INDIANOLA MUNICIPAL UTILITIES

IMU

Electric • Communications • Water

IMU Board of Trustees
August 25, 2014
City Hall Council Chambers
5:30 p.m.

Agenda

1. Roll Call

2. Consent

   A. Claims

   B. Minutes

   C. Salaries

   E. FY 2014 Audit Engagement

3. Reports

   A. General Manager

   B. Director of Finance

   C. Chairperson

   D. IMU Partners

   E. Financials

   F. Safety Officer

4. 2014 N. Howard St. Fiber Extension

5. 69kV Pole Repairs

6. 2013 Hwy 92 Transmission Relocation Project

   A. Change Order #1 - Vanderpool Construction Contract

   B. Change Order #2 - Vanderpool Construction Contract

7. 2014 W. IA Ave. Water Main Project - Change Order #2

8. 2014 Head Tank Aerator Assembly Project - Certificate of Final Completion

9. Engineering Services - Water Plant

   A. Softening and Recarb Tank Recoating

   B. Vehicle Storage Building

10. Discuss Strategic Planning Work Session

11. Other Business

12. Adjourn

IMU Regular Downstairs **2. A.**

Meeting Date: 08/25/2014

Information

Subject

Claims

Information

The August 4, 2014 and August 18, 2014 Claims Lists were distributed previously.

Financial Impact

N/A

Staff Recommendation

IMU Regular Downstairs **2. B.**
Meeting Date: 08/25/2014

Information

Subject

Minutes

Information
Minutes of the July 28, 2014 meeting are attached.

Financial Impact
N/A

Staff Recommendation

Attachments

Minutes

BOARD OF TRUSTEE MINUTES
REGULAR SESSION – JULY 28, 2014

The Board of Trustees met in regular session at 5:30 p.m. on July 28, 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: Pat Reding and Deb White. Absent: Heather Hulen and Eric Vander Linden.

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

July 21, 2014 claims

July 14, 2014 minutes

Change order #3 in the amount of $4,750.00 and Change Order #4 in the amount of $4,300.00 for the 2014 West Hwy 92 & I-35 Transmission Relocation Projects

General Manager Todd Kielkopf presented the 2014 2nd Quarter Write-Off report to be submitted to the State Offset Program.

The June 2014 Treasurer's Report and budget variance reports were approved on a motion by White and seconded by Reding. Question was called for and on voice vote the Vice Chairperson declared the motion carried unanimously.

General Manager Todd Kielkopf presented the Quarterly Performance Report for the 4th Quarter of FY 2014.

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

Grant Johnson, Vice Chairperson

Diana Bowlin, City Clerk

IMU Regular Downstairs **2. C.**
Meeting Date: 08/25/2014

Information

Subject

Salaries

Information

Chelle Klootwyk, Office Manager, from CE 3-7 at $36,576/yr to CE 6-1 at $41,523/yr.

IMU has been restructuring internal operations over the past few years to reflect additional duties assumed derived from offering expanded retail telecom services. The internal plan had been for Chelle to proceed this year to CE 3-8 at $37,656 if her new role in this endeavor was minor or to be placed into a more appropriate range based on the duties assumed and new expectations. A higher step indicates that a position's progression through a range in the future will be slow (step raise every 3 years) while a lower step in a higher range (i.e. moving from Range 3 to Range 6) indicates application of higher-level skills and a growing impact to the organization (step progression annually, then every 2 years).

As background, the expansion of the telecom has involved outside fiber plant/construction, IMU Partners (see activity report later on the agenda) services, and creating/implementing programs locally. GM Todd Kielkopf has worked to develop the framework, Mike Metcalf has transitioned to the outside plant manager, and Chris Longer has a growing administrative/customer service/marketing role. Note that all this has been accomplished by employees proactively adding strategic value to the community through their efforts in addition to existing responsibilities.

Defining Chelle's role has been delayed to this point because first the framework had to be developed, the plant had to be constructed, and collaborative direction set. IMU staff have recently been working with MCG and the IDA to clarify implementation roles going forward now that the network, licenses & agreements are finalized.

Chelle has demonstrated the ability to perform outreach activities such as Chamber representation for IMU, introducing MCG staff to potential commercial customers, and being the primary contact point for enrollment in the IMU Partners program. Additionally, new expectations include helping Chris Longer & MCG staff develop marketing materials, producing a targeted e-newsletter, and event planning that enhances the holistic value of IMU and its Partners program. More importantly, she has used opportunities presented during this evolving plan's implementation to demonstrate these abilities such as through the Connected Communities program.

At some point, staff will be recommending job title changes with formal position descriptions that better reflect their formal roles. That will be done once more of those specific duties are identified through implementation.

Also, the recommended compensation is consistent with employees on the IMU union scale with similar skills, expectations, and organizational impact.

Financial Impact

N/A

Staff Recommendation

IMU Regular Downstairs **2. E.**

Meeting Date: 08/25/2014

Information

Subject

FY 2014 Audit Engagement

Information

See the attached engagement of Shull & Co. for the FY 2014 audit. The City Council approved this at their last meeting. IMU's portion includes $7,500 for it's overall financial statement report and $4,400 (in total) for individual electric & water utility reports (required for management purposes and bond disclosure).

Financial Impact

N/A

Staff Recommendation

Attachments

Shull Engagement

Shull
and Co. P.C.
certified public accountants

August 12, 2014

The Honorable Mayor and Members of the City Council of the
City of Indianola and the
Indianola Municipal Utilities Board of Trustees
110 North First Street
Indianola IA 50125

City of Indianola
We are pleased to confirm our understanding of the services we are to provide City of Indianola, Iowa for the year ended June 30, 2014. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of City of Indianola, Iowa as of and for the year ended June 30, 2014. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Indianola, Iowa's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Indianola's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds and Proprietary Funds

We have also been engaged to report on supplementary information other than RSI that accompanies City of Indianola's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1111 North Jefferson
Indianola, Iowa 50125
515-961-2571 • Fax 515-961-4253

133 West Washington Street
Osceola, Iowa 50213
641-342-2611 • Fax 641-342-2746

1. Statements of Cash Receipts, Disbursements and Changes in Cash Balances – Nonmajor Governmental Funds and Nonmajor Proprietary Funds
2. Schedule of Indebtedness
3. Bond and Note Maturities
4. Schedule of Receipts by Source and Disbursements by Function – All Governmental Funds

Indianola Municipal Utilities
In addition, we will audit the statement of net position and the related statements of revenues, expenses and changes in net position and cash flows of Indianola Municipal Utilities, a component unit of the City of Indianola, Iowa as of and for the year ended June 30, 2014. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Indianola Municipal Utilities' basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Indianola Municipal Utilities' RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis)

Individual Municipal Utilities
We will also audit the statement of net position and the related statements of revenues, expenses and changes in net position and cash flows as of and for the year ended June 30, 2014 for each of the following:

1. Municipal Electric Utility of the City of Indianola, Iowa
2. Municipal Water Utility of the City of Indianola, Iowa
3. Municipal Sewer Utility of the City of Indianola, Iowa

Audit Objectives
The objective of our audits are the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole.

Our audits will be conducted in accordance with the auditing standards generally accepted in the Untied States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the Untied States, and will include tests of the accounting records of the City of Indianola, Iowa and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audits or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, and contracts and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards.* The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that the City of Indianola, Iowa is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audits, we will assist with preparation of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Indianola, Iowa and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information in conformity with the cash basis of accounting. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (a) you are responsible for presentation of the supplementary information in accordance with the cash basis of accounting, (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with the cash basis of accounting, (c) that the methods of measurement or presentation have not changed from those used in the prior period; and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies.

You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audits to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent imitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures-Internal Controls

Our audits will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards.*

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards.*

Audit Procedures-Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Indianola, Iowa's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards.*

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the City of Indianola, Iowa and the Iowa Auditor of State; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Shull & Co., P.C. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Shull & Co., P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately September 15 and to issue our reports no later than December 31. Arlen Schrum is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs, except that we agree that our gross fee, including expenses, will not exceed $8,900 or the comprehensive audit and financial statements of the City of Indianola, $7,500 for the component unit audit and financial statements of Indianola Municipal Utilities and $2,200 each for the separate financial statements of the electric, water and sewer utilities (a total of $23,000). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered $5,500 on August 31, $9,500 on September 30 and the balance upon delivery of the final reports. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2012 peer review accompanies this letter.

We appreciate the opportunity to be of service to City of Indianola, Iowa and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Shull & Co., P.C.

Shull & Co., P.C.

RESPONSE:

This letter correctly sets forth the understanding of City of Indianola, Iowa.

By: ______________________________ Title: ______________________

Date: ____________________

Keith Oltrogge, CPA, P.C.

201 East Main Street
P.O. Box 310
Denver, Iowa 50622
(319) 984-5292
FAX (319) 984-6408

System Review Report

January 10, 2013

To the Shareholders of
Shull & Co PC
And the Peer Review Committee of the Iowa Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Shull & Co PC (the firm) in effect for the year ended September 30, 2012. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards engagements selected for review include engagements performed under Government Auditing Standards and an employee benefit plan.

We noted the following deficiencies during our review:

1. Deficiency – The firm's quality control policies and procedures require that annual inspections be performed as part of monitoring procedures. Our review noted that annual inspections were not performed. As a result financial statement reporting and disclosure problems were noted on engagements that could have been detected if monitoring were performed. A similar finding was noted in the firm's prior peer review.

   Recommendation – The firm should comply with its quality control policies and procedures and perform annual inspections to monitor compliance with quality control.

2. Deficiency – The firm's quality control policies and procedures require partner reviews of all engagement reports and workpapers prior to issuance. Our review noted that these reviews were not being thoroughly made. As a result financial reporting problems were noted on an ERISA audit and a compilation engagement. The firm's audit partner was also not in compliance with governmental continuing education requirements during parts of the past three year period.

   Recommendation – The firm should comply with its quality control policies and procedures and perform more thorough reviews of audit and compilation reports and workpapers and of its professional staff's continuing education requirements relating to governmental audit standards. The firm needs to stress, to its staff, its commitment for full compliance with professional standards on an ongoing basis.

In our opinion, except for the deficiencies described above, the system of quality control for the accounting and auditing practice of Shull & Co PC in effect for the year ended September 30, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Shull & Co PC has received a peer review rating of *pass with deficiency*.

Keith Oltrogge CPA PC

Keith Oltrogge
Certified Public Accountant

IMU Regular Downstairs **3. A.**
Meeting Date: 08/25/2014

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: August 22, 2014

1. **Annual Attachment O Meeting:** IMU held its required annual meeting (the announcement was posted on the MISO website) that provides high-level justification for IMU's $512,000 revenue requirement collected through MISO 30.9 credits. The meeting was held pursuant to MISO's implementation of FERC Order 1000, which allows market participant review of revenue requirements filed for each utility. The meeting was held in conjunction with MEAN and Waverly Light & Power, since we all receive credits passed through MidAmerican Energy through a common agreement. There were no other attendees or questions besides representatives from the three presenting entities. Audio & visual materials will be posted to the MISO web site and available for offline review.

2. **MEAN Meeting Summary:** There were several committee meetings held in conjunction with the quarterly Board meeting in N. Platte this week. Committee items of interest include-

   The Risk Oversight committee spent several hours reviewing a new set of Vision/Mission/Competitive Strategies/Functional Objectives. IMU GM Kielkopf has led an effort over the past several months to develop better strategic internal-improvement processes throughout the organization, which is a priority given recent financial/wholesale rate outcomes. The Committee and NMPP Staff developed a consensus on final drafts, which will be taken to the MEAN Board for adoption in November. NMPP staff will next be defining risks within core functional objectives, mitigation strategies used, and internally examining where improvements are needed.

   There was also open discussion and early consensus about the need for the NMPP Joint Operating Committee to review this document (following its adoption by the MEAN board) and to challenge leaders in the NMPP gas & services affiliates to develop similar statements. The intention is for this process to better define organizational performance, improve the evaluation of the NMPP Executive Director and thus better direct NMPP staff's activities.

   It will also be used to clarify the NMPP's strategic direction during any transition of Executive Directors. As reported earlier last year, the NMPP budget contains funds to hire a national search firm should the Executive Director retire or otherwise leave the organization. IMU GM Kielkopf is a member of the NMPP Joint Operating Committee as a result of being elected Vice President of NMPP last April.

The Power Supply Committee reviewed a potential contract extension with WAPA for hydro power that would extend until 2054. This current 6 MW contract runs through 2024, however WAPA is seeking new 30-year commitments in order to help fund long-term improvements to their system. The inadvertent result of this contract would be that MEAN communities would be extending their contractual relationship with MEAN for this project through 2054 if they adopted a new Schedule D, which contains the list of projects communities are financially obligated to support through their local rates.

IMU staff expressed an inability to commit Indianola through that date, which triggered much discussion following that meeting. Waverly, Ft. Morgan (Colorado) and others expressed interest in working together to define the impact of converting to Service Schedule status that starts the withdrawal process. The formal agenda item ended up being tabled until the November board meeting and NMPP staff may in the end not include the project in Schedule D (it would keep the contract risk internal) in order to avoid the discussion. From IMU's perspective, it moves the coalition-building process forward as intended. IMU staff continues to work with Ahlers and JK Energy (consultants) on better outlining this process.

The Ad-Hoc Rate Committee (IMU GM Kielkopf is a member) has been meeting on recommendations received from MEAN's rate consultant. These include changes to tiered demand & consumption rates, spreads between seasonal rates for each of the tiered rates, and other items. The Board/Management Committee also received the first quarter (April – June) financial report, which showed MEAN is $2.5 million below budget (net income) due to the impact of highly mild weather and offline generating units across its full 4-state footprint. With July and August having similar weather patterns, it does not appear that MEAN will meet its debt coverage and reserve requirements without rate changes.

Based on these concerns, the Board proactively voted at its Thursday meeting to move forward with rate study recommendations earlier than planned. Winter rates, which were recommended by the consultant as too low relative to summer rates, were increased 6.5% starting with November 1 (vs. April 1 if the board had proceeded with the study's recommendation). The IMU budget had anticipated this 6.5% increase plus additional amounts expected via purchased energy charges experienced last year. So IMU's projections of reserves & ratios should remain on target for now (more analysis will be done in coming weeks).

The main concern is that MEAN's projection was for a $6 million loss for its fiscal year (ends in March 2015), with only $1.3 million being made up through its Rate Stabilization Fund. The adoption of new winter rates is projected to make up $2.4 million. The Ad-Hoc Rate Committee was directed to meet in September, October, and November to monitor the situation and to recommend rate structures that keep progressing towards those prescribed in the rate study while also meeting financial targets.

Information

Subject

IMU Partners

Information

At the May 27, 2014 meeting, IMU and IDA staff presented the overall vision of the IMU Partners Program.

The team has developed an IMU Partners Program Guide (see attached) that presents that vision in a service-based format. Activities include collaborative marketing, joint use of common facilities, business development, community outreach, and Associate Membership opportunities.

The Associate Member guide (see attached) is a beta version of the services offered through the IDA's Member Council and one of the activities provided by IMU Partners. These documents are more refined versions of the materials provided at the May 27 meeting. Several local business and anchor institutions have since expressed interest in joining as Associate Members. IMU is hosting a Chamber of Commerce "Morning Mingle" on October 9 where the IMU Partners Program will be highlighted along with other IMU programs, utility services, and MCG as a retail service license holder. Final brochures and the local TV Channel are scheduled to be debuted then.

IMU Partners (IMU, IDA, and MCG) met on August 7 to adopt the IDA Management Agreement that sets a scope of services (see attached) for $6,250 per quarter as per IMU's FY 2015 pledge on May 27.

A budget has also been developed, albeit not at the level of certainty that can be done in future years. However, it does set Associate Membership goals (50 members at $300 each), joint advertising budget to attract viewers, funding IDA services, and the production of local video content. Staff is highly confident that these numbers will change by relying more on in-kind services and leveraging volunteer enthusiasm. IMU's portion of its funding is derived from the Electric Utility development category ($25,000) and Communications Utility sponsorship category ($10,000). Funds will be appropriated quarterly unless directed otherwise by Trustees.

Materials for Business Development services (contained in the Program Guide) have not yet been drafted, although the IDA will be taking the lead marketing how they will implement Indianola's EmergeHUB license. Since May 27, IMU Partners and EmergeHUB Co. (software platform partnership of Meidh and Catchwind) have entered into a memorandum of understanding (MOU) that provides for this perpetual local license, which is to be implemented by the IDA under its Management Agreement above. The license agreement will be finalized by June 30, 2015 under the MOU.

The EMERGE@Simpson College program is a sub-licensee for the software platform. They are in process of finalizing their own memorandum of understanding with the IDA for how they will work together to implement the EmergeHub platform. Their MOU will address intellectual property transitions as student/faculty-led ventures become local Indianola-based ventures, with Simpson holding ownership rights based on an internal assessment under their existing policies. Simpson is forming an Advisory Committee comprised of the Academic Dean, EmergeHUB Director, faculty, EMERGE@Simpson Coordinator (new part-time position), and IMU Partners (IMU GM) partially for that purpose.

Chris Draper, as the EmergeHUB Director, intends to provide webinar updates (has done one) about

Simpson EMERGE programs, ventures using the Hub (including in Indianola), and activities such as extending franchises/services. IMU Trustees will be invited, along with IDA board members and other founding stakeholders, to participate in these updates.

Financial Impact

N/A

Staff Recommendation

Attachments

Program Guide
Associate Guide
Introduction Letter
IDA Scope of Services
Budget

Goals

Promote the multifaceted value of the IMU fiber network, and the services provided on it, to the Indianola and greater metro areas.

Partner with technology service providers for joint access to advanced facilities, equipment, and network access.

Provide Associate Membership programs and services that help local businesses use technology and telecom services to connect to customers.

Promote broadband use and adoption by collaborating on community outreach programs.

Enhance Indianola's attraction of talent & capital, the formation of local ventures, and success rates for local businesses.

The Future of IMU Partners

Indianola's connectivity, collaborations, and creativity will drive how IMU Partners evolves. Projects envisioned include:

Delivering local content to TVs and other devices, using an application based on the Android OS.

Create shopping and coupon options that reach both a mobile demographic and customers located outside of Indianola.

Be able to show local commercials on national TV channels on the MCG network.

Providing opportunities for students to interact with local businesses and non-profits to produce news, local content, and commercials.

Help build a volunteer base that supports technology programs at Indianola's schools and at Simpson College.

Building on Indianola's leadership role as Iowa's first Connected Community through innovative outreach programs.

Enhancing Indianola's image as an integrated metro destination for tech-oriented businesses, partners, and service providers.

Help new tech-oriented startups attract the resources needed to grow in Indianola, including starting an Indianola tech center where Partners can collaborate.

IMU

A NETWORK SERVICES PARTNER

Program Guide

____

Introducing the IMU Partners Program

IMU and MCG provide world-class broadband services on the metro's only community-owned fiber-to-the-premise network.

The Indianola Development Association joined IMU and MCG in an initiative to connect Indianola to the value of the network and leverage its potential.

Having this partnership program allows businesses and other content providers to become Associate Members of IMU Partners. Membership provides access to a suite of opportunities during this initial year and a voice in how IMU Partners evolves.

Collaborative Marketing

Monthly e-newsletter highlighting successes, members, and activities.

Forums and events on telecom service and other tech-related topics, IMU Partners Program activities, and member activities.

IMU Partners web site featuring both partnering and associate members at www.imupartners.com.

Sponsorship of community events such as the National Balloon Classic and through the Indianola Chamber of Commerce.

Facilities

Auxiliary Services license to use the IMU fiber network.

Equipment located in the IMU PoP including servers and fiber drives.

Underutilized symmetrical bandwidth that is also used for MCG video and broadband service.

Associate Membership Services

Member's Council: Member recruitment, relations, services provided for fees charged, and terms of use.

IMU Partners TV: Provide for a channel on MCG's network and on-demand video streaming on IMU Partners website; cross promote member content.

Local Content: Develop multi-purpose local content, member content, and attract viewers.

Business Development

Accessing Indianola's license to a regional virtual incubator. The Indianola Development Association uses the EmergeHUB platform to support local ventures and for the EMERGE@Simpson College program. This provides local access to regional leading-edge regional talent, venture capital, and mentors.

Connecting local business and Partners to technology and new opportunities.

Community Outreach

Enhancing Indianola's tech-related image as an integrated metro destination for talent and investments by working with the Indianola Development Association to form alliances with the region's business incubators, accelerators, and shared workspaces. This attracts new service partners and growth opportunities.

Integrating Indianola's business community and students by supporting tech-related activities and providing new opportunities for students seeking to apply science, technology, engineering, and math (STEM) while enrolled Indianola schools & Simpson College. Engaged students can gain experience by providing video & related services for the community and members.

Encouraging local efforts that improve digital literacy by working with the Indianola Library, Activity Center programs, schools, and Simpson College.

Why Become a Member?

Recognition as a content provider, member, and supporter in publicity and cross-promotional materials.

Your logo & basic information will appear on a rotating slide show on the IMU Partners TV channel and on the IMU Partners TV streaming video website.

Ability to produce and show up to 10 minutes per week of your own non-political content on the IMU Partners TV channel and in its streaming video player menu.

Recognition for supporting a series of videos that showcase Indianola as a progressive, tech-savvy community with a great quality of life.

Invitations to member-only events and forums where you can learn about opportunities, find content partners, and support tech-related school activities.

Receive a login/profile that allows you to provide services or mentoring to start-up ventures both locally and in the EMERGE@Simpson College program.

IMU LOGO

MCG LOGO

BLACK/BLUE INDIANOLA LOGO

EMERGE Co. LOGO

QUOTE

www.imupartners.com
PO Box 356
Indianola, IA

IMU
A NETWORK SERVICES PARTNER

Associate Memberships

Helping local business better connect to customers

Introducing the IMU Partners Program

IMU and MCG provide world-class broadband services on the metro's only community-owned fiber-to-the-premise network.

The Indianola Development Association joined IMU and MCG in an initiative to connect Indianola to the value of the network and leverage its potential.

Having this partnership program allows businesses and other content providers to become Associate Members of IMU Partners. Membership provides access to a suite of opportunities during this initial year and a voice in how IMU Partners evolves.

2014/2015 Planned Activities

IMU Partners will strive to deliver steadily growing value to its members. In our first year, we intend to:

Create the IMU Partners TV Channel on the MCG network showing scheduled local content.

Expand on-demand viewing of local content from an IMU Partners central web site, available on the Internet.

Develop video content highlighting Indianola's sustainability efforts, community events, and tech image.

Partner to support tech activities at Indianola's schools and promote digital literacy.

Host events and tech-oriented forums.

Start a member newsletter to keep Members up to date and involved.

Collaborate to widely market IMU Partners' and Associate Members' sponsored and member-produced content.

Implement Indianola's EMERGE portal license, help create a mentor-in-residence team that works with start-ups, and integrate with EMERGE programs both locally and in the metro.

Your Dues, Your Choice

As a new initiative, it is important that Members help guide where annual subscription dues are spent:

IMU, MCG, and the IDA are investing a small portion of local telecom fees in the ability to provide IMU Partners services.

Members' base dues will support collaborative efforts. Each member also contributes towards cross-promotional activities to draw viewers. Members then target a particular project to sponsor and IMU will match it.

$ 160 Base Dues
$ 60 Viewer Attraction / Marketing
$ 80 Member-Targeted Sponsorship (Select One)

____ Sustainability Video
____ Community Events Video
____ Tech Image Video
____ Indianola HyperStream Club at Indianola High School
____ Studio "I" at Indianola High School

____
$ 300 Cost for today - June 30, 2015

The Future of IMU Partners

Indianola's connectivity, collaborations, and creativity will drive how IMU Partners evolves. Projects envisioned include:

Delivering local content to TVs and other devices, using an application based on the Android OS.

Create shopping and coupon options that reach both a mobile demographic and customers located outside of Indianola.

Be able to show local commercials on national TV channels on the MCG network.

Providing opportunities for students to interact with local businesses and non-profits to produce news, local content, and commercials.

Help build a volunteer base that supports technology programs at Indianola's schools and at Simpson College.

Building on Indianola's leadership role as Iowa's first Connected Community through innovative outreach programs.

Enhancing Indianola's image as an integrated metro destination for tech-oriented businesses, partners, and service providers.

Help new tech-oriented startups attract the resources needed to grow in Indianola, including starting an Indianola tech center where Partners can collaborate.

DRAFT

Introducing IMU Partners. IMU, MCG and the Indianola Development Association have joined to form a partnership program that will help connect Indianola to the value of its local fiber network and leverage its potential.

First, this program brings a collaborative opportunity to provide new data and video services to Indianola. These can include local TV content accessible on the Internet and MCG network, local commercials on national TV shows, home security, management of utility use, and others. They can become valuable tools by helping local businesses better engage customers, particularly mobile ones and those living and working outside Indianola, using video content. The same is possible for organizers and supporters of local events and causes.

As Iowa's first Certified Connected Community, Indianola is recognized as a leader in understanding the value of broadband as one pillar of its economic future. IMU Partners and its members will build on previous successes by collaborating on various outreach programs including -

- Sponsoring Science, Technology, Engineering, and Math (STEM) activities such as the HyperStream program and "Studio I" at Indianola's schools
- Enhancing Indianola's image, through video & data, as an integrated metro destination for new tech-oriented businesses, partners, and services
- Encouraging digital literacy throughout Indianola

IMU Partners Program is also collaborating to enhance the growth of local businesses and the formation of new ventures. Its EMERGE license is a conduit for connecting resources including advisors, mentors, financial capital, and new technologies that are located both within and outside Indianola. Those that succeed can then better utilize local, metro, and state development programs.

Combined, these form a whole more valuable than any single component. Tech-oriented students will have access to the tools they need to learn through new experiences. All residents with the talent and drive can hone their technology skills while helping local businesses grow and creating their own paths. Businesses and non-profit groups can tap collective resources, including each others', to reach new customers and better compete in the 21st century economy. By working together and reinvesting in each other, we can create compounding rates of new opportunities.

Todd R. Kielkopf
IMU General Manager
toddk@i-m-u.com
515.962.5301

DRAFT

Partnering Entities: A small portion of telecom fees, IMU's economic development program, and in-kind services provide funding for IMU Partners' administrative activities.

Associate Memberships. IMU Partners Program is offering introductory Associate Membership that will be valid through June 30, 2015. Businesses and groups can join and actively participate in this opportunity through the IMU Partners Members Council. Those currently being targeted include those that may want to-

1. Use local video to grow their businesses and support community events
2. Highlight and promote Indianola's tech image both internally and in the metro
3. Support youth video and technology programs
4. Have access to resources, ventures and investors affiliated with Indianola's EMERGE program

Payment of annual dues will be required in subsequent years to retain an Associate Membership.

Associate Member Benefits & Dues. As a new program, IMU Partners Program will start with limited services that evolve over time and with increased participation. First-year membership benefits include-

- The ability to produce & distribute up to 10 minutes per week of video content for specific or commercial (non-political) purposes to be shown on both the IMU Partners TV channel on the MCG network and a video streaming player
- A logo slide show to be hosted on the IMU Partners TV channel on the MCG network when that channel is not displaying original or programmed video content
- Rotating logo display on the IMU Partners web site-based TV channel and logo display/project sponsorship information on the IMU Partner's web site
- Participation on committees influencing how the IMU Partners Program & video distribution network evolves
- EmergeHub login/profile and ability to provide professional services to ventures, form new project ventures, access potential team members, and eventually, attract micro venture capital.

Associate membership dues are <u>$300 per year</u>, with each dues year being IMU Partners' fiscal year (July to June).

The first $160 of <u>base dues</u> and will be used, as a group of members, to provide the technology and content needed to deliver these valuable opportunities. These activities include channel development, web site features, and member recruitment.

The next $60 will be targeted specifically for activities that <u>attract viewers of local content</u>. This includes cross-marketing promotions, as viewers of one program become viewers of another.

The remaining $80 of annual dues is <u>member-targeted</u> (see next page). Five initial projects are being targeted, each with a unique audience, in order to populate the channel with multi-purpose content and garner broad community support. IMU & MCG are matching members' funds and also providing in-kind administrative & technical support for these projects. Volunteers will help leverage these funds even more.

Members also have the ability to directly contribute additional funds to any of the specific projects. Advertising credit for this donation will be noted within the content developed or tech-oriented youth organization supported. Separate youth organization committees may be formed (with individual vs. business memberships) that manage a portion of these funds.

DRAFT

$ 160.00	Base Dues
$ 60.00	Viewer Attraction
$ 80.00	Member-Targeted (pick one):

_____ 8-11 minute video highlighting Indianola sustainability efforts

- Alternative Energy purchases & Energy Efficiency Programs
- Community Blowout
- Tips & local programs that benefit local businesses
- Suggestion: ______________________

Plus contribute $__________

_____ 8-11 minute video spotlighting Indianola's community events on The Square

- Farmers Market
- Parades/Craft Shows/Car Shows
- Girls Nite Out & Other Chamber events
- Suggestion: ______________________

Plus contribute $__________

_____ 8-11 minute video promoting Indianola's technology image & development

- Programs at the High School & Simpson College
- Businesses that help others innovate
- Local EMERGE ventures & mentoring opportunities
- Suggestion: ______________________

Plus contribute $__________

_____ Targeted support of the HyperStream program at Indianola High School

- Offset materials & supplies and travel to competitions
- Student recruitment
- Suggestion: ______________________

Plus contribute $__________

_____ Targeted support of the Studio I program at Indianola High School

- Equipment/Software
- Recruitment & Recognition materials
- Suggestion: ______________________

Plus contribute $__________

$__________ Total paid

Please make checks payable to:
IMU Partners c/o the Indianola Development Association
P.O. Box 356, Indianola, IA 50125

Exhibit A

IDA Services

1. **Actively participate in developing & implementing IMU Partners strategic initiatives:**
    a. Provide a designated representative for IMU Partners' governance, management guidance, and other activities.
    b. Help develop additional partnerships and sustainable funding sources.
    c. Collaborate with other organizers of IMU Partners and its Associate Members to develop effective growth strategies for-
        i. Services & capacities of IMU Partners and its organizers
        ii. Indianola and its business community, in general and those tech-oriented
        iii. Indianola's integration into the metro region's technology corridor

2. **Form & coordinate the IMU Partners Member's Council:**
    a. Help IMU Partners recruit new members & engage this advisory committee, comprised of IMU Partners Associate Members, as members of the IDA.
    b. Represent their interests within IMU Partners.
    c. Communicate ongoing activities as needed.

3. **Form, and help IMU Partners coordinate, collaborative outreach committees:**
    a. Marketing- General awareness of IMU Partners and its organizers, targeted outreach efforts, regional integration programs, and local promotional events.
    b. A technology integration committee that connects tech-oriented Indianola Schools & Simpson College activities to funding and other local resources.
    c. Ways to improve digital literacy & access in Indianola.

4. **Effectively implement Indianola's EMERGE license:**
    a. Help identify, plan, implement and market Indianola's opportunities.
    b. Attract local ventures, mentors and financial capital.
    c. Monitor progress of local ventures and assist in their growth by connecting resources.
    d. Where advantageous, integrate activities and coordinate resources with other license holders as a member of the design team.

5. **Maintain Internal Processes:**
    a. Establish and maintain a set of internal controls appropriate for the collection and distribution of funds; promptly report any irregular activities to IMU Partners concerning the management of IMU Partners' funds.
    b. Issue invoices to Member's Council members as needed and forward dues collected to IMU Partners.
    c. Report progress and activities on a quarterly basis.

		Total Budget	Base Dues	Viewer Attraction	Member Targeted Sustain	Community Events	Tech Image	Hyper Stream	Studio "I"
Revenue:									
Initial Contributions-									
IMU FY 2014		$ 10,000	$ 10,000						
MCG Upfront		$ 5,000	$ 5,000						
Voting Memberships-									
IMU FY 2015 Dues	350	$ 2,100	$ 2,100						
MCG FY 2015 Dues	350	$ 2,100	$ 2,100						
IDA Dues	350	$ 2,100	$ 2,100						
Associate Memberships-									
Regular Memberships	50	$ 15,000	$ 8,000	$ 3,000	$ 800	$ 800	$ 800	$ 800	$ 800
IMU NS Sponsorships - Match		$ 7,000		$ 3,000	$ 800	$ 800	$ 800	$ 800	$ 800
Targeted donations/xtra	20	$ 2,500			$ 500	$ 500	$ 500	$ 500	$ 500
Other-									
IMU Electric Economic Dev		$ 25,000	$ 25,000						
IMU Energy Efficiency		$ 900			$ 900				
Misc. Paid Programming		$ 3,300	$ 3,300						
Total Revenue		$ 75,000	$ 57,600	$ 6,000	$ 3,000	$ 2,100	$ 2,100	$ 2,100	$ 2,100

		Total Budget	Base Dues	Viewer Attraction	Member Targeted: Sustain	Community Events	Tech Image	Hyper Stream	Studio "I"
Expenses:									
Administrative-									
IDA Management Agreement		$ 25,000	Membership recruiting/look & feel of materials/web site						
Marketing Consulting		$ 5,000	Recognition page + video player						
Web Site Development		$ 5,000	IDA interns/paid site						
Misc. Overhead		$ 5,000							
Direct Mailings		$ 1,800							
Viewer Attraction-									
Print Advertising		$ 6,500	26 weeks at $250 per week - channel guide						
Member Events/Contact		$ 5,000	e-Newsletters + 1 major tech event						
Targeted Outcomes-									
Videos	5	$ 17,500							
Support Grants		$ 4,200							
Total Expenses		$ 75,000							

IMU Regular Downstairs **3. E.**

Meeting Date: 08/25/2014

Information

Subject

Financials

Information

Financial reports for July, 2014 (first month of the fiscal year) are attached.

Financial Impact

N/A

Staff Recommendation

Attachments

Financials

IMU Monthly Financial Reports

Notes & Comments

1. Total Cash Flow from all activities the on Treasurer's Report was +$580,165.67, primarily due to capital project reimbursements of +$557,847. This means that it was essentially a break-even month after setting aside funds for debt service on a monthly basis.

2. Electric kWh sales (page 5) over the past 12 months are at their apex compared to historical trends. The chart contains consumption over both what was a hotter summer (in 2013) and colder winter (in 2014) than what should be expected for the coming 12 months. Staff is anticipating a 4,500,0000 annualized kWh reduction over the next 12 months as this summer's consumption replaces prior years' in the rolling average. Water consumption (page 6) is also returning to historical average as summer weather patterns normalize.

3. The Electric Gross Margin (page 7) is slightly higher than the seasonally-adjusted budget, due to slightly lower wholesale power costs. Reserves remain above policy levels & targets, however the vast majority of that is committed to capital projects (W. Hwy 92 and Network Services signups) and budgeted negative cash flow from operations.

4. Using the cash-based + depreciation model, FYTD Electric Utility Net Income (page 8) was a loss of $11,438. This was higher than expected due to the favorable gross margin for the month.

5. The Water Utility (pages 7 & 12) met 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 and break-even operations.

6. The Communications Utility (page 15) and Admin. Fund (page 16) cash flows are essentially at re-estimated budgets. The increased pace of MCG signups (to 15-20 per month) seen this summer will be reflected in future reports as paying customers.

FINANCIAL REPORT

MONTH OF JULY, 2014

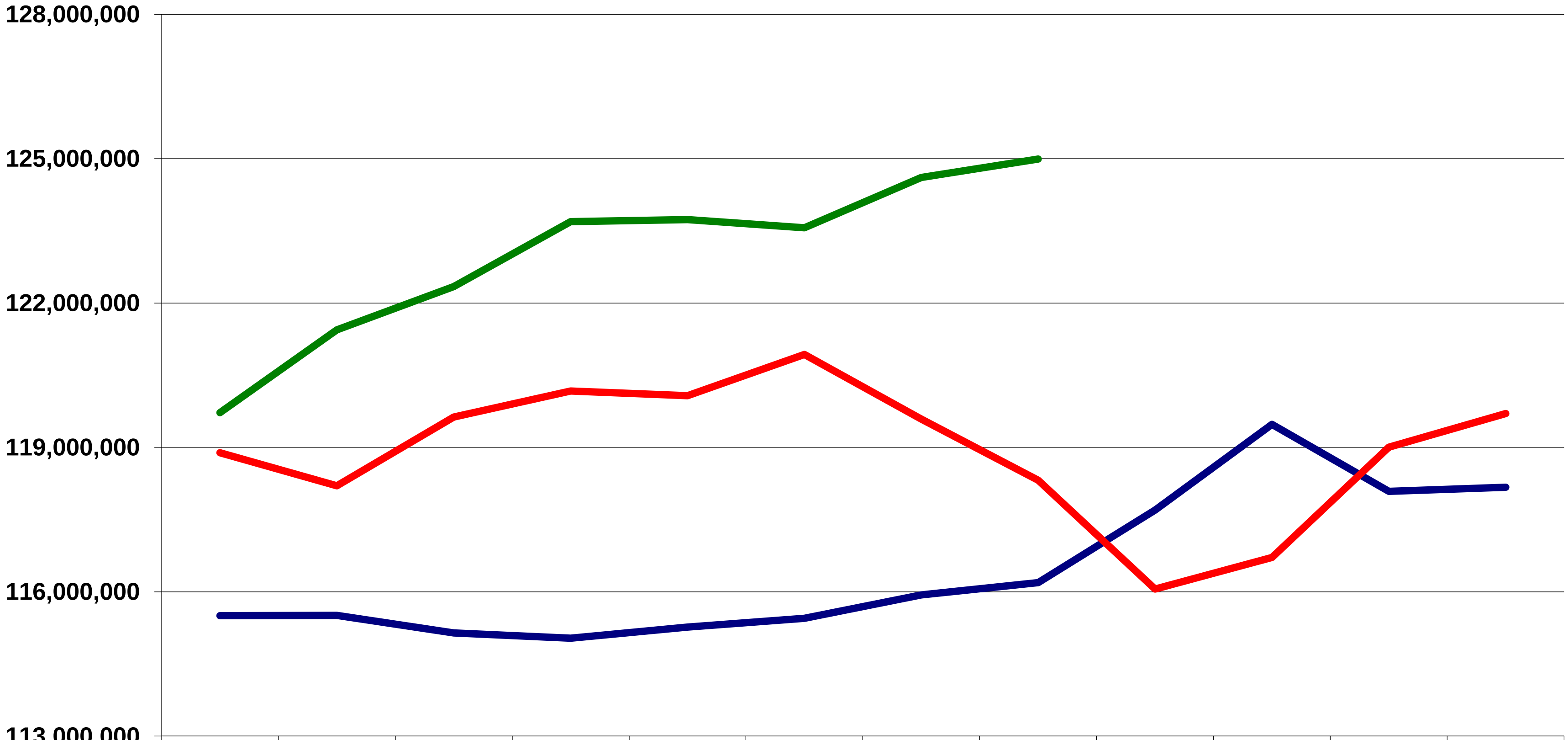
FUND	Beginning Balance	Monies Received	Monies Disbursed	Transfer In	Transfer Out	Clerk's Balance	% of Total
001 General Government	1,212,081.46	65,835.95	173,499.72	111,200.01	15,552.07	1,200,065.63	
011 Police	296,709.80	7,815.80	216,145.54	25,201.50	23,424.45	90,157.11	
015 Fire	154,627.24	3,704.71	59,702.53	304.72	2,004.72	96,929.42	
016 Ambulance	231,861.85	64,535.62	72,266.78	161.14	13,492.66	210,799.17	
041 Library	18,109.72	5,018.54	43,773.52	232.43	4,461.80	-24,874.63	
042 Park & Recreation	440,709.67	37,739.39	139,145.71	562.61	8,923.60	330,942.36	
045 Memorial Pool	-37,414.73	31,711.95	81,962.76	0.00	0.00	-87,665.54	
071 General Fund Deb Service	38,173.39	453.59	0.00	0.00	0.00	38,626.98	
099 Franchise Fees-MEC	220,484.97	33,298.93	0.00	0.00	0.00	253,783.90	
GENERAL FUND SUB-TOTAL	**2,575,343.37**	**250,114.48**	**786,496.56**	**137,662.41**	**67,859.30**	**2,108,764.40**	
110 Road Use Tax (Streets)	825,610.81	120,930.98	104,371.81	0.00	21,742.70	820,427.28	
112 Trust & Agency	0.00	2,545.73	0.00	0.00	2,545.73	0.00	
115 YMCA Maintenance Obligations	28,058.67	0.00	0.00	0.00	0.00	28,058.67	
125 TIF--Downtown	368,357.78	5,475.96	0.00	0.00	0.00	373,833.74	
126 TIF--East Hwy 92	0.00	0.00	0.00	0.00	0.00	0.00	
127 TIF--Hillcrest/Industrial Park	47,293.42	0.00	0.00	0.00	0.00	47,293.42	
141 Library Special Revenue	33,484.88	1,509.73	1,012.81	0.00	0.00	33,981.80	
142 Park & Rec Special Revenue	115,972.33	2,184.30	1,806.98	0.00	0.00	116,349.65	
160 Downtown Revolving Loan	64,094.33	0.00	0.00	0.00	0.00	64,094.33	
161 Downtown Business Inc Program	-30,083.22	0.00	21,416.28	0.00	0.00	-51,499.50	
177 Police Forfeiture	18,398.31	0.00	0.00	0.00	0.00	18,398.31	
190 Vehicle Reserve	93,075.74	0.00	0.00	1,666.67	0.00	94,742.41	
199 Police Retirement	111,728.75	16.22	0.00	0.00	1,041.67	110,703.30	
SPECIAL REVENUES SUB-TOTAL	**1,675,991.80**	**132,662.92**	**128,607.88**	**1,666.67**	**25,330.10**	**1,656,383.41**	
200 **DEBT SERVICE (SUB-TOTAL)**	**1,511,363.53**	**5,732.80**	**0.00**	**60,774.99**	**0.00**	**1,577,871.32**	
301 Capital Projects (General)	581,800.47	2,384.47	661.50	0.00	0.00	583,523.44	
321 Capital Projects (Streets)	1,065,325.87	1,465.00	486,222.96	0.00	0.00	580,567.91	
344 Community Athletic Facility	10,059.79	1.37	67.24	0.00	0.00	9,993.92	
353 Community ReDevelopment (D&D)	-3,692.13	0.14	15,500.00	0.00	0.00	-19,191.99	
CAPITAL PROJECTS SUB-TOTAL	**1,653,494.00**	**3,850.98**	**502,451.70**	**0.00**	**0.00**	**1,154,893.28**	
610 Sewer	156,452.33	65.00	114,189.02	140,600.00	41,501.03	141,427.28	
650 Stormwater Utility	286,573.93	16,488.93	0.00	0.00	5,158.33	297,904.53	
670 Recycling	63,114.73	17,657.63	15,241.77	0.00	1,441.67	64,088.92	
710 Sewer Capital Projects	455,689.34	423,212.08	14,198.70	0.00	239,483.33	625,219.39	
771 Sewer Reserve	114,238.70	0.00	0.00	0.00	0.00	114,238.70	
781 Sewer Plant Improvement	317,572.55	0.00	0.00	2,083.33	0.00	319,655.88	
791 Sewer Revenue Bonds	227,640.01	0.00	0.00	61,016.67	0.00	288,656.68	
820 Health Insurance	1,072,385.72	114,356.74	196,950.54	0.00	0.00	989,791.92	
830 Health Reimbursement Account	230,095.92	0.00	14,149.59	103,425.00	0.00	319,371.33	
840 Flex/STD	223,998.18	2,323.06	3,102.75	1,390.50	0.00	224,608.99	
850 Liability Insurance Reserve--City	-134.03	122,160.00	107,160.00	0.00	0.00	14,865.97	
CITY UTILITY & IS SUB-TOTAL	**3,147,627.38**	**696,263.44**	**464,992.37**	**308,515.50**	**287,584.36**	**3,399,829.59**	
TOTAL CITY FUNDS	**10,563,820.08**	1,088,624.62	1,882,548.51	508,619.57	380,773.76	**9,897,742.00**	**52%**
TOTAL IMU FUNDS	**8,685,833.76**	1,987,719.79	1,279,708.31	258,816.68	386,662.49	**9,265,999.43**	**48%**
GRAND TOTAL CITY & IMU	**19,249,653.84**	3,076,344.41	3,162,256.82	767,436.25	767,436.25	**19,163,741.43**	
Cross Check Total						19,163,741.43	

Investments					
Bankers Trust	$ 16,446,123.90	2.24%		Clerk's Balance	19,163,741.43
Iowa Public Agency Inv. Trust	$ 111,106.60	0.010%		Plus Outstanding Checks	183,312.86
Payroll Account, City State Bank	$ -	Earnings Credit		Unreconcilable Item	
Checking Account, City State Bank	$ 247,952.05	Earnings Credit		Less Outstanding Deposits	-12,095.57
Checking Account, Community Bank	$ 7,419.90				
Payroll Account, Community Bank	$ 1,022.83				
Sweep Account, City State Bank	$ 2,521,333.44	0.35%			
BANK BALANCE	**19,334,958.72**				**19,334,958.72**

600	Water	401,500.89	212,292.65	112,949.81	0.00	137,551.05	363,292.68
620	IMU Administration	0.00	536.70	75,045.08	167,250.00	35,053.47	57,688.15
625	Revolving Economic Development	103,161.43	148.24	0.00	0.00	0.00	103,309.67
626	USDA RLF	150,000.00	0.00	0.00	0.00	0.00	150,000.00
630	Electric	2,094,032.83	1,117,895.29	855,212.52	22,566.67	199,141.31	2,180,140.96
640	Fiber/Communications	333,271.13	21,368.58	27,661.21	0.00	14,916.66	312,061.84
700	Water Capital Projects	902,353.04	2,500.32	74,403.90	35,991.67	0.00	866,441.13
730	Electric Capital Projects	2,959,494.33	632,947.25	132,156.79	-58,333.33	0.00	3,401,951.46
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	979,000.00	0.00	0.00	0.00	0.00	979,000.00
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	161,302.18	0.00	0.00	23,150.00	0.00	184,452.18
793	Electric Revenue Bonds	163,200.04	0.00	0.00	68,191.67	0.00	231,391.71
855	Liability Insurance Reserve--IMU	20,826.54	30.76	2,279.00	0.00	0.00	18,578.30
	IMU SUB-TOTAL	**8,685,833.76**	**1,987,719.79**	**1,279,708.31**	**258,816.68**	**386,662.49**	**9,265,999.43**

INTEREST DISTRIBUTION	**INTEREST INCOME**	**% OF TOTAL**	**CALYTD**	**FYTD**
Electric Funds	$ 10,158.74	36.32%	$ 60,080.54	$ 10,158.74
Water Funds	$ 2,492.10	8.91%	$ 15,253.82	$ 2,492.10
Sewer Funds	$ 2,243.18	8.02%	$ 9,628.85	$ 2,243.18
Police Retirement	$ 16.22	0.06%	$ 751.78	$ 16.22
Community Redevelopment	$ 0.14	0.00%	$ 500.26	$ 0.14
All other	$ 13,059.37	46.69%	$ 77,050.04	$ 13,059.37
TOTAL	$ 27,969.75	100.00%	$ 163,265.29	$ 27,969.75

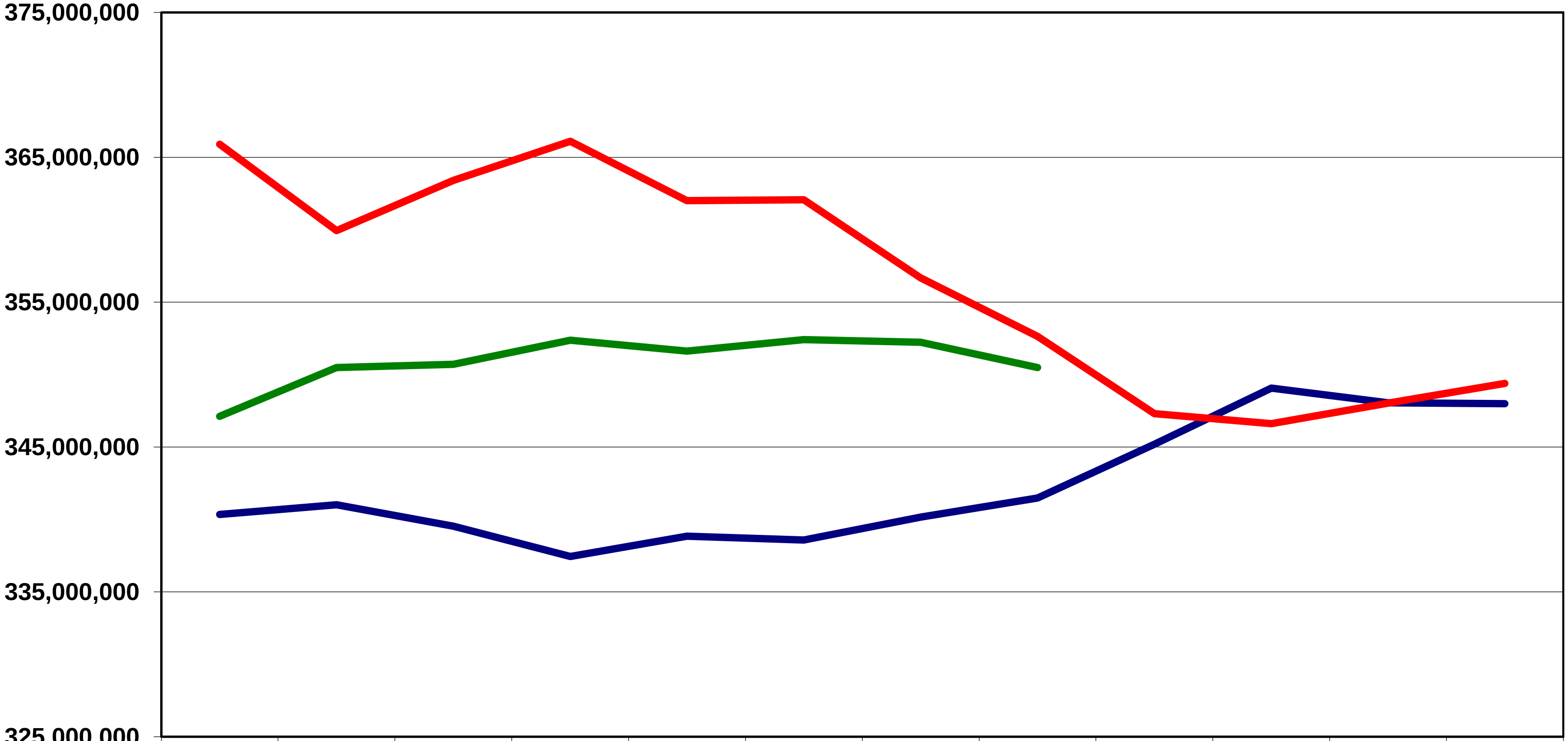
KWH's Sold
(kWh's sold based on a rolling 12 month total)



	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	123,563,289	124,608,723	124,993,820				

2010-12 EL Avg 2013 2014

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

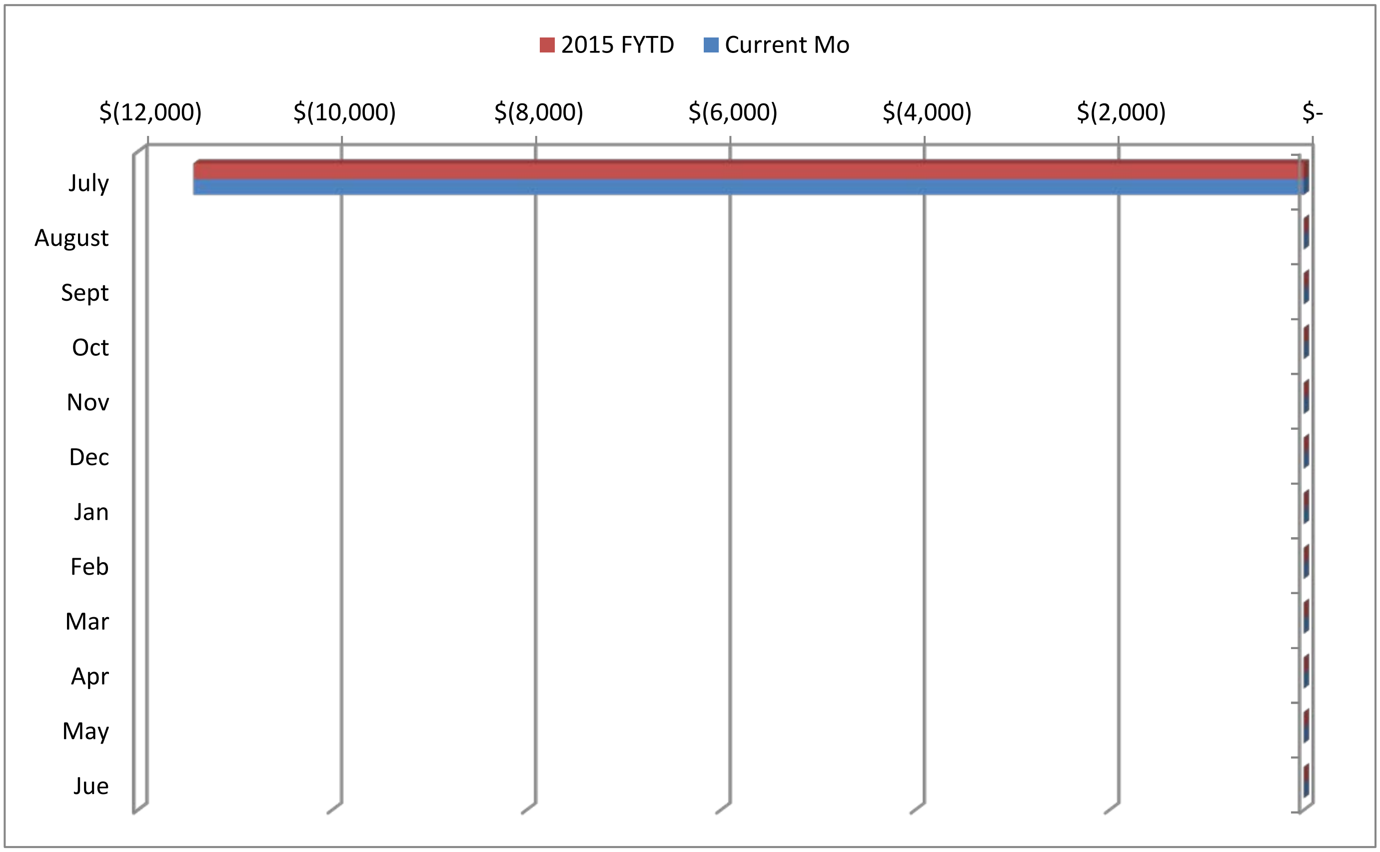


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010-12 WA Avg	340,342,990	341,005,490	339,539,389	337,453,792	338,839,263	338,574,698	340,162,998	341,474,254	345,182,293	349,066,685	348,054,010	347,985,339
2013	365,895,631	359,942,960	363,394,396	366,100,603	362,000,442	362,055,593	356,662,419	352,641,949	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	352,415,905	352,218,550	350,478,950				

2014 July — IMU Financial Report Summary

		FYTD ACTUAL		FYTD BUD/RE-EST		VARIANCE
Electric Utility:						
Gross Margin	$	438,597	$	382,000	$	56,597
Cash-based Net Income (incl. Depr.)	$	(11,438)	$	(62,700)	$	51,262
Net O&M + Capital Funds Cash Flow	$	528,565	$	(143,800)	$	672,365
Ending O&M and Capital Fund Balances	$	5,582,092	$	4,909,700		
Less-						
Designated for Future Projects		-		-		-
Reserve Targets		3,969,000		3,969,000		-
Over/(Under)	$	1,613,092	$	940,700	$	672,392
Debt Service Coverage Ratio w/o PILOT		1.84		1.09		
Water Utility:						
Cash-based Net Income (incl. Depr.)	$	(47,322)	$	(57,300)	$	9,978
Net O&M + Capital Funds Cash Flow	$	(74,120)	$	(138,800)	$	64,680
Ending O&M and Capital Fund Balances	$	1,229,734	$	1,165,100		
Less-						
Designated for Future Projects		-		-		-
Reserve Targets		686,600		686,600		-
Over/(Under)	$	543,134	$	478,500	$	64,634
Debt Service Coverage Ratio w/o PILOT		0.12		-0.05		
Communications Utility:						
Net Cash Flow	$	(21,209)	$	(13,900)	$	(7,309)
Ending Fund Balances	$	312,062	$	319,400	$	-
Less-						
Designated for Future Projects		-		-		-
Reserve Targets		157,200		157,200		-
Over/(Under)	$	154,862	$	162,200	$	(7,338)
Commercial Customers		107		126		-19
Residential Customers		213		230		-17
Administrative Fund:						
Net Cash Flow	$	57,688	$	60,900	$	(3,749)

EL - Combined	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Sales of Electricity & Peaking	$ 1,052,759.93	$ 1,037,500	$ 15,260
Sales Taxes	19,375.56	22,600	(3,224)
Other	108,038.72	115,900	(7,861)
Total O&M Revenue	**$ 1,180,174.21**	**1,176,000**	**4,174**
Expenditures:			
Purchased Energy & Fuel	$ 566,070.88	$ 607,400	$ (41,329)
Salaries	60,890.45	63,600	(2,710)
Benefits	49,311.70	55,700	(6,388)
Materials, Suppl. & Contracts	56,293.99	44,900	11,394
Sales Taxes & Use Taxes	19,739.11	23,100	(3,361)
PILOT	48,091.67	48,100	(8)
Debt Service - Interest Only	23,191.67	23,200	(8)
Overhead, Admin & EE	244,097.69	252,500	(8,402)
Depreciation (Est)	114,000.00	114,000	-
Total O&M Expenses	**$ 1,181,687.16**	**1,232,500**	**(50,813)**
Net Income (Operating & Other)	**$ (1,512.95)**	**(56,500)**	**54,987**
Capital Activities:			
Major Maintenance via Capital Fund	$ (26,245.93)	$ (26,300)	$ 54
Capital Contributions (Fiber)	16,320.61	16,600	(279)
Capital Contributions (Electric)	-	3,500	(3,500)
Net Income	**$ (11,438.27)**	**(62,700)**	**51,262**
Cash Flow:			
Net Income + Depreciation	$ 102,561.73	$ 51,300	$ 51,262
Water Loan Principal	19,066.67	19,100	(33)
Debt Service Principal	(45,000.00)	(45,000)	-
Debt Service Reserve Change	-	-	-
Capital Contributions (Developers)	557,847.72	10,400	547,448
Proceeds from Debt Issues	-	-	-
Capital Projects	(105,910.86)	(179,600)	73,689
Designated for Future Projects	-	-	-
Net Cash Flow	**$ 528,565.26**	**$ (143,800)**	**$ 672,365**



	2015 FYTD	Current Mo	2014 FYTD*	Current Mo*
July	$ (11,428)	$ (11,428)	$ (104,177)	$ (104,177)
August	$ -	$ -	$ (29,431)	$ 74,745
Sept	$ -	$ -	$ 126,633	$ 156,064
Oct	$ -	$ -	$ 252,324	$ 125,691
Nov	$ -	$ -	$ (84,706)	$ (337,030)
Dec	$ -	$ -	$ (44,691)	$ 40,015
Jan	$ -	$ -	$ (124,895)	$ (80,204)
Feb	$ -	$ -	$ (27,272)	$ 97,623
Mar	$ -	$ -	$ (48,555)	$ (21,283)
Apr	$ -	$ -	$ 83,249	$ 131,804
May	$ -	$ -	$ 91,881	$ 8,633
Jue	$ -	$ -	$ 190,770	$ 98,889

*Tracking purposes only

630 - EL O&M Fund	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Sales of Electricity & Peaking	$ 1,052,759.93	$ 1,037,500	$ 15,260
Sales Taxes	19,375.56	22,600	(3,224)
Other	49,259.80	43,100	6,160
Fund Revenue	**$ 1,121,395.29**	**$ 1,103,200**	**$ 18,195**
Expenditures:			
Purchased Energy & Fuel	$ 566,070.88	$ 607,400	$ (41,329)
Salaries	60,890.45	63,600	(2,710)
Benefits	49,311.70	55,700	(6,388)
Materials, Suppl. & Contracts	56,293.99	44,900	11,394
Sales Taxes & Use Taxes	19,739.11	23,100	(3,361)
PILOT	48,091.67	48,100	(8)
Debt Service	68,191.67	68,200	(8)
Overhead, Admin & EE	244,097.69	252,500	(8,402)
Fund Expenditures	**$ 1,112,687.16**	**$ 1,163,500**	**$ (50,813)**
O&M Activities Cash Flow:	**$ 8,708.13**	**$ (60,300)**	**$ 69,008**
Capital Fund Transfer (Out) In	$ 77,400.00	$ 77,400.00	$ -
O&M Fund Cash Flow:	**$ 86,108.13**	**$ 17,100**	**$ 69,008**
Ending Fund Balances:	**$ 2,180,140.96**	**$ 2,111,100**	
17% Reserve Target	**$ 2,118,600.00**	**$ 2,118,600**	
Over/Under Reserve Target	**$ 61,540.96**	**$ (7,500)**	**$ 69,041**

730 - EL CAP Fund	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Capital Contributions (Fiber)	$ 16,320.61	$ 16,600	$ (279)
Capital Contributions (Electric)	-	13,900	(13,900)
Capital Contributions (Reimb)	557,847.72	-	557,848
Water Loan Principal	19,066.67	19,100	(33)
Proceeds from Debt	-	-	-
Other	58,778.92	72,800	(14,021)
Fund Revenue	**$ 652,013.92**	**$ 122,400**	**$ 529,614**
Expenditures:			
Major Maintenance (Est.)	$ 26,245.93	$ 26,300	$ (54)
Vehicles	-	100,000	(100,000)
Relocations & Conversions	215,112.91	24,700	190,413
New Developments & Line Repl	11,103.84	11,500	(396)
Network Services	16,635.30	57,100	(40,465)
Other/Stock (Out) In	(136,941.19)	(13,700)	(123,241)
Fund Expenditures	**$ 132,156.79**	**$ 205,900**	**$ (73,743)**
Capital Activities Cash Flow:			
Capital Fund Transfer (Out) In	$ (77,400.00)	$ (77,400)	$ -
Designated for Future Projects	-	-	-
Capital Fund Cash Flow:	**$ 442,457.13**	**$ (160,900)**	**$ 603,357**
Ending Fund Balances:	**$ 3,401,951.46**	**$ 2,798,600**	
Reserve Target	**$ 1,850,400**	**$ 1,850,400**	
Designated for Future Projects			
Over/Under Reserve Target	**$ 1,551,551**	**$ 948,200**	**$ 603,351**

WA - Combined	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Sales of Water	$ 187,079.54	$ 188,100	$ (1,020)
Sales Taxes	10,249.25	11,300	(1,051)
Other	14,963.86	11,800	3,164
Total O&M Revenue	**$ 212,292.65**	**$ 211,200**	**$ 1,093**
Expenditures:			
Salaries	$ 32,771.91	$ 31,200	$ 1,572
Benefits	22,852.26	25,000	(2,148)
Materials, Suppl. & Contracts	35,579.65	29,900	5,680
Sales Taxes & Use Taxes	10,478.69	11,300	(821)
PILOT	5,691.67	5,700	(8)
Debt Service - Interest Only	5,591.67	5,600	(8)
Overhead, Admin & EE	47,043.34	48,000	(957)
Depreciation (Est)	48,800.00	48,800	-
Total O&M Expenses	**$ 208,809.19**	**$ 205,500**	**$ 3,309**
Net Income (Operating & Other)	**$ 3,483.46**	**$ 5,700**	**$ (2,217)**
Capital Activities:			
Major Maintenance via Capital Fund	$ (50,805.84)	$ (63,000)	$ 12,194
Net Income	**$ (47,322.38)**	**$ (57,300)**	**$ 9,978**
Cash Flow:			
Net Income + Depreciation	$ 1,477.62	$ (8,500)	$ 9,978
Debt Service Principal	(54,500.00)	(54,500)	-
Debt Service Reserve Change	-	-	-
Capital Projects	(21,097.74)	(75,800)	54,702
Designated for Future Projects	-	-	-
Net Cash Flow	**$ (74,120.12)**	**$ (138,800)**	**$ 64,680**

600 - WA O&M Fund	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Sales of Water	$ 187,079.54	$ 188,100	$ (1,020)
Sales Taxes	10,249.25	11,300	(1,051)
Other	14,963.86	11,800	3,164
Fund Revenue	**$ 212,292.65**	**$ 211,200**	**$ 1,093**
Expenditures:			
Salaries	$ 32,771.91	$ 31,200	$ 1,572
Benefits	22,852.26	25,000	(2,148)
Materials, Suppl. & Contracts	35,579.65	29,900	5,680
Sales Taxes & Use Taxes	10,478.69	11,300	(821)
PILOT	5,691.67	5,700	(8)
Debt Service	60,091.67	60,100	(8)
Overhead & Admin	47,043.34	48,000	(957)
Fund Expenditures	**$ 214,509.19**	**$ 211,200**	**$ 3,309**
O&M Activities Cash Flow:	**$ (2,216.54)**	**$ -**	**$ (2,217)**
Capital Fund Transfer (Out) In	$ (35,991.67)	$ (36,000)	$ 8
Debt Service Reserve Change	-	-	-
O&M Fund Cash Flow:	**$ (38,208.21)**	**$ (36,000)**	**$ (2,208)**
Ending Fund Balances:	**$ 363,292.68**	**$ 365,500**	
17% Reserve Target	**$ 205,800.00**	**$ 205,800**	
Over/Under Reserve Target	**$ 157,492.68**	**$ 159,700**	**$ (2,207)**

700 - WA CAP Fund	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Proceeds from Debt	$ -	$ -	$ -
Other (Sale of Land)	-	-	-
Fund Revenue	**$ -**	**$ -**	**$ -**
Expenditures:			
Major Maintenance (Est.)	$ 50,805.84	$ 63,000	$ (12,194)
Vehicles	724.85	3,300	(2,575)
Water Towers	-	-	-
Plant	22,179.21	50,000	(27,821)
Water Mains	694.00	22,500	(21,806)
Other	(2,500.32)	-	(2,500)
Fund Expenditures	**$ 71,903.58**	**$ 138,800**	**$ (66,896)**
Capital Activities Cash Flow:			
Capital Fund Transfer (Out) In	$ 35,991.67	$ 36,000	$ (8)
Designated for Future Projects	-	-	-
Capital Fund Cash Flow:	**$ (35,911.91)**	**$ (102,800)**	**$ 66,888**
Ending Fund Balances:	**$ 866,441.13**	**$ 799,600**	**$ 66,841**
Reserve Target	**$ 480,800.00**	**$ 480,800**	**$ -**
Designated for Future Projects	**-**	**-**	**-**
Over/Under Reserve Target	**$ 385,641.13**	**$ 318,800**	**$ 66,841**

640 - NS O&M Fund

	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Fiber License Payments	$ 20,884.70	$ 25,500	$ (4,615)
Other	483.88	400	84
Fund Revenue	**$ 21,368.58**	**$ 25,900**	**$ (4,531)**
Expenditures:			
Salaries	$ 824.07	$ 800	$ 24
Benefits	135.37	200	(65)
Materials, Suppl. & Contracts	16,701.77	30,500	(13,798)
Overhead, Admin & EE	24,916.66	8,300	16,617
Fund Expenditures	**$ 42,577.87**	**$ 39,800**	**$ 2,778**
O&M Activities Cash Flow:	**$ (21,209.29)**	**$ (13,900)**	**$ (7,309)**
Electric CIAC (Out) In	$ -	$ -	$ -
O&M Fund Cash Flow:	**$ (21,209.29)**	**$ (13,900)**	**$ (7,309)**
Ending Fund Balances:	**$ 312,061.84**	**$ 319,400**	
FY Ending Balance Target	**$ 157,200.00**	**$ 157,200**	
Designated for Future Projects	**-**	**-**	
Over/Under Reserve Target	**$ 154,861.84**	**$ 162,200**	**$ (7,338)**

620 - ADM O&M Fund	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
IMU Transfers In	$ 165,750.00	$ 165,100	$ 650
City Transfers In	1,500.00	1,500	-
Refund/Reimbursement	536.70	-	-
Fund Revenue	**$ 167,786.70**	**$ 166,600**	**$ 650**
Expenditures:			
Salaries	$ 23,644.95	$ 24,400	$ (755)
Benefits	18,228.53	21,000	(2,771)
Materials, Suppl. & Contracts	35,197.60	29,900	5,298
Overhead, Admin, Shared Staff	33,027.47	30,400	2,627
Fund Expenditures	**$ 110,098.55**	**$ 105,700**	**$ 4,399**
O&M Fund Cash Flow:	**$ 57,688.15**	**$ 60,900**	**$ (3,749)**

IMU Regular Downstairs **3. F.**

Meeting Date: 08/25/2014

Information

Subject

Safety Officer

Information

Mike Metcalf will review the attached reports.

Financial Impact

N/A

Staff Recommendation

Attachments

Electric & Water

Network Services

QUARTERLY SAFETY REPORT
Water and Electric
April 1, 2014 To June 30, 2014

Water Department:

Safety trainings held.	2
Safety training attendance.	100%
Safety committee meetings held.	3
Safety committee attendance.	100%
Unsafe working conditions reported.	0
Tailgate meetings held.	0
Work zones setup.	10
Lockout/Tagouts performed.	0
Confined spaces entered.	0
Excavations entered.	11
Accidents reported.	2
Accidents investigated.	2
Eligible for safety awards.	5
Safety awards given.	5
2014 Incident Rate	19.3

Near misses and/or accidents.

Employee injured head exiting a basement

Employee injured knee getting into the back of a truck

Supervisor comments

Employees are being verbally recognized for working safely.

Tailgate Meeting Topics
- None

Electric Department:

Safety trainings held.	2
Safety training attendance.	100%
Safety committee meetings held.	3
Safety committee attendance.	100%
Unsafe working conditions reported.	0
Tailgate meetings held.	3
Work zones setup.	1
Lockout/Tagouts performed.	8
Confined spaces entered.	0
Excavations entered.	0
High voltage zones entered.	3
Accidents reported.	2
Accidents investigated.	2
Eligible for safety awards.	12
Safety awards given.	7
2014 Incident Rate	0.00

Near misses and/or accidents.

Employee injured due to horseplay

Employees energized new underground cable that wasn't terminated

Battery exploded when starting the portable generator – Near miss

Supervisor comments

Employees are being verbally recognized for working safely.

Tailgate Meeting Topics
- Testing Underground Cables
- Horseplay – Not Tolerated
- FR Clothing Replacement

Days Since Last OSHA Recordable Accident – 32

Days Since Last OSHA Recordable Accident - 229

QUARTERLY SAFETY REPORT
Network Services
April 1, 2014 To June 30, 2014

Network Services Department:

Safety trainings held.	2
Safety training attendance.	100%
Safety committee meetings held.	3
Safety committee attendance.	100%
Unsafe working conditions reported.	0
Tailgate meetings held.	2
Work zones setup.	0
Lockout/Tagouts performed.	0
Confined spaces entered.	0
Excavations entered.	0
Accidents reported.	0
Accidents investigated.	0
Eligible for safety awards.	3
Safety awards given.	3
2014 Incident Rate	0.00

Near misses and/or accidents.
None
Supervisor comments
Employees are being verbally recognized for working safely. Tailgate Meeting Topics - CT Meter Settings - Traffic Control

Days Since Last OSHA Recordable Accident – 911

IMU Regular Downstairs **4.**

Meeting Date: 08/25/2014

Information

Subject

2014 N. Howard St. Fiber Extension

Information

The N. Howard St. fiber extension is the next, most-affordable fiber project for IMU to undertake. Conduit was already installed as part of a previous underground electric project. IMU has some material in stock and will use in-house labor (saving $20,000 overall). The $60,000 project will pass 130 residential units and provide a payback (at 35% take rate) in under 7 years.

IMU has been holding off on extending fiber into residential neighborhoods until take rates on the existing network improved, MCG improved marketing efforts, and a more comprehensive approach to promoting the network was launched via the IMU Partners Program. All of this has occurred and IMU staff is recommending the project so target marketing to that area can begin and constructed completed yet this fall.

Individual components of this in-house project fall within staff's authority to purchase component materials, however it is more appropriate for Trustees to authorize staff to proceed.

Financial Impact

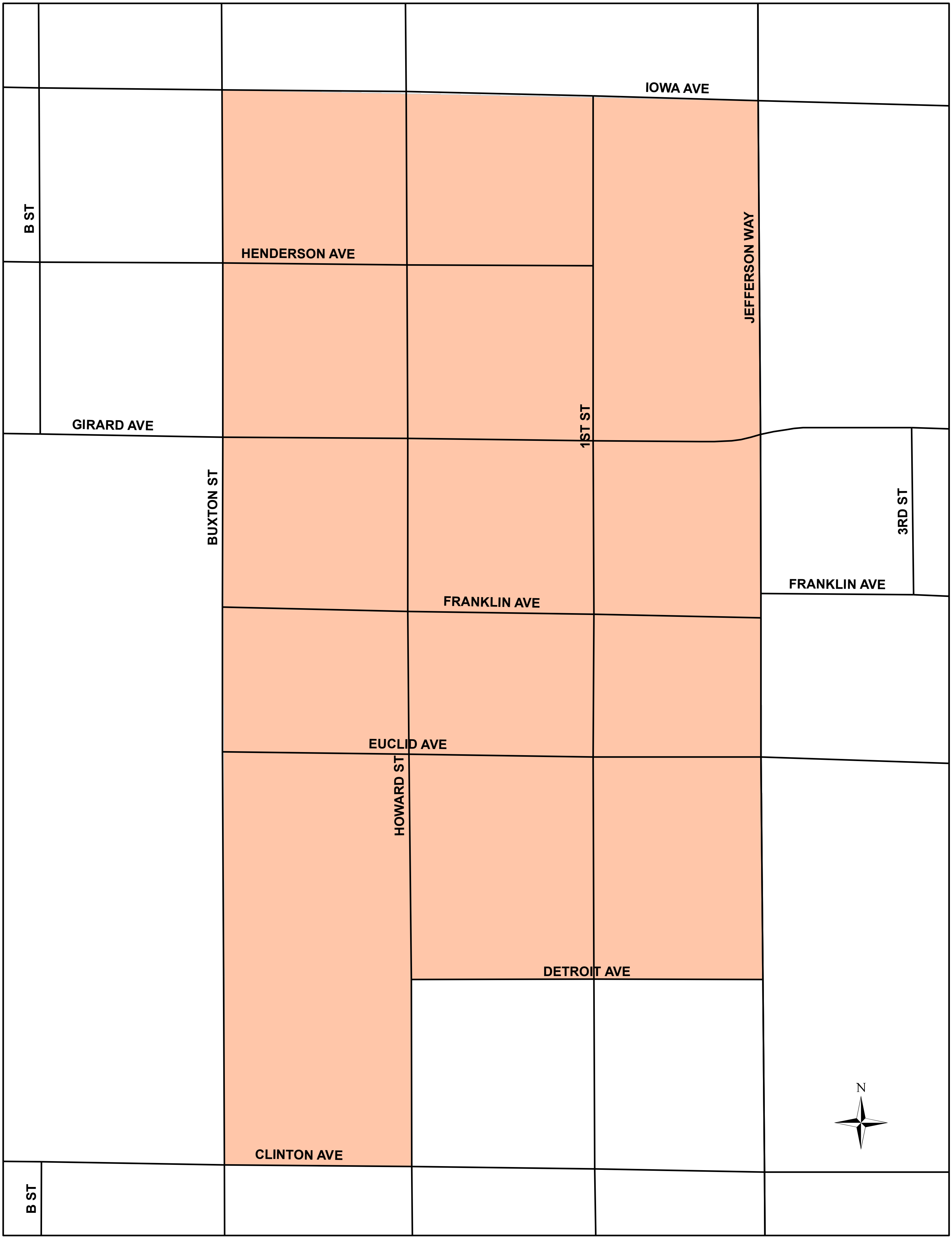
N/A

Staff Recommendation

Simple motion authorizing purchasing materials for the 2014 N. Howard St. fiber extension project at a cost up to $60,000 is in order.

Attachments

Fiber Map



North Howard Fiber Project Area

Information

Subject

69kV Pole Repairs

Information

Electric Supt. Bob Miller reports 4 transmission poles that need replaced. He will attend to provide information, however they are not contiguous.

He is recommending PAR Electric to replace the poles at a cost of $47,000.

IMU will get mostly reimbursed through MISO 30.9 credits for this work, which regardless is needed to maintain the integrity of the line. There are funds budgeted in the Capital Projects fund for this type of work.

Financial Impact

N/A

Staff Recommendation

Simple motion providing for PAR Electric to replace 4 poles in the amount of $47,000 is in order.

Information

Subject

Change Order #1 - Vanderpool Construction Contract

Information

P&E Engineering has approved a $29,115.00 change order for IDOT-reimbursable clearing that was done for the project. The scope of work involved tree clearing, demo, and drive work on parcels 1, 4, and 7 at the west end of the project (net of deleting clearing work on parcel 8). This was due to IDOT relocating the line. The new contract amount is $95,089.

Financial Impact

N/A

Staff Recommendation

Simple motion approving Change Order #1 to the Vanderpool Construction contract is in order.

IMU Regular Downstairs **6. B.**

Meeting Date: 08/25/2014

Information

Subject

Change Order #2 - Vanderpool Construction Contract

Information

P&E Engineering is recommending approval of Change Order #2 for IDOT & MidAmerican-reimbursable work that was done for the project. The scope of work was to parcels #1, #8, #13, #29, and #31 for clearing for relocated distribution lines. The Change Order of #18,351.00 brings the final amount of the contract to $113,620.00.

Financial Impact

N/A

Staff Recommendation

Simple motion approving Change Order #2 to the Vanderpool Construction contract is in order.

IMU Regular Downstairs **7.**

Meeting Date: 08/25/2014

Information

Subject

2014 W. IA Ave. Water Main Project - Change Order #2

Information

V&K is recommending Change Order #2 in the amount of $2,329.06 for work related to modifying the connection to the existing water main at "I" Street. They will attend the meeting to provide additional details pertaining to this negotiated change in the scope of work.

Financial Impact

N/A

Staff Recommendation

Acceptance of Change Order #2 to the Vanderpool Construction contract in the amount of $2,329.06 by simple motion is in order.

Information

Subject

2014 Head Tank Aerator Assembly Project - Certificate of Final Completion

Information

V&K (engineers) performed a walk-thru of the project and recommend (see attached) it be certified as being complete for processing of final payment.

Financial Impact

N/A

Staff Recommendation

Simple motion accepting the project is in order.

Attachments

Certificate

VEENSTRA & KIMM, INC.
3000 Westown Parkway • West Des Moines, Iowa 50266-1320
515-225-8000 • 515-225-7848(FAX) • 800-241-8000(WATS)

August 22, 2014

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

INDIANOLA MUNICIPAL UTILITIES
INDIANOLA, IOWA
WATER TREATMENT FACILITY
HEAD TANK AERATOR ASSEMBLY REPLACEMENT
CERTIFICATE OF COMPLETION

Enclosed are two copies of the Certificate of Completion for the Heat Tank Aerator Assembly Replacement project. The certificate should be executed by the Indianola Municipal Utilities after approved acceptance of the project. Please sign both certificates and return one signed copy to our office.

If you have any questions or comments, please contact us at 515-225-8000.

VEENSTRA & KIMM, INC.

Forrest Aldrich

Forrest S. Aldrich

FSA:jrh
28583
Enclosures
CC: Lou Elbert, Indianola Municipal Utilities w/enclosures
Diana Bowlin, City of Indianola w/enclosures

CERTIFICATE OF COMPLETION

INDIANOLA MUNICIPAL UTILITIES
INDIANOLA, IOWA
HEAD TANK AERATOR ASSEMBLY REPLACEMENT

August 22, 2014

We hereby certify that we have made an on-site review of the completed construction of the Head Tank Aerator Assembly Replacement as performed by Weidner Construction, Inc.

As Engineers for the project, it is our opinion the work performed is in substantial accordance with the plans and specifications, and that the final amount of the Contract is Seventy Nine Thousand Nine Hundred Ninety-Nine and 00/100 Dollars ($79,990.00).

VEENSTRA & KIMM, INC.	Accepted: INDIANOLA MUNICIPAL UTILITIES
By__________	By__________
Title Project Manager	Title__________
Date__________	Date__________

Information

Subject

Engineering Services Contracts - Water Plant

Information

Financial Impact

N/A

Staff Recommendation

Information

Subject

Softening and Recarb Tank Recoating

Information

V&K (water plant engineers) have prepared the attached proposed contract for inspecting and preparing bidding/quotation documents for recoating the two cone softening tanks and recarb tank. It is important for the correct work & paint to be prescribed in order for a lasting improvement. Cost for engineering services is $12,700.

V&K representatives and Water Supt. Lou Elbert will attend the meeting to provide additional information about this proactive (and budgeted) maintenance project.

Financial Impact

N/A

Staff Recommendation

Simple motion authorizing V&K to provide engineering services in the amount of $12,700 for this project is in order.

Attachments

Agreement

VEENSTRA & KIMM, INC.
3000 Westown Parkway • West Des Moines, Iowa 50266-1320
515-225-8000 • 515-225-7848(FAX) • 800-241-8000(WATS)

August 20, 2014

Todd Kielkopf
General Manager
Indianola Municipal Utilities
111 South Buxton
P.O. Box 356
Indianola, Iowa 50125-0299

INDIANOLA MUNICIPAL UTILITIES
INDIANOLA, IOWA
SOFTENING AND RECARB TANK RECOATING
PROFESSIONAL ENGINEERING SERVICES AGREEMENT

Enclosed are two copies of the proposed engineering services agreement for the Softening and Recarb Tank Recoating project. If the agreement is acceptable to the Indianola Municipal Utilities, please arrange for execution of each document. Return one executed document to our office.

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

VEENSTRA & KIMM, INC.

Forrest S. Aldrich

FSA:dml
600-3
Enclosures
cc: Lou Elbert, Indianola Municipal Utilities w/enclosure

ENGINEERING AGREEMENT

SOFTENING AND RECARB TANK RECOATING
WATER TREATMENT FACILITY
INDIANOLA MUNICIPAL UTILITIES
INDIANOLA, IOWA

THIS AGREEMENT, made and entered into this ______ day of ____________, 2014, by and between the **INDIANOLA MUNICIPAL UTILITIES**, Indianola, Iowa, hereinafter referred to as **Owner,** party of the first part, and **VEENSTRA & KIMM, INC.**, a corporation organized and existing under the laws of the State of Iowa, with principal offices in West Des Moines, Iowa, party of the second part, hereinafter referred to as the **Engineers**,

WITNESSETH: THAT WHEREAS, the Indianola Municipal Utilities owns and operates a water treatment system to provide water supply for the City of Indianola, Iowa, and

WHEREAS, the existing recarbonation tank and the two cone softening tanks at the water treatment facility have corroded, and

WHEREAS, the Owner has determined it would be appropriate to proceed with the recoating of the tanks, and

WHEREAS, the Owner desires to retain the services of the Engineer to provide professional services of Project, and

NOW, THEREFORE, it is hereby agreed by and between the parties hereto that the Indianola Municipal Utilities retains the Engineers to act for and represent it in engineering matters, as set forth hereinafter, for the Project. Such agreement shall be subject to the following term and conditions, to wit:

1. **SCOPE OF PROJECT**. It is understood and agreed the Project shall consist of the following:

    a. On-site inspection and evaluation of the interior and exterior coatings of the two softening tanks including structural integrity and condition of the paint coatings.

    b. On-site inspection and evaluation of the exterior coating of the recarbonation tank including structural integrity and condition of the paint coating.

    c. Preparation of plans and specifications for the Project and miscellaneous associated work for the repair and recoating of the recarbonation tank, two cone softening tanks and associated exposed piping.

The scope and extent of the improvements may be modified by mutual agreement during the course of the Project to satisfy the general goals and objectives of the Owner with respect to the Project.

2. **DESIGN SURVEYS.** The Engineers shall make measurements necessary for the preparation of plans and specifications. The Engineers are already in possession of the plans and shop drawings for the building and equipment.

3. **DESIGN CONFERENCES.** The Engineers shall attend such conferences with the Owner and/or his staff as may be necessary to make decisions as to the details of design of the Project.

4. **PLANS AND SPECIFICATIONS.** The Engineers shall prepare such detailed plans and specifications as are reasonably necessary and desirable for the Project. The specifications shall describe, in detail, the work to be done and the construction methods to be followed. Preliminary plans and specifications shall be submitted to the Owner for review prior to completion of preparation of final plans and specifications. Final plans and specifications shall be submitted to the Owner complete and ready for bidding.

5. **ESTIMATE OF COST.** The Engineers shall prepare a preliminary Engineers' Estimate of Cost for the Project. The Engineers' Estimate of Cost is intended for the use of the Owner in financing the Project. The Engineers shall not be responsible if the contract awarded for the Project varies from the original Engineers' Estimate of Cost.

6. **ADVERTISEMENT FOR BIDS.** The Engineers shall assist in the preparation of the notice to contractors and shall provide plans and specifications to prospective bidders. Publication costs shall be borne by the Owner.

7. **COSTS OF PLANS AND SPECIFICATIONS.** The Owner shall compensate the Engineers for the actual costs of the plans and specifications provided contractors, plan rooms and suppliers during project bidding. The costs shall be reduced by the amount of non-refundable plan deposits collected by the Engineers. The costs of plans shall be separate from the fee provisions under "**12. COMPENSATION**".

8. **AWARD OF CONTRACT.** The work included in the Project shall be bid at one letting. The Engineers shall have a representative present when the bids and proposals are opened and shall prepare a tabulation of bids for the Owner and shall advise as to the responsiveness of the bidders, and assist in making the award of contract. After the award is made, the Engineers shall prepare the necessary contract documents. During the bidding phase, the Engineers shall advise the Owner of the responsiveness of each proposal submitted. The Engineers shall not be responsible for advising the Owner as to the responsibleness of any bidder.

9. **GENERAL SERVICES DURING CONSTRUCTION.** The Engineers shall provide general services during construction including:

   a. The Engineer shall conduct a preconstruction conference attended by representatives of the Owner, Engineer, and contractor to discuss details of the Project.

   b. Consult with and advise Owner.

   c. Provide visits to the site during construction.

   d. Assist contractor in interpretation of plans and specifications.

   e. Process and certify payment estimates of the contractor to the Owner.

   f. Prepare amendments to the contract documents, as necessary, to show major changes made during construction.

10. **RESIDENT REVIEW.** Resident review services is understood to include the detailed observation and review of the work of the contractors and materials to assure compliance with the plans and specifications. The Engineers shall provide resident review services by assigning a resident engineer and/or engineering technicians to the Project for such periods reasonably required to assure proper review of the construction work. The Engineer may utilize inspection services of another consultant. Resident review will be on a part-time basis.

11. **FINAL REVIEW.** The Engineers shall make a final review after construction is complete to determine that the construction complies with the plans and specifications. The Engineers shall certify to the Owner that construction is substantially in compliance with the plans and specifications.

12. **COMPENSATION.**

   a. The fee for engineering design services enumerated for the Project as set forth in "**1. SCOPE OF PROJECT**" encompassing the work set forth from "**2. DESIGN SURVEYS**" through "**5. ESTIMATE OF COST**" of this Agreement shall be the hourly not to exceed fee of Eight Thousand Nine Hundred Dollars ($8,900).

   b. The Engineers fee for services set forth from "**6. ADVERTISEMENT FOR BIDS**" through "**9. GENERAL SERVICES DURING CONSTRUCTION**" shall be the hourly not to exceed fee of Three Thousand Eight Hundred Dollars ($3,800).

c. The Owner shall compensate the Engineers for the cost of plans and distribution of plans as set forth in **7. COSTS OF PLANS AND SPECIFICATIONS** above as provided in Senate File 2389. The reimbursement of the cost of plans and distribution of plans as required under Senate File 2389 is not included in the fees for services set forth under this Agreement.

d. The fee for resident review as set out in **10. RESIDENT REVIEW**, and **11. FINAL REVIEW**, shall be determined on the basis of the standard hourly fees plus expenses of the personnel of the Engineers actually engaged in the performance of the services. The fee shall not exceed the sum of Nine Thousand Five Hundred Dollars ($9,500) without written authorization by the Owner.

13. PAYMENT. The fees shall be due and payable as follows:

a. For design, preparation of plans and specifications and general services during construction, the fee shall be due and payable monthly based on that proportion of the fee which the Engineers have completed as of the time of the applicable billing.

14. LEGAL SERVICES. The Owner shall provide the services of an Attorney in matters pertaining to this Project. The Engineers shall cooperate with the Owner' attorney and shall comply with her requirements as to form of contract documents and procedures relative to them.

15. SERVICES NOT INCLUDED. Services not included under this Agreement are as follows:

a. Environmental impact statements, archaeological investigation, contaminated soil and groundwater investigations and geotechnical investigation. None of these items are anticipated as being needed.

b. Services related to or regarding arbitration or litigation of a construction contract between a construction contractor and the Owner regarding any of the Projects included in this Agreement.

c. Services required for the evaluation of and determination to accept defective work by Contractor including required re-design services.

d. Services required as a result of Owner providing incomplete or incorrect Project information.

e. Assistance in connection with bid protests, rebidding or renegotiating contracts for construction, materials, equipment, or services, only so long as the original work is reasonably consistent with the Owner's program or other instruction.

f. Providing assistance in resolving any Hazardous Environmental Condition in compliance with current Laws and Regulations.

16. SUSPENSION.

a. The Owner agrees that the Engineer is not responsible for damages arising directly or indirectly from any delays for causes beyond the Engineer's control. For purposes of this Agreement, such causes include, but are not limited to, strikes or other labor disputes; severe weather disruptions or other natural disasters or acts of God; fires, riots, war or other emergencies; failure of any government agency to act in a timely manner; failure of performance by the Owner; or discovery of any hazardous substances or differing site conditions. In addition, if the delays resulting from any such causes increase the cost or time required by the Engineer to perform its services in an orderly and efficient manner, the Engineer shall be entitled to a reasonable adjustment in schedule and compensation.

b. If Engineer's services are extended by Contractor's actions or inactions for more than the scheduled final construction completion, as defined in the Contract Documents, through no fault of the Engineer, the Engineer will be entitled to equitable and agreeable adjustment of rates and amounts of compensation provided in this Agreement.

17. TERMINATION.

a. In the event of termination of this Agreement by either party, the Owner shall, within fifteen (15) calendar days of termination, pay the Engineer for all services rendered and all reimbursable costs incurred by the Engineer up to the date of termination, in accordance with the payment provisions of this Agreement.

b. The Owner may terminate this Agreement for the Owner's convenience and without cause upon giving the Engineer not less than seven (7) calendar days written notice.

c. Either party may terminate this Agreement for cause upon giving the other party not less than seven (7) calendar days written notice for any of the following reasons.
   1. Substantial failure by the other party to perform in accordance with the terms of this Agreement and through no fault of the terminating party.
   2. Assignment of this Agreement or transfer of the Project by either party to any other entity without the prior written consent of the other party.
   3. Suspension of the Project or the Engineer's services by the Owner for more than ninety (90) calendar days, consecutive or in the aggregate.

4. Material changes in the conditions under which this Agreement was entered into, the Scope of Services or the nature of the Project, and the failure of the parties to reach agreement on the compensation and schedule adjustments necessitated by such changes.

d. In the event of any termination that is not the fault of the Engineer, the Owner shall pay the Engineer, in addition to payment for services rendered and reimbursable costs incurred, for all expenses reasonably incurred by the Engineer in connection with the orderly termination of this Agreement, including but not limited to demobilization, reassignment of personnel, associated overhead costs and all other expenses directly resulting from the termination.

18. DISPUTE RESOLUTION.

a. Owner and Engineer agree to negotiate all disputes between them in good faith for a period of thirty (30) days from the date of notice prior to other provisions of this Agreement, or under law.

b. Owner and Engineer agree to use mediation for dispute resolution if the previously described negotiation process is not successful.

c. In the event of any litigation arising from or related to this Agreement or the services provided under this Agreement, each party shall pay their own legal expenses, including staff time, court costs, attorney's fees and all other related expenses in such litigation.

19. BETTERMENT. When a Change Order is necessitated by an act or omission of Engineer or an error in the design of the Project, responsibility for such act, omission, or error shall be determined in good faith by Owner and Engineer. To the extent that such act, omission, or error arose out of the lack of quality professional services provided by Engineer or of the lack of professional quality deliverables prepared by Engineer, Owner shall be entitled to an amount equal to the difference between the actual cost of the change work and the estimated cost of the change work (less added value to the Owner) if there had been no such act, omission, or error. Engineer shall pay such sum to Owner.

20. **CHANGED CONDITIONS.** If, during the term of this Agreement, circumstances or conditions that were not originally contemplated by or known to the Engineer are revealed, to the extent that they affect the scope of services, compensation, schedule, allocation of risks or other material terms of this Agreement, the Engineer may call of renegotiation of appropriate portions of this Agreement. The Engineer shall notify the Owner of the changed conditions necessitating renegotiation, and the Engineer and the Owner shall promptly and in good faith enter into renegotiation of this Agreement to address the changed conditions. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement, in accordance with the termination provision hereof.

21. **CHANGES.** If, after the plans and specifications are completed and approved by the Owner, the Engineers are required to change the plans and specifications because of changes made by the Owner, the Engineers shall receive additional compensation for making such changes. The compensation for such changes shall be based upon the standard hourly fees plus expenses for personnel of the Engineers actually engaged in making the changes. Said standard hourly fees for the personnel of the Engineers are shown on Exhibit A, attached hereto and made a part of this Agreement.

22. **EXTRA WORK.** Fees stated in this Agreement cover the specific services outlined in this Agreement for the Project. If the Owner requires additional services of the Engineers in connection with the Project, or changes or modifications in the Project, the Engineers shall receive additional compensation for said services. Such additional compensation shall be at the standard hourly fees for personnel of the Engineers, plus expenses for personnel engaged in the authorized extra work.

23. **INDEMNIFICATION.** The Engineers shall and hereby agree to hold and save the Owner harmless from any and all claims, settlements, and judgments, to include all reasonable investigative fees, attorneys' fees, suit and court costs for personal injury, property damage, and/or death arising out of the Engineers' or any of its agents', servants', and employees' errors, omissions or negligent acts for services under this Agreement, and for all injury and/or death to any and all of the Engineers' personnel, agents, servants, and employees occurring under the Workers' Compensation Act of the State of Iowa.

24. **INSURANCE.** The Engineers shall furnish the Owner with certificates of insurance by insurance companies licensed to do business in the State of Iowa, upon which the Owner is endorsed as an additional named insured, in the following limits. It must be clearly disclosed on the face of the certificates that the coverage is on an occurrence basis.

General Liability*	$1,000,000/2,000,000
Automobile Liability	1,000,000
Excess Liability (Umbrella)*	7,000,000/7,000,000
Workers' Compensation, Statutory Benefits Coverage B	1,000,000
Professional Liability**,***	2,000,000/2,000,000

*Occurrence/Aggregate
**The Owner is not to be named as an additional insured
***Claims made basis

25. **ASSISTANTS AND CONSULTANTS.** It is understood and agreed that the employment of the Engineers by the Owner for the purposes aforesaid shall be exclusive, but the Engineers shall have the right to employ such assistants and consultants as they deem proper in the performance of the work.

26. **ASSIGNMENT.** This Agreement and each and every portion thereof shall be binding upon the successors and assigns of the parties hereto.

The undersigned do hereby covenant and state that this Agreement is executed in duplicate as though each were an original and that there are no oral agreements that have not been reduced to writing in this instrument.

It is further covenanted and stated that there are no other considerations or monies contingent upon or resulting from the execution of this Agreement, nor have any of the above been implied by or for any party to this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names on the date first written above.

BOARD OF TRUSTEES
INDIANOLA MUNICIPAL UTILITIES ATTEST:

By____________________ General Manager

By____________________ Board Secretary

VEENSTRA & KIMM, INC. ATTEST:

By Forrest Dillon [signature]

By Debora M. Luke

HOURLY RATES BY EMPLOYEE CLASSIFICATION
(Effective July 2014)

Management I	$150.00
Management II	146.00
Process Engineer	166.00
Engineer I-A	150.00
Engineer I-B	140.00
Engineer I-C	138.00
Engineer II	126.00
Engineer III-A	111.00
Engineer III-B	104.00
Engineer III-C	99.00
Engineer IV	96.00
Engineer V	90.00
Engineer VI	85.00
Engineer VII	80.00
Engineer VIII	75.00
Engineer IX	69.00
Engineer X	64.00
Engineer XI	60.00
Design Technician	86.00
Planner I	98.00
Planner II	75.00
Planner III	69.00
Drafter I	84.00
Drafter II	71.00
Drafter III	68.00
Drafter IV	63.00
Drafter V	52.00
Drafter VI	50.00
Drafter VII	41.00
Clerical I	77.00
Clerical II	56.00
Clerical III	41.00
Clerical IV	32.00
Construction Manager	144.00
Surveyor I	85.00
Surveyor II	78.00
Technician I	74.00
Technician II	68.00
Technician III	65.00
Technician IV	60.00
Technician V	54.00
Technician VI	51.00
Technician VII	42.00
Technician VIII	37.00
Technician IX	30.00
Building Inspector I	80.00
Building Inspector II	70.00
Robotics	30.00/Hour
GPS	30.00/Hour
Leica Total Station	20.00/Hour
Total Station Robotics	15.00/Hour
Tablet	45.00/Hour
Fluoroscope	50.00/Hour
4-Wheeler	45.00/Day
Mileage	56¢/Mile

Information

Subject

Vehicle Storage Building

Information

V&K has provided a staged proposal of $17,600 for design services, $3,800 for bidding services, and $7,400 for construction monitoring for this proposed 3,000 sq. ft. building. This allows IMU to prioritize the project based on professionally-estimated costs prior to authorizing construction.

Water Supt. Lou Elbert is requesting the project using available (in the next few years) capital project funds. The Water Plant was constructed with limited on-site storage due to budget constraints at the time plus available storage elsewhere in Indianola. In the meantime, the department has added staff (with pickup trucks), a dump truck, and soon a vac excavator. The white building across City Hall was sold (for $100,000) that contained some department equipment, which was not an ideal location. Last, the old water plant is now slated for demolition, which contains some miscellaneous equipment.

It is prudent to develop plans & specs. with a construction cost estimate for planning purposes, regardless of the timing of construction. Completing this work this falls allows that to proceed prior to developing the 5-year Capital Improvement Plan and subsequently the FY 2015/16 budget and FY 2016/17 projections.

Financial Impact

N/A

Staff Recommendation

Simple motion approving the V&K proposal for this project is in order.

Attachments

Proposal

VEENSTRA & KIMM, INC.
3000 Westown Parkway • West Des Moines, Iowa 50266-1320
515-225-8000 • 515-225-7848(FAX) • 800-241-8000(WATS)

August 20, 2014

Todd Kielkopf
General Manager
Indianola Municipal Utilities
111 South Buxton
P.O. Box 356
Indianola, Iowa 50125-0299

INDIANOLA MUNICIPAL UTILITIES
INDIANOLA, IOWA
VEHICLE STORAGE BUILDING
PROFESSIONAL ENGINEERING SERVICES AGREEMENT

Enclosed are two copies of the proposed engineering services agreement for the Vehicle Storage Building project. If the agreement is acceptable to the Indianola Municipal Utilities, please arrange for execution of each document. Return one executed document to our office.

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

VEENSTRA & KIMM, INC.

Forrest Aldrich

Forrest S. Aldrich

FSA:dml
600-3
Enclosures
cc: Lou Elbert, Indianola Municipal Utilities w/enclosure

ENGINEERING AGREEMENT

VEHICLE STORAGE BUILDING
WATER TREATMENT FACILITY
INDIANOLA MUNICIPAL UTILITIES
INDIANOLA, IOWA

THIS AGREEMENT, made and entered into this ______ day of ____________, 2014, by and between the **INDIANOLA MUNICIPAL UTILITIES**, Indianola, Iowa, hereinafter referred to as **Owner,** party of the first part, and **VEENSTRA & KIMM, INC.**, a corporation organized and existing under the laws of the State of Iowa, with principal offices in West Des Moines, Iowa, party of the second part, hereinafter referred to as the **Engineers**,

WITNESSETH: THAT WHEREAS, the Indianola Municipal Utilities owns and operates a water treatment system to provide water supply for the City of Indianola, Iowa, and

WHEREAS, there are existing and proposed vehicles that require storage, and

WHEREAS, the Owner desires to retain the services of the Engineer to provide professional services of Project, and

NOW, THEREFORE, it is hereby agreed by and between the parties hereto that the Indianola Municipal Utilities retains the Engineers to act for and represent it in engineering matters, as set forth hereinafter, for the Project. Such agreement shall be subject to the following term and conditions, to wit:

1. **SCOPE OF PROJECT**. It is understood and agreed the Project shall consist of the following:

   a. Construction of a new pre-engineered metal building approximately 3,000 square feet (50-foot by 60-foot) in size. Building is to have electric heat, be insulated, include three service bays, three overhead doors each 12-foot W x 14-foot H and have concrete floor.

   b. Building is to be located east of the water treatment facility on the east side of the entrance driveway.

   c. Building is to have one hose bib for water.

   The scope and extent of the improvements may be modified by mutual agreement during the course of the Project to satisfy the general goals and objectives of the Owner with respect to the Project.

2. **DESIGN SURVEYS.** The Engineers shall make all surveys necessary for design of the Project and preparation of plans and specifications. Such design surveys shall include the securing of topographic and cross-sectional data and other field information and measurements.

3. **DESIGN CONFERENCES.** The Engineers shall attend such conferences with the Owner and/or his staff as may be necessary to make decisions as to the details of design of the Project.

4. **PLANS AND SPECIFICATIONS.** The Engineers shall prepare such detailed plans and specifications as are reasonably necessary and desirable for the Project. The specifications shall describe, in detail, the work to be done and the construction methods to be followed. Preliminary plans and specifications shall be submitted to the Owner for review prior to completion of preparation of final plans and specifications. Final plans and specifications shall be submitted to the Owner complete and ready for bidding.

5. **GEOTECHNICAL INVESTIGATION**. The Engineers shall prepare a scope of work for geotechnical investigation, including soil borings, required during the design phase of the Project. The Engineers shall review with the Owner the scope of geotechnical investigation and quotation received from the geotechnical consultant. The Engineers shall coordinate the services of the geotechnical consultant including review of the findings of the geotechnical work and incorporation of the findings in the design of the Project. The actual cost for the geotechnical consultant shall be paid directly by the Owner. The cost of the Engineers relating to coordinating and managing the geotechnical services are included as a part of the scope of work under this Agreement.

6. **PERMITS AND LICENSES.** The Engineers shall provide copies of the plans and specifications for review by the City, and shall assist in obtaining the necessary permits for the Project. Any fees for the permits shall be paid by the Owner and said costs shall not be charged against the Engineers' fees.

7. **ESTIMATE OF COST.** The Engineers shall prepare a preliminary Engineers' Estimate of Cost for the Project. The Engineers' Estimate of Cost is intended for the use of the Owner in financing the Project. The Engineers shall not be responsible if the contract awarded for the Project varies from the original Engineers' Estimate of Cost.

8. **ADVERTISEMENT FOR BIDS**. The Engineers shall assist in the preparation of the notice to contractors and shall provide plans and specifications to prospective bidders. Publication costs shall be borne by the Owner.

9. **COSTS OF PLANS AND SPECIFICATIONS.** The Owner shall compensate the Engineers for the actual costs of the plans and specifications provided contractors, plan rooms and suppliers during Project bidding. The costs shall be reduced by the amount of non-refundable plan deposits collected by the Engineers. The costs of plans shall be separate from the fee provisions under "**14. COMPENSATION**".

10. **AWARD OF CONTRACT.** The work included in the Project shall be bid at one letting. The Engineers shall have a representative present when the bids and proposals are opened and shall prepare a tabulation of bids for the Owner and shall advise as to the responsiveness of the bidders, and assist in making the award of contract. After the award is made, the Engineers shall prepare the necessary contract documents. During the bidding phase, the Engineers shall advise the Owner of the responsiveness of each proposal submitted. The Engineers shall not be responsible for advising the Owner as to the responsibleness of any bidder.

11. **GENERAL SERVICES DURING CONSTRUCTION.** The Engineers shall provide general services during construction including:

    a. The Engineer shall conduct a preconstruction conference attended by representatives of the Owner, Engineer, and contractor to discuss details of the Project.

    b. Consult with and advise Owner.

    c. Provide visits to the site during construction.

    d. Assist contractor in interpretation of plans and specifications.

    e. Process and certify payment estimates of the contractor to the Owner.

    f. Prepare amendments to the contract documents, as necessary, to show major changes made during construction.

    g. Review drawings and data of manufacturers.

12. **RESIDENT REVIEW.** Resident review services is understood to include the detailed observation and review of the work of the contractors and materials to assure compliance with the plans and specifications. The Engineers shall provide resident review services by assigning a resident engineer and/or engineering technicians to the Project for such periods reasonably required to assure proper review of the construction work. The Engineer may utilize inspection services of another consultant. Resident review will be on a part-time basis.

13. FINAL REVIEW. The Engineers shall make a final review after construction is complete to determine that the construction complies with the plans and specifications. The Engineers shall certify to the Owner that construction is substantially in compliance with the plans and specifications.

14. COMPENSATION.

a. The fee for engineering design services enumerated for the Project as set forth in "**1. SCOPE OF PROJECT**" encompassing the work set forth from "**2. DESIGN SURVEYS**" through "**7. ESTIMATE OF COST**" of this Agreement shall be the hourly not to exceed fee of Seventeen Thousand Six Hundred Dollars ($17,600).

b. The Engineers fee for services set forth from "**8. ADVERTISEMENT FOR BIDS**" through "**11. GENERAL SERVICES DURING CONSTRUCTION**" shall be the hourly not to exceed fee of Three Thousand Eight Hundred Dollars ($3,800).

c. The Owner shall compensate the Engineers for the cost of plans and distribution of plans as set forth in **9. COSTS OF PLANS AND SPECIFICATIONS** above as provided in Senate File 2389. The reimbursement of the cost of plans and distribution of plans as required under Senate File 2389 is not included in the fees for services set forth under this Agreement.

d. The fee for resident review as set out in **12. RESIDENT REVIEW**, and **13. FINAL REVIEW**, shall be determined on the basis of the standard hourly fees plus expenses of the personnel of the Engineers actually engaged in the performance of the services. The fee shall not exceed the sum of Seven Thousand Four Hundred Dollars ($7,400) without written authorization by the Owner.

15. PAYMENT. The fees shall be due and payable as follows:

a. For design, preparation of plans and specifications and general services during construction, the fee shall be due and payable monthly based on that proportion of the fee which the Engineers have completed as of the time of the applicable billing.

16. LEGAL SERVICES. The Owner shall provide the services of an Attorney in matters pertaining to this Project. The Engineers shall cooperate with the Owner' attorney and shall comply with her requirements as to form of contract documents and procedures relative to them.

17. SERVICES NOT INCLUDED. Services not included under this Agreement are as follows:

a. Environmental impact statements, archaeological investigation, contaminated soil and groundwater investigations. None of these items are anticipated as being needed.

b. Services related to or regarding arbitration or litigation of a construction contract between a construction contractor and the Owner regarding any of the Projects included in this Agreement.

c. Services required for the evaluation of and determination to accept defective work by Contractor including required re-design services.

d. Services required as a result of Owner providing incomplete or incorrect Project information.

e. Assistance in connection with bid protests, rebidding or renegotiating contracts for construction, materials, equipment, or services, only so long as the original work is reasonably consistent with the Owner's program or other instruction.

f. Providing assistance in resolving any Hazardous Environmental Condition in compliance with current Laws and Regulations.

g. Geotechnical services. The Owner shall duly compensate the cost of geotechnical services as outlined in "**5. GEOTECHNICAL INVESTIGATION**".

h. Construction staking.

18. SUSPENSION.

a. The Owner agrees that the Engineer is not responsible for damages arising directly or indirectly from any delays for causes beyond the Engineer's control. For purposes of this Agreement, such causes include, but are not limited to, strikes or other labor disputes; severe weather disruptions or other natural disasters or acts of God; fires, riots, war or other emergencies; failure of any government agency to act in a timely manner; failure of performance by the Owner; or discovery of any hazardous substances or differing site conditions. In addition, if the delays resulting from any such causes increase the cost or time required by the Engineer to perform its services in an orderly and efficient manner, the Engineer shall be entitled to a reasonable adjustment in schedule and compensation.

b. If Engineer's services are extended by Contractor's actions or inactions for more than the scheduled final construction completion, as defined in the Contract Documents, through no fault of the Engineer, the Engineer will be entitled to equitable and agreeable adjustment of rates and amounts of compensation provided in this Agreement.

19. TERMINATION.

a. In the event of termination of this Agreement by either party, the Owner shall, within fifteen (15) calendar days of termination, pay the Engineer for all services rendered and all reimbursable costs incurred by the Engineer up to the date of termination, in accordance with the payment provisions of this Agreement.

b. The Owner may terminate this Agreement for the Owner's convenience and without cause upon giving the Engineer not less than seven (7) calendar days written notice.

c. Either party may terminate this Agreement for cause upon giving the other party not less than seven (7) calendar days written notice for any of the following reasons.
   1. Substantial failure by the other party to perform in accordance with the terms of this Agreement and through no fault of the terminating party.
   2. Assignment of this Agreement or transfer of the Project by either party to any other entity without the prior written consent of the other party.
   3. Suspension of the Project or the Engineer's services by the Owner for more than ninety (90) calendar days, consecutive or in the aggregate.
   4. Material changes in the conditions under which this Agreement was entered into, the Scope of Services or the nature of the Project, and the failure of the parties to reach agreement on the compensation and schedule adjustments necessitated by such changes.

d. In the event of any termination that is not the fault of the Engineer, the Owner shall pay the Engineer, in addition to payment for services rendered and reimbursable costs incurred, for all expenses reasonably incurred by the Engineer in connection with the orderly termination of this Agreement, including but not limited to demobilization, reassignment of personnel, associated overhead costs and all other expenses directly resulting from the termination.

20. DISPUTE RESOLUTION.

a. Owner and Engineer agree to negotiate all disputes between them in good faith for a period of thirty (30) days from the date of notice prior to other provisions of this Agreement, or under law.

b. Owner and Engineer agree to use mediation for dispute resolution if the previously described negotiation process is not successful.

c. In the event of any litigation arising from or related to this Agreement or the services provided under this Agreement, each party shall pay their own legal expenses, including staff time, court costs, attorney's fees and all other related expenses in such litigation.

21. **BETTERMENT.** When a Change Order is necessitated by an act or omission of Engineer or an error in the design of the Project, responsibility for such act, omission, or error shall be determined in good faith by Owner and Engineer. To the extent that such act, omission, or error arose out of the lack of quality professional services provided by Engineer or of the lack of professional quality deliverables prepared by Engineer, Owner shall be entitled to an amount equal to the difference between the actual cost of the change work and the estimated cost of the change work (less added value to the Owner) if there had been no such act, omission, or error. Engineer shall pay such sum to Owner.

22. **CHANGED CONDITIONS.** If, during the term of this Agreement, circumstances or conditions that were not originally contemplated by or known to the Engineer are revealed, to the extent that they affect the scope of services, compensation, schedule, allocation of risks or other material terms of this Agreement, the Engineer may call of renegotiation of appropriate portions of this Agreement. The Engineer shall notify the Owner of the changed conditions necessitating renegotiation, and the Engineer and the Owner shall promptly and in good faith enter into renegotiation of this Agreement to address the changed conditions. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement, in accordance with the termination provision hereof.

23. **CHANGES.** If, after the plans and specifications are completed and approved by the Owner, the Engineers are required to change the plans and specifications because of changes made by the Owner, the Engineers shall receive additional compensation for making such changes. The compensation for such changes shall be based upon the standard hourly fees plus expenses for personnel of the Engineers actually engaged in making the changes. Said standard hourly fees for the personnel of the Engineers are shown on Exhibit A, attached hereto and made a part of this Agreement.

24. **EXTRA WORK.** Fees stated in this Agreement cover the specific services outlined in this Agreement for the Project. If the Owner requires additional services of the Engineers in connection with the Project, or changes or modifications in the Project, the Engineers shall receive additional compensation for said services. Such additional compensation shall be at the standard hourly fees for personnel of the Engineers, plus expenses for personnel engaged in the authorized extra work.

25. **INDEMNIFICATION.** The Engineers shall and hereby agree to hold and save the Owner harmless from any and all claims, settlements, and judgments, to include all reasonable investigative fees, attorneys' fees, suit and court costs for personal injury, property damage, and/or death arising out of the Engineers' or any of its agents', servants', and employees' errors, omissions or negligent acts for services under this Agreement, and for all injury and/or death to any and all of the Engineers' personnel, agents, servants, and employees occurring under the Workers' Compensation Act of the State of Iowa.

26. INSURANCE. The Engineers shall furnish the Owner with certificates of insurance by insurance companies licensed to do business in the State of Iowa, upon which the Owner is endorsed as an additional named insured, in the following limits. It must be clearly disclosed on the face of the certificates that the coverage is on an occurrence basis.

General Liability*	$1,000,000/2,000,000
Automobile Liability	1,000,000
Excess Liability (Umbrella)*	7,000,000/7,000,000
Workers' Compensation, Statutory Benefits Coverage B	1,000,000
Professional Liability**,***	2,000,000/2,000,000

*Occurrence/Aggregate
**The Owner is not to be named as an additional insured
***Claims made basis

27. ASSISTANTS AND CONSULTANTS. It is understood and agreed that the employment of the Engineers by the Owner for the purposes aforesaid shall be exclusive, but the Engineers shall have the right to employ such assistants and consultants as they deem proper in the performance of the work.

28. ASSIGNMENT. This Agreement and each and every portion thereof shall be binding upon the successors and assigns of the parties hereto.

The undersigned do hereby covenant and state that this Agreement is executed in duplicate as though each were an original and that there are no oral agreements that have not been reduced to writing in this instrument.

It is further covenanted and stated that there are no other considerations or monies contingent upon or resulting from the execution of this Agreement, nor have any of the above been implied by or for any party to this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names on the date first written above.

BOARD OF TRUSTEES
INDIANOLA MUNICIPAL UTILITIES ATTEST:

By______________________ By______________________
General Manager Board Secretary

VEENSTRA & KIMM, INC. ATTEST:

By Forrest Aldrich By Debora M. Lake

HOURLY RATES BY EMPLOYEE CLASSIFICATION
(Effective July 2014)

Management I	$150.00
Management II	146.00
Process Engineer	166.00
Engineer I-A	150.00
Engineer I-B	140.00
Engineer I-C	138.00
Engineer II	126.00
Engineer III-A	111.00
Engineer III-B	104.00
Engineer III-C	99.00
Engineer IV	96.00
Engineer V	90.00
Engineer VI	85.00
Engineer VII	80.00
Engineer VIII	75.00
Engineer IX	69.00
Engineer X	64.00
Engineer XI	60.00
Design Technician	86.00
Planner I	98.00
Planner II	75.00
Planner III	69.00
Drafter I	84.00
Drafter II	71.00
Drafter III	68.00
Drafter IV	63.00
Drafter V	52.00
Drafter VI	50.00
Drafter VII	41.00
Clerical I	77.00
Clerical II	56.00
Clerical III	41.00
Clerical IV	32.00
Construction Manager	144.00
Surveyor I	85.00
Surveyor II	78.00
Technician I	74.00
Technician II	68.00
Technician III	65.00
Technician IV	60.00
Technician V	54.00
Technician VI	51.00
Technician VII	42.00
Technician VIII	37.00
Technician IX	30.00
Building Inspector I	80.00
Building Inspector II	70.00
Robotics	30.00/Hour
GPS	30.00/Hour
Leica Total Station	20.00/Hour
Total Station Robotics	15.00/Hour
Tablet	45.00/Hour
Fluoroscope	50.00/Hour
4-Wheeler	45.00/Day
Mileage	56¢/Mile