CITY OF HAWARDEN
REGULAR CITY COUNCIL MEETING AGENDA
Hawarden City Hall – Council Chambers Room
Wednesday, April 22, 2020 at 5:30 p.m.

Standard Agenda Items

1a. Approval of April 8, 2020 Council Meeting Minutes
1b. Approval of April 22, 2020 Claims for Payment
1c. Open business from the Community (limited to a maximum of 5 minutes per item).
2a. Mayor's Report
2b. Staff Reports/Discussion
2c. Council Comments

Other Agenda Items

3. Water Rate Study Presentation – Missouri River Energy

4. a. Public Hearing on Proposed Plans and Specifications, Proposed Form of Contract, and Estimated Cost for the Annual Seal Coating and Work Incidental Thereto, In and for the City of Hawarden, Iowa and taking bids for such Construction.
b. Resolution 2022-22, A Resolution Approving Proposed Drawings and Specifications Proposed, Form of Contract, and Estimated Cost for the Annual Seal Coating Project for the City of Hawarden, Iowa.

5. a. Presentation by Jayson Pullman, Hawarden Regional Health.
b. Resolution 2020-23, A Resolution of Authority for Execution of Application and Application for Payroll Protection Program Loan and/or Grant and Other Assistance Available Under the Federal Cares Act.

6. Consent Agenda:

7. Adjournment

Next regular council meeting May 13, 2020

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
Wednesday, April 8, 2020 at 5:30 p.m.

The Council Meeting was called to order at 5:30 p.m.
Present: Mayor Porter; Council Members: Bergsma, Klocke, Feldhacker, Kurth, Olson
Absent: None
Staff Present: Mike DeBruin, City Administrator/City Clerk; Jim Pickner, City Attorney.
Absent: Travis Waterman, Public Works Director; Jacob Stoner, Finance Officer; Larry Cope, Economic Development Director; Corey Utech, Chief of Police.

Standard Agenda Items

1a. Approval of March 25, 2020 Regular Council Meeting and Planning Session Minutes.
Moved by Kurth/Klocke to approve. Motion carried 5-0.

1b. Approval of April 8, 2020 Claims for Payment.
Moved by Kurth/Olson to approve. Motion carried 5-0.

1c. No Open Business from the Community was held.

2a. Mayor's Report was given.

2b. Staff Reports were given.

2c. No Council Comments were given.

Agenda Items

Item 3. A. Public Hearing on Proposed Plans and Specifications, Proposed Form of Contract, and Estimated Cost for the South Circuit Project and Work Incidental Thereto, In and for the City of Hawarden, Iowa and taking bids for such construction.

B. Resolution 2020-20, A Resolution Approving Proposed Drawings and Specifications Proposed, Form of Contract, and Estimate of Cost for the South Circuit Project for the City of Hawarden, Iowa.
Moved by Olson/Kurth to approve.
Aye: Bergsma, Klocke, Olson, Kurth, Feldhacker Nay: None Motion carried 5-0.

Item 4. Resolution 2020-21, A Resolution setting time and place for hearing and directing publication of Notice of time and place for hearing on Plans and Specifications, Proposed Form of Contract and Estimate of Costs for the Annual Seal Coat Project for the City of Hawarden, Iowa.
Moved by Klocke/Kurth to approve.
Aye: Olson, Klocke, Feldhacker, Bergsma, Kurth Nay: None Motion carried 5-0.

Item 5. Approval of Pay Request Number 7 to Hoogendoorn Construction, Inc. for the Wastewater Treatment Facility Improvement Project.
Moved by Kurth/Klocke to approve. Motion carried 5-0.

Item 6. Consent Agenda: None

Item 7. Adjournment.
The next regular City Council Meeting will be Wednesday, April 22, 2020 @ 5:30 p.m.
Moved by Klocke/Kurth to adjourn. Motion carried 5-0. Meeting adjourned at 5:49 p.m.

_____
Ricard R. Porter, Mayor

ATTEST:

_____
Michael De Bruin, City Administrator/City Clerk

CITY OF HAWARDEN
COUNCIL MEETING
APRIL 22,2020

DATE	CHECK NO	VENDOR NAME	REFERENCE		TOTAL
4/9/20	55637	HAWARDEN CHAMBER AND	QUARTERLY PAYMENT	$	7,500.00
4/9/20	55638	IOWA INTERACTIVE LLC	CITY SWIPE DEVICE	$	250.00
4/9/20	55639	ARLIN SCHWALLER	CAMPGROUND REIMBURSEMENT	$	60.00
4/9/20	55640	VERIZON	CELL SVC	$	146.67
4/14/20	55641	CITY OF HAWARDEN	LIB UTILITIES	$	648.56
4/14/20	55642	FINDAWAY WORLD LLC	LIB AUDIO VISUAL	$	559.66
4/14/20	55643	CENGAGE LEARNING/GALE	LIB LARGE PRINT BOOKS	$	85.76
4/14/20	55644	HITEC	LIB PHONE SERVICE	$	80.67
4/14/20	55645	INGRAM LIBRARY SERVICES	LIB BOOKS	$	48.27
4/14/20	55646	IOWA COMMUNICATIONS NETWORK	LIB LONG DISTANCE	$	11.61
4/17/20	55647thru	PAYROLL			
4/17/20	55649	PAYROLL			
4/17/20	55650	ICMA-RC	457- ICMA	$	250.00
4/17/20	55651	FLEX PLAN	URM/FLEX PLAN	$	1,013.74
4/17/20	55652	AFSCME/IOWA COUNCIL 61	UNION DUES	$	338.94
4/17/20	55653	SIOUX COUNTY SHERIFF	GARNISHMENTS	$	404.09
4/17/20	55654	CITY OF HAWARDEN	VOID	$	-
4/17/20	55655	CITY OF HAWARDEN	SELF-INS-FAM	$	760.00
4/22/20	55656	AIRGAS USA LLC	AMB CYLINDER RENTAL	$	54.56
4/22/20	55657	ALPHA WIRELESS	BELT CLIP	$	62.00
4/22/20	55658	ANCERLY HOSTING	WEB HOSTING TUA	$	100.00
4/22/20	55659	AUREON NETWORK SERVICES	CALEA	$	128.38
4/22/20	55660	BARKER LEMAR	LANDFILL SPRING INSPECTION	$	737.50
4/22/20	55661	BEC TECHNOLOGIES INC	SUPPLIES	$	454.11
4/22/20	55662	BOOTH PHARMACY INC	SUPPLIES	$	3.79
4/22/20	55663	BORDER STATES INDUSTRIES INC	EL POLES & LIGHTS	$	16,836.78
4/22/20	55664	BOYER MACHINE INC	ST REPAIR SWEEPER	$	320.00
4/22/20	55665	CATALYST IT	TECH SERVICES MARCH BILLING	$	1,989.60
4/22/20	55666	CENTURY BUSINESS PRODUCTS INC	GENADM SVC AGRMNT 3/18-4/17	$	108.83
4/22/20	55667	CITY OF HAWARDEN	HITEC REFUND TO UB ACCT	$	13.49
4/22/20	55668	DGR ENGINEERING	STORM WATER PROJ PROF SVCS	$	2,026.00
4/22/20	55669	ERICSON OIL LC	CEM FUEL	$	1,953.19
4/22/20	55670	GRAINGER INC	WSTWA SUPPLIES	$	189.36
4/22/20	55671	PAULA HARKNESS	UTILITY REFUND	$	911.37
4/22/20	55672	HAWARDEN AMBULANCE ASSN	RUN FEES	$	8,740.00
4/22/20	55673	HAWARDEN SENIOR CITIZEN CENTER	RENT	$	250.00
4/22/20	55674	MARY HULLEMAN	PD RETIREMENT BENEFIT	$	508.13
4/22/20	55675	IAMU	GAS TRAINING	$	115.00
4/22/20	55676	iconectiv LLC	SPECIAL CHARGES & FEES LNP	$	22.78
4/22/20	55677	IOWA INFORMATION INC	GENADM 2/26 MINS & CLAIMS	$	746.01
4/22/20	55678	JOHN DEERE FINANCIAL	SUPPLIES ST	$	642.04
4/22/20	55679	JOYCE LARSEN	EL REBATE	$	25.00

4/22/20	55680	L.G. EVERIST INC	ST RIVER ROCK	$	539.67
4/22/20	55681	LONG LINES	HIGH SPEED	$	15,515.91
4/22/20	55682	MANGOLD ENVIRONMENTAL	WSTWA LAB FEES	$	668.00
4/22/20	55683	MID-SIOUX OPPORTUNITY INC	LIHEAP REFUND D.WILLIAMS	$	153.74
4/22/20	55684	MUNICIPAL UTILITIES	VOID	$	-
4/22/20	55685	MUNICIPAL UTILITIES	UTILITIES	$	17,271.13
4/22/20	55686	NENA	YEARLY RENEWAL	$	255.00
4/22/20	55687	NEXSTAR BROADCASTING INC	RETRANSMISSION KCAU-ABC	$	5,074.56
4/22/20	55688	NORTHERN SAFETY CO INC	GLOVES POOL	$	52.55
4/22/20	55689	O.C. SANITATION INC	GARBAGE COLLECTION MARCH	$	14,151.00
4/22/20	55690	ONE OFFICE SOLUTION	SUPPLIES	$	24.95
4/22/20	55691	PHYSICIANS CLAIMS COMPANY	BILLING MARCH 2020	$	2,043.33
4/22/20	55692	PROCHEM DYNAMICS LLC	CLEANER GENADM	$	149.00
4/22/20	55693	QUADIENT LEASING	FOLDING/STUFFING MACHINE LEASE	$	1,446.00
4/22/20	55694	QUILL CORPORATION	SUPPLIES	$	320.87
4/22/20	55695	RECREATION SUPPLY COMPANY	SUPPLIES POOL	$	528.71
4/22/20	55696	SIOUX COUNTY AUDITOR	E911 CHARGES JAN,FEB,MAR 2020	$	1,782.41
4/22/20	55697	SIOUXLAND DISTRICT HEALTH DEPT	LAB FEES	$	63.00
4/22/20	55698	SIOUXLAND OUTDOOR POWER CO	MOWER	$	7,853.84
4/22/20	55699	SUBSCRIBER TECHNOLOGIES INC	TV PROGRAMMING COST MONTHLY	$	225.00
4/22/20	55700	SUNSHINE FOODS	SUPPLIES	$	667.66
4/22/20	55701	USA BLUEBOOK	WSTWA SUPPLIES	$	334.27
4/22/20	55702	WELLS FARGO VENDOR FIN SER LLC	COPIER LEASE	$	233.86
4/22/20	55703	DIANE WILLIAMS	UTILITY REFUND	$	196.92
4/22/20	11141266	CLAYTON ENERGY CORPORATION	GAS PURCHASE 3/2020 COMMODITY	$	13,315.76
4/22/20	11141267	PEFA INC	GAS PURCHASE 3/2020 COMMODITY	$	17,851.27
4/22/20	11141268	PEOPLES BANK	BILLING CHGS & FEES	$	40.00
4/17/20	11141269	IVY FUNDS	457- W&R	$	50.00
4/17/20	11141270	IPERS	IPERS - CITY	$	16,454.15
4/17/20	11141271	WELLMARK	GROUP 125 - FAM	$	32,950.62
4/17/20	11141272	AFLAC	PRE TAX INS PRE	$	1,039.56
4/17/20	11141273	EFTPS	FED/FICA TAX	$	11,541.39
4/17/20	11141274	IOWA DEPT OF REVENUE	STATE TAXES	$	3,909.00
4/22/20	11141275	CASEY'S BUSINESS MASTERCARD	FUEL	$	2,120.75
4/22/20	11141276	MISSOURI RIVER ENERGY SVCS	ELECTRIC PURCHASE	$	65,400.22
4/22/20	11141277	WEX BANK	FUEL	$	414.88
4/22/20	11141278	TREASURER STATE OF IOWA	720 EXCISE TAX APRIL 2020	$	406.59
					==========
			Accounts Payable Total	$	284,141.46
			Payroll Checks	$	34,952.09
					==========
			Report Total	$	319,093.55
					==========

CITY OF HAWARDEN
COUNCIL MEETING
APRIL 22, 2020

DATE	CHECK NO	VENDOR NAME	INVOICE DESCRIPTION	INVOICE AMT	TOTAL
4/9/2020	55637	HAWARDEN CHAMBER	QUARTERLY PAYMENT		$ 7,500.00
4/9/2020	55638	IOWA INTERACTIVE LLC	CITY SWIPE DEVICE		$ 250.00
4/9/2020	55639	ARLIN SCHWALLER	CAMPGROUND REIMBURSEMENT		$ 60.00
4/9/2020	55640	VERIZON	PD CELL SVC	$ 26.64	
4/9/2020	55640	VERIZON	PD CELL SVC	$ 120.03	$ 146.67
4/14/2020	55641	CITY OF HAWARDEN	LIB UTILITIES	$ 648.56	
4/14/2020	55642	FINDAWAY WORLD LLC	LIB AUDIO VISUAL	$ 369.70	
4/14/2020	55642	FINDAWAY WORLD LLC	LIB AUDIO VISUAL	$ 189.96	$ 559.66
4/14/2020	55643	CENGAGE LEARNING/GALE	LIB LARGE PRINT BOOKS	$ 22.79	
4/14/2020	55643	CENGAGE LEARNING/GALE	LIB LARGE PRINT BOOKS	$ 20.39	
4/14/2020	55643	CENGAGE LEARNING/GALE	LIB LARGE PRINT BOOKS	$ 42.58	$ 85.76
4/14/2020	55644	HITEC	LIB PHONE SERVICE		$ 80.67
4/14/2020	55645	INGRAM LIBRARY SERVICES	LIB BOOKS		$ 48.27
4/14/2020	55646	IOWA COMMUNICATIONS NETWORK	LIB LONG DISTANCE		$ 11.61
4/17/2020	55650	ICMA-RC	457- ICMA	$ 125.00	
4/17/2020	55650	ICMA-RC	457- ICMA	$ 125.00	$ 250.00
4/17/2020	55651	FLEX PLAN	URM/FLEX PLAN		$ 1,013.74
4/17/2020	55652	AFSCME/IOWA COUNCIL 61	UNION DUES	$ 169.47	
4/17/2020	55652	AFSCME/IOWA COUNCIL 61	UNION DUES	$ 169.47	$ 338.94
4/17/2020	55653	SIOUX COUNTY SHERIFF	GARNISHMENTS		$ 404.09
4/17/2020	55655	CITY OF HAWARDEN	SELF-INS-FAM		$ 760.00
4/22/2020	55656	AIRGAS USA LLC	AMB CYLINDER RENTAL		$ 54.56
4/22/2020	55657	ALPHA WIRELESS	BELT CLIP		$ 62.00
4/22/2020	55658	ANCERLY HOSTING	WEB HOSTING TUA		$ 100.00
4/22/2020	55659	AUREON NETWORK SERVICES	CALEA		$ 128.38
4/22/2020	55660	BARKER LEMAR	LANDFILL SPRING INSPECTION		$ 737.50
4/22/2020	55661	BEC TECHNOLOGIES INC	SUPPLIES INT		$ 454.11
4/22/2020	55662	BOOTH PHARMACY INC	SUPPLIES		$ 3.79
4/22/2020	55663	BORDER STATES INDUSTRIES INC	EL POLES & LIGHTS		$ 16,836.78

DATE	CHECK NO	VENDOR NAME	INVOICE DESCRIPTION	INVOICE AMT	TOTAL
4/22/2020	55664	BOYER MACHINE INC	ST REPAIR SWEEPER	$ 210.00	
4/22/2020	55664	BOYER MACHINE INC	ST REPAIR ROLLER	$ 110.00	$ 320.00
4/22/2020	55665	CATALYST IT	TECH SERVICES MARCH BILLING		$ 1,989.60
4/22/2020	55666	CENTURY BUSINESS PRODUCTS INC	GENADM SVC AGRMNT 3/18-4/17		$ 108.83
4/22/2020	55667	CITY OF HAWARDEN	HITEC REFUND TO UB ACCT	$ 1.99	
4/22/2020	55667	CITY OF HAWARDEN	HITEC REFUND TO UB ACCT	$ 11.50	$ 662.05
4/22/2020	55668	DGR ENGINEERING	STORM WATER PROJ PROF SVCS		$ 2,026.00
4/22/2020	55669	ERICSON OIL LC	ST FUEL	$ 800.83	
4/22/2020	55669	ERICSON OIL LC	CEM FUEL	$ 1,152.36	$ 1,953.19
4/22/2020	55670	GRAINGER INC	WSTWA CLEANER	$ 59.70	
4/22/2020	55670	GRAINGER INC	WSTWA SUPPLIES	$ 114.70	
4/22/2020	55670	GRAINGER INC	WSTWA HAND CREAM	$ 14.96	$ 189.36
4/22/2020	55671	PAULA HARKNESS	UTILITY REFUND		$ 911.37
4/22/2020	55672	HAWARDEN AMBULANCE ASSN	RUN FEES		$ 8,740.00
4/22/2020	55673	HAWARDEN SENIOR CITIZEN CENTER	RENT		$ 250.00
4/22/2020	55674	MARY HULLEMAN	PD RETIREMENT BENEFIT		$ 508.13
4/22/2020	55675	IAMU	GAS TRAINING		$ 115.00
4/22/2020	55676	iconectiv LLC	SPECIAL CHARGES & FEES LNP		$ 22.78
4/22/2020	55677	IOWA INFORMATION INC	GENADM 2/26 MINS & CLAIMS	$ 201.10	
4/22/2020	55677	IOWA INFORMATION INC	GENADM PROPSED BUDGET	$ 226.69	
4/22/2020	55677	IOWA INFORMATION INC	GENADM 3/11 MINS & CLAIMS	$ 318.22	$ 746.01
4/22/2020	55678	JOHN DEERE FINANCIAL	SUPPLIES ST		$ 642.04
4/22/2020	55679	JOYCE LARSEN	EL REBATE		$ 25.00
4/22/2020	55680	L.G. EVERIST INC	ST RIVER ROCK		$ 539.67
4/22/2020	55681	LONG LINES	HIGH SPEED		$ 15,515.91
4/22/2020	55682	MANGOLD ENVIRONMENTAL	WSTWA LAB FEES		$ 668.00
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4/22/2020	55685	MUNICIPAL UTILITIES	UTILITIES		$ 17,271.13
4/22/2020	55686	NENA	CO ID YEARLY RENEWAL		$ 255.00
4/22/2020	55687	NEXSTAR BROADCASTING INC	RETRANSMISSION WGN	$ 177.86	
4/22/2020	55687	NEXSTAR BROADCASTING INC	RETRANSMISSION KCAU-ABC	$ 4,896.70	$ 5,074.56
4/22/2020	55688	NORTHERN SAFETY CO INC	GLOVES POOL		$ 52.55
4/22/2020	55689	O.C. SANITATION INC	GARBAGE COLLECTION MARCH		$ 14,151.00

DATE	CHECK NO	VENDOR NAME	INVOICE DESCRIPTION	INVOICE AMT	TOTAL
4/22/2020	55690	ONE OFFICE SOLUTION	SUPPLIES GENADM		$ 24.95
4/22/2020	55691	PHYSICIANS CLAIMS COMPANY	BILLING MARCH 2020		$ 2,043.33
4/22/2020	55692	PROCHEM DYNAMICS LLC	CLEANER GENADM		$ 149.00
4/22/2020	55693	QUADIENT LEASING	FOLDING/STUFFING MACHINE LEASE		$ 1,446.00
4/22/2020	55694	QUILL CORPORATION	SUPPLIES GENADM		$ 320.87
4/22/2020	55695	RECREATION SUPPLY COMPANY	SUPPLIES POOL		$ 528.71
4/22/2020	55696	SIOUX COUNTY AUDITOR	E911 CHARGES JAN,FEB,MAR 2020		$ 1,782.41
4/22/2020	55697	SIOUXLAND DISTRICT HEALTH DEPT	LAB FEES WA		$ 63.00
4/22/2020	55698	SIOUXLAND OUTDOOR POWER CO	CO CLIPPER 2020 GOLF	$ 7,149.00	
4/22/2020	55698	SIOUXLAND OUTDOOR POWER CO	REPAIRS ST	$ 704.84	$ 7,853.84
4/22/2020	55699	SUBSCRIBER TECHNOLOGIES INC	TV PROGRAMMING COST MONTHLY		$ 225.00
4/22/2020	55700	SUNSHINE FOODS	GENADM SUPPLIES		$ 667.66
4/22/2020	55701	USA BLUEBOOK	WA SUPPLIES	$ 69.41	
4/22/2020	55701	USA BLUEBOOK	WSTWA SUPPLIES	$ 264.86	$ 334.27
4/22/2020	55702	WELLS FARGO VENDOR FIN SER LLC	COPIER LEASE		$ 233.86
4/22/2020	55703	DIANE WILLIAMS	UTILITY REFUND		$ 196.92
4/22/2020	11141266	CLAYTON ENERGY CORPORATION	GAS PURCHASE 3/2020 COMMODITY		$ 13,315.76
4/22/2020	11141267	PEFA INC	GAS PURCHASE 3/2020 COMMODITY		$ 17,851.27
4/22/2020	11141268	PEOPLES BANK	BILLING CHGS & FEES		$ 40.00
4/17/2020	11141269	IVY FUNDS	457- W&R		$ 50.00
4/17/2020	11141270	IPERS	IPERS - CITY	$ 8,285.47	
4/17/2020	11141270	IPERS	IPERS - CITY	$ 8,168.68	$ 16,454.15
4/17/2020	11141271	WELLMARK	GROUP 125 - FAM	$ 16,475.31	
4/17/2020	11141271	WELLMARK	GROUP 125 - FAM	$ 16,475.31	$ 32,950.62
4/17/2020	11141272	AFLAC	PRE TAX INS PRE	$ 519.78	
4/17/2020	11141272	AFLAC	PRE TAX INS PRE	$ 519.78	$ 1,039.56
4/17/2020	11141273	EFTPS	FED/FICA TAX		$ 11,541.39
4/17/2020	11141274	IOWA DEPT OF REVENUE	STATE TAXES	$ 1,977.00	
4/17/2020	11141274	IOWA DEPT OF REVENUE	STATE TAX	$ 1,932.00	$ 3,909.00
4/22/2020	11141275	CASEY'S BUSINESS MASTERCARD	FUEL PD		$ 2,120.75
4/22/2020	11141276	MISSOURI RIVER ENERGY SVCS	ELECTRIC PURCHASE		$ 65,400.22
4/22/2020	11141277	WEX BANK	FUEL PD		$ 414.88
4/22/2020	11141278	TREASURER STATE OF IOWA	720 EXCISE TAX APRIL 2020		$ 406.59

DATE	CHECK NO	VENDOR NAME	INVOICE DESCRIPTION	INVOICE AMT	TOTAL
					==========
			Accounts Payable Total		$ 284,141.46
			Payroll Checks		$ 34,952.09
					==========
			Report Total		$ 319,093.55
					==========

TOTAL CLAIMS BY FUND 04/22/2020	
GENERAL FUND	84,555.54
ROAD USE TAX FUND	9,191.15
POLICE RETIREMENT FUND	508.13
WATER UTILITY FUND	10,175.96
WASTE WATER UTILITY FUND	13,390.95
WASETWATER PROJECTS	2,127.70
ELECTRIC UTILITY FUND	96,102.51
GAS UTILITY FUND	42,300.30
SOLID WASTE UTILITY FUND	15,126.66
TELECOMMUNICATIONS ADMIN	7,783.70
CABLE/INTERNET UTILITY	18,625.87
TELEPHONE UTILITY FUND	12,056.08
CAPITAL EQUIPMENT FUND	7,149.00
TOTAL CLAIMS BY FUND	**319,093.55**

TOTAL REVENUE BY FUND MARCH 2020		
CABLE/INTERNET UTILITY TOTAL	$	218.35
CAPITAL EQUIPMENT FUND TOTAL	$	1,158.85
ELEC-REVOLVING LOAN FUND TOTA	$	1,802.71
ELECTRIC UTILITY FUND TOTAL	$	214,573.05
EMERGENCY LEVY TOTAL	$	564.12
EMPLOYEE BENEFITS LEVY TOTAL	$	8,901.91
GAS UTILITY FUND TOTAL	$	150,050.93
GENERAL FUND TOTAL	$	105,945.36
GREGG/VIPOND LIB TRUSTS TOTAL	$	543.08

DATE	CHECK NO	VENDOR NAME	INVOICE DESCRIPTION	INVOICE AMT	TOTAL
		LIBRARY UNRESTRICTED TOTAL	$ 464.24		
		LOCAL OPTION SALES TAX TOTAL	$ 26,450.42		
		PROJECT SHARE FUND TOTAL	$ 37.00		
		ROAD USE TAX FUND TOTAL	$ 12,905.71		
		SELF-INSURANCE/RISK MGT TOTAL	$ 1,520.00		
		SOLID WASTE UTILITY FUND TOTA	$ 18,865.99		
		TELEPHONE UTILITY FUND TOTAL	$ 36,566.42		
		TIF AREA A & ADDITION TOTAL	$ 2,865.45		
		TIF AREA D TOTAL	$ 3,558.11		
		TIF AREA I TOTAL	$ 5,196.49		
		WASETWATER PROJECTS TOTAL	$ 238,770.38		
		WASTE WATER UTILITY FUND TOTA	$ 48,245.75		
		WATER UTILITY FUND TOTAL	$ 28,756.20		
		TOTAL REVENUE BY FUND	**$ 907,960.52**		

BILLING REPORT
MARCH 2020

ELECTRIC (security lights)	NO.	KWH	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
RESIDENTIAL	1,027	1,029,309	$ 92,274.68	$ 922.78	$ 93,197.46	$ 851,730.29
*MISC CHARGES			$ 1,215.00	$ 85.05	$ 1,300.05	$ 13,610.40
COMMERCIAL	186	423,171	$ 41,599.32	$ 2,734.09	$ 44,333.41	$ 403,499.76
*MISC CHARGES			$ 160.00	$ 11.20	$ 171.20	$ 1,214.45
INDUSTRIAL/INTERRUPTIBLE	9	301,459	$ 27,709.57	$ 1,640.31	$ 29,349.88	$ 329,749.58
*MISC CHARGES			$ -	$ -	$ -	$ -
INTERDEPARTMENTAL	69	223,192	$ 20,016.12	$ -	$ 20,016.12	$ 201,090.53
*MISC CHARGES			$ -	$ -	$ -	$ -
PUBLIC AUTHORITY	10	91,379	$ 8,317.45	$ -	$ 8,317.45	$ 87,043.21
PENALTY			$ 401.78	$ -	$ 401.78	$ 2,718.32
MISC SALES/NSF FEES			$ -	$ -	$ -	$ 90.00
WIND ENERGY	6		$ 24.00	$ 0.24	$ 24.24	$ 218.16
TOTAL	1,307	2,068,510	$ 191,717.92	$ 5,393.67	$ 197,111.59	$ 1,890,964.70

GAS	NO.	CCF	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
RESIDENTIAL	872	96,897	$ 84,978.09	$ 849.91	$ 85,828.00	$ 449,940.78
*MISC CHARGES			$ 30.00	$ 2.10	$ 32.10	$ 83.85
COMMERCIAL	115	27,659	$ 23,126.78	$ 1,606.92	$ 24,733.70	$ 127,411.90
*MISC CHARGES			$ -		$ -	$ 50.00
INDUSTRIAL/INTERRUPTIBLE	7	19,208	$ 15,393.71	$ 775.35	$ 16,169.06	$ 122,446.78
*MISC CHARGES				$ -	$ -	$ -
INTERDEPARTMENTAL	15	9,283	$ 7,540.40	$ -	$ 7,540.40	$ 41,659.96
PUBLIC AUTHORITY	7	9,322	$ 7,517.45	$ -	$ 7,517.45	$ 36,291.23
PENALTY			$ 219.60	$ -	$ 219.60	$ 526.56
MISC SALES					$ -	
TOTAL	1,016	162,369	$ 138,806.03	$ 3,234.28	$ 142,040.31	$ 778,411.06

WATER	NO.	CF	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
RESIDENTIAL	1,006	466,000	$ 20,317.23	$ 1,218.18	$ 21,535.41	$ 219,612.30
*MISC CHARGES			$ 85.00	$ 5.10	$ 90.10	$ 408.10
COMMERCIAL	108	94,800	$ 2,978.23	$ 155.18	$ 3,133.41	$ 33,423.82
*MISC CHARGES			$ -	$ -	$ -	$ 159.00
INDUSTRIAL/INTERRUPTIBLE	7	43,100	$ 890.19	$ 53.42	$ 943.61	$ 10,734.25
INTERDEPARTMENTAL	13	9,800	$ 239.22	$ -	$ 239.22	$ 8,869.77
PUBLIC AUTHORITY	7	13,900	$ 359.91	$ -	$ 359.91	$ 5,354.10
BULK WATER	1	535	$ 10.00	$ 0.60	$ 10.60	$ 1,972.75
PENALTY			$ 39.32	$ -	$ 39.32	$ 278.54
MISC SALES			$ -	$ -	$ -	$ -
TOTAL	1,142	628,135	$ 24,919.10	$ 1,432.48	$ 26,351.58	$ 280,812.63

SEWER RENTAL	NO.	CF	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
RESIDENTIAL	972	452,100	$ 41,683.99	$ -	$ 41,683.99	$ 372,790.90
COMMERCIAL	100	94,000	$ 5,148.87	$ 360.66	$ 5,509.53	$ 48,498.45
INDUSTRIAL/INTERRUPTIBLE	5	43,000	$ 1,117.50	$ 78.24	$ 1,195.74	$ 12,021.11
INTERDEPARTMENTAL	11	5,800	$ 479.50	$ -	$ 479.50	$ 4,996.57
PUBLIC AUTHORITY	6	13,000	$ 500.50	$ -	$ 500.50	$ 6,116.78
PENALTY			$ 75.89	$ -	$ 75.89	$ 480.89
MISC SALES					$ -	$ -
TOTAL	1,094	607,900	$ 49,006.25	$ 438.90	$ 49,445.15	$ 444,904.70

GARBAGE COLLECTIONS	NO.	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
RESIDENTIAL	1,053	$ 18,428.11	$ -	$ 18,428.11	$ 163,330.78
*MISC CHARGES		$ -	$ -	$ -	$ -
COMMERCIAL	102	$ 407.04	$ 28.51	$ 435.55	$ 3,933.48
INDUSTRIAL/INTERRUPTIBLE	5	$ 20.00	$ 1.40	$ 21.40	$ 187.25
INTERDEPARTMENTAL	14	$ 56.00		$ 56.00	$ 509.00
PUBLIC AUTHORITY	5	$ 20.00		$ 20.00	$ 175.00
PENALTY		$ 40.14		$ 40.14	$ 317.83
MISC SALES		$ -	$ -	$ -	$ -
TOTAL	1,179	$ 18,971.29	$ 29.91	$ 19,001.20	$ 168,453.34

HITEC COMMUNICATIONS PHONE	NO.	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
RESIDENTIAL	306	$ 8,118.71		$ 8,118.71	$ 75,485.29
NON RESIDENTIAL	295	$ 12,990.71		$ 12,990.71	$ 113,776.97
HITEC LONG DISTANCE	273	$ 2,064.32		$ 2,064.32	$ 18,969.65
SPECIAL ADJUSTMENTS		$ 540.97		$ 540.97	$ 6,462.75
FEDERAL TAX		$ -	$ 404.00	$ 404.00	$ 3,719.73
STATE SALES TAX		$ -	$ 1,121.06	$ 1,121.06	$ 10,070.01
MISC SALES		$ -	$ -	$ -	$ -
TOTAL	874	$ 23,714.71	$ 1,525.06	$ 25,239.77	$ 228,484.40

CABLE	NO.	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
INTERNET	838	$ 46,974.50		$ 46,974.50	$ 415,432.96
LOCAL PACKAGE	40	$ 1,158.00		$ 1,158.00	$ 11,232.60
BASIC SERVICE	484	$ 31,650.23		$ 31,650.23	$ 289,201.19
SHOWTIME PACKAGE	13	$ 195.00		$ 195.00	$ 1,794.00
MOVIE CHANNEL (CINAMAX)	7	$ 70.00		$ 70.00	$ 642.58
STARZ	3	$ 45.00		$ 45.00	$ 375.00
HBO	12	$ 240.00		$ 240.00	$ 2,210.00
CONVERTER BOX	2	$ 4.00		$ 4.00	$ 36.00
MISC REV (OTHER CHG & CR)	0	$ -		$ -	$ -

PAY-PER-VIEW	0	$	-			$	-	$	-
FRANCHISE FEE	523	$	1,784.19			$	1,784.19	$	16,422.35
EQUIPMENT REVENUE	43	$	682.28			$	682.28	$	6,661.28
DIGITAL BASIC SERVICE	46	$	1,486.34			$	1,486.34	$	14,405.63
DIGITAL SHOWTIME	3	$	45.00			$	45.00	$	463.50
DIGITAL CINEMAX	2	$	20.00			$	20.00	$	180.00
DIGITAL HBO	6	$	81.38			$	81.38	$	1,180.75
STATE SALES TAX				$	2,497.41	$	2,497.41	$	22,988.99
TOWER LEASE SPACE		$	650.00			$	650.00	$	5,850.00
MISC SALES		$	-	$	-	$	-	$	-
TOTAL	2022	$	85,085.92	$	2,497.41	$	87,583.33	$	789,076.83

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

MISCELLANEOUS CHARGES	NO.		DOLLARS		TAXES		MONTH TO DATE		YEAR TO DATE
PS-PROJECT SHARE	5	$	37.00	$	-	$	37.00	$	333.00
PT-PET SERVICE						$	-	$	-
MISC						$	-	$	-
TOTAL		$	37.00	$	-	$	37.00	$	333.00

GRAND TOTAL	$	532,258.22	$ 14,551.71	$ 546,809.93	$ 4,581,440.66

BILLING REPORT
March 2019

ELECTRIC (security lights)	NO.	KWH	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
RESIDENTIAL	1,017	1,184,976	$ 103,876.10	$ 1,038.80	$ 104,914.90	$ 822,087.10
*MISC CHARGES			$ 825.00	$ 57.75	$ 882.75	$ 9,686.26
COMMERCIAL	185	438,317	$ 42,540.79	$ 2,807.35	$ 45,348.14	$ 400,661.42
*MISC CHARGES			$ -	$ -	$ -	$ 1,123.50
INDUSTRIAL/INTERRUPTIBLE	9	281,268	$ 26,897.26	$ 1,047.07	$ 27,944.33	$ 319,355.35
*MISC CHARGES			$ -	$ -	$ -	$ -
INTERDEPARTMENTAL	69	237,487	$ 12,909.47	$ -	$ 12,909.47	$ 118,664.20
*MISC CHARGES			$ -	$ -	$ -	$ -
PUBLIC AUTHORITY	10	104,612	$ 9,339.94	$ -	$ 9,339.94	$ 78,192.84
PENALTY			$ 195.66	$ -	$ 195.66	$ 2,068.26
MISC SALES/FEES			$ 30.00	$ -	$ 30.00	$ 30.00
WIND ENERGY	6		$ 24.00	$ 0.24	$ 24.24	$ 212.10
TOTAL	1,296	2,246,660	$ 196,638.22	$ 4,951.21	$ 201,589.43	$ 1,752,081.03

GAS	NO.	CCF	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
RESIDENTIAL	863	127,676	$ 110,219.21	$ 1,102.13	$ 111,321.34	$ 488,895.10
*MISC CHARGES			$ -	$ -	$ -	$ 26.75
COMMERCIAL	115	35,955	$ 30,324.15	$ 2,120.06	$ 32,444.21	$ 139,064.87
*MISC CHARGES			$ -	$ -	$ -	$ -
INDUSTRIAL/INTERRUPTIBLE	8	16,456	$ 13,723.48	$ 713.50	$ 14,436.98	$ 104,655.26
*MISC CHARGES			$ -	$ -	$ -	$ -
INTERDEPARTMENTAL	15	13,151	$ 10,995.33	$ -	$ 10,995.33	$ 50,274.88
PUBLIC AUTHORITY	7	12,869	$ 10,736.27	$ -	$ 10,736.27	$ 40,652.14
PENALTY			$ 120.29		$ 120.29	$ 394.66
MISC SALES					$ -	
TOTAL	1,008	206,107	$ 176,118.73	$ 3,935.69	$ 180,054.42	$ 823,963.66

WATER	NO.	CF	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
RESIDENTIAL	994	489,300	$ 20,710.06	$ 1,242.98	$ 21,953.04	$ 206,483.76
*MISC CHARGES			$ -	$ -	$ -	$ 53.00
COMMERCIAL	111	72,000	$ 2,573.64	$ 148.47	$ 2,722.11	$ 38,331.50
*MISC CHARGES			$ -	$ -	$ -	$ 53.00
INDUSTRIAL/INTERRUPTIBLE	7	33,500	$ 708.75	$ 42.53	$ 751.28	$ 9,695.97
INTERDEPARTMENTAL	13	6,500	$ 274.05	$ -	$ 274.05	$ 8,359.98
PUBLIC AUTHORITY	7	11,400	$ 320.22	$ -	$ 320.22	$ 4,539.24
BULK WATER	2	2,607	$ 48.75	$ 2.93	$ 51.68	$ 2,376.71
PENALTY			$ 20.72	$ -	$ 20.72	$ 196.84
MISC SALES			$ -	$ -	$ -	$ -
TOTAL	1,134	615,307	$ 24,656.19	$ 1,436.91	$ 26,093.10	$ 270,090.00

SEWER RENTAL	NO.	CF	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
RESIDENTIAL	961	476,800	$ 28,833.66	$ -	$ 28,833.66	$ 213,936.42
COMMERCIAL	103	71,300	$ 3,194.16	$ 223.44	$ 3,417.60	$ 26,885.78
INDUSTRIAL/INTERRUPTIBLE	5	33,500	$ 568.30	$ 39.78	$ 608.08	$ 5,814.63
INTERDEPARTMENTAL	11	6,500	$ 336.90	$ -	$ 336.90	$ 1,844.68
PUBLIC AUTHORITY	6	11,200	$ 302.66	$ -	$ 302.66	$ 2,594.76
PENALTY			$ 30.57		$ 30.57	$ 191.96
MISC SALES					$ -	$ -
TOTAL	1,086	599,300	$ 33,266.25	$ 263.22	$ 33,529.47	$ 251,268.23

GARBAGE COLLECTIONS	NO.	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
RESIDENTIAL	1,056	$ 14,534.99	$ -	$ 14,534.99	$ 123,097.06
*MISC CHARGES		$ -	$ -	$ -	$ -
COMMERCIAL	105	$ 315.00	$ 22.26	$ 337.26	$ 3,113.67
INDUSTRIAL/INTERRUPTIBLE	5	$ 15.00	$ 1.05	$ 16.05	$ 166.92
INTERDEPARTMENTAL	14	$ 42.00	$ -	$ 42.00	$ 174.00
PUBLIC AUTHORITY	5	$ 15.00	$ -	$ 15.00	$ 105.00
PENALTY		$ 22.56	$ -	$ 22.56	$ 220.34
MISC SALES		$ -	$ -	$ -	$ -
TOTAL	1,185	$ 14,944.55	$ 23.31	$ 14,967.86	$ 126,876.99

HITEC COMMUNICATIONS PHONE	NO.	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
RESIDENTIAL	322	$ 7,832.88		$ 7,832.88	$ 77,488.72
NON RESIDENTIAL	300	$ 13,345.99		$ 13,345.99	$ 94,744.66
HITEC LONG DISTANCE	300	$ 2,538.10		$ 2,538.10	$ 18,351.77
SPECIAL ADJUSTMENTS		$ 936.96		$ 936.96	$ 6,555.76
FEDERAL TAX		$ -	$ 425.12	$ 425.12	$ 3,474.17
STATE SALES TAX		$ -	$ 1,119.53	$ 1,119.53	$ 9,138.28
MISC SALES		$ -	$ -	$ -	$ -
TOTAL	922	$ 24,653.93	$ 1,544.65	$ 26,198.58	$ 209,753.36

CABLE	NO.	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
INTERNET	821	$ 44,740.75		$ 44,740.75	$ 400,329.55
LOCAL PACKAGE	46	$ 1,331.70		$ 1,331.70	$ 12,419.55
BASIC SERVICE	515	$ 33,536.94		$ 33,536.94	$ 310,250.01
SHOWTIME PACKAGE	15	$ 225.00		$ 225.00	$ 2,025.00
MOVIE CHANNEL (CINAMAX)	8	$ 80.00		$ 80.00	$ 720.00
STARZ	5	$ 75.00		$ 75.00	$ 720.00
HBO	13	$ 260.00		$ 260.00	$ 2,338.52
CONVERTER BOX	2	$ 4.00		$ 4.00	$ 36.00
MISC REV (OTHER CHG & CR)	0	$ -		$ -	$ -

PAY-PER-VIEW	0	$ -		$ -	$ -
FRANCHISE FEE	563	$ 1,910.52		$ 1,910.52	$ 17,733.76
EQUIPMENT REVENUE	51	$ 776.82		$ 776.82	$ 7,605.76
DIGITAL BASIC SERVICE	49	$ 1,672.94		$ 1,672.94	$ 16,189.20
DIGITAL SHOWTIME	4	$ 60.00		$ 60.00	$ 616.46
DIGITAL CINEMAX	2	$ 20.00		$ 20.00	$ 171.67
DIGITAL HBO	8	$ 160.00		$ 160.00	$ 1,514.84
STATE SALES TAX		$ -	$ 2,674.17	$ 2,674.17	$ 24,822.52
TOWER LEASE SPACE		$ 650.00		$ 650.00	$ 5,850.00
MISC SALES		$ -	$ -	$ -	$ -
TOTAL	2102	$ 85,503.67	$ 2,674.17	$ 88,177.84	$ 803,342.84

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

MISCELLANEOUS CHARGES	NO.	DOLLARS	TAXES	MONTH TO DATE	YEAR TO DATE
PS-PROJECT SHARE	5	$ 37.00	$ -	$ 37.00	$ 246.00
PT-PET SERVICE	0	$ -	$ -	$ -	$ -
MISC		$ -	$ -	$ -	$ -
TOTAL		$ 37.00	$ -	$ 37.00	$ 246.00

GRAND TOTAL	$ 555,818.54	$ 14,829.16	$ 570,647.70	$ 4,237,622.11

Water Rate Study
Final Report
April 2020

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April 8, 2020

Hawarden Municipal Utilities
1150 Central Ave
Hawarden, IA 51023

Members of the City Council:

Missouri River Energy Services (MRES) is pleased to submit this water rate study report for Hawarden. This study had four principal objectives:

- To determine whether estimated total revenues will be sufficient to cover estimated revenue requirements and provide a reserve for replacements and contingencies
- To determine the cost to serve each meter size
- To design retail rates for July 2020, 2021, and 2022 (fiscal years 2021 through 2023)
- To compare Hawarden's water rates to other regional utilities

The proposed rates were designed to move towards cost-based water rates while recovering increasing operating expenses, repaying interfund loans, and funding planned capital expenditures. Section 4 of this report contains all of MRES recommendations, **but further adjustments to the rates may be necessary during the study period if water system characteristics or the financial needs of the utility change drastically.**

MRES appreciated the opportunity to prepare this study for Hawarden Municipal Utilities and would like to thank your staff for its valuable assistance.

Respectfully submitted,

Missouri River Energy Services

HAWARDEN MUNICIPAL UTILITIES
WATER RATE STUDY
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LETTER OF TRANSMITTAL

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This rate study was completed in accordance with the agreed upon terms as set forth in the Proposal Letter and Scope of Services between Missouri River Energy Services and Hawarden Municipal Utilities. In completing this study, Missouri River Energy Services has relied on the data and materials provided by Hawarden and others to be accurate, and have not independently verified their accuracy. The analysis, conclusions, and recommendations contained in this report constitute the opinions of Missouri River Energy Services based on the data and materials provided. Final responsibility for the implementation of the recommendations in this report rests with the staff and governing board of Hawarden.

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SECTION 1

SECTION 1 – RATE STUDY INTRODUCTION AND WATER REQUIREMENTS

INTRODUCTION

Hawarden Municipal Utilities, under the direction of the City Council, provides water service to approximately 1,150 customers. All of the amounts in this report relate only to providing water service. All historical and forecasted information is based on Hawarden's fiscal year, which is July 1 through June 30, unless otherwise noted.

Missouri River Energy Services (MRES) was engaged to perform a review of Hawarden's rates, including an analysis of revenues and revenue requirements for the study period of 2020 through 2024, the allocation of costs to serve each customer class, and the design of retail rates. The Hawarden study was prompted in part by the need to review rates to ensure they are accurately recovering operating costs in the service and volume charges. In addition, the study was necessary to evaluate the adequacy of projected revenues and cash reserves.

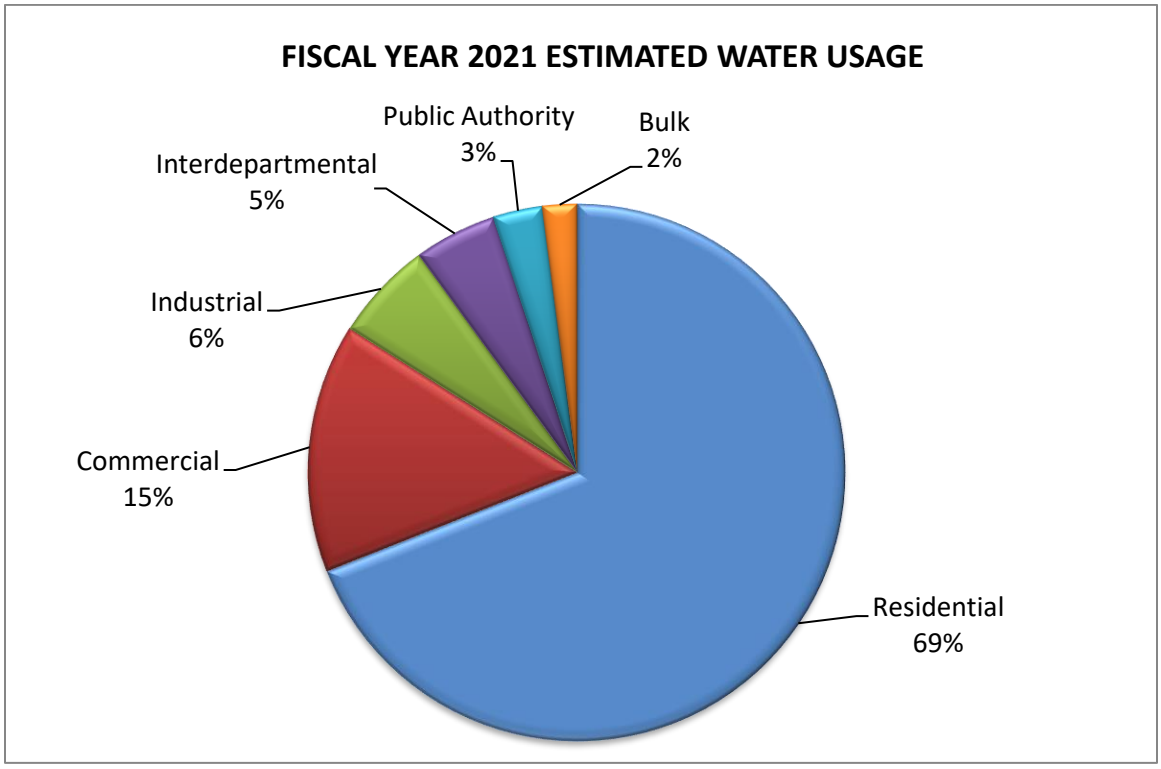
WATER REQUIREMENTS

Hawarden provides and treats its own water supply. The water supply is drawn from an alluvial aquifer through several wells around town.

The table and graph on the following page shows historical and forecasted water sales by customer class and total sales. Total Hawarden water sales have been variable from 2015 through 2019 with an overall decrease during that period. Many other water utilities are experiencing stable or decreasing sales in recent years. These decreases are due to several factors including weather conditions, long-term trends towards more efficient water usage, and reduced usage by large customers. The Hawarden study assumes sales will increase slightly from 2020 through 2021 and remain stable after that through 2024. Water sales may fluctuate from year to year with summer weather conditions and changing commercial water requirements.

Based on discussions with staff, Hawarden anticipates the number of water meters will remain stable during the study period. The residential average usage is projected at approximately 600 cubic feet per month for 2021 and beyond.

Historical and Projected Estimated Water Pumped and Sold (Hundred Cubic Feet)					
Fiscal Year	**Water Pumped To System**	**Water Loss Percentage**	**Metered Water Sales**	**Pumped Water % Change**	**Metered Sales % Change**
2015	17,947	33.6%	11,918		
2016	15,454	23.1%	11,889	(13.9%)	(0.2%)
2017	15,932	17.2%	13,188	3.1%	10.9%
2018	14,428	21.7%	11,295	(9.3%)	(14.4%)
2019	16,305	37.1%	10,254	13%	(9.2%)
2020	12,888	20.0%	10,311	(21.0%)	0.5%
2021	12,995	20.0%	10,396	0.8%	0.8%
2022-2024	12,995	20.0%	10,396	0.0%	0.0%



SECTION 2

SECTION 2 - PROJECTED OPERATING RESULTS

Missouri River Energy Services (MRES) worked with Hawarden staff to estimate the annual revenues and the expenditures, "revenue requirements", for the five-year study period of 2020 to 2024. Revenue requirements must be compared to revenues to determine whether the water utility will recover all of its costs and provide a margin for a reserve for system replacements, contingencies, and interfund loan repayment. The analyses and assumptions used in developing these estimates are described below. Exhibits 2-A and 2-B at the end of this section present the projected operating results and cash reserves in more detail.

ESTIMATED REVENUES

Estimated revenue consists of water sales, service charges, penalty/late fees, and other miscellaneous revenues. Sales were estimated based on current rates and using the water sales consumption forecast discussed in Section 1. All other revenues are expected to remain stable during the study period at $3,300.

ESTIMATED REVENUE REQUIREMENTS

The revenue requirements of the water utility consist of operating expenses, interfund loan repayment, and capital expenditures. Revenue requirements projections were based on historical operating statements from the years 2016 through 2019, the 2020 and 2021 budgets, and discussions with staff.

Operating Expenses

Operating expenses include employee services, contract services, supplies, repairs and improvements, utilities, miscellaneous and depreciation. All expenses, excluding depreciation, are expected to increase by 3% annually. Meanwhile, depreciation has been estimated based on planned capital expenditures.

Interfund Loan Repayment

At the end of fiscal year 2019, the water utility owed the Electric fund $235,360. This balance is projected to increase to $262,765 by the end of FY 2020 and to over $320,000 by 2024 under current rates. Under the proposed rate plan, the study assumes that the water utility would repay $40,000 per year with the final payment projected to occur in FY 2027.

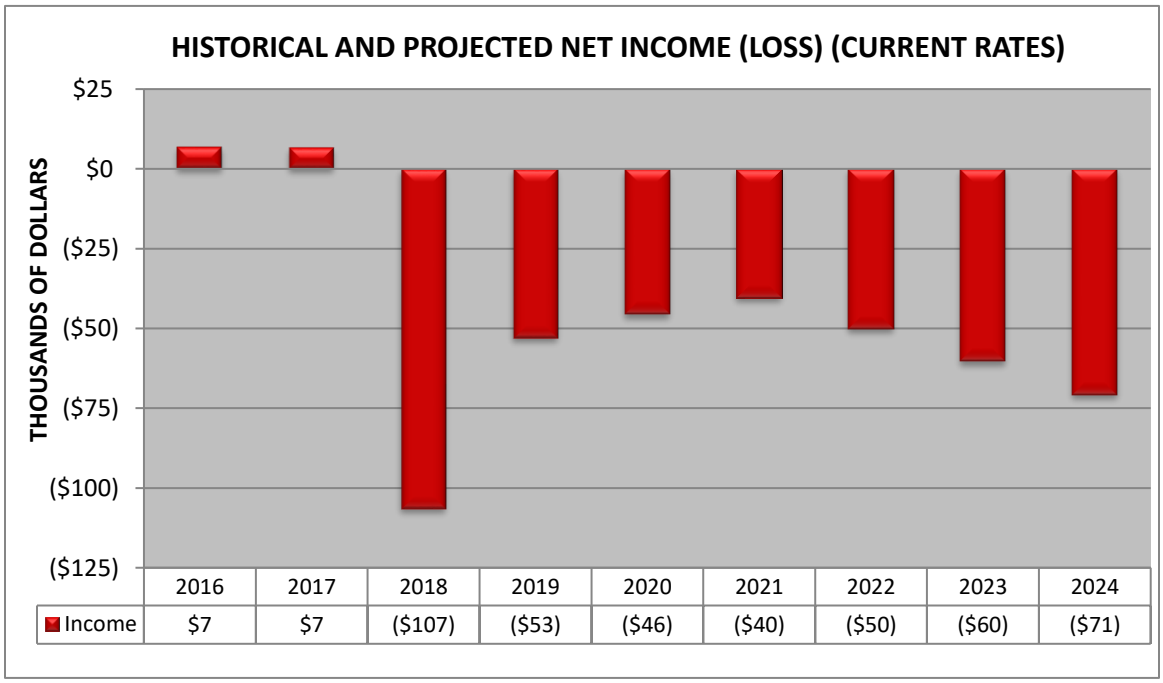
Capital Expenditures

The planned capital expenditures are based on Hawarden's capital improvement plan and discussions with staff. The capital expenditures from 2020 through 2024 total $220,300. The majority of these costs are for routine maintenance.

Additionally, the utility may need to start treating for manganese to meet state regulations. The cost of upgrading the treatment plant facilities to meet these regulations could range from $250,000 to over $1 million due to several variables. Additionally, several street projects are planned over the next few years and water mains will be inspected at that time. The utility expects these mains to be in good condition, but the inspections will provide a better indication. The rate study projections do not include treating manganese or possible water main replacements, but the proposed rates have been designed to ramp up revenues in anticipation of this occurring near the end of the study period. The water utility may need to issue debt for either of these projects if they are significant.

SUMMARY OF RESULTS

Based on the assumptions described in this section, MRES has projected the net loss and cash reserves deficit as shown on the next two graphs and in Exhibits 2-A and 2-B. The projections indicate that under current rates, the water utility would have net losses throughout the study period. Meanwhile, the utility is projected to have a cash deficit of over $320,000 by 2024.



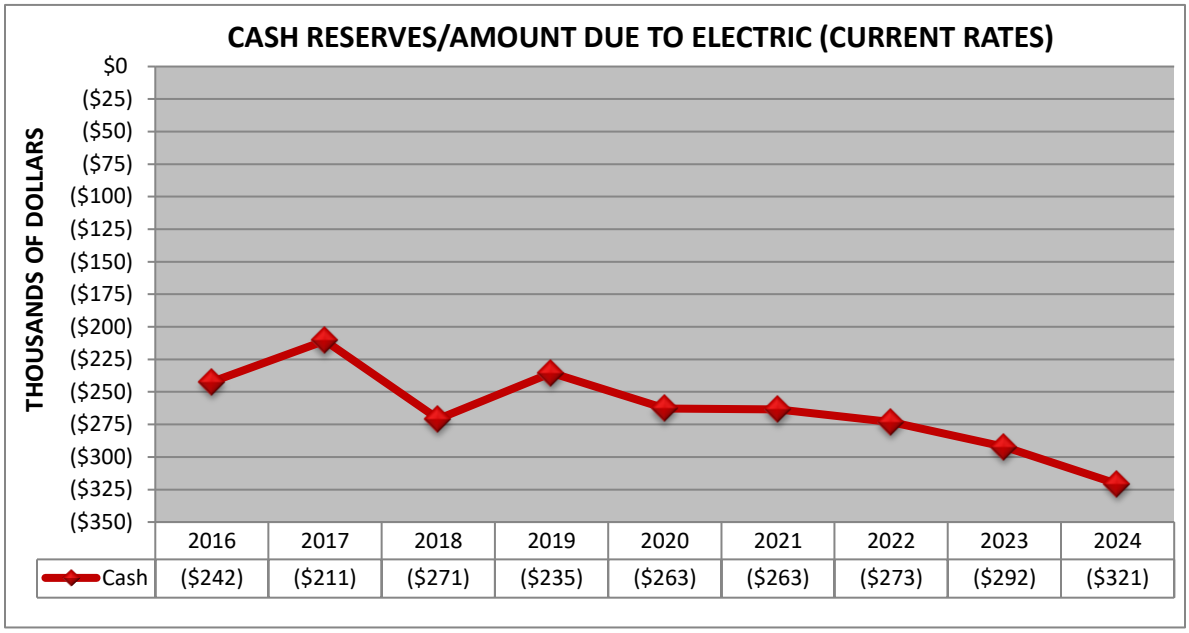

CASH RESERVES/AMOUNT DUE TO ELECTRIC (CURRENT RATES)
THOUSANDS OF DOLLARS
$0
($25)
($50)
($75)
($100)
($125)
($150)
($175)
($200)
($225)
($250)
($275)
($300)
($325)
($350)
2016 2017 2018 2019 2020 2021 2022 2023 2024
Cash ($242) ($211) ($271) ($235) ($263) ($263) ($273) ($292) ($321)

Exhibit 2-A

Hawarden Municipal Utilities
Water Utility Operating Results
(Current Rates)

	Historical					Estimated			
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Cubic Feet Sold	11,888,881	13,187,598	11,294,502	10,254,396	10,310,722	10,395,886	10,395,886	10,395,886	10,395,886
Water Sales Growth (Decline)	0.0%	10.9%	-14.4%	-9.2%	0.5%	0.8%	0.0%	0.0%	0.0%
OPERATING REVENUES									
Sales	$ 300,224	$ 379,274	$ 355,333	$ 344,808	$ 343,913	$ 345,522	$ 345,522	$ 345,522	$ 345,522
Other Operating Revenue	19,383	3,990	-	5,396	3,800	3,300	3,300	3,300	3,300
Total Operating Revenues	319,607	383,264	355,333	350,204	347,713	348,822	348,822	348,822	348,822
OPERATING EXPENSES									
Employee Services	80,709	97,012	91,741	101,320	135,977	143,022	147,313	151,732	156,284
Contract Services	88,795	91,657	97,890	101,321	59,704	61,103	62,936	64,824	66,769
Supplies	43,821	40,416	20,582	39,583	69,320	54,100	55,723	57,395	59,117
Repairs and Improvements	23,247	45,401	163,737	71,372	21,667	23,024	23,465	23,919	24,387
Utilities	13,224	13,016	13,021	14,114	26,920	27,000	27,810	28,644	29,504
Miscellaneous	647	433	518	2,121	1,230	1,250	1,288	1,326	1,366
Depreciation	59,484	71,606	76,220	78,468	78,468	79,674	80,474	81,274	82,074
Total Operating Expenses	309,927	359,541	463,709	408,299	393,286	389,173	399,008	409,115	419,500
NET OPERATING INCOME (LOSS)	9,680	23,723	(108,376)	(58,095)	(45,573)	(40,351)	(50,186)	(60,293)	(70,678)
NONOPERATING REVENUES									
Interest Income	-	258	275	284	-	-	-	-	-
Other Revenue	4,147	(64)	8,546	4,718	-	-	-	-	-
Total Nonoperating Revenues	4,147	194	8,821	5,002	-	-	-	-	-
INCOME BEFORE TRANSFER	13,827	23,917	(99,555)	(53,093)	(45,573)	(40,351)	(50,186)	(60,293)	(70,678)
TRANSFER OUT	(7,000)	(17,241)	(7,000)	-	-	-	-	-	-
NET INCOME (LOSS)	$ 6,827	$ 6,676	$ (106,555)	$ (53,093)	$ (45,573)	$ (40,351)	$ (50,186)	$ (60,293)	$ (70,678)
Net Income as a % of Oper. Rev.	2.3%	1.8%	-30.0%	-15.4%	-13.3%	-11.7%	-14.5%	-17.4%	-20.5%

Exhibit 2-B

Hawarden Municipal Utilities
Water Utility Unrestricted Cash Reserves
(Current Rates)

	Historical				Estimated				
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Net Income (Loss)					$ (45,573)	$ (40,351)	$ (50,186)	$ (60,293)	$ (70,678)
Less: Capital Expenditures	(151,224)	(49,374)	(39,515)		(60,300)	(40,000)	(40,000)	(40,000)	(40,000)
Add: Depreciation Expense					78,468	79,674	80,474	81,274	82,074
Add/Less: Interfund Loan					27,405	677	9,712	19,019	28,604
Net Change in Available Reserves					**$ (0)**	**$ 0**	**$ (0)**	**$ 0**	**$ (0)**
Beginning of Year - Unrestricted Cash Reserves					$ -	$ (0)	$ (0)	$ (1)	$ (0)
Increase (Decrease) in Unrestricted Cash Reserves					(0)	0	(0)	0	(0)
End of Year - Unrestricted Cash Reserves	**$ -**	**$ -**	**$ -**	**$ -**	**$ (0)**	**$ (0)**	**$ (1)**	**$ (0)**	**$ (0)**
Due to General/Electric Fund	242,207	210,644	270,892	235,360	262,765	263,442	273,154	292,173	320,777

SECTION 3

SECTION 3 – COST OF SERVICE STUDY

The purpose of this study is to determine the cost-based service charges for each meter size along with determining the appropriate volume charge to each customer class. The cost-of-service charge analysis is based on the following factors:

- Test Year revenue requirements and revenues using current facilities charges and volume rate
- Total system and customer class water requirements
- Actual and assumed customer service characteristics
- Information obtained from Hawarden customer records

CLASSIFICATION AND ALLOCATION OF COSTS

Test Year revenue requirements were mostly based on projected 2021 expenses, and the cost of service study also used projected 2021 billing units. Test Year revenue requirements are classified to cost components and allocated to each customer class based upon service characteristics and capacity factors, which follow the base-extra capacity method as shown in the American Water Works Association (AWWA) Principles of Water Rates, Fees, and Charges Manual, 2000. These allocated costs are then compared to revenues to determine if current facilities charges and volume rates recover the appropriate level of revenues from each customer class.

CLASSIFICATION OF COSTS

To allocate costs to customer classifications, costs must first be categorized to components. The cost components and the types of costs assigned to each are as follows:

Base Costs Component – The costs of providing water at an average demand rate.

Base production costs usually vary directly with the total quantity of water produced. Base costs also include expenses associated with providing water during average water usage periods. These costs include all of the chemicals costs, 80% of the power costs, a portion of source of supply, and employee services expenses.

Extra Capacity Component – The costs of providing sufficient water to meet demands in excess of average usage. These costs included expenses required to meet the maximum day demands for each customer class.

Base costs include 20% of the power costs and a portion of source of supply, and employee services expenses.

Several of the base and extra capacity expenses mentioned above are allocated based on the base-extra capacity ratio. The maximum day ratio is calculated by dividing the average annual production day by the maximum production day. Based on data from the previous 4 years, the maximum day ratio was 58 percent base cost component and 42 percent maximum day component as shown in Exhibit 3-A.

Meter Component – The cost of providing and maintaining the customer meters. These costs do not vary with the amount of water that is used but do vary by the size of meter.

Metering costs include a portion of supplies and employee services expenses.

Billing and Collections Component – The costs associated with billing, collections, and customer assistance. These costs are similar across the various customer classes and do not vary with water usage or meter connection size.

Billing and Collections costs include all of the customer accounts expenses.

Indirect Revenues and Expenses

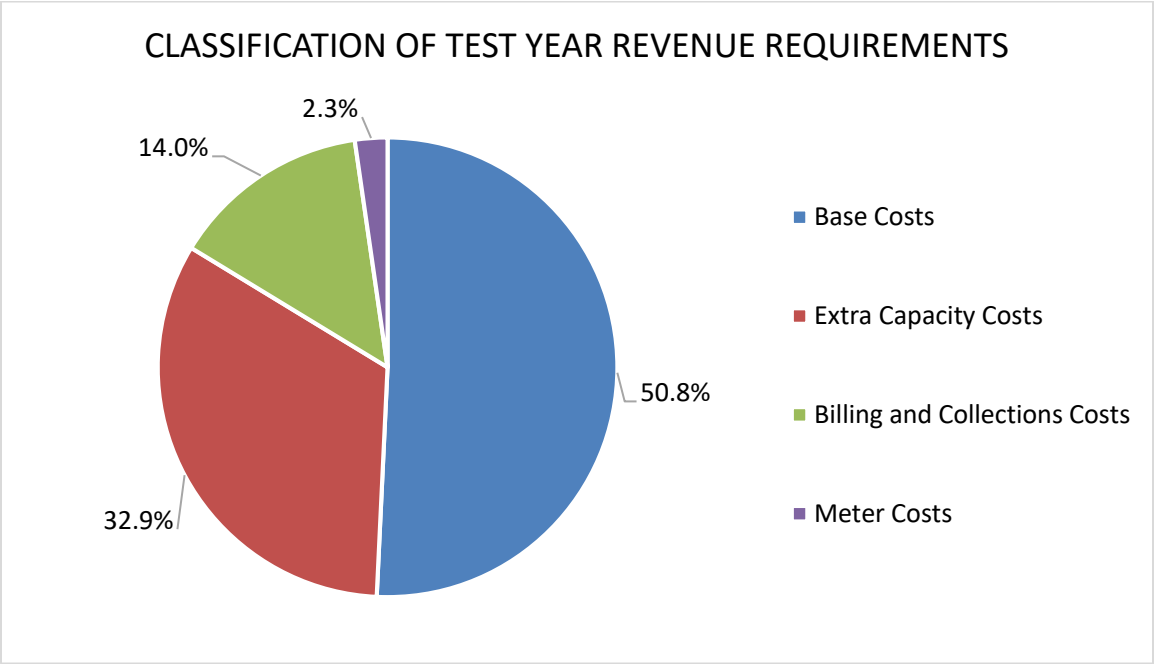
Certain revenues and expenses are not categorized to the components above but rather are allocated based on other allocations.

- Rate Base Allocation Factor: The rate base allocation is based on the plant in service. Revenue-financed capital expenditures and the contribution to reserves are allocated using this factor.

- Administration and General (A&G) Allocation Factor: The A&G allocation is the percentage of the sum of each directly allocated operating expense to the four cost components discussed above to the total of these expenses. Administrative and general expenses along with other revenues are allocated using this factor.

Summary of Classifications

The graph below shows the percentage classification of the total Test Year revenue requirements of $521,875. Exhibit 3-A, at the end of this section, shows the detailed classifications. Base costs make up around 51 percent of the revenue requirements, while extra capacity costs are 33 percent of the total.



ALLOCATIONS TO CUSTOMER CLASSIFICATIONS

MRES has determined allocation factors for the Test Year based on actual and assumed customer service characteristics. These allocation factors represent ratemaking principles based on the base-extra capacity method as demonstrated by AWWA. The following summarizes the allocation factors used in the cost-of-service study. Exhibit 3-B, at the end of this section, shows the average number of meters and equivalent meters. All allocations are summarized on Exhibit 3-C.

Base Allocation Factor

The base allocation factor is based on the actual water metered at the retail points for each customer class.

Extra Capacity Allocation Factor

Two factors are used along with a weekly adjustment factor to determine the maximum day capacity factor for each customer class. The first factor is the maximum month average day usage compared to the class annual average day usage. This was calculated based on customer billing data. The second capacity factor is the system maximum day production compared to the maximum month average day production. These two factors are multiplied by a weekly usage adjustment resulting in the maximum day capacity factor for each class.

Equivalent Meter and Service Allocation Factors

Equivalent meter and service ratios recognize the operation and maintenance costs of the various sizes of meter connections. The ratio is based from the smallest connection size of a 3/4" meter. As the meter and service size increases, typically so do the various installation, maintenance, and repair costs; therefore, the ratio that is multiplied by the number of each size of meters for each class is also increased. The ratio brings the meter and service costs for each class in proportion with each other. For example, 3/4" meter has a ratio of 1.0; meanwhile, a 1½" meter has a meter cost ratio of 1.8. The meter cost ratios were determined based on information provided by area water utilities, while the service cost ratios were based on standard cost ratios developed by the American Water Works Association (AWWA).

Capacity Costs Allocation Factor

A portion of revenue-financed capital expenditures and contribution to reserves were allocated based on the maximum flow rate in cubic feet per minute (cfm) for each meter size, as calculated by AWWA. The maximum flow rates were used because they reflect the maximum demand that a customer could place on the system. The ratio brings the capacity-related costs for each meter size in proportion with each other. Finally, the weighted average of the charges for 5/8" and 1" meters were calculated for the billing group that includes all meters up to 1".

Customer Service Allocation Factor

Customer service allocations are based on the number of meters per class. All meters were assigned a weighting factor of 1.0.

COMPARISON OF REVENUES TO ALLOCATED COST OF SERVICE

Based upon the cost classifications and allocation methods described in this section, MRES has estimated the cost to serve each customer classification during the Test Year. The results are shown in Exhibit 3-D at the end of this section. Exhibit 3-E shows the calculated facilities charges for each meter size and the volume charges for each class. The amounts shown in 3-D and 3-E include the compounded 15% revenue increases recommended for 2021 through 2023.

Allocated costs and revenues for each customer class as a percentage of total costs and revenues are shown in the table below. The percentages in the far right column below indicate the changes necessary in each class to set rates in line with costs of service. The table below shows the current and calculated customer charges.

Percentage Comparison of Revenues to Allocated Costs			
Customer Classification	**Percentage of Allocated Costs**	**Percentage of Revenues**	**Overall Rate Change**
Residential	71.9%	76.9%	41.5%
All Other Classes	28.1%	23.1%	84.0%
Total	100.0%	100.0%	51.4%

The cost of service study indicated that residential customers should see a lower percentage increase than all customers. This is partly due to the cost study indicating that the up to 1” meter sizes require a smaller adjustment than the over 1” meter sizes that serve some of the other customers.

Exhibit 3-A

Hawarden Municipal Utilities
Classification of Test Year Revenue Requirements

	Test Year Amount	Percentage Allocations		Cost Classifications			
					Extra Capacity	Facilities Charge Costs	
					Maximum		Billing and
		Base	Extra	Base	Day	Meters	Collections
Source of Supply Expense							
Power for Wells	25,000	80%	20%	20,000	5,000		
Utility Service	2,000	58%	42%	1,160	840		
Supplies	34,100	58%	42%	18,038	13,062	3,000	
Chemicals	20,000	100%		20,000			
Building Repair/Maintenance	5,000	58%	42%	2,900	2,100		
Employees Services							
Salaries	143,022	58%	42%	78,313	56,709	8,000	
Customer Accounts							
General Admin - Salary	39,042						39,042
Motor Vehicle O&M	4,850						4,850
Billing Supplies	250						250
Postage	1,300						1,300
Administration & General Expense							
Legal Admin - Salary	9,761			4,992	2,763	391	1,616
Insurance	8,100			4,142	2,293	325	1,341
Contract Services	4,200			2,148	1,189	168	695
Dues/Subscriptions	1,800			921	509	72	298
Travel/Training	1,500			767	425	60	248
Miscellaneous	900			460	255	36	149
Adversting/Legal	350			179	99	14	58
Capital Expenditures	40,000	Rate Base Allocation		18,216	14,184	-	7,600
Other Revenues	(3,300)	A&G Allocation		(1,688)	(934)	(132)	(546)
Contribution to Reserves	184,000	Rate Base Allocation		94,316	73,437	-	16,248
Revenue Requirements	$ 521,875			$ 264,864	$ 171,929	$ 11,934	$ 73,148
				50.8%	32.9%	2.3%	14.0%

Base Costs - costs that vary with the total quantity of water used

Extra Capacity Costs - costs that of providing sufficient water to meet demands in excess of average usage, including costs required to meet the maximum day demands of each class.

Exhibit 3-B

Hawarden Municipal Utilities
Calculation of Weighted Meters for Cost Allocations

Meter Size	3/4"	1"	1.5"	2"	3"	4"	6"	Total	Weighted Total
Equivalent Meter Cost Ratio	1.00	1.10	1.70	2.10	8.50	11.00	23.00		
Equivalent Service Cost Ratios	1.10	1.40	1.80	2.90	11.00	14.00	21.00		
Equivalent Capacity Ratio	1.50	2.50	5.00	8.00	15.00	25.00	50.00		
Residential									
Actual Meters (Projected 2021)	977	20		-	-	-	-	997	
Weighted Meters - Meter Costs	977	22	-	-	-	-	-		999
Weighted Meters - Services	1,075	28	-	-	-	-	-		1,103
Weighted Meters - Capacity Costs	1,466	50	-	-	-	-	-		1,516
All Other Classes									
Actual Meters (Projected 2021)	68	50	15	14	4	1	1	153	
Weighted Meters - Meter Costs	68	55	26	29	34	11	23		246
Weighted Meters - Services	75	70	27	41	44	14	21		291
Weighted Meters - Capacity Costs	102	125	75	112	60	25	50		549
Grand Total - Projected Meters (2021)	1,045	70	15	14	4	1	1	1,150	
Grand Total - Meter Costs	1,045	77	26	29	34	11	23		1,245
Grand Total - Services Costs	1,150	98	27	41	44	14	21		1,394
Grand Total - Capacity Costs	1,568	175	75	112	60	25	50		2,065

Hawarden Municipal Utilities
Summary of Allocation Factors

Exhibit 3-C

	Total	Residential	All Other Classes
BASE ALLOCATION FACTOR			
Annual Water Requirements (CCF)	103,959	71,822	32,137
2021 Projected Water Units	**100%**	**69.1%**	**30.9%**
EXTRA CAPACITY - MAXIMUM DAY ALLOCATION FACTOR			
Average Day Usage (CCF)	285	197	88
Peaking Factor		**2.5**	**2.8**
Maximum Day Capacity (CCF)	745	496	250
Extra Capacity (over average)	461	299	162
Percentage - Maximum Day	**100%**	**64.9%**	**35.1%**
METER COSTS ALLOCATION FACTOR			
Weighted number of customers	1,245	999	246
Percentage of Costs	100%	80.2%	19.8%
SERVICES ALLOCATION FACTOR			
Weighted number of customers	1,394	1,103	291
Percentage of Costs	100%	79.1%	20.9%
CAPACITY COSTS ALLOCATION FACTOR			
Weighted number of customers	2,065	1,516	549
Percentage of Costs	100%	73.4%	26.6%
CUSTOMER SERVICE ALLOCATION FACTOR			
Actual meters	1,150	997	153
Percentage of Costs	100%	86.7%	13.3%

Hawarden Municipal Utilities
Allocation of Revenue Requirements by Class

Exhibit 3-D

Classification	Total	Residential	All Other Classes
Base Costs	$ 264,864	$ 182,986	$ 81,878
Extra Capacity - Max Day	84,309	54,694	29,615
Meters	11,934	9,577	2,357
Customer Service, Billing, and Collections	73,148	63,416	9,732
System Fixed Capacity Costs	87,620	64,320	23,300
Revenue Requirements	**$ 521,875**	**$ 374,992**	**$ 146,883**
Current Revenues	**$ 344,765**	**$ 264,955**	**$ 79,810**
Indicated Rate Change for FY 2021-2023	**51.4%**	**41.5%**	**84.0%**

Hawarden Municipal Utilities
Summary of Charges Based on Costs of Service

Exhibit 3-E

	Total	Residential	All Other Classes
Usage Charges			
Total Base and Extra Costs	$ 349,173	$ 237,680	$ 111,493
Water Sales (CCF)	103,959	71,822	32,137
Cost-of-Service Usage Charge - per CCF	**$ 3.36**	**$ 3.31**	**$ 3.47**
Current Average Usage Charges		**$ 1.89**	**$ 1.89**
Rate Study - Indicated Percentage Increase		75.1%	83.6%

Facilities Charges

Meter Size	Meters	Service to Curb Stop	Customer Service	System Fixed Capacity Costs	**Cost-of-Service Facilities Charge**	**Current Facilities Charge**	**Rate Study - Indicated % Increase**
Up to 1"	$ 0.80	$ -	$ 5.30	$ 5.53	**$ 11.63**	**$ 10.80**	**8%**
Over 1"	$ 2.81	$ -	$ 5.30	$ 32.54	**$ 40.64**	**$ 10.80**	**276%**

Meter Size	Meters	Service to Curb Stop	Customer Service	System Fixed Capacity Costs	**Cost-of-Service Facilities Charge**	**Current Facilities Charge**	**Rate Study - Indicated % Increase**
3/4" & 5/8"	$ 0.80	$ -	$ 5.30	$ 5.31	**$ 11.40**	**$ 10.80**	**6%**
1"	$ 0.88	$ -	$ 5.30	$ 8.84	**$ 15.02**	**$ 10.80**	**39%**
1.5"	$ 1.36	$ -	$ 5.30	$ 17.68	**$ 24.34**	**$ 10.80**	**125%**
2"	$ 1.68	$ -	$ 5.30	$ 28.29	**$ 35.27**	**$ 10.80**	**227%**
3"	$ 6.79	$ -	$ 5.30	$ 53.05	**$ 65.14**	**$ 10.80**	**503%**
4"	$ 8.79	$ -	$ 5.30	$ 88.42	**$ 102.51**	**$ 10.80**	**849%**
6"	$ 18.37	$ -	$ 5.30	$ 176.84	**$ 200.51**	**$ 10.80**	**1757%**

SECTION 4

SECTION 4 - PROPOSED RATES

Several factors were considered in determining the proposed rates:

- Current rates
- Projected operating results (Section 2)
- Costs to serve each customer class (Section 3)
- Other utility rates (Section 5)
- Hawarden policies and objectives

RATE DESIGN

Missouri River Energy Services (MRES) recommends increasing rates by 15% overall in fiscal years 2021 through 2023. The proposed rates were designed to fund the planned capital expenditures, interfund loan repayments, and operating cost increases. MRES also recommends implementing a separate, higher customer charge for meter sizes over 1" to reflect the costs of providing service as discussed in Section 3. Further adjustments may be necessary during the study period if the system characteristics or financial needs of the utility change significantly, and MRES will be available to assist with any necessary changes to the proposed rates. The proposed rates are shown in the table below.

Current and Proposed Rates					
Approx. Number Of Meters	**Rate Component**	**Current Rates**	**FY 2021 Rates**	**FY 2022 Rates**	**FY 2023 Rates**
	Overall Increase		**15.0%**	**15.0%**	**15.0%**
	Customer Charge:				
1,115	Up to 1" Meter	$10.80	$11.50	$12.20	$13.00
35	Over 1" Meter	$10.80	$18.00	$25.00	$32.00
	Volume Rates:				
	All Usage – per 100 Cubic Feet	$1.89	$2.27	$2.73	$3.26

COMPARISON OF CUSTOMER BILLS

Exhibits 4-B through 4-E at the end of this section contain graphs of customer bills that are calculated under current rates and proposed rates for 2021 through 2023. The graphs include various usage levels and meters sizes of up to 1" and over 1".

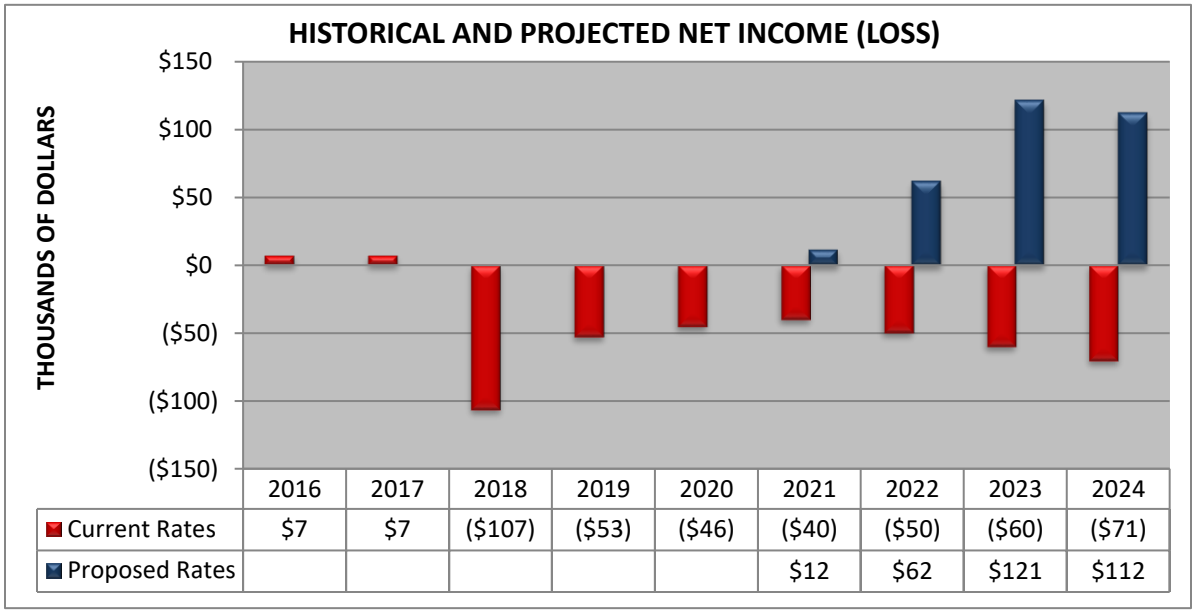
- Residential & Commercial – Up to 1" meter, Lower Volumes
- Residential & Commercial – Up to 1" meter, Higher Volumes
- Commercial – Over 1" meter, Lower Volumes
- Commercial – Over 1" meter, Higher Volumes

RETAIL RATE RECOMMEDATION RESULTS

As a result of the 2021 proposed rates, a residential or commercial customer with a 3/4" meter using 600 cubic feet would see an increase in their monthly bill of $2.98, or 13.5%. Meanwhile, a residential or commercial customer with a 3/4" meter using 1,200 cubic feet would see a monthly increase of $5.26, or 15.7%. Commercial customers with a 1.5" meter using 6,000 cubic feet would see an increase of $30.00, or 24.2%. Customers with meters greater than 1" would generally see increases from 21% to 30% in 2021.

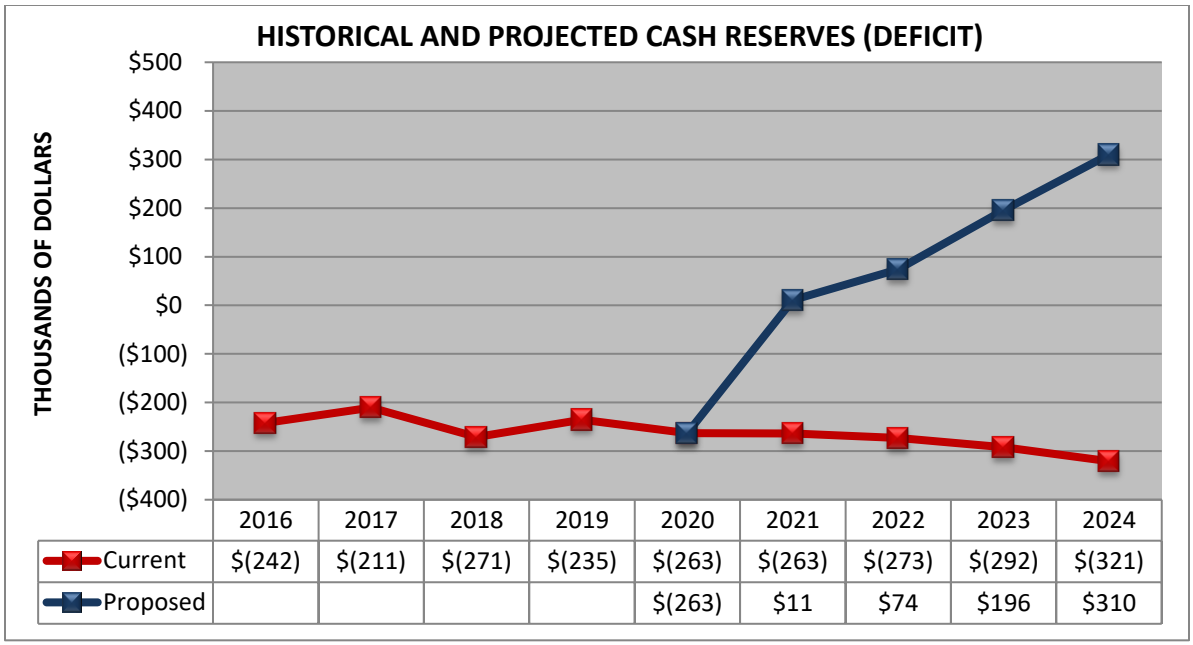
PROJECTED OPERATING RESULTS AT PROPOSED RATES

The graph below shows historical and projected operating results under both current and proposed rates. The projected operating results under proposed rates are shown in Exhibit 4-A. Under proposed rates, net income is projected to increase to $121,000 in 2023 before dropping off slightly in 2024. A portion of this income would be used to repay the interfund loan and to provide for capital expenditures, which are not included in operating expenses.



	2016	2017	2018	2019	2020	2021	2022	2023	2024
Current Rates	$7	$7	($107)	($53)	($46)	($40)	($50)	($60)	($71)
Proposed Rates						$12	$62	$121	$112

The graph on the following page shows the projected cash reserves under current and proposed rates. By 2024, the water utility would have a projected cash balance of $310,000 and would have an amount due to other funds of just over $100,000. The additional cash flows by 2024 could be used to pay for future projects such as potential water main replacements or treating manganese as mentioned in Section 2.



RECOMMENDED MINIMUM RESERVE LEVEL

Maintaining adequate reserve levels is always important, and especially in the utility industry since it is very capital intensive. In a study of 53 area municipal water utilities' financial statements, MRES found that the median level of reserves as a percentage of operating revenues was 78% for these utilities.

MRES recommends a targeted minimum reserve level of $400,000, which would be 76% of 2024 operating revenues under proposed rates. The utility would likely reach this level by 2025 if all of the proposed rate increases are implemented. Reserves would provide for unanticipated expenses or contingencies that may arise. Reserves may also be used to cover the cost of higher-than-projected capital improvement needs or new debt. Lastly, an adequate reserve level would also provide for short-term rate stabilization in the event of lower sales due to weather conditions or a large customer drastically changing their water requirements, which would result in a smaller customer base from which to recover fixed costs. For every 1% change in water sales, net income change will change by approximately $2,900 in 2024.

Exhibit 4-A

Hawarden Municipal Utilities
Water Utility Operating Results
(Proposed Rates - 15% Overall Increases in 2021, 2022, and 2023)

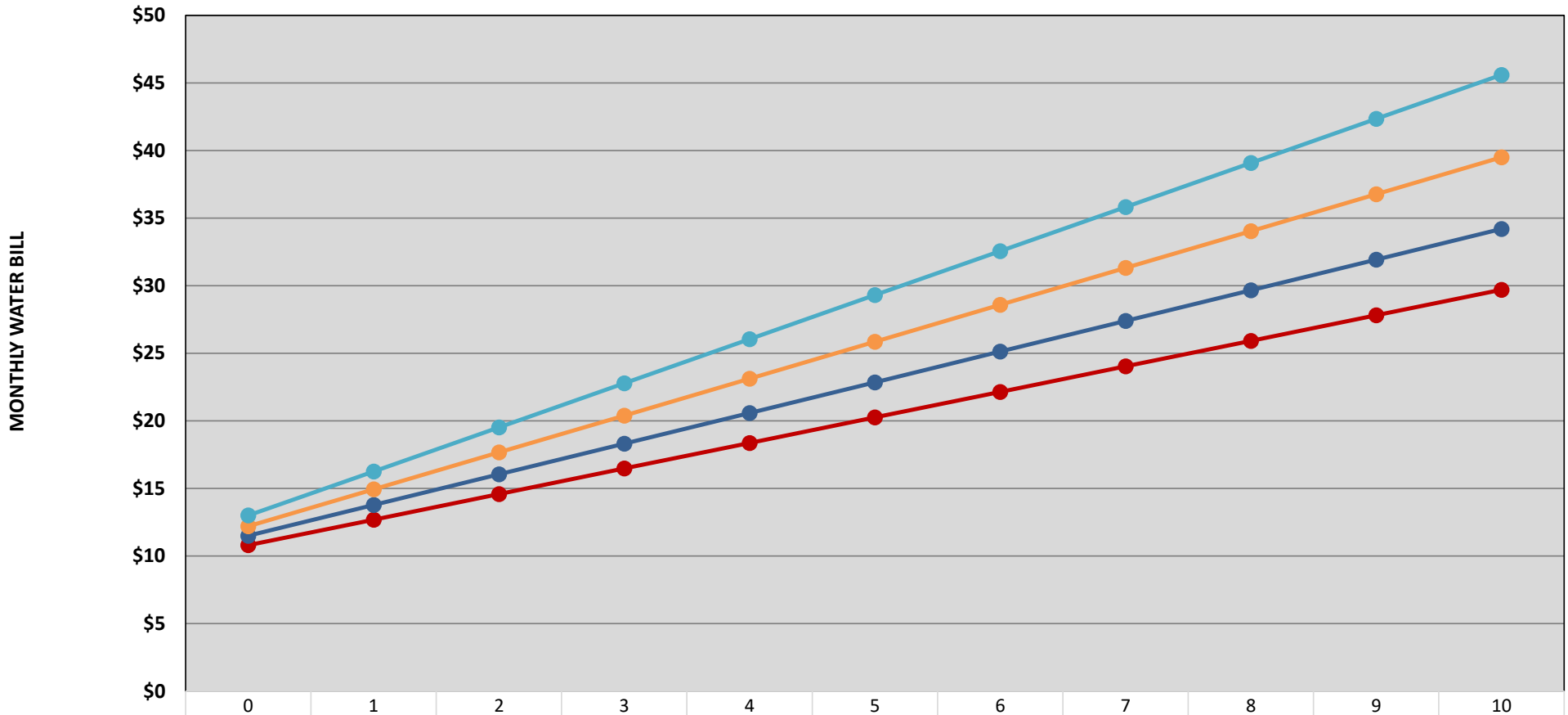
			Projected		
	2020	**2021**	**2022**	**2023**	**2024**
Cubic Feet Sold	10,310,722	10,395,886	10,395,886	10,395,886	10,395,886
Water Growth	0.5%	0.8%	0.0%	0.0%	0.0%
OPERATING REVENUES					
Sales	$ 343,913	$ 397,417	$ 457,544	$ 526,286	$ 526,286
Other Operating Revenue	3,800	3,300	3,300	3,300	3,300
Total Operating Revenues	347,713	400,717	460,844	529,586	529,586
OPERATING EXPENSES					
Employee Services	135,977	143,022	147,313	151,732	156,284
Contract Services	59,704	61,103	62,936	64,824	66,769
Supplies	69,320	54,100	55,723	57,395	59,117
Repairs and Improvements	21,667	23,024	23,465	23,919	24,387
Utilities	26,920	27,000	27,810	28,644	29,504
Miscellaneous	1,230	1,250	1,288	1,326	1,366
Depreciation	78,468	79,674	80,474	81,274	82,074
Total Operating Expenses	393,286	389,173	399,008	409,115	419,500
NET OPERATING INCOME (LOSS)	(45,573)	11,543	61,835	120,471	110,086
Total Nonoperating Revenues	-	-	112	736	1,961
NET INCOME (LOSS)	$ (45,573)	$ 11,543	$ 61,947	$ 121,207	$ 112,047
Net Income as a % of Oper. Rev.	-13.3%	2.9%	13.5%	23.0%	21.3%

Water Utility Unrestricted Cash Reserves
(Proposed Rates - 15% Overall Increases in 2021, 2022, and 2023)

			Estimated		
	2020	**2021**	**2022**	**2023**	**2024**
Net Income (Loss)	$ (45,573)	$ 11,543	$ 61,947	$ 121,207	$ 112,047
Less: Capital Expenditures	(60,300)	(40,000)	(40,000)	(40,000)	(40,000)
Add: Depreciation Expense	78,468	79,674	80,474	81,274	82,074
Add/Less: Interfund Loan	27,405	(40,000)	(40,000)	(40,000)	(40,000)
Increase (Decrease) in Unrestricted Cash	**$ (0)**	**$ 11,217**	**$ 62,421**	**$ 122,481**	**$ 114,121**
Beginning of Year - Unrestricted Cash Reserves	$ -	$ (0)	$ 11,217	$ 73,638	$ 196,120
Increase (Decrease) in Unrestricted Cash	(0)	11,217	62,421	122,481	114,121
End of Year - Unrestricted Cash Reserves	**$ (0)**	**$ 11,217**	**$ 73,638**	**$ 196,120**	**$ 310,241**
Reserves as % of Operating Revenues	**0.0%**	**2.8%**	**16.0%**	**37.0%**	**58.6%**
Due to Electric/General Fund	**$ 262,765**	**$ 222,765**	**$ 182,765**	**$ 142,765**	**$ 102,765**

MONTHLY BILLS

Residential/Commercial - Up to 1" Meter, Lower Volumes: Current and Proposed Average Monthly Bills

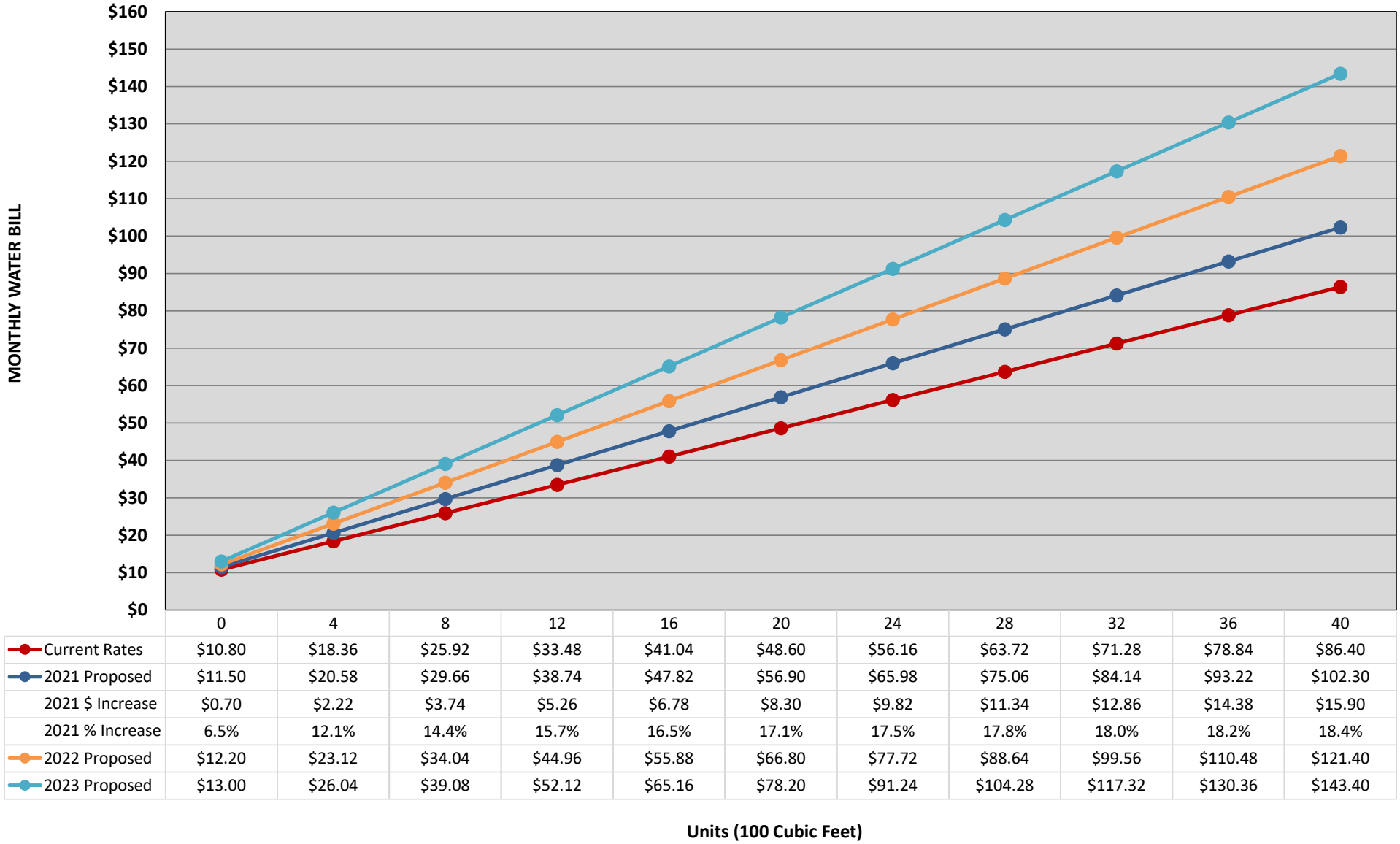


	0	1	2	3	4	5	6	7	8	9	10
Current Rates	$10.80	$12.69	$14.58	$16.47	$18.36	$20.25	$22.14	$24.03	$25.92	$27.81	$29.70
2021 Proposed	$11.50	$13.77	$16.04	$18.31	$20.58	$22.85	$25.12	$27.39	$29.66	$31.93	$34.20
2021 $ Increase	$0.70	$1.08	$1.46	$1.84	$2.22	$2.60	$2.98	$3.36	$3.74	$4.12	$4.50
2021 % Increase	6.5%	8.5%	10.0%	11.2%	12.1%	12.8%	13.5%	14.0%	14.4%	14.8%	15.2%
2022 Proposed	$12.20	$14.93	$17.66	$20.39	$23.12	$25.85	$28.58	$31.31	$34.04	$36.77	$39.50
2023 Proposed	$13.00	$16.26	$19.52	$22.78	$26.04	$29.30	$32.56	$35.82	$39.08	$42.34	$45.60

Units (100 Cubic Feet)

Exhibit 4-B

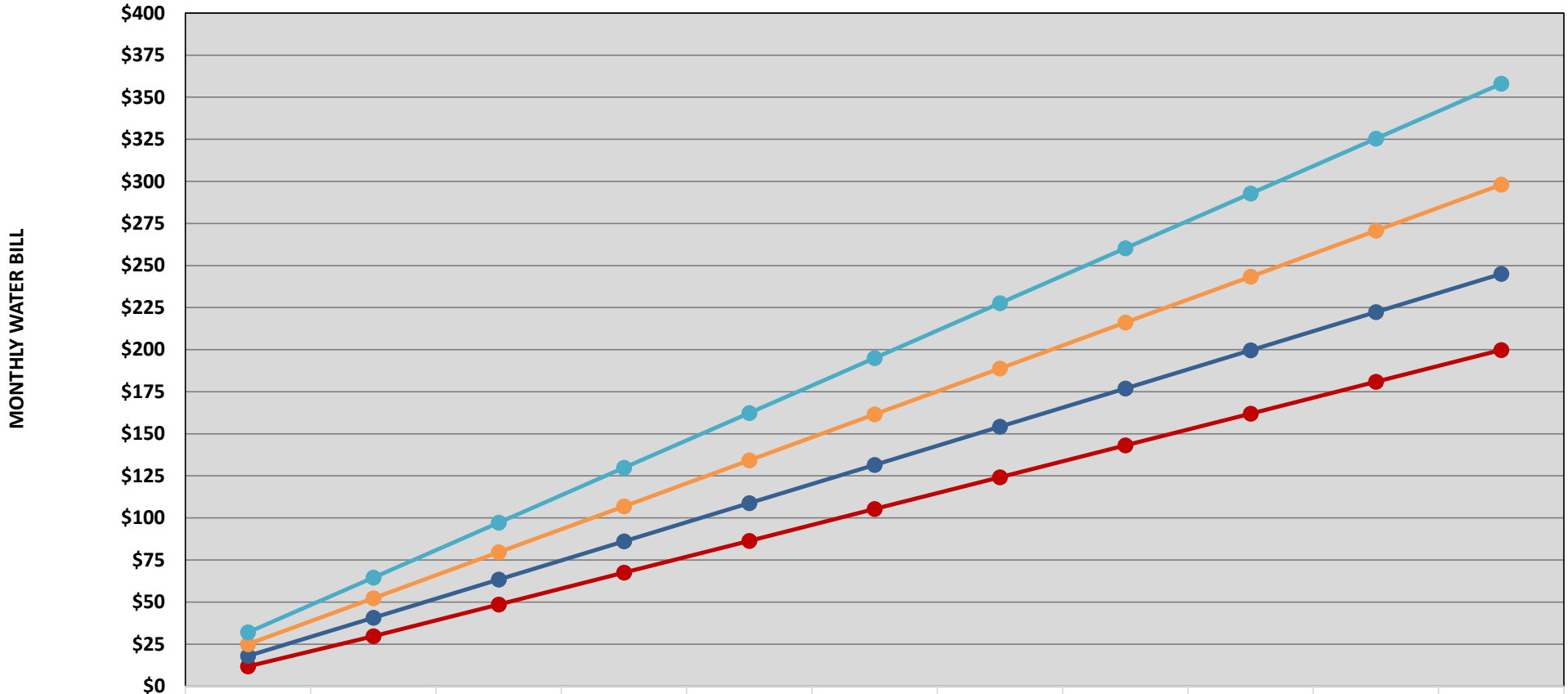
Residential/Commercial - Up to 1" Meter, Higher Volumes: Current and Proposed Average Monthly Bills



	0	4	8	12	16	20	24	28	32	36	40
Current Rates	$10.80	$18.36	$25.92	$33.48	$41.04	$48.60	$56.16	$63.72	$71.28	$78.84	$86.40
2021 Proposed	$11.50	$20.58	$29.66	$38.74	$47.82	$56.90	$65.98	$75.06	$84.14	$93.22	$102.30
2021 $ Increase	$0.70	$2.22	$3.74	$5.26	$6.78	$8.30	$9.82	$11.34	$12.86	$14.38	$15.90
2021 % Increase	6.5%	12.1%	14.4%	15.7%	16.5%	17.1%	17.5%	17.8%	18.0%	18.2%	18.4%
2022 Proposed	$12.20	$23.12	$34.04	$44.96	$55.88	$66.80	$77.72	$88.64	$99.56	$110.48	$121.40
2023 Proposed	$13.00	$26.04	$39.08	$52.12	$65.16	$78.20	$91.24	$104.28	$117.32	$130.36	$143.40

Exhibit 4-C

Commercial - Over 1" Meter, Lower Volumes: Current and Proposed Average Monthly Bills

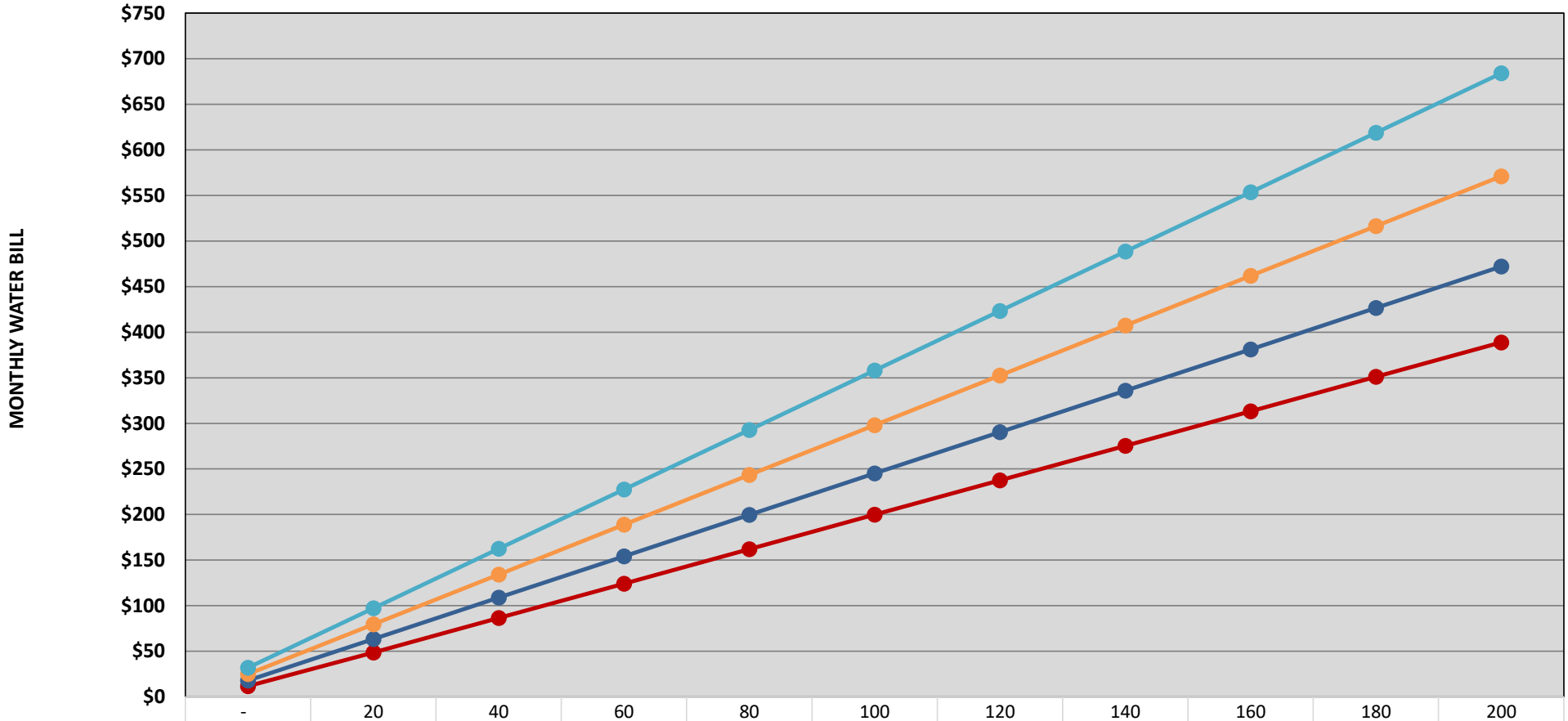


	0	10	20	30	40	50	60	70	80	90	100
Current Rates	$11.80	$29.70	$48.60	$67.50	$86.40	$105.30	$124.20	$143.10	$162.00	$180.90	$199.80
2021 Proposed	$18.00	$40.70	$63.40	$86.10	$108.80	$131.50	$154.20	$176.90	$199.60	$222.30	$245.00
2021 $ Increase	$6.20	$11.00	$14.80	$18.60	$22.40	$26.20	$30.00	$33.80	$37.60	$41.40	$45.20
2021 % Increase	52.5%	37.0%	30.5%	27.6%	25.9%	24.9%	24.2%	23.6%	23.2%	22.9%	22.6%
2022 Proposed	$25.00	$52.30	$79.60	$106.90	$134.20	$161.50	$188.80	$216.10	$243.40	$270.70	$298.00
2023 Proposed	$32.00	$64.60	$97.20	$129.80	$162.40	$195.00	$227.60	$260.20	$292.80	$325.40	$358.00

Units (100 Cubic Feet)

Exhibit 4-D

Commercial - Over 1" Meter, Higher Volumes: Current and Proposed Average Monthly Bills



	-	20	40	60	80	100	120	140	160	180	200
Current Rates	$11.80	$48.60	$86.40	$124.20	$162.00	$199.80	$237.60	$275.40	$313.20	$351.00	$388.80
2021 Proposed	$18.00	$63.40	$108.80	$154.20	$199.60	$245.00	$290.40	$335.80	$381.20	$426.60	$472.00
2021 $ Increase	$6.20	$14.80	$22.40	$30.00	$37.60	$45.20	$52.80	$60.40	$68.00	$75.60	$83.20
2021 % Increase	52.5%	30.5%	25.9%	24.2%	23.2%	22.6%	22.2%	21.9%	21.7%	21.5%	21.4%
2022 Proposed	$25.00	$79.60	$134.20	$188.80	$243.40	$298.00	$352.60	$407.20	$461.80	$516.40	$571.00
2023 Proposed	$32.00	$97.20	$162.40	$227.60	$292.80	$358.00	$423.20	$488.40	$553.60	$618.80	$684.00

Units (100 Cubic Feet)

Exhibit 4-E

SECTION 5

SECTION 5 – RATE COMPARISONS WITH OTHER WATER UTILITIES

Missouri River Energy Services (MRES) chose ten area utilities for comparison purposes. Water rates that are based on gallons have been converted to cubic feet.

DIFFERENCE OF RATES AMONG UTILITIES

Water rates vary from utility to utility due to several factors. Some of the differences may be explained by the following factors:

- The quality of the utility's water source and type of treatment or the cost of purchasing the wholesale water supply from another source
- The equitability of the rates across the various customers
- The amount of expenses that may be subsidized by other utilities, for example, the electric utility paying for the water utility labor and some other expenses
- The cash reserve level
- The percentage of capital improvements paid for by connection fees
- The additional expenses a water utility may pay that might instead be funded by the general fund in other communities, such as fire protection costs
- The amount of funds spent on capital improvement programs, which may correlate to the condition of the distribution system and treatment facilities

SUMMARY OF UTILITY COMPARISON RESULTS

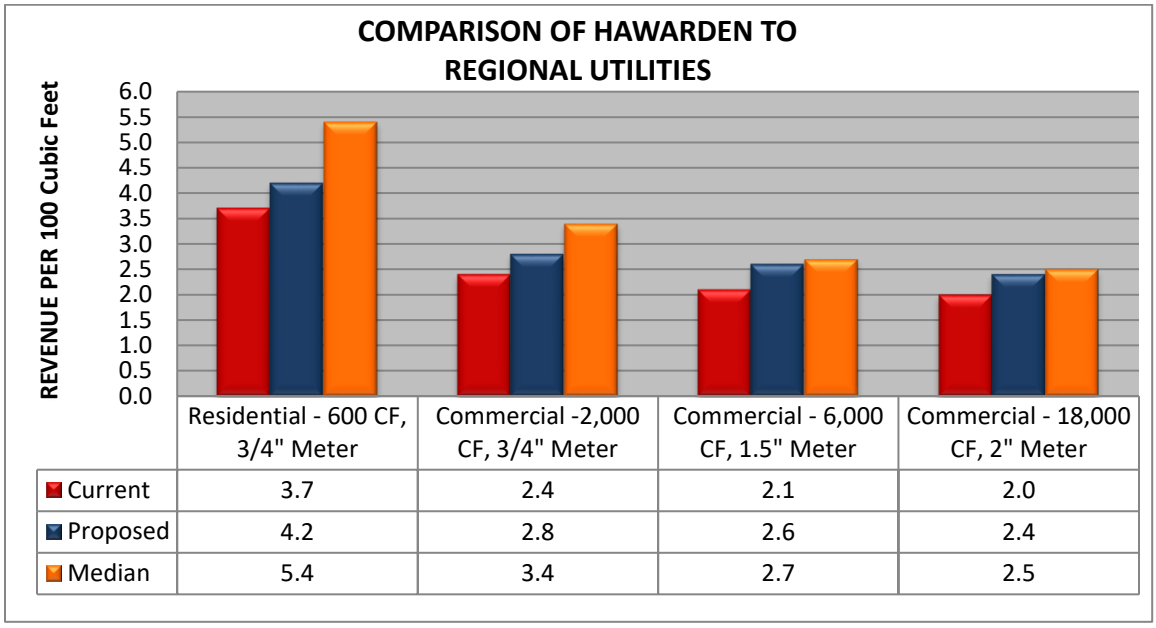
Exhibits 5-A through 5-D at the end of this section contain comparisons between Hawarden and the regional utilities whose rates are shown in Exhibit 5-E. For Hawarden, the proposed rates from Section 4 were used in the comparisons. The comparisons are based on the following usage levels:

- Residential – 600 cubic feet and 3/4" Meter
- Commercial – 2,000 cubic feet and 3/4" Meter
- Commercial – 6,000 cubic feet and 1.5" Meter
- Commercial – 18,000 cubic feet and 2" Meter

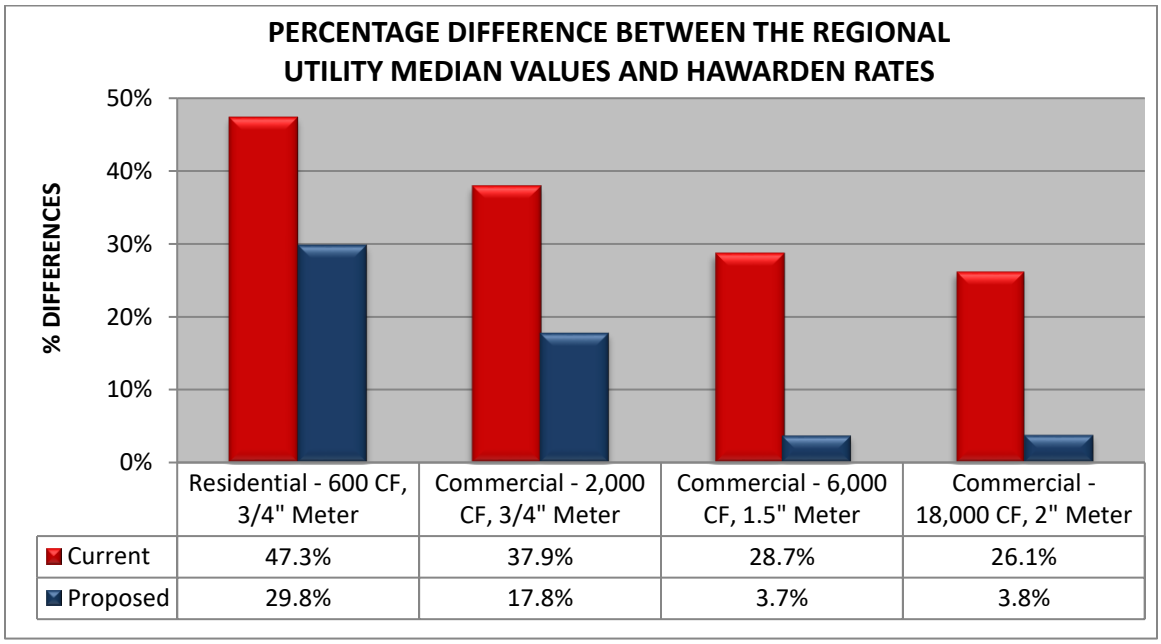
The top portion of each exhibit shows bills calculated using the various utilities' rates, and the bottom portion shows the percentage differences between other utilities and both current and proposed 2021 Hawarden rates.

The two graphs below summarize the rate comparison information. The first graph compares revenue per 100 cubic feet for each class using the calculated bills and three sets of values: Hawarden's current rates, proposed 2021 rates, and the median bill of 10 municipal utilities.

The second graph below shows the percentage differences between both the current and proposed 2021 Hawarden rates and the median water bill of the 10 utilities. This graph indicates that under proposed rates, the median bills will still be 4% to 30% higher than Hawarden for the various customer groups.

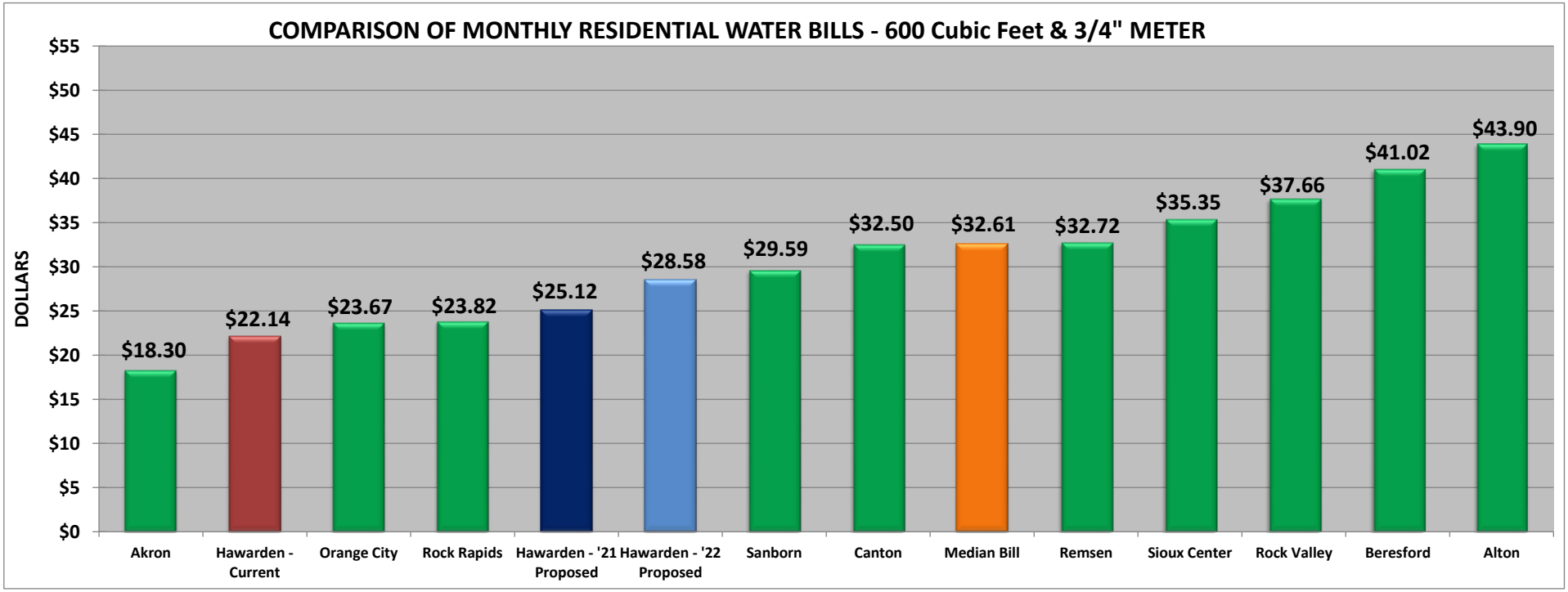


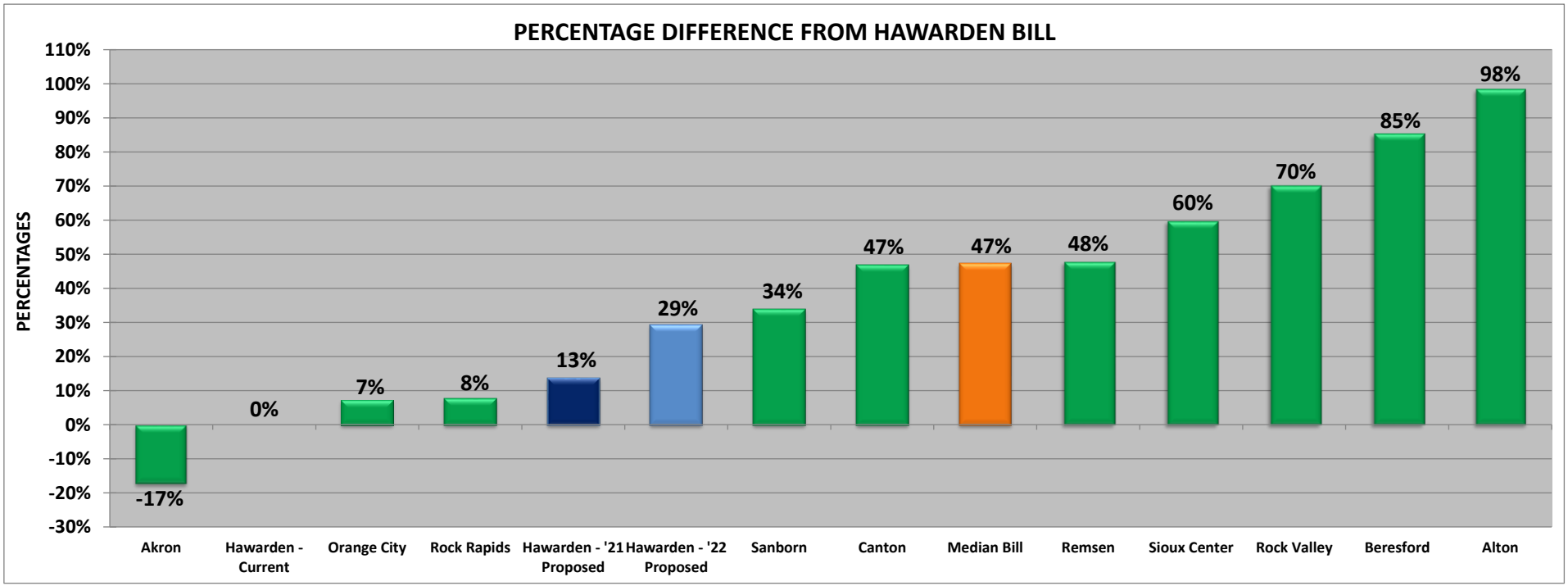
	Residential - 600 CF, 3/4" Meter	Commercial -2,000 CF, 3/4" Meter	Commercial - 6,000 CF, 1.5" Meter	Commercial - 18,000 CF, 2" Meter
Current	3.7	2.4	2.1	2.0
Proposed	4.2	2.8	2.6	2.4
Median	5.4	3.4	2.7	2.5



	Residential - 600 CF, 3/4" Meter	Commercial - 2,000 CF, 3/4" Meter	Commercial - 6,000 CF, 1.5" Meter	Commercial - 18,000 CF, 2" Meter
Current	47.3%	37.9%	28.7%	26.1%
Proposed	29.8%	17.8%	3.7%	3.8%

COMPARISON GRAPHS

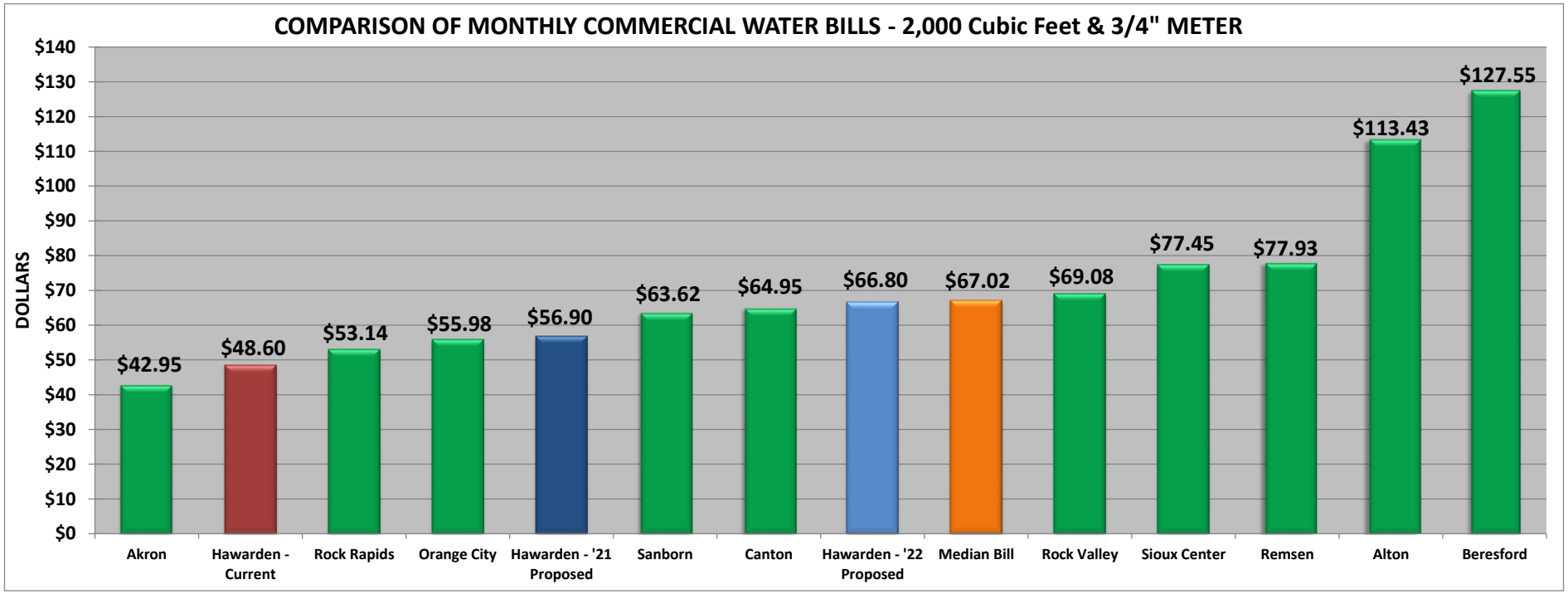


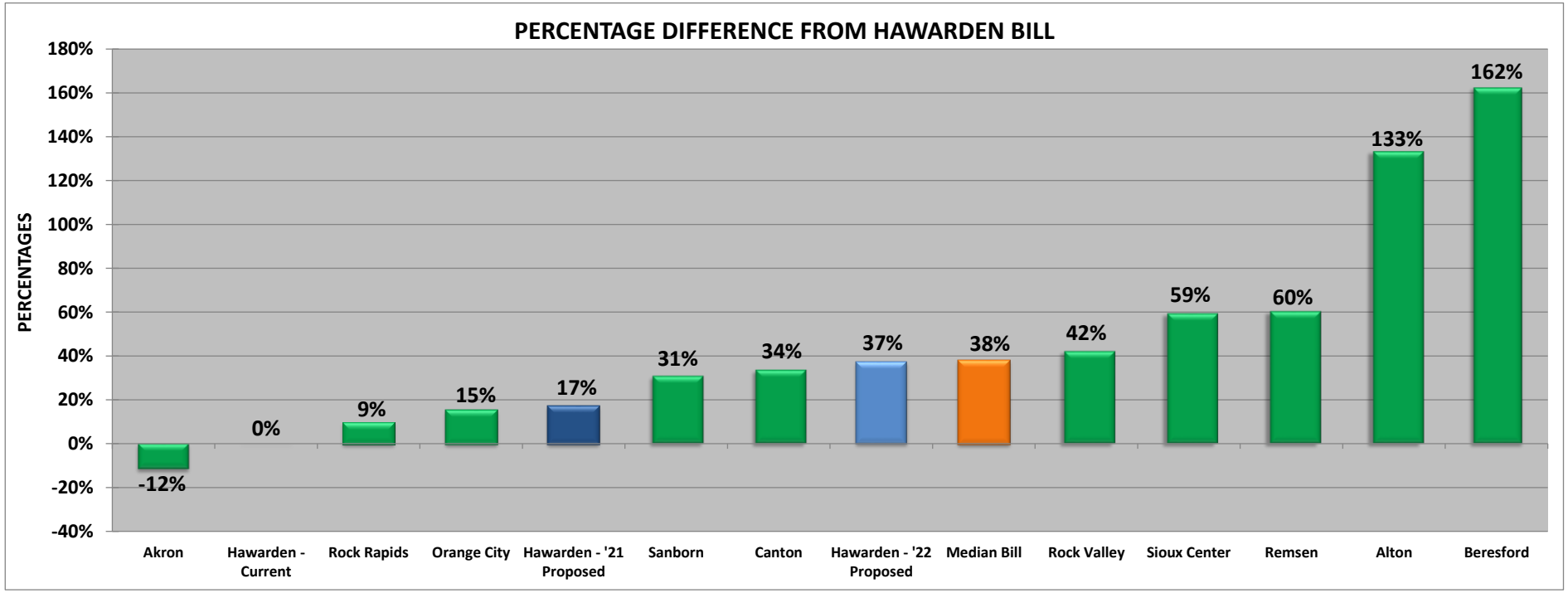


April 2020 - Comparison based on current rates, subject to change

Exhibit 5-A

Provided by Missouri River Energy Services

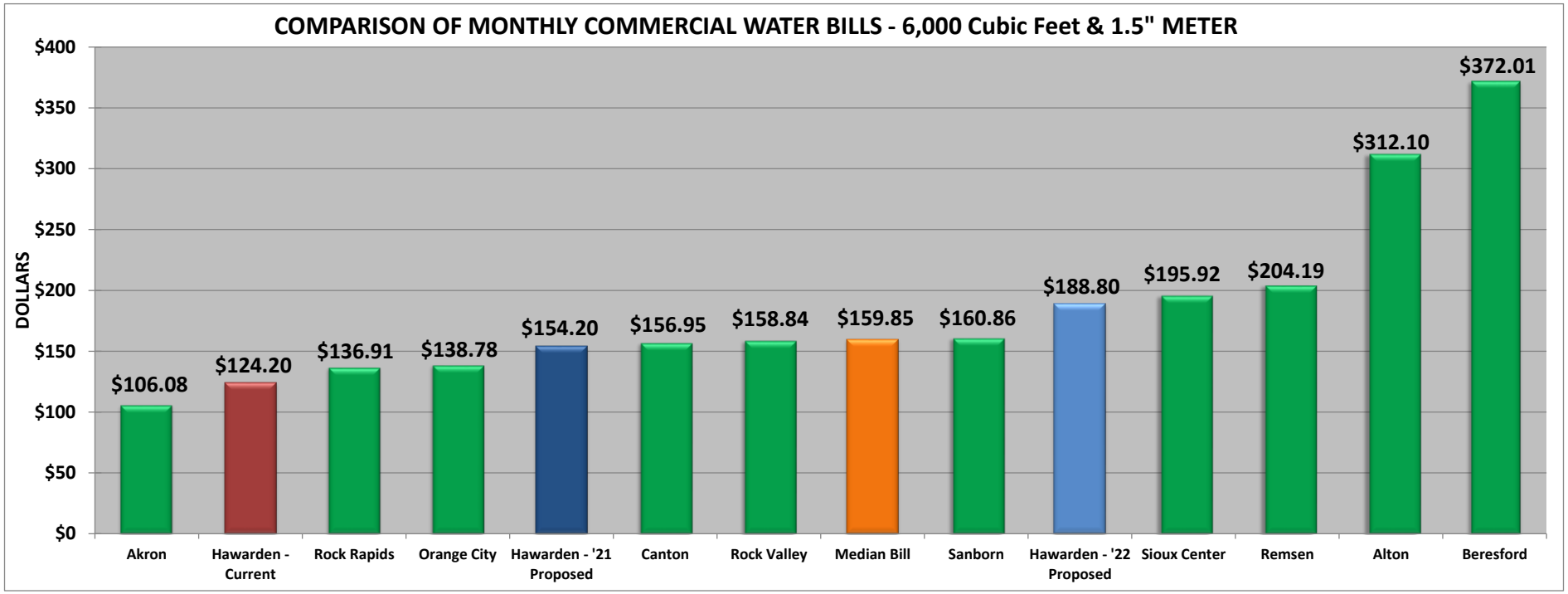


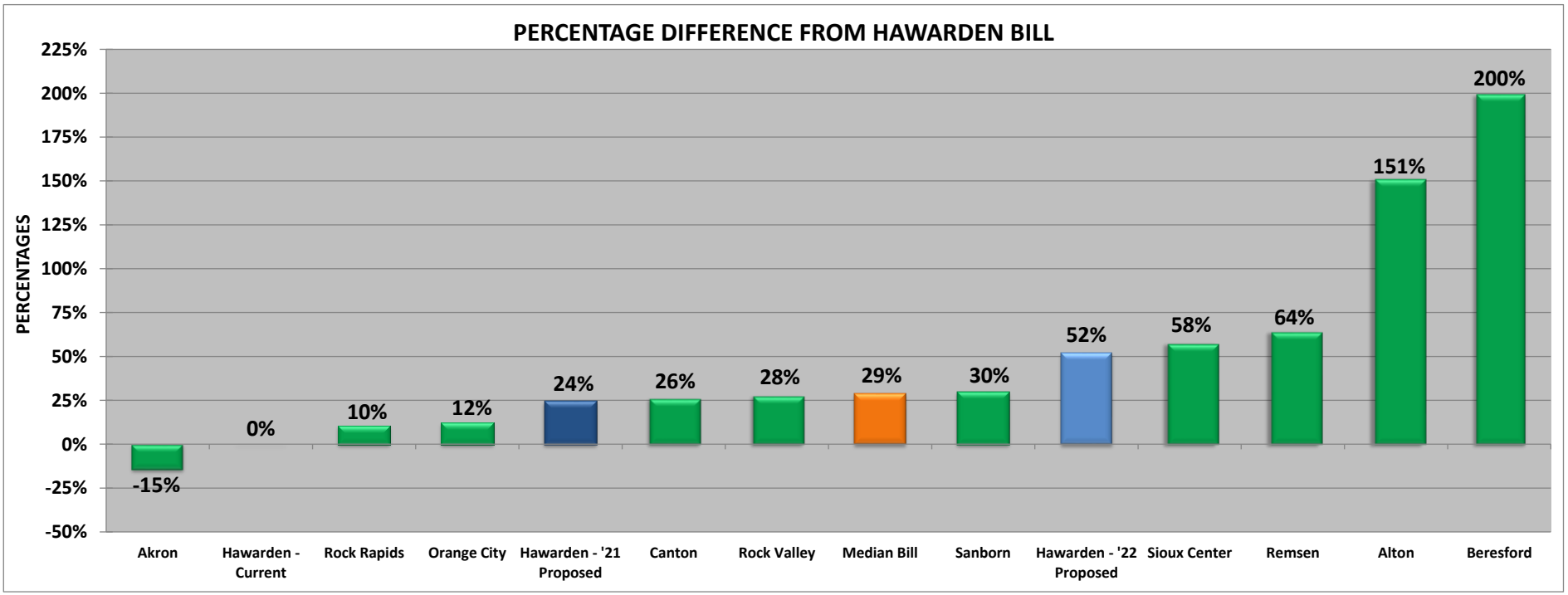


April 2020 - Comparison based on current rates, subject to change

Exhibit 5-B

Provided by Missouri River Energy Services

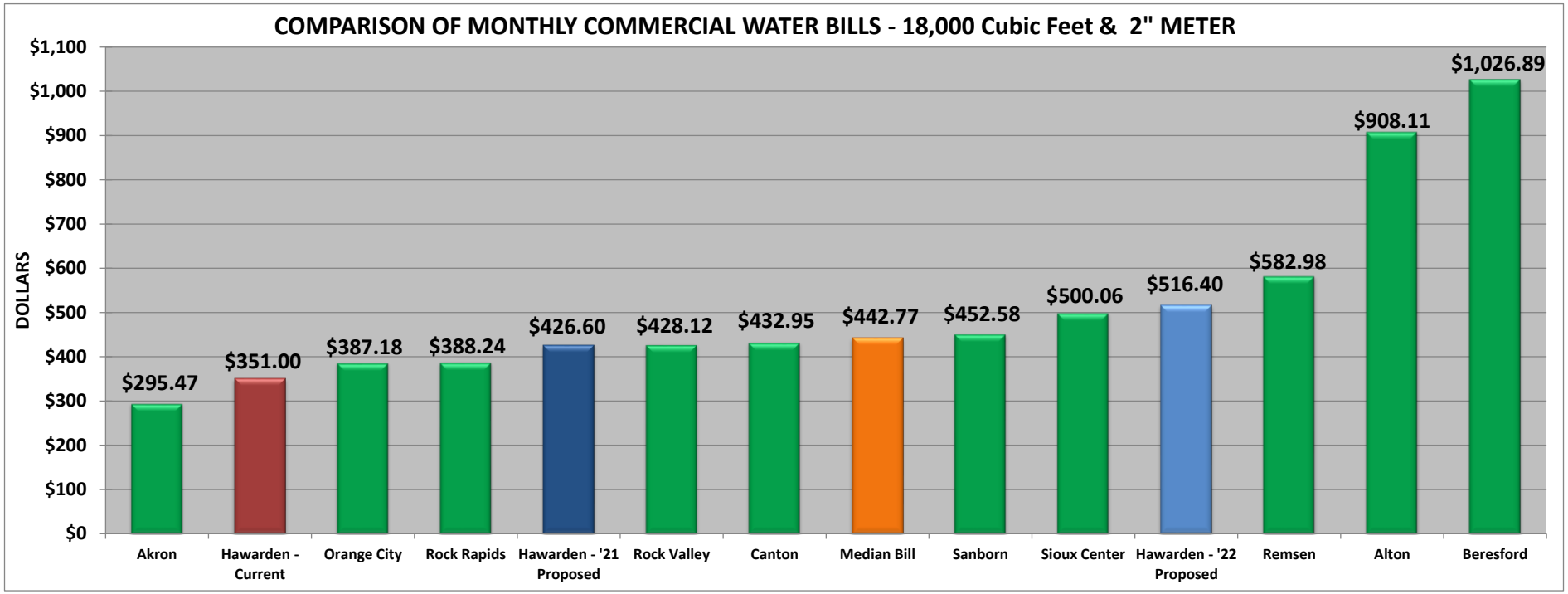


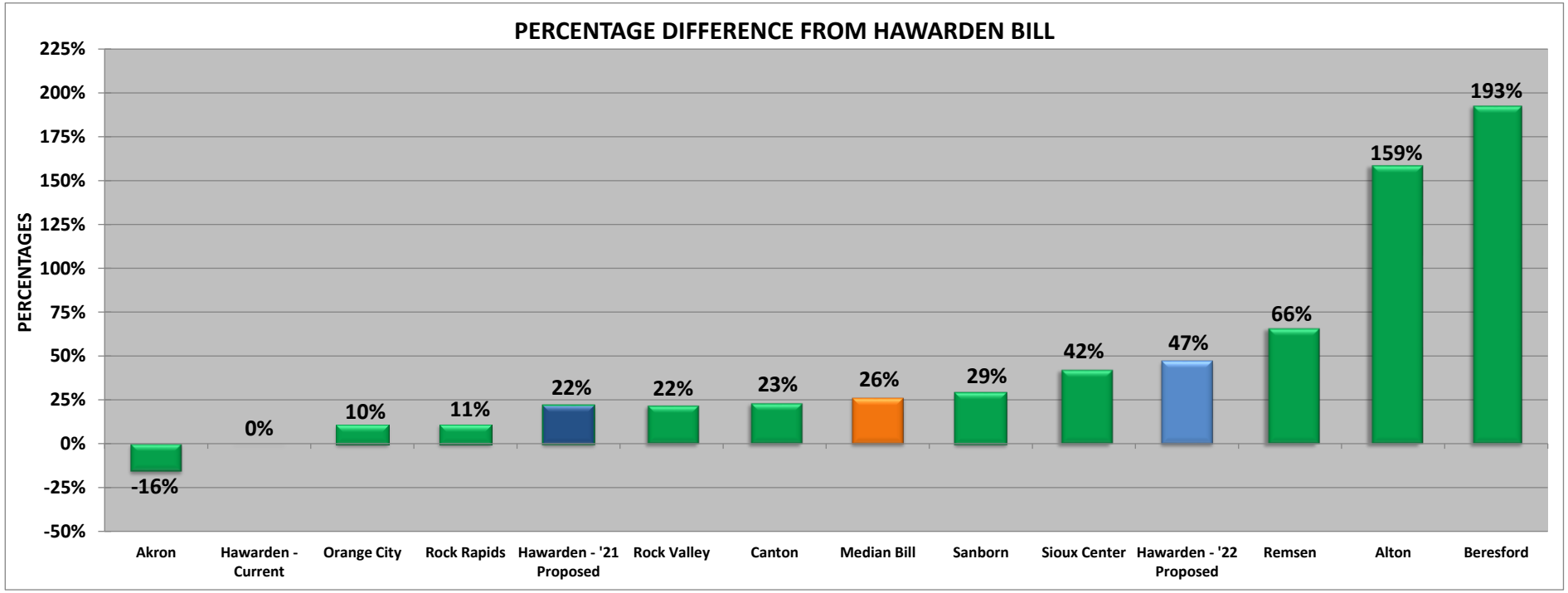


April 2020 - Comparison based on current rates, subject to change

Exhibit 5-C

Provided by Missouri River Energy Services





April 2020 - Comparison based on current rates, subject to change

Exhibit 5-D

Provided by Missouri River Energy Services

Exhibit 5-E

Residential and Commercial Water Rates

Utility	Customer Charge	Volume Charge (Per 100 Cubic Feet)	Units (100 CF)
Hawarden	$10.80	$1.89	All
Akron	-	5.65	0-133
		2.30	134-668
		1.88	668-1,337
		1.58	Over 1,337
Alton			
Inside City	14.10	4.97	All
Irrigation Meter	10.40	6.09	All
Outside City	18.30	6.09	All
Beresford			
In-Town			
5/8 or ¾”	15.56	-	0-133
1”	20.46	5.46	134-668
1 ¼”	25.91	5.05	Over 668
1 ½”	36.81		
2”	61.31		
3”	105.06		
4”	184.56		
6”	389.56		
Canton			
Residential	20.00	-	0-100
		2.50	Over 100
Commercial	21.25	-	0-100
		2.30	100-25,000
		2.20	25,000-50,000
Elk Point			
Less than 1”	22.13	-	0-267
1”	23.52	2.56	Over 267
1 ½”	43.22		
2”	67.28		
3”	129.08		
4”	200.54		
Orange City, IA			
Residential	11.25	2.07	All
Commercial	14.58	2.07	All
Industrial (over 100,000 CF / month)	60.50	1.96	All
Remsen			
Residential	-	18.00	0-133
Commercial		19.02	0-133
		3.16	Over 133

Exhibit 5-E

Utility	Customer Charge	Volume Charge (Per 100 Cubic Feet)	Units (100 CF)
Rock Rapids	11.25	2.09	All
Rock Valley	17.20	-	0-134
Water Project Fee	10.00	2.24	Over 134
Sanborn			
Inside City	15.00	2.43	All
Irrigation	8.00	2.62	All
Outside City	25.00	4.00	All
Sioux Center			
Residential	17.31	3.01	All (Winter)
		3.01	First 1,337 (Summer)
		3.19	Over 1,337 (Summer)
Commercial/Industrial			
Under 2”	17.31	3.01	First 5,348
		2.73	Over 5,348
2” or Larger	25.60	2.73	First 13,369
		2.36	Over 13,369

RESOLUTION NO. 2020-22

A Resolution for the Proposed Plans and Specifications, Proposed Form of Contract, And Estimated Cost for the Annual Seal Coating Project and Work Incidental Thereto for the City of Hawarden, Iowa and Awarding the Contract for the Specified Work.

WHEREAS, The City of Hawarden is planning a Seal Coating Project in the City of Hawarden

AND WHEREAS, a public hearing was held on April 22, 2020 in the City Council Chambers in Hawarden, Iowa at 5:30 p.m. concerning the proposed drawings and specifications, proposed form of contract and estimated cost for the Seal Coating Project for the City of Hawarden.

AND WHEREAS, the work to be done consists generally of applying a coating of seal coat to approximately 50,000 square yard to various city streets at a cost of $1.48 per square yard, and awarding the bid to the lowest responsible bidder, The Road Guy Construction Co. from Yankton, SD.

NOW THEREFORE, be it resolved by the City Council of the City of Hawarden, Iowa, that the plans, specifications and form of contract and low bids are approved for the Annual Seal Coating Project in the City of Hawarden, Iowa all in accordance with the terms and conditions as set forth in the Notice of Public Hearing and Letting.

PASSED AND ADOPTED THIS 22nd day of April 2020

_____
Ricard R. Porter, Mayor

ATTEST:

_____
Michael DeBruin, City Administrator/City Clerk

CONTRACTOR'S PROPOSAL

To: Honorable Mayor and Council, City of Hawarden, Iowa

We have examined the specifications and enclosed documents for the surfacing of approximately 50,000 square yards of streets and drives (single coat), more or less. We have also examined the site of the proposed work and investigated the conditions affecting the proposed work with the filing of this proposal. We accept the existing conditions.

If awarded the contract, we agree to start and complete the work within the time specified in Article (7) of the specifications.

Bid Schedule

Resurfacing:

Using MC 3000 Oil and Chip Spec 2-A (3/8 x #4) red rock or quartzite.

Per square yard applied: $1.48

Total Cost: 50,000 Sq. Yds: $ 74,000.00

In submitting this bid, we understand the City of Hawarden reserves the right to reject any and/or all quotes, to increase or decrease the total square yards and waive technicalities and irregularities.

Name of Contractor: The Road Guy Construction Co.

By: Rick Larson

Title of Signer: General Manager

Address: 3206 E. Hwy 50, Yankton SD 57078

Date: April 14, 2020

CONTRACTOR'S PROPOSAL

To: Honorable Mayor and Council, City of Hawarden, Iowa

We have examined the specifications and enclosed documents for the surfacing of approximately 50,000 square yards of streets and drives (single coat), more or less. We have also examined the site of the proposed work and investigated the conditions affecting the proposed work with the filing of this proposal. We accept the existing conditions.

If awarded the contract, we agree to start and complete the work within the time specified in Article (7) of the specifications.

Bid Schedule

Resurfacing:

Using MC 3000 Oil and Chip Spec 2-A (3/8 x #4) red rock or quartzite.

Per square yard applied: 1.69

Total Cost: 50,000 Sq. Yds: $ 84,500.00

In submitting this bid, we understand the City of Hawarden reserves the right to reject any and/or all quotes, to increase or decrease the total square yards and waive technicalities and irregularities.

Name of Contractor: Midwest Coatings Company, Inc.

By: [signature]

Title of Signer: President

Address: 1425 280th Street

Modale, IA 51556

Date: April 17, 2020

RESOLUTION NO 2020-23

RESOLUTION OF AUTHORITY FOR EXECUTION OF APPLICATION AND APPLICATION FOR PAYROLL PROTECTION PROGRAM LOAN AND/OR GRANT AND OTHER DISASTER ASSISTANCE AVAILABLE UNDER THE FEDERAL CARES ACT

WHEREAS, the United States is facing a public health emergency due to the impact of the COVID-19 virus; and,

WHEREAS, the federal government has enacted legislation intended to provide support in the form of loans and grants to businesses, governments, hospitals and others intended to support the economy, lessen the negative impacts of the epidemic and respond appropriately to the health care challenges presented by the epidemic; and,

WHEREAS, there is funding available to hospitals under the Payroll Protection Program of the Federal Cares Act and other federal disaster assistance programs for purposes of maintaining employment and otherwise responding to the public emergency presented by the Covid-19 epidemic; and,

WHEREAS, the Hawarden Regional Healthcare is impacted by the uncertainty presented by the virus and the limitations and requirements now imposed and which may be imposed by federal, state and local government to respond and control the epidemic now in progress; and,

WHEREAS, the Hawarden Regional Healthcare Hospital is essential to the local economy and to the health and welfare of the citizens of the City of Hawarden and surrounding communities who rely on its services; and,

WHEREAS, Hawarden Regional Healthcare Hospital is applying for financial assistance available under the CARES Act and may seek assistance under other disaster assistance programs as funds are made available which all are for purposes of responding to the Covid-19 epidemic; and

WHEREAS, the Board of Trustees of Hawarden Healthcare Hospital cannot incur indebtedness nor contract indebtedness, nor impose indebtedness on the City without prior provision for the indebtedness by the Hawarden City Council;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Hawarden, Iowa, as follows:

Section 1. City Administrator, Michael DeBruin, is hereby authorized to execute documents needed to complete Applications and execute one or more promissory notes as needed to apply for Payroll Protection Program Loan/Grants and other similar assistance available under the CARES Act provided that any such applications have first been approved by the Board of Trustees of Hawarden Healthcare Hospital.

Section 2. No documents shall be executed that expend any City funds not budgeted by the City Council for these purposes nor shall any documents be executed to incur indebtedness on behalf of the City nor pledge it, or its revenue or assets, as security for any indebtedness.

Section 3. The total amount of indebtedness authorized by this Resolution shall not exceed $1,016,171.00.

Passed and approved April 22, 2020.

_____
Ricard R. Porter, Mayor

Attest:

_____
Michael DeBruin, City Administrator/ City Clerk