

# **IMGA** **gas NEWS** Interstate Municipal Gas Agency

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Issue 36

From the General Manager

## **It's been a busy – and productive – spring at IMGA!**

This edition of the IMGA newsletter is just a little late in arriving. Truth be told, the term “busy spring” is more than a bit of an understatement!

In the last 120 days, we've completed important changes which not only strengthen the Agency, but provide greater savings for IMGA member communities.

- We completed another successful IMGA Annual Meeting, which laid the groundwork for the Agency's participation in the Tennergy/IMGA long term supply project.
- We exceeded everyone's expectations by gaining commitments for 2.5 bcf annually to the project -- saving our towns more than a million dollars each year.
- We welcomed another new purchasing member, as well as our first member from the state of Kentucky.

None of this could have been done without the support and loyalty of some of the best local officials anywhere -- our IMGA members. Over the past two years, **you** have helped make this Agency rock-solid and poised for even more growth.

We're proud of our member communities, and look forward to working with you to help this Agency keep right on growing!

## **13 IMGA Communities Commit 2.5 bcf to Long Term Supply Project**

A total of 13 IMGA member communities have committed more than 2.5 billion cubic feet of natural gas each year to the long term supply project being offered jointly by Tennergy and IMGA.

Under the terms of the agreement, commonly called a pre-pay, Tennergy will issue tax-free municipal bonds to pay in advance for a 20 year supply of natural gas for participating communities. BP has been selected as the natural gas supplier for the project. Participating communities will receive their gas at a substantial discount to index over the 20 year period of the project.

Participating IMGA communities will save, cumulatively, more than \$1 million a year through their participation in the project.

“The Tennergy/IMGA pre-pay is going to be a tremendous deal for our purchasing members,” said IMGA board president Craig Robinson. “It combines tremendous partners (Tennergy, BP and JP Morgan Chase) with one of the best economic packages found anywhere.”

The first gas under the project will flow in September, with most IMGA purchasers starting their participation next May.

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## **Riverton becomes purchasing member**

Riverton, Illinois joins the ranks of IMGA purchasing members on July 1, 2009. The village entered into a twenty-year commitment with the Agency at its board meeting on May 21, 2007.

A community of more than 3,000 located on the banks of the Sangamon River in northeastern Sangamon County, Riverton began as a ferry crossing and railroad town originally known as Jamestown. Immigrant coal miners helped fuel the town's growth. Today, the village is a prospering suburb of Springfield with outstanding schools and a strong community spirit.

IMGA has been providing risk management services for the village since 2006, and we welcome them as a purchasing member of the Agency!

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## **Livermore becomes first KY member**

Yet another state was welcomed into the IMGA family as the City of Livermore Kentucky joined the Agency on June 14, 2007.

While currently in the midst of a natural gas supply contract with another supplier, Livermore Mayor Jerry Zuehl felt that the Agency could provide vital help in maintaining low energy prices. “Small towns need an organization like the IMGA to go to bat for them,” he said. “We're happy that IMGA is in our corner.”

A town of nearly 1,500 located in north central Kentucky, Livermore is located at the confluence of the Green and Rough rivers. The town was named for pioneer James Livermore. The community offers a comfortable lifestyle and a good commercial/industrial mix.

## IMGA Member Communities

Aledo, Illinois  
Auburn, Illinois  
Bethany, Illinois  
Chester, Illinois  
Cobden, Illinois  
Corning, Iowa

Creal Springs, Illinois  
Divernon, Illinois  
Enfield, Illinois  
Findlay, Illinois  
Franklin, Illinois  
Grayville, Illinois  
Karnak, Illinois  
Livermore, Kentucky  
Louisville, Illinois  
Milford, Illinois  
New Boston, Illinois  
Perryville, Missouri  
Pinckneyville, Illinois  
Pittsfield, Illinois  
Pleasant Hill, Illinois  
Riverton, Illinois  
Rossville, Illinois  
Tamms, Illinois  
Thebes, Illinois  
Waverly, Illinois  
Westville, Illinois  
White Hall, Illinois  
Winchester, Illinois

Communities need not purchase gas to become a member

## IMGA News Briefs – What's Going On!

### Another Successful Annual Meeting

Nearly 50 representatives of IMGA member communities gathered in Springfield on April 25th for the IMGA Annual Meeting. The meeting was once again held at the Northfield Inn and Suites.

Members heard presentations on the Tennergy/IMGA long term supply project, risk management, operator qualification (OQ) training, and pipeline emergency management. Luncheon speaker Ken Leonard (coach of the state champion football team from Sacred Heart Griffin High School) revealed his early start in the energy industry and how it was the Panhandle pipeline which actually brought his parents together. All in all, a GREAT time was had by all! Check out the pictures on the web site.

### IMGA Community Outreach Grants

It's once again time to submit your applications for IMGA Community Outreach Grants. These \$250 mini-grants are our way of saying "thanks" to our loyal purchasing communities. They can be used for any special purpose that doesn't fall within normal operating expenses. All that is required to apply is a letter from your mayor requesting the funds and listing the purpose for which they will be used. Apply today!

### Building Community Volumes

IMGA has played a pivotal role in helping two member communities increase their volumes by adding new industrial users.

In Tamms Illinois, the Agency assisted in persuading the local silica plant operated by UNIMIN to switch from propane to natural gas. The plant saved money by using a more economical energy source, and the Village of Tamms increased its volume by more than 85% each year.

While Corning Iowa was enjoying the many local jobs provided by its new ethanol production plant operated by POET, it was disappointed that the plant had its own natural gas supply. Thanks to the Tennergy/IMGA pre-pay, Corning's gas prices became so attractive that the plant couldn't resist. It's now purchasing a large portion of its supply each year from Corning Municipal Utilities!

Let the IMGA help your community bring on more volumes. Call Mark Schmidt at 217-438-4642.

### Date Set for 2008 Annual Meeting

The 2008 IMGA Annual Meeting will be held on Wednesday, April 30th. It will once again be held at the Northfield Inn and Suites in Springfield. Mark your calendars NOW!

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