

**CITY OF HAWARDEN
REGULAR CITY COUNCIL MEETING AGENDA
Hawarden City Hall – Council Chambers Room
Wednesday, September 14, 2016 at 5:30 p.m.**

Standard Agenda Items

- 1a. Approval of August 24, 2016 Council Meeting Minutes.**
- 1b. Approval of September 14, 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. Approve Resolution 2016-18 Setting FY2017 Salaries**
- 5. Approve Resolution 2016-19 FY2016 Street Finance Report**
- 6. Approve Resolution 2016-20 authorizing the use of a preliminary official statement for the sale of bonds**
- 7. Consent Agenda:**
 - Request from Brian Engleman dba Sportsman's Lanes & Lounge for Liquor License Transfer to Hawarden Community Center on Saturday, September 17, 2016.**

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, August 24, 2016 at 5:30 p.m.**

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

Present: Mayor Pro Tem Olson; Council Members: Kurth, Harvey, Allen, Feldhacker

Absent: Mayor Porter

Staff Present: Gary Tucker, City Administrator/City Clerk; Tom Kane, Public Works Director;
Jim Pickner, City Attorney

Staff Absent: Mike DeBruin, Chief of Police

Standard Agenda Items

1a. Approval of August 10, 2016 Regular Council Meeting Minutes. Moved by Feldhacker/Kurth to approve August 10, 2016 Regular Council Meeting Minutes. Motion carried 5-0.

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

1c. No Open Business from the Community.

2a. No 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 unavailable to give an update.

Item 4. Public Hearing on Proposal to Enter into an Electric Revenue Loan Agreement.

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

Item 5. Approve Resolution 2016-17 taking additional action with respect to an Electric Revenue Refunding Loan Agreement.

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

Item 6. Consent Agenda

a. Request from Paradise Bar for Liquor License Transfer to Hawarden Community Center on Saturday, September 10, 2016.

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

The next regular City Council Meeting will be Wednesday, September 14, 2016.

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

Meeting adjourned at 5:45 p.m.

Travis Olson, Mayor Pro Tem

ATTEST:

Gary W. Tucker, City Administrator/City Clerk

CITY OF HAWARDEN
COUNCIL MEETING
SEPTEMBER 14, 2016

CHECK NO	VENDOR NAME	REFERENCE	VENDOR TOTAL
ACH	CITY OF HAWARDEN	PAYROLL	\$ 75,382.81
ACH	CITY OF HAWARDEN	PAYROLL	\$ 76,160.04
11140368	CLAYTON ENERGY	GAS PURCHASE	\$ 5,488.21
11140369	PAYROLL ACCT CITY	FEDERAL EXCISE TAX	\$ 500.63
11140370	TREASURER STATE OF IOWA	SALES TAX	\$ 2,526.00
48158	DUR-A-LIFT INC	PICKUP	\$ 14,351.37
48159	IOWA DNR	PERMIT	\$ 210.00
48160	BOMGAARS	SUPPLIES	\$ 1,506.93
48161	CENTURY BUSINESS PRODUCTS INC	SVC AGREEMENT	\$ 100.74
48162	CONSORTIA CONSULTING	SERVICES	\$ 900.00
48163	DGR ENGINEERING	SERVICES	\$ 1,534.00
48164	DIAMOND VOGEL & WAX CO	SUPPLIES	\$ 1,288.00
48165	HAWKINS INC	CHEMICALS	\$ 2,812.62
48166	IOWA PRISON INDUSTRIES	SIGNS	\$ 253.70
48167	PRINTING ERROR	VOID	\$ -
48168	NORTH WEST REC	POWER	\$ 25.00
48169	VISA	SUPPLIES	\$ 260.86
48170	SCHOENEMAN BROS CO	REBAR	\$ 85.29
48171	T & R SERVICE	SERVICES	\$ 60.00
48172	PRINTING ERROR	VOID	\$ -
48173	UTILITY EQUIPMENT COMPANY	SUPPLIES	\$ 5,089.99
48174	WIGMAN COMPANY	SUPPLIES	\$ 71.90
48175	USA BLUEBOOK	SUPPLIES	\$ 545.95
48176	CONSOLIDATED COMMUNICATIONS	SWITCH ACCESS SVC	\$ 82.28
48177	IOWA UTILITIES BOARD	ASSESSMENT	\$ 2,827.00
48178	D.A. DAVIDSON & CO	AGENT SERVICES	\$ 500.00
48179	BALTIC NETWORKS USA	SUPPLIES	\$ 1,105.48
48180	BORDER STATES ELEC SUPPLY	SUPPLIES	\$ 500.80
48181	BOUND TREE MEDICAL LLC	SUPPLIES	\$ 389.99
48182	CASEYS GENERAL STORE INC	FUEL	\$ 326.75
48183	CENTRAL PARTS & SUPPLY	SUPPLIES	\$ 138.08
48184	CONSOLIDATED COMMUNICATIONS	FAX LINE	\$ 424.63
48185	CULLIGAN WATER CONDITIONING	SUPPLIES	\$ 92.94
48186	FASTENAL COMPANY	SUPPLIES	\$ 54.23
48187	MUELLER CO	SUPPLIES	\$ 564.24
48188	MUNICIPAL UTILITIES	UTILITIES	\$ 889.53
48189	NATIONAL CABLE TELEVISION	TV PROGRAMMING COST	\$ 23,200.27
48190	NORTHSIDE BODY SHOP	VEHICLE MAINTENANCE	\$ 1,136.64
48191	ONE OFFICE SOLUTION	SUPPLIES	\$ 368.52
48192	RECREATION SUPPLY COMPANY	SUPPLIES	\$ 172.80
48193	REHAB SYSTEMS INC	CLEANING	\$ 1,375.00
48194	SHEEHAN MACK SALES	SUPPLIES	\$ 909.77

CHECK NO	VENDOR NAME	REFERENCE	VENDOR TOTAL
48195	SIOUX FERTILIZER INC	SUPPLIES	\$ 48.47
48196	USA BLUEBOOK	SUPPLIES	\$ 879.57
48197	USAC	FEES	\$ 5,010.72
48198	VISA	SUPPLIES	\$ 1,053.20
48199	CATALYST SOLUTIONS	SERVER PROJ	\$ 1,992.00
48200	AD-VERTISER	ADVERTISING	\$ 281.98
48201	ADVANCED MEDIA	SUPPLIES	\$ 6,886.33
48202	AUREON NETWORK SERVICES	TRANSIT TRAFFIC	\$ 6.86
48203	BTN	TV PROGRAMMING COST	\$ 1,141.44
48204	COILCRAFT INC	REBATE	\$ 126.00
48205	DUANE'S AUTOMOTIVE REPAIR	VEHICLE REPAIRS	\$ 72.90
48206	EF RECOVERY	SERVICES	\$ 123.24
48207	ELECTRIC PUMP	SUPPLIES	\$ 1,873.50
48208	KAREN ENGLEMAN	REIMBURSEMENT	\$ 25.05
48209	ERICSON AUTO BODY	SUPPLIES	\$ 345.71
48210	ERICSON OIL LC	FUEL	\$ 1,272.16
48211	EZ-LINER	SUPPLIES	\$ 63.51
48212	FASTENAL COMPANY	SUPPLIES	\$ 12.35
48213	FELD FIRE	SUPPLIES	\$ 579.25
48214	GCC ALLIANCE CONCRETE CO INC	CONCRETE	\$ 460.00
48215	GRAINGER INC	SUPPLIES	\$ 452.00
48216	HAWARDEN REGIONAL HEALTHCARE	LOCAL OPTION SALES TAX	\$ 27,847.92
48217	HAWARDEN SENIOR CITIZEN CENTER	RENT	\$ 250.00
48218	HAW THRIFT STORE	REBATE	\$ 1,133.00
48219	HAWARDEN CRC	REFUND	\$ 75.00
48220	HITEC	PHONE SVC	\$ 830.75
48221	INFO DOG SECURITY LLC	SHREDDING	\$ 210.00
48222	IOWA INFORMATION INC	ADVERTISING	\$ 125.00
48223	JEFFS RADIATOR & REPAIRS	VEHICLE MAINTENANCE	\$ 130.85
48224	KTIV	RETRANSMISSION	\$ 1,883.28
48225	LIFESTYLE LANDSCAPING	SVC/SUPPLIES	\$ 1,439.10
48226	LIN TELEVISION CORPORATION	RETRANSMISSION	\$ 2,191.42
48227	LYNOTT IMPLEMENT INC	SUPPLIES	\$ 9,739.20
48228	MIDWEST ALARM COMPANY INC	ALARM MONITORING	\$ 81.00
48229	MILLIMAN PENSION DEPT-ACCT REC	ACTUARY REPORT P	\$ 600.00
48230	NATIONAL CABLE TELEVISION	SUPPLIES	\$ 3,398.66
48231	OMEGA LETTERING INC	ENGRAVING	\$ 50.00
48232	PHYSICIANS CLAIMS COMPANY	AMB BILLING	\$ 1,482.43
48233	PICKNER LAW OFFICE PC	LEGAL FEES	\$ 700.00
48234	ROVI GUIDES	TV PROGRAMMING COST	\$ 540.90
48235	SHOWTIME NETWORK INC	TV PROGRAMMING COST	\$ 309.96
48236	SINCLAIR BROADCAST GROUP	RETRANSMISSION	\$ 3,370.08
48237	SIOUX COUNTY AUDITOR	E911 CHGS	\$ 2,163.71
48238	SIOUX COUNTY TREASURER	PROPERTY TAX	\$ 4,163.00
48239	SIOUXLAND OUTDOOR POWER CO	VEHICLE MAINTENANCE	\$ 949.99

CHECK NO	VENDOR NAME	REFERENCE	VENDOR TOTAL
48240	STRYKER SALES CORPORATION	SUPPLIES	\$ 3,080.43
48241	SUNSHINE FOODS	SUPPLIES	\$ 215.47
48242	THREE RIVERS BENEFIT CORP	REFUND-INSURANCE	\$ 652.80
48243	TOWER DISTRIBUTION COMPANY	TV PROGRAMMING COST	\$ 141.77
48244	TRANE U.S. INC	SUPPLIES	\$ 92.01
48245	TRUESDELL OIL INC	FUEL	\$ 788.29
48246	VER HOEF AUTOMOTIVE INC	VEHICLE MAINTENANCE	\$ 112.90
48247	VERIZON	CELL SVC	\$ 299.95
48248	IRENE VOGEL	REFUND	\$ 26.47
48249	LOREN WAKEMAN	REBATE	\$ 10.00
		REPORT TOTAL	\$ 316,004.57

TREASURER'S REPORT -- CITY OF HAWARDEN

August 31, 2016

FUND NO	FUND NAME	PREVIOUS MONTH'S BALANCE	RECEIPTS	DISBURSED	Clerks Balance	INVESTMENTS	TREASURER'S BALANCE
001	General	\$432,172.12	\$25,844.47	\$150,516.67	\$307,499.92		\$307,499.92
005	Gen Fund Capital Facility Fund	\$65,854.21	\$0.00	\$0.00	\$65,854.21	\$50,000.00	\$15,854.21
110	Road Use	\$129,910.81	\$34,818.31	\$0.00	\$164,729.12		\$164,729.12
111	I-Jobs Road Use Fund	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
112	Employee Benefits	\$14,733.10	\$0.00	\$0.00	\$14,733.10		\$14,733.10
117	Police Retirement	\$2,714.41	\$0.00	\$956.16	\$1,758.25		\$1,758.25
121	Local Option Tax	\$0.00	\$26,217.60	\$26,217.60	\$0.00		\$0.00
	T. I. F.	\$0.00	\$0.00	\$0.00	\$0.00		
126	TIF - Area A & A Addition	\$422,605.39	\$0.00	\$0.00	\$422,605.39		\$422,605.39
127	TIF-Area C	(\$2,177.43)	\$0.00	\$0.00	(\$2,177.43)		(\$2,177.43)
128	TIF-Area 1	\$163,000.66	\$0.00	\$0.00	\$163,000.66		\$163,000.66
129	TIF D	\$12,173.02	\$0.00	\$0.00	\$12,173.02		\$12,173.02
200	Debt Service	\$1,186.47	\$0.00	\$0.00	\$1,186.47		\$1,186.47
301	Capital Improve.	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
302	St Special Assessments	\$59,933.55	\$0.00	\$0.00	\$59,933.55		\$59,933.55
303	Low/Mod Income Prj	\$4,183.94	\$0.00	\$364.10	\$3,819.84		\$3,819.84
304	Walking Trail Proj	\$14,167.13	\$0.00	\$0.00	\$14,167.13		\$14,167.13
305	Street Projects	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
306	Mapping/Web Site Project	\$2,966.80	\$0.00	\$0.00	\$2,966.80		\$2,966.80
307	USDA RBEG RLF	\$43,980.62	\$792.80	\$0.00	\$44,773.42		\$44,773.42
308	Electric Upgrade Project	\$344,751.24	\$0.00	\$7,238.97	\$337,512.27		\$337,512.27
309	Expendable Trust/Contigency	\$100,597.75	\$0.00	\$0.00	\$100,597.75	\$80,000.00	\$20,597.75
310	Public Works Bldg Replace	\$321,593.47	\$0.00	\$0.00	\$321,593.47	\$250,000.00	\$71,593.47
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	\$39,815.69 \$1,344.63	\$0.00 \$0.00	\$0.00 \$0.00	\$39,815.69 \$1,344.63	\$39,815.69	\$0.00 \$1,344.63
	Vipond Endowment Non-Expendable Trust Int Savings Acct	\$90,000.00 \$10,931.36	\$0.00 \$0.00	\$0.00 \$0.00	\$90,000.00 \$10,931.36	\$90,000.00	\$0.00 \$10,931.36
501	Library Gifts/Donations	\$24,487.01	\$290.00	\$1,666.11	\$23,110.90	\$5,000.00	\$18,110.90

600	Gen. Utility Adm	(\$29,485.73)	\$0.00	\$19,510.17	(\$48,995.90)		(\$48,995.90)
601	Water Fund						
	Operating	(\$287,419.30)	\$46,342.31	\$11,179.88	(\$252,256.87)		(\$252,256.87)
	Water Plant	\$76,712.12	\$0.00	\$0.00	\$76,712.12		\$76,712.12
610	Waste Water Fund						
	Operating	(\$170,778.17)	\$29,020.41	\$10,714.40	(\$152,472.16)		(\$152,472.16)
	Waste Water Plant	\$223,742.84	\$0.00	\$0.00	\$223,742.84		\$223,742.84
630	Electric Fund						
	Operating	\$1,753,193.02	\$228,042.63	\$171,282.38	\$1,809,953.27	\$611,000.00	\$1,198,953.27
	Electric Plant	\$596,345.45	\$0.00	\$0.00	\$596,345.45	\$500,000.00	\$96,345.45
	Electric Sinking	\$36,076.06	\$0.00	\$0.00	\$36,076.06		\$36,076.06
	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	\$270,910.59	\$1,200.67	\$0.00	\$272,111.26		\$272,111.26
640	Gas Fund						
	Operating	\$410,989.19	\$20,875.11	\$23,378.71	\$408,485.59		\$408,485.59
	Gas Plant	\$159,666.17	\$0.00	\$0.00	\$159,666.17	\$145,000.00	\$14,666.17
670	Solid Waste Fund						
	Operating	\$55,922.16	\$15,110.18	\$10,905.90	\$60,126.44		\$60,126.44
	Solid Waste Plant	\$19,523.16	\$0.00	\$0.00	\$19,523.16		\$19,523.16
700	Telecomm. Adm.	(\$9,783.14)	\$0.00	\$11,592.03	(\$21,375.17)		(\$21,375.17)
710	Cabl/Internet Fund						
	Operating	\$44,382.54	\$80,405.33	\$60,488.94	\$64,298.93		\$64,298.93
	Cable Comm. Plant	\$108,257.56	\$0.00	\$0.00	\$108,257.56		\$108,257.56
720	Telephone Fund						
	Operating	(\$401,290.56)	\$36,244.49	\$34,028.17	(\$399,074.24)		(\$399,074.24)
	Telephone Plant Fd.	\$195,057.57	\$0.00	\$0.00	\$195,057.57		\$195,057.57
800	Project Share	\$1,159.95	\$72.00	\$0.00	\$1,231.95		\$1,231.95
830	Equip. Replacement	\$589,757.62	\$1,158.85	\$2,563.85	\$588,352.62	\$500,000.00	\$88,352.62
950	Trust & Ag Projects & Playground Equipment	\$10,325.66	\$0.00	\$0.00	\$10,325.66		\$10,325.66
	Totals	\$6,436,433.71	\$546,435.16	\$542,604.04	\$6,440,264.83	\$2,750,815.69	\$3,689,449.14
	Totals	\$6,436,433.71	\$546,435.16	\$542,604.04	\$6,440,264.83	\$2,750,815.69	\$3,689,449.14

CITY OF HAWARDEN
 REVENUE REPORT
 CALENDAR 8/2016, FISCAL 2/2017

ACCOUNT NUMBER	ACCOUNT TITLE	FISCAL ESTIMATE	PTD BALANCE	YTD BALANCE	PERCENT RECVD	UNCOLLECTED
	GENERAL FUND TOTAL	1,544,403.00	25,844.47	102,150.02	6.61	1,442,252.98
	GEN FUND FAC MAIN FUND TOTAL	5,750.00	.00	62.18	1.08	5,687.82
	ROAD USE TAX FUND TOTAL	305,520.00	34,818.31	58,512.89	19.15	247,007.11
	I-JOBS TOTAL	.00	.00	.00	.00	.00
	EMPLOYEE BENEFITS LEVY TOTAL	155,645.00	.00	1,604.45	1.03	154,040.55
	POLICE RETIREMENT FUND TOTAL	13,030.00	.00	.00	.00	13,030.00
	LOCAL OPTION SALES TAX TOTAL	350,000.00	26,217.60	52,435.20	14.98	297,564.80
	TIF AREA A & ADDITION TOTAL	219,157.00	.00	2,516.55	1.15	216,640.45
	TIF AREA C TOTAL	46,808.00	.00	10.66	.02	46,797.34
	TIF AREA I TOTAL	226,134.00	.00	.00	.00	226,134.00
	TIF AREA D TOTAL	16,240.00	.00	.00	.00	16,240.00
	DEBT SERVICE FUND TOTAL	378,452.00	.00	997.04	.26	377,454.96
	CAPITAL IMPROVEMENT FUND TOTA	.00	.00	.00	.00	.00
	STREET SPECIAL ASSESSMENT TOTA	36,173.00	.00	.00	.00	36,173.00
	LOW-MOD.INCOME PROJECT TOTAL	.00	.00	.00	.00	.00
	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	9,564.00	792.80	1,585.60	16.58	7,978.40
	ELECTRIC UPGRADE PROJECT TOTA	.00	.00	.00	.00	.00
	EXPENDABLE TRUST-CONFUND TOTA	500.00	.00	99.49	19.90	400.51
	PUBLIC WORKS BLD REPLACE TOTA	35,500.00	.00	310.94	.88	35,189.06
	CAT GRANT/HEART OF HAW TOTAL	.00	.00	.00	.00	.00
	GREGG/VIPOND LIB TRUSTS TOTAL	650.00	.00	.00	.00	650.00
	LIBRARY GIFTS/DONATIONS TOTAL	3,150.00	290.00	309.22	9.82	2,840.78
	WATER UTILITY FUND TOTAL	362,800.00	46,342.31	84,913.98	23.41	277,886.02
	WASTE WATER UTILITY FUND TOTA	329,129.00	29,020.41	54,550.03	16.57	274,578.97
	ELECTRIC UTILITY FUND TOTAL	2,728,255.00	228,042.63	413,725.74	15.16	2,314,529.26
	ELEC-REVOLVING LOAN FUND TOTA	14,206.00	1,200.67	2,421.34	17.04	11,784.66
	GAS UTILITY FUND TOTAL	1,029,300.00	20,875.11	42,078.21	4.09	987,221.79
	SOLID WASTE UTILITY FUND TOTA	175,000.00	15,110.18	29,742.74	17.00	145,257.26
	CABLE/INTERNET UTILITY TOTAL	809,300.00	80,405.33	158,149.39	19.54	651,150.61
	TELEPHONE UTILITY FUND TOTAL	441,550.00	36,244.49	73,070.65	16.55	368,479.35
	PROJECT SHARE FUND TOTAL	1,000.00	72.00	144.00	14.40	856.00
	CAPITAL EQUIPMENT FUND TOTAL	466,297.00	1,158.85	2,939.57	.63	463,357.43
	TRUST & AGENCY PROJECTS TOTAL	.00	.00	.00	.00	.00
	TOTAL REVENUE	9,703,513.00	546,435.16	1,082,329.89	11.15	8,621,183.11

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	PTD BALANCE	YTD BALANCE	PERCENT EXPENDED	UNEXPENDED
	GENERAL FUND TOTAL	1,529,276.00	150,516.67	355,529.66	23.25	1,173,746.34
	GEN FUND FAC MAIN FUND TOTAL	10,000.00	.00	786.19	7.86	9,213.81
	ROAD USE TAX FUND TOTAL	305,520.00	.00	.00	.00	305,520.00
	I-JOBS TOTAL	.00	.00	.00	.00	.00
	EMPLOYEE BENEFITS LEVY TOTAL	155,645.00	.00	.00	.00	155,645.00
	POLICE RETIREMENT FUND TOTAL	13,030.00	956.16	2,390.40	18.35	10,639.60
	LOCAL OPTION SALES TAX TOTAL	350,000.00	26,217.60	52,435.20	14.98	297,564.80
	TAX INCREMENT FINANCING TOTAL	.00	.00	.00	.00	.00
	TIF AREA A & ADDITION TOTAL	171,832.00	.00	.00	.00	171,832.00
	TIF AREA C TOTAL	46,805.00	.00	.00	.00	46,805.00
	TIF AREA I TOTAL	429,025.00	.00	.00	.00	429,025.00
	TIF AREA D TOTAL	15,000.00	.00	.00	.00	15,000.00
	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	364.10	1,337.10	.00	1,337.10-
	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	7,238.97	337,703.01	37.94	552,296.99
	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	.00	.00	.00	8,000.00
	LIBRARY GIFTS/DONATIONS TOTAL	8,000.00	1,666.11	1,666.11	20.83	6,333.89
	GENERAL UTILITY ADMIN. TOTAL	.00	19,510.17	48,995.90	.00	48,995.90-
	WATER UTILITY FUND TOTAL	324,114.00	11,179.88	25,550.05	7.88	298,563.95
	WASTE WATER UTILITY FUND TOTA	340,966.00	10,714.40	42,148.38	12.36	298,817.62
	ELECTRIC UTILITY FUND TOTAL	2,283,513.00	171,282.38	326,197.46	14.28	1,957,315.54
	ELEC-REVOLVING LOAN FUND TOTA	.00	.00	.00	.00	.00
	GAS UTILITY FUND TOTAL	968,578.00	23,378.71	46,446.15	4.80	922,131.85
	SOLID WASTE UTILITY FUND TOTA	173,229.00	10,905.90	21,685.92	12.52	151,543.08
	TELECOMMUNICATIONS ADMIN TOTA	.00	11,592.03	21,375.17	.00	21,375.17-
	CABLE/INTERNET UTILITY TOTAL	736,982.00	60,488.94	163,092.41	22.13	573,889.59
	TELEPHONE UTILITY FUND TOTAL	518,233.00	34,028.17	106,512.24	20.55	411,720.76
	PROJECT SHARE FUND TOTAL	1,000.00	.00	.00	.00	1,000.00
	CAPITAL EQUIPMENT FUND TOTAL	150,000.00	2,563.85	74,889.68	49.93	75,110.32
	TRUST & AGENCY PROJECTS TOTAL	.00	.00	.00	.00	.00
		=====	=====	=====	=====	=====
	TOTAL EXPENSES	9,819,642.00	542,604.04	1,628,741.03	16.59	8,190,900.97
		=====	=====	=====	=====	=====

REVENUE AND EXPENSE REPORT
August 31, 2016

FUND	Actual Month to Date		Actual Year to Date		Budgeted		% of Budget	
	Revenue	Expense	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses
General Fund	\$25,844.47	\$150,516.67	\$102,150.02	\$355,529.66	\$1,544,403.00	\$1,529,276.00	6.61%	23.25%
Gen Fund Capital Facility Fund	\$0.00	\$0.00	\$62.18	\$786.19	\$5,750.00	\$10,000.00	1.08%	0.00%
Road Use Tax Fund	\$34,818.31	\$0.00	\$58,512.89	\$0.00	\$305,520.00	\$305,520.00	19.15%	0.00%
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	\$0.00	\$0.00	\$1,604.45	\$0.00	\$155,645.00	\$155,645.00	1.03%	0.00%
Police Retirement Fund	\$0.00	\$956.16	\$0.00	\$2,390.40	\$13,030.00	\$13,030.00	0.00%	18.35%
Local Option Sales Tax Fund	\$26,217.60	\$26,217.60	\$52,435.20	\$52,435.20	\$350,000.00	\$350,000.00	14.98%	14.98%
TIF A & A Amendment	\$0.00	\$0.00	\$2,516.55	\$0.00	\$219,157.00	\$171,832.00	1.15%	0.00%
TIF C	\$0.00	\$0.00	\$10.66	\$0.00	\$46,808.00	\$46,805.00	0.02%	0.00%
TIF 1	\$0.00	\$0.00	\$0.00	\$0.00	\$226,134.00	\$429,025.00	0.00%	0.00%
TIF D	\$0.00	\$0.00	\$0.00	\$0.00	\$16,240.00	\$15,000.00	0.00%	0.00%
Debt Service Fund	\$0.00	\$0.00	\$997.04	\$0.00	\$378,452.00	\$375,894.00	0.26%	0.00%
Capital Improvement Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
St. Special Assessments	\$0.00	\$0.00	\$0.00	\$0.00	\$36,173.00	\$0.00	0.00%	0.00%
Low-Mod Income Project Fund	\$0.00	\$364.10	\$0.00	\$1,337.10	\$0.00	\$0.00	0.00%	0.00%
Walking Trail Project fund	\$0.00	\$0.00	\$0.00	\$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	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
USDA RBEG Grant RLF	\$792.80	\$0.00	\$1,585.60	\$0.00	\$9,564.00	\$0.00	16.58%	0.00%
Electric Upgrade Project	\$0.00	\$7,238.97	\$0.00	\$337,703.01	\$0.00	\$890,000.00	0.00%	37.94%
Expendable Trust-Contingency	\$0.00	\$0.00	\$99.49	\$0.00	\$500.00	\$0.00	19.90%	0.00%
Public Works Bldg Replace Fund	\$0.00	\$0.00	\$310.94	\$0.00	\$35,500.00	\$15,000.00	0.88%	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	\$0.00	\$0.00	\$0.00	\$0.00	\$650.00	\$8,000.00	0.00%	0.00%
Library Gifts/Donations Fund	\$290.00	\$1,666.11	\$309.22	\$1,666.11	\$3,150.00	\$8,000.00	9.82%	20.83%
General Utility Administration	\$0.00	\$19,510.17	\$0.00	\$48,995.90	\$0.00	\$0.00	0.00%	0.00%
Water Utility Fund	\$46,342.31	\$11,179.88	\$84,913.98	\$25,550.05	\$362,800.00	\$324,114.00	23.41%	7.88%
Waste Water Utility Fund	\$29,020.41	\$10,714.40	\$54,550.03	\$42,148.38	\$329,129.00	\$340,966.00	16.57%	12.36%
Electric Utility Fund	\$228,042.63	\$171,282.38	\$413,725.74	\$326,197.46	\$2,728,255.00	\$2,283,513.00	15.16%	14.28%
Elec-Revolving Loan Fund	\$1,200.67	\$0.00	\$2,421.34	\$0.00	\$14,206.00	\$0.00	17.04%	0.00%
Gas Utility Fund	\$20,875.11	\$23,378.71	\$42,078.21	\$46,446.15	\$1,029,300.00	\$968,578.00	4.09%	4.80%
Solid Waste Utility Fund	\$15,110.18	\$10,905.90	\$29,742.74	\$21,685.92	\$175,000.00	\$173,229.00	17.00%	12.52%
Telecommunications Adm	\$0.00	\$11,592.03	\$0.00	\$21,375.17	\$0.00	\$0.00	0.00%	0.00%
Cable/Internet Fund	\$80,405.33	\$60,488.94	\$158,149.39	\$163,092.41	\$809,300.00	\$736,982.00	19.54%	22.13%
Telephone Fund	\$36,244.49	\$34,028.17	\$73,070.65	\$106,512.24	\$441,550.00	\$518,233.00	16.55%	20.55%
Project Share Fund	\$72.00	\$0.00	\$144.00	\$0.00	\$1,000.00	\$1,000.00	14.40%	0.00%
Capital Equipment Fund	\$1,158.85	\$2,563.85	\$2,939.57	\$74,889.68	\$466,297.00	\$150,000.00	0.63%	49.93%
Trust & Agency Projects	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
Totals	\$546,435.16	\$542,604.04	\$1,082,329.89	\$1,628,741.03	\$9,703,513.00	\$9,819,642.00	11.15%	16.59%

**BILLING REPORT
AUGUST 2016**

	NO.	KWH	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
ELECTRIC (security lights)						
RESIDENTIAL	1,028	1,237,490	\$ 107,743.89	\$ 1,083.91	\$ 108,827.80	\$ 214,682.64
*MISC CHARGES			\$ 1,840.00	\$ 128.80	\$ 1,968.80	\$ 3,060.20
COMMERCIAL	181	502,685	\$ 47,690.42	\$ 3,197.64	\$ 50,888.06	\$ 103,794.06
*MISC CHARGES			\$ 150.00	\$ 10.50	\$ 160.50	\$ 240.75
INDUSTRIAL/INTERRUPTIBLE	10	438,337	\$ 36,244.67	\$ 1,266.63	\$ 37,511.30	\$ 76,383.35
*MISC CHARGES			\$ -	\$ -	\$ -	\$ -
INTERDEPARTMENTAL	69	228,432	\$ 11,980.72	\$ -	\$ 11,980.72	\$ 24,319.11
*MISC CHARGES			\$ -	\$ -	\$ -	\$ 27.52
PUBLIC AUTHORITY	9	118,472	\$ 10,184.70	\$ -	\$ 10,184.70	\$ 20,654.24
PENALTY			\$ 374.49	\$ -	\$ 374.49	\$ 742.22
MISC SALES			\$ -	\$ -	\$ -	\$ -
WIND ENERGY	8	0	\$ 34.00	\$ 0.34	\$ 34.34	\$ 68.68
TOTAL	1,305	2,525,416	\$ 216,242.89	\$ 5,687.82	\$ 221,930.71	\$ 443,972.77

	NO.	CCF	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
GAS						
RESIDENTIAL	877	6,522	\$ 9,493.48	\$ 95.52	\$ 9,589.00	\$ 18,749.70
*MISC CHARGES			\$ -	\$ -	\$ -	\$ 5.35
COMMERCIAL	116	2,992	\$ 2,952.33	\$ 206.40	\$ 3,158.73	\$ 6,320.89
*MISC CHARGES			\$ -	\$ -	\$ -	\$ -
INDUSTRIAL/INTERRUPTIBLE	8	5,087	\$ 4,049.39	\$ 114.86	\$ 4,164.25	\$ 8,790.47
*MISC CHARGES			\$ -	\$ -	\$ -	\$ -
INTERDEPARTMENTAL	15	555	\$ 516.35	\$ -	\$ 516.35	\$ 1,439.20
PUBLIC AUTHORITY ***	6	289	\$ 257.21	\$ -	\$ 257.21	\$ 519.37
PENALTY			\$ 29.20	\$ -	\$ 29.20	\$ 65.20
MISC SALES				\$ -	\$ -	\$ -
TOTAL	1,022	15,445	\$ 17,297.96	\$ 416.78	\$ 17,714.74	\$ 35,890.18

	NO.	CF	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
WATER						
RESIDENTIAL	1,001	1,031,700	\$ 30,993.87	\$ 2,167.79	\$ 33,161.66	\$ 66,966.46
COMMERCIAL	139	290,566	\$ 5,279.86	\$ 359.98	\$ 5,639.84	\$ 13,372.22
BULK WATER SALES	9	12,834	\$ 240.00	\$ 16.84	\$ 256.84	\$ 256.84
INDUSTRIAL	7	95,900	\$ 1,898.91	\$ 132.91	\$ 2,031.82	\$ 4,431.72
INTERDEPARTMENTAL	18	50,400	\$ 1,136.16	\$ -	\$ 1,136.16	\$ 2,676.78
PUBLIC AUTHORITY	6	178,600	\$ 3,461.94	\$ -	\$ 3,461.94	\$ 5,521.50
PENALTY			\$ 31.31	\$ -	\$ 31.31	\$ 64.93
MISC SALES				\$ -	\$ -	\$ -
TOTAL	1,180	1,660,000	\$ 43,042.05	\$ 2,677.52	\$ 45,719.57	\$ 93,290.45

					MONTH	YEAR
SEWER RENTAL	NO.	DOLLARS	TAXES		TO DATE	TO DATE
RESIDENTIAL	971	\$ 23,864.92	\$ -	\$	23,864.92	\$ 47,928.24
NON RESIDENTIAL	117	\$ 4,985.96	\$ 236.05	\$	5,222.01	\$ 9,871.33
CONTRACT		\$ -		\$	-	\$ -
PENALTY		\$ 26.39		\$	26.39	\$ 55.59
MISC SALES				\$	-	\$ -
TOTAL	1,088	\$ 28,877.27	\$ 236.05	\$	29,113.32	\$ 57,855.16

					MONTH	YEAR
GARBAGE COLLECTIONS	NO.	DOLLARS	TAXES		TO DATE	TO DATE
RESIDENTIAL	1,061	\$ 14,593.90	\$ -	\$	14,593.90	\$ 29,144.21
*MISC CHARGES		\$ -	\$ -	\$	-	\$ -
NON RESIDENTIAL	116	\$ 358.76	\$ 23.31	\$	382.07	\$ 767.35
PENALTY		\$ 21.51		\$	21.51	\$ 44.58
MISC SALES		\$ -		\$	-	\$ -
TOTAL	1,177	\$ 14,974.17	\$ 23.31	\$	14,997.48	\$ 29,956.14

					MONTH	YEAR
HITEC COMMUNICATIONS		DOLLARS	TAXES		TO DATE	TO DATE
PHONE	NO.					
RESIDENTIAL	414	\$ 8,703.62		\$	8,703.62	\$ 19,238.44
NON RESIDENTIAL	317	\$ 16,284.60		\$	16,284.60	\$ 29,547.33
HITEC LONG DISTANCE	354	\$ 2,367.21		\$	2,367.21	\$ 4,819.21
SPECIAL ADJUSTMENTS		\$ 3,580.07		\$	3,580.07	\$ 4,160.67
FEDERAL TAX		\$ -	\$ 500.83	\$	500.83	\$ 1,005.87
STATE SALES TAX		\$ -	\$ 1,270.83	\$	1,270.83	\$ 2,519.89
MISC SALES		\$ -	\$ -	\$	-	\$ -
TOTAL	1085	\$ 30,935.50	\$ 1,771.66	\$	32,707.16	\$ 61,291.41

CABS BILLED	----	\$ 3,824.93		\$	3,824.93	\$ 7,064.02
CABS RECEIVED	----	\$ 2,393.48		\$	2,393.48	\$ 5,486.50

					MONTH	YEAR
	NO.	DOLLARS	TAXES		TO DATE	TO DATE
CABLE						
INTERNET	1144	\$ 39,798.85		\$	39,798.85	\$ 79,657.67
LOCAL PACKAGE	52	\$ 1,141.40		\$	1,141.40	\$ 2,282.80
BASIC SERVICE	663	\$ 30,373.28		\$	30,373.28	\$ 60,296.45
SHOWTIME PACKAGE	21	\$ 315.00		\$	315.00	\$ 630.00
MOVIE CHANNEL (CINAMAX)	13	\$ 114.52		\$	114.52	\$ 244.19
STARZ	7	\$ 105.00		\$	105.00	\$ 210.00
HBO	15	\$ 320.00		\$	320.00	\$ 640.00
CONVERTER BOX	1	\$ 4.00		\$	4.00	\$ 8.00
MISC REV (OTHER CHG & CR)	0	\$ -		\$	-	\$ 25.00
PAY-PER-VIEW	0	\$ -		\$	-	\$ -
FRANCHISE FEE	715	\$ 1,773.46		\$	1,773.46	\$ 3,520.43
EQUIPMENT REVENUE	67	\$ 1,026.70		\$	1,026.70	\$ 2,019.83
DIGITAL BASIC SERVICE	68	\$ 1,762.77		\$	1,762.77	\$ 3,467.17
DIGITAL SHOWTIME	7	\$ 105.00		\$	105.00	\$ 210.00
DIGITAL CINEMAX	3	\$ 30.00		\$	30.00	\$ 60.00
DIGITAL HBO	8	\$ 160.00		\$	160.00	\$ 317.33
STATE SALES TAX		\$ -	\$ 2,482.04	\$	2,482.04	\$ 4,928.76
TOWER LEASE SPACE		\$ 550.00		\$	550.00	\$ 1,100.00
MISC SALES		\$ -	\$ -	\$	\$0.00	\$ -
TOTAL	1640	\$ 77,579.98	\$ 2,482.04	\$	80,062.02	\$ 159,617.63

	NO.	DOLLARS	TAXES		MONTH	YEAR
					TO DATE	TO DATE
MISC SALES			\$ -	\$	-	\$ -
TOTAL	0	\$ -	\$ -	\$	-	\$ -

	NO.	DOLLARS	TAXES		MONTH	YEAR
					TO DATE	TO DATE
MISCELLANEOUS CHARGES						
PS-PROJECT SHARE	7	\$ 72.00	\$ -	\$	72.00	\$ 144.00
PT-PET SERVICE	0	\$ -	\$ -	\$	-	\$ -
MISC		\$ -	\$ -	\$	-	\$ -
TOTAL		\$ 72.00	\$ -	\$	72.00	\$ 144.00

GRAND TOTAL		\$ 432,846.75	\$ 13,295.18	\$	446,141.93	\$ 889,081.76
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**BILLING REPORT
AUGUST 2015**

	NO.	KWH	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
ELECTRIC (security lights)						
RESIDENTIAL	1,025	1,234,538	\$ 107,544.45	\$ 1,077.21	\$ 108,621.66	\$ 204,041.23
*MISC CHARGES			\$ 1,135.00	\$ 79.45	\$ 1,214.45	\$ 2,974.60
COMMERCIAL	182	495,931	\$ 46,890.20	\$ 3,132.77	\$ 50,022.97	\$ 99,392.90
*MISC CHARGES			\$ 135.00	\$ 9.45	\$ 144.45	\$ 358.45
INDUSTRIAL/INTERRUPTIBLE	10	414,517	\$ 34,372.11	\$ 1,437.58	\$ 35,809.69	\$ 71,099.81
*MISC CHARGES			\$ -	\$ -	\$ -	\$ -
INTERDEPARTMENTAL	68	251,336	\$ 13,092.60	\$ -	\$ 13,092.60	\$ 25,996.80
PUBLIC AUTHORITY	9	112,355	\$ 9,479.93	\$ -	\$ 9,479.93	\$ 19,572.88
PENALTY			\$ 343.95	\$ -	\$ 343.95	\$ 628.70
MISC SALES			\$ -	\$ -	\$ -	\$ -
WIND ENERGY	8		\$ 34.00	\$ 0.34	\$ 34.34	\$ 68.68
TOTAL	1,302	2,508,677	\$ 213,027.24	\$ 5,736.80	\$ 218,764.04	\$ 424,134.05

	NO.	CCF	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
GAS						
RESIDENTIAL	872	7,018	\$ 9,927.23	\$ 99.29	\$ 10,026.52	\$ 20,336.65
*MISC CHARGES			\$ -	\$ -	\$ -	\$ -
COMMERCIAL	115	3,052	\$ 3,019.99	\$ 210.83	\$ 3,230.82	\$ 6,316.62
*MISC CHARGES			\$ 25.00	\$ 1.75	\$ 26.75	\$ 26.75
INDUSTRIAL/INTERRUPTIBLE	8	6,282	\$ 5,068.69	\$ 263.06	\$ 5,331.75	\$ 10,674.86
*MISC CHARGES			\$ -	\$ -	\$ -	\$ -
INTERDEPARTMENTAL	16	1,035	\$ 961.86	\$ -	\$ 961.86	\$ 2,489.87
PUBLIC AUTHORITY ***	6	486	\$ 418.26	\$ -	\$ 418.26	\$ 723.51
PENALTY			\$ 20.69		\$ 20.69	\$ 49.10
MISC SALES					\$ -	
TOTAL	1,017	17,873	\$ 19,441.72	\$ 574.93	\$ 20,016.65	\$ 40,617.36

	NO.	CF	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
WATER						
RESIDENTIAL	1,000	1,062,500	\$ 24,725.16	\$ 1,723.70	\$ 26,448.86	\$ 51,061.26
COMMERCIAL	127	208,300	\$ 3,965.30	\$ 271.42	\$ 4,236.72	\$ 8,546.33
BULK WATER SALES	7	20,441	\$ 382.25	\$ 26.78	\$ 409.03	\$ 2,496.64
INDUSTRIAL	7	106,400	\$ 1,417.79	\$ 99.27	\$ 1,517.06	\$ 3,262.51
INTERDEPARTMENTAL	18	57,300	\$ 905.75		\$ 905.75	\$ 1,521.40
PUBLIC AUTHORITY	6	76,800	\$ 1,030.39		\$ 1,030.39	\$ 2,115.34
PENALTY			\$ 29.04		\$ 29.04	\$ 47.63
MISC SALES					\$ -	
TOTAL	1,165	1,531,741	\$ 32,455.68	\$ 2,121.17	\$ 34,576.85	\$ 69,051.11

				MONTH	YEAR
SEWER RENTAL	NO.	DOLLARS	TAXES	TO DATE	TO DATE
RESIDENTIAL	970	\$ 22,327.77	\$ -	\$ 22,327.77	\$ 43,994.06
NON RESIDENTIAL	115	\$ 3,383.60	\$ 199.45	\$ 3,583.05	\$ 7,083.14
CONTRACT		\$ -		\$ -	\$ -
PENALTY		\$ 23.77		\$ 23.77	\$ 45.53
MISC SALES				\$ -	\$ -
TOTAL	1,085	\$ 25,735.14	\$ 199.45	\$ 25,934.59	\$ 51,122.73

				MONTH	YEAR
GARBAGE COLLECTIONS	NO.	DOLLARS	TAXES	TO DATE	TO DATE
RESIDENTIAL	1,053	\$ 14,004.49	\$ -	\$ 14,004.49	\$ 28,023.59
*MISC CHARGES		\$ -	\$ -	\$ -	\$ -
NON RESIDENTIAL	117	\$ 351.00	\$ 23.73	\$ 374.73	\$ 749.46
PENALTY		\$ 39.20		\$ 39.20	\$ 62.20
MISC SALES		\$ -		\$ -	\$ -
TOTAL	1,170	\$ 14,394.69	\$ 23.73	\$ 14,418.42	\$ 28,835.25

				MONTH	YEAR
HITEC COMMUNICATIONS		DOLLARS	TAXES	TO DATE	TO DATE
PHONE	NO.				
RESIDENTIAL	451	\$ 10,033.26		\$ 10,033.26	\$ 20,039.11
NON RESIDENTIAL	282	\$ 15,299.64		\$ 15,299.64	\$ 29,107.08
HITEC LONG DISTANCE	267	\$ 1,527.51		\$ 1,527.51	\$ 3,400.40
SPECIAL ADJUSTMENTS		\$ 411.60		\$ 411.60	\$ 813.55
FEDERAL TAX		\$ -	\$ 499.75	\$ 499.75	\$ 1,003.84
STATE SALES TAX		\$ -	\$ 902.51	\$ 902.51	\$ 1,806.43
MISC SALES		\$ -	\$ -	\$ -	\$ -
TOTAL	1000	\$ 27,272.01	\$ 1,402.26	\$ 28,674.27	\$ 56,170.41

CABS BILLED	-----	\$ 5,121.66		\$ 5,121.66	\$ 11,164.09
CABS RECEIVED	-----	\$ 78,693.03		\$ 78,693.03	\$ 84,535.24

				MONTH	YEAR
CABLE	NO.	DOLLARS	TAXES	TO DATE	TO DATE
INTERNET	81	\$ 3,458.70		\$ 3,458.70	\$ 3,458.70
LOCAL PACKAGE	58	\$ 310.74		\$ 610.74	\$ 1,232.01
BASIC SERVICE	661	\$ 31,855.65		\$ 31,855.65	\$ 63,914.59
SHOWTIME PACKAGE	25	\$ 375.00		\$ 375.00	\$ 736.50
MOVIE CHANNEL (CINAMAX)	17	\$ 155.16		\$ 155.16	\$ 325.16
STARZ	8	\$ 120.00		\$ 120.00	\$ 247.50
HBO	19	\$ 374.84		\$ 374.84	\$ 759.51
CONVERTER BOX	1	\$ 4.00		\$ 4.00	\$ 8.00
MISC REV (OTHER CHG & CR)	0	\$ -		\$ -	\$ -
PAY-PER-VIEW	0	\$ -		\$ -	\$ -
FRANCHISE FEE	719	\$ 1,411.00		\$ 1,411.00	\$ 2,835.70
EQUIPMENT REVENUE	61	\$ 923.95		\$ 923.95	\$ 1,868.83
DIGITAL BASIC SERVICE	62	\$ 1,616.00		\$ 1,616.00	\$ 3,268.40
DIGITAL SHOWTIME	7	\$ 105.00		\$ 105.00	\$ 220.00
DIGITAL CINEMAX	5	\$ 50.00		\$ 50.00	\$ 106.67
DIGITAL HBO	10	\$ 200.00		\$ 200.00	\$ 413.33
STATE SALES TAX		\$ -	\$ 2,547.32	\$ 2,547.32	\$ 5,117.03
TOWER LEASE SPACE		\$ 550.00		\$ 550.00	\$ 1,100.00
MISC SALES		\$ -	\$ -	\$ 0.00	\$ -
TOTAL	1653	\$ 41,510.04	\$ 2,547.32	\$ 44,357.36	\$ 85,611.93

				MONTH	YEAR
INTERNET (710-856-4508)	NO.	DOLLARS	TAXES	TO DATE	TO DATE
ACS NETWORKS	648	\$ 19,094.00	\$ -	\$ 19,094.00	\$ 38,163.50
LONG LINES	0	\$ -	\$ -	\$ -	\$ 2,459.50
MISC SALES			\$ -	\$ -	\$ -
TOTAL	648	\$ 19,094.00	\$ -	\$ 19,094.00	\$ 40,623.00

				MONTH	YEAR
MISCELLANEOUS CHARGES	NO.	DOLLARS	TAXES	TO DATE	TO DATE
PS-PROJECT SHARE	7	\$ 72.00	\$ -	\$ 72.00	\$ 144.00
PT-PET SERVICE	0	\$ -	\$ -	\$ -	\$ -
MISC		\$ -	\$ -	\$ -	\$ -
TOTAL		\$ 72.00	\$ -	\$ 72.00	\$ 144.00

GRAND TOTAL		\$ 398,124.18	\$ 12,605.66	\$ 411,029.84	\$ 807,473.93
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TENTATIVE AGREEMENT

Between

CITY OF HAWARDEN

And

LOCAL 1774

AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES

IOWA/COUNCIL 61

2016-2020

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PREAMBLE

The City of Hawarden, hereinafter referred to as the "Employer," and Local #1774

American Federation of State, County and Municipal Employees, AFL CIO Iowa/Council 61, hereinafter referred to as the "Union," agree as follows:

ARTICLE 1 RECOGNITION

The Employer recognizes the Union as the sole and exclusive bargaining agent for:

INCLUDED:

Full-time and regular part-time* Telcom, Water/Waste Water, Electric, Street, Gas, Maintenance Utility, Laborer and Working Foreman.

*Regular part-time shall be employees who are employed on a twelve-month basis for twenty (20) hours or more per week.

EXCLUDED:

Department Head, City Clerk, Assistant City Clerk, all clerical employees, all police department employees, employees of a seasonal/temporary nature (i.e. golf course, cemetery, swimming pool and mowing) and all other persons excluded by Section 20.4 of the Code of Iowa.

ARTICLE 2 HOURS OF WORK

Section 1: Regular Hours

The normal regular hours of work for full-time employees each day shall be consecutive except for interruptions for lunch periods.

Section 2: Work Week

The normal work week for full-time employees shall consist of five (5) consecutive eight (8) hour days, Monday through Friday.

Section 3: Work Day

Eight (8) consecutive hours of work exclusive of the meal period within the twenty-four (24) hour period beginning at 12:01 a.m. shall constitute the normal regular work day for all full-time employees with the exception of the employees listed in Section 2.

Section 4: Rest Periods

All employees shall receive a fifteen (15) minute rest period during each one-half (1/2) shift. The rest period shall be scheduled at the middle of each one-half (1/2) shift whenever possible.

Section 5: Meal Periods

All employees shall be granted one (1) hour unpaid lunch period during each work shift. Whenever possible, the lunch period shall be scheduled at the middle of each shift.

Section 6:

Normal scheduled hours of work shall be posted for all employees. Changes in such hours shall be preceded by a posting of five (5) working days. However, the employer may send employees home upon the completion of forty (40) hours of work at any time during the week. In such cases the employer will not hire part-time employees to perform work normally performed by these employees.

Section 7:

Nothing contained in this Article is a guarantee of number of hours per day, or week or year.

**ARTICLE 3
OVERTIME**

Time and one-half (1 1/2) an employee's straight time hourly rate shall be paid for actual hours worked in excess of forty (40) hours per week. Hours of vacation and holiday will count as actual hours worked for overtime payment.

An employee who is required to work on Sunday other than as part of his normal work week, shall be paid one and one-half (1 1/2) times his/her straight time hourly rate.

**ARTICLE 4
SICK LEAVE**

Sick leave is that leave which may be earned by a full-time Employee* and which, after earned, may be used by the Employee only in case of actual personal illness, or injury, or doctor or dentist appointments for himself/herself which cannot be arranged outside working hours. Eligible, full-time Employees* shall be allowed to earn sick leave at the rate of one (1) day of sick leave, based on one (1) work day for each consecutive calendar month of service. 1

Sick leave may accumulate from year to year, but the maximum accumulation of sick leave at any time shall not exceed one hundred and twenty (120) days.*

Sick leave may be granted, if earned, in minimum units of one hour. The employee must complete a sick leave form on the day he/she returns to work from any sick leave.

Sick leave of three (3) days or longer may be required to be verified by a doctor's statement upon his/her return to work. Any absence may require a doctor's statement when the City believes there was no illness.

*Regular part-time employees shall be eligible for sick leave on a prorated basis.

1 Month of service shall mean any month the employee works at least fifteen (15) days.

**ARTICLE 5
LEAVES OF ABSENCE**

A request for a leave of absence shall be submitted in writing by the Employee to the Department Head. The request shall indicate the reason the leave of absence is being requested, the length of leave time requested and whether the request is for leave with or without pay. The request shall be submitted no later than ten (10) days prior to the date of the anticipated absence whenever possible.

The Department Head shall grant or deny leave taking into consideration the work load and the Employee's request. Authorization for leave, if granted, shall be furnished in writing. Any request for a leave of absence shall be answered promptly.

Bereavement Leave:

A full-time Employee* may be granted up to five (5) days annually with full pay to attend funeral services in the event of death in the immediate family – spouse, parents, children, brothers, sisters, grandchildren or parents-in-law.

Jury Duty:

Employees shall be granted a leave of absence with pay any time they are required to report for jury duty or jury services.

*A regular part-time employee shall receive a prorated portion of the number of days.

Employees shall be paid the difference between any jury duty compensation less any specifically, separated designated travel and/or meal allowances and their regular wages for each day of jury service. If an employee's presence is not required, he/she shall be expected to return to work.

Military Leave:

Any Employee who is a member of a reserve force of the United States or of this State and who is ordered by the appropriate authorities to attend a training program or perform other duties under the supervision of the United States or this State, shall be granted a leave of absence with pay during the period of such activity. Such leave of absence with pay shall not exceed thirty (30) days.

Emergency/Business Leave:

An employee will be eligible for two days per year of non-cumulative leave with pay to attend to matters which cannot be accomplished at times other than during working hours.

Unless the leave is of an emergency nature, the employee will request approval for such leave at least three (3) calendar days in advance of the date of the leave.

Such leave will not be granted the day before or the day after holidays or vacations.

Unpaid Leaves:

The employer may, in its sole discretion, grant an unpaid leave of absence.

ARTICLE 6
HOLIDAYS

The following days, which fall within an employee's work schedule, shall be recognized and observed as holidays:

1. New Year's Day
2. Memorial Day
3. July 4th
4. Labor Day
5. Veteran's Day
6. Thanksgiving Day
7. Christmas Eve (1/2) day
8. Christmas Day

An employee shall be eligible for pay for any holiday falling on a normal work day, provided he/she was in pay status and worked or was on an approved paid leave of absence the last regularly scheduled work day before and after the holiday.

Whenever any of the holidays listed above falls on a Saturday, the preceding Friday shall be observed as the holiday. Whenever any of the holidays listed above falls on a Sunday, the succeeding Monday shall be observed as the holiday.

An eligible employee shall be paid his/her current straight time hourly rate of pay times the number of hours scheduled on the holiday if the employee performs no work.

An eligible employee who works on any of the holidays listed above shall be paid time and one-half his/her straight time hourly rate for hours worked plus his/her holiday pay.

ARTICLE 7
VACATION

An employee* shall be granted an annual paid vacation based upon the following years of continuous service as of July 1 each year:

Years of Service	Vacation
Less than one year	4/10 of a day for each month
After one year	Five (5) days
After two years	Ten (10) days
After ten years	Fifteen (15) days
After eighteen years	Twenty (20) days

An employee will be prorated when he/she moves from one accrual rate to another on the employee's anniversary date of hire for the employee's anniversary year only.

The rate of vacation pay shall be computed at the employee's straight time hourly rate times the normal daily hours of work times the number of days.

Vacations will be granted and scheduled by the Department Head taking into account work load and an employee's request.

Vacation must be taken in the twelve-month period following the period in which earned.

*Regular part-time employees shall receive a prorated number of vacation days.

When a holiday occurs during the vacation period of an employee, the employee's vacation period will be extended one additional day.

If after the employee has begun his/her vacation and the employer requires the employee to work during the scheduled period, the employee shall be compensated as follows:

- a. The employee shall be paid one and one-half (1 1/2) times his/her regular hourly rate of pay.
- b. The employee shall not be charged with vacation time for the hours worked.
- c. The employee's vacation time during which he/she worked shall be rescheduled according to the above language.

ARTICLE 8 WAGES

Effective July 1, 2016, an employee shall receive a \$.52 increase on his/her 2016-2017 straight time hourly rate.

Effective July 1, 2017, an employee shall receive a \$.53 increase on his/her 2017-2018 straight time hourly rate.

Effective July 1, 2018, an employee shall receive a \$.54 increase on his/her 2018-2019 straight time hourly rate.

Effective July 1, 2019, an employee shall receive a \$.55 increase on his/her 2019-2020 straight time hourly rate.

The City will provide at its discretion incentive and cross training stipends as provided in Appendix A. Such stipends will be paid July 1 of each year.

Employees will be paid in twenty-six pay periods. If a pay day falls on a holiday, payment shall be on the preceding regular work day. Payment, exclusive of deductions, shall be by warrants distributed to the employees.

A new employee will be hired at a rate determined by the employer.

**ARTICLE 9
INSURANCE**

The employer shall purchase a group life insurance policy for each full-time employee in the amount of \$10,000.

The employer shall make available a group medical program for full-time employees. The employer shall contribute the full premium for an employee who selects single coverage. For those employees who elect family coverage, the employer will contribute seventy percent of the dependent or spouse monthly premium.

Should the group insurance premium increase more than five (5) percent over the previous year in each of year 2, year 3 or year 4 of the agreement, the City and Union will meet to reduce the increase to no more than five (5) percent by amending benefits and/or changing carriers.

**ARTICLE 10
SENIORITY**

Seniority shall be defined as an employee's length of continuous service since his/her last date of hire.

New employees shall be considered probationary employees during the first six (6) months of employment and as such not entitled to any benefits under this agreement. Upon completion, the employee's date for seniority shall revert back to his date of hiring for vacation, sick leave benefits under this contract, and he/she will be paid in accordance with Article 6 for any holiday which occurred during his/her probationary period. Probationary employees will be eligible for participation in the group insurance program the 1st of the month following the completion of thirty (30) days of work.

The employer shall provide the Union President a seniority list each July.

Seniority shall be broken by:

- | | |
|--|---|
| 1. Resignation | 2. Discharge |
| 3. Retirement | 4. Lay-off for one (1) year |
| 5. Failure to report for work after recall | 6. Unpaid leave of absence for one year |

**ARTICLE 11
WORK FORCE**

Whenever the employer declares a position to be vacant, a notice of such vacancy shall be posted on the bulletin board for five (5) working days. An employee who wishes to be considered for such vacancy shall submit a written request to the Department Head.

In the event the employer decided to lay off employees it will retain the most qualified employees in the areas designated by the employer for reduction. When the choice is between two equally qualified employees performing in the job, the most senior employee will be retained.

Employees, other than probationary, laid off under this procedure, shall be eligible to be recalled to the position he/she held at the time of lay-off for up to one (1) year from the date of lay-off. If his/her position has been eliminated, that employee will be considered for any vacancy, which in the discretion of the employer, that employee is qualified.

An employee who is on lay-off must keep the Employer advised, in writing, of his/her current address.

An employee who fails to notify the employer of his/her intent to report for work and/or report for work upon being recalled will be considered to have resigned. An employee who is employed at the time of such notice shall have fourteen (14) calendar days, from receiving his/her recall notice, to report back to work.

ARTICLE 12 DUES CHECKOFF

The Employer agrees to deduct Union dues from the pay of those employees who individually request in writing that such deductions be made. Dues deductions may be terminated by any employee in thirty (30) days written notice to the Employer and the Union.

The amount of dues to be deducted each paycheck shall be certified to the Employer by the Treasurer of the Union. The Employer shall monthly remit the dues to the Union Treasurer with a list of employees for which deductions were withheld by the end of the month following the pay date of each dues deduction.

It is expressly understood that the Employer has no liability for the collection or payment to the Union any dues during the time an individual is not actually working for the Employer.

The Union shall indemnify and hold harmless the Employer against any and all claims, suits, orders and judgments brought or issued against the City as a result of any action taken or not taken under the provision of this Article.

ARTICLE 13 SAFETY

The employer shall furnish protective devices, not shoes or clothing, which are required by safety procedures.

The employer shall pay the renewal fee for an employee required, as a condition of employment, to have a state-approved license for waste water or pesticide.

If the employer requires an employee to obtain a commercial driver's license, the employer will pay the difference between the cost of a regular driver's license and the commercial driver's license.

ARTICLE 14
GRIEVANCE PROCEDURE

A grievance is defined as a violation of the express terms of this agreement. Should an Employee have a grievance, it shall be adjusted in the following manner:

STEP ONE:

An employee who claims a grievance shall present such grievance orally to his/her supervisor within five (5) calendar days after the date of the event which gave rise to the grievance. The Department Head shall give an oral answer to the employee within five (5) calendar days after the grievance was presented to him/her.

STEP TWO:

If the grievance is not settled in Step One, it may be appealed by the Employee within seven (7) calendar days from the answer of the Department Head or the expiration of the five (5) calendar days in which the Department Head had to provide the oral answer in Step One, whichever is later. The grievance shall be reduced to writing, signed by the employee, specifically stating the facts which gave rise to the grievance and the Section of this agreement alleged to have been violated. The grievance will be given to the City Administrator within the aforementioned seven (7) calendar day period. The City Administrator shall provide the employee a written answer within seven (7) calendar days after the grievance was presented. A copy of this answer will be sent to the Union President.

STEP THREE:

If the grievance is not settled in Step Two, it may be appealed to arbitration by the Union by sending written notice to the City Council within ten (10) calendar days after the receipt of the Department Head's answer in Step Two. Said written notice shall be signed by the appropriate Union representative. When a timely request for arbitration has been made above, the employee and the Union shall, within ten (10) calendar days from the Employee's receipt of arbitration notice request a list of seven (7) names from the Federal Mediation and Conciliation Service. Either party may strike all or any of the names from said list. If after such striking a common name appears on the list, that person will be the arbitrator. Should no common name remain, the parties will request a second list of seven (7) names from the Mediation and Conciliation Service.

After determining who shall strike first, the parties shall alternately strike names until one name remains. The remaining person shall be the arbitrator.

The parties shall arrange a mutually acceptable date to have the arbitration hearing.

The arbitration hearing shall be limited to the grievant(s), appropriate representative(s) and witnesses.

The arbitrator, after the hearing and filing of briefs, shall render a written opinion and award.

The arbitrator shall not have the authority to add to, subtract from, modify, alter, or amend any terms of this agreement. The arbitrator shall have no authority to substitute his/her discretion for that of the Employer in any matter reserved to the Employer by law or the terms of this agreement. The decision of the arbitrator shall be final and binding on both parties unless the

arbitrator has exceeded his/her authority granted under this contract.

The arbitrator may not hear more than one grievance unless the presentation of more than one grievance is mutually agreed to by the Employer and the Union. The Employer and the Union will share equally any costs of the arbitration hearing including hearing room costs and fees and expenses of the arbitrator. Any other expenses shall be paid by the party incurring the expense.

GENERAL PROVISIONS:

Presentation, discussion and processing of grievances shall occur at reasonable times during the work day. In no event shall such matters interfere with the work of the employees.

Arbitration hearings shall be scheduled outside the work day. However, the employer may agree to hearings during work hours when circumstances warrant. An employee required to attend such hearing will not suffer a loss of wages.

The failure of an employee to process a grievance within the applicable times specified above shall bar an appeal of such grievance and that grievance shall be considered settled.

The failure of the Employer to reply within the applicable times specified shall be deemed a denial of the grievance which may then be appealed to the next step.

Time limits may be extended by mutual agreement of the parties.

A representative of the employer will be available to discuss issues of concern which arise during the year. The Union may request a meeting after the written answer in Step 2 to discuss the grievance.

An employee shall be entitled to have a Union representative at Step 2 and above.

DURATION

This agreement shall be effective July 1, 2016, and continue in effect until June 30, 2020. It shall be automatically renewed from year to year thereafter unless either party shall notify the other in writing two hundred and seventy (270) days prior to expiration date of contract that it desires to modify this Agreement.

FOR THE CITY

Richard R. Porter
Mayor

Harvey J. Wiltsch
Chief Negotiator

August 10, 2016
Date

FOR THE UNION

[Signature]
Contract Chairperson

Preston DeBoer
Chief Negotiator

APPENDIX A

Incentive Stipends:

- Electrician** Eligible for \$1.00 per hour increase over four (4) year program. Twenty-five (25) cents per year for completing course work.
- Waste Water** Eligible for \$1.00 per hour increase by passing Waste Water III Examination.
- Gas** Eligible for a \$.50 per hour increase over two-year program. Twenty-five (25) cents per year for completing course work.

Cross Training Stipends:

- Gas** Eligible for \$.50 per hour upon completion of appropriate training.
- Waste Water** Eligible for \$.75 per hour upon completion of Waste Water I and II training.

LETTER OF UNDERSTANDING

The City acknowledges that it is making the Section 125 plan available to its employees for health insurance premium payment.

This plan will be made available provided it remains a part of the Internal Revenue Code.

Granting of the use of Section 125 is not precedent setting upon the City for future year bargaining and may not be used in any future proceeding against the City.

FOR THE CITY

FOR THE UNION

Harvey J. Waltz

Preston DeBoer

Date August 10, 2016

LETTER OF UNDERSTANDING

The parties agree that an employee who has worked overtime during the week may use vacation in lieu of sick leave to protect overtime hours worked.

FOR THE CITY

FOR THE UNION

Harvey J. Wilcox

Preston DeBoer

Date August 10, 2016

RESOLUTION NO. 2016-18

A RESOLUTION SETTING THE SALARIES FOR APPOINTED OFFICERS AND EMPLOYEES OF THE CITY OF HAWARDEN FOR THE YEAR BEGINNING JULY 1, 2016 AND ENDING JUNE 30, 2017

Be It Resolved by the Council of the City of Hawarden, Iowa:

Section 1. The following persons named shall be paid the salaries and wages indicated and the City Administrator is authorized to issue checks, less legally required or authorized deductions from the amounts set out below, bi-weekly, and make such contributions to IPERS, Social Security, or other purposes as required by law or authorization of the Council, all subject to audit and review by the Council.

Name	Hourly Rate	Bi-Weekly
Mike DeBruin		\$2,573.98
Chad Krebs	\$22.84	\$1,827.20
John Millikan	\$22.84	\$1,827.20
Robert Upton	\$22.84	\$1,827.20
Gary Tucker		\$3,400.54
Tracey Reinking	\$17.76	\$1,420.80
Cathy Bushby		\$1,498.08
Kristine Warner	\$16.46	\$1,316.80
Thomas Kane		\$2,618.01
Pamela Wakeman	\$20.67	\$1,653.60
Amber Van Wyhe	\$14.50	\$1,160.00
Thomas Ericson (Part Time)	\$12.86	\$ 385.80
Ron Prothero	\$27.26	\$2,180.80
Mike Miller	\$21.73	\$1,738.40
Alan Mace	\$23.28	\$1,862.40
Mike Finch	\$19.17	\$1,533.60
Travis Waterman	\$23.16	\$1,852.80
Zachery Miedema	\$20.87	\$1,669.60
Jay McCord	\$21.86	\$1,748.80
Brian Warner	\$21.25	\$1,700.00
Tim Moothart	\$19.63	\$1,570.40
Rick Bronkhorst	\$18.63	\$1,490.40
Tim Ericson	\$19.17	\$1,533.60
Ricardo Topete	\$17.98	\$1,438.40

Section 2. Part-time and seasonal employees will be paid at the rates determined by the appropriate department head upon consultation with the City Administrator. New employees shall be hired at a rate determined by the City Administrator that is consistent with the position, experience of the individual, and the salaries of those currently employed in similar positions. Training incentives shall be implemented at the sole discretion of the City Administrator.

Section 3. The City Clerk is hereby directed to make the necessary changes to the personnel manual as agreed by the City Council and the Non-Union and Union personnel.

Section 4. All other Resolutions or parts of Resolutions in conflict herewith be repealed to the extent of such conflict.

Section 5. The Council further ratifies and approves the Labor Contract covering the period from July 1, 2016 to June 30, 2017 and ratifies and approves all actions taken in the past and all further actions which may be necessary in the future to adopt and make it effective.

Passed and approved this 14th day of September, 2016.

Ricard R. Porter, Mayor

ATTEST:

Gary W. Tucker, City Administrator/City Clerk



Form 517007 {5-2016}
Office of Local Systems
Ames, IA 50010

City Street Financial Report

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Fiscal Year

2016

Sheet

1 of 8

City Name
HAWARDEN
City Number
3345

Cover Sheet

Now therefore let it be resolved that the city council HAWARDEN, Iowa
(City Name)

On 09/14/2016 did hereby approve and adopt the annual
(month/day/year)

City Street Financial Report from July 1, 2015 to June 30, 2016
(Year) (Year)

Contact Information

Name	E-mail Address	Street Address	city	ZIP Code
Pam Wakeman	pamw@cityofhawarden.com	1150 Central Avenue	Hawarden, Iowa	51023-0000
Hours	Phone	Extension	Phone(Alternative)	
7:30 am to 4:30 pm	712-551-2565		712-551-1921	

Preparer Information

Name	E-mail Address	Phone	Extension
Pam Wakeman	pamw@cityofhawarden.com	712-551-2565	

Mayor Information

Name	E-mail Address	Street Address	city	ZIP Code
Ricard R. Porter	porterfuneral@acsnet.com	1150 Central Avenue	Hawarden, Iowa	51023-0000
Phone	Extension			
712-551-2565				

Resolution Number

2016-19

Ricard R. Porter

Signature Mayor

Gary W. Tucker

Signature City Clerk



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Office of Local Systems
Ames, IA 50010

City Street Financial Report

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Fiscal Year

2016

Sheet

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City Name
HAWARDEN
City Number
3345

Summary Statement Sheet

Column 1 Column 2 Column 3 Column 4
Road use Other Steeet Street Debt Totals
Tax Fund Monies

Round Figures to Nearest Dollars

A. BEGINNING BALANCE				
1. July 1 Balance	\$41,083	\$18,911	\$104,182	\$164,176
2. Adjustments (Note on Explanation Sheet)	\$0	\$0	\$0	\$0
3. Adjusted Balance	\$41,083	\$18,911	\$104,182	\$164,176
B. REVENUES				
1. Road Use Tax	\$314,633			\$314,633
2. Property Taxes		\$79,480	\$0	\$79,480
3. Special Assessments		\$0	\$22,500	\$22,500
4. Miscellaneous		\$0	\$105,445	\$105,445
5. Proceeds from Bonds, Notes, and Loans		\$0	\$0	\$0
6. Interest Earned		\$0	\$0	\$0
7. Total Revenues (Lines B1 thru B6)	\$314,633	\$79,480	\$127,945	\$522,058
C. Total Funds Available (Line A3 + Line B7)	\$355,716	\$98,391	\$232,127	\$686,234

Column 1 Column 2 Column 3 Column 4
Road use Other Steeet Street Debt Totals
Tax Fund Monies

Round Figures to Nearest Dollars

EXPENSES				
D. Maintenance				
1. RoadWay Maintenance	\$217,500	\$59,540	\$0	\$277,040
2. Snow and Ice Removal	\$0	\$35,651	\$0	\$35,651
E. Construction, Reconstruction and Improvements				
1. Engineering	\$0	\$3,200	\$0	\$3,200
2. Right of Way Purchased	\$0	\$0	\$0	\$0
3. Street/Bridge Construction	\$0	\$0	\$0	\$0
4. Traffic Services	\$0	\$0	\$0	\$0
F. Administration				
	\$0	\$0	\$0	\$0
G. Equipment				
	\$32,000	\$0	\$0	\$32,000
H. Miscellaneous				
		\$0	\$0	\$0
J. street Debt				
1. Bonds, Notes and Loans -Principal Paid	\$0	\$0	\$185,051	\$185,051
2. Bonds, Notes and Loans - Interest Paid	\$0	\$0	\$47,076	\$47,076
TOTALS				
K. Total Expenses (Lines D thru J)	\$249,500	\$98,391	\$232,127	\$580,018
L. Ending Balance (Line C-K)	\$106,216	\$0	\$0	\$106,216
M. Total Funds Accounted For (K + L = C)	\$355,716	\$98,391	\$232,127	\$686,234



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Office of Local Systems
Ames, IA 50010

City Street Financial Report

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Fiscal Year

2016

Sheet

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City Name
HAWARDEN
City Number
3345

Miscellaneous Revenues and Expenses Sheet

Code Number and Itemization of Miscellaneous Revenues (Line B4 on the Summary Statement Sheet)(See Instructions)	Column 2 Other Street Monies	Column 3 Street Debt
195---Tax Increment Financing (TIF)	\$0.00	\$105,445.00
Line B4 Totals	\$0.00	\$105,445.00

Code Number and Itemization of Miscellaneous Expenses (Line H on the Summary Statement Sheet) "On street" parking expenses, street maintenance, buildings, insurance, administrative costs for printing, legal fees,bond fees etc. (See Instructions)	Column 2 Other Street Monies	Column 3 Street Debt
Line H Totals		



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Office of Local Systems
Ames, IA 50010

City Street Financial Report

Report Generated

9/2/2016 11:48 AM

Fiscal Year

2016

Sheet

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City Name
HAWARDEN
City Number
3345

Bonds, Notes and Loans Sheet

New Bond ?	Debt Type	Debt Purpose	DOT Use Only	Issue Date	Issue Amount	% Related to Street	Year Due	Principal Balance as of 7/1	Total Principal Paid	Total Interest Paid	Principal Roads	Interest Roads	Principal Balance as of 6/30
<input type="checkbox"/>	General Obligation	Street Improvements	101	07/01/2005	\$92,000	100	2021	\$45,174	\$6,622	\$2,108	\$6,622	\$2,108	\$38,552
<input type="checkbox"/>	General Obligation	Street Improvements	102	11/30/2011	\$750,000	100	2022	\$527,252	\$68,429	\$16,243	\$68,429	\$16,243	\$458,823
<input type="checkbox"/>	General Obligation	Street Improvements	103	07/10/2014	\$1,210,000	100	2025	\$1,210,000	\$110,000	\$28,725	\$110,000	\$28,725	\$1,100,000
New Bond Totals					\$0	\$0	Totals	\$1,782,426	\$185,051	\$47,076	\$185,051	\$47,076	\$1,597,375



Form 517007 {5-2016}
Office of Local Systems
Ames, IA 50010

City Street Financial Report

City Name
HAWARDEN
City Number
3345

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Fiscal Year

2016

Sheet

5 of 8

Project Final Costs Sheet

For construction, reconstruction, and improvement projects with costs equal to or greater than 90% of the bid threshold in effect as the beginning of the fiscal year.

[Check here if there are no entities for this year](#)

Project Final Costs Sheet (Section A)

1. Project Number	2. Estimated Cost	3. Project Type	4. Public Letting?	5. Location/Project Description (limits, length, size of structure)
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Project Final Costs Sheet (Section B)

1. Project Number	6. Contractor Name	7. Contract Price	8. Additions/ Deductions	9. Labor	10. Equipment	11. Materials	12. Overhead	13. Total
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Form 517007 {5-2016}
Office of Local Systems
Ames, IA 50010

City Street Financial Report

City Name
HAWARDEN
City Number
3345

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Fiscal Year

2016

Sheet

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Road/Street Equipment Inventory Sheet

1. Local Class I.D. #	2. Model Year	3. Description	4. Purchase Cost	5. Lease Cost /Unit	6. Rental Cost /Unit	7. Used On Project this FY?	8. Status
	2011	Alliance Street Sweeper	\$133,000	\$0	\$0	No	NOCH
	2008	Jack Hammer	\$7,295	\$0	\$0	No	NOCH
	2008	Street Roller	\$10,745	\$0	\$0	No	NOCH
	2008	JD Tractor Mower	\$30,520	\$0	\$0	No	NOCH
	2004	Packer	\$2,160	\$0	\$0	No	NOCH
	2003	Ring O Matic Sewer Vac	\$11,084	\$0	\$0	No	NOCH
	2004	Skid Loader Trailer	\$2,174	\$0	\$0	No	NOCH
	2000	Chevy Single Axle C7500	\$47,500	\$0	\$0	No	NOCH
	1990	John Deere Roadgrader	\$50,000	\$0	\$0	No	NOCH
	1996	Sullair Air compressor	\$12,000	\$0	\$0	No	NOCH
	2012	Snowblower for JD Mower	\$1,569	\$0	\$0	No	NOCH
	2005	International Plow Truck	\$54,617	\$0	\$0	No	NOCH
	2006	GMC Single Axle 7500	\$57,500	\$0	\$0	No	NEW
	2013	Ford F250 Pickup	\$20,750	\$0	\$0	No	NOCH
	2015	John Deere Z970 Mower	\$15,000	\$0	\$0	No	NEW
	2015	John Deere Payloader	\$169,750	\$0	\$0	No	NOCH
	2014	Bobcat Skidloader	\$32,969	\$0	\$0	No	NEW



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Ames, IA 50010

City Street Financial Report

City Name
HAWARDEN
City Number
3345

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2016
Sheet
7 of 8

Explanation Sheet

Comments



Form 517007 {5-2016}
Office of Local Systems
Ames, IA 50010

City Name
HAWARDEN
City Number
3345

City Street Financial Report

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9/2/2016 11:48 AM

Fiscal Year

2016

Sheet

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Monthly Payment Sheet

Month	Road Use tax Payments
July	\$26,178.93
August	\$35,265.93
September	\$31,279.87
October	\$23,926.43
November	\$27,216.52
December	\$27,471.88
January	\$22,896.80
February	\$26,315.54
March	\$26,996.73
April	\$18,723.66
May	\$20,151.47
June	\$28,209.04
Totals	\$314,632.80

RESOLUTION NO. 2016-20

Resolution authorizing the use of a preliminary official statement for the sale of bonds

WHEREAS, the City of Hawarden, in Sioux County, State of Iowa, did heretofore establish a Municipal Electric Utility System (the "Utility"), 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 now 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") 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"), a portion of which remains outstanding; and

WHEREAS, pursuant to the 2015 Bond Resolution, the City reserved the right to issue additional obligations payable from the net revenues of the Utility and ranking on a parity with the Series 2015 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 it is now necessary to make provision for the approval of the P.O.S. and to authorize its use by D.A. Davidson & Co. (the "Underwriter");

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

Section 1. The City Clerk is hereby authorized to take such action as shall be deemed necessary and appropriate with the assistance of Dorsey & Whitney LLP (the "Disclosure

Counsel”), as bond and disclosure counsel to the City, and the Underwriter to prepare the P.O.S. describing the Bonds and providing for the terms and conditions of their sale, and all action heretofore taken in this regard is hereby ratified and approved.

Section 2. The use by the Underwriter of the P.O.S. relating to the Bonds in substantially the form as has been presented to and considered by the City is hereby approved, and the Underwriter, together with Disclosure Counsel, is hereby authorized to prepare and use a final Official Statement for the Bonds substantially in the form of the P.O.S. but with such changes therein as are required to conform the same to the terms of the Bonds and the resolution, when adopted, providing for the sale and issuance of the Bonds, and the City Clerk is hereby authorized and directed to execute a final Official Statement for the Bonds, if requested. The P.O.S. as of its date is deemed final by the City within the meaning of Rule 15(c)(2)-12 of the Securities and Exchange Commission.

Section 3. Further action with respect to the Loan Agreement and the Bonds is hereby adjourned to the City Council meeting on September 28, 2016.

Section 4. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved September 14, 2016.

Mayor

Attest:

City Clerk

NEW ISSUE - DTC BOOK ENTRY ONLY

RATING: NOT RATED

In the opinion of Dorsey & Whitney LLP, Bond Counsel, according to present laws, rulings and decisions and assuming compliance with certain covenants, the interest on the Bonds will be excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986 (the "Code"); provided however such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes). In the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX EXEMPTION AND RELATED TAX MATTERS" herein.

\$2,605,000*

**City of Hawarden, Iowa
Electric Revenue Refunding Bonds,
Series 2016**

Dated Date: Date of Delivery**Due:** as shown on inside cover

The \$2,605,000* Electric Revenue Refunding Bonds, Series 2016 (the "Bonds") are being issued in fully registered form in denominations of \$5,000 or any integral multiple thereof pursuant to a Bond Resolution (defined below) to be adopted by the City of Hawarden, Iowa (the "Issuer" or the "City") for its Municipal Electric Utility System (the "Utility"). The Depository Trust Company, New York, New York ("DTC") will act as the securities depository for the Bonds and its nominee, Cede & Co., will be the registered owner of the Bonds. Individual purchases of the Bonds will be recorded on a book-entry only system operated by DTC. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the Bondholder, the principal of, premium, if any, and interest on the Bonds will be paid by Bankers Trust Company, Des Moines, Iowa as Registrar and Paying Agent (the "Registrar"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither the Issuer nor the Registrar will have any responsibility or obligation to such DTC Participants, indirect participants or the persons for whom they act as nominee with respect to the Bonds. See "APPENDIX E – BOOK-ENTRY SYSTEM" herein.

The Bonds will bear interest from their dated date, payable semiannually on each June 1 and December 1, commencing June 1, 2017*. The Bonds are subject to redemption by the Issuer prior to their stated maturities in the manner and at the time described herein. All of the Bonds then outstanding are subject to redemption at the option of the Issuer, as a whole or in part, from any source of available funds, on June 1, 2024* or on any date thereafter at a redemption price equal to the principal amount of the Bonds, together with accrued interest to the date fixed for redemption, without premium. See "THE BONDS – Redemption" herein.

The Bonds are being issued by the Issuer to evidence the Issuer's obligation under a certain loan agreement (the "Loan Agreement") for the purpose of paying the cost, to that extent, of advance refunding the callable portion of the outstanding principal balance of the City's Electric Revenue Improvement and Refunding Bonds, Series 2011, dated November 30, 2011 (the "Series 2011 Bonds") and paying certain costs of issuance related to the Bonds. The Bonds are issued pursuant to and in strict compliance with the provisions of Chapters 384 and 76 of the Code of Iowa, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of the Bonds (the "Bond Resolution").

The Bonds, together with the Outstanding Bonds and any Parity Bonds (each as defined herein), and the interest thereon shall be payable solely and only out of the Net Revenues (defined herein) of the Issuer's Utility and from amounts on deposit in the Sinking Fund and Reserve Fund (each as defined herein). The Bonds shall not be a debt of nor a charge against the State of Iowa nor of the Issuer within the meaning of any constitutional or statutory limitation or provision and are not payable in any manner by taxation, and the Issuer shall not be liable by reason of the failure of the Net Revenues to be sufficient for the payment of the Bonds, the Outstanding Bonds and any Parity Bonds, and the interest thereon. See "SECURITY AND SOURCE OF PAYMENT" herein.

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality, validity and tax exemption by Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel. Dorsey & Whitney LLP is also serving as Disclosure Counsel to the Issuer in connection with the issuance of the Bonds. It is expected that the Bonds in the definitive form will be available for delivery through the facilities of DTC on or about October 27, 2016.*



D | A | DAVIDSON
FIXED INCOME CAPITAL MARKETS

The Date of this Official Statement is September __, 2016.

* Preliminary, subject to change.

\$2,605,000*
City of Hawarden, Iowa
Electric Revenue Refunding Bonds, Series 2016

MATURITY SCHEDULE

<u>Due</u>	<u>Amount</u> *	<u>Rate</u> *	<u>Yield</u> *	<u>Cusip Num.</u> **	<u>Due</u>	<u>Amount</u> *	<u>Rate</u> *	<u>Yield</u> *	<u>Cusip Num.</u> **
June 1, 2019	\$175,000				June 1, 2026	\$200,000			
June 1, 2020	\$180,000				June 1, 2027	\$205,000			
June 1, 2021	\$185,000				June 1, 2028	\$215,000			
June 1, 2022	\$185,000				June 1, 2029	\$220,000			
June 1, 2023	\$190,000				June 1, 2030	\$225,000			
June 1, 2024	\$195,000				June 1, 2031	\$230,000			
June 1, 2025	\$200,000								

* Preliminary, subject to change.

** CUSIP numbers shown above have been assigned by a separate organization not affiliated with the Issuer. The Issuer has not selected nor is responsible for selecting the CUSIP numbers assigned to the Bonds nor do they make any representation as to the correctness of such CUSIP numbers on the Bonds or as indicated above.

No dealer, broker, salesman or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby in any state to any persons to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The information set forth herein has been obtained from the Issuer and from other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

No representation is made regarding whether the Bonds constitute legal investments under the laws of any state for banks, savings banks, savings and loan associations, life insurance companies, and other institutions organized in such state, or fiduciaries subject to the laws of such state.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATIONS OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES ATTACHED HERETO, CONTAINS STATEMENTS WHICH SHOULD BE CONSIDERED "FORWARD-LOOKING STATEMENTS," MEANING THEY REFER TO POSSIBLE FUTURE EVENTS OR CONDITIONS. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE WORDS SUCH AS, "ANTICIPATED", "PLAN," "EXPECT," "PROJECTED," "ESTIMATE," "BUDGET" OR OTHER WORDS OF SIMILAR IMPORT. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO DIFFER FROM THOSE EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE ISSUER DOES NOT EXPECT OR INTEND TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

In connection with the issuance of the Bonds, the Issuer will enter into a Continuing Disclosure Certificate. See "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE."

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OFFICIAL STATEMENT

\$2,605,000*

City of Hawarden, Iowa Electric Revenue Refunding Bonds, Series 2016

INTRODUCTION

The purpose of this Official Statement, including the cover page and the appendices hereto (the “Official Statement”), is to set forth certain information in conjunction with the sale of \$2,605,000* Electric Revenue Refunding Bonds, Series 2016 (the “Bonds”) of the City Council (the “Council”) of the City of Hawarden, Iowa (the “Issuer” or the “City”) for its Municipal Electric Utility System (the “Utility”). This Introduction is not a summary of this Official Statement, but is only a brief description of the Bonds and certain other matters. Such description is qualified by reference to the entire Official Statement and the documents summarized or described herein. This Official Statement should be reviewed in its entirety. The offering of the Bonds to potential investors is made only by means of the entire Official Statement, including the appendices attached hereto. All statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Copies of statutes, resolutions, ordinances, reports or other documents referred to herein are available, upon request, from the Issuer.

The Bonds are being issued pursuant to the provisions of Chapters 384 and 76 of the Code of Iowa, 2015, as amended (collectively, the “Act”) and a Resolution to be adopted by the Issuer (the “Bond Resolution”), and which supplements other resolutions (the “Outstanding Bond Resolution”) adopted by the Issuer in connection with the issuance of other bonds, notes and other Utility obligations of the Issuer, ranking on a parity with the Bonds, to evidence the obligations of the Issuer under a Loan Agreement between the Issuer and the Underwriter.

The Bonds are payable from net revenues (the “Net Revenues”) received by the Utility and amounts on deposit in the Sinking Fund and Reserve Fund (each as defined herein). As described in the Bond Resolution, “Net Revenues” means gross revenues of the Utility after deduction of Operating Expenses. “Operating Expenses” means the expenses of operation and maintenance of the Utility, which includes salaries, wages, costs 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). See “SECURITY AND SOURCE OF PAYMENT” and “APPENDIX A – GENERAL INFORMATION ABOUT THE ISSUER AND THE UTILITY” herein.

The Bonds are being issued for the purpose of paying the cost, to that extent, of advance refunding the callable portion of the outstanding principal amount of the City’s Electric Revenue Improvement and Refunding Bonds, Series 2011, dated November 30, 2011 (the “Series 2011 Bonds”) and paying certain costs of issuance related to the Bonds. See “PLAN OF FINANCING” and “SOURCES AND USES OF FUNDS” herein.

The Bonds are issued on a parity basis with the remaining outstanding amount of the Electric Revenue Improvement Bonds, Series 2015, dated May 5, 2015 (the “Series 2015 Bonds” and together with the Series 2011 Bonds, the “Outstanding Bonds”) a portion of which remains outstanding. The Bonds are on parity with the Outstanding Bonds, and neither the Bonds nor the Outstanding Bonds have priority over the other with respect to application of the Net Revenues of the Utility or from funds held in the Reserve Fund.

THE ISSUER

The information contained in this section and in “APPENDIX A – GENERAL INFORMATION ABOUT THE ISSUER AND THE UTILITY” hereto is intended solely to provide a general description of the Issuer. The Bonds

* Preliminary, subject to change.

are not general obligations of the Issuer and neither the full faith and credit nor the taxing power of the Issuer is pledged to the payment of principal and interest on the Bonds. The Issuer has established the Utility, which has continuously supplied electrical service in and to the Issuer and its inhabitants since its establishment. The management and control of the Utility are under the direction of the Council.

The Issuer, with a 2010 U.S. Census population of 2,546, comprises approximately 3.02 square miles. The Issuer operates under a statutory form of government consisting of a five-member City Council, of which the Mayor is not a voting member. Additional information concerning the Issuer is included in “APPENDIX A – GENERAL INFORMATION ABOUT THE ISSUER AND THE UTILITY” hereto.

THE BONDS

General

The Bonds and the interest thereon shall be payable solely and only out of the Net Revenues and from amounts on deposit in the Sinking Fund and Reserve Fund, on parity with the Outstanding Bonds. The Bonds are not a general obligation of the Issuer. The Bonds are not payable in any manner by taxation.

The Bonds will be issued in fully registered form only, without coupons. The Bonds will be initially registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Interest on and principal of the Bonds are payable in lawful money of the United States of America.

The Bonds are dated as of the date of their delivery, will mature on June 1 in the years and in the amounts set forth on the inside cover page hereof, and will bear interest at the rates to be set forth on the inside cover page hereof. Interest on the Bonds is payable semiannually on June 1 and December 1 in each year, beginning on June 1, 2017*, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the interest payment date, to the addresses appearing on the registration books maintained by the Registrar or such other address as is furnished to the Registrar in writing by a registered owner. The Bonds are issuable in denominations of \$5,000 or any integral multiple thereof.

Redemption

Optional Redemption. All of the Bonds then outstanding are subject to redemption at the option of the Issuer, as a whole or in part, from any source of available funds, beginning June 1, 2024* or on any date thereafter at a redemption price equal to the principal amount of the Bonds, together with accrued interest to the date fixed for redemption, without premium.

Selection of Bonds for Redemption. Bonds subject to redemption will be selected in such order of maturity as the Issuer may direct. If less than all of the Bonds of a single maturity are to be redeemed, the Bonds to be redeemed will be selected by lot or other random method by the Registrar in such a manner as the Registrar may determine.

Notice of Redemption. Prior to the redemption of any Bonds under the provisions of the Bond Resolution, the Registrar shall give notice by certified mail or electronic means not less than thirty (30) days prior to the redemption date to each registered owner thereof.

SECURITY AND SOURCE OF PAYMENT

General

The Bonds, the Outstanding Bonds and the interest thereon, together with any Parity Obligations (as defined in the Bond Resolution) as may be hereafter issued and outstanding from time to time under the conditions set forth in the Bond Resolution, shall be payable solely from the Net Revenues and amounts on deposit in the Reserve Fund and the Sinking Fund, and shall be a valid claim of the owner thereof only against the Net Revenues and said Reserve Fund and the Sinking Fund, and the Bonds shall not be general obligations of the Issuer, nor payable in any manner by taxation, and under no circumstance shall the Issuer be liable by reason of the failure of the Net Revenues or the

* Preliminary, subject to change.

Reserve Fund and the Sinking Fund to be sufficient for the payment in whole or in part of the Bonds and the interest thereon, but the Bonds (together with the Outstanding Bonds any Parity Obligations) shall be payable both as to principal and interest solely and only from the future Net Revenues of the Utility pledged therefor.

Rate Covenant

So long as any of the Bonds, the Outstanding Bonds or any Parity Obligations are outstanding, the Issuer shall continue to maintain the Utility in good condition, and the Utility shall continue to be operated as a revenue producing undertaking. The Issuer shall establish, impose, adjust and provide for the collection of rates to be charged to customers of the Utility, including the Issuer, to produce gross revenues at least sufficient to pay the Operating Expenses and to leave a balance of Net Revenues equal to at least 110 percent 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 set forth in the Bond Resolution.

The Bonds, the Outstanding Bonds and any Parity Obligations shall not be entitled to priority or preference one over the other in the application of the Net Revenues or the amounts on deposit in the Reserve Fund or the Sinking Fund, regardless of the time or times of their issuance, it being the intention that there shall be no priority among the Bonds, the Outstanding Bonds and any Parity Obligations with respect to the Net Revenues of the Utility or the amounts on deposit in the Reserve Fund or the Sinking Fund, regardless of the fact that they may have been actually issued and delivered at different times.

Flow of Funds under the Bond Resolution

The following funds have been established related to the Bonds, the Outstanding Bonds and any Parity Obligations: an Electric Revenue Fund (the "Revenue Fund"); an Electric Revenue Bond Sinking Fund (the "Sinking Fund"); a Reserve Fund (the "Reserve Fund"); an Improvement Fund (the "Improvement Fund"); and a Surplus Fund (the "Surplus Fund").

So long as any of the Bonds, the Outstanding Bonds and any Parity Obligations remain outstanding and unpaid, the Gross Revenues of the Utility shall continue to be set aside into the Revenue Fund, and shall be disbursed each month only as follows and in the following priority:

(a) Sinking Fund. Money in the Revenue Fund shall next be disbursed to make deposits into the Sinking Fund to pay principal of and interest on the Bonds, the Outstanding Bonds and any Parity Obligations. The minimum amount to be deposited into the Sinking Fund in any month shall be an amount sufficient to pay 100% of the installment of principal and interest coming due on such semiannual or annual payment date, as the case maybe. 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.

(b) Reserve Fund. Money in the Revenue Fund shall next be disbursed to the Reserve Fund to maintain as a reserve for the payment of principal of and interest on certain of the Bonds, the Outstanding Bonds and any Parity Obligations secured thereby. Whenever the sum on deposit in the Reserve Fund has been reduced to less than the Required Reserve Fund Balance (as defined in the Resolution) by the expenditure of all or a portion of such on deposit therein for any of the purposes specified in the Resolution, 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 pledged for the payment of the principal of and interest on the Bonds, the Outstanding Bonds and any Parity Obligations 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 shall be issued under the conditions set forth in this resolution, provision shall be made to create and maintain a reasonable reserve therefor.

(c) Improvement Fund. Money in the Revenue Fund shall next be disbursed to the Improvement Fund. The Required Improvement Fund Balance shall be \$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 in the Bond Resolution, 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 Issuer the written opinion of a reputable consulting engineer employed by the Issuer 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 Issuer the written opinion of a reputable consulting engineer employed by the Issuer that the proposed capital improvements and extensions are required to insure the continued efficient and successful operation of the Utility.

(d) Surplus Fund. All money thereafter remaining in the Revenue Fund at the close of each month shall be deposited into the Surplus Fund. All money credited to the Surplus Fund shall be transferred and credited to the Sinking Fund, the Reserve Fund and/or the Improvement Fund whenever any deficiency may exist in any such fund.

Additional Obligations

The Bonds, the Outstanding Bonds and 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 that there shall be no priority among the Bonds, the Outstanding Bonds and any Parity Obligations, regardless of the fact that they may have been actually issued and delivered at different times. The Issuer will issue no other notes, bonds or obligations of any kind or nature payable from or enjoying a lien or claim on the property or revenues of the Utility having priority over the Bonds or any Parity Obligations as may from time to time be issued and outstanding.

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 Issuer 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, an independent financial consultant or, after the Series 2015 Bonds are no longer outstanding, a municipal advisor, but in either case, not a regular employee of the Issuer, 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, 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 the Bond Resolution.

Remedies of Bondholders

Pursuant to the Act, the sole remedy for a breach of default of a term of a revenue bond (such as the Bonds) is a proceeding in law or in equity by suit, action or mandamus to enforce or compel performance of the duties required by the Act and of the terms of the Bond Resolution, or to obtain the appointment of a receiver to take possession of and operate the Utility and to perform the duties required by the Act and the terms of the Bond Resolution.

BONDHOLDERS' RISKS

An investment in the Bonds involves an element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment.

A number of factors could prevent the receipt of or reduce the amount of available Net Revenues for payment of debt service on the Bonds, the Outstanding Bonds and any Parity Obligations, including, but not limited to, the failure by certain users to pay their bills when and as due. The ability of the Issuer to generate sufficient Net Revenues is dependent upon a number of conditions and risk factors that are unpredictable including general economic conditions.

NO REPRESENTATION OR ASSURANCE CAN BE MADE THAT NET REVENUES WILL BE REALIZED BY THE ISSUER IN AMOUNTS SUFFICIENT TO PAY MATURING PRINCIPAL OF AND INTEREST ON THE BONDS, THE OUTSTANDING BONDS AND ANY PARITY OBLIGATIONS. Prospective purchasers of the Bonds should be aware that investment in the Bonds entails some degree of risk. Each prospective investor in the Bonds is encouraged to read this Official Statement in its entirety. Particular attention should be given to the factors described below which, among others, could affect the payment of debt service on the Bonds and which could also affect the market price of the Bonds to an extent that cannot be determined. This discussion of risk factors is not, and is not intended to be, exhaustive.

Limited Obligation

The obligation of the Issuer to pay debt service on the Bonds is a limited obligation of the Issuer. The Issuer does not have the authority to levy taxes to pay debt service on the Bonds. As further described elsewhere herein, debt service on the Bonds is payable solely from Net Revenues derived from the Utility. While it is believed that Net Revenues will be sufficient to pay debt service on the Bonds (and the Outstanding Bonds and any Parity Obligations) when due, a number of other factors described below, or factors not presently anticipated, may affect the receipt of sufficient revenues for such purposes.

Under the Bond Resolution, the Issuer has covenanted that it will establish and maintain rates and charges with respect to the Utility so that the gross revenues derived from the Utility will be sufficient, when combined with other available funds, to

pay when due all Operating Expenses, and all principal of and interest on the Bonds, the Outstanding Bonds and any Parity Obligations, to maintain a reasonable reserve in the Reserve Fund and to pay the cost of improvements and extensions to the Utility. Under the Bond Resolution, the Board has agreed to maintain Net Revenues at a level not less than 110% of the principal of and interest on all of the Bonds, the Outstanding Bonds and any Parity Obligations falling due in the same fiscal year.

Nature of Debt Service Coverage

Certain historical net operating income and other financial information for the Issuer, including historical debt service coverage, are included in this Official Statement in “APPENDIX A – GENERAL INFORMATION ABOUT THE ISSUER AND THE UTILITY” under the captions “History of Electric Sales and Number of Customers,” and “Historical Electric Utility Fund Cashflow and Debt Coverage.” The coverage is merely a mathematical computation as reflected in the applicable tables, and constitutes no assurance as to the future debt of the Issuer or the sufficiency of Net Revenues to satisfy operating costs of the Issuer and other debt service requirements.

General Factors that May Affect Sufficiency of Net Revenues

The Issuer is obligated to pay debt service on the Bonds solely from Net Revenues generated by the operation of the Utility and from amounts on deposit in the Sinking Fund and Reserve Fund. A number of factors may have an adverse effect on the receipt of monies in an amount sufficient to pay operating and maintenance expenses of the Utility as well as debt service on the Bonds. These include potential adverse changes in the economic condition of the Issuer or the Utility, including potential decreases in population that may arise from decisions by employers located in and around the Issuer to relocate their operations elsewhere; periodic fluctuations in demand due to weather conditions; potential unemployment at a level that would preclude residents of the Issuer from paying sufficient user fees in order to support the operations of the Utility and the payment of debt service on the Bonds; increased emphasis on and adoption by the general population of conservation measures; and alternative sources of electric services that may be made available at some time in the future by public or private entities in competition with the Utility at lower prices. The loss of any of the major electric users may also have an adverse impact on the Net Revenues of the Utility.

Unforeseen increases in maintenance and operating expenses may also have an adverse impact on the Net Revenues. Factors affecting such expenses include increased costs of equipment and labor. The Issuer believes that it has made a reasonable projection of and allocation for maintenance and operating costs in setting its rates and charges, including the surcharge, but no assurance can be given that actual costs will not exceed cost projections.

The Issuer’s covenants with respect to sufficiency of rates as set forth herein is a prospective covenant to set rates sufficient to produce Net Revenues for the next succeeding Fiscal Year adequate to pay principal and interest requirements and create reserves as provided in the Bond Resolution but not less than 110 percent of the principal and interest requirements of the Fiscal Year (the “Rate Covenant”). The Rate Covenant does not require the Issuer to maintain historical Net Revenues of at least 110 percent of the principal and interest requirements of the applicable Fiscal Year. Provided the Issuer adopts or continues in effect sufficient rates to meet this covenant, the Issuer will not be in default under the Rate Covenant even if historical Net Revenues for such Fiscal Year are less than 110 percent of the principal and interest requirements for such Fiscal Year.

Unforeseen Problems with the Utility

Payment of principal of and interest on the Bonds is dependent to a considerable degree upon the continued operation of the Utility for the purposes for which it was designed. While the Issuer believes that the Utility has been designed and will be maintained in such a manner as to permit continued operation without requiring unreasonable costs for maintenance or repairs, and while the Issuer has provided under the terms of the Bond Resolution for the creation and maintenance of funds in amounts which they believe to be sufficient to provide for the necessary repairs and maintenance of the Utility, there can be no assurance that such amounts will, in fact, be sufficient to assure the ongoing operation of the Utility. Although the Utility is covered by policies of insurance, casualties and other occurrences that may result in damage to the Utility, which may not be covered by the net proceeds of any insurance award. Any material interruption of the operation of the Utility may have an adverse effect on the ability of the Issuer to collect fees from users of the Utility and could, in turn, have a materially adverse effect on the ability of the Issuer to make timely payment of debt service on the Bonds.

Additional Debt of the Utility

Upon the satisfaction of certain conditions set forth in the Bond Resolution, the Issuer may issue Parity Obligations for the purpose of financing or refinancing improvements or modifications to the Utility, which Parity Obligations would be equally and ratably secured with the Bonds that remain outstanding by the Net Revenues of the Utility.

Natural Disaster

The Utility is subject to interruption and loss of business in the event of a disaster, such as a windstorm, fire, explosion, sabotage and other events not now foreseen.

Environmental Protection Cost and Regulations

The Issuer believes it meets all current environmental requirements. In the future, however, regulatory agencies could adopt more stringent and costly pollution control measures, which would require additional capital and cause added operation and fuel expenses.

The Utility is subject to state and federal environmental laws and regulations. The laws and regulations governing entities such as the Utility may require the Issuer to expend substantial funds to meet the requirements of such changing laws and regulations in the future. Failure to comply with these laws and regulations may result in the imposition of administrative, civil and criminal penalties, or an injunction requiring the Issuer to take or refrain from taking certain actions. In addition, environmental laws and regulations are complex and change frequently and it is possible that new or stricter standards could be imposed that will require additional capital expenditures or raise operating costs. In addition, failure to comply with regulatory changes, or the inability to comply with regulatory changes, in a timely manner could cause portions of the Utility to become unavailable resulting in a loss of or disruption of services negatively impacting Net Revenues.

General Economic Factors

The ability of the Utility to generate sufficient Net Revenues is subject to general economic factors that may impact both the costs of operating the Utility and demand by customers of the Utility. Examples of these economic factors include increased operation and maintenance costs, adverse demographic changes in the Utility's service area, reduction in consumption patterns by customers, and a decrease in financial means by which customers pay their bills. Any or a combination of these factors may have a material adverse effect on the ability of the Utility to produce sufficient Net Revenues for payment of the Bonds, the Outstanding Bonds and any Parity Obligations.

Changes in Legislation

The future financial condition of the Utility and its ability to produce sufficient Net Revenues could be adversely affected by legislative, environmental and other regulatory actions, to the extent such changes are material and adversely alter the current operation environment for the Utility. The Issuer cannot and does not make any predictions about such future legislative or regulatory changes, other than to note that any number of possible changes may adversely affect the operation of the Utility.

Matters Relating to Enforceability of Agreements

Bondholders shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa and of the United States of America for the enforcement of payment of the Bonds, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Bond Resolution.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Bond Resolution or the Loan Agreement. The remedies available to the Bondholders upon an event of default under the Bond Resolution or the Loan Agreement, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, including specifically the federal bankruptcy code, certain of the remedies specified in the Loan Agreement or the Bond Resolution may not be readily available or may be

limited. A court may decide not to order the specific performance of the covenants contained in these documents. The legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No representation is made, and no assurance is given, that the enforcement of any remedies with respect to such assets will result in sufficient funds to pay all amounts due under the Bond Resolution or the Loan Agreement, including principal of and interest on the Bonds.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, secondary marketing practices in connection with a particular Bond or Bonds issue are suspended or terminated. Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS AND MUST BE ABLE TO BEAR THE ECONOMIC RISK OF SUCH INVESTMENT. THE SECONDARY MARKET FOR THE BONDS, IF ANY, COULD BE LIMITED.

Lack of Rating

No credit rating for the Bonds has been requested. As a general rule, unrated bonds are less liquid in the secondary market than rated bonds, and may bear interest at rates higher than bonds with credit ratings. There can be no assurance that the Bonds will be marketable in the secondary market.

The Issuer has not requested a rating from any nationally recognized rating agency. The Issuer could request a rating at a later date or time and, if said rating is applied, it could affect, positively or negatively, the market value of the Bonds. In addition, if a rating is secured at a later date, that rating could, thereafter, be increased or decreased based solely on the views of the rating agency. Any revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Bankruptcy

The rights and remedies provided in the Bond Resolution may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditor's rights, to the exercise of judicial discretion in appropriate cases and to limitations in legal remedies against exercise of judicial discretion in appropriate cases and to limitations on legal remedies against municipal corporations in the State of Iowa. The various opinions of counsel to be delivered with respect to the Bonds and the Bond Resolution, including the opinion of Bond Counsel, will be similarly qualified. If the Issuer were to file a petition under Chapter 9 of the Bankruptcy Code, the owners of the Bonds could be prohibited from taking any steps to enforce their rights under the Bond Resolution. In the event the Issuer fails to comply with its covenants under the Bond Resolution or fails to make payments on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Bonds.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "pro forma," "forecast," "projected," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are

likely to be differences between forward looking statements and the actual results. These differences could be material and could impact the availability of funds of the Issuer to pay debt service when due on the Bonds.

Tax Matters, Bank Qualification and Loss of Tax Exemption

As discussed under the heading “TAX EXEMPTION AND RELATED TAX MATTERS” herein, the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the Issuer in violation of its covenants in the Bond Resolution. Should such an event of taxability occur, the Bonds would not be subject to a special redemption and would remain outstanding until maturity or until redeemed under the redemption provisions contained in the Bonds, and there is no provision for an adjustment of the interest rate on the Bonds.

The Issuer will designate the Bonds as “qualified tax-exempt obligations” under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. However, the Issuer’s failure to comply with such covenants could cause the Bonds not to be “qualified tax-exempt obligations” and banks and certain other financial institutions would not receive more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

It is possible that actions of the Issuer after the closing of the Bonds will alter the tax status of the Bonds, and, in the extreme, remove the tax exempt status from the Bonds. In that instance, the Bonds are not subject to mandatory prepayment, and the interest rate on the Bonds does not increase or otherwise reset. A determination of taxability on the Bonds, after closing of the Bonds, could materially adversely affect the value and marketability of the Bonds.

DTC-Beneficial Owners

Beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of the Participants which will thereafter credit them to the accounts of the Beneficial Owner either directly or indirectly through indirect Participants. Neither the Issuer nor the Paying Agent will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

In addition, since transactions in the Bonds can be effected only through DTC Participants, indirect participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See “APPENDIX E – BOOK-ENTRY SYSTEM.”

Proposed Federal Tax Legislation

From time to time, Presidential proposals, federal legislative committee proposals or legislative proposals are made that would, if enacted, alter or amend one or more of the federal tax matters described herein in certain respects or would adversely affect the market value of the Bonds. It cannot be predicted whether or in what forms any of such proposals that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. See “TAX EXEMPTION AND RELATED TAX MATTERS” herein.

Pension and OPEB Information

The Issuer contributes to the Iowa Public Employees’ Retirement System (“IPERS”), which is a state-wide multiple-employer cost-sharing defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. All full-time employees of the Issuer are required to participate in IPERS. IPERS plan members are required to contribute a percentage of their annual salary, in addition to the Issuer being required to make annual contributions to IPERS. Contribution amounts are set by State statute. The IPERS Comprehensive Annual Financial Report for its fiscal year ended June 30, 2015 (the “IPERS CAFR”) indicates that as of June 30, 2015, the date of the most recent actuarial valuation for

IPERS, the funded ratio of IPERS was 83.7%, and the unfunded actuarial liability was \$5.455 billion. The IPERS CAFR identifies the IPERS Net Pension Liability at June 30, 2015, at approximately \$4.94 billion, while its net pension liability at June 30, 2014 was approximately \$3.97 billion. The IPERS CAFR is available on the IPERS website, or by contacting IPERS at 7401 Register Drive, Des Moines, IA 50321. See “APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER” for additional information on IPERS.

Bond Counsel, Disclosure Counsel, the Underwriter and the Issuer undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from the IPERS discussed above or included on the IPERS website, including, but not limited to, updates of such information on the State Auditor’s website or links to other Internet sites accessed through the IPERS website.

In fiscal year 2015, the Issuer’s IPERS contribution totaled approximately \$177,108. The Issuer is current in its obligations to IPERS.

Pursuant to Governmental Accounting Standards Board Statement No. 68, IPERS has allocated the net pension liability among its members, with the Issuer’s identified portion at June 30, 2015 at approximately \$490,738. While the Issuer’s contributions to IPERS are controlled by state law, there can be no assurance the Issuer will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the Issuer. See “APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER” for additional information on pension and liabilities of the Issuer.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Official Statement and the appendices hereto.

LITIGATION

The Issuer encounters litigation occasionally, as a course of business, however, no litigation currently exists that is not believed to be covered by current insurance carriers and no litigation has been proposed that questions the validity of these Bonds.

ACCOUNTANT

The financial statements of the Issuer included as “APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER” hereto have been examined by Williams & Company P.C., Le Mars, Iowa, to the extent and for the periods indicated in their report thereon. Such financial statements have been included herein without permission of said office, and said office expresses no opinion with respect to the Bonds or the Official Statement.

PLAN OF FINANCING

The Bonds are being issued for the purpose of paying the cost, to that extent, of advance refunding the outstanding principal amount of the City’s Callable Series 2011 Bonds and paying certain costs of issuance related to the Bonds.

The following table includes the callable maturities and amounts of the Callable Series 2011 Bonds:

Maturity Date	Interest Rate	Par Amount
06/01/2019	2.35%	\$165,000
06/01/2020	2.60%	\$165,000
06/01/2021	2.85%	\$170,000
06/01/2022	3.00%	\$175,000
06/01/2023	3.15%	\$180,000
06/01/2024	3.25%	\$190,000
06/01/2025	3.40%	\$195,000
06/01/2026	3.55%	\$200,000
06/01/2027	3.70%	\$210,000
06/01/2028	3.80%	\$215,000
06/01/2029	3.90%	\$225,000
06/01/2030	3.95%	\$230,000
06/01/2031	4.00%	\$240,000

SOURCES AND USES OF FUNDS*

The following are estimated sources and uses of funds, with respect to the Bonds.

Sources:		
Par Amount		\$2,605,000*
Premium		
	<i>TOTAL SOURCES:</i>	\$ _____
Uses:		
Deposit to Refunding Escrow		\$ _____
Costs of Issuance & Additional Proceeds ⁽¹⁾		_____
	<i>TOTAL USES:</i>	\$ _____

(1) Includes, among other things, payment of certain legal, financial and other expenses related to the issuance of the Bonds (including, without limitation, underwriters' discount). See the discussion under the caption "UNDERWRITING" herein.

TAX EXEMPTION AND RELATED TAX MATTERS

Federal Income Tax Exemption

The opinion of Bond Counsel will state that under present laws and rulings, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986 (the "Code"), provided, however that such interest must be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes).

The opinion set forth in the preceding sentence will be subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. In the resolution authorizing the issuance of the Bonds, the Issuer will covenant to comply with all such requirements.

There may be certain other federal tax consequences to the ownership of the Bonds by certain taxpayers, including without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security and Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond

* Preliminary, subject to change.

Counsel will express no opinion with respect to other federal tax consequences to owners of the Bonds. Prospective purchasers of the Bonds should consult with their tax advisors as to such matters.

Proposed Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Qualified Tax-Exempt Obligations

In the resolution authorizing the issuance of the Bonds, the Issuer will designate the Bonds as “qualified tax exempt obligations” within the meaning of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes a portion of the interest expense that is allocable to tax-exempt obligations. In the opinion of Bond Counsel, the Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Original Issue Premium

The Bonds are being issued at a premium to the principal amount payable at maturity. Except in the case of dealers, which are subject to special rules, Bondholders who acquire Bonds at a premium must, from time to time, reduce their federal tax bases for the Bonds for purposes of determining gain or loss on the sale or payment of such Bonds. Premium generally is amortized for federal income tax purposes on the basis of a bondholder’s constant yield to maturity or to certain call dates with semiannual compounding. Bondholders who acquire any Bonds at a premium might recognize taxable gain upon sale of the Bonds, even if such Bonds are sold for an amount equal to or less than their any original cost. Amortized premium is not deductible for federal income tax purposes. Bondholders who acquire any Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the state and local tax consequences of owning and selling the Bonds acquired at a premium.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax-exempt status of the interest thereon (see “TAX EXEMPTION AND RELATED TAX MATTERS” herein) are subject to the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel, a form of which is attached hereto as “APPENDIX B – FORM OF BOND COUNSEL OPINION.” Signed copies of the opinion, dated and premised on law in effect as of the date of original delivery of the Bonds, will be delivered to the Underwriter at the time of such original delivery. The Bonds are offered subject to prior sale and to the approval of legality of the Bonds by Bond Counsel. Dorsey & Whitney LLP is also serving as Disclosure Counsel to the Issuer in connection with issuance of the Bonds.

The legal opinion to be delivered will express the professional judgment of Bond Counsel, and by rendering a legal opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment or of the transaction or the future performance of the parties to the transaction.

CONTINUING DISCLOSURE

The Issuer will covenant in a Continuing Disclosure Certificate for the benefit of the Owners and Beneficial Owners of the Bonds to provide annually certain financial information and operating data relating to the Issuer (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the Issuer no later than twelve months after the close of each fiscal year, commencing with the fiscal year ending June 30, 2016, with the Municipal Securities Rulemaking Board, at its internet repository named "Electronic Municipal Market Access" ("EMMA"). The notices of events, if any, are also to be filed with EMMA. See "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE." The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the "Rule").

During the past five years, the Issuer did not timely file its audited financial statements for its fiscal years ending June 30, 2011 and 2012 in connection with its Series 2011 Bonds, did not timely file for the bond call of its Series 2004 Bonds, and did not timely file notice of its failure to provide the aforementioned information on or before the date specified in its prior continuing disclosure undertakings.

UNDERWRITING

The Bonds are being purchased, subject to certain conditions, by D.A. Davidson & Co. (the "Underwriter"). The Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Bonds at an aggregate purchase price of \$_____ (reflecting the par amount of the Bonds with original issue premium and an underwriting discount of \$_____) to the Closing Date.

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the initial public offering prices stated on the cover page. The initial public offering prices of the Bonds may be changed, from time to time, by the Underwriter.

The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

MISCELLANEOUS

Brief descriptions or summaries of the Issuer, the Bonds, the Bond Resolution and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Bonds, the Bond Resolution and other documents, agreements and statutes referred to herein, and the description of the Bonds included herein, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entirety by reference to such documents, and the description herein of the Bonds is qualified in its entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained from the Issuer.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or Owners of any of the Bonds.

The attached APPENDICES A, B, C, D and E are integral parts of this Official Statement and must be read together with all of the foregoing statements.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Bonds.

The Issuer has reviewed the information contained herein which relates to it and has approved all such information for use within this Official Statement.

The execution and delivery of this Official Statement has been duly authorized by the Issuer.

CITY OF HAWARDEN, IOWA

/s/ _____

APPENDIX A

GENERAL INFORMATION ABOUT THE ISSUER AND THE UTILITY

MANAGEMENT AND ADMINISTRATION

The Hawarden Municipal Electric Utility System (the “Utility”) was established in 1894 and has successfully operated since that time. The Utility is under the direction of the City Council, which has sole authority to establish rates and charges for electric services. The superintendent oversees Utility operations and reports to the City Council.

DESCRIPTION OF ELECTRIC UTILITY SYSTEM

The service area of the Utility is comprised of the incorporated area of the City and includes all of the industrial, commercial, retail and residential establishments within the corporate limits, as well as various farms and an industrial customer, L.G. Everist Inc., located just outside the City limits. The Iowa Department of Commerce Utilities Division regulates electric service areas in the State and has established fixed boundaries for the service area of each utility. Competition for the provision of electric service across defined service areas is not allowed under current Iowa law.

Generating Capacity

The Utility has no local electric generating facilities.

Firm Capacity Sale Agreements with Western Area Power Administration (“WAPA”) and Missouri River Energy Services (“MRES”)

The Firm Capacity Sale Agreement between the United States Department of Energy’s WAPA and the City provides for the purchase by the City of generating capacity and associated energy through the year 2050. More specifically, the parties, by mutual agreement, have established values for the maximum rate of firm power obligation and maximum energy obligation for each month of the year as follows:

<u>Month</u>	<u>KW</u>	<u>MWH</u>
January	3378	1835
February	3332	1752
March	3216	1756
April	3098	1621
May	4314	1931
June	5062	2018
July	5247	2040
August	5013	2203
September	5069	2084
October	4738	2241
November	3434	1664
December	3434	1748

In the event that the City’s demand and/or requirement for a particular month is less than the value offered above, then the City will be billed based upon its actual demand and/or requirement for that period. In the event that the City’s demand and/or requirement for a particular month is beyond those values offered above, then the City meets its additional needs via a supplemental contract with MRES. This contract is in effect through the year 2030 and does not limit the amount of electric power and/or energy that the City may acquire from MRES. Throughout the contract the City has options as whether or not to cap power allocations from MRES and extend the contract. Typically, the City meets its monthly electric power and energy needs according to the following ratio: 65-80% from the Western Area Power Administration and 15-30% from MRES.

Transmission Agreements with Northern Iowa Power Cooperative (“NIPCO”) and Missouri Basin Municipal Power Agency (“MBMPA”)

The Utility has an agreement with NIPCO for the use of NIPCO’s 69,000 volt transmission line for the delivery of power and energy to the City’s main substation. The Utility owns 3.1 miles of transmission line that runs from its main substation out to the point of interconnection with the NIPCO line. The contract with NIPCO was originally signed on November 30, 1976, with a new agreement executed in 1990, which is to remain in effect for 35 years unless terminated in writing under terms and conditions mutually agreed upon by both parties. Beyond NIPCO, the City’s electricity is delivered via transmission agreements with the MBMPA over lines they control.

Distribution System and Facilities

The City owns and operates one main electric substation and two satellite substations. During the last ten years, the City has converted much of the Utility’s primary distribution system from 2.4 KV to 13.8 KV voltage, thus substantially upgrading its capacity and reliability. This conversion has involved the replacement of the Utility’s primary lines, including those both overhead and underground. The distribution system leading to the downtown business district, all manufacturing facilities and approximately 35% of the City’s residential area have been converted to the higher capacity voltage. The remaining 65% of the residential area, located throughout the City, will gradually be upgraded over the next ten years.

LARGEST ELECTRIC USERS AS OF JUNE 30, 2016

<u>User</u>	<u>kWh Used</u>	<u>Revenue</u>	<u>% of Total Revenue</u>
1. Coilcraft	1,316,333	\$116,875.42	5.1%
2. Superior Farms	1,438,980	\$116,194.59	5.1%
3. West Sioux Schools	1,120,989	\$104,156.00	4.6%
4. City of Hawarden	2,033,805	\$91,522.00	4.0%
5. LG Everist	1,195,553	\$91,139.73	4.0%
6. Farmer’s Cooperative	468,835	\$55,759.63	2.5%
7. Sunshine Foods	726,840	\$54,760.57	2.4%
8. Casey’s General	649,880	\$41,592.32	1.8%
9. Hawarden Regional Health	475,754	\$40,221.52	1.8%
10. Hawarden Machine	381,500	\$33,550.37	1.5%
Total FY 2015/16 Revenue Billings		\$2,270,052.65	

Source: City of Hawarden.

CURRENT UTILITY FUND BALANCES (as of July 31, 2016)

Electric Operations and Maintenance	\$1,753,193.02
Electric Plant Fund	\$ 596,345.45
Electric Revenue Reserve Fund	\$ 382,243.00
Electric Revenue Improvement Fund	\$ 100,000.00
Electric Sinking Fund	\$ 36,076.06
Total	\$2,867,857.53

Source: City of Hawarden.

ELECTRIC RATE SCHEDULE

Current Rates

The following electric rates and charges were adopted by the City Council on December 16, 2009 and became effective on January 1, 2010.

Residential Electric Rates	
Minimum System Support Charge:	\$13.65 (this includes no usage).
Plus all energy used:	.0755 per KWH
Non-Residential, Non-Demand Rate (Commercial)	
Minimum System Support Charge:	\$16.35 (this includes no usage).
Plus all energy used:	.0937 per KWH
Non-Residential, Demand Electric Rates	
Minimum System Support Charge:	\$0 (this includes no usage).
Demand Charge:	\$4.98
Plus all energy used:	.064 per kWh
Minimum Demand Charge:	Is the demand rate above applied to 75% of the peak demand in the 6 months preceding the billing month.
Non-Residential, Demand, Interruptible Electric Rates	
Minimum System Support Charge:	\$0 (this includes no usage).
Demand Charge:	\$1.50
Plus all energy used:	.064 per kWh
Minimum Demand Charge:	Is the demand rate above applied to 75% of the peak demand in the 6 months preceding the billing month.
Non-Residential, City Interdepartmental Electric Rates	
Minimum System Support Charge:	\$0 (this includes no usage).
Plus for all energy used:	.045 per kWh
Security Lights.	
Metered	\$5.00 plus metered usage
Unmetered	\$8.00

Electric Supplies

The City shall sell electric supplies it stores to electricians and owners at the City's cost plus 25%.

Purchased Power Cost Adjustment Clause:

The energy charge per kilowatt-hour (kWh) shall be adjusted upward or downward each month in accordance with the provisions set forth below:

City staff shall have the authority to adjust the Purchased Power Cost Adjustment ("PPCA") as needed to reflect changes in the electricity supplier's generation, transmission, and other related expenses charged by the City's wholesale provider(s), hereafter referred to as "Power Costs", and may not change the City's revenues other than the amount necessary to pay the City's Power Costs from wholesale provider(s). Prior to each billing cycle, City staff shall determine the PPCA to be billed for that cycle by combining all Power Costs from wholesale provider(s) and divide said amount by the total kWh's purchased during said billing cycle.

In the event the City is unable to calculate the exact PPCA for a specific billing cycle, the City staff shall prepare an estimate of the PPCA per kWh for said cycle to be billed and shall adjust the next billing cycle to reflect any over/under collections from the estimated PPCA. The adjustment to the estimate will reflect variances in the estimated and actual Power Costs billed by the City's wholesale supplier(s) by the City.

Source: City of Hawarden.

ELECTRICITY PURCHASED AND COST

<u>Calendar Year</u>	<u>KWH Purchased</u>	<u>Purchased Cost</u>
2016 (as of July)	16,021,616	\$687,483
2015	27,084,080	1,145,085
2014	27,131,063	1,192,116
2013	28,093,428	1,229,724
2012	27,579,889	1,192,851
2011	28,400,049	1,221,817

Source: City of Hawarden.

HISTORY OF ELECTRIC SALES AND NUMBER OF CUSTOMERS

<u>FYE 6/30</u>	<u>Number of Customers</u>	<u>Total KWH Sold</u>	<u>Total Billings</u>
2016	1,303	25,266,010	\$2,270,052.65
2015	1,298	24,689,667	2,221,024.40
2014	1,285	25,469,871	2,350,880.64
2013	1,283	26,010,569	2,314,196.58
2012	1,295	25,434,697	2,274,383.60

Source: City of Hawarden.

PEAK DEMAND

<u>FYE 6/30</u>	<u>Peak Demand (KW)</u>
2016	6,617
2015	6,105
2014	5,650
2013	6,182
2012	6,701

Source: City of Hawarden.

HISTORY OF ELECTRIC ACCOUNTS SERVED

<u>Consumer Classification</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Residential	1,029	1,022	1,029	1,026	1,032
Commercial	181	182	179	178	180
Demand	10	10	10	10	10
Municipal	67	67	62	63	64
Other	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
Total	1,296	1,290	1,289	1,286	1,295

Source: City of Hawarden.

HISTORICAL ELECTRIC UTILITY FUND CASH FLOW AND DEBT COVERAGE (FISCAL YEARS ENDED JUNE 30)

The table below presents the Utility's audited operating revenues and expenditures for the five-year period FY 2011 through FY 2015. The table also includes FY 2016 actual (unaudited) operating revenues and expenditures. The FY 2016 financial performance is based on current Utility information.

	Audited Financial Statements				
	FY 2011	FY 2012	FY2013	FY 2014	FY2015
OPERATING REVENUES					
Charges for Services	2,523,762	2,370,220	2,385,703	2,417,467	2,304,622
Other Revenue	-	-	-	-	-
Total Operating Revenues	2,523,762	2,370,220	2,385,703	2,417,467	2,304,622
OPERATING EXPENDITURES					
Resale Purchases	1,262,461	1,180,594	1,215,424	1,261,164	1,171,306
Employee Services	162,687	176,267	196,793	224,123	220,939
Contract Services	190,591	176,355	167,714	180,310	197,505
Supplies	108,386	42,539	18,659	65,498	34,301
Repairs and Improvements	37,014	34,626	30,767	25,946	30,432
Miscellaneous	11,914	12,629	35,613	14,160	16,493
Depreciation/Amortization	122,159	134,043	135,445	135,445	160,060
Total Operating Expenditures	1,895,212	1,757,053	1,800,415	1,906,646	1,831,036
Net Operating Income	628,550	613,167	585,288	510,821	473,586
Non-Operating Items					
Interest Income	24,338	22,615	19,747	14,153	11,403
Sale of Uncapitalized Assets	-	-	-	-	-
Gain or Sale of Fixed Assets	-	-	-	-	-
Other income / (expenses)	(16,336)	36,706	28,821	78,873	117,005
Add Back Depreciation/Amortization	122,159	134,043	135,445	135,445	160,060
Total Non-Operating Items	130,161	193,364	184,013	228,471	288,468
Revenue Available for Debt Service	758,711	806,531	769,301	739,292	762,054
Maximum Annual Debt Service (Aggregate)					434,096
Resulting Aggregate Debt Service Coverage [1]					1.7555

Debt Service Coverage

Based on audited 2015 financial performance, net revenues available for debt service of \$762,054 provide approximately 1.75 times debt service coverage on the projected maximum aggregate annual debt service of \$434,096.

ELECTRIC REVENUE DEBT

Date of Issue	Original Amount	Purpose / Project	Final Maturity	Current Obligation As of 10/27/16
11/11	\$4,615,000	Various Improvements	6/18	\$315,000 ¹⁾
3/15	2,890,000	Various Improvements	6/34	2,805,000
10/16	2,605,000*	Refunding Series 2011	6/31	<u>2,605,000</u> *
			Total	\$5,725,000 *

1) Advance Refunding of the 2019 through 2031 maturities on 6/01/2018.

* Preliminary, subject to change.

Electric Revenue Debt Requirements

Fiscal Year	<u>Outstanding Revenue Debt</u>		<u>Series 2016 Bonds*</u>		Total Outstanding Principal and Interest*
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u> ²⁾	
FY 2016/17	\$250,000	\$182,913		\$0	\$432,913
FY 2017/18	255,000	179,096		0	434,096
FY 2018/19	95,000	87,025	\$175,000	62,438	419,463
FY 2019/20	100,000	85,553	180,000	58,938	424,491
FY 2020/21	100,000	83,503	185,000	55,338	423,841
FY 2021/22	100,000	81,453	185,000	51,638	418,091
FY 2022/23	105,000	79,403	190,000	47,938	422,341
FY 2023/24	100,000	77,250	195,000	44,138	416,388
FY 2024/25	105,000	74,250	200,000	40,238	419,488
FY 2025/26	110,000	71,100	200,000	35,738	416,838
FY 2026/27	110,000	67,800	205,000	30,738	413,538
FY 2027/28	115,000	64,500	215,000	25,613	420,113
FY 2028/29	120,000	60,475	220,000	19,700	420,175
FY 2029/30	125,000	56,275	225,000	13,650	419,925
FY 2030/31	130,000	51,275	<u>230,000</u>	<u>6,900</u>	418,175
FY 2031/32	385,000	46,075			431,075
FY 2032/33	400,000	32,600			432,600
FY 2033/34	<u>415,000</u>	<u>16,600</u>			<u>431,600</u>
Total	\$3,120,000	\$1,397,146	\$2,605,000	\$493,005	\$7,615,151

2) Interest on the Bonds will be paid by escrow through the June 1, 2018 call date of the Series 2011 Bonds.

* Preliminary, subject to change.

GENERAL INFORMATION CONCERNING THE CITY OF HAWARDEN, IOWA

THE FOLLOWING INFORMATION IS INTENDED SOLELY TO PROVIDE A GENERAL DESCRIPTION OF THE CITY. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAX POWER OF THE CITY IS PLEDGED TO THE PAYMENT OF THE BONDS.

CITY OFFICIALS

- Ricard Porter, Mayor**.....*Term Expires December 31, 2019*
- Travis Olson, Mayor Pro Team**.....*Term Expires December 31, 2019*
- Payne Allen, Council Member**.....*Term Expires December 31, 2017*
- John Feldhacker, Council Member**.....*Term Expires December 31, 2019*
- Monte Harvey, Council Member***Term Expires December 31, 2017*
- Timothy Kurth, Council Member**.....*Term Expires December 31, 2017*

ADMINISTRATION OFFICIALS

- Gary Tucker**.....*City Administrator/City Clerk/Telecommunications Director*
- Sharole Rens**.....*Director of Finance/Deputy City Clerk*
- Tom Kane***Director of Public Works*
- Jim Pickner** *City Attorney*

Hawarden, Iowa (the “City”) is located in Sioux County, in northwest Iowa, approximately thirty miles north of Sioux City. Transportation facilities are furnished by Iowa Highways No. 10 and No. 12. Commercial airline service is available in nearby Sioux City.

Population trends for the City, County and State over the past three decades are as follows:

	<u>1990</u>	<u>2000</u>	<u>2010</u>
City of Hawarden	2,439	2,478	2,546
County of Sioux	29,903	31,589	33,704
State of Iowa	2,776,831	2,926,324	3,046,355

The City maintains and operates its own municipal waterworks, sewer works, electric light and power, and gas facilities. The Municipal Sanitary Sewer System of the City consists of a secondary treatment plant which has a design capacity of 1.5 millions of gallons per day (“MGD”), peak load of .750 MGD and average load of .495 MGD.

This progressive City is one of the important trading centers of northwestern Iowa and South Dakota, serving the

surrounding prosperous agricultural area.

Educational needs of the community are provided by the West Sioux Community School District with a high school, middle school and elementary school located in the City, and a second elementary school located in Ireton. Estimated enrollment is 791, and the District population is approximately 4,206. Continuing education opportunities within commuting distance include: Briar Cliff College and Morningside College in Sioux City; Dordt College, Sioux Center; Northwestern College, Orange City; and Area IV Northwest Iowa Technical College in Sheldon.

Banking facilities are provided by First State Bank, which had deposits exceeding \$39 million and Peoples Bank, a branch of Rock Valley, had deposits exceeding \$46 million at June 30, 2015.

LARGER EMPLOYERS

Major manufacturers and larger employers within the community include:

<u>Employer</u>	<u>Business</u>	<u>No. of Employees</u>
Coilcraft	Electronics/Distribution	140
West Sioux Community Schools	Public School System	140
Hawarden Regional Health Care	Hospital	80
Hillcrest Care Facility	Nursing Home	75
ForeMost/Hawarden Machine	Metal Fabrication	46
Sunshine Foods	Retail Grocery	42
Dakota Treats	Pet Treats	40

Source: City of Hawarden, as of August, 2016.

SCHEDULE OF RECEIPTS AND DISBURSEMENTS (All Funds)

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
2015/16	\$7,273,454.63	\$10,944,846.38	\$11,231,424.60	\$6,986,876.41
2014/15	\$5,182,685.27	\$14,053,780.50	\$11,963,011.14	\$7,273,454.63
2013/14	\$6,437,049.36	\$9,956,249.65	\$11,210,613.74	\$5,182,685.27
2012/13	\$7,474,880.48	\$8,939,254.00	\$9,977,050.59	\$6,437,083.89
2011/12	\$5,030,074.97	\$14,353,572.05	\$11,908,739.39	\$7,474,907.63

Source: City of Hawarden.

TAXABLE RETAIL SALES TREND

<u>Year Ended June 30</u>	<u>City of Hawarden</u>		<u>Sioux County</u>
	<u>No. of Businesses</u>	<u>Retail Sales</u>	<u>Retail Sales</u>
2015	111	\$23,782,174	\$367,146,822
2014	112	22,612,574	349,137,449
2013	116	20,680,217	329,736,870
2012	112	22,728,064	332,792,575
2011	115	21,492,898	304,679,588

Source: Iowa Department of Revenue and Finance, Iowa Retail Sales and Use Tax Reports.

VALUATION BY PROPERTY CLASSIFICATION

In compliance with Section 441.21 of the Code of Iowa, the State Director of Revenue annually directs the county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The 2015 final Actual Values were adjusted by the Sioux County Auditor. The reduced values, determined after the application of rollback percentages, are the Taxable Values subject to tax levy. For assessment year 2015 the taxable value rollback rate was 55.7335% of actual value for residential property; 44.7021% of actual value for agricultural property; and 90% of actual value for commercial, industrial and railroad property. Utility property is limited to an 8% annual growth.

The Legislature's intent has been to limit the growth of statewide taxable valuations for the specific classes of property to 3% annually. Political subdivisions whose taxable values are thus reduced or are unusually low in growth are allowed to appeal the valuations to the State Appeal Board, in order to continue to fund present services.

1/1/2015 VALUATIONS (Taxes payable July 1, 2016 to June 30, 2017)

	(1/1/15) <u>100% Actual Value</u>	(1/1/15) Taxable Value <u>Value (With Rollback)</u>
Residential	\$57,418,790	\$29,700,596
Commercial	9,664,281	8,276,662
Industrial	2,214,529	1,764,387
Multi-residential	2,469,390	1,681,272
Utilities w/o Gas & Electric	270,886	270,886
Railroad	<u>0</u>	<u>0</u>
Gross valuation	\$72,037,876	\$41,693,803
Less military exemption	<u>(303,728)</u>	<u>(303,728)</u>
Net valuation	\$71,734,148	\$41,390,075
TIF increment (used to compute debt service levies and Constitutional debt limit)	14,807,250	14,807,250
Taxed separately		
Utilities – Gas & Electric	50,943	13,753
Ag. Land	968,730	446,652
Ag. Buildings	36,170	16,677

Source: Iowa Department of Management.

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VALUATION TREND

Valuation Year	Payable Fiscal Year	100% Actual Valuation	Taxable Valuation (With Rollback)	Taxable TIF Increment Valuation	Total Taxable Valuation
2015	2016/17	\$87,597,241	\$41,403,828	\$14,807,250	\$56,211,078
2014	2015/16	80,156,605	37,160,642	14,292,169	51,452,811
2013	2014/15	80,399,106	37,941,158	14,036,938	51,978,096
2012	2013/14	79,898,436	38,021,681	13,590,946	51,612,564
2011	2012/13	82,638,636	38,309,482	13,262,893	51,572,375

The 100% actual valuations, before rollback and after reduction of military exemption, include ag. land and buildings, TIF increment, and gas and electric utilities and are used for calculating debt capacity. The taxable valuations, with the rollback and after the reduction of military exemption, include gas and electric utilities, exclude ag. land and buildings and exclude taxable TIF increment value, which is shown separately. Iowa cities certify operating levies against taxable value excluding TIF increment. However, debt service levies are certified against taxable value including TIF increment.

Source: Iowa Department of Management.

LARGER TAXPAYERS BY VALUATION

Set forth in the following table are the persons or entities which represent larger taxpayers within the boundaries of the City, as provided by the Sioux County Auditor’s office. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City. With the exception of the electric and natural gas providers (which is subject to an excise tax in accordance with Iowa Code chapter 437A), the City’s tax levy is applicable to all of the properties included in the table, and thus taxes expected to be received by the City from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the tax levies of the other taxing entities which overlap the properties.

<u>Taxpayer</u> ¹⁾	<u>Type of Property</u>	<u>Taxable Value</u> ²⁾ as of 1/1/15
Big Sioux River Health Holdings	Multi-Residential	\$2,492,548
Cooperative Farmers Elevator	Commercial & Industrial	2,008,746
Otis Radio & Electric Corporation	Industrial	1,225,296
Fourth Generation Family Limited	Commercial	848,808
Ulmer, Donald J. & Julie A. JT	Commercial & Multi-Residential	767,193
Iowa Lamb Corporation Colorado	Commercial & Industrial	863,676
Hawarden Machine Inc.	Industrial	460,701
Plasticology LLC An Iowa Limited L	Industrial	522,450
Kaskie, Lyle D. & Sheryl A. JT	Residential & Multi Residential	413,479
Sunshine Real Estate LLC	Commercial	491,247
Ad-Bar LLC	Commercial & Multi-Residential	416,331
Sioux Fertilizer Inc.	Commercial & Industrial	494,100
Peoples Bank	Commercial	443,979
Family First Dental Associates	Commercial	326,673
Casey’s Marketing Company	Commercial	412,641

1) This list represents some of the larger taxpayers in the City, not necessarily the 10 largest taxpayers.

2) The Taxable Valuation listed represents only those valuations associated with the title holder and may not necessarily represent the entire taxable valuation.

Source: Sioux County.

TAX RATE PER \$1,000 OF TAXABLE VALUATION

Valuation Year:	2015	2014	2013	2012	2011
<u>Collection Year:</u>	<u>2016/17</u>	<u>2015/16</u>	<u>2014/15</u>	<u>2013/14</u>	<u>2012/13</u>
Sioux County	4.79344	4.96629	4.99253	4.86553	4.86669
City of Hawarden	14.51715	14.51280	14.51283	14.51291	14.51291
West Sioux CSD	16.37275	17.61022	17.33965	17.41012	17.50897
Northwest Iowa CC	0.78118	0.73347	0.69099	0.69069	0.64379
County Assessor	0.21767	0.23431	0.25881	0.28310	0.28435
Ag. Extension	0.16531	0.17834	0.17647	0.18328	0.18582
State (Bruc./T.B.)	<u>.00330</u>	<u>.00330</u>	<u>.00330</u>	<u>.00330</u>	<u>.00330</u>
Hawarden Resident:	36.85080	38.23873	37.97458	37.94893	38.00583

Source: Iowa Department of Management.

MEDIAN HOUSEHOLD INCOME

The city of Hawarden had an estimated, median household income of \$45,700, compared to \$52,716 for the State of Iowa. The following table represents the distribution of household incomes for the Counties according to the 2010-2014 American Community Survey 5 year estimated table:

<u>Household Income</u>	<u># of Households</u>	<u>% of Households</u>
Less than \$10,000	47	4.5%
\$10,000 to \$14,999	56	5.3%
\$15,000 to \$24,999	179	17.0%
\$25,000 to \$34,999	123	11.7%
\$35,000 to \$49,999	182	17.3%
\$50,000 to \$74,999	247	23.5%
\$75,000 to \$99,999	136	13.0%
\$100,000 to \$149,999	52	5.0%
\$150,000 to \$199,999	12	1.1%
\$200,000 or more	16	1.5%

Source: U.S. Census Bureau.

DEBT LIMIT CALCULATION

Article XI, Section 3 of the State of Iowa Constitution limits the amount of debt outstanding at any time of any county, municipality or other political subdivision to no more than 5% of the actual value of all taxable property within the corporate limits, as taken from the last state and county tax list. The debt limit for the City, based on its 2015 valuation currently applicable to the fiscal year 2016-17 is as follows:

Actual Valuation	<u>2015 Valuation</u>
Less: Military Exemption	\$80,460,333
	<u>(\$303,728)</u>
	\$80,156,605
Legal Debt Limit Factor of 5%	x .05
Debt Limit	\$4,007,830
Debt Subject to Debt Limit:	
Less: General Obligation Bonds/Notes Outstanding	<u>(\$1,280,000)</u>
Amount of Debt Capacity Remaining	2,727,830
Percent of Debt Capacity Remaining	68.06%

GENERAL OBLIGATION DEBT

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose / Project</u>	<u>Final Maturity</u>	<u>Current Obligation As of 10/27/16</u>
5/03	\$1,060,000	General Obligation Corporate Purpose & Refunding	6/18	\$180,000
7/14A	1,210,000	General Obligation Corporate Purpose	6/19	<u>1,100,000</u>
			Total	\$1,280,000

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CITY FINANCIAL SUMMARY (as of October 27, 2016)

2015 100% Valuation	\$80,156,605.00
2015 Taxable Valuation (excludes \$299,004 ag value)	\$51,452,811.00
General Obligation Bonded Debt	\$1,280,000.00
Direct General Obligation Debt per Capita (2,546)	\$502.75
Total Direct and Indirect General Obligation Debt per Capita	\$685.49
Ratio of Direct General Obligation Debt to 100% Valuation	1.60 %
Ratio of Direct and Indirect G. O. Debt to 100% Valuation per Capita	2.18 %
100% Valuation per Capita	\$31,483.35
Revenue Debt:	
Electric Revenue Debt (includes this issue)	\$5,725,000.00 *

Overlapping Debt:

Sioux County	
2015 100% Valuation	\$3,421,998,140.00
2015 Taxable Valuation	\$1,955,263,326.00
General Obligation Bonded Debt	\$7,950,000.00
Percent Allocable to City	2.63 %
Amount Allocable to City	\$209,204.48
City's share of Debt per Capita	\$82.17

West Sioux Community School District	
2015 100% Valuation	\$416,042,418.00
2015 Taxable Valuation	\$220,553,957.00
General Obligation Bonded Debt	\$970,000.00
Percent Allocable to City	23.33 %
Amount Allocable to City	\$226,290.33
City's share of Debt per Capita	\$88.88

Northwest Iowa Community College	
2015 100% Valuation	\$8,311,428,486.00
2015 Taxable Valuation	\$4,575,636,277.00
Bonded Debt: Industrial New Jobs Training Certificates	\$5,770,000.00
General Obligation School Bonds/Notes	\$2,646,829.00
Percent Allocable to City	1.12 %
Amount Allocable to City (excludes New Jobs Training Certificates) ¹⁾	\$29,763.47
City's share of Debt per Capita (excludes New Jobs Training Certificates)	\$11.69

1) The Certificates were issued to finance projects which provide education and training of workers for new or expanding industry in the Merged Area. While secured by an annual levy of a standby tax upon all taxable property in the Merged Area, the debt service is payable from revenues of the respective projects and the standby tax will be collected only in the event such revenues are insufficient. The Certificates are currently self-supporting.

* Preliminary; subject to change.

APPENDIX B

FORM OF BOND COUNSEL OPINION

We hereby certify that we have examined certified copies of the proceedings (the “Proceedings”) of the City Council of the City of Hawarden (the “Issuer”), in Sioux County, Iowa, passed preliminary to the issue by the Issuer of its Electric Revenue Refunding Bonds, Series 2016 (the “Bonds”) in the amount of \$ _____, in the denomination of \$5,000 each, or any integral multiple thereof, dated October 27, 2016, in evidence of the Issuer’s obligation under a certain loan agreement (the “Loan Agreement”), dated as of October 27, 2016. The Bonds mature on June 1 in each of the respective years and in the principal amounts and bear interest payable semiannually, commencing _____, _____, 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	\$ _____	_____ %	2026	\$ _____	_____ %
2020	\$ _____	_____ %	2027	\$ _____	_____ %
2021	\$ _____	_____ %	2028	\$ _____	_____ %
2022	\$ _____	_____ %	2029	\$ _____	_____ %
2023	\$ _____	_____ %	2030	\$ _____	_____ %
2024	\$ _____	_____ %	2031	\$ _____	_____ %
2025	\$ _____	_____ %		\$ _____	_____ %

Principal of the Bonds maturing in the years 2025 to 2031, inclusive, is subject to optional redemption prior to maturity on June 1, 2024, or on any date thereafter on terms of par plus accrued interest. Principal of the Bonds is subject to mandatory redemption at the times and in the amounts as set forth in the Bonds and the Proceedings.

Based upon our examination, we are of the opinion, as of the date hereof, that:

1. The Proceedings show lawful authority for such issue under the laws of the State of Iowa.
2. The Bonds and the Loan Agreement are valid and legally binding limited obligations of the Issuer enforceable in accordance with their terms.
3. The Bonds, together with the City’s 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 and restrictions set forth in the Resolution, are and will continue to be payable as to both principal and interest solely and only from the future Net Revenues of the Electric Utility System of the Issuer.

4. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986 (the “Code”) that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

5. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the Bonds be, or continue to be, qualified tax-exempt obligations. The Issuer has covenanted to comply with each such requirement.

We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

DORSEY & WHITNEY LLP

***This form of bond counsel opinion is subject to change pending the results of the sale of the Bonds contemplated herein.**

APPENDIX C

FORM OF 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 \$ _____ 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:

Electric Rate Schedule
Current Electric Utility Fund Balances

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

APPENDIX D

AUDITED FINANCIAL STATEMENTS OF THE ISSUER

Because the financial statements of the Utility are not presented separately by the Issuer, the Issuer's complete audited financial statements are included as Appendix D. As noted above and in the body of this Official Statement, however, the Bonds are payable solely from the Net Revenues of the Utility and not from any other funds of the Issuer.

APPENDIX E

BOOK-ENTRY SYSTEM

The information in this Appendix concerning The Depository Trust Company, New York, New York (“DTC”) and DTC’s book-entry system has been obtained from DTC. Neither the Underwriter nor the Issuer take responsibility for the accuracy or completeness thereof, or for any material changes in such information subsequent to the date hereof, or for any information provided at the web sites referenced below. Beneficial Owners should confirm the following with DTC or the Direct Participants (as hereinafter defined). So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references in the Official Statement to the Bondowners or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

Book-Entry System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for series of the Bonds, each in the aggregate principal amount of such series, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve Utility, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC Utility is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC Utility must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Direct Participant as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Trustee, on any payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the Utility of book-entry-only transfers through DTC (or a successor depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer does not take any responsibility for the accuracy thereof.