



**IMU Board of Trustees
September 22, 2014
City Hall Council Chambers
5:30 p.m.**

Agenda

1. Roll Call
2. Consent
 - A. Claims
 - B. Minutes
 - C. Salaries
 - D. Red Rock Community Action Program LIHEAP Vendor Agreement
 - E. Purchase of Vac Excavation System for Water Dept.
3. Reports
 - A. General Manager
 - B. Director of Finance
 - C. Chairperson
 - D. Monthly Financials
4. 2011 Hwy 65/69 Underground Conversion Project - Service Reconnection Contract
 - A. Change Order #2
 - B. Certificate of Substantial Completion
5. 2014 Hwy 92 & I-35 Transmission Relocation Project
 - A. Change Order #5
 - B. Certificate of Substantial Completion
6. 2013 W Hwy 92 Transmission Relocation Project

- A. Change Order #5
- B. Project Update
- 7. Other Business
- 8. Adjourn

Information

Subject

Claims

Information

The claims lists for September 2, 2014 and September 15, 2014 were distributed previously.

Financial Impact

N/A

Staff Recommendation

IMU Regular Downstairs
Meeting Date: 09/22/2014

2. B.

Information

Subject

Minutes

Information

Minutes of the August 25, 2014 IMU Board of Trustees meeting are attached.

Financial Impact

N/A

Staff Recommendation

Attachments

Minutes

BOARD OF TRUSTEE MINUTES
REGULAR SESSION – AUGUST 25, 2014

The Board of Trustees met in regular session at 5:30 p.m. on August 25, 2014 in the City Hall Council Chambers. Chairperson Eric Vander Linden called the meeting to order and on roll call the following members were present: Heather Hulen, Grant Johnson, Pat Reding, Eric Vander Linden and Deb White.

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

August 4 and August 18, 2014 claims

July 28, 2014 minutes

Personnel Salary – Chelle Klootwyk, Office Manager from CE 3-7 \$36,567/year to CE 6-1 \$41,523/year effective August 18, 2014

FY 2014 Audit engagement from Shull & Company in an amount of \$7,500 for its overall financial statement report and \$4,400 (in total) for individual electric and water utility reports

General Manager Todd Kielkopf updated the Board regarding the Municipal Energy Agency of Nebraska (MEAN) meeting and the IMU Partners.

A motion was made by Reding and seconded by Johnson to approve the July 2014 Treasurer's Report and budget variance reports. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

Mike Metcalf presented the quarterly safety report.

Board member Reding moved and Hulen seconded to authorizing purchasing material for the 2014 North Howard fiber extension project in an amount not to exceed \$60,000. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

Reding moved to approve PAR Electric to replace four poles along the 69 kV at a cost of \$47,000. White seconded the motion. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

Change order number one in an amount of \$29,115.00 from Vanderpool Construction for the 2013 Highway 92 Transmission Relocation Project was approved on a motion by Johnson and seconded by Hulen. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

It was moved by White and seconded by Reding to approve change order number two in an amount of \$18,351 from Vanderpool Construction for the 2013 Highway 92 Transmission Relocation Project. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

A motion was made by Hulen and seconded by Johnson to approve change order number two in an amount of \$2,329.06 from Vanderpool Construction for the 2014 West Iowa Water Main Project. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

Board member Reding moved to accept the 2014 Head Tank Aerator Assembly Project. White seconded the motion. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

Engineering Services from Veenstra & Kimm in an amount of \$12,700.00 for the Softening and Recarb Tank Recoating project was approved on a motion by Hulen and seconded by White. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

White moved and Johnson seconded to approve Engineering Services from Veenstra and Kimm's in an amount of \$28,800 for the Vehicle Storage Building. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

The Board discussed holding a strategic planning work session to be held either in September or October along with results of the 2014 customer survey.

Board member White asked if the Office Manager's work load would continue to grow and if another full time person would need to be hired. General Manager Todd Kielkopf stated the work load would continue to grow yet another full time person would not need to be hired in the foreseeable future, as workload will be assumed by existing employees or additional part time hours.

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

Eric Vander Linden, Chairperson

Diana Bowlin, City Clerk

Information

Subject

Salaries

Information

Justin Brand, Water Operator I, from R 21-2 at \$21.462/hr. to R 21-2.5 at \$21.893/hr. effective 9/14/14 for satisfactorily completing the appropriate waiting period for creditable service as per the union contract.

This half-step occurs only for new hires successfully completing a 6-month probationary period.

Financial Impact

N/A

Staff Recommendation

Information

Subject

Red Rock Community Action Program LIHEAP Vendor Agreement

Information

Under the attached agreement, Red Rock Area Community Action Program serves as IMU's vendor for the Low-Income Home Energy Assistance Program (LIHEAP) for the coming year. This has been a long-standing arrangement that is beneficial in that RRACAP determines eligibility for federal assistance for IMU's electric customers without Clerk's Office staff being tied up with eligibility and federal requirements. RRACAP services residents in 5 counties and attains economies of scale throughout the process.

Financial Impact

N/A

Staff Recommendation

Information

Subject

Purchase of Vac Excavation System for Water Dept.

Information

The Water Dept. budget contains \$40,000 to purchase a trailer-mounted vacuum excavation system. Staff received two quotes:

\$38,900 Midwest Underground Supply (Vermeer system from Pella, IA)
\$39,000 Ditch Witch-Iowa

Crews demo'd both units with no preference. IMU currently has a Vermeer unit at the Electric Dept. with positive experiences to-date. Staff recommends the quote from Midwest Underground Supply.

The need for a second unit is primarily derived from having so much infrastructure underground (electric, water, sewer, telephone, cable, etc.) that it is difficult to quickly and safely locate them prior to excavation during water main repairs. The Electric Dept. unit is being used by IMU's two utilities, plus the Street Dept. and Sewer Dept. when it is available, which is becoming rarer over time. Having a second unit will thus provide more crew productivity in a safer environment, which also lessens water outage times experienced by customers.

Financial Impact

N/A

Staff Recommendation

Information

Subject

Administrative News Items

Information

See attached for noteworthy items for the week.

Financial Impact

N/A

Staff Recommendation

Attachments

News Items

NEWS ITEMS

TO: IMU Trustees
FROM: IMU Administrative Staff
DATE: September 19, 2014

- 1. Raw Water Main:** The Well #10 raw water main running south of Plainview crosses under two creeks. Due to excessive erosion during recent rains, the main is exposed at both creeks and will need replaced. Staff's plan is to construct a new 400' main running to the south that will tie into the Well #11 main and bypass the exposed main entirely. Preliminary cost is less than \$10,000.
- 2. CenturyLink/Compliance:** Staff met with City/CenturyLink reps. on Tuesday as intended. They presented their offer, which is minimalistic at best. IMU plans to have Ivan Webber work on contacting them again regarding compliance.
- 3. City Brush Facility/Grinding:** There has been a historical understanding that IMU is allowed to take trees/brush to the city's facility at no charge in exchange for periodically paying for the annual grinding into mulch. The W. Hwy 92 rights-of-way clearing was hauled there this year and the city didn't have other major sources (other than the general public). They've requested, and staff agrees, to pay for the \$8,650 bill. Staff will try to seek reimbursement from IDOT and MEC for part of the expense.
- 4. KCCI/Simpson College Request:** The major challenge to providing a circuit is that they requested a spliced, dark fiber connection from Simpson to Indianola (vs. a virtual dedicated circuit). This isn't a viable option from either CenturyLink or IMU's perspective in that fiber routes aren't designed to be independent from commercial transport circuits. MCG is working with them on a virtual circuit through INS to KCCI instead. CenturyLink's initial offer was to set up the circuit for \$30,000 and require a one-year contract (again, not feasible).
- 5. Government Accountability Office Report:** The GAO issued an update to its 2012 report pertaining to the status of the nation's coal plant retirements. Its original report estimated that between 2 – 12% of plants would be retired by 2025 due to the four major environmental regulations imposed over the past decade. The current estimate is 42,000MW (Indianola's load is 30MW for example) or over 13% of plants and rising. Highly competitive natural gas prices and extension of the wind tax credits are two other contributing factors.

The noteworthiness of this report is that the electric industry has undergone a major shift that is unprecedented in scale and at the upper end of industry forecasts. Coal-fired generation unit owners are simply not modeling that electric prices will be sufficient to recoup required investments in the infrastructure needed to comply with regulations. So excess capacity, primarily older units, are being removed from serving the grid.

MEAN's fleet is newer, so almost all meet the four major environmental regulations. Market prices for electricity are predicted to become more variable and higher as this excess base-

load capacity is removed from the electric marketplace. That may make the remaining, compliant, base-load fleet more valuable to utilities moving forward.

There are some that predict that the value of excess capacity will trend towards the Cost of New Entry (CONE value), which is theoretically the monthly all-in cost for new generation. The new CONE submitted for the Midcontinent ISO (IMU's regional marketplace) is \$7.50/kW/mo. compared to this year's auction of only \$.53/kW/mo.

6. **Chamber/Morning Mingle:** IMU is hosting a "Morning Mingle" on Thursday, October 9 from 8:30am – 10:30am. Trustees are encouraged to attend, if able. This recognizes Public Power Week, the kickoff of IMU's 125th year of electric service in Indianola, and the debut of the IMU Partner's program with its TV 2 channel on the MCG network.

Information

Subject

Financials

Information

Monthly financial reports are attached.

Financial Impact

N/A

Staff Recommendation

Attachments

Financials

IMU Monthly Financial Reports

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Notes & Comments

1. Total Cash Flow from all activities the on Treasurer's Report was -\$8,107, primarily due to capital project expenses. There was a reduction of cash of over \$91,000 after setting aside monthly funds for debt service.
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 4,500,000 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 per kWh, which will reverse with new winter rates effective November 2014. 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 \$64,417. This is less than expected due to the favorable FYTD gross margin.
5. The Water Utility (pages 7 & 12) is not meeting budget expectations in terms of Net Income and Cash Flow due to lower sales due to mild weather. 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 so there is ample time to adjust projects to meet reduced revenue expectations going forward.
6. The Communications Utility (page 15) and Admin. Fund (page 16) cash flows are essentially close enough to working budgets. The increased pace of MCG signups (to 15-20 per month) seen this summer will be reflected in future reports as paying customers. Administrative expenses should be less than budget until re-estimated in January, as line items were reduced after the FY 2015 budget was adopted last spring.

FINANCIAL REPORT
MONTH OF AUGUST, 2014

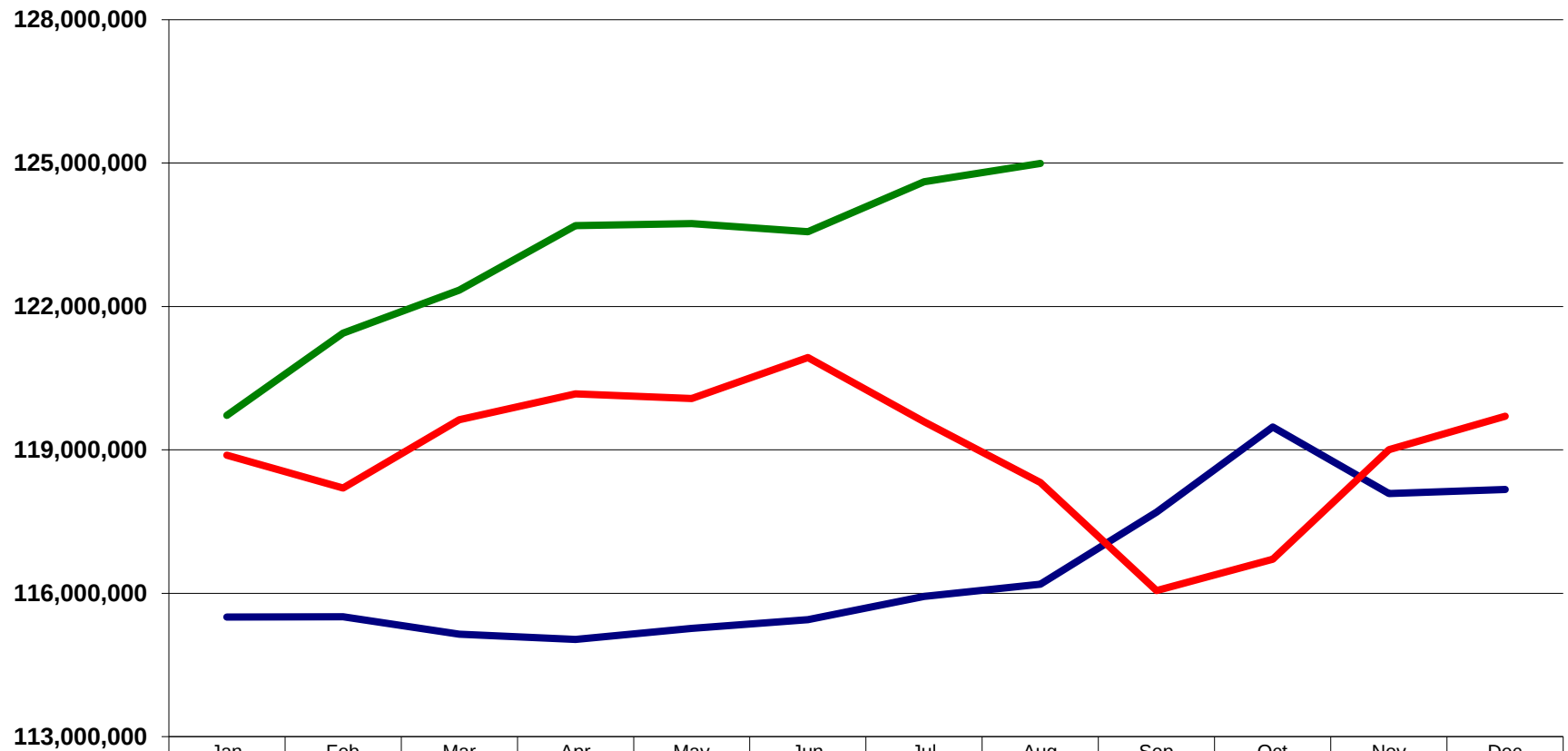
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FUND	Beginning Balance	Monies Received	Monies Disbursed	Transfer In	Transfer Out	Clerk's Balance	% of Total
001 General Government	1,200,065.63	48,875.76	184,095.02	112,398.01	2,352.07	1,174,892.31	
011 Police	90,157.11	-4,342.55	229,613.19	23,916.67	324.45	-120,206.41	
015 Fire	96,929.42	2,588.15	45,537.15	0.00	24.72	53,955.70	
016 Ambulance	210,799.17	58,126.74	92,293.08	0.00	5,572.66	171,060.17	
041 Library	-24,874.63	1,274.99	57,983.31	0.00	61.80	-81,644.75	
042 Park & Recreation	330,942.36	13,070.78	103,369.23	0.00	123.60	240,520.31	
045 Memorial Pool	-87,665.54	8,442.42	35,509.55	0.00	0.00	-114,732.67	
071 General Fund Deb Service	38,626.98	0.00	0.00	0.00	0.00	38,626.98	
099 Franchise Fees-MEC	253,783.90	0.00	0.00	0.00	0.00	253,783.90	
GENERAL FUND SUB-TOTAL	2,108,764.40	128,036.29	748,400.53	136,314.68	8,459.30	1,616,255.54	
110 Road Use Tax (Streets)	820,427.28	170,665.52	98,345.76	0.00	15,142.70	877,604.34	
112 Trust & Agency	0.00	0.00	0.00	0.00	0.00	0.00	
115 YMCA Maintenance Obligations	28,058.67	0.00	0.00	0.00	0.00	28,058.67	
125 TIF--Downtown	373,833.74	0.00	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	33,981.80	274.80	400.35	0.00	0.00	33,856.25	
142 Park & Rec Special Revenue	116,349.65	5,427.52	1,686.49	0.00	0.00	120,090.68	
160 Downtown Revolving Loan	64,094.33	0.00	0.00	0.00	0.00	64,094.33	
161 Downtown Business Inc Program	-51,499.50	0.00	42,115.00	0.00	0.00	-93,614.50	
177 Police Forfeiture	18,398.31	0.00	0.00	0.00	0.00	18,398.31	
190 Vehicle Reserve	94,742.41	0.00	0.00	1,666.67	0.00	96,409.08	
199 Police Retirement	110,703.30	126.29	0.00	0.00	1,041.67	109,787.92	
SPECIAL REVENUES SUB-TOTAL	1,656,383.41	176,494.13	142,547.60	1,666.67	16,184.37	1,675,812.24	
200 DEBT SERVICE (SUB-TOTAL)	1,577,871.32	0.00	0.00	60,774.99	0.00	1,638,646.31	
301 Capital Projects (General)	583,523.44	0.00	163,881.25	0.00	0.00	419,642.19	
321 Capital Projects (Streets)	580,567.91	0.00	380,131.61	0.00	0.00	200,436.30	
344 Community Athletic Facility	9,993.92	10.89	1,447.33	0.00	0.00	8,557.48	
353 Community ReDevelopment (D&D)	-19,191.99	0.00	0.00	0.00	0.00	-19,191.99	
CAPITAL PROJECTS SUB-TOTAL	1,154,893.28	10.89	545,460.19	0.00	0.00	609,443.98	
610 Sewer	141,427.28	0.00	106,687.62	140,600.00	34,901.03	140,438.63	
650 Stormwater Utility	297,904.53	16,505.07	0.00	0.00	5,158.33	309,251.27	
670 Recycling	64,088.92	17,455.31	15,241.00	0.00	1,441.67	64,861.56	
710 Sewer Capital Projects	625,219.39	239,085.68	0.00	0.00	239,483.33	624,821.74	
771 Sewer Reserve	114,238.70	0.00	0.00	0.00	0.00	114,238.70	
781 Sewer Plant Improvement	319,655.88	0.00	0.00	2,083.33	0.00	321,739.21	
791 Sewer Revenue Bonds	288,656.68	0.00	0.00	61,016.67	0.00	349,673.35	
820 Health Insurance	989,791.92	135,491.49	91,085.73	0.00	0.00	1,034,197.68	
830 Health Reimbursement Account	319,371.33	0.00	22,071.72	0.00	0.00	297,299.61	
840 Flex/STD	224,608.99	3,484.59	3,278.62	1,390.50	0.00	226,205.46	
850 Liability Insurance Reserve--City	14,865.97	22,448.74	0.00	0.00	0.00	37,314.71	
CITY UTILITY & IS SUB-TOTAL	3,399,829.59	434,470.88	238,364.69	205,090.50	280,984.36	3,520,041.92	
TOTAL CITY FUNDS	9,897,742.00	739,012.19	1,674,773.01	403,846.84	305,628.03	9,060,199.99	49%
TOTAL IMU FUNDS	9,265,999.43	1,540,529.61	1,450,418.46	175,941.68	274,160.49	9,257,891.77	51%
GRAND TOTAL CITY & IMU	19,163,741.43	2,279,541.80	3,125,191.47	579,788.52	579,788.52	18,318,091.76	
Cross Check Total						18,318,091.76	
Investments							
Bankers Trust	\$ 16,467,843.29	2.15%				Clerk's Balance	18,318,091.76
Iowa Public Agency Inv. Trust	\$ 111,107.54	0.010%				Plus Outstanding Checks	214,859.53
Payroll Account, City State Bank	\$ -	Earnings Credit				Unreconcilable Item	
Checking Account, City State Bank	\$ 240,072.57	Earnings Credit				Less Outstanding Deposits	-35,350.15
Checking Account, Community Bank	\$ 8,815.34						
Payroll Account, Community Bank	\$ 867.36						
Sweep Account, City State Bank	\$ 1,668,895.04	0.35%					
BANK BALANCE	18,497,601.14						18,497,601.14

600 Water	363,292.68	201,081.42	104,954.75	0.00	115,959.38	343,459.97
620 IMU Administration	57,688.15	0.00	55,287.07	84,375.00	30,053.47	56,722.61
625 Revolving Economic Development	103,309.67	117.58	0.00	0.00	0.00	103,427.25
626 USDA RLF	150,000.00	0.00	0.00	0.00	0.00	150,000.00
630 Electric	2,180,140.96	1,216,863.27	1,105,803.32	22,566.67	119,491.31	2,194,276.27
640 Fiber/Communications	312,061.84	23,720.30	18,134.69	0.00	8,656.33	308,991.12
700 Water Capital Projects	866,441.13	0.00	62,102.71	35,991.67	0.00	840,330.09
730 Electric Capital Projects	3,401,951.46	98,723.09	104,135.92	-58,333.33	0.00	3,338,205.30
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	184,452.18	0.00	0.00	23,150.00	0.00	207,602.18
793 Electric Revenue Bonds	231,391.71	0.00	0.00	68,191.67	0.00	299,583.38
855 Liability Insurance Reserve--IMU	18,578.30	23.95	0.00	0.00	0.00	18,602.25
IMU SUB-TOTAL	9,265,999.43	1,540,529.61	1,450,418.46	175,941.68	274,160.49	9,257,891.77

<u>INTEREST DISTRIBUTION</u>	INTEREST		CALYTD	FYTD
	INCOME	% OF TOTAL		
Electric Funds	\$ 8,193.52	37.63%	\$ 68,274.06	\$ 18,352.26
Water Funds	\$ 1,894.33	8.70%	\$ 17,148.15	\$ 4,386.43
Sewer Funds	\$ 1,079.99	4.96%	\$ 10,708.84	\$ 3,323.17
Police Retirement	\$ 126.29	0.58%	\$ 878.07	\$ 142.51
Community Redevelopment	\$ -	0.00%	\$ 500.26	\$ 0.14
All other	\$ 10,479.78	48.13%	\$ 87,529.82	\$ 23,539.15
TOTAL	\$ 21,773.91	100.00%	\$ 185,039.20	\$ 49,743.66

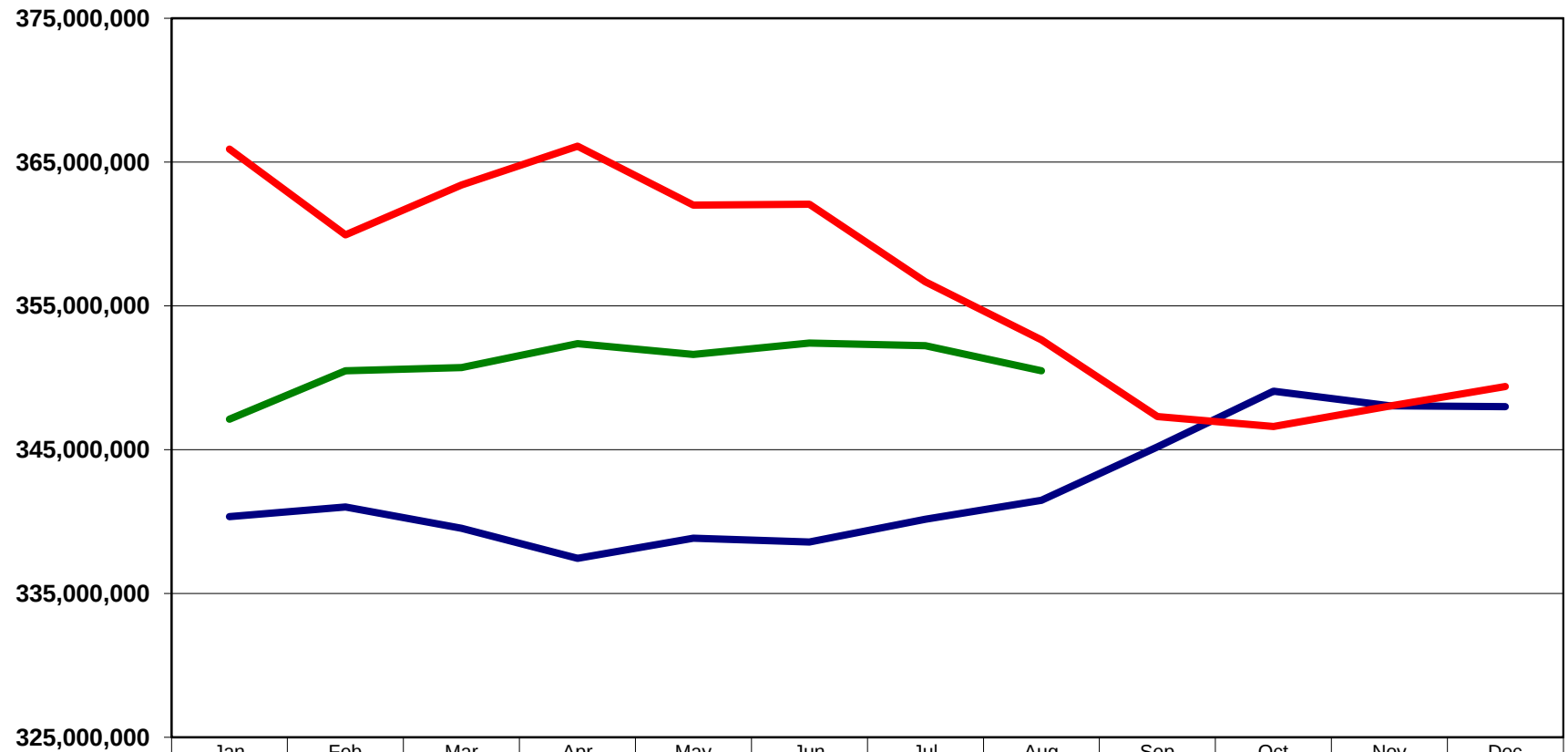
KWH's Sold (kWh's sold based on a rolling 12 month total)



	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				



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

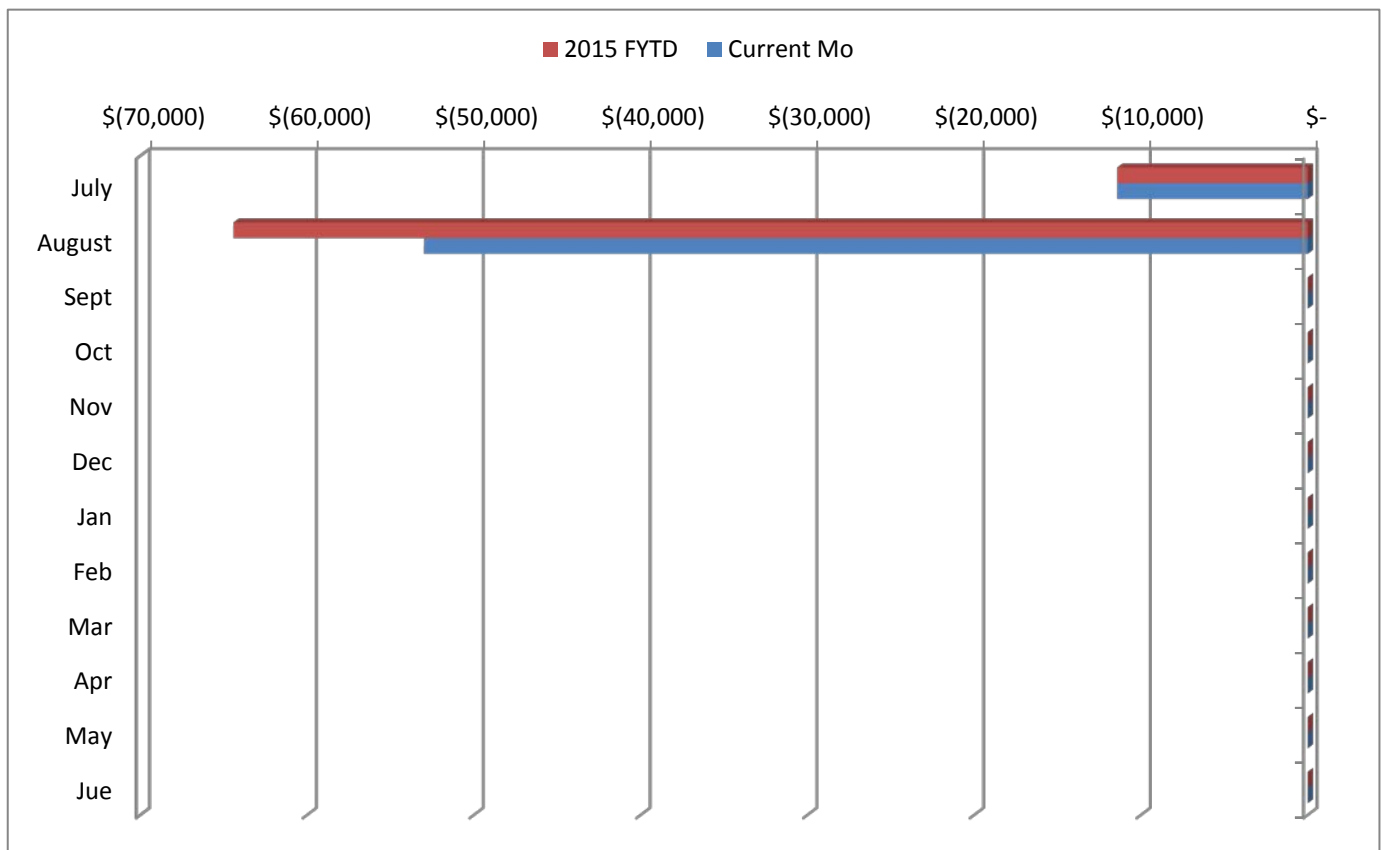


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010-12 WA Avg	340,342,990	341,005,490	339,539,389	337,453,792	338,839,263	338,574,698	340,162,998	341,474,254	345,182,293	349,066,685	348,054,010	347,985,339
2013	365,895,631	359,942,960	363,394,396	366,100,603	362,000,442	362,055,593	356,662,419	352,641,949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



	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Electric Utility:			
Gross Margin	\$ 617,936	\$ 521,700	\$ 96,236
Cash-based Net Income (incl. Depr.)	\$ (64,417)	\$ (178,500)	\$ 114,083
Net O&M + Capital Funds Cash Flow	\$ 478,954	\$ (221,800)	\$ 700,754
Ending O&M and Capital Fund Balances	\$ 5,532,482	\$ 4,831,700	
Less-			
Designated for Future Projects	-	-	-
Reserve Targets	3,969,000	3,969,000	-
Over/(Under)	\$ 1,563,482	\$ 862,700	\$ 700,782
Debt Service Coverage Ratio w/o PILOT	1.54	0.70	
Water Utility:			
Cash-based Net Income (incl. Depr.)	\$ (31,116)	\$ 6,500	\$ (37,616)
Net O&M + Capital Funds Cash Flow	\$ (120,064)	\$ (168,000)	\$ 47,936
Ending O&M and Capital Fund Balances	\$ 1,183,790	\$ 1,135,900	
Less-			
Designated for Future Projects	-	-	-
Reserve Targets	686,600	686,600	-
Over/(Under)	\$ 497,190	\$ 449,300	\$ 47,890
Debt Service Coverage Ratio w/o PILOT	0.65	0.96	
Communications Utility:			
Net Cash Flow	\$ (24,280)	\$ (28,000)	\$ 3,720
Ending Fund Balances	\$ 308,991	\$ 305,300	\$ -
Less-			
Designated for Future Projects	-	-	-
Reserve Targets	157,200	157,200	-
Over/(Under)	\$ 151,791	\$ 148,100	\$ 3,691
Commercial Customers	108	127	-19
Residential Customers	221	240	-19
Administrative Fund:			
Net Cash Flow	\$ 56,723	\$ 45,800	\$ 10,386

EL - Combined		FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:				
Sales of Electricity & Peaking	\$ 2,203,942.06	\$ 2,277,000	\$ (73,058)	
Sales Taxes	40,344.64	49,700	(9,355)	
Other	227,562.57	232,000	(4,437)	
Total O&M Revenue	\$ 2,471,849.27	2,558,700	(86,851)	
Expenditures:				
Purchased Energy & Fuel	\$ 1,489,822.84	\$ 1,659,100	\$ (169,277)	
Salaries	153,646.76	158,600	(4,953)	
Benefits	83,202.16	101,500	(18,298)	
Materials, Suppl. & Contracts	85,465.88	89,700	(4,234)	
Sales Taxes & Use Taxes	42,729.04	50,600	(7,871)	
PILOT	96,183.34	96,200	(17)	
Debt Service - Interest Only	46,383.35	46,400	(17)	
Overhead, Admin & EE	308,840.49	320,900	(12,060)	
Depreciation (Est)	228,100.00	228,100	-	
Total O&M Expenses	\$ 2,534,373.86	2,751,100	(216,726)	
Net Income (Operating & Other)	\$ (62,524.59)	(192,400)	129,875	
Capital Activities:				
Major Maintenance via Capital Fund	\$ (37,373.81)	\$ (26,300)	\$ (11,074)	
Capital Contributions (Fiber)	32,745.19	33,200	(455)	
Capital Contributions (Electric)	2,736.37	7,000	(4,264)	
Net Income	\$ (64,416.84)	(178,500)	114,083	
Cash Flow:				
Net Income + Depreciation	\$ 163,683.16	\$ 49,600	\$ 114,083	
Water Loan Principal	38,133.33	38,100	33	
Debt Service Principal	(90,000.00)	(90,000)	-	
Debt Service Reserve Change	-	-	-	
Capital Contributions (Developers)	566,056.82	20,800	545,257	
Proceeds from Debt Issues	-	-	-	
Capital Projects	(198,918.90)	(240,300)	41,381	
Designated for Future Projects	-	-	-	
Net Cash Flow	\$ 478,954.41	\$ (221,800)	\$ 700,754	



	2015 FYTD		Current Mo		2014 FYTD*		Current Mo*	
July	\$	(11,428)	\$	(11,428)	\$	(104,177)	\$	(104,177)
August	\$	(64,417)	\$	(52,989)	\$	(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
June	\$	-	\$	-	\$	190,770	\$	98,889

*Tracking purposes only

630 - EL O&M Fund

	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Sales of Electricity & Peaking	\$ 2,203,942.06	\$ 2,277,000	\$ (73,058)
Sales Taxes	40,344.64	49,700	(9,355)
Other	97,430.61	86,200	11,231
Fund Revenue	\$ 2,341,717.31	\$ 2,412,900	\$ (71,183)
Expenditures:			
Purchased Energy & Fuel	\$ 1,489,822.84	\$ 1,659,100	\$ (169,277)
Salaries	153,646.76	158,600	(4,953)
Benefits	83,202.16	101,500	(18,298)
Materials, Suppl. & Contracts	85,465.88	89,700	(4,234)
Sales Taxes & Use Taxes	42,729.04	50,600	(7,871)
PILOT	96,183.34	96,200	(17)
Debt Service	136,383.35	136,400	(17)
Overhead, Admin & EE	308,840.49	320,900	(12,060)
Fund Expenditures	\$ 2,396,273.86	\$ 2,613,000	\$ (216,726)
O&M Activities Cash Flow:	\$ (54,556.55)	\$ (200,100)	\$ 145,543
Capital Fund Transfer (Out) In	\$ 154,799.99	\$ 154,800.00	\$ (0)
O&M Fund Cash Flow:	\$ 100,243.44	\$ (45,300)	\$ 145,543
Ending Fund Balances:	\$ 2,194,276.27	\$ 2,048,700	
17% Reserve Target	\$ 2,118,600.00	\$ 2,118,600	
Over/Under Reserve Target	\$ 75,676.27	\$ (69,900)	\$ 145,576

730 - EL CAP Fund

	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Capital Contributions (Fiber)	\$ 32,745.19	\$ 33,200	\$ (455)
Capital Contributions (Electric)	10,945.47	27,800	(16,855)
Capital Contributions (Reimb)	557,847.72	-	557,848
Water Loan Principal	38,133.33	38,100	33
Proceeds from Debt	-	-	-
Other	130,131.96	145,800	(15,668)
Fund Revenue	\$ 769,803.67	\$ 244,900	\$ 524,904
Expenditures:			
Major Maintenance (Est.)	\$ 37,373.81	\$ 26,300	\$ 11,074
Vehicles	-	100,000	(100,000)
Relocations & Conversions	326,584.85	49,300	277,285
New Developments & Line Repl	21,409.39	23,000	(1,591)
Network Services	29,763.00	80,500	(50,737)
Other/Stock (Out) In	(178,838.34)	(12,500)	(166,338)
Fund Expenditures	\$ 236,292.71	\$ 266,600	\$ (30,307)
Capital Activities Cash Flow:			
Capital Fund Transfer (Out) In	\$ (154,799.99)	\$ (154,800)	\$ 0
Designated for Future Projects	-	-	-
Capital Fund Cash Flow:	\$ 378,710.97	\$ (176,500)	\$ 555,211
Ending Fund Balances:	\$ 3,338,205.30	\$ 2,783,000	
Reserve Target	\$ 1,850,400	\$ 1,850,400	
Designated for Future Projects			
Over/Under Reserve Target	\$ 1,487,805	\$ 932,600	\$ 555,205

WA - Combined		FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:				
Sales of Water	\$	358,815.32	\$ 413,000	\$ (54,185)
Sales Taxes		19,833.71	24,800	(4,966)
Other		34,716.24	23,500	11,216
Total O&M Revenue	\$	413,365.27	\$ 461,300	\$ (47,935)
Expenditures:				
Salaries	\$	83,141.87	\$ 77,900	\$ 5,242
Benefits		37,643.22	45,500	(7,857)
Materials, Suppl. & Contracts		64,599.23	59,800	4,799
Sales Taxes & Use Taxes		21,242.34	24,800	(3,558)
PILOT		11,383.34	11,400	(17)
Debt Service - Interest Only		11,183.34	11,200	(17)
Overhead, Admin & EE		61,229.51	60,900	330
Depreciation (Est)		97,500.00	97,500	-
Total O&M Expenses	\$	387,922.85	\$ 389,000	\$ (1,077)
Net Income (Operating & Other)	\$	25,442.42	\$ 72,300	\$ (46,858)
Capital Activities:				
Major Maintenance via Capital Fund	\$	(56,558.79)	\$ (65,800)	\$ 9,241
Net Income	\$	(31,116.37)	\$ 6,500	\$ (37,616)
Cash Flow:				
Net Income + Depreciation	\$	66,383.63	\$ 104,000	\$ (37,616)
Debt Service Principal		(109,000.00)	(109,000)	-
Debt Service Reserve Change		-	-	-
Capital Projects		(77,447.50)	(163,000)	85,553
Designated for Future Projects		-	-	-
Net Cash Flow	\$	(120,063.87)	\$ (168,000)	\$ 47,936

600 - WA O&M Fund		FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:				
Sales of Water	\$	358,815.32	\$ 413,000	\$ (54,185)
Sales Taxes		19,833.71	24,800	(4,966)
Other		34,716.24	23,500	11,216
Fund Revenue	\$	413,365.27	\$ 461,300	\$ (47,935)
Expenditures:				
Salaries	\$	83,141.87	\$ 77,900	\$ 5,242
Benefits		37,643.22	45,500	(7,857)
Materials, Suppl. & Contracts		64,599.23	59,800	4,799
Sales Taxes & Use Taxes		21,242.34	24,800	(3,558)
PILOT		11,383.34	11,400	(17)
Debt Service		120,183.34	120,200	(17)
Overhead & Admin		61,229.51	60,900	330
Fund Expenditures	\$	399,422.85	\$ 400,500	\$ (1,077)
O&M Activities Cash Flow:	\$	13,942.42	\$ 60,800	\$ (46,858)
Capital Fund Transfer (Out) In	\$	(71,983.34)	\$ (72,000)	\$ 17
Debt Service Reserve Change		-	-	-
O&M Fund Cash Flow:	\$	(58,040.92)	\$ (11,200)	\$ (46,841)
Ending Fund Balances:				
	\$	343,459.97	\$ 390,300	
17% Reserve Target	\$	205,800.00	\$ 205,800	
Over/Under Reserve Target	\$	137,659.97	\$ 184,500	\$ (46,840)

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.)	\$ 56,558.79	\$ 65,800	\$ (9,241)
Vehicles	724.85	6,700	(5,975)
Water Towers	-	-	-
Plant	45,405.57	100,000	(54,594)
Water Mains	33,817.40	56,300	(22,483)
Other	-	-	-
Fund Expenditures	\$ 136,506.61	\$ 228,800	\$ (92,293)
Capital Activities Cash Flow:			
Capital Fund Transfer (Out) In	\$ 74,483.66	\$ 72,000	\$ 2,484
Designated for Future Projects	-	-	-
Capital Fund Cash Flow:	\$ (62,022.95)	\$ (156,800)	\$ 94,777
Ending Fund Balances:	\$ 840,330.09	\$ 745,600	\$ 94,730
Reserve Target	\$ 480,800.00	\$ 480,800	\$ -
Designated for Future Projects	-	-	-
Over/Under Reserve Target	\$ 359,530.09	\$ 264,800	\$ 94,730

640 - NS O&M Fund

	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Fiber License Payments	\$ 42,109.40	\$ 51,100	\$ (8,991)
Other	2,979.48	800	2,179
Fund Revenue	\$ 45,088.88	\$ 51,900	\$ (6,811)
Expenditures:			
Salaries	\$ 2,040.10	\$ 2,000	\$ 40
Benefits	335.71	400	(64)
Materials, Suppl. & Contracts	33,420.09	60,900	(27,480)
Overhead, Admin & EE	33,572.99	16,600	16,973
Fund Expenditures	\$ 69,368.89	\$ 79,900	\$ (10,531)
O&M Activities Cash Flow:	\$ (24,280.01)	\$ (28,000)	\$ 3,720
Electric CIAC (Out) In	\$ -	\$ -	\$ -
O&M Fund Cash Flow:	\$ (24,280.01)	\$ (28,000)	\$ 3,720
Ending Fund Balances:	\$ 308,991.12	\$ 305,300	
FY Ending Balance Target	\$ 157,200.00	\$ 157,200	
Designated for Future Projects	-	-	
Over/Under Reserve Target	\$ 151,791.12	\$ 148,100	\$ 3,691

620 - ADM O&M Fund		FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:				
IMU Transfers In	\$	248,625.00	\$ 247,600	\$ 1,025
City Transfers In		3,000.00	3,000	-
Refund/Reimbursement		536.70	-	-
Fund Revenue	\$	252,161.70	\$ 250,600	\$ 1,025
Expenditures:				
Salaries	\$	59,436.07	\$ 60,900	\$ (1,464)
Benefits		31,136.74	38,300	(7,163)
Materials, Suppl. & Contracts		41,815.34	44,900	(3,085)
Overhead, Admin, Shared Staff		63,050.94	60,700	2,351
Fund Expenditures	\$	195,439.09	\$ 204,800	\$ (9,361)
O&M Fund Cash Flow:	\$	56,722.61	\$ 45,800	\$ 10,386

Information

Subject

Change Order #2 - Deduct of \$12,852.40

Information

Change Order #2, a deduct of \$12,852.40, is attached.

The reduction is primarily due to the pending demolition of a building (Co-op) where IMU was responsible for a motor change-out due to the conversion at the site. Crews are able to feed the existing motor from a different source at the existing voltage until the building is demo'd next year.

Financial Impact

N/A

Staff Recommendation

Simple motion approving Change Order #2 of the Vanderpool contract for the Hwy 65/69 Service Reconnection Project, as a reduction in the contract amount of \$12,852, is in order. The new (and final) contract amount is \$45,454.00.

Attachments

Change Order



For Vanderpool Plumbing and Heating Inc

Information

Subject

Certificate of Substantial Completion

Information

The project is now complete, as certified (see attachment) by P&E Engineering and recommended by staff.

Financial Impact

N/A

Staff Recommendation

Simple motion certifying substantial completion of the 2011 Hwy 65/69 3-Phase Project, Service Reconnections is in order.

Attachments

Certificate



CERTIFICATE OF SUBSTANTIAL COMPLETION

Date Issued Sept. 9, 2014

Owner Indianola Municipal Utilities

Contractor Vanderpool Plumbing and Heating

Project 2011 Indianola Hwy 65/69 Underground Conversion Project

This Certificate of Substantial Completion applies to all Work under the referenced Contract.

The Work to which this Certificate applies has been inspected by authorized representatives of Owner, Contractor, and Engineer, and that Work is hereby declared to be substantially complete in accordance with the Contract Documents on

Sept. 9, 2014 (Date of Substantial Completion)

A tentative list of items to be completed or corrected follows. This list may not be all-inclusive, and the failure to include an item in it does not alter the responsibility of Contractor to complete all the Work in accordance with the Contract Documents. The items in the tentative list shall be completed or corrected by Contractor within 30 days of the Date of Substantial Completion except as shown below.

1. No items are identified.

This Certificate does not constitute an acceptance of Work not in accordance with the Contract Documents, nor is it a release of Contractor's General Warranty and Guarantee under Paragraph 6.19 of the General Conditions of the Contract, nor the obligation to complete Work in accordance with the Contract Documents.

Issued by P & E Engineering Co. on Sept. 9, 2014 by Allan Powers.
(Printed Name)

Signed 

Accepted by Contractor on _____ by _____.
(Printed Name)

Signed _____

Accepted by Owner on _____ by _____.
(Printed Name)

Signed _____

Information

Subject

Change Order #5

Information

Change Order #5 for this project in the amount of \$13,040.51 is attached. This brings the total value of the contract with Michels Power to \$458,464.67. The vast majority of this change order will be reimbursed by IDOT and MEC.

Notes for the scope of work for each item are contained in the change order and were changes made during the construction process under the supervision of P&E Engineering and IMU staff. Almost \$12,000 was due to the installation of additional anchor rods at 8 pole locations to maintain pole stability. The cost per anchor was included in the contract (not the quantity), as it was known to be a potential cost once soil conditions were known (during construction).

Financial Impact

N/A

Staff Recommendation

Simple motion approving Change Order #5 is in order.

Attachments

Change Order



Allan R. Powers, P.E. Richard D. Kline, P.E.
Timothy G. Ernst, P.E.

245 S. 5th St., PO Box 620, Carlisle, IA 50047
p.515-989-3083 f.515-989-3138 pe@peengr.com

CHANGE ORDER NO. 5

Owner: Indianola Municipal Utilities
Contractor: Michels Power, a division of Michels Corporation
Project: 2014 Hwy 92 & I-35 Transmission Relocation Project
Date: Aug. 25, 2014

Original Contract Amount	\$	423,624.16
Previous Change Order Adjustments	\$	21,800.00
Amount of this Change Order	\$	13,040.51
Current Value of Contract	\$	458,464.67

Items included in this Change Order

Item	Description	Amount
	Make the following changes to the scope of work to account for field changes and additions.	
1	Add additional anchor rod extensions per Contract Paragraph 7.3 of Section 16721. See attached list of additional extensions installed.	\$ 11,942.84
2	Install culvert for laminated wood pole backfill at location 28	\$ 1,357.67
3	Remove tree at pole location 3	\$ 1,140.00
4	Revise the value of CO #1 to reflect actual work performed. Temporary pole included in the Change Order was not set	\$ (1,400.00)
	Total Value of Change Order	\$ 13,040.51

Recommended for Approval

Allan Powers, PE
P & E Engineering Co.

Date Aug. 25, 2014

Approved

For Indianola Municipal Utilities

Date _____

Accepted by Contractor

For Michels Power, a division of Michels Corporation

Date _____

AI Powers

From: Brian Olsen [bolsen@michels.us]
Sent: Monday, August 25, 2014 9:51 AM
To: AI Powers
Cc: Bob Miller; Nick Warland
Subject: RE: Extra work for I-35 project

AI –

The last of the items we need to get cleaned up on the I-35 project are:

Additional Anchor Rod Extensions –
3 Culverts installed for unstable Holes –
Tree Removal STR #3 -
CO #1 reconciliation -

:

- Anchor Rod Extensions – Installed 91 additional @ \$131.24 EA (Includes labor and material)
 - o Structure 33 – 6 Additional
 - o Structure 24 – 8 Additional
 - o Structure 23 – 8 Additional
 - o Structure 15 – 32 Additional
 - o Structure 14 – 32 Additional
 - o Structure 4 – 1 Additional
 - o Structure 3 – 2 Additional
 - o Structure 2 – 2 Additional
 - **Total CO value of \$11,942.84**
- Culverts for Unstable holes – 1 culvert at STR #28 . Length of culvert installed was 11'x 60". Per contract, culvert pricing is \$50/ft. + material at cost +10%.
 - o 11' x \$50/ft. = \$550
 - o Material \$66.75/ft. x 11' = \$734.25 + 10% Markup of \$73.42 = \$807.67
 - o **Total CO Value for Culvert = \$1,357.67**
- Tree Removal at STR #3 – Per IMU Request – Michels crew notified to remove Tree near STR #3. This was large tree to drop next to line. Michels GF Luke Odom, an operator, and an Apprentice removed tree using Pickup Truck and JD-450 size Dozer. 4 hours of Time spent
 - o **Total CO Value of Tree Removal \$1,140.**

Michels thoughts on CO #1 are:

- CO #1 Reconciliation
 - o Original CO value was \$11,600 to install temp pole 1A for stringing replace existing pole 1 with a Laminate pole. Michels crews during outage were able to eliminate the temp pole but still had to backup the existing conductor east of pole #1 for safety and integrity to hold existing line during outage when new wire was spliced with existing. Also had to temp snub New conductor to NW prior to outage. Michels proposes to revise the CO #1 value from \$11,600 to \$10,200. Some scope items remained the same as part of CO #1, other items such as the temp pole were deleted (which was cause for deduct), but the temp guying and splicing work still remained and just shifted locations a bit. Majority cost of CO #1 was changing the design from Existing pole to New lam pole which still needed to happen.
 - **REVISED CO #1 value of \$10,200.**

Thanks,

Brian

Brian Olsen | Project Manager Estimator - Line II

Michels Power

A Division of **MICHEL'S Corporation**

office: 920.721.9153 | fax: 920.720.5214 | cell: 920.539.7053

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1775 E Shady Ln

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From: Al Powers [<mailto:arpowers@peengr.com>]

Sent: Sunday, August 24, 2014 3:02 PM

To: Brian Olsen

Cc: Bob Miller

Subject: FW: Extra work for I-35 project

Brian,

I don't think I have seen a response on this. I really need to know your position on Monday so I can provide an update to the board. Let me know on Monday morning if there is anything else that you are waiting on.

Thanks,

Al Powers

From: Al Powers

Sent: Sunday, July 13, 2014 6:21 PM

To: 'Brian Olsen'

Cc: 'Bob Miller'

Subject: Extra work for I-35 project

Brian,

Do you have a list of any extra items that you want to claim for the I-35 project, that are not covered on the change orders that have already been issued or are in progress (CO 3 for additional MEC work at 10th Ave and Jessup St, and CO 4 for the DOT lighting connections are in progress)? If at all possible, I'd like to get that from you by the middle of this coming week.

We also need to re-visit CO 1, which included setting a temporary pole for stringing at the east end of the project (that was ultimately not required). At the time, we agreed that if the temporary pole was not required, you would adjust the price of the CO accordingly.

I want to take a Certificate of Completion to the Board at their meeting on 7/28, so we need to get everything wrapped up as soon as possible.

Thanks,

Al Powers

P & E Engineering Co.

515-989-3083

Indianola Municipal Utilities
2014 Hwy 92 I-35 Transmission Relocation
Excess Anchor Extensions

Structure	No Anchors	Extensions per drawings	Extensions per contract	Total Extensions installed	Excess Extensions	Extra Allowance
33	3	6	9	15	6	\$787.44
24	3	6	9	17	8	\$1,049.92
23	3	6	9	17	8	\$1,049.92
15	8	16	24	56	32	\$4,199.68
14	8	16	24	56	32	\$4,199.68
4	1	2	3	4	1	\$131.24
3	1	2	3	5	2	\$262.48
2	1	2	3	5	2	\$262.48
Total	28	56	84	175	91	\$11,942.84

Information

Subject

Certificate of Substantial Completion

Information

P&E Engineering and staff recommend the issuance of the attached Certificate of Substantial Completion. This initiates the project for accepting the scope of work. A list of items left to complete is contained in that certificate.

The most notable exception to the list is that there is a pole that needs substantial engineering analysis prior to accepting the project in full. However, it is due to unforeseen and undisclosed (in the plan & spec.) soil conditions. Adjacent landowners are not keen on providing an easement for additional guy wires. So IMU staff is working with soil engineers and P&E Engineering to determine a method to complete construction, which will be done under a change order.

Financial Impact

N/A

Staff Recommendation

Attachments

Certificate



CERTIFICATE OF SUBSTANTIAL COMPLETION

Date Issued July 8, 2014

Owner Indianola Municipal Utilities

Contractor Michels Power, a Division of Michels Corporation

Project 2014 Hwy 92 & I-35 Transmission Relocation Project

This Certificate of Substantial Completion applies to all Work under the referenced Contract.

The Work to which this Certificate applies has been inspected by authorized representatives of Owner, Contractor, and Engineer, and that Work is hereby declared to be substantially complete in accordance with the Contract Documents on

July 3, 2014 (Date of Substantial Completion)

A tentative list of items to be completed or corrected follows. This list may not be all-inclusive, and the failure to include an item in it does not alter the responsibility of Contractor to complete all the Work in accordance with the Contract Documents. The items in the tentative list shall be completed or corrected by Contractor within 30 days of the Date of Substantial Completion except as shown below.

1. Complete restoration along north side of Hwy 92 at east edge of Bevington
2. Provide marked up as-built drawing set.
3. Resolve issue of salvageable materials having been disposed of
4. Return signed copy of pole disposal agreement
5. Resolve all requests for Claims for Extra Work

This Certificate does not constitute an acceptance of Work not in accordance with the Contract Documents, nor is it a release of Contractor's General Warranty and Guarantee under Paragraph 6.19 of the General Conditions of the Contract, nor the obligation to complete Work in accordance with the Contract Documents.

Issued by P & E Engineering Co. on July 8, 2014 by Allan Powers.
(Printed Name)

Signed 

Accepted by Contractor on _____ by _____.
(Printed Name)

Signed _____

Accepted by Owner on _____ by _____.
(Printed Name)

Signed _____

Information

Subject

Change Order #5

Information

Attached is Change Order #5 in the amount of \$31,350. This scope of work (relocating the west end of the project) was presented in detail at the July 14, 2014 IMU Board meeting when the easement was approved/acquired. As Trustees may recall, the end of the project was relocated from the south side of Hwy 92 to the north side due to several complications.

The majority of the change order are to be reimbursed by IDOT and MEC through the reimbursement agreements.

Financial Impact

N/A

Staff Recommendation

Simple motion approving Change Order #5 to the 2013 W. Hwy 92 Transmission Relocation Contract with Michels Power in the amount of \$31,350 is in order. New contract amount is \$876,855.00.

Attachments

Change Order



P&E ENGINEERING CO.

POWER SYSTEMS ANALYSIS AND DESIGN

Allan R. Powers, P.E. Richard D. Kline, P.E.
Timothy G. Ernst, P.E.

245 S. 5th St., PO Box 620, Carlisle, IA 50047
p.515-989-3083 f.515-989-3138 pe@peengr.com

CHANGE ORDER NO. 5

Owner: Indianola Municipal Utilities
Contractor: Michels Power, a division of Michels Corporation
Project: 2013 Hwy 92 Transmission Relocation Project
Date: Sept. 15, 2014

Original Contract Amount	\$	815,283.00
Previous Change CO1	\$	8,500.00
Order Adjustments CO2	\$	-
CO3	\$	(6,750.00)
CO4	\$	28,472.00
Total	\$	30,222.00
Amount of this Change Order	\$	31,350.00
Current Value of Contract	\$	876,855.00

Items included in this Change Order

Item	Description	Amount
1	Cancel Change Order 3	\$ 6,750.00
2	Revise the design at the west end of the project to accommodate DOT driveway entrance work on the north side of the Hwy; and make other field revisions to the project design as detailed on the attached documents	\$ 24,600.00
		\$ -
Total Value of Change Order		\$ 31,350.00

Recommended for Approval

Allan Powers

Allan Powers, PE
P & E Engineering Co.

Date 9/15/2014

Approved

For Indianola Municipal Utilities

Date _____

Accepted by Contractor

For Michels Power, a division of Michels Corporation

Date _____

Al Powers

From: Brian Olsen [bolsen@michels.us]
Sent: Friday, August 29, 2014 5:08 PM
To: Al Powers
Cc: Bob; chris@i-m-u.com; Alan Ames; Nick Warland
Subject: RE: Change request 5 for Hwy 92 project

Al,

After reviewing the transmission portion of the changes with our team, Our change proposal pricing for this change order #5 equates to an Increase of \$24,600. This price includes all changes associated as represented in change proposal #5 sent to Michels on 7/13/14. All Labor, equipment, and material changes relating to the transmission portion of the project are included in this number. With the execution of this CO #5, we will void out CO #3 in its entirety as those changes never took place on the project.

Thank you,

brian

Brian Olsen | Project Manager Estimator - Line II

Michels Power
A Division of **MICHELS Corporation**
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1775 E Shady Ln
Neenah, WI 54956

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From: Al Powers [<mailto:arpowers@peengr.com>]
Sent: Sunday, July 13, 2014 7:23 PM
To: Brian Olsen
Cc: Bob; chris@i-m-u.com
Subject: Change request 5 for Hwy 92 project

Brian,

Attached is a Request for Change Proposal for CO5. This is intended to cover all of the design revisions to date. I would like to back out CO3, since that plan has been essentially totally abandoned. The material that you purchased for that proposed work will be almost entirely used in the final revisions, so it seems reasonable to go back to the original signed contract and look at all of the changes that have occurred as one single Change Order. I have included a pole by pole summary of the changes, along with a comparison of the original and final material quantities.

This assumes that we make the change to eliminate the open trenching between the new 69 kV riser pole and the first manhole. If that doesn't happen I will need to revise the request accordingly.

Can you look through this request and see if you think it covers all of the design changes that have a potential cost impact? Would it be possible to get a Change Proposal from you by this coming Thursday, 7/17?

Al Powers
P & E Engineering Co.

Proposal Request

Proposal
Request No.: 5

Date: July 12, 2014

Project: 2013 Hwy 92 Relocation Project	Owner: Indianola Municipal Utilities
Contract: 2013 Hwy 92 Transmission Relocation Project	Engineer: P & E Engineering Co.
Contractor: Michels Power, a division of Michels Corporation	Engineer's Project No.: 8958

Provide a proposal, including any changes to the Contract Sum and/or Contract Time, for the following proposed changes to the referenced project. Submit copies of proposal to Engineer.

Description of Proposed Change:

Cancel Change Order 3. All changes listed for this Request are referenced to the original design as documented by the signed contract documents. Materials that were purchased for CO 3 should be included in the design revisions shown below.

Replace the original design with the revised design as shown on the following drawings and in the attached summary of changes.

Owner will provide poles, insulators, and conductor in accordance with Contract. Contractor to provide all other materials. This Change Request is for transmission work only. Drawings showing related distribution revisions will be covered on a separate Change Request.

Reason for Proposed Change:

DOT right of way and grading changes.

Attachments (list documents supporting change):

Revised drawings

E8958-T101 Rev-2

E8958-T102 Rev-1

E8958-T103 Rev-0

E8958-T104 Rev-2

E8958-T105 Rev-0

E8958-S100 Rev-2

E8958-U150 Rev-3

Summary of revisions

Pole and framing revision summary

Bill of Material change summary

Requested by Engineer:
Allan Powers, P.E., P & E Engineering Co.

Date
07/12/14

CERTIFICATE OF SUBSTANTIAL COMPLETION

Date Issued July 8, 2014
Owner Indianola Municipal Utilities
Contractor Michels Power, a Division of Michels Corporation
Project 2013 Hwy 92 Transmission Relocation Project

This Certificate of Substantial Completion applies to all Work under the referenced Contract.

The Work to which this Certificate applies has been inspected by authorized representatives of Owner, Contractor, and Engineer, and that Work is hereby declared to be substantially complete in accordance with the Contract Documents on

July 3, 2014 (Date of Substantial Completion)

A tentative list of items to be completed or corrected follows. This list may not be all-inclusive, and the failure to include an item in it does not alter the responsibility of Contractor to complete all the Work in accordance with the Contract Documents. The items in the tentative list shall be completed or corrected by Contractor within 30 days of the Date of Substantial Completion except as shown below.

1. Complete restoration along north side of Hwy 92 at east edge of Bevington
2. Provide marked up as-built drawing set.
3. Resolve issue of salvageable materials having been disposed of
4. Return signed copy of pole disposal agreement
5. Resolve all requests for Claims for Extra Work

This Certificate does not constitute an acceptance of Work not in accordance with the Contract Documents, nor is it a release of Contractor's General Warranty and Guarantee under Paragraph 6.19 of the General Conditions of the Contract, nor the obligation to complete Work in accordance with the Contract Documents.

Issued by P & E Engineering Co. on July 8, 2014 by Allan Powers
(Printed Name)

Signed *Allan Powers*

Accepted by Contractor on _____ by _____
(Printed Name)

Signed _____

Accepted by Owner on _____ by _____
(Printed Name)

Signed _____