



**Upcoming Events**

**March 4 & 5, 2009**

**Advanced Water Treatment/  
Distribution Workshops**  
(Register for one or both)

Register/more information:

<http://www.iamu.org/calendar/>

(click "March 2009")

**March 9 — 10, 2009**

**Iowa Storm Water Conference/  
Iowa Water Conference**

Scheman Building, Iowa State Univ.

For more information:

<http://www.iowastormwater.org/>

**March 16 — 19, 2009**

**Gas Pipeline Welder Qualifica-  
tion Workshop (Ankeny &  
Emmetsburg; two workshops)**

Des Moines Area Community College,  
Ankeny; Iowa Lakes Community Col-  
lege, Emmetsburg

Register/more information:

<http://www.iamu.org/calendar/>

(click "March 2009")

**March 26, 2009**

**Energy Efficiency Workshop**

Register/more information:

<http://www.iamu.org/calendar/>

(click "March 2009")

**Wanted: Annual Conference  
Spouse Program suggestions**

◆ IAMU is considering a return of the Spouse Program at the association's Annual Conference October 7-9 in Des Moines. If you have suggestions for activities, contact Sandy Longfellow at IAMU, at [slongfellow@iamu.org](mailto:slongfellow@iamu.org) or 515-289-1999.

**Culver delivers upbeat message to IAMU members**



◆ "It is important that we control our own destiny. Many states can't," said Governor Chet Culver while addressing IAMU members at the association's Winter Meeting February 10.

*"Every challenge has a silver lining," said Governor Culver at the IAMU Winter Meeting, where he spoke about tough times today but optimism for the future for the State of Iowa.*

While being realistic about the current dire economic issues facing America, Governor Culver remained positive about the ability of the State of Iowa and its communities to successfully weather the storm, pointing proudly to the fact that Iowa is 40<sup>th</sup> in the nation in state debt load, and the triple-A bond rating achieved last year puts the state in a much more advantageous position to add much-needed stimulus to the Iowa economy. The Governor reiterated his plan to use the state's "Rainy Day Fund" to help cover a large gap between state revenue and spending. "Despite economic challenges, we have a surplus – and we're going to use some of it to get through these times. That's why it's there," he affirmed. In his recent State of the State message, the Governor said Iowa was confronted with a \$779 million gap between revenue and spending.

Using the opportunity to reinforce recently announced priorities, the Governor said, "We must reduce expenses and dedicate ourselves to 'brick and mortar' work," listing modernization of infrastructure, rebuilding the portions of the state devastated by floods and tornadoes and creating good jobs as the cornerstones of recovery for Iowa. The Governor told IAMU members that those in municipal utility and municipal government positions will be important components in recovery efforts. "There is a silver lining to every challenge," he said. "Recent events have given us the chance to join hands and lock arms and do what needs to be done."

In a question and answer session with IAMU members, Culver's comments made it clear that there is a necessary wait-and-see period regarding just how and when funding from the federal government's economic stimulus plan will be realized, and how financial concerns will be covered. In response to a question regarding the dilemma of raising utility rates as opposed to increased government funding, Culver said, "I'm open to legislative options to address that." When asked about federal and state funding being a coordinated effort, he responded, "We're very anxious to know how the Feds are going to give us money and how many strings will be attached."

**Municipal tax documents available on IAMU web site**



◆ The "Municipal Transfer Replacement Tax Form" (form 2E/G) was sent by email to IAMU member electric and gas utilities in January. A short fax confirming the email distribution was also sent.

If any gas or electric utility missed the distribution, the form with notes and instructions are available on the IAMU web site. To access the document, click here:

[www.iamu.org](http://www.iamu.org) (click on the link under "Hot News").

The transfer replacement tax form is filed **with the chief financial officer of the city**. The filing is **required** under Iowa tax law. This report is due February 28, 2009. For many municipal utilities, the person who completes the report is the chief financial officer of the city which is to receive the report. Delivery tax rates and transfer replacement tax rates for 2008 are also available on the IAMU website: [www.iamu.org](http://www.iamu.org) (click on the link under "Hot News").

## New electrical inspection laws will impact utilities



◆ **Beginning March 1, “Electric utility providers will be expected to follow section 103.28**

**(1) of the Iowa Code.”** This states that “no electrical installation subject to inspection under this chapter shall be newly connected or reconnected for use until the electrical inspector has filed with the electrical utility supplying power a certificate stating that the electrical inspector has approved such energization.” This means that after March 1, all release forms must be signed by an electrical inspector, **not the electrical contractor or customer.**

The February 9 edition of the IAMU *Informer* carried a story with more details about the coming changes in the new electrical permit requirements. Access it here: <http://www.iamu.org/informer/default.htm>.

You can access two documents detailing the new code on the IAMU website, [www.iamu.org](http://www.iamu.org) (click on the links under “Hot News”).

## New OSHA 7-in-1 poster available thru state, IAMU

◆ **The 2009 “7-in-1” OSHA Poster is available at no charge through Iowa Workforce Development.** Submit your order via email request at: [IWD.CustomerService@iwd.iowa.gov](mailto:IWD.CustomerService@iwd.iowa.gov) Or call (515) 281-3618.

IAMU will also have free posters available at our offices in Ankeny. If you request IAMU to mail a poster to your city/utility, there will be a \$5 per poster charge for postage and handling.

# Joint load management? Questionnaire coming soon

An editorial by IAMU Executive Director Bob Haug



◆ **Every so often we are presented with opportunities to break from the past.** In the 1970s and early 80s, municipal electric utilities had a chance to invest in baseload generating facilities with the state’s investor-owned and cooperative utilities and to join with others in new joint action agencies. Those opportunities came with a lot of risk. It meant raising rates and taking on huge long-term debt or, in the case of joint action agencies, giving up some degree of local control. At that time, wholesale power supply contracts often extended for terms of 20 years or more – those contracts might have seemed like a safer choice. As it turned out, few who took the chance would regret it.

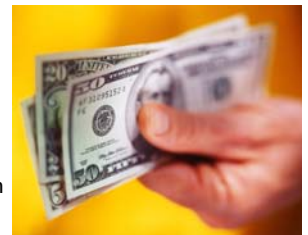
**Today, I believe the big opportunity we have is to re-think and reorganize our utilities into service providers of a different kind.** For a lot of municipal utilities, the business model has been one of selling kilowatt hours or therms of gas. However, if you think about it, our fundamental business is the operation of distribution monopolies. Except for power or gas supply and the transmission lines and pipes that deliver them, every penny needed to pay salaries, read meters, send out bills, and maintain local lines and pipes comes from customer payments for that monopoly service. If we can reduce the number of kWh or therms of gas we deliver by helping to make our customer-owners more energy efficient, we lower the cost of heating and cooling their homes and operating their businesses. That means more money left in the local economy. The problem is that we are hung up on the rates we charge for distribution service. The picture is a little more complicated for utilities with generating resources, but whether it’s the way we charge for service or what we do with energy we don’t sell, there are solutions.

**Here is a related opportunity: In the next week, IAMU will be sending out a questionnaire to determine interest in jointly pursuing load management. IAMU has received a study indicating the potential to avoid the need for as much as 48 MW of new electric generating capacity.** Controlling air conditioner compressors and water heaters is not new; many IAMU members have

**been doing it since the mid-1980s. What is new about this proposal is the ability to do it at a lower cost and with less up-front risk by partnering with other utilities. Participating utilities would share space on a host computer, rather than purchase software and computers. Load control would be implemented for the group of controllers or thermostats, based on daily peak periods and temperature. Besides significant cost savings, utilities would be able to install either the standard switches or new smart grid thermostats. Controlling loads through thermostats has a number of advantages and allows remote control of and messaging to individual units.**

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**The questionnaire will include a lot more detail about the proposal, but the value is readily apparent.** Consider that the IUB has opened a rulemaking on recommendations from the FERC that would require the filing of integrated resource plans as a condition of plant permitting. If the recommendations are approved, utilities will have to show that they have taken all cost-effective measures to avoid the need for new capacity. Reducing the need for new gas-fired peaking generation by 24 MW – just half the identified potential – would keep over \$12 million in the pockets of your consumers. Reducing the investment in new baseload generation would save many times that amount and at far less risk.



Whether it is helping customers to use energy more efficiently or deferring the need for new electric generation, the bottom line should be to help our customer-owners reduce the cost of heat, light, and water service.

The IAMU *Informer* is an electronic publication of the Iowa Association of Municipal Utilities.

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*Incoming IAMU Board President Bob Sewell of Milford (left) presents a plaque to outgoing President Brian Geschke of New Hampton at the IAMU Winter Meeting.*



*Pete DeKock of the office of Sen. Bruce Braley (top) spoke about the federal stimulus package at the Winter Meeting, while Susan Stratton of the Energy Center of Wisconsin spoke about a number of energy-related topics.*

## Marion's Kalkwarf, Manilla's Vennink receive honors

◆ Two utility officials were honored at IAMU's Winter Meeting. The IAMU Individual Achievement Award was presented to David Kalkwarf, Water Administrator of the Marion Municipal Water Department; and the IAMU Honor Roll Award was presented to Jon Vennink, past board member of Manilla Municipal Utilities.

David Kalkwarf will soon retire after 32 years with the Marion Municipal Water Department. During that time he has developed the reputation of helping to maintain a strong financial position for the utility, while Marion's population doubled during his tenure. He has also served on IAMU's Board of Directors for the last six years, where he was involved in many important discussions and decisions regarding not only municipal water topics, but other areas as well, including the hot topics of municipal telecommunications and energy issues. The Individual Achievement Award is presented to an employee of a utility who has been an active participant in Iowa municipal matters for at least 20 years.

Jon Vennick served for 23 years on the Manilla Municipal Utilities board, from 1985 – 2008. During that time, he championed many improvements to the utility's record of reliability. He is also remembered for helping Manilla residents receive better cell phone service, and for leading efforts to develop two new subdivisions and providing funding for other special projects. He has also been involved in political decisions through attending American Public Power Association (APPA) Legislative Rallies. The IAMU Honor Roll Award is presented to employees or officials of a member utility for outstanding contributions to the IAMU member utility system.



*David Kalkwarf, Administrator of the Marion Municipal Water Dept. (top photo, left) and Jon Vennink, past board member of Manilla Municipal Utilities (bottom photo, right) were honored at IAMU's Winter Meeting with the Individual Achievement Award and Honor Roll Awards, respectively. Outgoing IAMU Board President Brian Geschke presented the awards.*



*The Iowa Legislature was well represented at the IAMU Winter Meeting. Pictured at the Legislative Reception held at IAMU's Training & Office Complex are (top row, left to right): Murray Hulstein of Sioux Center Municipal Utilities (left) chatting with Rep. Dwayne Alons; Sen. Mike Gronstal (left) visiting with IAMU Legislative Counsel Julie Smith and Dennis Fannin of Osage Municipal Utilities. Bottom row, left to right: Rep. Jason Schultz (left) enjoying time with Mark Ramthun of Denison Municipal Utilities. Rep. Nathan Reichert (center photo) and Rep. Chuck Soderburg (right photo) were speakers during the meeting's Legislative Update.*