INDIANOLA MUNICIPAL UTILITIES

Electric • Communications • Water

IMU Board of Trustees
November 24, 2014
City Hall Council Chambers
5:30 p.m.

Agenda

1. Roll Call

2. Consent

   A. Claims

   B. Minutes

3. Reports

   A. General Manager

   B. Chairperson

   C. Safety Officer

   D. Monthly Financials

   E. Director of Finance

   F. Report on Strategic Plan working draft

4. Discussion of the Status of Underground and Voltage Conversion Projects

5. Discussion of the Status of the Fiber Network and Extension Plans

6. Ann Parkway Water Main Project - Certificate of Completion

7. Other Business

8. Adjourn

IMU Regular Downstairs **2. A.**
Meeting Date: 11/24/2014

Information

Subject

Claims

Information

The November 17, 2014 Claims List was previously distributed.

Financial Impact

N/A

Staff Recommendation

IMU Regular Downstairs **2. B.**
Meeting Date: 11/24/2014

Information

Subject

Minutes

Information

Minutes of the November 10, 2014 meeting are attached.

Financial Impact

N/A

Staff Recommendation

Attachments

Minutes

BOARD OF TRUSTEE MINUTES
REGULAR SESSION – NOVEMBER 10, 2014

The Board of Trustees met in regular session at 5:30 p.m. on November 10, 2014 in the City Hall Council Chambers. Vice Chairperson Grant Johnson called the meeting to order and on roll call the following members were present: Heather Hulen, Grant Johnson, Pat Reding, and Deb White. Absent: Eric Vander Linden

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

November 3, 2014 claims

October 27, 2014 minutes

General Manager Todd Kielkopf spoke regarding the street lights on the square. He stated the existing lights are temporary and the new "decorative" lights will be shipped December 4, 2014 and installed shortly thereafter.

Andrew Ross, Manager of Engineering with NMPP Energy presented an update about MEAN's (Municipal Energy Agency of Nebraska) recent challenges, the wholesale energy operating environment, and outlook. Andrew stated that the main driver's of MEAN's electric rates to IMU are based on the market, the economy collapse in 2009 and natural gas prices competing with coal prices. Future plans of MEAN are to maintain long term strategy views and robust decision making. There have been and continue to be key leadership changes consisting of hiring analysts, internal staff changes, and most recently, the Director of Risk Management. IMU staff continues to collect information on the various attributes of resources which IMU is committed.

A motion was made by White and seconded by Reding to approve Change Order #6 to the Michels Power contract in the amount of $66,004. Of that, IMU is liable for $18,440. Question was called for and on voice vote the Vice Chairperson declared the motion carried unanimously.

General Manager Todd Kielkopf presented the working draft of the IMU Strategic Plan. Additions to the draft include:

- New service programs, and positive internal relations
- Highlighting reliability, technology, and sustainability
- Innovation and sustainability
- Review how other municipal utilities work to encourage community growth and public engagement
- Promote the adoption of smart growth strategies and economically viable sustainability policies
- Analyze and report on community engagement collaborations that promote energy efficiency such as Grants to Green and energy efficiency project funding
- Pursue a 2nd USDA Revolving Loan Fund
- Evaluate commercial & industrial electric rate design in conjunction with any structural changes to the pricing of wholesale energy
- Promote the development of ventures, start-ups, and new opportunities through support of the IMU Partners Program
- Improve the IMU Board's understanding of shared functions, roles of each, and level of involvement in setting expectations

- Improve the coordination of union negotiations and analyzing employee benefits with City of Indianola policymakers
- Push notification systems (WINS) for outages and customer notifications
- Accounting and HR workflows
- OSHA workflow systems
- Evaluate the value of deploying a “City App”

It was asked by the Board to have the General Manager follow up with a priority list of CIP projects in January 2015.

It was moved by Johnson and seconded by White to approve the certificate of final completion – Dig America Contract for the 2011 Indianola Hwy 65/69 Underground Conversion Project. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

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

________________________________ ________________________________

Grant Johnson, Vice Chairperson | Diana Bowlin, City Clerk

IMU Regular Downstairs **3. A.**
Meeting Date: 11/24/2014

Information

Subject

Administrative News Items

Information
Pertinent information is contained in this week's News Items, which are attached.

Financial Impact
N/A

Staff Recommendation

Attachments

News Items

NEWS ITEMS

TO: IMU Trustees
FROM: IMU Administrative Staff
DATE: November 21, 2014

1. **Industrial Customer Facilities:** Industrial-class customers have the option of owning their own transformer (and electrical equipment behind their meter) and receiving a .1 cent per kWh discount on their monthly energy charges. IMU still repairs customer-owned facilities when needed and charges hourly fees plus materials.

   IMU has one customer in particular with components over 30 years old. Parts for their equipment are very difficult to locate and a catastrophic failure would severely disrupt their production (and take an inordinate amount of effort by IMU to restore service in an emergency). A second annual customer visit, and following a recent minor mechanical failure, was made this week to again suggest forming a plan to replace equipment. The business has been expanding its production hours and employment so they are also concerned.

   Following the visit, there is now consensus with their management to formulate a replacement plan next calendar year, with IMU likely providing in-kind labor as an economic development incentive. Use of the Revolving Loan Fund may also be requested, though that wasn't discussed yet.

2. **Tree Trimming:** The Iowa Utilities Board and industry best practices provide guidelines for utilities to establish ongoing tree trimming programs. IMU's plan is to trim back along 20% of the community's overhead line routes every 5 years. IMU does some of this work in-house, but primarily annually contracts with an outside company following an RFP process. Asplundh received the work this year, which will take about 3 more weeks.

3. **W. Hwy 92 Paving:** IDOT let the paving project even though final electric relocation plans have yet to be finalized. The contractor may move forward with temporary roadways that need constructed to keep the Hwy 92 & R-63 intersection open during the project. It is anticipated that the final electric system relocation change order will be prepared for consideration at the December 8 Trustee meeting.

4. **Chamber Event:** IMU will be highlighted at the 5:15pm tree lighting ceremony on the NE corner of The Square tonight. To recap, IMU installed new lights on the trees and a new switch.

5. **IMU Office:** Committee and board meetings are scheduled for Wed./Thurs. in N. Platte, NE this week. Some staff is taking vacation at various times over the next two weeks, also. The IMU Administrative office is closed on both Thanksgiving and the day after. Crews remain on-call.

6. **IMWCA Best Practices:** The City of Indianola and IMU will again receive “Best Practices” designation by the Iowa Municipalities Workers’ Compensation Association (IMWCA). This is given to a select group of IMWCA members for proactive safety and loss control efforts.

7. **Hwy 65/69 Traffic Signals:** IMU is installing electric service to the new traffic signals north of Hillcrest Ave. at the request of the City of Indianola. The City had the option of MidAmerican serving (since the signals are in their territory) or IMU serving these city-owned facilities as per IA Code. The last analysis done when streetlights were installed on S. Y St. showed savings under IMU’s rate structure, which is closer to marginal energy cost and includes maintenance expenses.

8. **IMU Logo:** The management team is reviewing options to update the IMU logo and to have a 125th anniversary logo for use in calendar year 2015. A local freelance designer is helping with the design. The intention is to bring a general marketing plan to Trustees in the early part of 2015.

IMU Regular Downstairs **3. C.**
Meeting Date: 11/24/2014

Information

Subject

Safety Officer

Information

Safety Officer Mike Metcalf will review the attached report.

Financial Impact

N/A

Staff Recommendation

Attachments

Electric and Water Report
Network Services Report

QUARTERLY SAFETY REPORT
Water and Electric
July 1, 2014 To September 30, 2014

Water Department:

Safety trainings held.	0
Safety training attendance.	N/A
Safety committee meetings held.	3
Safety committee attendance.	100%
Unsafe working conditions reported.	0
Tailgate meetings held.	0
Work zones setup.	9
Lockout/Tagouts performed.	0
Confined spaces entered.	0
Excavations entered.	12
Accidents reported.	0
Accidents investigated.	0
Safety awards given.	5
2014 Incident Rate	19.3

Near misses and/or accidents.

None

Supervisor comments

Employees are being verbally recognized for working safely.

<u>Days Since Last OSHA Recordable Accident – 124</u>

Electric Department:

Safety trainings held.	1
Safety training attendance.	100%
Safety committee meetings held.	3
Safety committee attendance.	66%
Unsafe working conditions reported.	0
Tailgate meetings held.	3
Work zones setup.	1
Lockout/Tagouts performed.	3
Confined spaces entered.	0
Excavations entered.	1
High voltage zones entered.	5
Accidents reported.	1
Accidents investigated.	1
Safety awards given.	12
2014 Incident Rate	18.32

Near misses and/or accidents.

Employee with a hearing STS.
OSHA Recordable

Employee injured tailbone due to fall.
OSHA Recordable

Digger truck malfunctioned – Near Miss

Supervisor comments

Employees are being verbally recognized for working safely.

Tailgate Meeting Topics
- FR Clothing Care
- Line Truck Lighting
- Working on Hwy vs Residential Streets

<u>Days Since Last OSHA Recordable Accident - 53</u>

QUARTERLY SAFETY REPORT
Network Services
July 1, 2014 To September 30, 2014

Network Services Department:

Safety trainings held.	0
Safety training attendance.	N/A
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
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
- Arc Flash Face Shields
- High Voltage and Low Voltage Gloves

Days Since Last OSHA Recordable Accident – 1,003

IMU Regular Downstairs **3. D.**
Meeting Date: 11/24/2014

Information

Subject

Financials

Information
Reports for October, 2014 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 -$773,782 due to a combination of capital project payments (yet to be reimbursed), electric transmission line repairs from summer storm damage, and electric bond interest paid.

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 and a normalized winter replaces prior years’ in the rolling average. Water consumption (page 6) is also returning to historical averages following 2 dry years where watering lawns was more prevalent than average.

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. A substantial (well in excess of $400,000 based on IMU’s prorated share of losses to-date) refundable one-time wholesale power charge is anticipated later this winter. MEAN will impose this in order to meet its debt service coverage requirements. The widespread mild summer dramatically reduced revenue and low market-based prices that the excess power was sold for both contributed to this loss. For IMU, the gross margin will fall well below budget by February or March when that is paid.

4. Electric Utility reserves remain above policy levels & targets, however the vast majority of that is committed to capital projects (W. Hwy 92 and Network Services) and budgeted negative cash flow from operations. Again, the one-time wholesale power charge will also consume a substantial amount of cash available. Another one-time prepayment of the Water Utility loan should keep the utility’s fiscal year ending reserves at policy levels.

5. Using the cash-based + depreciation model, FYTD Electric Utility Net Income (page 8) was a loss of $146,012. This is less than expected due to the favorable FYTD gross margin and actual insurance costs being much lower than when the budget had been adopted. The unexpected summer transmission system storm damage in excess of $72,000 is also a factor.

6. 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, break-even operations, and loan payments. There is ample time to adjust projects to meet reduced revenue expectations going forward.

7. The Communications Utility (page 15) and Admin. Fund (page 16) cash flows are essentially fairly close to the post-budget operating targets. Funds to improve the PoP building and a splicing trailer are in the budget, but won’t be expended until plans are better established. Administrative expenses should be less than budget until re-estimated in January, as several line items were reduced after the FY 2015 budget was adopted last spring.

FINANCIAL REPORT

MONTH OF OCTOBER, 2014

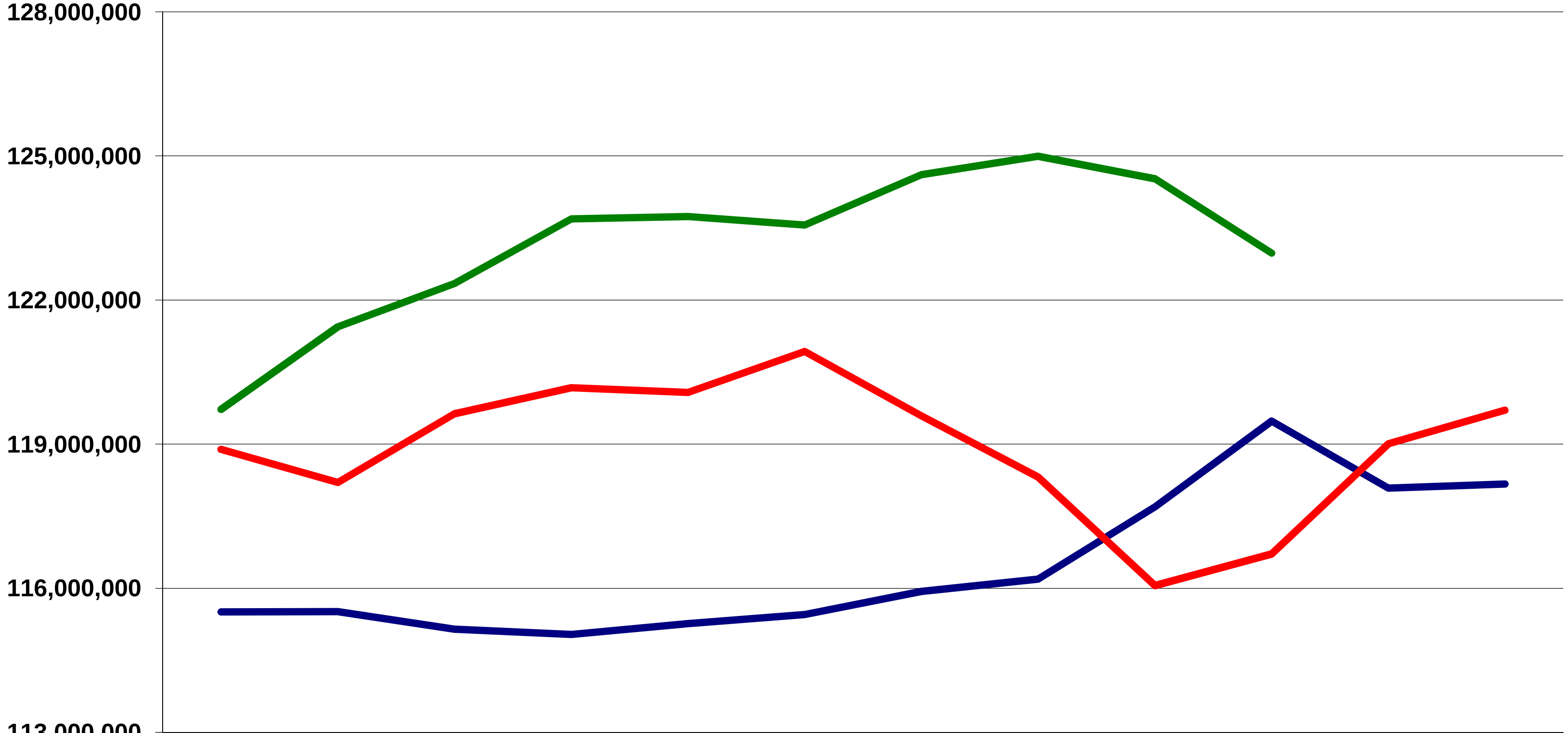
FUND	Beginning Balance	Monies Received	Monies Disbursed	Transfer In	Transfer Out	Clerk's Balance	% of Total
001 General Government	1,211,422.01	85,318.05	188,261.55	112,878.02	2,352.07	1,219,004.46	
011 Police	-197,859.04	594,961.90	172,983.88	272,763.85	324.45	496,558.38	
015 Fire	53,339.75	171,815.46	19,320.20	59,019.23	24.72	264,829.52	
016 Ambulance	182,153.06	155,630.54	65,711.52	31,210.67	5,572.66	297,710.09	
041 Library	-102,978.82	110,153.56	36,635.66	45,016.34	61.80	15,493.62	
042 Park & Recreation	255,575.88	278,877.82	92,664.80	108,966.17	123.60	550,631.47	
045 Memorial Pool	-117,366.77	36,236.73	1,859.84	0.00	0.00	-82,989.88	
071 General Fund Deb Service	44,382.16	36,443.18	0.00	0.00	0.00	80,825.34	
099 Franchise Fees-MEC	253,783.90	17,597.63	0.00	0.00	0.00	271,381.53	
GENERAL FUND SUB-TOTAL	**1,582,452.13**	**1,487,034.87**	**577,437.45**	**629,854.28**	**8,459.30**	**3,113,444.53**	
110 Road Use Tax (Streets)	888,804.60	163,712.82	92,350.95	0.00	15,158.15	945,008.32	
112 Trust & Agency	0.00	493,059.59	0.00	0.00	493,059.59	0.00	
115 YMCA Maintenance Obligations	28,058.67	0.00	1,647.87	0.00	0.00	26,410.80	
125 TIF--Downtown	402,423.86	83,514.47	0.00	0.00	180,154.12	305,784.21	
126 TIF--East Hwy 92	0.00	0.00	0.00	0.00	0.00	0.00	
127 TIF--Hillcrest/Industrial Park	68,005.55	382,022.01	0.00	0.00	0.00	450,027.56	
141 Library Special Revenue	36,283.30	560.20	417.54	0.00	0.00	36,425.96	
142 Park & Rec Special Revenue	115,662.28	2,407.69	649.92	0.00	0.00	117,420.05	
160 Downtown Revolving Loan	79,094.33	0.00	0.00	0.00	0.00	79,094.33	
161 Downtown Business Inc Program	-138,233.87	0.00	35,458.69	150,000.00	0.00	-23,692.56	
177 Police Forfeiture	19,830.07	0.00	0.00	0.00	0.00	19,830.07	
190 Vehicle Reserve	98,075.75	0.00	0.00	1,666.67	0.00	99,742.42	
199 Police Retirement	108,949.23	103.20	0.00	0.00	1,041.67	108,010.76	
SPECIAL REVENUES SUB-TOTAL	**1,706,953.77**	**1,125,379.98**	**130,524.97**	**151,666.67**	**689,413.53**	**2,164,061.92**	
200 **DEBT SERVICE (SUB-TOTAL)**	**1,769,148.34**	**387,728.43**	**0.00**	**90,929.11**	**0.00**	**2,247,805.88**	
301 Capital Projects (General)	435,173.60	201,578.79	348.25	0.00	0.00	636,404.14	
321 Capital Projects (Streets)	-706,720.22	757,796.97	998,437.65	0.00	0.00	-947,360.90	
344 Community Athletic Facility	8,404.95	8.60	574.32	0.00	0.00	7,839.23	
353 Community ReDevelopment (D&D)	-23,936.99	0.00	0.00	0.00	0.00	-23,936.99	
CAPITAL PROJECTS SUB-TOTAL	**-287,078.66**	**959,384.36**	**999,360.22**	**0.00**	**0.00**	**-327,054.52**	
610 Sewer	146,101.30	0.00	81,994.51	140,600.00	34,901.03	169,805.76	
650 Stormwater Utility	320,762.62	16,714.69	0.00	0.00	5,158.33	332,318.98	
670 Recycling	65,728.84	17,802.78	15,263.96	0.00	1,441.67	66,825.99	
710 Sewer Capital Projects	680,800.01	289,198.13	2,979.50	0.00	239,483.33	727,535.31	
771 Sewer Reserve	114,238.70	0.00	0.00	0.00	0.00	114,238.70	
781 Sewer Plant Improvement	323,822.54	0.00	0.00	2,083.33	0.00	325,905.87	
791 Sewer Revenue Bonds	410,690.02	0.00	0.00	61,016.67	0.00	471,706.69	
820 Health Insurance	1,019,508.37	103,437.78	94,679.26	0.00	0.00	1,028,266.89	
830 Health Reimbursement Account	297,200.61	0.00	21,505.89	0.00	0.00	275,694.72	
840 Flex/STD	221,414.60	2,323.06	0.00	1,405.95	0.00	225,143.61	
850 Liability Insurance Reserve--City	36,567.70	34.40	0.00	0.00	0.00	36,602.10	
CITY UTILITY & IS SUB-TOTAL	**3,636,835.31**	**429,510.84**	**216,423.12**	**205,105.95**	**280,984.36**	**3,774,044.62**	
TOTAL CITY FUNDS	**8,408,310.89**	4,389,038.48	1,923,745.76	1,077,556.01	978,857.19	**10,972,302.43**	**55%**
TOTAL IMU FUNDS	**9,693,276.64**	2,121,880.06	2,796,963.60	175,941.68	274,640.50	**8,919,494.28**	**45%**
GRAND TOTAL CITY & IMU	**18,101,587.53**	6,510,918.54	4,720,709.36	1,253,497.69	1,253,497.69	**19,891,796.71**	
Cross Check Total						19,891,796.71	

Investments					
				Clerk's Balance	19,891,796.71
Bankers Trust	$	14,219,874.19	2.18%		
Iowa Public Agency Inv. Trust	$	111,109.39	0.010%	Plus Outstanding Checks	25,828.87
Payroll Account, City State Bank	$	-	Earnings Credit	Unreconcilable Item	
Checking Account, City State Bank	$	244,356.12	Earnings Credit	Less Outstanding Deposits	-16,130.07
Checking Account, Community Bank	$	14,534.33			
Payroll Account, Community Bank	$	830.90			
Sweep Account, City State Bank	$	5,310,790.58	0.04%		
BANK BALANCE		**19,901,495.51**			**19,901,495.51**

600 Water	383,045.98	212,900.09	64,426.79	0.00	115,959.38	415,559.90
620 IMU Administration	60,931.61	37.75	44,341.61	84,375.00	30,053.47	70,949.28
625 Revolving Economic Development	103,616.24	96.32	0.00	0.00	0.00	103,712.56
626 USDA RLF	225,000.00	0.00	0.00	0.00	0.00	225,000.00
630 Electric	2,275,251.76	1,343,053.60	1,317,556.00	22,566.67	119,491.31	2,203,824.72
640 Fiber/Communications	308,307.32	25,875.12	20,850.16	0.00	9,136.34	304,195.94
700 Water Capital Projects	842,393.92	20,000.00	33,552.21	35,991.67	0.00	864,833.38
730 Electric Capital Projects	3,482,577.94	519,899.98	1,173,289.75	-58,333.33	0.00	2,770,854.84
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	230,752.18	0.00	0.00	23,150.00	0.00	253,902.18
793 Electric Revenue Bonds	367,775.05	0.00	139,600.00	68,191.67	0.00	296,366.72
855 Liability Insurance Reserve--IMU	16,933.29	17.20	3,347.08	0.00	0.00	13,603.41
IMU SUB-TOTAL	**9,693,276.64**	**2,121,880.06**	**2,796,963.60**	**175,941.68**	**274,640.50**	**8,919,494.28**

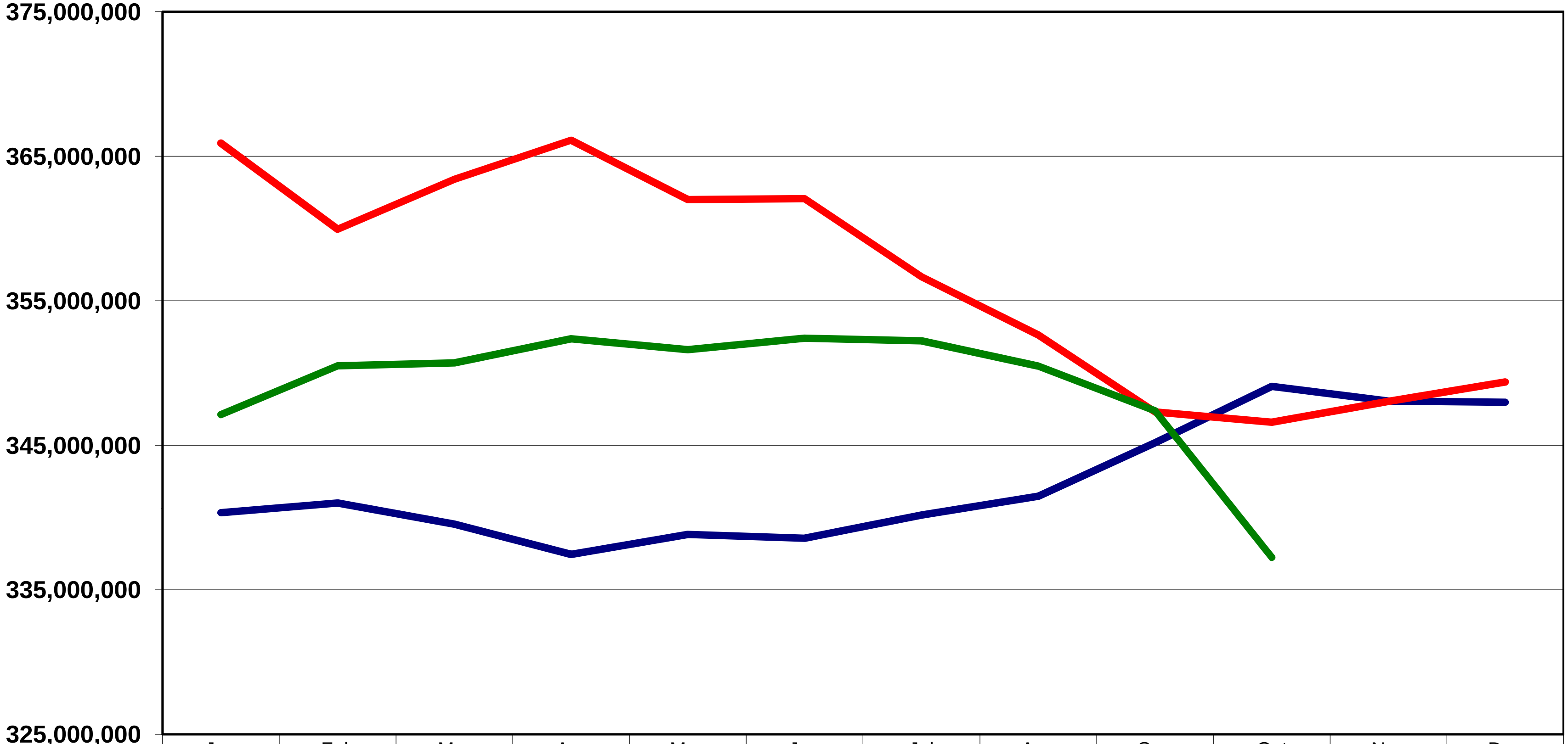
INTEREST DISTRIBUTION	**INTEREST INCOME**	**% OF TOTAL**	**CALYTD**	**FYTD**
Electric Funds	$ 7,394.57	42.92%	$ 90,051.43	$ 40,129.63
Water Funds	$ 1,552.25	9.01%	$ 21,668.10	$ 8,906.38
Sewer Funds	$ 1,154.16	6.70%	$ 13,997.78	$ 6,612.11
Police Retirement	$ 103.20	0.60%	$ 1,184.25	$ 448.69
Community Redevelopment	$ -	0.00%	$ 500.26	$ 0.14
All other	$ 7,026.23	40.78%	$ 109,845.95	$ 45,855.28
TOTAL	$ 17,230.41	100.00%	$ 237,247.77	$ 101,952.23

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	124,523,643	122,976,192		

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

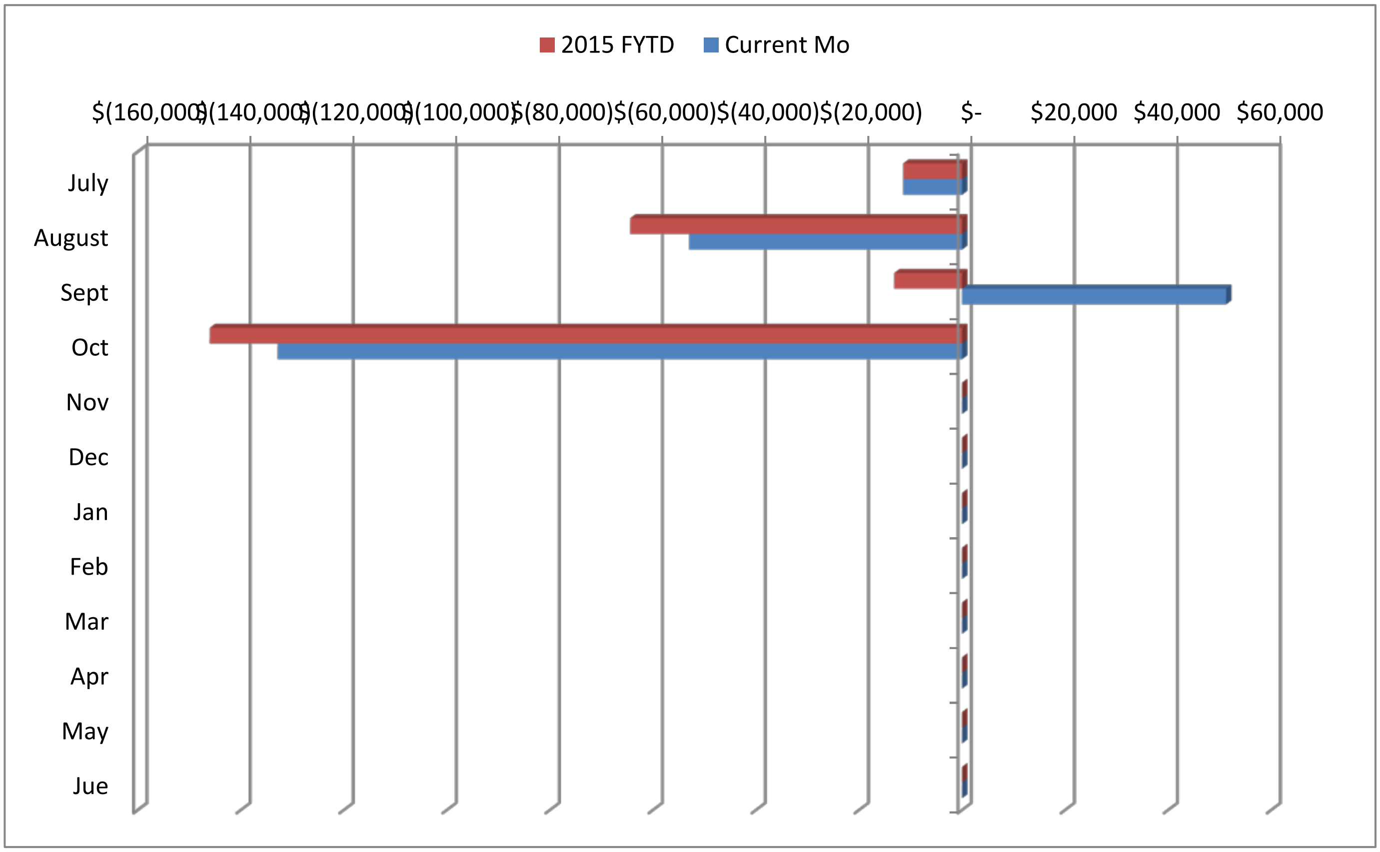


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010-12 WA Avg	340,342,990	341,005,490	339,539,389	337,453,792	338,839,263	338,574,698	340,162,998	341,474,254	345,182,293	349,066,685	348,054,010	347,985,339
2013	365,895,631	359,942,960	363,394,396	366,100,603	362,000,442	362,055,593	356,662,419	352,641,949	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	347,394,680	337,247,260		

2014 October — IMU Financial Report Summary

	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Electric Utility:			
Gross Margin	$ 1,058,980	$ 933,900	$ 125,080
Cash-based Net Income (incl. Depr.)	$ (146,012)	$ (190,100)	$ 44,088
Net O&M + Capital Funds Cash Flow	$ (58,334)	$ (157,700)	$ 99,366
Ending O&M and Capital Fund Balances	$ 4,995,193	$ 4,895,800	
Less-			
Designated for Future Projects	-	-	-
Reserve Targets	3,969,000	3,969,000	-
Over/(Under)	$ 1,026,193	$ 926,800	$ 99,393
Debt Service Coverage Ratio w/o PILOT	1.48	1.32	
Water Utility:			
Cash-based Net Income (incl. Depr.)	$ 98,964	$ 173,300	$ (74,336)
Net O&M + Capital Funds Cash Flow	$ (43,974)	$ (39,200)	$ (4,774)
Ending O&M and Capital Fund Balances	$ 1,280,393	$ 1,285,200	
Less-			
Designated for Future Projects	-	-	-
Reserve Targets	686,600	686,600	-
Over/(Under)	$ 593,793	$ 598,600	$ (4,807)
Debt Service Coverage Ratio w/o PILOT	1.32	1.63	
Communications Utility:			
Net Cash Flow	$ (29,075)	$ (55,600)	$ 26,525
Ending Fund Balances	$ 304,196	$ 277,700	$ -
Less-			
Designated for Future Projects	-	-	-
Reserve Targets	157,200	157,200	-
Over/(Under)	$ 146,996	$ 120,500	$ 26,496
Commercial Customers	109	129	-20
Residential Customers	244	260	-16
Administrative Fund:			
Net Cash Flow	$ 70,949	$ 52,400	$ 17,475

EL - Combined		FYTD ACTUAL		FYTD BUD/RE-EST		VARIANCE
Revenue:						
Sales of Electricity & Peaking	$	4,760,358.07	$	5,124,400	$	(364,042)
Sales Taxes		85,019.92		111,800		(26,780)
Other		465,342.64		463,800		1,543
Total O&M Revenue	**$**	**5,310,720.63**		**5,700,000**		**(389,279)**
Expenditures:						
Purchased Energy & Fuel	$	3,509,011.43	$	3,998,100	$	(489,089)
Salaries		292,086.37		285,700		6,386
Benefits		148,532.63		159,200		(10,667)
Materials, Suppl. & Contracts		269,381.26		179,400		89,981
Sales Taxes & Use Taxes		88,032.50		114,000		(25,968)
PILOT		192,366.68		192,400		(33)
Debt Service - Interest Only		92,766.69		92,700		67
Overhead, Admin & EE		445,974.19		457,700		(11,726)
Depreciation (Est)		456,100.00		456,100		-
Total O&M Expenses	**$**	**5,494,251.75**		**5,935,300**		**(441,048)**
Net Income (Operating & Other)	**$**	**(183,531.12)**		**(235,300)**		**51,769**
Capital Activities:						
Major Maintenance via Capital Fund	$	(37,373.81)	$	(35,000)	$	(2,374)
Capital Contributions (Fiber)		65,803.75		66,300		(496)
Capital Contributions (Electric)		9,088.91		13,900		(4,811)
Net Income	**$**	**(146,012.27)**		**(190,100)**		**44,088**
Cash Flow:						
Net Income + Depreciation	$	310,087.73	$	266,000	$	44,088
Water Loan Principal		76,266.67		76,300		(33)
Debt Service Principal		(180,000.00)		(180,000)		-
Debt Service Reserve Change		-		-		-
Capital Contributions (Developers)		1,178,000.55		41,700		1,136,301
Proceeds from Debt Issues		-		-		-
Capital Projects		(1,442,689.44)		(361,700)		(1,080,989)
Designated for Future Projects		-		-		-
Net Cash Flow	**$**	**(58,334.49)**	**$**	**(157,700)**	**$**	**99,366**



	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	$ (13,170)	$ 51,247	$ 126,633	$ 156,064
Oct	$ (146,012)	$ (132,842)	$ 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	$ 4,760,358.07	$ 5,124,400	$ (364,042)
Sales Taxes	85,019.92	111,800	(26,780)
Other	193,478.77	172,400	21,079
Fund Revenue	**$ 5,038,856.76**	**$ 5,408,600**	**$ (369,743)**
Expenditures:			
Purchased Energy & Fuel	$ 3,509,011.43	$ 3,998,100	$ (489,089)
Salaries	292,086.37	285,700	6,386
Benefits	148,532.63	159,200	(10,667)
Materials, Suppl. & Contracts	269,381.26	179,400	89,981
Sales Taxes & Use Taxes	88,032.50	114,000	(25,968)
PILOT	192,366.68	192,400	(33)
Debt Service	272,766.69	272,700	67
Overhead, Admin & EE	445,974.19	457,700	(11,726)
Fund Expenditures	**$ 5,218,151.75**	**$ 5,659,200**	**$ (441,048)**
O&M Activities Cash Flow:	**$ (179,294.99)**	**$ (250,600)**	**$ 71,305**
Capital Fund Transfer (Out) In	$ 309,599.99	$ 309,600.00	$ (0)
O&M Fund Cash Flow:	**$ 130,305.00**	**$ 59,000**	**$ 71,305**
Ending Fund Balances:	**$ 2,224,337.83**	**$ 2,153,000**	
17% Reserve Target	**$ 2,118,600.00**	**$ 2,118,600**	
Over/Under Reserve Target	**$ 105,737.83**	**$ 34,400**	**$ 71,338**

730 - EL CAP Fund	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Capital Contributions (Fiber)	$ 65,803.75	$ 66,300	$ (496)
Capital Contributions (Electric)	36,355.63	55,600	(19,244)
Capital Contributions (Reimb)	1,150,733.83	-	1,150,734
Water Loan Principal	76,266.67	76,300	(33)
Proceeds from Debt	-	-	-
Other	271,863.87	291,400	(19,536)
Fund Revenue	**$ 1,601,023.75**	**$ 489,600**	**$ 1,111,424**
Expenditures:			
Major Maintenance (Est.)	$ 37,373.81	$ 35,000	$ 2,374
Vehicles	-	100,000	(100,000)
Relocations & Conversions	1,526,673.64	98,600	1,428,074
New Developments & Line Repl	25,966.14	46,000	(20,034)
Network Services	81,442.30	127,100	(45,658)
Other/Stock (Out) In	(191,392.64)	(10,000)	(181,393)
Fund Expenditures	**$ 1,480,063.25**	**$ 396,700**	**$ 1,083,363**
Capital Activities Cash Flow:			
Capital Fund Transfer (Out) In	$ (309,599.99)	$ (309,600)	$ 0
Designated for Future Projects	-	-	-
Capital Fund Cash Flow:	**$ (188,639.49)**	**$ (216,700)**	**$ 28,061**
Ending Fund Balances:	**$ 2,770,854.84**	**$ 2,742,800**	
Reserve Target	**$ 1,850,400**	**$ 1,850,400**	
Designated for Future Projects			
Over/Under Reserve Target	**$ 920,455**	**$ 892,400**	**$ 28,055**

WA - Combined		FYTD ACTUAL		FYTD BUD/RE-EST		VARIANCE
Revenue:						
Sales of Water	$	765,434.14	$	860,500	$	(95,066)
Sales Taxes		41,341.82		51,600		(10,258)
Other		59,136.94		47,000		12,137
Total O&M Revenue	**$**	**865,912.90**	**$**	**959,100**	**$**	**(93,187)**
Expenditures:						
Salaries	$	133,128.93	$	140,400	$	(7,271)
Benefits		59,767.67		71,300		(11,532)
Materials, Suppl. & Contracts		137,712.03		119,500		18,212
Sales Taxes & Use Taxes		42,939.78		55,800		(12,860)
PILOT		22,766.68		22,800		(33)
Debt Service - Interest Only		22,466.68		22,400		67
Overhead, Admin & EE		91,718.55		86,900		4,819
Depreciation (Est)		195,000.00		195,000		-
Total O&M Expenses	**$**	**705,500.32**	**$**	**714,100**	**$**	**(8,600)**
Net Income (Operating & Other)	**$**	**160,412.58**	**$**	**245,000**	**$**	**(84,587)**
Capital Activities:						
Major Maintenance via Capital Fund	$	(61,448.35)	$	(71,700)	$	10,252
Net Income	**$**	**98,964.23**	**$**	**173,300**	**$**	**(74,336)**
Cash Flow:						
Net Income + Depreciation	$	293,964.23	$	368,300	$	(74,336)
Debt Service Principal		(217,900.00)		(217,900)		-
Sale of Land - Payment		20,000.00		20,000		-
Debt Service Reserve Change		-		-		-
Capital Projects		(140,037.99)		(209,600)		69,562
Designated for Future Projects		-		-		-
Net Cash Flow	**$**	**(43,973.76)**	**$**	**(39,200)**	**$**	**(4,774)**

600 - WA O&M Fund	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Sales of Water	$ 765,434.14	$ 860,500	$ (95,066)
Sales Taxes	41,341.82	51,600	(10,258)
Other	59,136.94	47,000	12,137
Fund Revenue	**$ 865,912.90**	**$ 959,100**	**$ (93,187)**
Expenditures:			
Salaries	$ 133,128.93	$ 140,400	$ (7,271)
Benefits	59,767.67	71,300	(11,532)
Materials, Suppl. & Contracts	137,712.03	119,500	18,212
Sales Taxes & Use Taxes	42,939.78	55,800	(12,860)
PILOT	22,766.68	22,800	(33)
Debt Service	240,366.68	240,300	67
Overhead & Admin	91,718.55	86,900	4,819
Fund Expenditures	**$ 728,400.32**	**$ 737,000**	**$ (8,600)**
O&M Activities Cash Flow:	**$ 137,512.58**	**$ 222,100**	**$ (84,587)**
Capital Fund Transfer (Out) In	$ (143,966.68)	$ (144,000)	$ 33
Debt Service Reserve Change	-	-	-
O&M Fund Cash Flow:	**$ (6,454.10)**	**$ 78,100**	**$ (84,554)**
Ending Fund Balances:	**$ 415,559.90**	**$ 500,100**	
17% Reserve Target	**$ 205,800.00**	**$ 205,800**	
Over/Under Reserve Target	**$ 209,759.90**	**$ 294,300**	**$ (84,540)**

700 - WA CAP Fund	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Proceeds from Debt	$ -	$ -	$ -
Other (Sale of Land)	20,000.00	20,000	-
Fund Revenue	**$ 20,000.00**	**$ 20,000**	**$ -**
Expenditures:			
Major Maintenance (Est.)	$ 61,448.35	$ 71,700	$ (10,252)
Vehicles	724.85	13,300	(12,575)
Water Towers	-	-	-
Plant	80,836.54	140,000	(59,163)
Water Mains	60,976.92	56,300	4,677
Other	(2,500.32)	-	(2,500)
Fund Expenditures	**$ 201,486.34**	**$ 281,300**	**$ (79,814)**
Capital Activities Cash Flow:			
Capital Fund Transfer (Out) In	$ 143,966.68	$ 144,000	$ (33)
Designated for Future Projects	-	-	-
Capital Fund Cash Flow:	**$ (37,519.66)**	**$ (117,300)**	**$ 79,780**
Ending Fund Balances:	**$ 864,833.38**	**$ 785,100**	**$ 79,733**
Reserve Target	**$ 480,800.00**	**$ 480,800**	**$ -**
Designated for Future Projects	**-**	**-**	**-**
Over/Under Reserve Target	**$ 384,033.38**	**$ 304,300**	**$ 79,733**

640 - NS O&M Fund	FYTD ACTUAL	FYTD BUD/RE-EST	VARIANCE
Revenue:			
Fiber License Payments	$ 86,978.80	$ 102,100	$ (15,121)
Other	8,834.74	1,700	7,135
Fund Revenue	**$ 95,813.54**	**$ 103,800**	**$ (7,986)**
Expenditures:			
Salaries	$ 3,661.47	$ 3,700	$ (39)
Benefits	601.98	700	(98)
Materials, Suppl. & Contracts	67,957.62	121,800	(53,842)
Overhead, Admin & EE	52,667.66	33,200	19,468
Fund Expenditures	**$ 124,888.73**	**$ 159,400**	**$ (34,511)**
O&M Activities Cash Flow:	**$ (29,075.19)**	**$ (55,600)**	**$ 26,525**
Electric CIAC (Out) In	$ -	$ -	$ -
O&M Fund Cash Flow:	**$ (29,075.19)**	**$ (55,600)**	**$ 26,525**
Ending Fund Balances:	**$ 304,195.94**	**$ 277,700**	
FY Ending Balance Target	**$ 157,200.00**	**$ 157,200**	
Designated for Future Projects	**-**	**-**	
Over/Under Reserve Target	**$ 146,995.94**	**$ 120,500**	**$ 26,496**

620 - ADM O&M Fund	FYTD ACTUAL		FYTD BUD/RE-EST		VARIANCE	
Revenue:						
IMU Transfers In	$	414,375.00	$	412,700	$	1,675
City Transfers In		6,000.00		6,000		-
Refund/Reimbursement		1,074.45		-		-
Fund Revenue	**$**	**421,449.45**	**$**	**418,700**	**$**	**1,675**
Expenditures:						
Salaries	$	109,186.14	$	109,800	$	(614)
Benefits		53,702.81		60,100		(6,397)
Materials, Suppl. & Contracts		64,109.17		74,900		(10,791)
Overhead, Admin, Shared Staff		123,502.05		121,500		2,002
Fund Expenditures	**$**	**350,500.17**	**$**	**366,300**	**$**	**(15,800)**
O&M Fund Cash Flow:	**$**	**70,949.28**	**$**	**52,400**	**$**	**17,475**

Information

Subject

Draft Strategic Plan Update

Information

The latest working draft of the 1-3 year plan is attached. Changes from last meeting's draft are highlighted.

Changes made to item #1 in the Action Plan primarily just clarify and provide more details about the activities and strategies to be deployed. This will help provide more structure and in setting deadlines.

Changes made to item #2 in the Action Plan specifies that IMU will develop a policy to implement the goal of extending the fiber network and completing in-fill neighborhoods. This is a topic to be initiated later in this meeting's agenda.

Changes made to item #3 in the Action Plan are in response to a discussion held at last week's small group meeting with the Mayor, 2 members of the City Council, City Manager, General Manager, and 2 members of the IMU Board. Underground utility preference is both an IMU goal and a City Council ordinance. There is now a better understanding of the competing needs for the same, limited, rate-revenue funds.

Project priority-setting depends on a consistent long-term strategy that may not be fully agreed-upon today, given staff and policy-maker turnover in recent years. Gaining that direction is needed prior to embarking on another multi-year phase that requires a public information campaign, electric rate study, financial plan, engineering options, phased construction plans, bidding & letting contracts, and managing the construction project to completion.

The update is provided to receive input. Staff's intention is to continue to refine the plan as needed, bringing individual items forward for more detailed discussion in future meetings.

Financial Impact

N/A

Staff Recommendation

Attachments

Plan draft

Indianola Municipal Utilities

Strategic Plan,
Service Objectives,
& Operating Strategies

(FY 2015 – 2017 edition)

Fall 2014 - Version 3

INDIANOLA MISSION STATEMENT

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

We Value…

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

A safe and efficient workplace and community;

Attaining a high level of customer service;

Sustainable service delivery based on research and foresight;

Protection and responsible use of natural resources;

Affordable rates that balances needs in the community;

Working as partners within our community and with other entities;

Fairly and consistently imposing and applying regulatory actions;

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

Citizens that are knowledgeable and engaged in our community.

Strategic Analysis-

Traditional strengths:

Educated, trained and committed stakeholder team that is supportive of new ideas, adaptable to change, and focused on positive outcomes

Local workforce sized to respond to outages and emergencies in a timely manner

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

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

A commitment to safety

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

Brand name associated with quality, community leadership and customer service

Stable economy & consumption patterns

New opportunities to capitalize on:

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

Build on IMU's electric and telecom investments as a community differentiating factors highlighting reliability, technology, and sustainability

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

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

Ways to improve traditional strengths & overcome known challenges:

Hire team-oriented employees with the abilities to implement the utility's strategies and mentor them during the upcoming retirement transition

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

Review long-term wholesale energy strategies

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

Broader marketing and expansion of the fiber system

Improve customers' experiences, feedback systems through use of more streamlined technologies, new service programs, and positive internal relations

Address cyber security issues to avoid negative perceptions and events

Ways to capitalize on opportunities & overcome potential challenges:

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

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

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

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

Action Plan-

1. Enhance marketing and customer awareness/outreach to communicate the holistic value of IMU and its services, including community development efforts:
   - Develop target markets and key messages using a combination of staff, interns, and contracted professionals-
     - Reliability, Community, Sustainability, and Technology core messages and images
     - IMU logo and web site
     - Chamber of Commerce activities
     - Enroll new IMU Partners members
     - 125th year of Public Power (various activities throughout the year)
   - Market and engage Indianola by leveraging the IMU Partners Program and Sustainability Committee, including better positioning Indianola & Simpson College as destinations for innovation and sustainability within the metro-
     - Debut of IMU Partners and its TV channel (by end of October, 2014)
     - Issue memberships by December, 2014 (target of 50 by July 2015)
     - Produce videos on innovation and sustainability (by March, 2015)
     - Work with committees and interns (start in October 2014 but ongoing).
   - Deployment strategies using both in-person and multi-platform video-
     - Press releases, print, slide shows, video, and external/newspaper
     - Conduct routine one-on-one meetings with key accounts of all utilities
     - Host technology and sustainability-related events
     - Coordinate with City & other community marketing efforts as opportunities arise

2. Develop and adopt viable Capital Improvement Plan (CIP) schedules for each utility and implement budgeted projects annually (IMU Trustees, GM & Dept. Heads):

   - Resolve CenturyLink & Mediacom pole attachment issue/demo pole lines via formal compliance agreements
   - Design & engineering for a target of $5 million in electric, conduit, and fiber to serve the NW quadrant of Indianola. Begin with conceptual designs that are divided into 3 to 4 prioritized sub-areas (April 2015)
   - Transition to spending capital-based revenues & water loan principal payments on asset/facility replacements (eliminate spending these on O&M activities)-
     - Generation & transformer capacity payments to address future major maintenance at generators/controls & substations
     - 69kV credits to re-build the transmission line over time
     - Remove water loan principal payments from the retail rate base by 2020; currently equal to vehicles & major maintenance

   - Pro-active maintenance projects at the Water Plant to prolong its lifespan
   - Engineer and construct prioritized main replacements; alternate between 2 projects in FY 2014 then 1 project the next year, 2 projects the next, etc

   - Bolster the IMU/MCG brand and build a wider geographic customer base by tracking neighborhood interest in services to be offered elsewhere in Indianola
   - Develop a policy to guide fiber extensions; review options including costs per potential connection, Contributions in Aid of Construction and extended contracts

3. Participate in utility growth planning discussions and activities:
    - Review policymaker's commitment to underground vs. overhead electric system and fiber network given-
        - Cost differentials
        - Expected growth in customer demand for broadband choice
        - Competing capital funding needs between electric system replacements, network extensions, and proactive development
        - Continued preference for annual rate revenue vs. debt financing sources
    - Pursue a 2nd USDA Revolving Loan Fund; target infrastructure loans to property developers
    - Evaluate commercial & industrial electric rate design in conjunction with any structural changes to the pricing of wholesale energy
    - Analyze and report on community engagement collaborations that promote energy efficiency such as Grants to Green and energy efficiency project funding.
    - Plan with MidAmerican on commercial/industrial growth outside of IMU electric territory to ensure long-term capacity will exist on their system when it is needed (and that is partially fed by IMU)

    - Assist with business retention, expansions, and attraction using IMU-matched incentives offered in conjunction with the City of Indianola, WCEDC facilitated-projects, and regionally with the Greater Des Moines Partnership
    - Promote the development of ventures, start-ups, and new opportunities through support of the IMU Partners Program
    - Review how other municipal utilities work to encourage community growth and public engagement
    - Promote the adoption of smart growth strategies and economically viable sustainability policies

4. Enhance plans for staffing levels, development & training (GM & Dept. Heads):
    - Continue hiring plan for the lineman retirement transition (October 2015)
    - Evaluate boring options to extend electric & fiber systems

    - Hire the planned 20 hrs/week PT position for Network Services and IMU Partners support activities (funds were derived from savings incurred following a prior retirement)

    - Develop formal succession & training plan (by June 2016)
    - Improve Workforce Connection as a source for internal staff & crew information

5. Evaluate services shared between the City & IMU to determine if strategic options exist to improve finance, GIS mapping, information technology, safety programs, disaster/recovery and outage reporting (GM & IMU and city departments):
    - Improve the IMU Board's understanding of shared functions, roles of each, and level of involvement in setting expectations
    - Improve the coordination of union negotiations and analyzing employee benefits with City of Indianola policymakers
    - Monthly accrual-based accounting reports.
    - Integrate the use of teleconferencing.
    - Increase the GIS Committee's coordination of add-on software options.
    - Develop hazard mitigation plans and funding options
    - Push notification systems (WINS) for outages and customer notifications
    - Improve Accounting, HR, and OSHA workflow systems
    - Evaluate the value of deploying a "City App"

6. Use technology and programs to improve both the customer experience & information flows throughout the service delivery process, including customer sign-ups, permits, work orders, metering and auditing, etc. (GM & IMU and city departments).
    - Review Service Plans with Clerk's Office to improve the customer experience; review fee structures as needed
    - Establish standardized telephone scripts and phone tree menus to improve transfer and escalation processes
    - Work to find & contract with technology solution providers as needed.

    - Investigate service line insurance options

IMU Regular Downstairs **4.**

Meeting Date: 11/24/2014

Information

Subject

Discussion of the Status of Underground and Voltage Conversion Projects

Information

A first step in understanding the scale and scope of Item #2 in the Action Plan that is earlier on this meeting's agenda is to again review the status of the system in terms of:

1. How much of the system remains overhead and will need replaced? See the attached "Underground Conversion" map. Areas in green, red, and yellow are logical groupings of major phases. Areas in blue have been, or soon will be, completed.

2. How much of the system remains 4kV vs. the preferred higher voltage of 13.2kV? See the attached "Voltage Conversion" map. Areas in blue still require conversion. Areas in red were converted in previous projects and areas in green were installed at 13.2kV when constructed.

Electric Supt. Bob Miller will attend to provide his viewpoints and answer questions.

As a reference point, the 2012 estimated cost for the "Phase Two" (green) area of the underground conversion was $5 million, which is also referenced in this section of the Action Plan. The plan prior to incurring higher wholesale energy costs plus expenses related to IDOT projects was to fund this phase using a bond issue, with debt service already included in 2012 electric rates.

Financial Impact

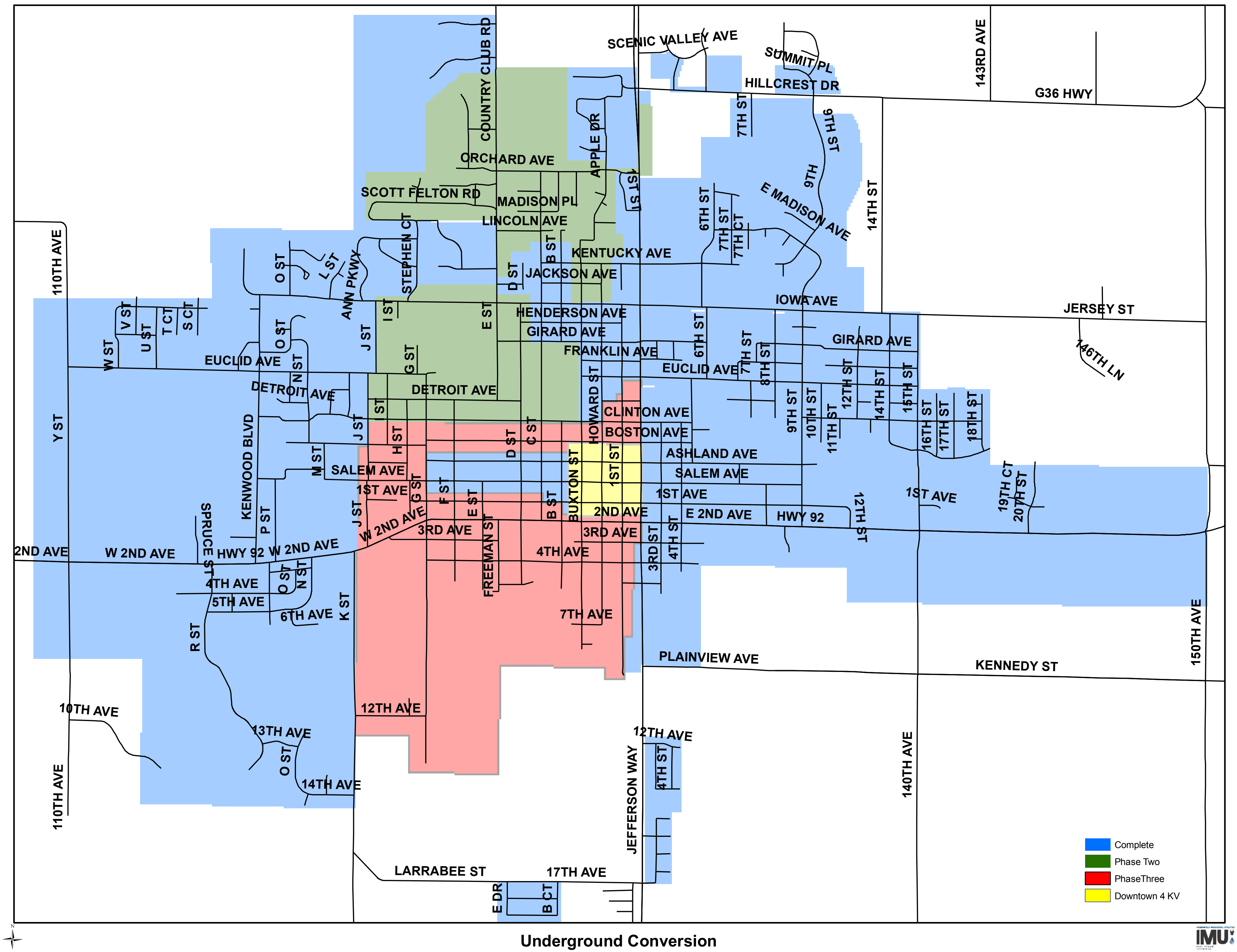
N/A

Staff Recommendation

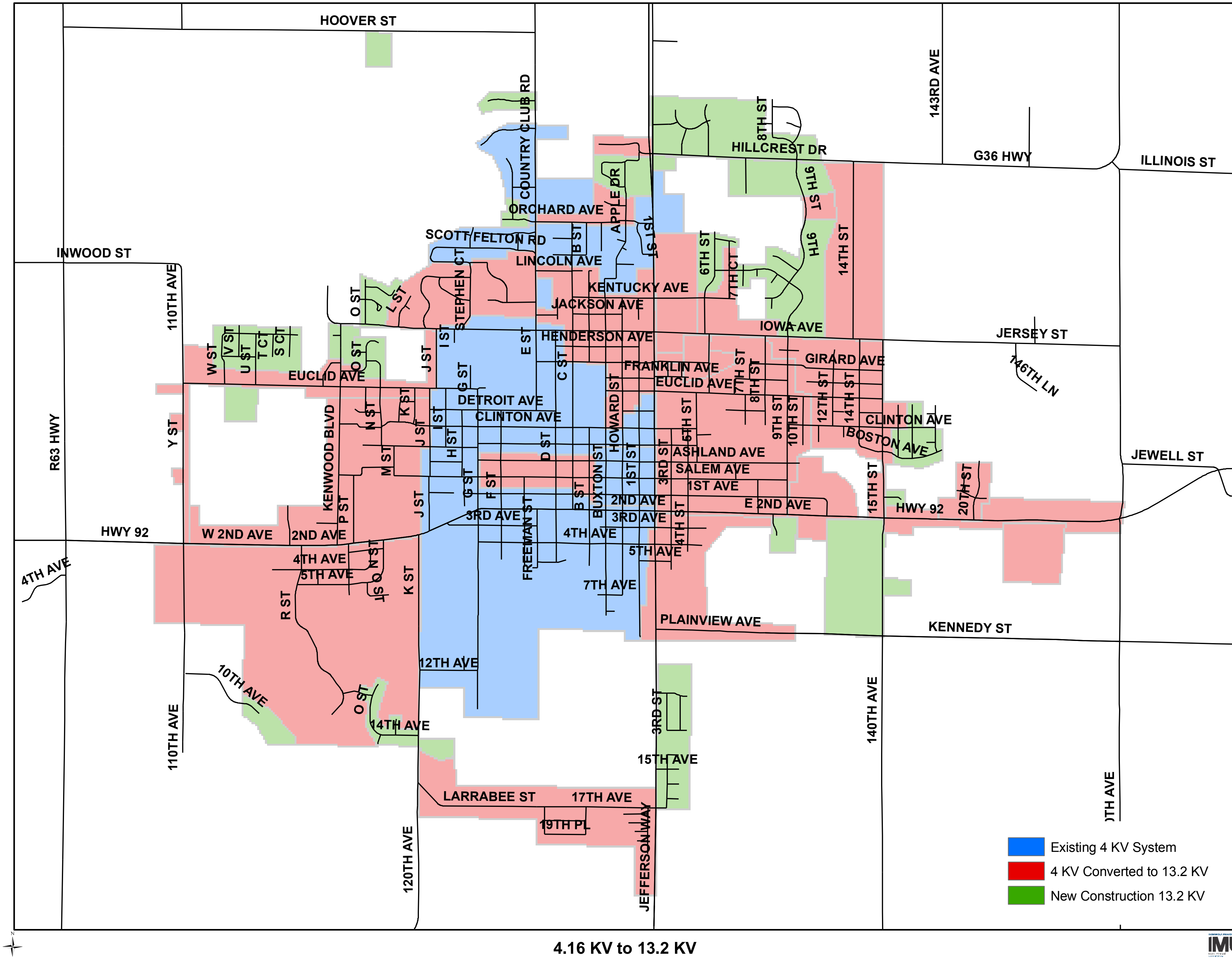
Attachments

Underground Conversion Map

Voltage Conversion Map



Underground Conversion



4.16 KV to 13.2 KV

Information

Subject

Discussion of the Status of the Fiber Network and Extension Plans

Information

Similar to the Underground and Voltage Conversion plan, it may be useful to review the status of the fiber network in terms of immediate opportunities to cost-effectively extend service.

In general, the annual capital budget available generated from $225,000 in annual lease payments supports expenditures of-

1. Connecting 110 customers ($900 each) = $100,000
2. New Cabinets & conversion of GPON to Active Ethernet = $25,000
3. Conduit & Fiber Extensions = $100,000

The first attached map shows where IMU has installed conduit when either new construction occurred or reconstructing the electric system.

The second attached map "Fiber Extension Projects" are logically grouped areas of the community where:

1. There is no conduit today.
2. Electric service is already underground so installing only fiber will be more expensive than in a joint electric/fiber project.

The two maps interrelate in that there are areas (see box marked "A" on each map, for example) that fit together. In this example, the #1 area requires a commitment to install conduit to serve the 157 potential customers (see "Kading North/Madison/Kentucky/7th Court" map) at a cost of about $860 per premise. Sub-areas #2 and #3 extend the network north using the existing conduit as seen on that previous map. The combination of the three areas would be highly cost-effective given housing densities and network design.

For comparison, the stand-alone project for the East Euclid area (see map) would cost about $1,067 per premise.

Staff does intend to provide paper-based maps for discussion at Monday night's meeting to help better visualize the challenges ahead.

The main point for this discussion is that IMU staff will be evaluating where to spend limited funds based on some criteria, which will soon need formulated into a policy. Suggestions to-date for that policy include:

1. Predicting a minimum take rate for the project area based on pre-service signups
2. Prioritizing areas with the lowest expected cost per likely premises resulting in customers
3. Requesting commitments for Contributions in Aid of Construction from each household
4. Working with MCG for them to provide multi-year contracts to collect commitments

Item #3 on this list could be controversial in that neighborhoods with more financial resources would receive public benefits sooner than others. The last map in the packet is a pin map where over 90 people have expressed interest.

Customers are expressing interest now because of their own potential benefit in terms of lower monthly bills. Preliminary studies are also showing that the value of having access to high-capacity broadband service can bee seen through higher rent received, higher prices when sold, and faster property sales. So future interest may be based on more than just lower bills.

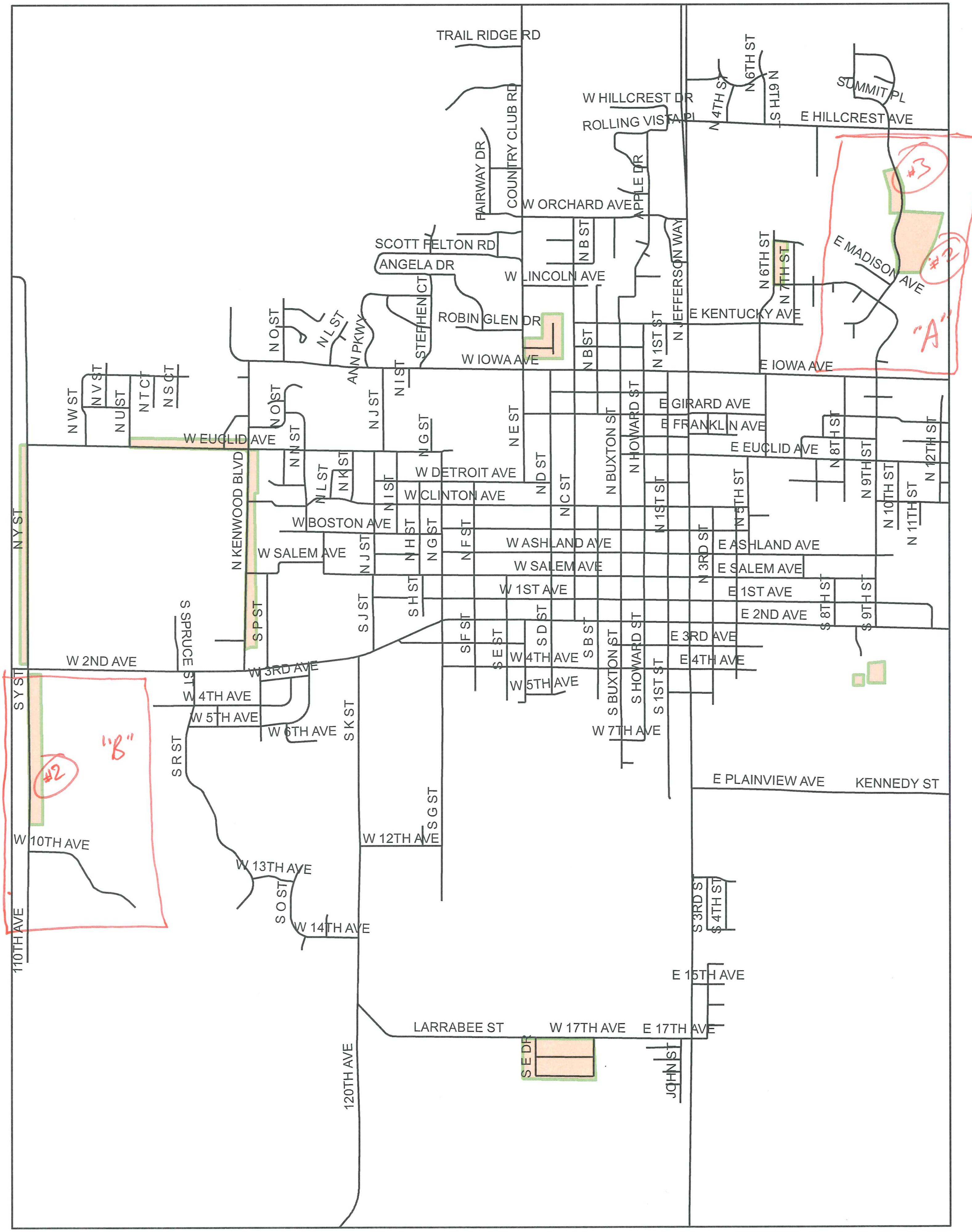
Financial Impact

N/A

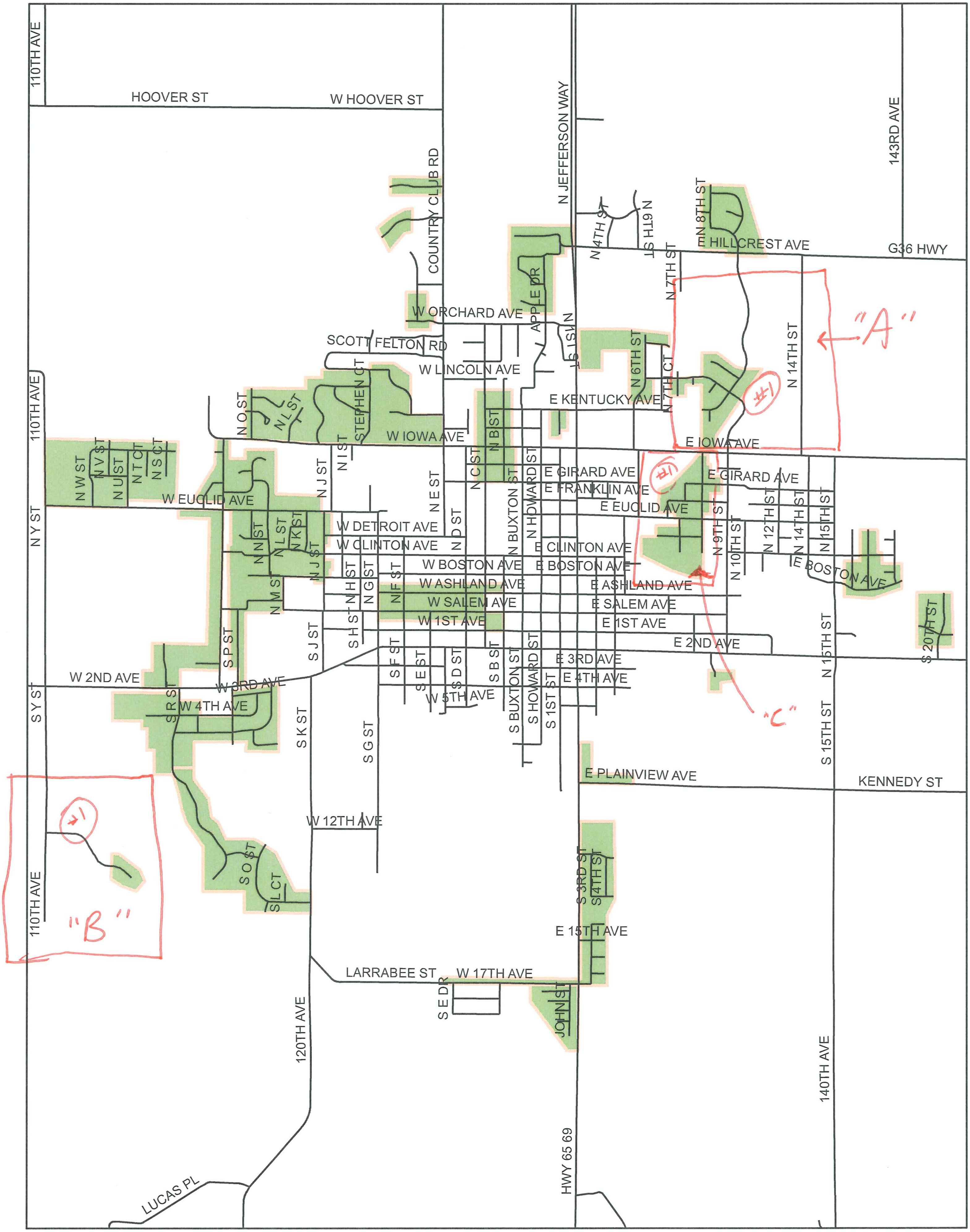
Staff Recommendation

Attachments

Maps



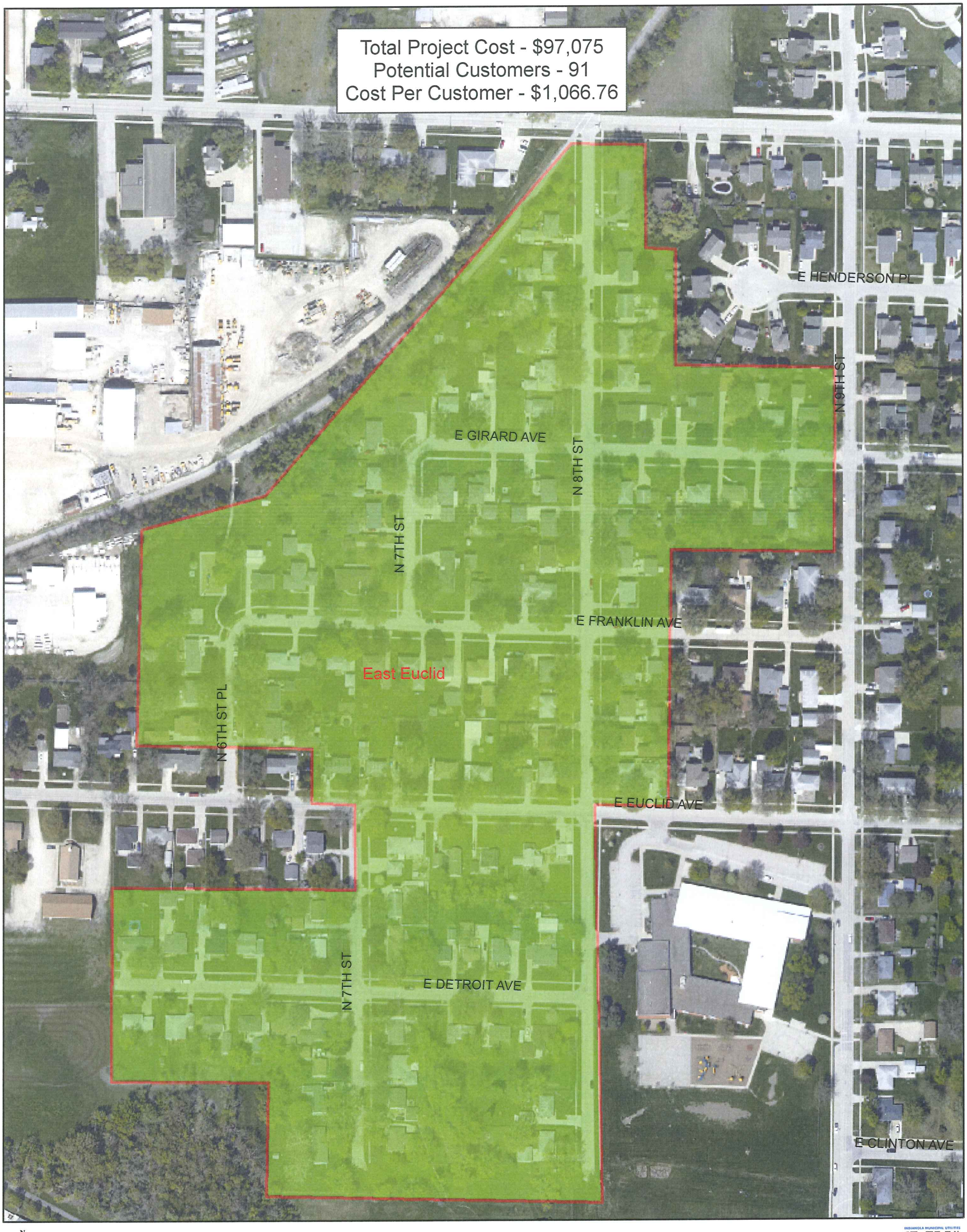
Only Conduit Installed For Future Fiber



Fiber Extension Projects

Kading North / Madison / Kentucky / 7th Court

"A" #1 Step

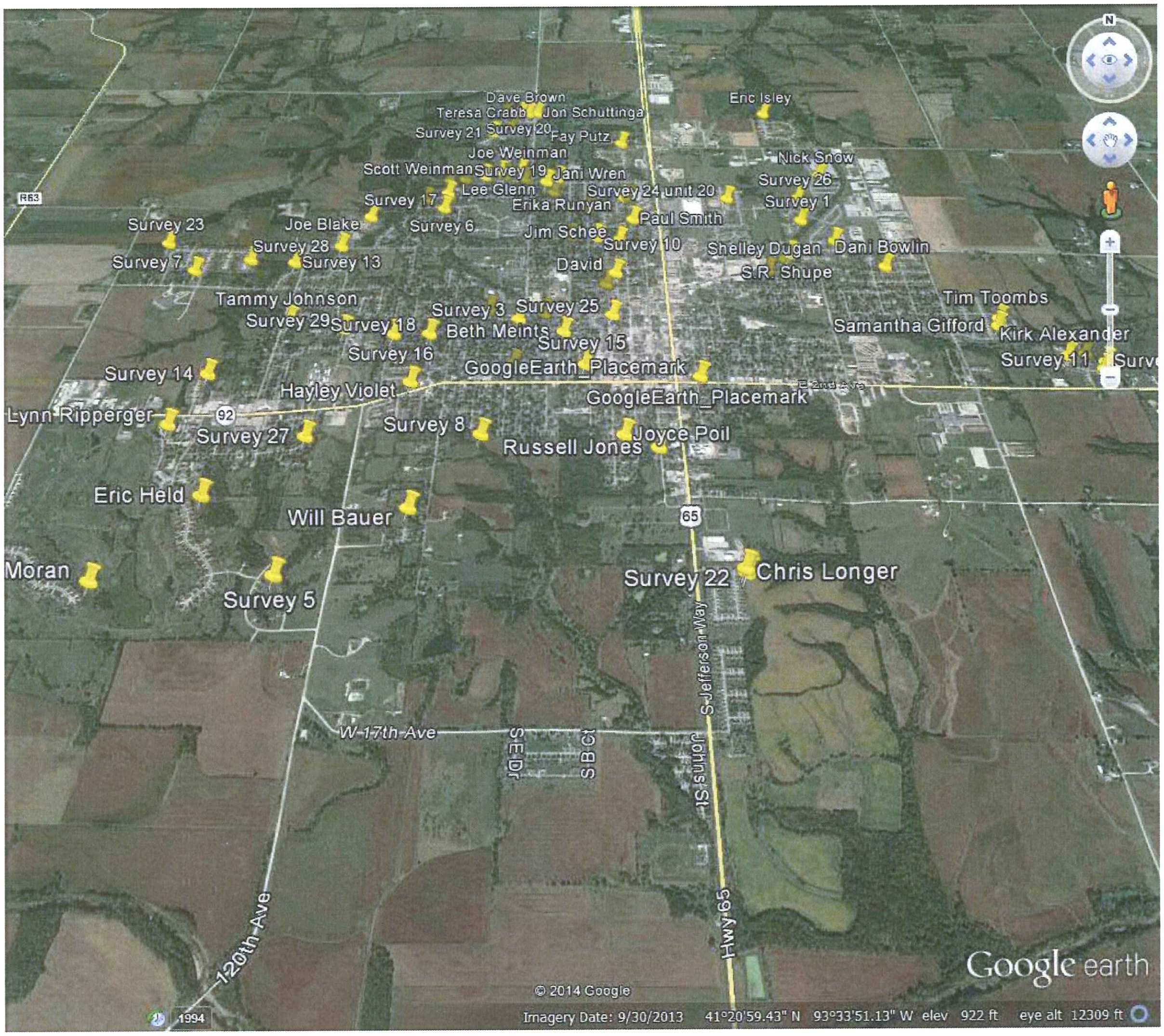


N
W E
S

East Euclid

IMU

"C"
#1 step



Dave Brown
Teresa Crabb
Jon Schuttinga
Survey 21
Survey 20
Fay Putz
Eric Isley
Joe Weinman
Nick Snow
Scott Weinman
Survey 19
Jani Wren
Survey 26
Lee Glenn
Survey 24 unit 20
Survey 17
Erika Runyan
Survey 1
Paul Smith
Survey 23
Joe Blake
Survey 6
Jim Schee
Survey 10
Dani Bowlin
Survey 28
Shelley Dugan
Survey 7
Survey 13
David
S.R. Shupe
Tammy Johnson
Tim Toombs
Survey 3
Survey 25
Survey 29
Survey 18
Beth Meints
Samantha Gifford
Kirk Alexander
Survey 15
Survey 11
Survey 16
GoogleEarth_Placemark
Survey 14
Hayley Violet
GoogleEarth_Placemark
Lynn Ripperger
92
Survey 27
Survey 8
Joyce Poil
Russell Jones
Eric Held
Will Bauer
65
Moran
Survey 5
Survey 22
Chris Longer
S Jefferson Way
W 17th Ave
S E Dr
S B Ct
Johns St
Hwy 65
120th Ave
R63
Google earth
© 2014 Google
1994
Imagery Date: 9/30/2013 41°20'59.43" N 93°33'51.13" W elev 922 ft eye alt 12309 ft

IMU Regular Downstairs **6.**

Meeting Date: 11/24/2014

Information

Subject

Ann Parkway Water Main Project - Certificate of Completion

Information

V&K recommends final acceptance of the Ann Parkway Water Main project. There had been punch list items related to concrete and restoration that held up full acceptance of this 2013 project.

Financial Impact

N/A

Staff Recommendation

Simple motion issuing a Certificate of Completion 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)

November 13, 2014

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

INDIANOLA MUNICIPAL UTILITIES
INDIANOLA, IOWA
ANN PARKWAY WATER MAIN PROJECT
CERTIFICATE OF COMPLETION

Enclosed are two copies of the Certificate of Completion for the Ann Parkway Water Main 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:skk
28580
Enclosures
CC: Lou Elbert, Indianola Municipal Utilities w/enclosures
Diana Bowlin, City of Indianola w/enclosures

CERTIFICATE OF COMPLETION

ANN PARKWAY WATER MAIN PROJECT
INDIANOLA MUNICIPAL UTILITIES
INDIANOLA, IOWA

We hereby certify that we have made an on-site review of the completed construction of the Ann Parkway Water Main Project as performed by K.M. King, 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 Two Hundred Thirteen Thousand Three Hundred Eighty-Eight and 50/100 Dollars ($213,388.50).

VEENSTRA & KIMM, INC.

By__________________________

Title Project Manager

Date 11/13/2014

Accepted: INDIANOLA MUNICIPAL UTILITIES

By__________________________

Title__________________________

Date__________________________

28580