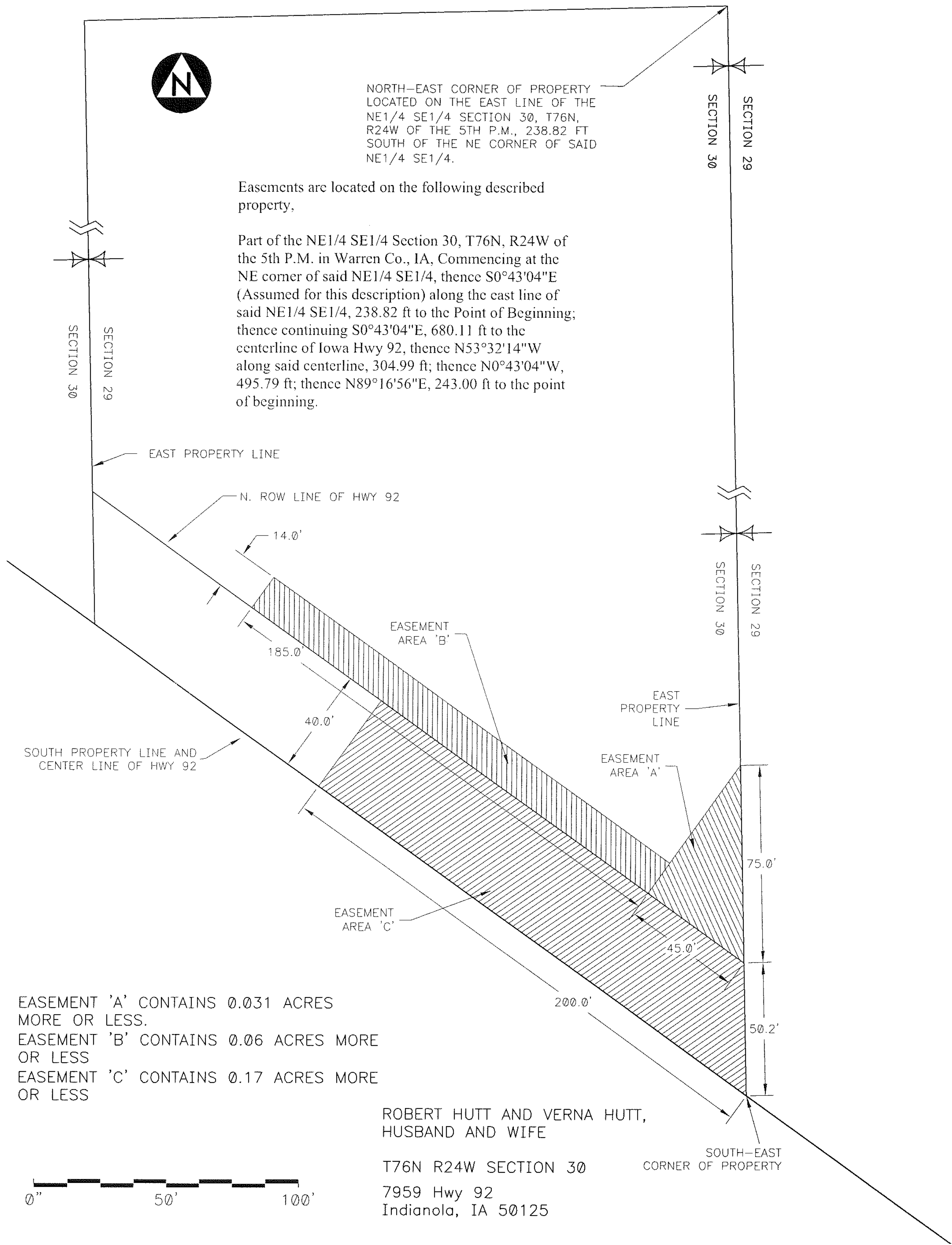
Dated: 7-10-14

Indianola Municipal Utilities

____

Todd Kielkopf, General Manager

Dated: ______________________



Easements are located on the following described property,

Part of the NE1/4 SE1/4 Section 30, T76N, R24W of the 5th P.M. in Warren Co., IA, Commencing at the NE corner of said NE1/4 SE1/4, thence S0°43'04"E (Assumed for this description) along the east line of said NE1/4 SE1/4, 238.82 ft to the Point of Beginning; thence continuing S0°43'04"E, 680.11 ft to the centerline of Iowa Hwy 92, thence N53°32'14"W along said centerline, 304.99 ft; thence N0°43'04"W, 495.79 ft; thence N89°16'56"E, 243.00 ft to the point of beginning.

EASEMENT 'A' CONTAINS 0.031 ACRES MORE OR LESS.
EASEMENT 'B' CONTAINS 0.06 ACRES MORE OR LESS
EASEMENT 'C' CONTAINS 0.17 ACRES MORE OR LESS

ROBERT HUTT AND VERNA HUTT, HUSBAND AND WIFE

T76N R24W SECTION 30

7959 Hwy 92
Indianola, IA 50125

SCALE: AS SHOWN DATE: 07-10-14 DESIGNED: P&E DRAWN: RWB APPROVED: ARP APPROVED:	P & E ENGINEERING CO. POWER SYSTEM ANALYSIS AND DESIGN ACAD	SECTION	DRAWING NO. Exhibit A

Prepared by
& Return to: Katherine A Beenken, 100 Court Avenue, Suite 600, Des Moines, Iowa 50309-2231, (515) 243-7611
Individual's Name Street Address City Phone

SPACE ABOVE THIS LINE FOR RECORDER

EASEMENT

Robert Hutt and Verna Hutt, husband and wife, owners of the property described herein, (collectively, the "Grantor") in exchange for one dollar ($1.00) and other valuable consideration, receipt of which is hereby acknowledged, do hereby grant to the City of Indianola acting through the Indianola Municipal Utilities, an Iowa municipal corporation, ("Grantee"), and to its successors or assigns, including MidAmerican Energy Company, a non-exclusive electric utility easement upon the conditions herein and located on the following described property situated in the County of Warren, State of Iowa:

> Part of the NE1/4 SE1/4 Section 30, T76N, R24W of the 5th P.M. in Warren Co., IA, Commencing at the NE corner of said NE1/4 SE1/4, thence S0°43'04"E (Assumed for this description) along the east line of said NE1/4 SE1/4, 238.82 ft to the Point of Beginning; thence continuing S0°43'04"E, 680.11 ft to the centerline of Iowa Hwy 92, thence N53°32'14"W along said centerline, 304.99 ft; thence N0°43'04"W, 495.79 ft; thence N89°16'56"E, 243.00 ft to the point of beginning.

The Easement Areas, as shown on Exhibit A, are located in the northeast quarter of the southeast quarter of Section 30, Township 76 North, Range 24 West of the 5th principal meridian in Warren County, Iowa. The Easement Areas include the following.

Easement Area 'A'

A triangular area bounded by lines connecting the following points

Point A1: the intersection of the east line of the property and the north right of way line of Iowa Hwy 92.

Point A2: located on the east line of the property, 75 ft north of Point A1 as measured along the east line of the property.

Point A3: located on the north right of way line of Iowa Hwy 92, 45 ft northwest of Point A1 as measured along the right of way line.

All as shown on Exhibit A and by this reference made a part hereof.

Easement Area 'B'

An area measuring 14 ft x 185 ft adjacent to and north of the north right of way line of Hwy 92 and located immediately west of Easement Area 'A', as shown on Exhibit A and by this reference made a part hereof.

Easement Area 'C'

An area bounded by lines connecting the following points

Point C1: the southeast corner of the property

Point C2: the intersection of the east line of the property and the north right of way line of Iowa Hwy 92.

Point C3: located on the north right of way line of Iowa Hwy 92, 200 ft northwest of Point C2 as measured along the right of way line.

Point C4: located on the south line of the property which is also the centerline of Iowa Hwy 92, 200 ft northwest of Point C1 as measured along the centerline of Iowa Hwy 92.

All within the existing right of way of Iowa Hwy 92 as shown on Exhibit A and by this reference made a part hereof. Easement 'C" is being granted by Grantor to cover his underlying fee title to the center of said highway 92.

The Easement will allow the installation of poles, conductors, supports, crossarms, guy wires, anchors, apparatus, and all other required appurtenances for a 69 kV electric transmission line and associated 13.2 kV distribution line upon and above Easement Areas 'A and 'C' (the "Purpose"). The Easement Purpose includes the ongoing existence, repair, maintenance, replacement, upgrading, or removal of the poles, conductors, and other apparatus and appurtenances and the right to access the Easement area as necessary to fulfill the Purpose. Easement Area 'B' is limited to only the right of access to Easement Areas 'A' and 'C'.

The Grantee agrees to restore damage caused while constructing or maintaining facilities on the above described easement.

The Easements shall be subject to the following terms and conditions:

1. **<u>Limited Use/Purpose</u>**. The Grantee may use the Easement only for the Purpose stated herein.

2. **<u>Cancellation</u>**. Grantor has the right to cancel this Easement to Grantee by mailing a 'Notice of Cancellation' to the Grantee at its principal place of business by certified mail with return requested. The Notice must be received by Grantee within seven (7) days of the date of this Easement, excluding Saturday and Sunday. Grantor acknowledges receipt of this written information as to the right to cancel prior to signing of this easement agreement and

acknowledges receipt of the form in duplicate which can be used to mail Grantee a 'Notice of Cancellation'. Grantee will not record this agreement until after the period for cancellation has expired. This right of cancellation may be exercised only once for each transmission line project.

3. **No Structures or Plantings**. The Grantor agrees not to place, or allow to be placed, any building, structure, or object of any kind beneath or in such close proximity of said wires as to encroach upon the easement rights of Grantee until proper notification is given to and subsequent approval given by said Grantee. Grantor shall have the right to use said strip for purposes not inconsistent with the Grantee's full enjoyment of the rights hereby created. The Easement granted shall be perpetual and shall be binding on the parties and their assigns.

4. **Protection of Lines**. With due care, Grantee shall have the right to trim or remove trees or other vegetation within the Easement Area as may interfere with the proper construction, reconstruction, maintenance, operation and/or repair of the lines authorized by this easement.

5. **Easement Runs With Land**. This Easement will be deemed to run with the land and shall be binding on the successors and assigns of Grantor and Grantee.

6. **Construction and Maintenance**. Grantee shall construct and maintain the transmission lines described herein in accordance with good utility practice.

7. **Indemnification**. To the extent allowed by Iowa law, Grantee shall indemnify and hold harmless Grantor from any and all claims, injury, damage, liability, costs, fees (including reasonable attorneys' fees), expenses, or other loss, whether to persons or property, including persons and property controlled by others, arising from Grantee's exercise of Grantee's rights under this Easement.

8. **Applicable Law.** Wires constructed following this easement grant shall not be less than the minimum height as required by the National and State Electrical Safety Code above the surface of the ground beneath said wires. Grantee shall have the exclusive right to the space occupied by said wires beneath and on either side thereof as is necessary to provide reasonably safe isolation of the wires from contact by any person or object. Any dispute arising from this Easement shall be decided in accordance with the laws of the State of Iowa.

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

Dated this 10 th day of July, 2014

Robert Hutt
Signature

Verna Hutt
Signature

Robert Hutt
Print

Verna Hutt VERNA HUTT
Print

On this 10 th day of JULY, 2014,
before me, the undersigned, a Notary Public in and for said County and State, personally

appeared ROBERT HUTT and VERNA HUTT (H & W)

to me known to be the identical persons named in and who executed the within and foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

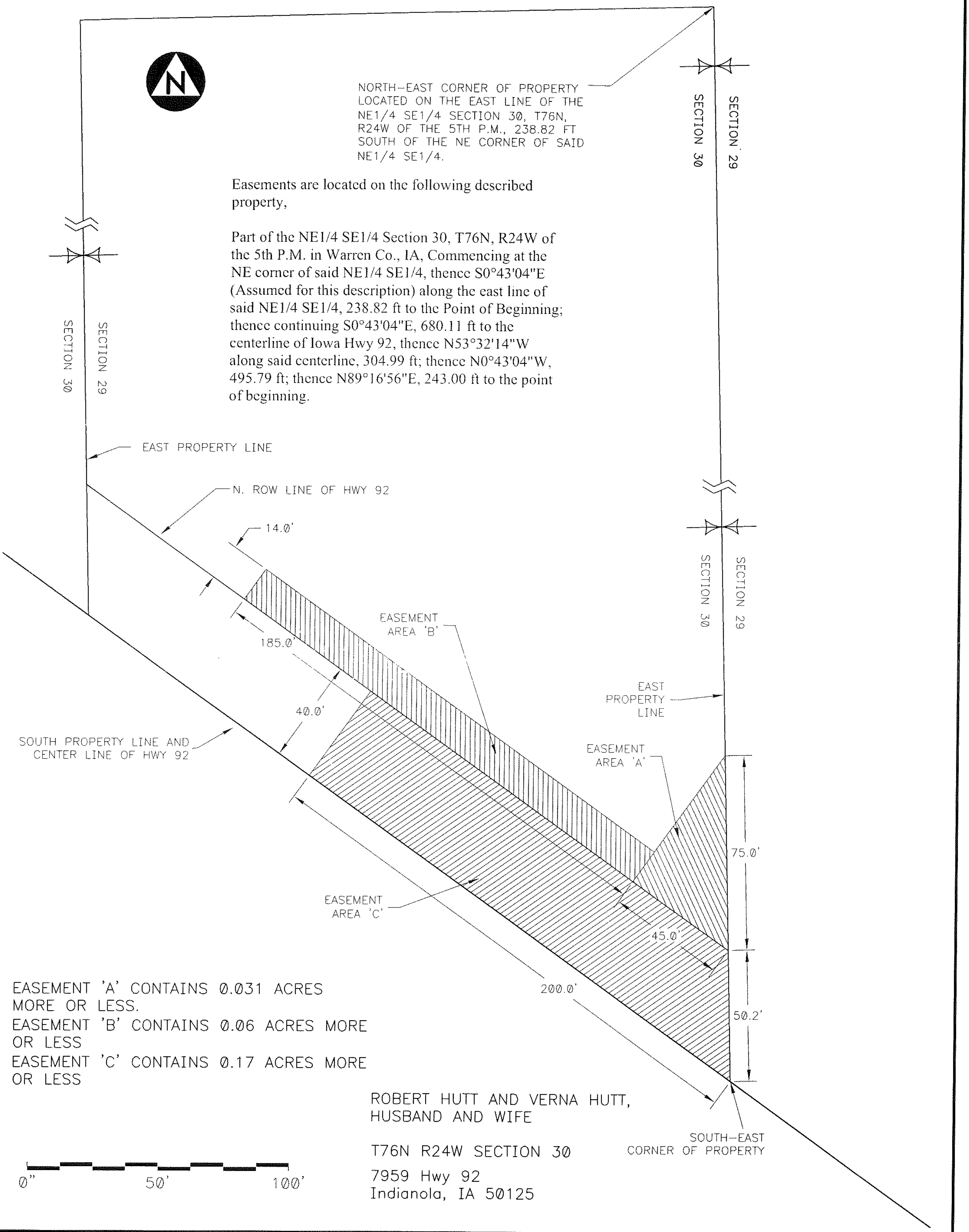
James P Diemer
Notary Public

My Commission Expires ____________________

JAMES P DIEMER
NOTARIAL SEAL
IOWA
Commission Number 752007
My Comm. Expires March 31, 2017

Easements are located on the following described property,

Part of the NE1/4 SE1/4 Section 30, T76N, R24W of the 5th P.M. in Warren Co., IA, Commencing at the NE corner of said NE1/4 SE1/4, thence S0°43'04"E (Assumed for this description) along the east line of said NE1/4 SE1/4, 238.82 ft to the Point of Beginning; thence continuing S0°43'04"E, 680.11 ft to the centerline of Iowa Hwy 92, thence N53°32'14"W along said centerline, 304.99 ft; thence N0°43'04"W, 495.79 ft; thence N89°16'56"E, 243.00 ft to the point of beginning.



EASEMENT 'A' CONTAINS 0.031 ACRES MORE OR LESS.

EASEMENT 'B' CONTAINS 0.06 ACRES MORE OR LESS

EASEMENT 'C' CONTAINS 0.17 ACRES MORE OR LESS

ROBERT HUTT AND VERNA HUTT, HUSBAND AND WIFE

T76N R24W SECTION 30

7959 Hwy 92
Indianola, IA 50125

SCALE:	AS SHOWN	P & E ENGINEERING CO. POWER SYSTEM ANALYSIS AND DESIGN	SECTION	DRAWING NO.
DATE:	07-10-14			Exhibit A
DESIGNED:	P&E			
DRAWN:	RWB			
APPROVED:	ARP			
APPROVED:		ACAD		