

**CITY OF HAWARDEN
REGULAR CITY COUNCIL MEETING AGENDA
Hawarden City Hall – Council Chambers Room
Wednesday, July 24, 2019 at 5:30 p.m.**

Standard Agenda Items

- 1a. Approval of July 10, 2019 Council Meeting Minutes**
- 1b. Approval of July 24, 2019 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. Second Reading of Ordinance 712, An Ordinance Amending the Code of Ordinances of the City of Hawarden by Amending Provisions Pertaining to Wastewater Utility Rates**
- 4. Discussion of the City of Hawarden Participating in the CDGB Downtown Revitalization Façade Grant to Include Matching Funds.**
- 5. Resolution 2019-38 A Resolution Authorizing Change to the Contract for Construction of a New Electric Transmission Line Coming into Hawarden From the Substation on Highway 10.**
- 6. Resolution 2019-39 Proposing to Dispose of Real Property and Publishing a Notice of a Public Hearing.**
- 7. Resolution 2019-40 Authorizing the use of a preliminary official statement for the sale of bonds**
- 8. First Reading of Ordinance 713, An Ordinance Amending the Code of Ordinances of the City of Hawarden by Amending Chapter 113, Section 06 (5) by repealing the City Interdepartmental Rate for Electric.**
- 9. Approval of the Annual Bad Debt Write-offs**
- 10. Consent Agenda:**
 - a. Brian Engleman, dba Sportsman’s Lanes & Lounge, for a Liquor License Transfer to Hawarden Community Center on Sat., August 10, 2019.**
- 11. Adjournment**

Next regular council meeting August 14, 2019

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, July 10, 2019 at 5:30 p.m.**

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

Present: Mayor Porter; Council Members: Bergsma, Feldhacker, Kurth, Olson

Absent: Klocke

Staff Present: Mike DeBruin, City Administrator/City Clerk; Corey Utech, Chief of Police; Travis Waterman, Public Works Director; Jacob Stoner, Finance Officer; Larry Cope, Economic/Community Development Director; Jim Pickner, City Attorney

Absent: none

Standard Agenda Items

1a. Approval of June 26, 2019 Regular Council Meeting Minutes.

Moved by Feldhacker/Bergsma to approve the June 26, 2019 Regular Council Meeting Minutes.
Motion carried 4-0.

1b. Approval of Claims for Payment.

Moved by Bergsma/Kurth to approve the July 10, 2019 Claims for Payment.
Motion carried 3-0 with 1 abstain.

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

2a. Mayor's Report was given.

2b. Staff Reports were given.

2c. Council Comments were given.

Agenda Items

Oath of Office for Dave Pusey and Denny Peters as they have been reappointed to the Library Board.

Item 3. Third Reading of Ordinance 710, Amending the Code of Ordinances of the City of Hawarden by amending and adopting the service rules.

Moved by Feldhacker/Bergsma to approve.

Aye: Olson, Feldhacker, Bergsma, Kurth Nay: None Motion carried 4-0

Item 4. a. Public hearing on the proposal to enter into an Electric Revenue Loan Agreement in a principal amount not to exceed \$2,950,000.

b. Resolution 2019-36 taking additional action on proposal to enter into an Electric Revenue Loan Agreement.

Moved by Olson/Kurth to approve.

Aye: Feldhacker, Bergsma, Kurth, Olson Nay: None Motion carried 4-0

Item 5. Resolution 2019-37 to fix a date for a public hearing on proposal to enter into a Sewer Revenue Loan and Disbursement Agreement and to borrow money thereunder in a principal amount not to exceed \$3,750,000.

Moved by Kurth/Bergsma to approve.

Aye: Bergsma, Kurth, Olson, Feldhacker Nay: None Motion carried 4-0

Item 6. First Reading of Ordinance 712, An Ordinance Amending the Code of Ordinances of the City of Hawarden by Amending Provisions Pertaining to Wastewater Utility Rates.

Moved by Bergsma/Kurth to approve.

Aye: Kurth, Bergsma, Olson, Feldhacker Nay: None Motion carried 4-0

Item 7. Consent Agenda: None

Item 11. Adjournment

The next regular City Council Meeting will be Wednesday, July 24, 2019 @ 5:30 p.m.

Moved by Olson/Feldhacker to adjourn. Motion carried 4-0. Meeting adjourned at 5:58 p.m.

Ricard R. Porter, Mayor

ATTEST:

Michael De Bruin, City Administrator/City Clerk

**CITY OF HAWARDEN
COUNCIL MEETING
JULY 24, 2019**

DATE	CHECK NO	VENDOR NAME	REFERENCE	TOTAL
7/9/2019	54165	COOPERATIVE FARMERS ELEVATOR	CHEMICALS	\$ 110.85
7/9/2019	54166	VERIZON	CELL SVC	\$ 207.26
7/12/2019	54167 thru	PAYROLL CHECKS		
7/12/2019	54183	PAYROLL CHECKS		
7/12/2019	54184	APPLE INC	LIB LAPTOP	\$ 8,490.00
7/12/2019	54185	BRODART CO	LIB SUPPLIES	\$ 275.10
7/12/2019	54186	CITY OF HAWARDEN	LIB UTILITIES	\$ 256.88
7/12/2019	54187	COUNSEL	LIB COPIER CONTRACT	\$ 53.94
7/12/2019	54188	CULLIGAN WATER CONDITIONING	LIB WATER SOFTENER	\$ 126.47
7/12/2019	54189	ELM USA INC.	LIB DISC CLEANER	\$ 223.75
7/12/2019	54190	FINDAWAY WORLD LLC	LIB AUDIOBOOKS	\$ 322.95
7/12/2019	54191	HAWARDEN CHAMBER AND	LIB ANNUAL DUES	\$ 55.00
7/12/2019	54192	PETTY CASH	LIB POSTAGE	\$ 105.72
7/12/2019	54193	HITEC	LIB PH SERVICE	\$ 81.25
7/12/2019	54194	RICHARD HUDSON	LIB PERFORMANCE FEE	\$ 500.00
7/12/2019	54195	INGRAM LIBRARY SERVICES	LIB BOOKS	\$ 1,497.22
7/12/2019	54196	IOWA COMMUNICATIONS NETWORK	LIB LONG DISTANCE	\$ 5.25
7/12/2019	54197	IOWA INFORMATION INC	LIB WS HONOR ROLL	\$ 147.30
7/12/2019	54198	JASON JANS	LIB YARD CARE	\$ 345.00
7/12/2019	54199	LIBRARY IDEAS LLC	LIB DATABASE SUBSCRIPTION	\$ 1,465.00
7/12/2019	54200	OLSONS PEST TECHNICIANS	LIB PEST CONTROL	\$ 45.00
7/12/2019	54201	STATE HISTORICAL SOCIETY OF IA	LIB MAGAZINE	\$ 24.95
7/12/2019	54202	TEI LANDMARK AUDIO	LIB MAKER CRATE LEASE	\$ 1,199.00
7/12/2019	54203	TV & APPLIANCE SHOP	LIB REFRIGERATOR	\$ 549.99
7/12/2019	54204	VERNON LIBRARY SUPPLIES, INC	LIB DVD CASE	\$ 1,561.23
7/19/2019	54205	JOHN DEERE FINANCIAL	SUPPLIES	\$ 405.55
7/19/2019	54206	AIRGAS USA LLC	CYLINDER RENTAL	\$ 52.61
7/19/2019	54207	WEX BANK	FUEL	\$ 2,337.17
7/19/2019	54208	ERICSON AUTO BODY	FREON A/C PAY LOADER ST	\$ 1,129.00
7/19/2019	54209	IOWA INFORMATION INC	ADVERTISING	\$ 484.46
7/24/2019	54210	BARKER LEMAR	LANDFILL REG ASSIST	\$ 1,725.00
7/24/2019	54211	BIERSCHBACH EQUIPMENT	SUPPLIES ST	\$ 1,024.80
7/24/2019	54212	BOLAND RECREATION	EQUIPMENT	\$ 11,834.00
7/24/2019	54213	BOOTH PHARMACY INC	SUPPLIES	\$ 73.63
7/24/2019	54214	BORCHERS SUPPLY INC	CHEMICALS	\$ 298.00
7/24/2019	54215	BORDER STATES ELEC SUPPLY	SUPPLIES	\$ 1,031.25
7/24/2019	54216	BOUND TREE MEDICAL LLC	SUPPLIES	\$ 155.29
7/24/2019	54217	CITY OF HAWARDEN	FRANCHISE FEE HITEC	\$ 5,691.31
7/24/2019	54218	DGR ENGINEERING	WSTWA FACILITY PROF SVC	\$ 11,760.00
7/24/2019	54219	EAGLE RIDGE CORPORATE SVCS INC	125,105 & CORA	\$ 479.50
7/24/2019	54220	GROEBNER	CUTTER	\$ 395.53
7/24/2019	54221	HAWKEYE ADJUSTMENT	COLLECTIONS	\$ 5.50
7/24/2019	54222	HAWKINS INC	CHEMICALS	\$ 4,462.10
7/24/2019	54223	MARY HULLEMAN	PD RETIREMENT BENEFITS	\$ 508.13

DATE	CHECK NO	VENDOR NAME	REFERENCE	TOTAL
7/24/2019	54224	HUNDERTMARK INC	PWR WASHER SOAP	\$ 275.00
7/24/2019	54225	IOWA LEAGUE OF CITIES	SUBSCRIPTION	\$ 1,628.00
7/24/2019	54226	L.G. EVERIST INC	SUPPLIES	\$ 195.43
7/24/2019	54227	MANGOLD ENVIRONMENTAL	LAB FEES	\$ 640.00
7/24/2019	54228	MOW & GLOW LAWN & FLOOR CARE	APPLY CRABGRASS PRV/FERT	\$ 967.00
7/24/2019	54229	MUELLER CO	SUPPLIES	\$ 1,436.04
7/24/2019	54230	MUNICIPAL UTILITIES	VOID	\$ -
7/24/2019	54231	MUNICIPAL UTILITIES	UTILITIES	\$ 9,022.42
7/24/2019	54232	NEXSTAR BROADCASTING INC	RETRANSMISSION	\$ 4,510.60
7/24/2019	54233	O.C. SANITATION INC	GARBAGE COLLECTION	\$ 22,048.20
7/24/2019	54234	OLSONS PEST TECHNICIANS	PEST CONTROL	\$ 303.43
7/24/2019	54235	ONE OFFICE SOLUTION	SUPPLIES	\$ 174.33
7/24/2019	54236	PHYSICIANS CLAIMS COMPANY	AMB BILLING	\$ 5,474.09
7/24/2019	54237	PLUIM PUBLISHING INC	EVELOPES	\$ 525.42
7/24/2019	54238	PRECISION CONCRETE CUTTING	TRIP HAZARD REPAIR	\$ 5,445.00
7/24/2019	54239	SIOUXLAND DISTRICT HEALTH DEPT	LAB FEES	\$ 445.00
7/24/2019	54240	SIOUXLAND OUTDOOR POWER CO	SUPPLIES	\$ 218.62
7/24/2019	54241	SUBSCRIBER TECHNOLOGIES INC	TV PROGRAMMING COST	\$ 225.00
7/24/2019	54242	TRANSOURCE	MAIN BROOMS ST SWEEPER	\$ 677.00
7/24/2019	54243	WELLS FARGO VENDOR FIN SER LLC	COPIER LEASE	\$ 233.86
7/12/2019	11141051	WADDELL & REED	457- W&R	\$ 50.00
7/12/2019	11141052	EFTPS	FED/FICA TAX	\$ 14,149.07
7/12/2019	11141053	EFTPS	FED/FICA TAX	\$ 834.92
7/18/2019	11141054	CLAYTON ENERGY CORPORATION	GAS PURCHASE	\$ 9,247.55
7/24/2019	11141055	MISSOURI RIVER ENERGY SVCS	ELECTRIC PURCHASE	\$ 87,280.86
		TOTAL ACCOUNTS PAYABLE		\$ 227,508.78
		PAYROLL CHECKS		\$ 48,752.86
				=====
		***** REPORT TOTAL *****		\$ 276,261.64
				=====

**CITY OF HAWARDEN
COUNCIL MEETING
JULY 24, 2019**

DATE	CHECK NO	VENDOR NAME	INVOICE DESCRIPTION	INVOICE AMT	TOTAL
7/19/2019	54206	AIRGAS USA LLC	OXYGEN		\$ 52.61
7/12/2019	54184	APPLE INC	LIB LAPTOP		\$ 8,490.00
7/24/2019	54210	BARKER LEMAR	LANDFILL REG ASSIST FY2020		\$ 1,725.00
7/24/2019	54211	BIERSCHBACH EQUIPMENT	SUPPLIES ST		\$ 1,024.80
7/24/2019	54212	BOLAND RECREATION	EQUIPMENT GENADM		\$ 11,834.00
7/24/2019	54213	BOOTH PHARMACY INC	SUPPLIES GAS	\$ 36.47	
7/24/2019	54213	BOOTH PHARMACY INC	SUPPLIES GANADM	\$ 19.99	
7/24/2019	54213	BOOTH PHARMACY INC	SUPPLIES PARK	\$ 11.99	
7/24/2019	54213	BOOTH PHARMACY INC	SUPPLIES AMB	\$ 5.18	\$ 73.63
7/24/2019	54214	BORCHERS SUPPLY INC	CHEMICALS PARK		\$ 298.00
7/24/2019	54215	BORDER STATES ELEC SUPPLY	SUPPLIES EL		\$ 1,031.25
7/24/2019	54216	BOUND TREE MEDICAL LLC	SHEARS AMB	\$ 18.70	
7/24/2019	54216	BOUND TREE MEDICAL LLC	SUPPLIES AMB	\$ 136.59	\$ 155.29
7/12/2019	54185	BRODART CO	LIB SUPPLIES		\$ 275.10
7/12/2019	54186	CITY OF HAWARDEN	LIB UTILITIES	\$ 256.88	
7/24/2019	54217	CITY OF HAWARDEN	FRANCHISE FEE HITEC	\$ 5,691.31	\$ 5,948.19
7/18/2019	11141054	CLAYTON ENERGY CORPORATION	GAS PURCHASE		\$ 9,247.55
7/9/2019	54165	COOPERATIVE FARMERS ELEVATOR	CHEMICALS		\$ 110.85
7/12/2019	54187	COUNSEL	LIB COPIER CONTRACT		\$ 53.94
7/12/2019	54188	CULLIGAN WATER CONDITIONING	SERVICE		\$ 126.47
7/24/2019	54218	DGR ENGINEERING	WSTWA TRTMT FACILITY PROF SVC		\$ 11,760.00
7/24/2019	54219	EAGLE RIDGE CORPORATE SVCS INC	125,105 & CORA FEES GENADM		\$ 479.50
7/12/2019	11141052	EFTPS	FED/FICA TAX	\$ 14,149.07	
7/12/2019	11141053	EFTPS	FED/FICA TAX	\$ 834.92	\$ 14,983.99
7/12/2019	54189	ELM USA INC.	LIB DISC CLEANER		\$ 223.75
7/19/2019	54208	ERICSON AUTO BODY	FREON A/C PAY LOADER ST	\$ 68.00	
7/19/2019	54208	ERICSON AUTO BODY	TIRE REPAIR ST	\$ 25.00	
7/19/2019	54208	ERICSON AUTO BODY	VEHICLE REPAIR PD	\$ 1,000.00	
7/19/2019	54208	ERICSON AUTO BODY	TIRE REPAIR ST	\$ 36.00	\$ 1,129.00
7/12/2019	54190	FINDAWAY WORLD LLC	LIB AUDIOBOOKS		\$ 322.95
7/24/2019	54220	GROEBNER	SUPPLIES	\$ 77.67	
7/24/2019	54220	GROEBNER	SUPPLIES	\$ 317.86	\$ 395.53

DATE	CHECK NO	VENDOR NAME	INVOICE DESCRIPTION	INVOICE AMT	TOTAL
7/12/2019	54191	HAWARDEN CHAMBER AND	CONTRACTUAL SERVICE		\$ 55.00
7/12/2019	54192	PETTY CASH	PETTY CASH		\$ 105.72
7/24/2019	54221	HAWKEYE ADJUSTMENT	COLLECTIONS		\$ 5.50
7/24/2019	54222	HAWKINS INC	CHEMICALS POOL	\$ 1,823.45	
7/24/2019	54222	HAWKINS INC	CHEMICALS WA	\$ 2,638.65	\$ 4,462.10
7/12/2019	54193	HITEC	LIB PH SERVICE		\$ 81.25
7/12/2019	54194	RICHARD HUDSON	LIB PROGAMMING		\$ 500.00
7/24/2019	54223	MARY HULLEMAN	PD RETIREMENT BENEFITS		\$ 508.13
7/24/2019	54224	HUNDERTMARK INC	PWR WASHER SOAP PD		\$ 275.00
7/12/2019	54195	INGRAM LIBRARY SERVICES	LIB BOOKS		\$ 1,497.22
7/12/2019	54196	IOWA COMMUNICATIONS NETWORK	LONG DISTANCE		\$ 5.25
7/12/2019	54197	IOWA INFORMATION INC	LIB WS HONOR ROLL	\$ 37.50	
7/12/2019	54197	IOWA INFORMATION INC	LIB ADVERTISING	\$ 109.80	
7/19/2019	54209	IOWA INFORMATION INC	WSTWA PROJ AD	\$ 111.05	
7/19/2019	54209	IOWA INFORMATION INC	MINUTES/CLAIMS 6/12	\$ 243.21	
7/19/2019	54209	IOWA INFORMATION INC	ORD 708 LEGADN	\$ 130.20	\$ 631.76
7/24/2019	54225	IOWA LEAGUE OF CITIES	SUBSCRIPTION LEGADM		\$ 1,628.00
7/12/2019	54198	JASON JANS	YARD CARE		\$ 345.00
7/19/2019	54205	JOHN DEERE FINANCIAL	SUPPLIES	\$ 63.90	
7/19/2019	54205	JOHN DEERE FINANCIAL	SUPPLIES	\$ 341.65	\$ 405.55
7/24/2019	54226	L.G. EVERIST INC	SUPPLIES CEM		\$ 195.43
7/12/2019	54199	LIBRARY IDEAS LLC	FREGAL MUSIC ANNUAL SUB		\$ 1,465.00
7/24/2019	54227	MANGOLD ENVIRONMENTAL	LAB FEES WSTWA		\$ 640.00
7/24/2019	11141055	MISSOURI RIVER ENERGY SVCS	ELECTRIC PURCHASE		\$ 87,280.86
7/24/2019	54228	MOW & GLOW LAWN & FLOOR CARE	APPLY CRABGRASS PRV/FERT		\$ 967.00
7/24/2019	54229	MUELLER CO	SUPPLIES GAS		\$ 1,436.04
7/24/2019	54231	MUNICIPAL UTILITIES	UTILITIES		\$ 9,022.42
7/24/2019	54232	NEXSTAR BROADCASTING INC	RETRANSMISSION EELO MYNTV		\$ 4,510.60
7/24/2019	54233	O.C. SANITATION INC	GARBAGE COLLECTION MAY/JUNE		\$ 22,048.20
7/12/2019	54200	OLSONS PEST TECHNICIANS	LIB PEST CONTROL	\$ 45.00	
7/24/2019	54234	OLSONS PEST TECHNICIANS	PEST CONTROL GENADM	\$ 103.00	
7/24/2019	54234	OLSONS PEST TECHNICIANS	PEST CONTROL POOL	\$ 39.00	
7/24/2019	54234	OLSONS PEST TECHNICIANS	PEST CONTROL PARK	\$ 41.43	
7/24/2019	54234	OLSONS PEST TECHNICIANS	PEST CONTROL WA	\$ 120.00	\$ 348.43
7/24/2019	54235	ONE OFFICE SOLUTION	SUPPLIES	\$ 47.50	
7/24/2019	54235	ONE OFFICE SOLUTION	SUPPLIES	\$ 5.49	

DATE	CHECK NO	VENDOR NAME	INVOICE DESCRIPTION	INVOICE AMT	TOTAL
7/24/2019	54235	ONE OFFICE SOLUTION	SUPPLIES	\$ 121.34	\$ 174.33
7/24/2019	54236	PHYSICIANS CLAIMS COMPANY	AMB BILLING MARCH 2019	\$ 1,519.42	
7/24/2019	54236	PHYSICIANS CLAIMS COMPANY	AMB BILLING APRIL 2019	\$ 1,198.94	
7/24/2019	54236	PHYSICIANS CLAIMS COMPANY	AMB BILLING MAY 2019	\$ 1,409.89	
7/24/2019	54236	PHYSICIANS CLAIMS COMPANY	AMB BILLING JUNE 2019	\$ 1,345.84	\$ 5,474.09
7/24/2019	54237	PLUIM PUBLISHING INC	EVELOPES PLAIN/WINDOW		\$ 525.42
7/24/2019	54238	PRECISION CONCRETE CUTTING	TRIP HAZARD REPAIR ST		\$ 5,445.00
7/19/2019	54207	WEX BANK	FUEL		\$ 2,337.17
7/24/2019	54239	SIOUXLAND DISTRICT HEALTH DEPT	LAB FEES POOL	\$ 324.00	
7/24/2019	54239	SIOUXLAND DISTRICT HEALTH DEPT	LAB FEES WA	\$ 15.00	
7/24/2019	54239	SIOUXLAND DISTRICT HEALTH DEPT	LAB FEES POOL	\$ 28.00	
7/24/2019	54239	SIOUXLAND DISTRICT HEALTH DEPT	LAB FEES WA	\$ 63.00	
7/24/2019	54239	SIOUXLAND DISTRICT HEALTH DEPT	LAB FEES WA	\$ 15.00	\$ 445.00
7/24/2019	54240	SIOUXLAND OUTDOOR POWER CO	FILTER ST	\$ 50.46	
7/24/2019	54240	SIOUXLAND OUTDOOR POWER CO	TRIMMER LINE CEM	\$ 168.16	\$ 218.62
7/12/2019	54201	STATE HISTORICAL SOCIETY OF IA	LIB MAGAZINE		\$ 24.95
7/24/2019	54241	SUBSCRIBER TECHNOLOGIES INC	TV PROGRAMMING COST MONTHLY		\$ 225.00
7/12/2019	54202	TEI LANDMARK AUDIO	LIB MAKER CRATE LEASE		\$ 1,199.00
7/24/2019	54242	TRANSOURCE	MAIN BROOMS ST SWEEPER		\$ 677.00
7/12/2019	54203	TV & APPLIANCE SHOP	LIB REFRIGERATOR		\$ 549.99
7/9/2019	54166	VERIZON	CELL SVC	\$ 127.24	
7/9/2019	54166	VERIZON	CELL SVC	\$ 80.02	\$ 207.26
7/12/2019	54204	VERNON LIBRARY SUPPLIES, INC	LIB DVD CASE		\$ 1,561.23
7/12/2019	11141051	WADDELL & REED	457- W&R		\$ 50.00
7/24/2019	54243	WELLS FARGO VENDOR FIN SER LLC	COPIER LEASE		\$ 233.86
		TOTAL ACCOUNTS PAYABLE			\$ 227,508.78
		PAYROLL CHECKS			\$ 48,752.86
		***** REPORT TOTAL *****			\$ 276,261.64

FUND NAME	TOTAL
GENERAL FUND	\$ 84,934.12
ROAD USE TAX FUND	\$ 5,953.96
POLICE RETIREMENT FUND	\$ 508.13
ELEC TRANSMISSION LINE	\$ 23.93

DATE	CHECK NO	VENDOR NAME	INVOICE DESCRIPTION	INVOICE AMT	TOTAL
		CAPITAL EQUIPMENT FUND	\$	10,000.00	
		WATER UTILITY FUND	\$	7,365.60	
		WASTE WATER UTILITY FUND	\$	6,307.75	
		WASETWATER PLANT RENOVATE	\$	11,889.24	
		ELECTRIC UTILITY FUND	\$	92,303.94	
		GAS UTILITY FUND	\$	16,481.63	
		SOLID WASTE UTILITY FUND	\$	23,882.83	
		TELECOMMUNICATIONS ADMIN	\$	2,790.92	
		CABLE/INTERNET UTILITY	\$	11,279.30	
		TELEPHONE UTILITY FUND	\$	2,540.29	

ORDINANCE NO. 712

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF HAWARDEN IOWA BY AMENDING PROVISIONS PERTAINING TO WASTEWATER UTILITY RATES

BE IT ENACTED by the City Council of the City of Hawarden, Iowa:

SECTION ONE. SUB-SECTIONS MODIFIED. Sub Section 113.05(2) and Sub Section 113.05(7) of the Code of Ordinances of the City of Hawarden, Iowa are repealed, and the following adopted in lieu thereof:

113.05 WASTEWATER UTILITY DEFINITIONS AND RATES.

2. Normal Wastewater Contributor Rates Per Unit/User. Each contributor of normal wastewater to the City's wastewater treatment system shall pay per unit/user for services provided by the City by payment of a minimum system support charge and additional charges based on water use as measured by water meters acceptable to the City according to the following schedule:
 - A. Minimum System Support Charge: \$30.00 per month (this includes no usage);
 - B. \$2.25 per 100 cubic feet, or fraction thereof, of water used.

A contributor to the City wastewater system whose use of the wastewater system is not accurately reflected by metered water usage will be charged a minimum usage of 400 cubic feet or at the request of either the City or the contributor, be billed based upon usage adjusted by measurements of wastewater meter(s) or separate water meter(s) installed and maintained at the contributor's expense.

7. Alternate Sanitary Sewer System (E-1 system) Rates Per Unit. The following charges shall apply on a per unit basis whenever it is necessary to use alternative sanitary sewer equipment to provide service to a property:
 - A. The charge per E-1 unit shall be actual expense incurred by the City for the equipment and installation of the E-1 system unit. All costs are to be assessed to the customer. The customer shall be required to pay a deposit of one half of the estimated expense of the equipment and installation at the time the equipment is ordered, and the remaining balance shall be due thirty days after installation is completed.
 - B. Minimum System Support Charge: \$19.00 per month (this includes no usage) and is in addition to the applicable Normal Wastewater Contributor Rate Per Unit/User and rate per cubic feet of water used as set forth elsewhere in Section 113.05 (2) a and b.

SECTION TWO. SEVERABILITY CLAUSE. If any section, provision of part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the

validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

SECTION THREE. WHEN EFFECTIVE. This ordinance shall be in effect from and after its final passage, approval and publication as provided by law.

Passed and Approved by the Council of the City of Hawarden on the 14th day of August 2019.

Ricard R. Porter, Mayor

ATTEST:

Michael DeBruin, City Administrator/Clerk

First Reading: July 10, 2019

Second Reading: July 24, 2019

Third Reading: August 14, 2019

I certify that the foregoing was published as Ordinance No. 712 on the 15th day of August 2019.

Michael DeBruin, City Administrator/Clerk

The Downtown Revitalization Program June, 2019

CDBG
Community Development Block Grant

IOWA
economic development



Ed Basch & Joe Bohlke, Project Managers
Iowa Economic Development Authority

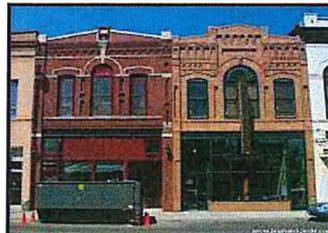
1

Program Overview

CDBG Downtown Revitalization Program

- » Awarded on annual basis; allocation in 2020 will be slightly less
- » On average about 4-5 projects per year; 54 funded since 2009
- » Projects must meet HUD's CDBG National Objective of Elimination of Slum and Blight
- » Requires significant coordination between business owners, architects, and grant manager
- » Ideally results in highly visible outcomes, but S & B most important

Buildings with first floor residential use not eligible



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Impactful Photo Examples (1)



IOWA³
ECONOMIC DEVELOPMENT

3

Impactful Photo Examples (2)



IOWA⁴
ECONOMIC DEVELOPMENT

4

Impactful Photo Examples (3)



IOWA⁵
economic development

5

Impactful Photo Examples (4)



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Next Year's Application Cycle

- » **Due Date: Not yet finalized - but will likely be April 1 and Oct 1**
- » **All applications are submitted through IowaGrants.gov**
 - Minimum of 8 Buildings (addresses) for an award of \$500,000
 - Minimum of 6 Buildings (addresses) for an award of less than \$500,000
 - One structure could have multiple postal addresses or facades
 - *No additional construction allowed on buildings that are part of the project from date of app. submittal until end of project contract.....typically, two to three years! (What is already in progress can be finished – there are also emergency exceptions)
 - Only side facades that are visible from a major downtown streets eligible
 - No side facades visible only from alleys or minor traffic streets
 - Rear facades eligible only in very unique circumstances

Developing A Project

- » Applicants need to work with architects early on
 - Should procure architects in advance of an award – but do not sign final design/construction contract until the project is awarded funding
 - Cost estimates need to be as realistic as possible
 - *Application preparation including architect is cost that cannot be reimbursed
- » Feel free to communicate with IEDA during application process
- » Engage interested parties and public from the start
- » Provide property owners with realistic expectations on cost, their participation and scope of work affecting their building
- » Use DTR Green Streets Criteria in overall design – as applicable
- » Obtain a commitment letter from property owners / money down if possible

2020 Scoring Priorities



Anticipated 2020 Scoring Criteria

- » 8 scoring factors or categories; all equally weighted
- » Each criteria scored on a 1 to 5 scale. Maximum of 40 points for a "perfect" applicationnever been one yet
- » Criteria will, among other things, reflect meeting the national objective (slum and blight)
- » Applications scoring less than 25 points will likely not be funded
- » Applications are evaluated by three persons and scores are averaged
- » Geographic distribution across the State is not a deciding factor

2020 Applications

All eight scoring criteria scored on a 1 to 5 scale, (5 best)

- » Degree to which the proposed activity is appropriate for CDBG funding
- » Degree to which CDBG funds will be leveraged by other funds
- » Degree of impact the activity will have on the identified target area (includes number of buildings/area, condition of participating buildings, proximity/location of buildings)
- » Degree to which the proposed design criteria addresses identified contributing factors to slum and blight
- » Degree to which the scale and scope of the project is appropriate for the CDBG program timeframe (3 years)
- » Degree of community involvement with the proposed downtown revitalization efforts (community outreach, public input, planning exercises)
- » Degree to which the project meets or exceeds the minimum building and site design criteria (Green Streets criteria) established by IEDA
- » Degree to which the project is ready to proceed

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2020 Applications

Ten Aspects of the 'Perfect' Application:

- » First Tier Environmental Review Complete
- » Signed agreements with business owners with some money in escrow
- » Architect procured through final design and construction (pending grant award)
- » Work activities addressing majority of Fair & Poor buildings, and most individual blighting factors on each building
- » A logical, preferably compact, target area
- » Other sources of committed matching funds equaling 55% or more of total project (over 36% is competitive) / property owners *typically* responsible for 20-25% of cost
- » Line item cost estimates including deductible alternatives
- » Agreement on cost totals throughout application
- » A clear administrative plan outlining management responsibilities
- » Demonstrated local support

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The Role of Property Owners



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Property Owner Involvement (Pre Award)

- » **Main Features of Best Commitment Letter for Application:**
 - Acknowledgement of total cost estimate
 - Acknowledgement of financial contribution (percentage of total estimated *cost* or a not to exceed figure is best)
 - Acknowledgement of applicability of federal requirements such as: historic review; prevailing wage and *“no other construction work”*
 - Acknowledgement of intent to sign an easement agreement
 - Acknowledgement that slum and blight are highest priority
 - We have samples on our web site
 - **This letter does not legally bind the property owner**

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Property Owner Involvement, (Post Award)

» Expectations:

- Sign *Construction Terms Agreement* that acknowledges:
 - concurrence with final design and bid specs
 - concurrence with property owner share of total costs as bid
 - city's potential to place a lien on property for non-payment of cost share.....or failure to maintain
 - potential participation in any change order costs, (can have cap)
 - city's, or authorized representatives, supervisory role
 - "no other work" provision till grant closeout, (**emergencies and routine maintenance exempted case by case**)
 - this does bind owner (with some local flexibility)

Property Owner Involvement, (Post Award)

» Expectations (Continued):

- Work with architect on final design & construction cost
- Acknowledge city's role in selecting and paying contractor
- Sign grant period easement agreement with city that includes:
 - right of city to enter property to do facade work;
 - owner's promise to maintain the façade work – but you CAN sell
 - owner's promise to get city approval prior to any changes to work
 - **easement is signed by owner and city and is a notarized, recorded agreement binding on heirs, assigns, successors**
 - up to city to enforce any provisions
 - sample forms can be found at
<http://www.iowaeconomicdevelopment.com/CDBG/DowntownFund>

Tips on Communication with Property Owners

- » Don't promise property owners inclusion in application until you know how much money you will have and have assessed all blight
- » Circulate commitment letter templates early on
- » Discuss cash match and facade easement expectations
- » Do NOT expect construction to begin in 2020; plan on summer 2021
- » Convey federal requirements, including that:
 - City will hire architect and contractor and will direct those services
 - Davis Bacon prevailing wages will apply
 - All work subject to Secretary of Interior Standards, (unless no historic potential)
 - Entire building subject to federal requirements – HUD mandates no additional "construction" work to participating buildings through grant end

SLUM & BLIGHT NATIONAL OBJECTIVE THIS IS BLIGHT:



But This May Also Be Blight “Light”



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Meeting Slum and Blight National Objective

- » Is the CDBG qualifying criteria for DTR – project area must meet the definition of Slum & Blight to be eligible for funding
- » *Step 1:* Define a target project area (maybe about 30-50 addresses)
- » *Step 2:* 25% of the buildings in the area must be in fair to poor physical condition overall
- » *Step 3:* The designated area must meet the requirements of Iowa Code Chapter 403:
 - Resolution adopted by City within 2 years of application that says:
 - One or more slum, blighted or economic development areas exist
 - The rehabilitation, conservation, redevelopment, development, or a combination thereof, of the area is necessary in the interest of the public health, safety, or welfare
 - OR inclusion of target area in an existing or new Urban Renewal Area

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Meeting Slum and Blight National Objective

- » In vast majority of cases in Iowa we are talking “Blight Light”
- » Identify and describe deteriorating building components, and ensure the project will address most / provide descriptive photos by element
- » CDBG funds can only be used for buildings properly classified in Fair or Poor condition
- » Main components
 - Basic inventory form for each building in Slum and Blight Area
 - Detailed Slum and Blight form for proposed project buildings
 - City resolution meeting Iowa Code 403 and specific area identified (with attached map)

Slum & Blight Documentation

- » Slum & Blight summary form to be incorporated into the project information section in IowaGrants.Gov
- » Individual building details section in IowaGrants will require info for every building in target area:
 - General individual building description
 - Façade front picture and overall rating
- ❖ CDBG funded buildings will need more info

Individual Building Detail on lowagrants.gov

- » For CDBG funded (selected project) buildings.....
 - Make sure all buildings have no residential uses on ground floor
 - Make sure to have focused, descriptive photos for each blighted category: Storefront, Doors, Windows, Exterior Wall, Porch, Roof, Foundation
 - Make sure to have a priority rating for EACH blighted category
 - Make sure to provide descriptions of any deteriorating conditions
 - Make sure to propose improvements to the areas of the buildings that you have ranked worst
 - Can't always get to all blighted conditions – so focus on worst and get most
 - NEW FOR 2020: Roof repair is permissible for first time but no complete roof replacements; must have 3 other blighted items and roof cannot exceed 40% of total costs

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Slum and Blight Inventory Forms

- » 2020 Forms that do not.....
 - Have sufficient number of pictures of building elements proposed for improvements
 - Complete a priority rating for the blighted property components
 - Provide written descriptions of deteriorating conditions
 - Address primary blighting factors
 - Demonstrate that the project has an overall impact

.....Will certainly not compete well

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Good Pictures for Front Façade: Must Include for ALL Buildings in project Area

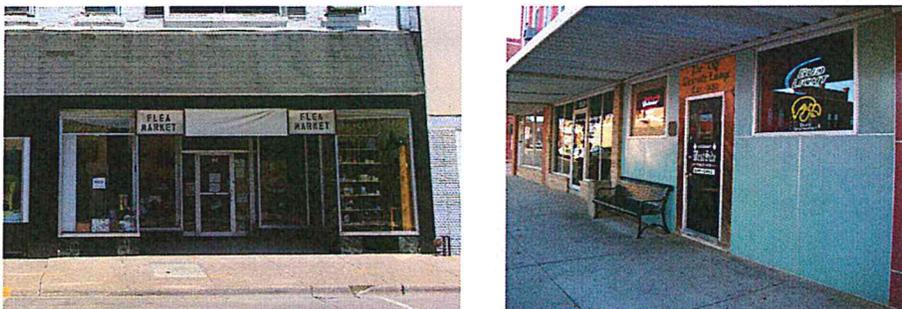


Front Façade Picture: entire height and width of building

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Inadequate Pictures for Front Façade

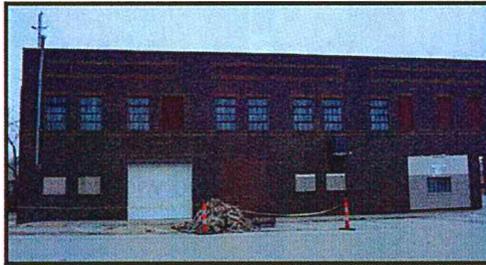


Shows only a portion of the front façade of these buildings

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Inadequate Slum & Blight Photos



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Good Pictures for Documenting Fair & Poor Conditions



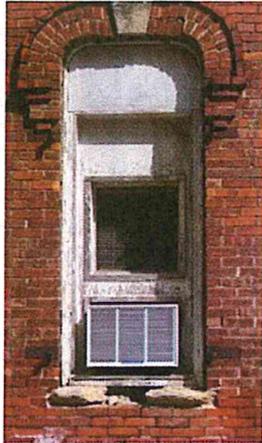
Category Picture:
Storefront/ Side Facade



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Good Pictures for Documenting Fair & Poor Conditions

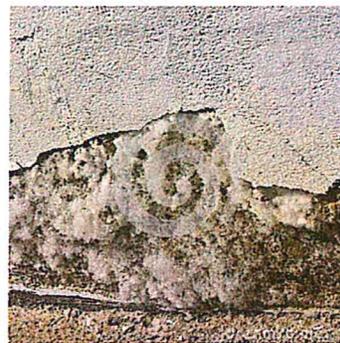


Category Picture: Windows

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Good Pictures for Documenting Fair & Poor Conditions

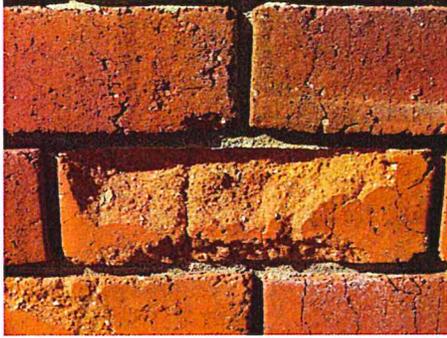


Category Picture: Foundation

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Good Pictures for Documenting Fair & Poor Conditions



Category Picture: Masonry; Exterior Wall

Incomplete Written Description Examples

Windshield surveys will not get the job done. Preparer must walk around the buildings and visit with the owners.

» Exterior Walls & Surfaces

- Brick in bad shape all over building. Lots of tuck-pointing called for.
- Looks like there has been some water damage.
- Wall could use repainting.

» Windows

- Several windows broken or probably can't be opened.
- Some windows may not be weather tight.
- Window frames need work.

» Doors & Entry Ways

- Front door in bad condition.
- Recessed entrance way looks old and dirty.
- Signage dated.

Good Written Description Examples

» Exterior Walls & Surfaces

- Brick work, primarily on second story, showing discoloration, face deterioration and missing or crumbling mortar. Some bricks appear to be loosening and out of alignment. Others are cracked, chipped, or pitted and much of paint cover has worn off. A degree of bowing has been noted on the exterior wall of the first floor. Lintel appears to be sagging and beginning to lose structural integrity. Cornice in need of cleaning and restoration of NE end decorative elements.

» Windows

- A total of four windows on second floor are missing and openings have been filled in with plywood that is beginning to rot. Two other windows are clearly not operational. Upper sash on one second floor window is cracked. All window frames also showing signs of rot. First floor windows showing moisture damage; need to be resealed – caulking and weather stripping. Transom windows covered with metal panel that exhibits significant rust.

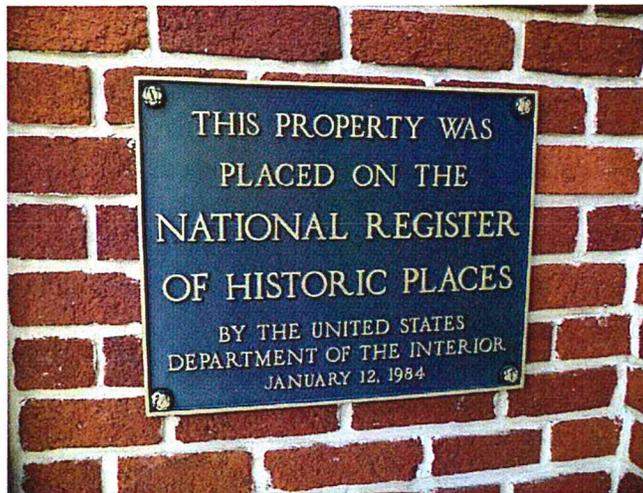
Cost Estimate Preparation

- » Total accuracy is impossible – but architect should be close
- » Err on the high side but stay within reason - average building construction cost expected to be about **\$60,000 in 2020!**
- » As funds can only be used for buildings properly classified in fair or poor condition, costs should rarely be “minimal”
- » Keep in mind that historic preservation standards *may* increase costs
- » Make sure that the property owner is “on board” with final cost estimates
- » Beware of unexpected or “hidden” costs, (i.e.)
 - Asbestos testing or removal; other contamination
 - Structural problems not readily visible

Don't Forget Possible LBP Applicability

- » For residential spaces, basically same rules as for the housing rehabilitation program
 - Affects residential units in a mixed use building
 - Requires testing and interim controls on any residential units for all areas in which painted surfaces will be disturbed
 - Does NOT apply to commercial portion of the structure
 - Applicable residential units are **either occupied or readily occupiable**
 - Hard costs cannot exceed \$24,999 unless building is historic
 - The \$24,999 is considered per residential unit
 - It is acceptable to subtract out costs that are specifically for commercial improvements, however common spaces must be included

Role of Historic Preservation



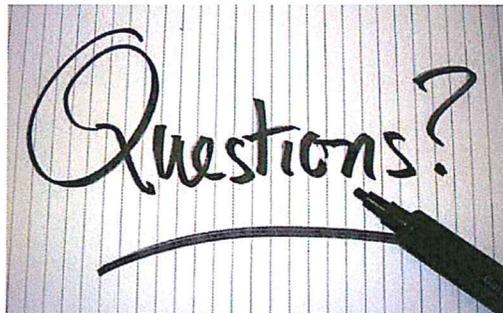
This Photo by Unknown Author is licensed under [CC BY-SA](#)

Historic Preservation Items

- » Be aware of your community's historic/cultural assets as well as any existing districts or local rehabilitation guidelines
- » DTR encourages historic preservation practices
- » If funded & not already done, survey and evaluation of all project properties will be required as part of environmental review (Section 106)
- » Any buildings deemed potentially eligible for national register must be rehabbed in accordance with Sec. of Interior Standards
- » Scope of work to be reflected in bid specs for historic buildings must go through IEDA review
- » Allow time for this review in your overall project timeframe before bidding
- » **Contact Ann Schmid of IEDA staff for info and assistance with process: ann.schmid@iowaeda.com or (515) 725-3078**



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Joe Bohlke & Ed Basch

Project Managers

IEDA

joseph.bohlke@iowa.gov

ed.basch@iowa.gov



CDBG
Community Development Block Grant



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RESOLUTION NO. 2019-38

**A RESOLUTION AUTHORIZING CHANGE TO CONTRACT FOR
CONSTRUCTION OF A NEW ELECTRIC TRANSMISSION LINE COMING INTO
HAWARDEN FROM THE SUBSTATION ON HIGHWAY 10.**

WHEREAS, the City awarded a Contract to Watts Electric on June 12, 2019 by Resolution No. 2019-29 of the City Council; and

WHEREAS, the Contract contained a provision for auto liability coverage in the amount of two million dollars and states that Umbrella liability insurance coverage cannot be used to fulfill this coverage requirement,

WHEREAS, Watt's Electric has a million dollars of automobile coverage and an umbrella policy in the amount of ten million dollars, and

WHEREAS, The City Council believes that the million-dollar auto coverage and ten million dollar umbrella policy is adequate for the scope of the project covered by the Contract;

NOW, THEREFORE be it RESOLVED by the City Council of Hawarden, Iowa that the basic auto liability insurance coverage requirement in the contract may be reduced from two million to one million:

Adopted this 24th day of July 2019.

CITY OF HAWARDEN, IOWA

By _____
Ricard R. Porter, Mayor

ATTEST:

Michael DeBruin, City Administrator

RESOLUTION NO. 2019-39

PROPOSING TO DISPOSE OF REAL PROPERTY AND PUBLISHING A NOTICE OF PUBLIC HEARING

Tract 23 in the Hawarden Industrial Park in Outlot 3 of Musson's Subdivision, in the Incorporated City of Hawarden, Sioux County, Iowa According to the Recorded Plat Thereof Recorded October 2, 2007 at 2007 File Card No 5266 with the improvements thereon, and all rights, easements and appurtenances thereto.

This property is 1.44 acres of bare lot, the 2nd Lot East of Anderson Trucking and 3rd lot East of Bomgaars locally known as 30298 484th Street and taxes as Parcel #1902354009

WHEREAS, the City of Hawarden is the owner of the property legally described above; and,

WHEREAS, the City of Hawarden finds that the disposition of said City property for the purposes of creating a viable economic use for the property, encouraging the establishment and expansion of businesses in the community, generating funds for the Hawarden Municipal Utilities and generating property tax income for the City , are valid public purposes and will further the overall public quality of life, economic well-being and general welfare of the community; and,

WHEREAS, The City Council proposes to dispose of the property by sale to Truesdell Oil Co. on the following terms and conditions:

1. The property will be sold AS IS by Quit Claim deed and no abstract will be provided.
2. The property is sold "AS IS" and the environmental condition of the site is unknown.
3. The property will be sold for \$31,600.00 and the City will provide the purchaser with an economic development grant in the amount of \$10,000.00.
4. Purchaser shall be responsible for payment of all costs of sale including but not limited to costs for publication and recording of all sales procedures and documents of title.
5. City shall retain all existing easements on, under and over the property as needed for utilities.
6. Purchaser agrees not to seek any property tax abatement to which it might otherwise be entitled with regard to this property.
7. The purchaser shall complete construction of a bulk propane plant suitable for a minimum storage of 30,000 gallons of propane upon the property prior to April 1, 2020 and shall grant the City an Option to purchase the property for \$21,600.00 if this obligation is not fulfilled.
8. This Resolution and subsequent proceedings are duplicative of earlier proceedings for the sale of this property wherein the property was described as being in Outlot 25 instead of Outlot 3 and to confirm title.

NOW, THEREFORE, BE IN RESOLVED by the City Council of Hawarden, Iowa that:

1. The Council desires to dispose of the property described herein according to the terms above.
2. The Council shall make a final determination on the proposal following a public hearing, which shall be held on the 14th day of August 2019 at 5:30 p.m. or soon thereafter, in the City Council Chambers, second floor of the Hawarden Community

Center, at 1150 Central Avenue.

3. Pursuant to Iowa Code 364.7 the City Administrator/City Clerk is hereby directed to publish the proper notice of the public hearing with correct legal description and the proposed property disposal proposal.

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

PASSED AND APPROVED this 24th day of July 2019.

Ricard R. Porter, Mayor

ATTEST:

Michael De Bruin, City Administrator/Clerk

RESOLUTION NO. 2019-40

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

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

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

WHEREAS, pursuant to a prior resolution of the Council, the City has heretofore issued its \$2,890,000 Electric Revenue Improvement Bonds, Series 2015, dated May 5, 2015 (the “Series 2015 Bonds”), a portion of which remain outstanding; and

WHEREAS, pursuant to a prior resolution of the Council, the City has heretofore issued its \$2,655,000 Electric Revenue Refunding Bonds, Series 2016, dated October 27, 2016 (the “Series 2016 Bonds”), a portion of which remain outstanding; and

WHEREAS, pursuant to the resolutions (the “Outstanding Bond Resolutions”) authorizing the issuance of the Series 2015 Bonds and the Series 2016 Bonds (hereinafter together referred to as the “Outstanding Bonds”), the City reserved the right to issue additional obligations payable from the net revenues of the Utility and ranking on a parity with the Outstanding Bonds under the terms and conditions set forth in the Outstanding Bond Resolutions; and

WHEREAS, the Council has heretofore proposed to enter into an Electric Revenue Loan Agreement (the “Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$2,950,000, pursuant to the provisions of Section 384.24A of the Code of Iowa, for the purpose of paying the cost, to that extent, of constructing improvements and extensions to the Utility, and has published notice of the proposed action and has held a hearing thereon on July 10, 2019;

WHEREAS, a Preliminary Official Statement (the “P.O.S.”) has been prepared to facilitate the sale of Electric Revenue Bonds, Series 2019 (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”), as the underwriter of the issuance of the Bonds;

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 the Underwriter and Dorsey & Whitney LLP as the City’s disclosure counsel (the “Disclosure Counsel”), 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 and Disclosure Counsel are 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 Administrator/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 scheduled for August 14, 2019.

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 July 24, 2019.

Mayor

Attest:

City Clerk

ORDINANCE NO. 713

**AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE
CITY OF HAWARDEN IOWA BY ELIMINATING THE
NONRESIDENTIAL CITY INTERDEPARTMENTAL RATE FOR
ELECTRICITY.**

BE IT ENACTED by the City Council of the City of Hawarden, Iowa:

SECTION ONE. SUB-SECTIONS MODIFIED. Sub Section 113.06(5) of the Code of Ordinances of the City of Hawarden, Iowa is repealed, and the following adopted in lieu thereof:

5. Nonresidential, City Interdepartmental Rates. Rates applied to interdepartmental electrical services shall be determined by applying the applicable nonresidential rate under this Section 113.06 that would apply if the customer were not a department of the City.

SECTION TWO. SEVERABILITY CLAUSE. If any section, provision of part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

SECTION THREE. WHEN EFFECTIVE. This ordinance shall be in effect from and after its final passage, approval and publication as provided by law.

Passed and Approved by the Council of the City of Hawarden on the 24th day of August 2019.

Ricard R. Porter, Mayor

ATTEST:

Michael DeBruin, City Administrator/Clerk

First Reading: July 24, 2019
Second Reading: July 24, 2019
Third Reading: July 24, 2019

I certify that the foregoing was published as Ordinance No. 713 on the ____ day of August 2019.

Michael DeBruin, City Administrator/Clerk

PRELIMINARY OFFICIAL STATEMENT DATED JULY __, 2019

NEW ISSUE - DTC BOOK ENTRY ONLY

INSURED RATING: S&P: "AA"
(See "Bond Insurance" and "Rating" herein.)

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 under the Internal Revenue Code of 1986 (the "Code"). 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.

\$2,545,000*
City of Hawarden, Iowa
Electric Revenue Bonds,
Series 2019

Dated Date: Date of Delivery

Due: As shown on inside cover

The \$2,545,000* Electric Revenue Bonds, Series 2019 (the "Bonds") are being issued in fully registered form in denominations of \$5,000 or any integral multiple thereof pursuant to a 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 BOKF, N.A., Lincoln, Nebraska, 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, 2020*. 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, 2026* 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 scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY. See "BOND INSURANCE" and "APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" 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 constructing improvements and extensions to the Utility 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, 2019, 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 expected to be adopted by the Issuer on August 28, 2019, which supplements the Outstanding Resolutions (defined herein).

The Bonds, together with the Outstanding Bonds and any Parity Obligations (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 Obligations. 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 September 12, 2019.*



The Date of this Official Statement is August __, 2019.

\$2,545,000*
City of Hawarden, Iowa
Electric Revenue Bonds, Series 2019

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, 2020	\$85,000				June 1, 2030	\$125,000			
June 1, 2021	\$95,000				June 1, 2031	\$130,000			
June 1, 2022	\$100,000				June 1, 2032	\$135,000			
June 1, 2023	\$100,000				June 1, 2033	\$140,000			
June 1, 2024	\$105,000				June 1, 2034	\$145,000			
June 1, 2025	\$105,000				June 1, 2035	\$150,000			
June 1, 2026	\$110,000				June 1, 2036	\$160,000			
June 1, 2027	\$115,000				June 1, 2037	\$165,000			
June 1, 2028	\$115,000				June 1, 2038	\$170,000			
June 1, 2029	\$120,000				June 1, 2039	\$175,000			

* 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," "PRO FORMA," "FORECAST," "INTEND," 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."

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and "APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

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OFFICIAL STATEMENT

\$2,545,000*

**City of Hawarden, Iowa
Electric Revenue Bonds, Series 2019**

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 \$2,545,000* Electric Revenue Bonds, Series 2019 (the “Bonds”) 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, 2019, as amended (collectively, the “Act”) and a Resolution expected to be adopted by the Issuer on August 28, 2019* (the “Series 2019 Resolution”), which supplements other resolutions (the “Outstanding Resolutions” and, together with the Series 2019 Resolution, the “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, together with the Outstanding Bonds and any Parity Obligations (each as defined herein), and the interest thereon shall be payable solely and only out of the 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 Resolution, “Net Revenues” means gross revenues of the Utility (“Gross Revenues”) after deduction of the expenses of operation and maintenance of the Utility, which shall include salaries, wages, cost of maintenance and operation, materials, supplies, insurance, and all other items normally included under recognized accounting practices (but does not include allowances for depreciation in the valuation of physical property of costs related to long-term capital improvement projects) (such expenses are hereinafter referred to as the “Operating Expenses”). See “SECURITY AND SOURCE OF PAYMENT” and “APPENDIX A – GENERAL INFORMATION ABOUT THE MUNICIPAL ELECTRIC UTILITY AND THE ISSUER” herein.

The Bonds are being issued for the purpose of paying the cost, to that extent, of constructing improvements and extensions to the Utility 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 Issuer’s Electric Revenue Improvement Bonds, Series 2015, dated May 5, 2015 (the “Series 2015 Bonds”), and Electric Revenue Refunding Bonds, Series 2016, dated October 27, 2016 (the “Series 2016 Bonds” and together with the Series 2015 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 MUNICIPAL ELECTRIC UTILITY AND THE ISSUER” hereto is intended solely to provide a general description of the Issuer. The Bonds 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 City 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 MUNICIPAL ELECTRIC UTILITY AND THE ISSUER” hereto.

* Preliminary, subject to change.

THE BONDS

General

The Bonds, together with the Outstanding Bonds and any Parity Obligations, and the interest thereon shall be payable solely and only out of the Net Revenues received by the Utility and amounts on deposit in the Sinking Fund and Reserve Fund. 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, 2020*, 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, 2026*, 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 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, together with the Outstanding Bonds and any Parity Obligations (as defined in the Resolution) as may be hereafter issued and outstanding from time to time under the conditions set forth in the Resolution, and the interest thereon shall be payable solely and only out of the Net Revenues received by the Utility and amounts on deposit in the Sinking Fund and Reserve 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 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 and 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 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

* Preliminary, subject to change.

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 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 Principal and Interest 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 first 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 may be. 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 Outstanding Bonds Reserve Fund (as defined in the Resolution) and the Reserve Fund to maintain as a reserve for the payment of principal of and interest on certain of the Bonds and any Parity Obligations secured thereby, including to repay and reimburse all amounts due and payable to any Reserve Fund Credit provider (as defined below). Whenever the sum on deposit in the Reserve Fund has been reduced to less than \$_____ (the "Required Reserve Fund Balance") by the expenditure of all or a portion of such funds in order to prevent or remedy a deficiency in the Sinking Fund, there shall be deposited into the Reserve Fund in each month an amount equal to twenty-five percent (25%) of the Required Reserve Fund Balance 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 whenever for any reason the funds on deposit in the Sinking Fund are insufficient to pay such principal and interest when due. If and to whatever extent Parity Obligations to be secured by the Reserve Fund shall be issued under the conditions set forth in the Resolution, provision shall be made to create and maintain a reasonable reserve therefor. Pursuant to the Resolution, in lieu of maintaining and depositing moneys in the Reserve Fund, the Issuer may hold in deposit in the Reserve Fund a letter of credit issued by a domestic or foreign bank or a debt service reserve fund insurance policy issued by a bond insurance company, in an amount equal to the Required Reserve Fund balance, such bank or bond insurance company (the "Reserve Fund Credit Provider"), as the case may be, having a credit rating at the time of such delivery in one of the two highest rating categories by Moody's or S&P. At closing, the Issuer expects to satisfy the Required Reserve Fund Balance by acquisition of a debt service reserve insurance policy issued by BAM (as defined below).*

(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 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.

* Preliminary, subject to change.

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, the Outstanding 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 Resolution.

Remedies of Bondholders

Pursuant to the Act, the sole remedy for a breach or 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 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 Resolution.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law. See “APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM’s financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P’s current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the Issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM’s total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2019 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$513.9 million, \$105 million and \$408.9 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM’s most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM’s website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE”.

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM’s analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM’s website at buildamerica.com/creditinsights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the Issuer or the Underwriter for the Bonds, and the Issuer and Underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

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, 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.

Bond Insurance

In the event of default of the payment of the regularly scheduled principal of and interest on the Bonds when due, any owner of the Bonds will have a claim under the Policy for such payments.

Default in the payment of principal of and interest on the Bonds does not obligate acceleration of the obligations of BAM without appropriate consent. BAM may direct and must consent to any remedies exercised and BAM's consent may be required in connection with amendments to the Resolution. The obligations of BAM under the Policy are general obligations of BAM and in an event of default by BAM, the remedies available to the Bondholders may be limited by laws related to insolvency. If BAM becomes insolvent or otherwise becomes subject to receivership or similar proceedings under state insurance law, Bondholders may become general unsecured creditors of BAM and, under such circumstances, timely payment of the principal of and interest on the Bonds might depend entirely on the ability of the Issuer to pay principal of and interest on the Bonds as described under the heading "SECURITY AND SOURCE OF PAYMENT" herein.

The ability of BAM to make payment of such defaulted principal or interest under the Policy may be adversely affected by the financial condition of BAM at such time. No assurance is given as to the current or future financial condition of BAM or the financial condition of any entity with which BAM may merge or by which it may be acquired.

In the event BAM is unable to make payment of principal and interest on the Bonds as such payments become due under the Policy, the Bonds are payable solely from the Issuer as described herein. In the event BAM becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability for the Bonds.

The long-term ratings of the Bonds are dependent in part on the financial strength of BAM and its claims-paying ability. BAM's financial strength and claims-paying ability are predicated upon a number of factors which could change over time. No assurance is given that the

long-term ratings of BAM and of the ratings on the Bonds will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability for the Bonds. See “RATING” herein.

The Issuer has made no independent investigation into the claims-paying ability of BAM, and no assurance or representation regarding the financial strength or projected financial strength of BAM is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Issuer to pay principal of and interest on the Bonds and the claims-paying ability of BAM, particularly over the life of the Bonds. See “BOND INSURANCE” herein for further information provided by BAM and the Policy, which includes further instructions for obtaining current financial information regarding BAM.

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 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. Under the Resolution, the Issuer 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 MUNICIPAL ELECTRIC UTILITY AND THE ISSUER” under the captions “HISTORICAL ELECTRIC UTILITY FUND CASH FLOW AND DEBT COVERAGE (FISCAL YEARS ENDED JUNE 30)” and “DEBT SERVICE 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; 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; and increased emphasis on and adoption by the general population of conservation measures. The loss of any of the major 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, 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 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 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 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 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 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 Resolution.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Resolution or the Loan Agreement. The remedies available to the Bondholders upon an event of default under the 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 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 will result in sufficient funds to pay all amounts due under the 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.

Rating Loss

S&P Global Ratings, a Standard and Poor's Financial Services LLC business ("S&P") has assigned a rating of "AA" to BAM. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Bankruptcy and Insolvency

The rights and remedies provided in the 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, the Loan Agreement and the Resolution, including the opinion of Bond Counsel, will be similarly qualified. If the Issuer were to file a petition under chapter nine of the federal bankruptcy code, the owners of the Bonds could be prohibited from taking any steps to enforce their rights under the Resolution. In the event the Issuer fails to comply with its covenants under the 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.

Under sections 76.16 and 76.16A of the Act, a city, county, or other political subdivision may become a debtor under chapter nine of the federal bankruptcy code, if it is rendered insolvent, as defined in 11 U.S.C. §101(32)(c), as a result of a debt involuntarily incurred. As used therein, "*debt*" means an obligation to pay money, other than pursuant to a valid and binding collective bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county, or other political subdivision has made a specific finding set forth in a duly adopted resolution of each of the following: (1) that all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy; (2) that such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development; (3) that as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due; and (4) that the debt is not an obligation to pay money to a city, county, entity organized pursuant to chapter 28E of the Code of Iowa, or other political subdivision.

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 "anticipated," "plan," "expect," "projected," "estimate," "budget," "pro forma," "forecast," "intend," 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 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 exempt 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, 2018 (the “IPERS CAFR”), indicates that as of June 30, 2018, the date of the most recent actuarial valuation for IPERS, the funded ratio of IPERS was 82.36%, and the unfunded actuarial liability was \$6.815 billion. The IPERS CAFR identifies the IPERS Net Pension Liability at June 30, 2018, at approximately \$6.328 billion, while its net pension liability at June 30, 2017, was approximately \$6.661 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 ended June 30, 2018, the Issuer's IPERS contribution totaled approximately \$114,382. 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, 2018, at approximately \$909,513. 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.

Cybersecurity

The Issuer, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the Issuer will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the Issuer's information systems could impact business operations and systems, and the costs of remedying any such damage could be significant.

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 the Issuer is not aware of any pending litigation that questions the validity of these Bonds.

ACCOUNTANT

The financial statements of the Issuer included as "APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER" to this Official Statement 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.

Because the financial statements of the Utility are not presented separately by the Issuer, the Issuer's complete financial statements are included as "APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER". As noted herein, the Bonds are payable solely from the Net Revenues of the Utility and not from any other funds of the Issuer.

PLAN OF FINANCING

The Issuer will use the proceeds of the Bonds to provide funds for the purpose of paying the cost, to that extent, of constructing improvements and extensions to the Utility and paying certain costs of issuance related to the Bonds.

SOURCES AND USES OF FUNDS*

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

* Preliminary, subject to change.

Sources of Funds	
Bond Principal	\$2,545,000*
Premium	
Existing Reserve Fund	
Total Sources of Funds	<u>\$</u>
 Uses of Funds	
Project Fund	\$ _____
Reserve Fund	
Costs of Issuance, Bond Insurance & Contingency ⁽¹⁾	\$ _____
Total Uses of Funds	<u>\$</u>

(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 and bond insurance premium). 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 under the Code.

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 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 exempt 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 maturing in the years _____ 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 the 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 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.

RATING

S&P has assigned a rating of "AA" to the Bonds based upon a municipal bond insurance policy to be issued by BAM. The rating reflects only the views of S&P, and an explanation of the significance of that rating may be obtained only from S&P and its published materials. The rating described above is not a recommendation to buy, sell or hold the Bonds. There can be no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of S&P, circumstances so warrant. Therefore, after the date hereof, investors should not assume that the rating is still in effect. A downward revision or withdrawal of the rating is likely to have an adverse effect on the market price and marketability of the Bonds. The Issuer has not assumed any responsibility either to notify the owners of the Bonds of any proposed change in or withdrawal of any rating subsequent to the date of this Official Statement, except in connection with the reporting of events as provided in the Continuing Disclosure Certificate, or to contest any revision or withdrawal.

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, 2019, 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 link audited financial statements for its fiscal year ending June 30, 2016, with respect to its Series 2014A Bonds, and did not file or timely file notice of its failure to provide such information on or before the date specified in its applicable 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 of \$ _____ and an underwriter's discount of \$ _____).

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 Resolution and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Bonds, the 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, E and F 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 MUNICIPAL ELECTRIC UTILITY AND THE ISSUER

MANAGEMENT AND ADMINISTRATION

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

DESCRIPTION OF ELECTRIC UTILITY SYSTEM

The service area of the Electric 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 Electric 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 Electric 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 Hawarden’s main substation. The Electric 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 Electric 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, 2019

<u>User</u>	<u>KWh Used</u>	<u>Revenue</u>	<u>% of Total Revenue</u>
Superior Farms Dakota Treats	1,290,040	\$109,163	4.9%
Hawarden Regional HealthCare	998,800	76,007	3.4%
LG Everist	986,400	75,532	3.4%
West Sioux High School	923,360	74,049	3.3%
Cooperative Farmers	553,958	62,441	2.8%
Sunshine	725,600	54,341	2.4%
CoilCraft	553,958	53,915	2.4%
Caseys #2687	544,640	43,141	1.9%
CoilCraft	419,000	38,613	1.7%
City Waste Treatment	787,909	<u>35,456</u>	<u>1.6%</u>
Total		\$622,657	27.8%
Total FY 2018/19 Revenue Billings	\$2,241,460		

Source: City of Hawarden.

CURRENT ELECTRIC UTILITY FUND BALANCES (as of May 31, 2019) – will supplement for FINAL POS

Electric Operations and Maintenance	\$1,968,986
Electric Plant Fund	638,373
Electric Revenue Reserve Fund	568,000
Electric Revenue Improvement Fund	100,000
Electric Sinking Fund	<u>35,558</u>
Total	\$3,310,867

Source: City of Hawarden.

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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>
2018	27,537,530	\$985,908
2017	26,934,975	1,061,665
2016	27,752,503	1,183,620
2015	27,084,080	1,145,085
2014	27,131,063	1,192,116

Source: City of Hawarden.

HISTORY OF ELECTRIC SALES AND NUMBER OF CUSTOMERS

<u>Calendar Year</u>	<u>Number of Customers</u>	<u>Total kWh Sold</u>	<u>Total Billings</u>
2018	1,287	25,725,886	\$2,267,347
2017	1,294	25,447,939	\$2,287,576
2016	1,296	25,779,752	\$2,307,309
2015	1,290	25,348,650	\$2,270,415
2014	1,285	25,469,871	\$2,350,881

Source: City of Hawarden.

PEAK DEMAND

<u>Calendar Year</u>	<u>Peak Demand (KW)</u>
2018	6,450
2017	6,351
2016	6,617
2015	6,105
2014	5,650

Source: City of Hawarden.

HISTORY OF ELECTRIC ACCOUNTS SERVED

Consumer Classification	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Residential	1,012	1,024	1,028	1,022	1,029
Commercial	186	182	181	182	179
Demand	14	14	10	10	10
Municipal	66	65	67	67	62
Other	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
Total	1,287	1,294	1,295	1,290	1,289

Source: City of Hawarden's ME-1 Reports (Calendar Year basis).

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 2014 through FY 2018.

	Audited Financial Statements				
	FY 2014	FY2015	FY2016	FY2017	FY2018
OPERATING REVENUES					
Charges for Services	2,417,467	2,304,622	2,355,932	2,390,172	2,366,523
Other Revenue	-	-	-	-	-
Total Operating Revenues	2,417,467	2,304,622	2,355,932	2,390,172	2,366,523
OPERATING EXPENDITURES					
Resale Purchases	1,261,164	1,171,306	1,120,087	1,151,643	1,048,480
Employee Services	224,123	220,939	186,147	348,755	225,501
Contract Services	180,310	197,505	160,223	197,813	179,517
Supplies	65,498	34,301	21,134	87,404	73,068
Repairs and Improvements	25,946	30,432	30,625	15,088	41,790
Miscellaneous	14,160	16,493	18,148	15,212	3,955
Depreciation/Amortization	135,445	160,060	201,124	278,105	307,434
Total Operating Expenditures	1,906,646	1,831,036	1,737,488	2,094,020	1,879,745
Net Operating Income	510,821	473,586	618,444	296,152	486,778
Non-Operating Items					
Interest Income	14,153	11,403	14,559	8,499	19,539
Other income / (expenses)	78,873	117,005	(85,479)	78,025	21,585
Add Back Depreciation/Amortization	135,445	160,060	201,124	278,105	307,434
Total Non-Operating Items	228,471	288,468	130,204	364,629	348,558
Revenue Available for Debt Service	739,292	762,054	748,648	660,781	835,336
Maximum Annual Debt Service (Aggregate)					616,800
Resulting Aggregate Debt Service Coverage					1.3543

DEBT SERVICE COVERAGE

Based on audited 2018 financial performance, net revenues available for debt service of \$835,336 provide approximately 1.35 times debt service coverage on the projected maximum aggregate annual debt service of \$616,800.

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ELECTRIC REVENUE DEBT

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose / Project</u>	<u>Final Maturity</u>	<u>Current Obligation As of 9/12/19</u>
3/15	\$2,890,000	Various Improvements	6/34	\$2,520,000
10/16	2,655,000	Refunding Series 2011	6/31	2,475,000
9/19	*2,545,000	Various Improvements	6/39	<u>2,545,000</u> *
			Total	\$7,540,000 *

* Preliminary, subject to change.

Electric Revenue Debt Requirements

<u>Fiscal Year</u>	<u>Outstanding Revenue Debt</u>		<u>Series 2019 Bonds*</u>		<u>Total Outstanding Principal and Interest*</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal*</u>	<u>Interest*</u>	
FY 2019/20	\$285,000	\$141,701	\$85,000	\$69,388	\$581,089
FY 2020/21	285,000	135,951	95,000	89,288	605,239
FY 2021/22	290,000	130,201	100,000	86,438	606,639
FY 2022/23	300,000	124,351	100,000	83,438	607,789
FY 2023/24	300,000	118,298	105,000	80,438	603,736
FY 2024/25	310,000	111,298	105,000	77,288	603,586
FY 2025/26	315,000	103,535	110,000	74,138	602,673
FY 2026/27	320,000	95,110	115,000	70,838	600,948
FY 2027/28	330,000	86,560	115,000	67,388	598,948
FY 2028/28	340,000	77,805	120,000	63,363	601,168
FY 2029/30	355,000	67,555	125,000	59,163	606,718
FY 2030/31	365,000	57,150	130,000	54,475	606,625
FY 2031/32	385,000	46,075	135,000	49,600	615,675
FY 2032/33	400,000	32,600	140,000	44,200	616,800
FY 2033/34	<u>415,000</u>	<u>16,600</u>	145,000	38,600	615,200
FY 2034/35			150,000	32,800	182,800
FY 2035/36			160,000	26,800	186,800
FY 2036-37			165,000	20,400	185,400
FY 2037-38			170,000	13,800	183,800
FY 2038/39			<u>175,000</u>	<u>7,000</u>	<u>182,000</u>
Total	\$4,995,000	\$1,344,790	\$2,545,000	\$1,108,843	\$9,993,633

* Preliminary, subject to change.

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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 Bonds, Series 2019 (the “Bonds”) in the amount of \$2,545,000, in the denomination of \$5,000 each, or any integral multiple thereof, dated September 12, 2019, in evidence of the Issuer’s obligation under a certain loan agreement (the “Loan Agreement”), dated as of September 12, 2019, and pursuant to a resolution of the Issuer approved on August 28, 2019 (the “Resolution”). The Bonds mature on June 1 in each of the respective years and in the principal amounts and bear interest payable semiannually, commencing June 1, 2020, 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>
2020	\$85,000	_____%	2030	\$125,000	_____%
2021	\$95,000	_____%	2031	\$130,000	_____%
2022	\$100,000	_____%	2032	\$135,000	_____%
2023	\$100,000	_____%	2033	\$140,000	_____%
2024	\$105,000	_____%	2034	\$145,000	_____%
2025	\$105,000	_____%	2035	\$150,000	_____%
2026	\$110,000	_____%	2036	\$160,000	_____%
2027	\$115,000	_____%	2037	\$165,000	_____%
2028	\$115,000	_____%	2038	\$170,000	_____%
2029	\$120,000	_____%	2039	\$175,000	_____%

Principal of the Bonds maturing on June 1 in each of the years 2027 to 2039, inclusive, is subject to optional redemption prior to maturity on June 1, 2026, or on any date thereafter on terms of par plus accrued interest.

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 Bonds, Series 2015, dated May 5, 2015; Electric Revenue Refunding Bonds, Series 2016, dated October 27, 2016; 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 treated as a preference item in calculating the federal alternative minimum tax imposed under the Internal Revenue Code of 1986 (the “Code”). The opinions set forth in the preceding sentence are 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. 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 Bonds, Series 2019 (the “Bonds”), dated September 12, 2019. The Bonds are being issued pursuant to a resolution of the Issuer approved on August 28, 2019 (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>.

“Financial Obligation” shall mean a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or, (iii) guarantee of either (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

“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 end of the 2018-2019 fiscal year, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file on EMMA an electronic copy of its Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate in a format and accompanied by such identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as

separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the Submission Deadline if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the changed fiscal year.

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

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

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

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

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

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

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

Section 5. Reporting of Significant Events

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

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

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

- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(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), (14), or (15) 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), (12), or (16) 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: September 12, 2019

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 Bond 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 System, 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 system 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 system 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 Bond (“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, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor depository). In that event, Bond 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.

APPENDIX F
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

**CITY OF HAWARDEN
FISCAL YEAR 2018-2019
BAD DEBT WRITE-OFFS**

	FY2018-2019	FY2017-2018	FY2016-2017	FY2015-2016	FY2014-2015	FY2013-2014	FY2012-2013	FY2011-2012
UTILITY WRITE-OFFS								
Water Write-Offs & Misc.	\$ 195.21	\$ 114.86	\$ 434.56	\$ 278.49	\$ 112.35	\$ 234.87	\$ 226.48	\$ 754.23
Waste Water Write-Offs	\$ 282.50	\$ 205.92	\$ 324.52	\$ 215.70	\$ 126.60	\$ 330.28	\$ 322.05	\$ 663.84
Electric Write-Offs	\$ 747.06	\$ 764.57	\$ 1,099.01	\$ 663.64	\$ 1,062.18	\$ 746.73	\$ 1,221.80	\$ 2,349.83
Gas Write-Offs	\$ 694.60	\$ 159.23	\$ 918.37	\$ 420.25	\$ 417.40	\$ 1,616.69	\$ 759.15	\$ 2,187.28
Solid Waste Write-Offs	\$ 166.01	\$ 164.91	\$ 197.33	\$ 133.44	\$ 74.45	\$ 262.82	\$ 302.69	\$ 329.46
TOTAL	\$ 2,085.38	\$ 1,409.49	\$ 2,973.79	\$ 1,711.52	\$ 1,792.98	\$ 3,191.39	\$ 2,832.17	\$ 6,284.64
COMMUNICATIONS WRITE-OFFS								
Telephone/Cable Write-Offs	\$ 739.31	\$ 564.65	\$ 877.32	92.84	\$ 933.39	\$ 215.07	\$ 107.39	\$ 292.62
AMBULANCE WRITE-OFFS								
Medicare	\$ 43,034.07	\$ 40,391.23	\$ 60,979.73	\$ 51,927.64	\$ 53,437.91	\$ 24,901.17	\$ 21,918.56	\$ 21,540.30
Title XIX	\$ 37,947.84	\$ 30,971.96	\$ 30,987.07	\$ 21,313.68	\$ 27,504.24	\$ 8,820.01	\$ 16,216.88	\$ 4,608.63
Other/Private Pay	\$ 5,255.15	\$ 9,707.63	\$ 14,323.03	\$ 14,496.13	\$ 30,687.00	\$ 6,798.66	\$ 28,533.68	\$ 21,868.42
TOTAL	\$ 86,237.06	\$ 81,070.82	\$ 106,289.83	\$ 87,737.45	\$ 111,629.15	\$ 40,519.84	\$ 66,669.12	\$ 48,017.35
TOTAL WRITE-OFFS	\$ 89,061.75	\$ 83,044.96	\$ 110,140.94	\$ 89,541.81	\$ 114,355.52	\$ 43,926.30	\$ 69,608.68	\$ 54,594.61
DOUBTFUL ACCOUNTS RECOVERED (from previous years write-offs)								
Utilities	\$ 100.98	\$ 1,364.11	\$ 286.29	\$ 221.14	\$ 1,796.97	\$ 3,088.43	\$ 5,129.15	\$ 2,826.82
Telephone/Cable	\$ 246.98	\$ 31.65	\$ 92.40	\$ 276.39	\$ 980.51	\$ 306.07	\$ 419.07	\$ 1,376.33
Ambulance	\$ 597.69	\$ 4,785.32	\$ 6,157.79	\$ 7,518.23	\$ 1,766.54	\$ 5,208.15	\$ 6,436.05	\$ 3,190.11
	\$ 945.65	\$ 6,181.08	\$ 6,536.48	\$ 8,015.76	\$ 4,544.02	\$ 8,602.65	\$ 11,984.27	\$ 7,393.26