

NOTICE AND CALL OF PUBLIC MEETING

Government Body: Winterset Municipal Utilities
Date of Meeting: August 17, 2016
Time of Meeting: 6:30 P.M.
Place of Meeting: Cedar Lake House, 3623 Cedar Bridge Lane

PUBLIC NOTICE IS HEREBY GIVEN the above-mentioned governmental body will meet at the date, time and place above set out. The tentative agenda for said meeting is as follows:

AGENDA:

1. Call to order, roll call
2. Approval of agenda
3. Minutes of meetings
4. General Manager Report
5. Watershed discussion
6. Public hearing on proposal to enter into an Electric Revenue Refunding Bond
7. Resolution taking additional action on proposal to enter into a Loan Agreement, and authorizing the use of a preliminary official statement in connection therewith
8. Audit Report
9. Water Superintendent Report
10. Electric Superintendent Report
11. Claims

Added items for discussion...

The Board of Trustees of the Winterset Municipal Utilities, Winterset, Iowa, met on August 17, 2016 in accordance with the above Notice & Call of Public Meeting. Chairman Kendall Kerns called the meeting to order with the following members of the Board in attendance.

PRESENT: Steve Montross, Patty Weeks, Kendall Kerns
ABSENT: None

Others in attendance, Steve Benshoof, Utility Water Superintendent, Jay Gibson, Asst. Utility Electric Superintendent, and Dave Braga.

Chairman Kerns asked for approval of the agenda. Trustee Montross moved the agenda be approved. Seconded by Trustee Weeks. On a voice vote the motion carried.

Chairman Kerns stated the minutes from the July 20th meeting had been provided to the board. Trustee Weeks moved to approve the minutes. Seconded by Trustee Montross. On a voice vote the motion carried.

Mr. Wesselmann was asked to give his report to the board. Mr. Wesselmann stated that he has been working with the bonding attorney to get things done for the bond refunding. Mr. Wesselmann reported that he has been working with the auditor to get the 2015 Audit finalized. Mr. Wesselmann stated that they had some problems with the credit card site but that it was cleared up now.

Chairman Kerns asked Trustee Weeks to address the next agenda item, Watershed discussion. Trustee Weeks stated that after meeting with Al Lange it was decided that the prairie area would receive a fall seeding after a vegetation kill. Trustee Weeks stated that we would meet with NRCS at our next board meeting to discuss possible availability of grant money for the watershed and possible coordinator.

Chairman Kerns asked for a motion to open the public hearing on proposal to enter into an Electric Revenue Refunding Bond. Trustee Montross moved to open the public hearing. Seconded by Trustee Weeks. Roll call vote:

AYES: Weeks, Kerns and Montross
NAYS: None

The Chairman stated that the meeting was now open to the public comments on proposal to enter into an Electric Revenue Refunding Bond. After a few questions by Mr. Braga there a brief discussion on the specifics of the bond. Mr. Wesselmann stated that he had received no written comments or objections. Chairman Kerns asked for a motion to close the public hearing. Trustee Montross moved to close the public hearing. Seconded by Trustee Weeks. Roll call vote:

AYES: Weeks, Kerns and Montross
NAYS: None

Board Member Weeks introduced the following resolution and moved its adoption, seconded by Board Member Montross. The Chairman put the question upon the adoption of said resolution, and the roll being called, the following Council Members voted:

Ayes: Weeks, Montross, & Kerns

Nays: None

Whereupon, the Chairman declared the resolution duly adopted, as hereinafter set out.

RESOLUTION NO. 8172016

Resolution taking additional action on proposal to enter into a Loan Agreement and authorizing the use of a preliminary official statement in connection therewith

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

WHEREAS, the management and control of the Utility are now vested in the Board of Trustees (the "Board") of the Utility; and

WHEREAS, pursuant to prior resolution (the "2002 Lease Resolution") of the Board the City has previously entered into an Electric Revenue Lease-Purchase Agreement, dated March 1, 2002 (the "2002 Lease") a portion of which remains outstanding; and

WHEREAS, pursuant to the 2002 Lease Resolution, the right was reserved to issue additional obligations payable from the same source as and ranking on a parity with the 2002 Lease subject to the terms of the 2002 Lease Resolution; and

WHEREAS, pursuant to a prior resolution (the "2010 Bond Resolution") of the Board, the City has previously issued its \$2,815,000 Electric Revenue Bonds, Series 2010, dated January 15, 2010 (the "Series 2010 Bonds"), a portion of which currently remain outstanding, maturing on November 1 in each of the years and in such amounts and bearing interest at such rates as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2016	\$180,000	3.00%
2017	\$185,000	3.30%
2018	\$190,000	3.50%
2019	\$195,000	3.65%
2020	\$205,000	3.90%
2021	\$215,000	4.00%

2022	\$225,000	4.10%
2023	\$230,000	4.15%

WHEREAS, pursuant to the 2010 Bond Resolution authorizing the issuance of the Series 2010 Bonds, the City reserved the right to call the portion (the “Callable Series 2010 Bonds”) of the Series 2010 Bonds maturing in the years 2017 to 2023, inclusive, for early redemption on any date on or after November 1, 2016, subject to the provisions of the 2010 Bond Resolution; and

WHEREAS, the City acting by and through the Board heretofore proposed to enter into an Electric Revenue Refunding Loan Agreement (the “Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$1,400,000 pursuant to the provisions of Section 384.24A of the Code of Iowa for the purpose of paying the cost, to that extent, of current refunding the Callable Series 2010 Bonds, and pursuant to law and a notice duly published, the Board has held a public hearing on such proposal on August 17, 2016; and

WHEREAS, a Preliminary Official Statement (the “P.O.S.”) has been prepared to facilitate the sale of Electric Revenue Refunding Bonds, Series 2016A (the “Bonds”), and it is now necessary to make provision for the approval of the P.O.S. and to authorize its use by Northland Securities, Inc. (the “Underwriter”);

NOW, THEREFORE, Be It Resolved by the Board of Trustees of the Winterset Municipal Electric Utility System, as follows:

Section 1. The Board hereby determines to enter into the Loan Agreement in the future and orders that the Bonds be issued at such time, in evidence thereof. The Board further declares that this resolution constitutes the “additional action” required by Section 384.24A of the Code of Iowa.

Section 2. The Board Secretary is hereby authorized to take such action as shall be deemed necessary and appropriate, with the assistance of Dorsey & Whitney, LLP (the “Disclosure Counsel”), 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 3. 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 Board is hereby approved, and the Underwriter, together with Disclosure Counsel, is hereby authorized to prepare and use a final Official Statement for the Bonds substantially in the form of the P.O.S. but with such changes therein as are required to conform the same to the terms of the Bonds and the resolution, when adopted, providing for the sale and issuance of the Bonds, and the Board Secretary 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 Board within the meaning of Rule 15(c)(2)-12 of the Securities and Exchange Commission.

Section 4. All resolutions or parts thereof 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 August 17, 2016.

Chairperson

Attest:

Board Secretary

Chairman Kerns asked Mr. Wesselmann to address the next agenda item, 2015 Audit report. Mr. Wesselmann reviewed the audit report with board and discussed the findings. Mr. Wesselmann discussed the recommendations in the audit report with the board. Trustee Montross moved to approve the audit report. Seconded by Trustee Weeks. On a voice vote the motion carried.

Mr. Benshoof was asked to give the report on the water department. Mr. Benshoof presented the written report to the board and reported that they disconnected 2 services on S. 4th Ave. for the school. Mr. Benshoof stated that they fixed 2 services on E. Jefferson that were hit by a contractor. Mr. Benshoof stated that the water stopped going over the spillway on 8/8/16, the first time it stopped since the spillway work was completed. Mr. Benshoof reported that the first spillway inspection will be on 8/22/16.

Mr. Gibson was asked to give the report on the electric department. Mr. Johnson presented the written report to the board and reported that they have been putting in new house services. Mr. Gibson reported that they have been working on the new housing development and are waiting for the developer to finish their work before continuing. Mr. Gibson stated that they continue work on the N.E. feeder underground project.

Trustee Kerns stated he had reviewed the claims. Trustee Kerns moved to approve the following list of claims. Seconded by Trustee Weeks. Roll call vote:

AYES: Weeks, Kerns and Montross
NAYS: None

UTILITIES

ELECTRIC

PLANT:

CenturyLink, phone service	232.46
City of Winterset, salaries	1,494.26
City of Winterset, salaries	1,509.75
DeWild Grant Reckert & Assoc, engineer fees	2,820.00
Docs Soft Water, office supplies	5.89
Farabee Mechanical Inc., remove/replace fuel oil	3,150.00
Lamarche Mfg Co., battery charges	924.94
Norsolv Systems Envir Service, machine service	169.01
Shopko Stores, office supplies	55.98
SIMECA, purchase power	325,962.66
Wiegert Disposal, garbage service	73.50

DISTRIBUTION:

A-Tec Energy Corp, energy audits	204.37
Breedings Hardware, hdw supplies/safety clothes	351.22
Central Iowa Power Coop, property taxes	30,393.00
CenturyLink, phone service	34.59
City of Winterset, salaries	8,811.76
City of Winterset, salaries	9,156.27
Evan Davis, reimb text book	90.00
Fletcher Reinhardt, line supplies	1,658.99
Iowa Assn of Municipal Utilities, energizers	508.25
Iowa One Call, locates	53.09
R & B Tire & Auto Inc., truck repairs	128.35
WESCO, swivel grip	598.57
Wiegert Disposal, garbage service	60.00
Winterset Farm & Home, hdw supplies	89.86
Winterset Oil Co., gasoline	516.87

ACCOUNTING/COLLECTION:

Bill Lewis, dep refund	125.00
Chelsea Dorn, dep refund/interest	125.27
City of Winterset, reimb internal	999.66
City of Winterset, reimb sewer/garbage	12,264.30
City of Winterset, salaries	1,107.40
City of Winterset, salaries	890.70
Crystal Hartz, dep refund/interest	125.89

Dallas Whitefield, dep refund/interest	125.63
Dennis Dunmire, dep refund/interest	125.63
Elizabeth Jones, dep refund/interest	125.63
Eric Blessington, dep refund/interest	125.63
Lauren Boersma, dept refund/interest	125.63
Leslie Rodrigues, dep refund/interest	125.63
Maggie Schatzle, dep refund/interest	125.63
Matura, refund/hartz	162.47
Mesha Wagner, dep refund/interest	125.63
Patrick Leonard, dep refund/interest	75.76
Postmaster, postage	118.42
Postmaster, postage	574.72
Rabieh Ibrahim, dep refund	29.39
Seneca Companies, dep refund/interest	125.63
Winterset Municipal Utilities, dep forf/interest forf	927.68
Zachary Long, dep refund/interest	125.63
<u>ADMINISTRATION:</u>	
City of Winterset, benefits	2,176.99
City of Winterset, benefits	8,236.21
City of Winterset, benefits	892.20
City of Winterset, reimb internal	999.66
City of Winterset, salaries	2,170.68
City of Winterset, salaries	2,170.69
City of Winterset, transfer	15,810.00
Madison Co Chamber of Commerce, EVp contribution/lighting donation	2,968.75
Verizon, cellular service	27.48
Water Fund, reimb utilities	9,451.80
<u>TRANSFERS:</u>	
Electric Revenue Bond Sinking, transfer	37,086.46
Electric System Improvement, transfer	5,500.00
ELECTRIC REVENUE BOND SINKING FUND	
<u>DEBT SERVICE:</u>	
SIMECA, debt service	16,000.00
WATER	
<u>PLANT:</u>	
Agriland FS Inc., gasoline	271.27
Breedings Hardware, hdw supplies	306.06
Brittains Std Partsk hdw supplies	44.99
Card Services, test fee/ office supplies	162.48
CenturyLink, phone service	206.55
Chem-Sult Inc., chemicals	10,067.76
City of Winterset, salaries	7,361.81
City of Winterset, salaries	7,722.54
Hach Co., lab testing	1,041.10
Hughes Network Systems LLC, internal service	90.94
Jetco Inc., pump repairs	1,087.50
John Deere Financial, hdw supplies	41.12
State Hygienic Laboratory, lab testing	774.50
Verizon, cellular service	80.16
Wiegert Disposal, garbage service	120.00
Winterset Farm & Home, hdw supplies	30.00
Winterset Municipal Utilities, utilities	9,451.80
<u>DISTRIBUTION:</u>	
Agriland FS Inc., gasoline	271.28
Breedings Hardware, hdw supplies/safety clothes	230.21
Brittains Std Parts, hdw supplies	12.58
Card Services, software	.99
CenturyLink, phone service	34.59
City of Winterset, salaries	6,211.31
City of Winterset, salaries	6,269.71
Iowa One Call, locates	53.09
Martin Marietta Agg, rock	181.57
Municipal Supply Inc., line supplies	1,963.50
Vanderpool Construction Inc., water line repairs	2,230.00

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Wiegert Disposal, garbage service	60.00
Winterset Farm & Home, hdw supplies	100.91
Winterset Oil Co., gasoline	107.22
<u>ACCOUNTING/COLLECTION:</u>	
City of Winterset, reimb internal	999.66
City of Winterset, salaries	1,107.40
City of Winterset, salaries	890.70
Postmaster, postage	118.42
Postmaster, postage	574.72
<u>ADMINISTRATION:</u>	
City of Winterset, benefits	892.20
City of Winterset, reimb internal	999.67
City of Winterset, benefits	2,760.94
City of Winterset, salaries	2,170.70
City of Winterset, salaries	2,170.69
City of Winterset, benefits	10,845.91
City of Winterset, transfer	1,190.00
Madison Co Chamber of Commerce, EVP contribution	156.25
Verizon, cellular service	27.47
<u>TRANSFERS:</u>	
Water Revenue Bond Sinking Fund, transfer	66,564.81
Water System Improvement Fund, transfer	5,000.00
WATER REVENUE BOND SINKING FUND	
<u>DEBT SERVICE:</u>	
Bankers Trust Co., bond redempt/interest/reg fee	624,388.75
WATER SYSTEM IMPROVEMENT FUND	
<u>PLANT:</u>	
Casper Farm Inc., lease pmt	15,000.00
 <u>TOTAL REVENUE</u>	
ELECTRIC:	\$503,045.08
WATER:	\$207,345.10

The date of the next regular meeting was set for 6:30 PM, Wednesday, September 21, 2016 at Light Plant. Being no further business, the Chairman declared the meeting was now adjourned.

Kendall Kerns, Chairman

Attest:

Stephen Wesselmann, General Manager