

**CITY OF HAWARDEN
REGULAR CITY COUNCIL MEETING AGENDA
Hawarden City Hall – Council Chambers Room
Wednesday, October 12, 2016 at 5:30 p.m.**

Standard Agenda Items

- 1a. Approval of September 28, 2016 Council Meeting Minutes.**
- 1b. Approval of October 12, 2016 Claims for Payment**
- 1c. Open business from the Community (limited to a maximum of 5 minutes per item).**
- 2a. Mayor's Report**
- 2b. Council Comments**
- 2c. Staff Reports/Discussion**

Other Agenda Items

- 3. Hospital Project Update – Jayson Pullman**

- 4. Resolution 2016-22 authorizing the portion of 11th Street lying between the East edge of Avenue L and the West edge of Avenue M to the public from October 13 until no longer needed by Samuels Group, Inc. for use in facilitating the completion of the Hawarden Regional Health Care expansion project but no later than April 1, 2017**

- 5. Resolution 2016-23 authorizing and approving a Loan Agreement, providing for the issuance and securing the payment of \$2,655,000 Electric Revenue Refunding Bonds, Series 2016, and approving an Escrow Agreement for the investment of bond proceeds**

- 6. Consent Agenda Items:**
 - a. Request from Brian Engleman dba Sportsman's Lanes & Lounge for Liquor License Transfer to Hawarden Community Center on Saturday, October 15, 2016.**
 - b. Request from Casey's General Store for renewal of Class C Beer/Class E Liquor, Class B Wine/Class B Native Wine permit for on-premise sales with Sunday Sales.**

- 7. Closed session pursuant to Iowa Code Section 388.9 to discuss utility marketing and pricing strategies where the City's competitive position would be harmed by public disclosure not required of potential and actual competitors.**

City of Hawarden

Public Meeting Procedures

These Procedural rules are to provide for the orderly conduct of City business by the City Council, with the objective of providing for full, open and comprehensive debate of issues brought before the body for action in a forum open to the public, and which encourages citizens' awareness of City Council activities. These procedures do not increase or diminish the existing powers or authority of the Mayor or City Council members, but is intended merely to serve as a general set of guidelines to assist the governmental body in conducting City business.

House Rules:

- No food or drink other than bottled water may be brought into the Council Chambers.
- Cell phones and pagers should be silenced in the Council Chambers.
- Signs and placards are not permitted in the Council Chambers.

Citizens' Right To Be Heard:

It is the Council's goal that citizens resolve their complaints for service or regarding employees' performance at the staff level. However, it is recognized that citizens may from time to time believe it is necessary to speak to City Council on matters of concern. Accordingly, City Council expects any citizen to speak in a civil manner, with due respect for the decorum of the meeting, and with respect for all persons attending.

- No member of the public shall be heard until recognized by the presiding officer.
- Public comments will only be heard during the Public Comment portion of the meeting unless the issue is a Public Hearing.
- Speakers must stand at the dais and speak into the microphone, unless unable to do so, and state your name and address for the record.
- Any citizen requesting to speak shall limit himself or herself to matters of fact regarding the issue of concern.
- Comments should be limited to five (5) minutes unless prior approval by the presiding officer.
- If a representative is elected to speak for a group, the presiding officer may approve an increased time allotment.
- Personal attacks made publicly toward any citizen or city employee are not allowed. Citizens are encouraged to bring their complaints regarding employee performance through the supervisory chain of command in accordance with the City's Personnel policies.
- Any member of the public interrupting City Council proceedings, approaching the dais without permission, otherwise creating a disturbance, or failing to abide by these rules of procedure in addressing the City Council, shall be deemed to have disrupted a public meeting and, at the direction of the presiding officer, shall be removed from the Council Chambers by Police Department personnel or other agent designated by the City Council or City Administrator.

**UNAPPROVED MINUTES REGULAR CITY COUNCIL MEETING
HAWARDEN CITY HALL - COUNCIL CHAMBERS ROOM
Wednesday, September 28, 2016 at 5:30 p.m.**

The Council Meeting was called to order at 5:30 p.m.

Present: Mayor Porter; Council Members: Kurth, Allen, Olson, Feldhacker, Harvey.

Staff Present: Gary Tucker, City Administrator/City Clerk; Tom Kane, Public Works Director; Pam Wakeman, Finance Officer; Jim Pickner, City Attorney arrived at 6:09 p.m.

Staff Absent: Mike DeBruin, Chief of Police

Standard Agenda Items

1a. Approval of September 14, 2016 Regular Council Meeting Minutes. Moved by Olson/Kurth to approve September 14, 2016 Regular Council Meeting Minutes. Motion carried 5-0.

1b. Approval of Claims for payment. Moved by Kurth/Feldhacker to approve the Claims for Payment. Motion carried 5-0.

1c. Open Business from the Community was held.

2a. Mayor's Report was given.

2b. Council Comments were given.

2c. Staff Reports were given.

Other Agenda Items

Item 3. Hospital Project Update was given.

Jayson Pullman was present and gave an update.

Item 4. Sioux County Conservation presentation of Future Educational Center at Oak Grove.

Gordon Pottebaum, Sunday Ford & Sarah Davelaar gave a presentation to council.

Item 5. Approve Resolution 2016-21 approving a Bond Purchase Agreement for the sale of bonds thereunder.

Moved by Olson/Kurth to approve. Aye: Kurth, Olson, Allen, Feldhacker. Nay: Harvey. Motion carried 4-1.

Item 6. Consent Agenda

a. Request from Andres Arreola dba Hawarden Golf Course for Liquor License Transfer to Hawarden Community Center on Saturday, October 1, 2016.

b. Request from Brian Engleman dba Sportsman's Lanes & Lounge for Liquor License Transfer to Hawarden Community Center on Saturday, October 8, 2016.

Moved by Kurth/Olson to approve. Motion carried 5-0.

The next regular City Council Meeting will be Wednesday, October 12, 2016.

Moved by Allen/Olson to adjourn the meeting. Motion carried 5-0.

Meeting adjourned at 6:11 p.m.

Ricard R. Porter, Mayor

ATTEST:

Gary W. Tucker, City Administrator/City Clerk

**CITY OF HAWARDEN
COUNCIL MEETING
OCTOBER 12, 2016**

CHECK NO	VENDOR NAME	REFERENCE	VENDOR TOTAL
ACH	CITY OF HAWARDEN	PAYROLL	\$ 74,599.42
11140374	PAYROLL ACCT CITY	EXCISE TAX	\$ 472.06
11140375	CLAYTON ENERGY - BOND & INTEREST ACCT	GAS PURCHASE	\$ 5,488.21
48354	BOMGAARS	SUPPLIES	\$ 1,392.04
48355	CATALYST SOLUTIONS	SHIPPING	\$ 650.63
48356	CENTRAL PARTS & SUPPLY	SUPPLIES	\$ 454.23
48357	CONSOLIDATED COMMUNICATIONS	SERVICES	\$ 424.63
48358	DIGI-KEY CORP 758681	SUPPLIES	\$ 95.11
48359	LONG LINES	SERVICES	\$ 15,074.06
48360	NATIONAL CABLE TELEVISION	TV PROGRAMMING COST	\$ 24,467.23
48361	NORTH WEST REC	POWER FOR WELLS	\$ 25.00
48362	USA BLUEBOOK	SUPPLIES	\$ 261.40
48363	USAC	FEES	\$ 5,010.71
48364	VISA	SUPPLIES	\$ 370.00
48367	KINGSBURY ELECTRONIC SYSTEMS	CC SOUND SYSTEM	\$ 5,263.58
48368	AD-VERTISER	PUBLISHING	\$ 773.56
48369	AMERICAN WATER WORKS ASSOC	MEMBERSHIP DUES	\$ 360.00
48370	DAMON ANDERSON	REFUND	\$ 3.45
48371	AUREON NETWORK SERVICES	TRANSIT TRAFFIC	\$ 5.45
48372	RANDY BALLARD	REBATE	\$ 20.00
48373	BTN	TV PROGRAMMING COST	\$ 1,393.20
48374	BORDER STATES ELEC SUPPLY	SUPPLIES	\$ 32.01
48375	BRUCES PLBG HTG & ELEC LLC	SERVICES	\$ 80.00
48376	JAMES H BUSHBY	REFUND	\$ 6.82
48377	CASEYS GENERAL STORE INC	FUEL	\$ 2,322.63
48378	CITY OF HAWARDEN	CREDIT TRANSFER	\$ 590.32
48379	COOPERATIVE FARMERS ELEVATOR	SUPPLIES	\$ 477.90
48380	CULLIGAN WATER CONDITIONING	SUPPLIES	\$ 31.00
48381	DAVE'S CONSTRUCTION INC	TRANSFORMER	\$ 31,424.50
48382	DIAMOND VOGEL & WAX CO	SUPPLIES	\$ 194.76
48383	KELLY EISMA	REBATE	\$ 2,075.00
48384	FASTENAL COMPANY	SUPPLIES	\$ 236.71
48385	MIKE FINCH	SUPPLIES	\$ 630.47
48386	GAUL STEVE	REBATE	\$ 10.00
48387	GRAINGER INC	SUPPLIES	\$ 27.24
48388	HAWARDEN REGIONAL HEALTHCARE	LOCAL OPTION SALES TAX	\$ 27,847.92
48389	HAWARDEN SENIOR CITIZEN CENTER	RENT	\$ 250.00
48390	HAWARDEN CHAMBER AND	QUARTERLY PAYMENT	\$ 7,500.00
48391	HITEC	PHONE SVC	\$ 804.06
48392	DENNY HUGHES	REFUND	\$ 39.30
48393	INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$ 31.40

CHECK NO	VENDOR NAME	REFERENCE	VENDOR TOTAL
48394	IOWA DNR	ANNUAL WATER FEES	\$ 132.00
48395	IOWA INFORMATION INC	ADVERTISING	\$ 37.50
48396	IOWA PRISON INDUSTRIES	SIGNS	\$ 63.70
48397	JEFFS RADIATOR & REPAIRS	VEHICLE MAINTENACE	\$ 226.17
48398	MARGARET KRAMER	UTILITY REFUND	\$ 2.48
48399	KRIZ-DAVIS COMPANY	SUPPLIES	\$ 85,909.55
48400	KSOU-AM & FM KHK-FM	ADVERTISING	\$ 45.00
48401	KTIV	RETRANSMISSION	\$ 1,859.34
48402	L.G. EVERIST INC	IMPROVEMENTS	\$ 2,789.94
48403	LIN TELEVISION CORPORATION	RETRANSMISSION	\$ 2,166.78
48404	LYNOTT IMPLEMENT INC	SUPPLIES	\$ 26.10
48405	MAI WELDING SUPPLY LTD	SUPPLIES	\$ 181.25
48406	MAIL FINANCE	POSTAGE MACHINE LEASE	\$ 825.00
48407	TERRY MILLER	REBATE	\$ 50.00
48408	MUELLER CO	SUPPLIES	\$ 114.71
48409	MUNICIPAL UTILITIES	UTILITIES	\$ 823.16
48410	NO STREAKING INC	WINDOW CLEANING	\$ 625.00
48411	ONE OFFICE SOLUTION	SUPPLIES	\$ 146.83
48412	JONATHAN PARKS	REBATE	\$ 25.00
48413	WANDA PHILIPS	PHONE REFUND	\$ 15.36
48414	PHYSICIANS CLAIMS COMPANY	AMB BILLING	\$ 1,238.55
48415	PICKNER LAW OFFICE PC	LEGAL FEES	\$ 700.00
48416	POLICE LEGAL SCIENCES	ONLINE TRAINING	\$ 480.00
48417	JOHN PUSEY	REFUND CABLE	\$ 2.98
48418	REGIONAL TRANSIT AUTHORITY	QTRLY PMNT	\$ 2,000.00
48419	ROVI GUIDES	TV PROGRAMMING COST	\$ 540.90
48420	SAFETY MADE SIMPLE	TRAINING	\$ 330.00
48421	SD DEPT. OF TRANSPORTATION	CALLIOPE VILLAGE LEASE	\$ 200.00
48422	SINCLAIR BROADCAST GROUP	RETRANSMISSION FEE	\$ 3,327.24
48423	SIOUXLAND DISTRICT HEALTH DEPT	LAB FEES	\$ 49.00
48424	SUNSHINE FOODS	SUPPLIES	\$ 20.85
48425	TEREX SERVICES	ANNUAL INSPECTIONS	\$ 2,351.64
48426	DANA TRIEBWASSER	REFUND CABLE	\$ 1.94
48427	UNITED PARCEL SERVICE	SHIPPING	\$ 8.47
48428	VERIZON	CELL SERVICE	\$ 229.98
48429	VOLTMER INC	SERVICES	\$ 43,605.80
48430	WESCO RECEIVABLES CORP	SUPPLIES	\$ 2,360.00
48431	ARDEN WIKSEN	REFUND PHONE	\$ 71.13
		REPORT TOTAL	\$ 364,799.36

TREASURER'S REPORT -- CITY OF HAWARDEN

September 30, 2016

FUND NO	FUND NAME	PREVIOUS MONTH'S BALANCE	RECEIPTS	DISBURSED	Clerks Balance	INVESTMENTS	TREASURER'S BALANCE
001	General	\$307,499.92	\$277,978.49	\$95,690.99	\$489,787.42		\$489,787.42
005	Gen Fund Capital Facility Fund	\$65,854.21	\$1,322.84	\$1,439.10	\$65,737.95	\$50,000.00	\$15,737.95
110	Road Use	\$164,729.12	\$0.00	\$76,380.00	\$88,349.12		\$88,349.12
111	I-Jobs Road Use Fund	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
112	Employee Benefits	\$14,733.10	\$16,781.15	\$38,911.25	(\$7,397.00)		(\$7,397.00)
117	Police Retirement	\$1,758.25	\$3,259.36	\$956.16	\$4,061.45		\$4,061.45
121	Local Option Tax	\$0.00	\$27,847.92	\$27,847.92	\$0.00		\$0.00
	T. I. F.	\$0.00	\$0.00	\$0.00	\$0.00		
126	TIF - Area A & A Addition	\$422,605.39	\$20,803.69	\$13,961.00	\$429,448.08		\$429,448.08
127	TIF-Area C	(\$2,177.43)	\$315.20	\$9,250.00	(\$11,112.23)		(\$11,112.23)
128	TIF-Area 1	\$163,000.66	\$14,484.67	\$51,006.25	\$126,479.08		\$126,479.08
129	TIF D	\$12,173.02	\$7.51	\$3,750.00	\$8,430.53		\$8,430.53
200	Debt Service	\$1,186.47	\$72,012.62	\$0.00	\$73,199.09		\$73,199.09
301	Capital Improve.	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
302	St Special Assessments	\$59,933.55	\$15,072.45	\$0.00	\$75,006.00		\$75,006.00
303	Low/Mod Income Prj	\$3,819.84	\$2.69	\$138.00	\$3,684.53		\$3,684.53
304	Walking Trail Proj	\$14,167.13	\$9.19	\$0.00	\$14,176.32		\$14,176.32
305	Street Projects	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
306	Mapping/Web Site Project	\$2,966.80	\$1.92	\$0.00	\$2,968.72		\$2,968.72
307	USDA RBEG RLF	\$44,773.42	\$837.70	\$0.00	\$45,611.12		\$45,611.12
308	Electric Upgrade Project	\$337,512.27	\$249.91	\$78,257.04	\$259,505.14		\$259,505.14
309	Expendable Trust/Contingency	\$100,597.75	\$13.35	\$0.00	\$100,611.10	\$80,000.00	\$20,611.10
310	Public Works Bldg Replace	\$321,593.47	\$8,547.29	\$0.00	\$330,140.76	\$250,000.00	\$80,140.76
311	CAT Grant Heart of Hawarden Project	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
500	Marie Gregg Non-Expendable Trust Int Savings Acct Vipond Endowment Non-Expendable Trust Int Savings Acct	\$39,815.69 \$1,344.63 \$90,000.00 \$10,931.36	\$0.00 \$188.43 \$0.00 \$228.45	\$0.00 \$0.00 \$0.00 \$654.92	\$39,815.69 \$1,533.06 \$90,000.00 \$10,504.89	\$39,815.69 \$90,000.00	\$0.00 \$1,533.06 \$0.00 \$10,504.89
501	Library Gifts/Donations	\$23,110.90	\$112.16	\$627.35	\$22,595.71	\$5,000.00	\$17,595.71

600	Gen. Utility Adm	(\$48,995.90)	\$0.00	(\$48,995.90)	\$0.00		\$0.00
601	Water Fund						
	Operating	(\$252,256.87)	\$47,589.23	\$46,959.63	(\$251,627.27)		(\$251,627.27)
	Water Plant	\$76,712.12	\$0.00	\$0.00	\$76,712.12		\$76,712.12
610	Waste Water Fund						
	Operating	(\$152,472.16)	\$37,168.35	\$42,458.73	(\$157,762.54)		(\$157,762.54)
	Waste Water Plant	\$223,742.84	\$3,783.00	\$7,500.00	\$220,025.84		\$220,025.84
630	Electric Fund						
	Operating	\$1,809,953.27	\$273,931.70	\$364,234.30	\$1,719,650.67	\$611,000.00	\$1,108,650.67
	Electric Plant	\$596,345.45	\$6,004.00	\$0.00	\$602,349.45	\$500,000.00	\$102,349.45
	Electric Sinking	\$36,076.06	\$108,228.15	\$0.00	\$144,304.21		\$144,304.21
	Electric Improvement	\$100,000.00	\$0.00	\$0.00	\$100,000.00	\$100,000.00	\$0.00
	Electric Reserve	\$382,243.00	\$0.00	\$0.00	\$382,243.00	\$380,000.00	\$2,243.00
631	Elec/Revolving Loan Fund	\$272,111.26	\$1,450.63	\$0.00	\$273,561.89		\$273,561.89
640	Gas Fund						
	Operating	\$408,485.59	\$22,706.00	\$80,919.65	\$350,271.94		\$350,271.94
	Gas Plant	\$159,666.17	\$0.00	\$0.00	\$159,666.17	\$145,000.00	\$14,666.17
670	Solid Waste Fund						
	Operating	\$60,126.44	\$15,169.68	\$14,159.74	\$61,136.38		\$61,136.38
	Solid Waste Plant	\$19,523.16	\$0.00	\$0.00	\$19,523.16		\$19,523.16
700	Telecomm. Adm.	(\$21,375.17)	\$0.00	(\$21,378.17)	\$3.00		\$3.00
710	Cabl/Internet Fund						
	Operating	\$64,298.93	\$85,956.94	\$78,702.50	\$71,553.37		\$71,553.37
	Cable Comm. Plant	\$108,257.56	\$0.00	\$0.00	\$108,257.56		\$108,257.56
720	Telephone Fund						
	Operating	(\$399,074.24)	\$68,678.03	\$79,677.79	(\$410,074.00)		(\$410,074.00)
	Telephone Plant Fd.	\$195,057.57	\$0.00	\$25,000.00	\$170,057.57		\$170,057.57
800	Project Share	\$1,231.95	\$72.78	\$0.00	\$1,304.73		\$1,304.73
830	Equip. Replacement	\$588,352.62	\$41,101.88	\$30,096.44	\$599,358.06	\$500,000.00	\$99,358.06
950	Trust & Ag Projects & Playground Equipment	\$10,325.66	\$50.00	\$627.98	\$9,747.68		\$9,747.68
	Totals	\$6,440,264.83	\$1,171,967.36	\$1,098,832.67	\$6,513,399.52	\$2,750,815.69	\$3,762,583.83
	less intrafund transfers		(\$150,515.15)	(\$150,515.15)			
	Totals	\$6,440,264.83	\$1,021,452.21	\$948,317.52	\$6,513,399.52	\$2,750,815.69	\$3,762,583.83

REVENUE REPORT
 CALENDAR 9/2016, FISCAL 3/2017

ACCOUNT NUMBER	ACCOUNT TITLE	FISCAL ESTIMATE	PTD BALANCE	YTD BALANCE	PERCENT RECVD	UNCOLLECTED
	GENERAL FUND TOTAL	1,544,403.00	277,978.49	380,128.51	24.61	1,164,274.49
	GEN FUND FAC MAIN FUND TOTAL	5,750.00	1,322.84	1,385.02	24.09	4,364.98
	ROAD USE TAX FUND TOTAL	305,520.00	.00	58,512.89	19.15	247,007.11
	I-JOBS TOTAL	.00	.00	.00	.00	.00
	EMPLOYEE BENEFITS LEVY TOTAL	155,645.00	16,781.15	18,385.60	11.81	137,259.40
	POLICE RETIREMENT FUND TOTAL	13,030.00	3,259.36	3,259.36	25.01	9,770.64
	LOCAL OPTION SALES TAX TOTAL	350,000.00	27,847.92	80,283.12	22.94	269,716.88
	TIF AREA A & ADDITION TOTAL	219,157.00	20,803.69	23,320.24	10.64	195,836.76
	TIF AREA C TOTAL	46,808.00	315.20	325.86	.70	46,482.14
	TIF AREA I TOTAL	226,134.00	14,484.67	14,484.67	6.41	211,649.33
	TIF AREA D TOTAL	16,240.00	7.51	7.51	.05	16,232.49
	DEBT SERVICE FUND TOTAL	378,452.00	72,012.62	73,009.66	19.29	305,442.34
	CAPITAL IMPROVEMENT FUND TOTA	.00	.00	.00	.00	.00
	STREET SPECIAL ASSESSMENT TOTA	36,173.00	15,072.45	15,072.45	41.67	21,100.55
	LOW-MOD.INCOME PROJECT TOTAL	.00	2.69	2.69	.00	2.69-
	WALKING TRAIL PROJECT TOTAL	.00	9.19	9.19	.00	9.19-
	STREET PROJECTS TOTAL	.00	.00	.00	.00	.00
	MAPPING/WEBSITE PROJECT TOTAL	.00	1.92	1.92	.00	1.92-
	USDA RBEG RLF TOTAL	9,564.00	837.70	2,423.30	25.34	7,140.70
	ELECTRIC UPGRADE PROJECT TOTA	.00	249.91	249.91	.00	249.91-
	EXPENDABLE TRUST-CONFUND TOTA	500.00	13.35	112.84	22.57	387.16
	PUBLIC WORKS BLD REPLACE TOTA	35,500.00	8,547.29	8,858.23	24.95	26,641.77
	CAT GRANT/HEART OF HAW TOTAL	.00	.00	.00	.00	.00
	GREGG/VIPOND LIB TRUSTS TOTAL	650.00	416.88	416.88	64.14	233.12
	LIBRARY GIFTS/DONATIONS TOTAL	3,150.00	112.16	421.38	13.38	2,728.62
	WATER UTILITY FUND TOTAL	362,800.00	47,589.23	132,503.21	36.52	230,296.79
X	WASTE WATER UTILITY FUND TOTA	329,129.00	29,668.35	84,218.38	25.59	244,910.62
	ELECTRIC UTILITY FUND TOTAL	2,728,255.00	273,931.70	687,657.44	25.21	2,040,597.56
	ELEC-REVOLVING LOAN FUND TOTA	14,206.00	1,450.63	3,871.97	27.26	10,334.03
	GAS UTILITY FUND TOTAL	1,029,300.00	22,706.00	64,784.21	6.29	964,515.79
	SOLID WASTE UTILITY FUND TOTA	175,000.00	15,169.68	44,912.42	25.66	130,087.58
	CABLE/INTERNET UTILITY TOTAL	809,300.00	85,956.94	244,106.33	30.16	565,193.67
	TELEPHONE UTILITY FUND TOTAL	441,550.00	43,678.03	116,748.68	26.44	324,801.32
	PROJECT SHARE FUND TOTAL	1,000.00	72.78	216.78	21.68	783.22
	CAPITAL EQUIPMENT FUND TOTAL	466,297.00	41,101.88	44,041.45	9.44	422,255.55
	TRUST & AGENCY PROJECTS TOTAL	.00	50.00	50.00	.00	50.00-
	TOTAL REVENUE	9,703,513.00	1,021,452.21	2,103,782.10	21.68	7,599,730.90

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	PTD BALANCE	YTD BALANCE	PERCENT EXPENDED	UNEXPENDED
	GENERAL FUND TOTAL	1,529,276.00	95,690.99	451,220.65	29.51	1,078,055.35
	GEN FUND FAC MAIN FUND TOTAL	10,000.00	1,439.10	2,225.29	22.25	7,774.71
	ROAD USE TAX FUND TOTAL	305,520.00	76,380.00	76,380.00	25.00	229,140.00
	I-JOBS TOTAL	.00	.00	.00	.00	.00
	EMPLOYEE BENEFITS LEVY TOTAL	155,645.00	38,911.25	38,911.25	25.00	116,733.75
	POLICE RETIREMENT FUND TOTAL	13,030.00	956.16	3,346.56	25.68	9,683.44
	LOCAL OPTION SALES TAX TOTAL	350,000.00	27,847.92	80,283.12	22.94	269,716.88
	TAX INCREMENT FINANCING TOTAL	.00	.00	.00	.00	.00
	TIF AREA A & ADDITION TOTAL	171,832.00	13,961.00	13,961.00	8.12	157,871.00
	TIF AREA C TOTAL	46,805.00	9,250.00	9,250.00	19.76	37,555.00
	TIF AREA I TOTAL	429,025.00	51,006.25	51,006.25	11.89	378,018.75
	TIF AREA D TOTAL	15,000.00	3,750.00	3,750.00	25.00	11,250.00
	DEBT SERVICE FUND TOTAL	375,894.00	.00	.00	.00	375,894.00
	CAPITAL IMPROVEMENT FUND TOTA	.00	.00	.00	.00	.00
	STREET SPECIAL ASSESSMENT TOTA	.00	.00	.00	.00	.00
	LOW-MOD.INCOME PROJECT TOTAL	.00	138.00	1,475.10	.00	1,475.10-
	WALKING TRAIL PROJECT TOTAL	.00	.00	.00	.00	.00
	STREET PROJECTS TOTAL	.00	.00	.00	.00	.00
	MAPPING/WEBSITE PROJECT TOTAL	.00	.00	.00	.00	.00
	USDA RBEG RLF TOTAL	.00	.00	.00	.00	.00
	ELECTRIC UPGRADE PROJECT TOTA	890,000.00	78,257.04	415,960.05	46.74	474,039.95
	EXPENDABLE TRUST-CONFUND TOTA	.00	.00	.00	.00	.00
	PUBLIC WORKS BLD REPLACE TOTA	15,000.00	.00	.00	.00	15,000.00
	CAT GRANT/HEART OF HAW TOTAL	.00	.00	.00	.00	.00
	GREGG/VIPOND LIB TRUSTS TOTAL	8,000.00	654.92	654.92	8.19	7,345.08
	LIBRARY GIFTS/DONATIONS TOTAL	8,000.00	627.35	2,293.46	28.67	5,706.54
	GENERAL UTILITY ADMIN. TOTAL	.00	48,995.90-	.00	.00	.00
	WATER UTILITY FUND TOTAL	324,114.00	46,959.63	72,509.68	22.37	251,604.32
	WASTE WATER UTILITY FUND TOTA	340,966.00	38,675.73	80,824.11	23.70	260,141.89
	ELECTRIC UTILITY FUND TOTAL	2,283,513.00	250,002.15	576,199.61	25.23	1,707,313.39
	ELEC-REVOLVING LOAN FUND TOTA	.00	.00	.00	.00	.00
	GAS UTILITY FUND TOTAL	968,578.00	80,919.65	127,365.80	13.15	841,212.20
	SOLID WASTE UTILITY FUND TOTA	173,229.00	14,159.74	35,845.66	20.69	137,383.34
	TELECOMMUNICATIONS ADMIN TOTA	.00	21,378.17-	3.00-	.00	3.00
	CABLE/INTERNET UTILITY TOTAL	736,982.00	78,702.50	241,794.91	32.81	495,187.09
	TELEPHONE UTILITY FUND TOTAL	518,233.00	79,677.79	186,190.03	35.93	332,042.97
	PROJECT SHARE FUND TOTAL	1,000.00	.00	.00	.00	1,000.00
	CAPITAL EQUIPMENT FUND TOTAL	150,000.00	30,096.44	104,986.12	69.99	45,013.88
	TRUST & AGENCY PROJECTS TOTAL	.00	627.98	627.98	.00	627.98-
	TOTAL EXPENSES	9,819,642.00	948,317.52	2,577,058.55	26.24	7,242,583.45

REVENUE AND EXPENSE REPORT
September 30, 2016

FUND	Actual Month to Date		Actual Year to Date		Budgeted		% of Budget	
	Revenue	Expense	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses
General Fund	\$277,978.49	\$95,690.99	\$380,128.51	\$451,220.65	\$1,544,403.00	\$1,529,276.00	24.61%	29.51%
Gen Fund Capital Facility Fund	\$1,322.84	\$1,439.10	\$1,385.02	\$2,225.29	\$5,750.00	\$10,000.00	24.09%	0.00%
Road Use Tax Fund	\$0.00	\$76,380.00	\$58,512.89	\$76,380.00	\$305,520.00	\$305,520.00	19.15%	25.00%
I-Jobs Road Use Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
Employee Benefits Levy Fund	\$16,781.15	\$38,911.25	\$18,385.60	\$38,911.25	\$155,645.00	\$155,645.00	11.81%	25.00%
Police Retirement Fund	\$3,259.36	\$956.16	\$3,259.36	\$3,346.56	\$13,030.00	\$13,030.00	25.01%	25.68%
Local Option Sales Tax Fund	\$27,847.92	\$27,847.92	\$80,283.12	\$80,283.12	\$350,000.00	\$350,000.00	22.94%	22.94%
TIF A & A Amendment	\$20,803.69	\$13,961.00	\$23,320.24	\$13,961.00	\$219,157.00	\$171,832.00	10.64%	8.12%
TIF C	\$315.20	\$9,250.00	\$325.86	\$9,250.00	\$46,808.00	\$46,805.00	0.70%	19.76%
TIF 1	\$14,484.67	\$51,006.25	\$14,484.67	\$51,006.25	\$226,134.00	\$429,025.00	6.41%	11.89%
TIF D	\$7.51	\$3,750.00	\$7.51	\$3,750.00	\$16,240.00	\$15,000.00	0.05%	25.00%
Debt Service Fund	\$72,012.62	\$0.00	\$73,009.66	\$0.00	\$378,452.00	\$375,894.00	19.29%	0.00%
Capital Improvement Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
St. Special Assessments	\$15,072.45	\$0.00	\$15,072.45	\$0.00	\$36,173.00	\$0.00	41.67%	0.00%
Low-Mod Income Project Fund	\$2.69	\$138.00	\$2.69	\$1,475.10	\$0.00	\$0.00	0.00%	0.00%
Walking Trail Project fund	\$9.19	\$0.00	\$9.19	\$0.00	\$0.00	\$0.00	0.00%	0.00%
Street Projects	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
Mapping/Website Proj Fund	\$1.92	\$0.00	\$1.92	\$0.00	\$0.00	\$0.00	0.00%	0.00%
USDA RBEG Grant RLF	\$837.70	\$0.00	\$2,423.30	\$0.00	\$9,564.00	\$0.00	25.34%	0.00%
Electric Upgrade Project	\$249.91	\$78,257.04	\$249.91	\$415,960.05	\$0.00	\$890,000.00	0.00%	46.74%
Expendable Trust-Contingency	\$13.35	\$0.00	\$112.84	\$0.00	\$500.00	\$0.00	22.57%	0.00%
Public Works Bldg Replace Fund	\$8,547.29	\$0.00	\$8,858.23	\$0.00	\$35,500.00	\$15,000.00	24.95%	0.00%
CAT Grant/Heart of Haw Project	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
Gregg/Vipond Trusts	\$416.88	\$654.92	\$416.88	\$654.92	\$650.00	\$8,000.00	64.14%	8.19%
Library Gifts/Donations Fund	\$112.16	\$627.35	\$421.38	\$2,293.46	\$3,150.00	\$8,000.00	13.38%	28.67%
General Utility Administration	\$0.00	-\$48,995.90	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
Water Utility Fund	\$47,589.23	\$46,959.63	\$132,503.21	\$72,509.68	\$362,800.00	\$324,114.00	36.52%	22.37%
Waste Water Utility Fund	\$29,668.35	\$38,675.73	\$84,218.38	\$80,824.11	\$329,129.00	\$340,966.00	25.59%	23.70%
Electric Utility Fund	\$273,931.70	\$250,002.15	\$687,657.44	\$576,199.61	\$2,728,255.00	\$2,283,513.00	25.21%	25.23%
Elec-Revolving Loan Fund	\$1,450.63	\$0.00	\$3,871.97	\$0.00	\$14,206.00	\$0.00	27.26%	0.00%
Gas Utility Fund	\$22,706.00	\$80,919.65	\$64,784.21	\$127,365.80	\$1,029,300.00	\$968,578.00	6.29%	13.15%
Solid Waste Utility Fund	\$15,169.68	\$14,159.74	\$44,912.42	\$35,845.66	\$175,000.00	\$173,229.00	25.66%	20.69%
Telecommunications Adm	\$0.00	-\$21,378.17	\$0.00	-\$3.00	\$0.00	\$0.00	0.00%	0.00%
Cable/Internet Fund	\$85,956.94	\$78,702.50	\$244,106.33	\$241,794.91	\$809,300.00	\$736,982.00	30.16%	32.81%
Telephone Fund	\$43,678.03	\$79,677.79	\$116,748.68	\$186,190.03	\$441,550.00	\$518,233.00	26.44%	35.93%
Project Share Fund	\$72.78	\$0.00	\$216.78	\$0.00	\$1,000.00	\$1,000.00	21.68%	0.00%
Capital Equipment Fund	\$41,101.88	\$30,096.44	\$44,041.45	\$104,986.12	\$466,297.00	\$150,000.00	9.44%	69.99%
Trust & Agency Projects	\$50.00	\$627.98	\$50.00	\$627.98	\$0.00	\$0.00	0.00%	0.00%
Totals	\$1,021,452.21	\$948,317.52	\$2,103,782.10	\$2,577,058.55	\$9,703,513.00	\$9,819,642.00	21.68%	26.24%

RESOLUTION 2016-22

A RESOLUTION TEMPORARILY CLOSING THE PORTION OF 11TH STREET LYING EAST OF THE EAST EDGE OF AVENUE L AND WEST OF THE WEST EDGE OF AVENUE M, HAWARDEN, IOWA

WHEREAS, Iowa Code Section 364.12 (2) provides that public ways may be temporarily closed by resolution of the City Council; and

WHEREAS, the City Council has received a request from Samuels Group, Inc. acting as a representative for Hawarden Regional Healthcare to close a portion of 11th Street to allow the Contractors working on the Hawarden Regional Health Care expansion to locate construction trailers and materials on the street while the hospital expansion project is completed; and,

WHEREAS, the City Council has determined that it is in the City and the citizens of Hawarden's interests to facilitate the completion of the expansion project;

NOW, THEREFORE, be it RESOLVED by the City Council of Hawarden, Iowa that the portion of 11th Street lying between the East edge of Avenue L and the West edge of Avenue M shall be closed to the public from October 13, 2016 until no longer needed by Samuels Group, Inc. for use in facilitating the completion of the Hawarden Regional Health Care expansion project; but no later than April 1, 2017 without approval of the Hawarden City Council by further resolution.

Passed and approved this 12th day of October, 2016.

Ricard R. Porter, Mayor

Attest:

Gary W. Tucker, City Administrator/Clerk

STREET USE AGREEMENT

By their signatures below the parties agree as follows:

Hawarden Regional Healthcare has requested that the City of Hawarden, Iowa (City) temporarily close the portion of 11th Street lying between the East edge of Avenue L and the West edge of Avenue M in Hawarden and allow contractors and companies as permitted by The Samuels Group to use this area for storage and for activities related to the completion of the Hawarden Regional Health Care expansion project.

In consideration for using the closed street Hawarden Regional Healthcare agrees as follows:

1. Hawarden Regional Healthcare will be solely responsible for marking the closed street area and providing warning to the public that the street is closed.
2. Hawarden Regional Healthcare will be solely responsible for maintaining the area in a safe condition and controlling access to use of the area.
3. Hawarden Regional Healthcare will restore any damage to the street which may occur during the time that it is closed regardless of the cause of such damage.
4. To the fullest extent permitted by law, Hawarden Regional Healthcare shall indemnify and hold harmless the City, its officers, agents, officials and employees from and against all claims, damages, losses and expenses, including but not limited to, attorney fees whether incurred prior to or during litigation, administrative hearings, arbitration, mediation or bankruptcy proceedings, including trial and appellate levels, arising in connection with the use of the closed street during the time it is closed at the request of Hawarden Regional Healthcare.

Dated: _____

Hawarden Regional Healthcare

By: _____
Jayson Pullman, CEO

Dated: _____

CITY OF HAWARDEN, IOWA

By: _____
Ricard Porter, Mayor

ATTEST:

Gary Tucker, City Administrator/ Clerk

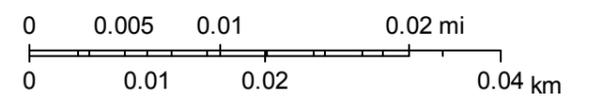
Sioux County GIS WebMap



October 4, 2016

□ Parcels

1:600



RESOLUTION NO. 2016-23

Resolution authorizing and approving a Loan Agreement, providing for the issuance and securing the payment of \$2,655,000 Electric Revenue Refunding Bonds, Series 2016, and approving an Escrow Agreement for the investment of bond proceeds

WHEREAS, the City of Hawarden, in Sioux County, State of Iowa (the "City"), did heretofore establish a Municipal Electric Utility System (the "Utility"), in and for the City, which has continuously supplied electrical service in and to the City and its inhabitants since its establishment; and

WHEREAS, the management and control of the Utility are vested in the City Council (the "Council") and no board of trustees exists for this purpose; and

WHEREAS, pursuant to a prior resolution (the "2011 Bond Resolution") of the Council, the City has previously issued its \$4,615,000 Electric Revenue Improvement and Refunding Bonds, Series 2011, dated November 30, 2011 (the "Series 2011 Bonds"), a portion of which remain outstanding; and

WHEREAS, pursuant to the 2011 Bond Resolution, the City reserved the right to call the Series 2011 Bonds maturing in the years 2019 to 2031, inclusive (the "Callable Series 2011 Bonds"), on any date on or after June 1, 2018; and

WHEREAS, pursuant to a prior resolution (the "2015 Bond Resolution" and, together with the 2011 Bond Resolution, the "Outstanding Bond Resolutions") of the Council, the City has also previously issued its \$2,890,000 Electric Revenue Improvement Bonds, Series 2015, dated May 5, 2015 (the "Series 2015 Bonds" and, together with the Series 2011 Bond, the "Outstanding Bonds"), a portion of which remains outstanding; and

WHEREAS, pursuant to the Outstanding Bond Resolutions, the City reserved the right to issue additional obligations payable from the net revenues of the Utility and ranking on a parity with the Outstanding Bonds; and

WHEREAS, pursuant to the provisions of Section 384.24A of the Code of Iowa, the City heretofore proposed to enter into an Electric Revenue Refunding Loan Agreement (the "Loan Agreement") and to borrow money thereunder in a principal amount not to exceed \$2,750,000 for the purpose of paying the cost, to that extent, of advance refunding the Callable Series 2011 Bonds, and pursuant to law and a notice duly published, the City Council has held a public hearing on such proposal on August 24, 2016; and

WHEREAS, a Preliminary Official Statement (the "P.O.S.") has been prepared to facilitate the sale of Electric Revenue Refunding Bonds, Series 2016 (the "Bonds") in evidence of the obligation of the City under the Loan Agreement, and the City Council has made provision for the approval of the P.O.S. and has authorized its use by D.A. Davidson & Co (the "Underwriter"); and

WHEREAS, the City has entered into a certain Bond Purchase Agreement (the “Bond Purchase Agreement”) with the Underwriter with respect to the Loan Agreement and the Bonds; and

WHEREAS, it is now necessary to make final provision for approval of the Loan Agreement, to authorize the issuance of the Bonds, as Parity Obligations under the Outstanding Bond Resolutions, and to authorize an escrow agreement to facilitate the early redemption of the Callable Series 2011 Bonds and the payment of interest on the Bonds through and including June 1, 2018, thereby effectuating an advance cross over refunding structure;

NOW, THEREFORE, Be It Resolved by the City Council of the City of Hawarden, Iowa, as follows:

Section 1. The City shall enter into the Loan Agreement with the Underwriter in substantially the form as has been placed on file with the City Council, providing for a loan to the City in the principal amount of \$2,655,000, for the purpose set forth in the preamble hereof.

The Mayor and City Clerk are authorized and directed to sign the Loan Agreement on behalf of the City, and the Loan Agreement is hereby approved.

Section 2. It is hereby determined that the City shall enter into an escrow agreement (the “Escrow Agreement”) with the Registrar (as hereinafter defined), as Escrow Agent, in such form as has been presented to the City Council. The Escrow Agreement is hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute the Escrow Agreement on behalf of the City. The loan proceeds shall be deposited and invested in accordance with the terms of the Escrow Agreement, and, as set forth therein, when timely, shall be used to fund the redemption of the Callable Series 2011 Bonds as hereinafter set forth.

Furthermore, Bankers Trust Company, as Registrar and Paying Agent for the Series 2011 Bonds, is hereby authorized to take all action necessary to call the Callable Series 2011 Bonds for redemption on June 1, 2018 (the “Redemption Date”), and is further authorized and directed to give notice of such redemption by sending notice to each of the registered owners of the Callable Series 2011 Bonds to be redeemed at the addresses shown on the City’s registration books, not less than 30 days prior to the Redemption Date.

Section 3 The Bonds, in the aggregate principal amount of \$2,655,000, are hereby authorized to be issued in evidence of the City’s obligations under the Loan Agreement. The Bonds shall be dated October 27, 2016, shall be issued in the denomination of \$5,000 each or any integral multiple thereof and shall mature on June 1 in each of the years, in the respective principal amounts, and bear interest at the respective rates as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2019	\$180,000	2.00%	2026	\$205,000	2.50%
2020	\$185,000	2.00%	2027	\$210,000	2.50%
2021	\$185,000	2.00%	2028	\$215,000	2.20%
2022	\$190,000	2.00%	2029	\$220,000	2.75%
2023	\$195,000	2.00%	2030	\$230,000	2.35%
2024	\$200,000	2.00%	2031	\$235,000	2.50%
2025	\$205,000	2.25%			

Section 4. Bankers Trust Company, Des Moines, Iowa, is hereby designated as the Registrar and Paying Agent for the Bonds and may be hereinafter referred to as the “Registrar” or the “Paying Agent.” The City shall enter into an agreement (the “Registrar/Paying Agent Agreement”) with the Registrar, in substantially the form as has been placed on file with the City Council; the Mayor and City Clerk are hereby authorized and directed to sign the Registrar/Paying Agent Agreement on behalf of the City; and the Registrar/Paying Agent Agreement is hereby approved.

The City reserves the right to optionally prepay part or all of the principal of the Bonds maturing in the years 2025 to 2031, inclusive, prior to and in any order of maturity on June 1, 2024, or on any date thereafter upon terms of par and accrued interest. If less than all of the Bonds of any like maturity are to be redeemed, the particular part of those Bonds to be redeemed shall be selected by the Registrar by lot. The Bonds may be called in part in one or more units of \$5,000.

If less than the entire principal amount of any Bond in a denomination of more than \$5,000 is to be redeemed, the Registrar will issue and deliver to the registered owner thereof, upon surrender of such original Bond, a new Bond or Bonds, in any authorized denomination, in a total aggregate principal amount equal to the unredeemed balance of the original Bond. Notice of such redemption as aforesaid identifying the Bond or Bonds (or portion thereof) to be redeemed shall be sent by electronic means or mailed by certified mail to the registered owners thereof at the addresses shown on the City’s registration books not less than 30 days prior to such redemption date. Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was sent. All of such Bonds as to which the City reserves and exercises the right of redemption and as to which notice as aforesaid shall have been given and for the redemption of which funds are duly provided, shall cease to bear interest on the redemption date.

Accrued interest on the Bonds shall be payable semiannually on the first day of June and December in each year, commencing June 1, 2017. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Payment of interest on the Bonds shall be made to the registered owners appearing on the registration books of the City at the close of business on the fifteenth day of the month next preceding the interest payment date and shall be paid to the registered owners at the addresses shown on such registration books. Principal of the Bonds shall be payable in lawful money of the United States of America to the registered owners or their legal

representatives upon presentation and surrender of the Bond or Bonds at the office of the Paying Agent.

The Bonds shall be executed on behalf of the City with the official manual or facsimile signature of the Mayor and attested with the official manual or facsimile signature of the City Clerk, and shall be fully registered Bonds without interest coupons. The issuance of the Bonds shall be recorded in the office of the City Treasurer, and the certificate on the back of each Bond shall be executed with the official manual or facsimile signature of the City Treasurer. In case any officer whose signature or the facsimile of whose signature appears on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Bonds shall not be valid or become obligatory for any purpose until the Certificate of Authentication thereon shall have been signed by the Registrar.

All of the Bonds and the interest thereon, together with the Outstanding Bonds and any additional obligations as may be hereafter issued and outstanding from time to time ranking on a parity therewith under the conditions set forth herein (which additional obligations are hereinafter sometimes referred to as "Parity Obligations"), shall be payable solely from the Net Revenues of the Utility and the Sinking Fund and certain funds pledged to the payment thereof, which are hereby pledged to the payment of the Bonds. The Bonds shall be a valid claim of the owners thereof only against said Net Revenues and Sinking Fund and certain funds pledged to the payment thereof. None of the Bonds shall be a general obligation of the City, nor payable in any manner by taxation, and under no circumstances shall the City be in any manner liable by reason of the failure of the Net Revenues of the Utility to be sufficient for the payment in whole or in part of the Bonds and the interest thereon.

The Bonds shall be fully registered as to principal and interest in the names of the owners on the registration books of the City kept by the Registrar, and after such registration, payment of the principal thereof and interest thereon shall be made only to the registered owners, or their legal representatives or assigns. Each Bond shall be transferable only upon the registration books of the City upon presentation to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form thereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The record and identity of the owners of the Bonds shall be kept confidential as provided by Section 22.7 of the Code of Iowa.

Section 5. Notwithstanding anything above to the contrary, the Bonds shall be issued initially as Depository Bonds, with one fully registered Bond for each maturity date, in principal amounts equal to the amount of principal maturing on each such date, and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). On original issue, the Bonds shall be deposited with DTC for the purpose of maintaining a book-entry system for recording the ownership interests of its participants and the transfer of those interests among its participants (the "Participants"). In the event that DTC determines not to continue to act as securities depository for the Bonds or the City determines not to continue the

book-entry system for recording ownership interests in the Bonds with DTC, the City will discontinue the book-entry system with DTC. If the City does not select another qualified securities depository to replace DTC (or a successor depository) in order to continue a book-entry system, the City will register and deliver replacement bonds in the form of fully registered certificates, in authorized denominations of \$5,000 or integral multiples of \$5,000, in accordance with instructions from Cede & Co., as nominee for DTC. In the event that the City identifies a qualified securities depository to replace DTC, the City will register and deliver replacement bonds, fully registered in the name of such depository, or its nominee, in the denominations as set forth above, as reduced from time to time prior to maturity in connection with redemptions or retirements by call or payment, and in such event, such depository will then maintain the book-entry system for recording ownership interests in the Bonds.

Ownership interest in the Bonds may be purchased by or through Participants. Such Participants and the persons for whom they acquire interests in the Bonds as nominees will not receive certificated Bonds, but each such Participant will receive a credit balance in the records of DTC in the amount of such Participant's interest in the Bonds, which will be confirmed in accordance with DTC's standard procedures. Each such person for which a Participant has an interest in the Bonds, as nominee, may desire to make arrangements with such Participant to have all notices of redemption or other communications of the City to DTC, which may affect such person, forwarded in writing by such Participant and to have notification made of all interest payments.

The City will have no responsibility or obligation to such Participants or the persons for whom they act as nominees with respect to payment to or providing of notice for such Participants or the persons for whom they act as nominees.

As used herein, the term "Beneficial Owner" shall hereinafter be deemed to include the person for whom the Participant acquires an interest in the Bonds.

DTC will receive payments from the City, to be remitted by DTC to the Participants for subsequent disbursement to the Beneficial Owners. The ownership interest of each Beneficial Owner in the Bonds will be recorded on the records of the Participants whose ownership interest will be recorded on a computerized book-entry system kept by DTC.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the City to DTC, and DTC shall forward (or cause to be forwarded) the notices to the Participants so that the Participants can forward the same to the Beneficial Owners.

Beneficial Owners will receive written confirmations of their purchases from the Participants acting on behalf of the Beneficial Owners detailing the terms of the Bonds acquired. Transfers of ownership interest in the Bonds will be accomplished by book entries made by DTC and the Participants who act on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except as specifically provided herein. Interest and principal will be paid when due by the City to DTC, then paid by DTC to the Participants and thereafter paid by the Participants to the Beneficial Owners.

Section 6. The Bonds shall be in substantially the following form:

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF IOWA **SIOUX COUNTY**
CITY OF HAWARDEN

ELECTRIC REVENUE REFUNDING BOND, SERIES 2016

No. _____				\$ _____
	RATE	MATURITY DATE	BOND DATE	CUSIP
	_____ %	June 1, ____	October 27, 2016	420064 ____

The City of Hawarden (the "City"), in Sioux County, State of Iowa, for value received, promises to pay on the maturity date of this Bond to:

Cede & Co.
New York, NY

or registered assigns, the principal sum of

THOUSAND DOLLARS

in lawful money of the United States of America upon presentation and surrender of this Bond at the office of Bankers Trust Company, Des Moines, Iowa (hereinafter referred to as the "Registrar" or the "Paying Agent") with interest on said sum, until paid, at the rate per annum specified above from the date of this Bond, or from the most recent interest payment date on which interest has been paid, on June 1 and December 1 of each year, commencing June 1, 2017, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto. Interest on this Bond is payable to the registered owner appearing on the registration books of the City at the close of business on the fifteenth day of the month next preceding the interest payment date, and shall be paid to the registered owner at the address shown on such registration books. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Registrar.

This Bond is one of a series of Electric Revenue Refunding Bonds, Series 2016 (the "Bonds") issued by the City to evidence its obligation under a certain Loan Agreement, dated as of October 27, 2016 (the "Loan Agreement") entered into by the City for the purpose of paying the cost, to that extent, of cross over advance refunding the 2019 to 2032, inclusive, maturities of the City's Electric Revenue Improvement and Refunding Bonds, Series 2011, dated November 30, 2011.

The Bonds are issued pursuant to and in strict compliance with the provisions of Chapter 384 of the Code of Iowa, 2015, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the City Council authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of the Bonds (the "Resolution"), and reference is hereby made to the

Resolution and the Loan Agreement for a more complete statement as to the source of payment of the Bonds and the rights of the owners of the Bonds.

The City reserves the right to optionally prepay part or all of the principal of the Bonds maturing in each of the years 2025 to 2031, inclusive, prior to and in any order of maturity on June 1, 2024, or on any date thereafter upon terms of par and accrued interest.

If less than all of the Bonds of any like maturity are to be redeemed, the particular part of those Bonds to be redeemed shall be selected by the Registrar by lot. The Bonds may be called in part in one or more units of \$5,000. If less than the entire principal amount of any Bond in a denomination of more than \$5,000 is to be redeemed, the Registrar will issue and deliver to the registered owner thereof, upon surrender of such original Bond, a new Bond or Bonds, in any authorized denomination, in a total aggregate principal amount equal to the unredeemed balance of the original Bond. Notice of such redemption as aforesaid identifying the Bond or Bonds (or portion thereof) to be redeemed shall be sent by electronic means or by certified mail to the registered owners thereof at the addresses shown on the City's registration books not less than 30 days prior to such redemption date. All of such Bonds as to which the City reserves and exercises the right of redemption and as to which notice as aforesaid shall have been given and for the redemption of which funds are duly provided, shall cease to bear interest on the redemption date.

The Bonds are not general obligations of the City but, together with the City's outstanding Electric Revenue Improvement and Refunding Bonds, Series 2011, dated November 30, 2011; Electric Revenue Improvement Bonds, Series 2015, dated May 5, 2015; and any additional obligations as may be hereafter issued and outstanding from time to time ranking on a parity therewith under the conditions set forth in the Resolution, are payable solely and only out of the future Net Revenues of the Utility, a sufficient portion of which has been ordered set aside and pledged for that purpose. This Bond is not payable in any manner by taxation, and under no circumstances shall the City be in any manner liable by reason of the failure of the said Net Revenues to be sufficient for the payment of this Bond and the interest hereon.

This Bond is fully negotiable but shall be fully registered as to both principal and interest in the name of the owner on the books of the City in the office of the Registrar, after which no transfer shall be valid unless made on said books and then only upon presentation of this Bond to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form hereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The City, the Registrar and the Paying Agent may deem and treat the registered owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and the City, the Registrar and the Paying Agent shall not be affected by any notice to the contrary.

And It Is Hereby Certified, Recited and Declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Bonds have existed, have happened and have been performed in due time, form and manner, as required by law, and that the issuance of the Bonds does not exceed or violate any constitutional or statutory limitation or provision.

IN TESTIMONY WHEREOF, the City of Hawarden, Iowa, by its City Council, has caused this Bond to be executed with the duly authorized facsimile signature of the Mayor and attested with the duly authorized facsimile signature of the City Clerk, all as of October 27, 2016.

CITY OF HAWARDEN, IOWA

By (Facsimile Signature)
Mayor

Attest:

(Facsimile Signature)
City Clerk

Registration Date: (Registration Date)

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolution.

Bankers Trust Company
Des Moines, Iowa
Registrar

By _____
Authorized Officer

STATE OF IOWA
COUNTY OF SIOUX
CITY OF HAWARDEN

SS: CITY TREASURER'S CERTIFICATE

The original issuance of the Bonds, of which this Bond is a part, was duly and properly recorded in my office as of October 27, 2016.

By (Facsimile Signature)
City Treasurer, Hawarden, Iowa

ABBREVIATIONS

The following abbreviations, when used in this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common	UTMA _____ (Custodian)
TEN ENT	-	as tenants by the entireties	As Custodian for _____ (Minor)
TEN	-	as joint tenants with right of survivorship and not as tenants in common	under Uniform Transfers to Minors Act _____ (State)

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

For valuable consideration, receipt of which is hereby acknowledged, the undersigned assigns this Bond to

(Please print or type name and address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

and does hereby irrevocably appoint _____, Attorney, to transfer this Bond on the books kept for registration thereof with full power of substitution.

Dated: _____

Signature guaranteed:

Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guarantee program.

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears on this Bond in every particular, without alteration or enlargement or any change whatever.

Section 7 The Bonds shall be executed as herein provided as soon after the adoption of this resolution as may be possible and thereupon they shall be delivered to the Registrar for registration, authentication and delivery to or upon direction of the Underwriter, upon receipt of the loan proceeds (the "Loan Proceeds"), and all action heretofore taken in connection with the Loan Agreement is hereby ratified and confirmed in all respects.

The Loan Proceeds received from the sale of the Bonds shall be (1) deposited with the Escrow Agent and shall be invested and used in accordance with the Escrow Agreement as set forth in Section 2; and (2) used to pay costs of issuance of the Bonds. To the extent that Loan Proceeds remain after the full payment of the costs set forth in (1) and (2) in the preceding sentence, such Loan Proceeds shall be used for the payment of interest on the Bonds. The City shall keep a detailed and segregated accounting of the expenditure of, and investment earnings on, the Loan Proceeds to ensure compliance with the requirements of the Internal Revenue Code, as hereinafter defined.

Section 8. So long as any of the Bonds, the Outstanding Bonds or any Parity Obligations are outstanding, the City shall continue to maintain the Utility in good condition, and the Utility shall continue to be operated in an efficient manner and at a reasonable cost as a revenue producing undertaking. The City Council shall establish, impose, adjust and provide for the collection of rates to be charged to customers of the Utility, including the City, to produce gross revenues (hereinafter sometimes referred to as the "Gross Revenues") at least sufficient to pay the expenses of operation and maintenance of the Utility, which shall include salaries, wages, cost of maintenance and operation, materials, supplies, insurance and all other items normally included under recognized accounting practices (but does not include allowances for depreciation in the valuation of physical property) (which such expenses are hereinafter sometimes referred to as the "Operating Expenses") and to leave a balance of net revenues (herein referred to as the "Net Revenues") equal to at least 110% of the amount of the average annual payments of principal of and interest on all of the Bonds, the Outstanding Bonds and any Parity Obligations outstanding from time to time, as the same become due, and to maintain a reasonable reserve for the payment of such principal and interest, as hereinafter provided.

Section 9 The provisions, covenants, undertakings and stipulations for the operation of the Utility and for the collection, application and use of the Gross Revenues and income from such operation, as set forth in the Outstanding Bond Resolutions (including without limitation the establishment and maintenance of the funds described therein) shall inure and appertain to the Bonds to the same extent and with like force and effect as if herein set out in full, except only insofar as the same may be inconsistent with this resolution. Such provisions, covenants, undertakings and stipulations shall remain in full force and effect for the benefit of the Purchaser and the Bonds in the event the Outstanding Bonds are paid in full or otherwise cease to be outstanding.

Nothing in this resolution shall be construed to impair the rights vested in the registered holders of the Outstanding Bonds. The amounts herein required to be paid into the various funds hereinafter referred to shall be in addition to all payments required in respect to the Outstanding Bond Resolutions. The provisions of the Outstanding Bond Resolutions and the provisions of this resolution are to be construed whenever possible so that the same will not be in conflict. In the event such construction is not possible, the provisions of the resolution first adopted shall prevail

until such time as the obligations authorized by such resolution have been paid or otherwise satisfied as therein provided, at which time the provisions of this resolution shall again prevail.

Section 10. The provisions in and by the Outstanding Bond Resolutions whereby there has been created and is to be maintained an Electric Revenue Fund (herein referred to as the "Revenue Fund") are all hereby ratified and confirmed and after the issuance of the Bonds, the Gross Revenues of the Utility shall continue to be set aside into the City's Revenue Fund. The Revenue Fund shall be used in maintaining and operating the Utility, and after payment of the Operating Expenses shall, to the extent hereinafter provided, be used to pay the principal of and interest on the Bonds, the Outstanding Bonds and any Parity Obligations, and to create and maintain the several separate funds hereinafter established and in the following priority.

A. Sinking Fund. The provisions in and by the Outstanding Bond Resolutions whereby there has been created and is to be maintained an Electric Revenue Bond Sinking Fund (herein referred to as the "Sinking Fund"), and for the payment into said fund from the Net Revenues of the Utility such portion thereof as will be sufficient to pay the interest on and principal of the Outstanding Bonds, are all hereby ratified and confirmed, and all such provisions shall inure and constitute the security for the payment of the interest on and principal of the Bonds hereby authorized as may be outstanding from time to time; provided, however that on the first day of each month of each year, the minimum amount to be set aside, in addition to the amounts required to be set aside in the Outstanding Bond Resolutions and paid into the Sinking Fund shall be not less than as follows:

Commencing June 1, 2018, an amount equal to 1/6th of the installment of interest coming due on the next succeeding interest payment date on the then outstanding Bonds. Additionally, commencing on June 1, 2018, and continuing to and including final maturity, an amount equal to 1/12th of the installment of principal coming due on such Bonds on the next succeeding principal payment date, until the full amount of such installment is on deposit in the Sinking Fund.

The payment of interest on the Bonds through and including June 1, 2018 shall be paid from amounts on deposit in the Escrow Agreement and shall be accounted for in the Sinking Fund as appropriate.

Money in the Sinking Fund shall be used solely for the purpose of paying principal of and interest on the Bonds, the Outstanding Bonds and any Parity Obligations as the same shall become due and payable. Whenever Parity Obligations are issued under the conditions and restrictions hereinafter set forth, provisions shall be made for additional payments to be made into the Sinking Fund for the purpose of paying the interest on and principal of such Parity Obligations.

If at any time there be a failure to pay into the Sinking Fund the full amount above stipulated, then an amount equivalent to the deficiency shall be paid into the Sinking Fund from the Net Revenues of the Utility as soon as available, and the same shall be in addition to the amount otherwise required to be so set apart and paid into the Sinking Fund.

No further payments need be made into the Sinking Fund when and so long as the amount therein is sufficient to retire all of the Bonds, the Outstanding Bonds and any Parity Obligations

then outstanding which are payable from the Sinking Fund and to pay all interest to become due thereon prior to such retirement, or if provision for such payment has been made.

All of such payments required to be made into the Sinking Fund shall be made in equal monthly installments on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday, then such payments shall be made on the next succeeding secular day. Sinking Fund from the Net Revenues of the Utility as soon as available, and the same shall be in addition to the amount otherwise required to be so set apart and paid into the Sinking Fund.

B. Reserve Fund. The provisions of the Outstanding Bond Resolutions whereby there has been created and is to be maintained a special fund to be known and designated as the Principal and Interest Reserve Fund (hereinafter referred to as the "Reserve Fund") are all hereby ratified and confirmed, and the Reserve Fund shall be maintained in an amount representing the maximum amount of principal and interest payable on the Bonds and the Outstanding Bonds (the "Required Reserve Fund Balance"), which amount has been determined to be \$434,262.50, of which \$382,243 is attributable to the Series 2011 Bonds (the "Required Series 2011 Reserve"). From and after the issuance of the Bonds and until the Series 2011 Bonds are no longer outstanding on June 1, 2018, the Reserve Fund shall only secure the Outstanding Bonds and not the Bonds or any Parity Obligations; however, on and after June 1, 2018, the Reserve Fund shall secure the Bonds, and the Required Series 2011 Reserve shall be reduced to \$432,600. The excess amount of the Required Series 2011 Reserve remaining in the Reserve Fund on June 1, 2018 (approximately \$1,662.50) will be applied to the June 1, 2018 debt service payment on the Series 2011 Bonds; and thereafter, the Required Reserve Fund Balance shall be \$432,600.

Whenever the sum on deposit in the Reserve Fund has been reduced to less than the Required Reserve Fund Balance by the expenditure of all or a portion of the funds on deposit therein for any of the purposes specified herein, there shall be deposited into the Reserve Fund the remaining Net Revenues after first making the required deposits into the Sinking Fund, until the sum on deposit in the Reserve Fund has been restored to the Required Reserve Fund Balance.

All money credited to the Reserve Fund shall be used and is hereby pledged for the payment of the principal of and interest on the Bonds and the Outstanding Bonds whenever for any reason the funds on deposit in the Sinking Fund are insufficient to pay such principal and interest when due. If and to whatever extent Parity Obligations to be secured by the Reserve Fund shall be issued under the conditions set forth in this resolution, provision shall be made to create and maintain a reasonable reserve therefor as determined at the time of the marketing of such Parity Obligations.

C. Improvement Fund. The provisions in and by the Outstanding Bond Resolutions, whereby there is to be maintained a separate and special fund known as the Improvement Fund providing for a balance of \$100,000 (the "Required Improvement Fund Balance") to be used for the purposes and with the priorities specified in the Outstanding Bond Resolutions and as hereinafter set out, are all hereby ratified and confirmed. The Required Improvement Fund Balance shall remain at \$100,000, and such funds shall be maintained on deposit in the Improvement Fund until such time as all of the Outstanding Bonds and the Bonds have been paid in full, both principal and interest, or provision for such payment has been made. Whenever the sum on deposit in the Improvement Fund has been reduced to less than the Required Improvement Fund Balance by the expenditure of all or a portion of such funds for any of the permitted purposes, monthly payments of \$2,500 shall be deposited into such Improvement Fund from the Net Revenues remaining after first making the required deposits into the Sinking Fund and the Reserve Fund, and after the Reserve Fund contains the Required Reserve Fund Balance, until the sum on deposit in the Improvement Fund has been restored to the Required Improvement Fund Balance. From and after the issuance of the Bonds and throughout the time any of the Bonds, the Outstanding Bonds or any Parity Obligations are outstanding, money on deposit in the Improvement Fund not otherwise specially limited by other provisions contained herein or in Outstanding Bond Resolutions, shall be used solely and only for the following purposes and with the following priorities:

First, if for any reason there exists a deficiency in the required balance in the Sinking Fund and provided sufficient amounts are not available in the Revenue Fund to pay such deficiency, there shall be paid into the Sinking Fund an amount equal to the deficiency from the amounts on deposit in the Improvement Fund.

Second, said money shall be transferred and credited to the Reserve Fund whenever any deficiency may exist in the Reserve Fund.

Third, not exceeding one half (1/2) of the amount required to be paid into the Improvement Fund each month may be pledged, set aside, used and applied to the payment of principal of and interest on subordinate revenue bonds issued to pay the cost of making necessary improvements and extensions to the Utility, provided there has first been procured and filed with the City the written opinion of a reputable consulting engineer employed by the City that the proposed improvements and extensions are required to insure the continued efficient and successful operation of the Utility.

Fourth, to pay for the cost of capital improvements and extensions to the Utility provided, however, that prior to the expenditure no deficiency exists in the amounts required to be paid into the Sinking Fund and the Reserve Fund, and there has first been procured and placed on file with the City the written opinion of a reputable consulting engineer employed by the City that the proposed capital improvements and extensions are required to insure the continued efficient and successful operation of the Utility.

D. Surplus Fund. There shall continue to be maintained a special fund to be known and designated as the Surplus Fund into which there shall be set apart and paid all of the Net

Revenues remaining after first making any required payments into the Sinking Fund, the Reserve Fund and the Improvement Fund and after the Reserve Fund and the Improvement Fund each contain the required balances, and. All money credited to the Surplus Fund shall be transferred and credited to the Sinking Fund whenever necessary to prevent or remedy a default in the payment of the principal of or interest on the Bonds, the Outstanding Bonds and any Parity Obligations or shall be transferred and credited to the Reserve Fund whenever any deficiency may exist in the Reserve Fund or shall be transferred and credited to the Improvement Fund whenever any deficiency may exist in the Improvement Fund.

As long as the Sinking Fund, the Reserve Fund and the Improvement Fund have the full amounts required to be deposited therein by this resolution, any balance in the Surplus Fund may be made available to the City as the City Council, or such other duly constituted body as may then be charged with the operation of the Utility, may from time to time direct.

Section 11. All of such payments required to be made into any fund created or to be maintained under the terms of this resolution shall be made in equal monthly installments as hereinbefore provided on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday, then such payments shall be made on the next succeeding secular day, and all money held in any fund created or to be maintained under the terms of this resolution shall be deposited in lawful depositories of the City or invested in accordance with Chapters 12B and 12C of the Code of Iowa and continuously held and secured as provided by the laws of the State of Iowa relating to the depositing, securing, holding and investing of public funds. All interest received by the City as a result of investments under this section shall be deposited in or transferred to the Sinking Fund and used solely and only for the purposes specified herein for such fund.

Section 12. The City hereby covenants and agrees with the owner or owners of the Bonds, the Outstanding Bonds and any Parity Obligations, or any of them, that may be outstanding from time to time, that it will faithfully and punctually perform all duties with reference to the Utility required and provided by the Constitution and laws of the State of Iowa, that it will segregate the Gross Revenues of the Utility and make application thereof in accordance with the provisions of this resolution and that it will not sell, lease or in any manner dispose of the Utility or any part thereof, including any and all extensions and additions that may be made thereto, until all of the Bonds, the Outstanding Bonds and any Parity Obligations have been paid in full, both principal and interest, or unless and until provision shall have been made for the payment thereof in full, both principal and interest; provided, however, that the City may dispose of any property which in the judgment of the City Council, or the duly constituted body as may then be charged with the operation of the Utility, is no longer useful or profitable in the operation of the Utility nor essential to the continued operation thereof and when the sale thereof will not operate to reduce the revenues to be derived from the operation of the Utility.

Section 13. Upon a breach or default of a term of the Bonds, the Outstanding Bonds or any Parity Obligations and this resolution, a proceeding may be brought in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required under the terms of this resolution and Division V of Chapter 384 of the Code of Iowa or an action may be brought to obtain the appointment of a receiver to take possession of and operate the Utility and to perform the duties required by this resolution and Division V of Chapter 384 of the Code of Iowa.

Section 14. The provisions of the Outstanding Bond Resolutions with respect to the issuance of Parity Obligations are hereby recognized and confirmed. The Bonds, the Outstanding Bonds or any Parity Obligations shall not be entitled to priority or preference one over the other in the application of the Net Revenues of the Utility, regardless of the time or times of the issuance thereof, it being the intention of the City that there shall be no priority among the Bonds, the Outstanding Bonds or Parity Obligations, regardless of the fact that they may have been actually issued and delivered at different times. The City hereby covenants and agrees that so long as any of the Bonds, the Outstanding Bonds or any Parity Obligations are outstanding and unpaid, no other bonds or obligations payable from the Net Revenues of the Utility will be issued except upon the basis of such bonds or obligations being subject to the priority and security for payment of the Bonds, the Outstanding Bonds or any Parity Obligations then outstanding; provided, however, that the City reserves the right and privilege of issuing Parity Obligations in order to pay the cost of improvements and extensions to the Utility or for refunding any bonds or obligations payable from the Net Revenues of the Utility, but only if the officially reported Net Revenues of the Utility for the last preceding fiscal year prior to the issuance of such Parity Obligations (with adjustments as hereinafter provided) were equal to at least 125% of the maximum amount of principal and interest that will become due in any subsequent year during the life of the Bonds for the Bonds, the Outstanding Bonds and any Parity Obligations then outstanding and the Parity Obligations then proposed to be issued.

The amount of Gross Revenues of the Utility may be adjusted for the purpose of the foregoing computations by an independent consulting engineer or, after the Series 2015 Bonds are no longer outstanding, a municipal financial advisor, in either case, not a regular employee of the City, so as to reflect any revision in the schedule of rates and charges being imposed at the time of the issuance of any such Parity Obligations.

Obligations issued to refund the Bonds, the Outstanding Bonds or any Parity Obligations shall not be subject to the foregoing restrictions, provided the Bonds, the Outstanding Bonds or Parity Obligations being refunded mature within three (3) months of the date of such refunding and no other funds are available to pay such maturing Bonds, the Outstanding Bonds or Parity Obligations, or the issuance of the refunding obligations will not cause an increase in the annual debt service requirements during the life of any of the Bonds, the Outstanding Bonds or any Parity Obligations then outstanding which are not being refunded but otherwise any Parity Obligations shall only be issued subject to the restrictions of this resolution.

Section 15. The City agrees that so long as the Bonds, the Outstanding Bonds or any Parity Obligations remain outstanding, it will maintain insurance for the benefit of the owners of the Bonds, the Outstanding Bonds and any Parity Obligations on the insurable portions of the Utility of a kind and in an amount which usually would be carried by private companies or municipalities engaged in a similar type of business. The City will keep proper books of record and account, separate from all other records and accounts, showing the complete and correct entries of all transactions relating to the Utility, and the owners of the Bonds, the Outstanding Bonds or any Parity Obligations shall have the right at all reasonable times to inspect the Utility and all records, accounts and data of the City relating thereto.

Section 16. The provisions of this resolution shall constitute a contract between the City and the owners of the Bonds, and after the issuance of the Bonds, no change, variation or alteration

of any kind of the provisions of this resolution shall be made which will adversely affect the owners of the Bonds until all of the Bonds and the interest thereon shall have been paid in full, except as hereinafter provided.

The owners of a majority in principal amount of the Bonds, the Outstanding Bonds and Parity Obligations at any time outstanding (not including in any case any obligations which may be then held or owned by or for the account of the City, but including such obligations as may be issued for the purpose of refunding any of the Bonds, the Outstanding Bonds or any Parity Obligations if such obligations shall not then be owned by the City) shall have the right from time to time to consent to and approve the adoption by the City Council, or such other duly constituted body as may then be charged with the operation of the Utility, of a resolution or resolutions modifying or amending any of the terms or provisions contained in this resolution; provided, however, that this resolution may not be so modified or amended in such manner as to:

- a. make any change in the maturity or redemption terms of the Bonds, the Outstanding Bonds or any Parity Obligations;
- b. make any change in the rate of interest borne by the Bonds, the Outstanding Bonds or any Parity Obligations;
- c. reduce the amount of the principal payable on any Bonds, Outstanding Bonds or Parity Obligations;
- d. modify the terms of payment of principal of or interest on the Bonds, the Outstanding Bonds or any Parity Obligations, or any of them, or impose any conditions with respect to such payment;
- e. affect the rights of the owners of less than all of the Bonds, the Outstanding Bonds or any Parity Obligations then outstanding; or
- f. reduce the percentage of the principal amount of the Bonds, the Outstanding Bonds or any Parity Obligations, the consent of the owners of which shall be required to effect a further modification.

Whenever the City shall propose to amend or modify this resolution under the provisions of this section, it shall (1) prior to the publication of the notice hereinafter provided for in (2), cause notice of the proposed amendment to be mailed to each of the owners of the Bonds, the Outstanding Bonds and Parity Obligations at the addresses appearing on the registration books of the City and also to the Lender, and (2) cause notice of the proposed amendment to be published one time in a newspaper published and/or having a general circulation in the City of Hawarden, Iowa. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the City Clerk.

If the owners of at least a majority in aggregate principal amount of the Bonds, the Outstanding Bonds or any Parity Obligations outstanding at the time of the adoption of such amendatory resolution shall have consented to and approved the adoption thereof as herein provided, no owner of any Bonds, the Outstanding Bonds or Parity Obligations shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the

terms or provisions therein contained or to the operation thereof or to enjoin or restrain the City from taking any action pursuant to the provisions thereof.

Any consent given by the owners of a Bond, Outstanding Bond or Parity Obligation pursuant to the provisions of this section shall be irrevocable for a period of six (6) months from the date of such consent and shall be conclusive and binding upon all future owners of the same Bond, Outstanding Bond or Parity Obligation during such period. Such consent may be revoked at any time after six (6) months from the date of such consent by the owner who gave such consent or by a successor in title, but such revocation shall not be effective if the owners of a majority in aggregate principal amount of the Bonds, the Outstanding Bonds and Parity Obligations outstanding as in this section defined shall have, prior to the attempted revocation, consented to and approved the amendatory resolution referred to in such revocation.

The fact and date of the execution of any instrument under the provisions of this section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the persons signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

Section 17. It is the intention of the City that interest on the Bonds be and remain excluded from gross income for federal income tax purposes pursuant to the appropriate provisions of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations in effect with respect thereto (all of the foregoing herein referred to as the "Internal Revenue Code"). In furtherance thereof the City covenants to comply with the provisions of the Internal Revenue Code as they may from time to time be in effect or amended and further covenants to comply with applicable future laws, regulations, published rulings and court decisions as may be necessary to insure that the interest on the Bonds will remain excluded from gross income for federal income tax purposes. Any and all of the officers of the City are hereby authorized and directed to take any and all actions as may be necessary to comply with the covenants herein contained.

The City hereby designates the Bonds as "Qualified Tax Exempt Obligations" as that term is used in Section 265(b)(3)(B) of the Internal Revenue Code.

Section 18. The Securities and Exchange Commission (the "SEC") has promulgated certain amendments to Rule 15c2-12 under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule") that make it unlawful for an underwriter to participate in the primary offering of municipal securities in a principal amount of \$1,000,000 or more unless, before submitting a bid or entering into a purchase contract for such securities, an underwriter has reasonably determined that the issuer or an obligated person has undertaken in writing for the benefit of the holders of such securities to provide certain disclosure information to prescribed information repositories on a continuing basis so long as such securities are outstanding.

On the date of issuance and delivery of the Bonds, the City will execute and deliver a Continuing Disclosure Certificate pursuant to which the City will undertake to comply with the Rule. The City covenants and agrees that it will comply with and carry out the provisions of the Continuing Disclosure Certificate. Any and all of the officers of the City are hereby authorized

and directed to take any and all actions as may be necessary to comply with the Rule and the Continuing Disclosure Certificate.

Section 19. If any section, paragraph, clause or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 20. All resolutions and orders or parts thereof in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.

Section 21. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved October 12, 2016.

Mayor

Attest:

City Clerk

••••

On motion and vote, the meeting adjourned.

Mayor

Attest:

City Clerk

LOAN AGREEMENT

This Loan Agreement is entered into as of October 27, 2016, by and between the City of Hawarden, Iowa (the "City"), and D.A. Davidson & Co., Des Moines, Iowa (the "Purchaser"). The parties agree as follows:

1. The Purchaser shall loan to the City the sum of \$2,655,000, and the City's obligation to repay hereunder shall be evidenced by the issuance of Electric Revenue Refunding Bonds, Series 2016, in the aggregate principal amount of \$2,655,000 (the "Bonds").

2. The City Council has adopted a resolution on October 12, 2016 (the "Resolution") authorizing and approving this Loan Agreement and providing for the issuance and securing the payment of the Bonds, and the Resolution is incorporated herein by reference, and the parties agree to abide by the terms and provisions of the Resolution. The Bonds and the interest thereon, together with the Series 2011 Bonds and the Series 2015 Bonds (as defined in the Resolution) and any additional obligations as may be hereafter issued and outstanding from time to time under the conditions set forth in the Resolution, shall be payable solely and only from the Net Revenues (as defined in the Resolution) of the Municipal Electric Utility System of the City, a sufficient portion of which has been ordered set aside and pledged for such purpose under the provisions of the Resolution, and from certain funds established in the Resolution and pledged to the payment thereof.

3. The loan proceeds (the "Loan Proceeds") shall be used for the purposes set forth in the Resolution. Any remaining Loan Proceeds, including accrued interest, if any, shall be deposited in the Sinking Fund (defined in the Resolution) and shall be held therein and used, along with other amounts on deposit in such fund, to pay interest due on the Bonds on the first interest payment date.

4. The Bonds, in substantially the form set forth in the Resolution, shall be executed and delivered to or on behalf of the Purchaser to evidence the City's obligation to repay the amounts payable hereunder. The Bonds shall be dated October 27, 2016, shall be in denominations of \$5,000 or integral multiples thereof, shall bear interest, shall be payable as to principal on the dates and in the amounts, shall be subject to prepayment prior to maturity and shall contain such other terms and provisions as provided in the Bonds and the Resolution.

5. Neither this Loan Agreement nor any of the Bonds shall constitute a general obligation of the City, nor be payable by taxation, and under no circumstances shall the City be in any manner liable by reason of the failure of the aforesaid Net Revenues to be sufficient to pay the Bonds and the interest thereon or to otherwise discharge the City's obligation hereunder.

6. This Loan Agreement is executed pursuant to the provisions of Section 384.24A of the Code of Iowa and shall be read and construed as conforming to all provisions and requirements of the statute.

IN WITNESS WHEREOF, we have hereunto affixed our signatures all as of the date first above written .

CITY OF HAWARDEN, IOWA

By _____
Mayor

Attest:

City Clerk

D.A. DAVIDSON & CO.
Des Moines, Iowa

By _____
(Signature)

(Print Name and Title)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Hawarden, Iowa (the “Issuer”), in connection with the issuance of \$2,655,000 Electric Revenue Refunding Bonds, Series 2016 (the “Bonds”), dated October 27, 2016. The Bonds are being issued pursuant to a resolution of the Issuer approved on October 12, 2016 (the “Resolution”). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12.

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the Dissemination Agent, if any, designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system available at <http://emma.msrb.org>.

“Holders” shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“Municipal Securities Rulemaking Board” or “MSRB” shall mean the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Iowa.

Section 3. Provision of Annual Reports.

(a) Not later than June 30 (the “Submission Deadline”) of each year following the fiscal year ending June 30, 2017, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file on EMMA an electronic copy of its Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate in a format and accompanied by such identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the Submission Deadline if they are not available by that date. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the changed fiscal year.

(b) If the Issuer has designated a Dissemination Agent, then not later than fifteen (15) business days prior to the Submission Deadline, the Issuer shall provide the Annual Report to the Dissemination Agent.

(c) If the Issuer is unable to provide an Annual Report by the Submission Deadline, in a timely manner thereafter, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file a notice on EMMA stating that there has been a failure to provide an Annual Report on or before the Submission Deadline.

Section 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or include by reference the following:

(a) **The Audited Financial Statements** of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such audited financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer’s audited financial statements are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by State law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA when they become available.

(b) Tables, schedules or other information contained in the official statement for the Bonds, under the following captions:

The Issuer's Annual Form ME-1 submission to the Iowa Utilities Board

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available on EMMA. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note to paragraph (12): For the purposes of the event identified in subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body

and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) If a Listed Event described in Section 5(a) paragraph (2), (7), (8) (but only with respect to bond calls under (8)), (10), (13) or (14) has occurred and the Issuer has determined that such Listed Event is material under applicable federal securities laws, the Issuer shall, in a timely manner but not later than ten business days after the occurrence of such Listed Event, promptly file, or cause to be filed, a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB.

(c) If a Listed Event described in Section 5(a) paragraph (1), (3), (4), (5), (6), (8) (but only with respect to tender offers under (8)), (9), (11) or (12) above has occurred the Issuer shall, in a timely manner but not later than ten business days after the occurrence of such Listed Event, promptly file, or cause to be filed, a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in Section (5)(a) paragraphs (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or Annual Report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be D.A. Davidson & Co.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) (i) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (ii) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment or waiver either (1) is approved by a majority of the Holders, or (2) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or

(b) the amendment or waiver is necessary to comply with modifications to or interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing audited financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the audited financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be

recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent, if any, shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: October 27, 2016

CITY OF HAWARDEN, IOWA

By _____
Mayor

Attest:

By _____
City Clerk

PAYING AGENT AND REGISTRAR AND TRANSFER AGENT AGREEMENT

This Agreement is entered into as of the date hereof between **BANKERS TRUST COMPANY**, Des Moines, Iowa (the “Agent”) and the **CITY OF HAWARDEN, IOWA** (the “Issuer”).

1. **Definition of Terms**—The terms “item,” “receipt,” “transfer,” “turnaround,” “process,” “business day,” and other terms used throughout this Agreement shall be deemed to have the meanings provided in the regulations promulgated pursuant to the Securities Exchange Act of 1934 and the Code of Iowa as amended and in effect from time to time.

2. **Issuance Resolution Incorporated By Reference**—The Agent agrees to act on behalf of the Issuer pursuant to the terms of this Agreement and pursuant to the Issuer’s resolution (the “Resolution”) authorizing and providing for the issuance of \$2,655,000 Electric Revenue Refunding Bonds, Series 2016, dated October 27, 2016 (the “Bonds”). The Resolution and the terms thereof are hereby incorporated by reference and the provisions of this Agreement are to be construed to be consistent with the Resolution. In the event of inconsistent language between the Resolution and this Agreement, the terms of the Resolution shall prevail.

3. **Registrar Function**—The Agent shall maintain records of the identity of the owners of the Bonds in order to carry out its function as Registrar and upon request of the Issuer shall from time to time deliver to the Issuer records, documents and other writings made or accumulated in the performance of its duties as Registrar. In such capacity the Agent is authorized at any time upon the surrender for cancellation of the Bonds to register new Bonds for the principal amount of Bonds so cancelled and to redeliver such new Bonds.

4. **Transfer Agent Function/Charges**—The Agent is hereby directed to record and authenticate Bonds signed by or bearing the facsimile signatures of the officers of the Issuer authorized to sign Bonds in such names and in such amounts as the Issuer may direct.

The Agent shall make transfers from time to time upon the records of the Issuer of any outstanding Bonds and of Bonds issued in exchange therefor signed by the officers of the Issuer upon surrender thereof for transfer properly endorsed and upon reasonable assurance that such endorsements are genuine and effective in accordance with Section 554.8401, Code of Iowa. Signature guarantee must be provided in accordance with the prevailing standards and procedures of the Registrar and Transfer Agent. Such standards and procedures may require signatures to be guaranteed by certain eligible guarantor institutions that participate in a recognized signature guarantee program.

The Issuer and the Agent may also require payment by the person requesting an exchange or transfer of the Bonds of a service charge and a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto, except in the case of the issuance of a Bond for the unredeemed portion of a Bond surrendered for redemption.

Upon request for cancellation of such Bonds the Agent shall record and authenticate new Bonds duly signed and deliver such Bonds to or upon the order of the person entitled thereto.

5. **Paying Agent Function**—The Agent is hereby authorized and shall make payments of principal and interest to the registered owners of the Bonds as follows:

(a) If payment is by check, at least three business days prior to each payment date and if payment is by wire transfer, at least one business day prior to each payment date, the Issuer will deposit with the Agent in such amount as is required to make such payment.

(b) On each payment date the Agent will pay the interest and principal due prior to the maturity date without surrender of the Bond. For final payment of principal and interest, the Agent, upon presentation and surrender of the matured or called Bond, will pay principal and interest to each registered owner of the Bonds as of the record date by mailing a check or wiring funds to each such owner. In any case where the date of maturity of interest on or principal of the Bond or the date fixed for redemption of any Bond shall be a Saturday or Sunday or a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal may be made on the succeeding business day with the same force and effect as if made on the date of maturity or the day fixed for redemption. Provided, however, that payment of principal shall be made not later than the second business day after receipt of the matured Bond.

(c) When the Agent shall receive notice from the Issuer of its option to redeem Bonds prior to maturity, the Agent shall select the Bonds to be redeemed and give notice of the redemption thereof, all in accordance with the terms of the Bonds and the Resolution.

6. **Form of Records**—The records of the Agent shall be in such form as to be in compliance with standards issued from time to time by the Municipal Securities Rule Making Board of the United States and any other securities industries standard and the requirements of the Internal Revenue Code of 1986 and Chapter 76 of the Code of Iowa.

7. **Confidentiality of Records**—The Agent's records in connection with the Bonds shall remain confidential records entitled to protection and confidentiality pursuant to Section 22.7, Code of Iowa. The Agent agrees that its use of the records will be limited to the purposes of this Agreement and that the Agent will make no private use or permit any private access thereto.

8. **Reliance Upon Certain Certifications and Representations**—The Agent may rely conclusively and act, without further investigation, upon any list, instruction, certification, authorization, certificate, or other instrument or paper suitably guaranteed and believed by it in good faith and due diligence in performing its functions to be genuine and to have been signed, countersigned, or executed by a duly authorized person or persons or upon the instruction of any authorized officer of the Issuer or upon the advice of the Issuer's counsel; and may register any Bond or may refuse to register any such Bond if in good faith the Agent deems such refusal necessary in order to avoid any liability on the part of either the Issuer or the Agent, and the Issuer agrees to indemnify and hold harmless the Agent from and against any and all losses, costs, claims, and liability for so relying or acting or refusing to act.

9. **Rules and Regulations Governing Registration**—The Agent shall comply at all times with such rules, regulations and requirements as may govern the registration, transfer and payment of registered Bond including without limitation Chapter 76 and Sections 554.8101 et seq., Code of Iowa, and standards issued from time to time by the Municipal Securities Rule Making Board of the United States and any other securities industries standard and the requirements of the Internal Revenue Code of 1986.

10. **Signature of Officers**—In case any of the officers of the Issuer whose manual or facsimile signature appears on any Bond or other record delivered to the Agent shall cease to be such officer prior to the registration, processing, or transfer thereof, the Agent may nevertheless process such documents as though the person signing the same or whose facsimile signature appears thereon had not ceased to be such officer unless written instruction of the Issuer to the contrary is received.

11. **Record Date**—For purposes of determining the registered owners of the Bonds the record date shall be deemed to be the fifteenth day of the month preceding the date on which payment of principal, premium, if any, or interest is payable to the registered owners of the Bonds (“Payment Date”) whether such payment is due to optional redemption, operation of a sinking fund, or for any other reason.

12. **Three Days Turnaround**—The Agent agrees that it will turnaround within three business days of receipt all items received in proper form for transfer, process or other action pursuant to the terms of this Agreement.

13. **Destruction of Cancelled Bonds**—The Agent will promptly cancel and destroy all Bonds which have been spoiled, surrendered to it for transfer, or with respect to which principal, premium, if any, and interest owing on such Bonds has been paid, and will provide the Issuer with a Certificate of Destruction certifying as to the destruction of such cancelled Bonds.

14. **Payment of Unclaimed Amounts**—In the event any payment check representing payment of interest or principal on the Bonds is returned to the Agent or is not presented for payment or if any Bond is not presented for payment of principal or premium at the maturity or redemption date, if funds sufficient to pay such interest or principal shall have been made available to the Agent for the benefit of the owner thereof, all liability of the Issuer to the owner thereof for such interest or principal payment of such Bonds shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Agent to hold such funds, without liability for interest thereon, for the benefit of the owner of such Bonds who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on its part under the Resolution or on, or with respect to, such interest or principal. The Agent’s obligation to hold such funds shall continue until the expiration of the escheat period in accordance with applicable laws, at which time the Agent shall surrender any remaining funds so held in accordance with the applicable escheat laws.

15. **No Obligation to Invest**—The Agent will have no obligation to invest any funds in its possession.

16. **Compensation of the Agent**—The Issuer will pay the Agent reasonable compensation for its services based upon the schedule of fees attached or such other schedule of fees as may be agreed upon from time to time between the Agent and the Issuer. The Agent's compensation may include the amount of any attorney fees incurred by it under Section 17 hereof.

17. **Bond Counsel**—When the Agent deems it necessary or reasonable it may apply to Bond Counsel for the Issuer or such other law firm or attorney approved by the Issuer for instructions or advice.

18. **Termination of Agreement**—This Agreement may be terminated by either party by giving the other party at least 90 days' advance written notice. At termination of the Agreement, the Agent shall deliver to the Issuer any and all records, documents or other writings made or accumulated in the performance of its duties under this Agreement and shall refund the unearned balance, if any, of fees paid in advance by the Issuer.

19. **Examination of Records**—The Issuer or its duly authorized agents may examine all records relating to the Bonds at the principal office of the Agent at reasonable times as agreed upon with the Agent and such records shall be subject to audit from time to time at the request of the Issuer or the Agent. The Agent, on request, will furnish the Issuer with a list of the names, addresses, and other information concerning the owners of the Bonds or any of them.

20. **Filing of Form 1099-INT**. To the extent it is determined by the Agent or Bond Counsel for the Issuer that reports are required to be filed, the Agent agrees to comply with the provisions of the Internal Revenue Code with respect to the filing with the Internal Revenue Service and furnishing to recipients of interest on the Bonds copies of Form 1099-INT, or its substitute, annually.

21. **Obligations, Rights and Privileges of the Agent**—The Agent shall have, with regard to the particular functions it performs, the same obligation to the owner or owners of the Bonds and shall have the same rights and privileges the Issuer has in regard to those functions.

Dated as of October 27, 2016.

CITY OF HAWARDEN, IOWA

By _____
Mayor

Attest:

City Clerk

BANKERS TRUST COMPANY
AGENT

By _____
Trust Officer



PAYING AGENT, BOND REGISTRAR AND TRANSFER AGENT FEE SCHEDULE

ADMINISTRATION FEE

- Book Entry Bonds \$250 initial/\$500 annual
- Registered/Private Placement Bonds \$500 initial/\$1,000 annual

*Initial Fees paid at Closing

*Annual Fees paid at Interest/Principal Dates

ADDITIONAL SERVICES

- Dissemination Agent \$1,000 annual
- Placement of CDs or Sinking Funds \$500 per set up/outside BTC
- Optional or Partial Redemption \$300
- Mandatory Redemption \$100
- Early Termination/Full Call \$500
- Tax credit bond filing \$500 annual
- Disbursement Agent \$5,000 initial/\$3,000 annual
- Disbursement Agent wires/check \$10 per wire or check
- Paying Costs of Issuance \$500 one-time fee

CHANGES IN FEE SCHEDULE

Bankers Trust reserves the right to renegotiate this fee schedule.

Reasonable charges will be made for additional services or reports not contemplated at the time of execution of the Agreement or not covered specifically elsewhere in this schedule. Extraordinary out-of-pocket expenses will be charged at cost. However, this does not include ordinary out-of-pocket expenses such as normal postage and supplies, which are included in the annual fees quoted above.

Effective September 1, 2015

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of October 27, 2016 (the “Agreement”), between the City of Hawarden, Iowa (the “Issuer”) and Bankers Trust Company, Des Moines, Iowa, Registrar and Paying Agent for the \$2,655,000 Electric Revenue Refunding Bonds, Series 2016 (as hereinafter described) and as Escrow Agent (the “Agent”) for the Outstanding Bonds (as hereinafter defined) to be refunded;

WITNESSETH:

WHEREAS, pursuant to a resolution of the City Council adopted on November 9, 2011 and amended on June 28, 2010 (the “2010 Bond Resolution”), the City previously issued its \$4,615,000 Electric Revenue Improvement and Refunding Bonds, Series 2011, dated November 30, 2010 (the “Series 2011 Bonds”), which are currently outstanding in the aggregate principal amount of \$2,875,000, and which are scheduled to mature on June 1 in each of the years and in the principal amounts, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2017	\$155,000	1.85%	2025	\$195,000	3.40%
2018	\$160,000	2.10%	2026	\$200,000	3.55%
2019	\$165,000	2.35%	2027	\$210,000	3.70%
2020	\$165,000	2.60%	2028	\$215,000	3.80%
2021	\$170,000	2.85%	2029	\$225,000	3.90%
2022	\$175,000	3.00%	2030	\$230,000	3.95%
2023	\$180,000	3.15%	2031	\$240,000	4.00%
2024	\$190,000	3.25%			

provided that the Series 2011 Bonds maturing in the years 2019 to 2031, inclusive (the “Callable Series 2011 Bonds”), are subject to redemption prior to maturity on any date on or after June 1, 2018 (the “2018 Redemption Date”), upon terms of par and accrued interest; and

WHEREAS, the Issuer has determined to issue its \$2,655,000 Electric Revenue Refunding Bonds, Series 2016 (the “Series 2016 Bonds”), in order to: (1) pay the costs of issuance of the Series 2016 Bonds from bond proceeds; (2) prepay the principal of the Callable Series 2011 Bonds on the 2018 Redemption Date from bond proceeds to be placed in the escrow account established herein; and (3) pay the scheduled interest payments on the Series 2016 Bonds to and including the 2018 Redemption Date from bond proceeds to be placed in the escrow account established herein; and

WHEREAS, for the purposes set out in items (2) and (3) in the paragraph above, the Issuer has determined to deposit a portion of the proceeds from the sale of the Series 2016 Bonds with the Agent in immediately available funds in the total amount of \$2,627,468.01; and

WHEREAS, sufficient funds of such amounts so deposited shall be used to purchase direct obligations of the United States of America (the “Government Obligations”) shown on the Verification Report of Chris D. Berens, CPA, P.C. independent certified public accountant, dated October 27, 2016 (the “Verification Report”), attached hereto and by this reference made a part hereof, which will mature in principal amounts and bear interest at such times so that sufficient funds will be available from such maturing principal and interest amounts, together with any cash balance in the Escrow Account hereafter defined, to: (1) pay the scheduled interest payments on the Series 2016 Bonds to and including the 2018

Redemption Date; and (2) prepay the principal of the Callable Series 2011 Bonds on the 2018 Redemption Date;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. There is hereby created and established with the Agent a special and irrevocable escrow account designated as the City of Hawarden Electric Revenue Refunding Bonds, Series 2016 Escrow Account (the "Escrow Account") to be held in the custody of the Agent.

2. The Issuer represents, covenants and warrants that there will always be, on any payment date, sufficient principal amounts of and interest income from the Government Obligations and cash in the Escrow Account to pay the scheduled interest payments on the Series 2016 Bonds to and including the 2018 Redemption Date.

3. The Issuer further represents, covenants and warrants that there will be, on the 2018 Redemption Date, sufficient principal amounts of and interest income from the Government Obligations and cash in the Escrow Account to prepay the principal of the Callable Series 2011 Bonds.

4. Concurrently with the execution of this Agreement, the Issuer herewith deposits or causes to be deposited with the Agent for the benefit of the owners of the Series 2011 Bonds the amount of \$2,627,468.01 in immediately available funds, and the Agent hereby acknowledges receipt of such funds. Such funds shall be disposed of as follows:

- (a) \$2,627,468 shall be used to purchase the Government Obligations;
- (b) \$0.01 shall be held as an initial cash balance in the Escrow Account;

Concurrently with the execution of this Agreement, the amount referred to in (a) above shall be used to purchase the Government Obligations, such amount being the cost of the Government Obligations. The amount referred to in (b) above shall be held in the Escrow Account as a cash balance.

5. The Agent agrees that it will collect all payments of principal of and interest on the Government Obligations on behalf of the Issuer and on or before the dates hereinafter set forth shall disburse the same, together with any cash on deposit in the Escrow Account, for the purposes set forth in the paragraphs 2 and 3 above. The collection and disbursement of monies as set forth in this Section 5 shall be conducted in accordance with the Verification Report attached hereto as Exhibit A.

6. If at any time it shall appear to the Agent that the funds in the Escrow Account allocable for such use hereunder will not be sufficient to make any payment due under the terms of this Agreement, the Agent shall immediately notify the Issuer. The Issuer thereupon shall forthwith deposit into the Escrow Account, from legally available funds, such additional funds as may be required to fully pay the amounts due and payable.

7. Within 30 days after the close of the fiscal year ending June 30, 2017, until termination of the Escrow Account the Agent shall submit to the Issuer a report on the Escrow Account covering all investments held and all money received therein and all payments made therefrom during the preceding fiscal year or portion thereof.

8. The Agent, for and on behalf of the Issuer, agrees to call the Callable Series 2011 Bonds for redemption on the 2018 Redemption Date by sending a notice of such call for redemption by electronic means or certified mail not less than 30 days prior to the 2018 Redemption Date to the registered owners of the Callable Series 2011 Bonds, as shown by the records of the Issuer.

9. To the extent of their interests in the payment of principal of and interest on the Series 2011 Bonds contemplated in this Escrow Agreement, the owners of such Series 2011 Bonds from time to time outstanding shall have an express lien on all funds and Government Obligations in the Escrow Account until used and applied in accordance with this Agreement.

10. The parties further agree that third persons may rely upon the provisions of this Agreement, including the owners of the Series 2016 Bonds and Series 2011 Bonds outstanding from time to time, and this Agreement shall not be revocable if such revocation should be to the prejudice of any third person.

11. In order to ensure continuing compliance with Section 148 of the Internal Revenue Code, and present Internal Revenue Service Regulations promulgated thereunder, the Agent agrees that it will not reinvest any cash received in payment of the principal of and interest on the Government Obligations held in the Escrow Account. Said prohibition on reinvestment shall continue unless and until an opinion is received from nationally recognized bond counsel that reinvestments, as specified in said opinion, may be made in a manner consistent with said Section 148 and then existing Regulations.

12. When payment of all principal and interest has been made in full as set forth in Section 5 above, and when all of the Series 2011 Bonds have been canceled as aforesaid, any funds remaining in the Escrow Account shall be paid to the Issuer.

13. The Agent shall receive \$2,200 as compensation for its services as Escrow Agent and for its services as Registrar and Paying Agent for the Series 2016 Bonds, and the Agent expressly waives any lien upon or claim against the funds and investments in the Escrow Account.

14. This Agreement shall terminate only at such time as prepayment of principal of the Callable Series 2011 Bonds has been made in full and the interest on the Series 2016 Bonds to and including the 2018 Redemption Date have been paid in full.

IN WITNESS WHEREOF, the undersigned have hereinafter executed this Agreement as of the date first above written.

CITY OF HAWARDEN, IOWA

By _____
Mayor

Attest:

City Clerk

BANKERS TRUST COMPANY,
Des Moines, Iowa

By _____
(Signature)

(Name)

(Title)

EXHIBIT A

Verification Report