



**Upcoming Events**

**June 25 — 26, 2009**  
**Safety Workshop**

Register/more information:  
[Click here](#)

**July 29, 2009**  
**Gas Steel Pipe Workshop**

**Harness donated for IAMU  
Job Training & Safety use**

◆ IAMU has received the donation of a Rite-On brand safety harness from Airgas North Central of Des Moines. Valued at \$350, the harness will be put to good use in future training exercises on IAMU’s Safety & Training Field in the new confined space structure (to be constructed later this year).

IAMU extends its thanks to Airgas North Central for this generous donation that will help the association provide world class training. For more information on supporting IAMU’s training activities, contact IAMU’s Dave Hraha at [dhraha@iamu.org](mailto:dhraha@iamu.org).



**IAMU Safety Specialist Mike Hamilton shows off the safety harness donated to the association.**

**Franchise fees for electric, gas utilities OK’d in bill**



◆ As part of legislation enacted by Governor Culver prior to the recent signing deadline, municipalities in Iowa may now officially assess investor-owned and rural electric cooperatives for franchise fees. The maximum amount that can be assessed as part of a franchise agreement is five percent. The utility is able to assess that fee to its customers within the franchised area.

The issue has been a politically sensitive one, and is the subject of a lawsuit filed by a Des Moines resident against the city, claiming officials had no legal right to assess such fees. That case is now in the hands of a state District Court. The new legislation will apply to all municipalities in Iowa regardless of the outcome of this case.

Proponents favor franchise fees as a way for cities to help ease budget deficits and as way to possibly reduce property taxes.

The bill affects municipal electric and gas utilities by requiring that the city regulate the use of public rights of way in a non-discriminatory manner. A municipal utility is also required to match the franchise fee (up to the 5 percent maximum) if the city charges a franchise fee for another utility offering the same service within the city’s corporate boundaries. In other words, if a city with a municipal electric utility enters a franchise agreement with an investor-owned or REC utility whose service territory also extends into the city limits and the agreement includes a requirement that the utility pay the city a 3 percent franchise fee, then the municipal utility will have to ensure that its transfers of excess funds is also equal to 3 percent of gross revenue from sales within the city.

This latter provision has both pluses and minuses for municipal utilities. On the down side, it is possible that a city could enter a franchise agreement with an REC that includes a franchise fee higher than the municipal utility’s current level of transfers. On the plus side, most municipal electric and gas utilities make transfers to other city funds. To the extent that areas of the city are served by another utility that is not paying a franchise fee, customers of the other utility are not paying their fair share of the cost of city government. The legislation gives a strong argument that all non-municipal utilities should be required to have a franchise agreement with the city, setting the terms and conditions for use of the public rights of way.

**Sara Kaplan will work in energy efficiency efforts**

◆ IAMU welcomes Sara Kaplan to its Training & Office Center staff. Sara will work on a part-time basis as an Energy Services Engineer, assisting in energy efficiency projects. She holds a degree in Environmental Engineering from MIT and is currently pursuing a PhD in Sustainable Agriculture from Iowa State University.



Originally from New York City, Sara now resides in Ames and also works for the ISU Student Organic Farm.

She enjoys playing hockey with the Ames adult league in her spare time.

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