

# **City of Charles City City Council Agenda Council Chambers, City Hall**

**1. Meeting Date And Time**

A. June 6, 2016 7:00 P.m.

**2. Call To Order**

**3. Citizen/Public Comments (Limited To 5 Minutes Per Comment)**

An opportunity for citizens, groups or representatives or organizations to address the Governing Body on any issue which is not on the agenda

**4. Mayor's Welcome**

**5. Consider Approval Of The Agenda**

Discussion  
Motion

**6. Consider Approval Of The Minutes**

A. Minutes Of May 16 Meeting

Discussion  
Motion

Documents: [SKMBT\\_50116060609110.PDF](#)

**7. Consider Approval Of The Consent Calendar**

A. Approve Filing Lien For Unpaid Utility Bill \$153.74 Acct5015600001

B. Payment Of Claims

Documents: [SKMBT\\_50116060611070.PDF](#)

**8. Business Of The Mayor**

A. Proclamation For Relay For Life June 17

Documents: [SKMBT\\_50116060609111.PDF](#)

B. Proclamation For Flag Day June 14

**9. Petitions, Public Hearings, Communications, Awards And Requests**

A. Request For Street Closure For Relay For Life Event June 17

Discussion  
Motion

Documents: [SKMBT\\_50116060609130.PDF](#)

B. Request For Street Closure For Car Show

Discussion  
Motion

Documents: [SKMBT\\_50116060609131.PDF](#)

C. Request For 4th Of July Activities And Street Closures

Discussion

Motion

Documents: [SKMBT\\_50116060609132.PDF](#)

D. Public Hearing On Ordinance 1091 Amending The Zoning Classification Of Two Parcels Located In Block 8 In The Original Plat Of St. Charles, Now Inforporated As Charles City, Iowa, From B-2, General Business District, To R-3 Multi-Family Residence District And COS, Conservation Open Space, Respectively

- i. Open hearing
- ii. Filing of affidavit of publication 5/25/16
- iii. Written comments or objections
- iv. Oral comments or objections
- v. Close hearing
- vi. Consider 2nd reading of Ordinance 1091  
Discussion  
Motion

Documents: [SKMBT\\_50116060609133.PDF](#)

E. Public Hearing On Ordinance 1092 Amending Section IV, General Provisions, Of The Charles City Zoning Ordinance By Adding A New Subsection To Allow Ramps And Other Structures Providing Accessibility To Residential Structures Forhandicapped Individuals In Situations Where Such Structures Might Otherwise Violate Provisions Of The Zoning Ordinance

- i. Open hearing
- ii. Filing of affidavit of publication 5/25/16
- iii. Written comments or objections
- iv. Oral comments or objections
- v. Close hearing
- vi. Consider 2nd reading of Ordinance 1092  
Discussion  
Motion

Documents: [SKMBT\\_50116060609134.PDF](#)

**10. Ordinances And Resolutions**

A. Consider Resolution 47-16 Approving Contract With ITron For Water Meters

Discussion

Motion

Documents: [SKMBT\\_50116060609140.PDF](#)

B. Consider Motion Approving Sale Of MXU Water Meter Readers To Clear Lake

Discussion

Motion

C. Consider Resolution 48-16 Approving Amended 28E Agreement For SW TIF District

Discussion

Motion

Documents: [SKMBT\\_50116060609150.PDF](#)

D. Consider Resolution 49-16 Approving Change Order For Sanitary Sewer Lining Project

Discussion

Motion

Documents: [SKMBT\\_50116060609160.PDF](#)

E. Consider 1st Reading Of Ordinance 1093 Water Meter Ordinance

Discussion

Motion

Documents: [SKMBT\\_50116060609161.PDF](#)

F. Consider Resolution 50-16 Approving SRF Application For UV Disinfection Project

Discussion

Motion

Documents: [SKMBT\\_50116060609170.PDF](#), [SKMBT\\_50116060609170.PDF](#)

G. Consider Motion To Appoint DeLaine Freeseaman And Keith Starr To The Joint Facility Sub Committee With Mike Hammond As Alternate

Discussion

Motion

Documents: [SKMBT\\_50116060610590.PDF](#)

H. Consider Resolution 51-16 Authorizing And Approving A Loan And Disbursement Agreement And Providing For The Issuance And Securing The Payment Of \$1,745,000 Sewer Revenue Bonds, Series 2016

Discussion

Motion

Documents: [SKMBT\\_50116060611010.PDF](#)

**11. Other Business**

- A. Miscellaneous Correspondence
- B. Attorney's Report
- C. City Clerk's Report
- D. City Administrator's Report
- E. Board, Commission or Committee Reports

**12. Adjournment**

COUNCIL MINUTES  
REGULAR SESSION  
MAY 16, 2016

Charles City City Council met in regular session on May 16, 2016 at 7:00 p.m. in council chambers. Mayor James Erb presided and the following council members were present: Keith Starr, Jerry Joerger, DeLaine Freeseaman, Michael Hammond and Dan Mallaro. Also present were city administrator Steve Diers, city engineer John Fallis and city engineer Ralph Smith.

Citizen Comments - none

Mayor Erb welcomed everyone to the meeting.

Motion by Freeseaman, second Mallaro to approve the agenda. Ayes - 5

Motion by Freeseaman, second Joerger to approve the minutes of the May 2 and 11 meetings. Ayes - 5

Motion by Joerger, second Freeseaman to approve the consent calendar. Ayes - 5

Business of the Mayor - Cathy Girken was present to request a proclamation for Poppy Day on May 27. The poppy sales proceeds go to help veterans. Art White was also present to request a proclamation for Memorial Day. Program is scheduled at the courthouse starting at 10:00 for approximately 45 minutes. Motion by Starr, second Freeseaman to approve the proclamations as presented. Ayes - 5. Mayor Erb read the proclamations.

Karen Andersen was present to request use of the southwest corner of the HyVee parking lot for a Relay for Life fundraiser on May 25<sup>th</sup>. It will be a drive-by donation drive with everyone that donates receiving a free cupcake. She has talked to both HyVee and First Security and they are okay with this. Motion by Freeseaman, second Joerger to approve this request. Ayes - 5

A request has been received from Eduardo Concepcion for a parade celebrating Flores de Mayo on May 28. The procession will go from Immaculate Conception church, down Clark Street taking a right onto Wisconsin St., turning right onto Blunt Parkway and turning left onto Milwaukee Street ending at the Senior Center. This will occur on May 25 approximately 2:30 p.m. Motion by Hammond, second Joerger to approve the request. Ayes - 5

Mary Mooberry had presented a request at the last planning session about blocking off Main Street from Gilbert to Court street during the Memorial Day program at the courthouse. It would be approximately 45 minutes and both the police and street departments are on board with it. The loud traffic makes it difficult to hear the speakers during the program so the committee would like to try this to see if it helps. Some concern expressed over closing Main Street, but it was decided to try this and if it doesn't work, it won't be done again. Motion by Joerger, second Mallaro to approve the request. Ayes - 5

Mayor Erb opened the public hearing on the budget amendment for FY16. Affidavit of publication dated 5/5/16 was informally filed. Mayor asked for written comments. There being none, he then asked for oral comments. There were none. Motion by Joerger, second Freeseaman to close the hearing. Ayes - 5. State code dictates that whenever a city over spends any program budget, an amendment is necessary. Several items caused the city to go over various budgets and they include purchase of a fire aerial, refunding a bond and changes in timing of various capital projects. The tax levy will not change. Council member Freeseaman introduced Resolution No. 38-16 entitled, "RESOLUTION APPROVING BUDGET AMENDMENT #1 FOR FY16" and moved for adoption. Second to adopt Joerger. Resolution duly passed on roll call vote as follows: Ayes - Hammond, Mallaro, Starr, Joerger, Freeseaman. Nays - none

Mayor Erb opened the public hearing for a sewer revenue loan and disbursement agreement. Affidavit of publication dated 5/2/16 was informally filed. Mayor Erb asked for written comments. There being none, he then asked for oral comments. There were none. Motion by Hammond, second Freeseaman to close the hearing. Ayes - 5. The UV disinfection project is all but complete. This project was necessary to decrease our bacteria levels as mandated by the DNR and is working as it should so we shouldn't have to do Phase 3. We are asking for a not to exceed amount of \$1,790,000 to be repaid through sewer revenues. Council member Joerger introduced resolution No. 39-16 entitled, "RESOLUTION TAKING

ADDITIONAL ACTION ON PROPOSAL TO ENTER INTO A SEWER REVENUE LOAN AND DISBURSEMENT AGREEMENT AND TO BORROW MONEY THEREUNDER IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,790,000" and moved for adoption. Second to adopt Freeseeman. Resolution duly passed on roll call vote as follows: Ayes - Starr, Joerger, Freeseeman, Hammond, Mallaro. Nays - none.

Ordinance 1091 AN ORDINANCE AMENDING THE ZONING CLASSIFICATION OF TWO PARCELS LOCATED IN BLOCK 8 IN THE ORIGINAL PLAT OF ST. CHARLES, NOT INCORPORATED AS CHARLES CITY, IOWA, FROM B-2, GENERAL BUSINESS DISTRICT, TO R-3, MULTI-FAMILY RESIDENCE DISTRICT, AND COS, CONSERVATION OPEN SPACE DISTRICT, RESPECTIVELY was presented for its first reading. This ordinance would change two parcels located in the 300 block of N. Jackson from B-2 to COS and change the rest of that block that is B-2 to R-3. Planning and zoning has held a public hearing on this re-zoning and they are recommending approval. Motion by Freeseeman, second Joerger to approve the First Reading of Ordinance 1091. Ayes - 5. Council member Freeseeman read the ordinance. Council member Hammond introduced Resolution No. 40-16 entitled, "RESOLUTION DIRECTING THE CLERK TO PUBLISH NOTICE OF HEARING ON ORDINANCE 1091 AMENDING THE ZONING CLASSIFICATION OF TWO PARCELS LOCATED IN BLOCK 8 IN THE ORIGINAL PLAT OF ST. CHARLES, NOT INCORPORATED AS CHARLES CITY, IOWA, FROM B-2, GENERAL BUSINESS DISTRICT, TO R-3 MULTI FAMILY RESIDENCE DISTRICT AND COS CONSERVATION AND OPEN SPACE DISTRICT, RESPECTIVELY" and moved for adoption. Second to adopt Joerger. Resolution duly passed on roll call vote as follows: Ayes - Freeseeman, Hammond, Mallaro, Starr, Joerger. Nays - none.

Ordinance 1092 AN ORDINANCE AMENDING SECTION IV, GENERAL PROVISIONS, OF THE CHARLES CITY ZONING ORDINANCE BY ADDING A NEW SUBSECTION TO ALLOW RAMPS AND OTHER STRUCTURES PROVIDING ACCESSIBILITY TO RESIDENTIAL STRUCTURES FOR HANDICAPPED INDIVIDUALS IN SITUATIONS WHERE SUCH STRUCTURES MIGHT OTHERWISE VIOLATE PROVISIONS OF THE ZONING ORDINANCE was presented for its first reading. This ordinance will allow for ramps to be installed at staff discretion that don't meet the setback requirements and not to require submittal of a variance before the board of adjustment. These ramps would only be allowed to stay in place as long as the occupant needing the ramp resides in the residence and it must be removed within six months after that resident ceases to live there. Planning and zoning held a public hearing on this ordinance and they are recommending approval. Motion by Joerger, second Freeseeman to approve the first reading of Ordinance 1092. Ayes - 5. Council member Joerger read the ordinance. Council member Joerger introduced Resolution No. 41-16 entitled, "RESOLUTION DIRECTING THE CLERK TO PUBLISH NOTICE OF HEARING ON ORDINANCE 1092 AMENDING SECTION IV, GENERAL PROVISIONS, OF THE CHARLES CITY ZONING ORDINANCE BY ADDING A NEW SUBSECTION TO ALLOW RAMPS AND OTHER STRUCTURES PROVIDING ACCESSIBILITY TO RESIDENTIAL STRUCTURES FOR HANDICAPPED INDIVIDUALS IN SITUATIONS WHERE SUCH STRUCTURES MIGHT OTHERWISE VIOLATE PROVISIONS OF THE ZONING ORDINANCE" and moved for adoption. Second to adopt Freeseeman. Resolution duly passed on roll call vote as follows: Ayes - Mallaro, Starr, Joerger, Freeseeman, Hammond. Nays - none.

HUD is requesting a change in the city's housing contract to include extra vouchers currently at the 9<sup>th</sup> Street Group Home. This facility is not renewing its housing contract with HUD and has a total of 12 units. If we don't choose to add these vouchers, another area housing authority will be asked to accept these vouchers and will be in control of administering them. Director Nielsen stated we are able to absorb these extra vouchers without any problems. Council member Starr introduced Resolution No. 42-16 entitled, "RESOLUTION APPROVING CHANGE IN CONTRACT WITH HUD" and moved for adoption. Second to adopt Freeseeman. Resolution duly passed on roll call vote as follows: Ayes - Starr, Joerger, Freeseeman, Hammond, Mallaro. Nays - none.

HyVee is requesting a change in area of the current lease of parking stalls for their garden supplies. Originally, they had requested 6 stalls but they are actually in need of 11 stalls, including the end cap. The original lease was \$55 total, so the new amount will be \$99, amounting to \$9 per stall. Council

member Hammond introduced Resolution No. 43-16 entitled, "RESOLUTION AMENDING A LEASE AGREEMENT BETWEEN HYVEE AND THE CITY OF CHARLES CITY FOR USE OF PUBLIC PARKING LOT" and moved for adoption. Second to adopt Mallaro. Resolution duly passed on roll call vote as follows: Ayes – Joerger, Freeseeman, Hammond, Mallaro, Starr. Nays – none.

There is a metal frame of a structure located along the Charley Western trail and the city had interest from a citizen to purchase it. The city advertised for bids and we received only one bid from Kamm Excavating. The bid was for the city to pay \$500 for removal of the structure. Council member Freeseeman asked street superintendent Dirk Uetz if city employees could remove it themselves and he replied that it would take about a day and then we could sell the steel. Motion by Freeseeman, second Hammond to reject the bid received for the metal structure.

Street superintendent Dirk Uetz would like to purchase a batwing mower. Bids were requested from area dealers and 4 were received. They were all pretty close to each other, so staff is recommending purchasing from Swartzrock Implement for \$13,550. Even though this was not the low bid, it is within the 10% parameter of the local purchasing clause in our purchasing policy. This item will be included in our one day borrowing for FY16. Council member Joerger introduced Resolution No. 44-16 entitled, "RESOLUTION APPROVING PURCHASE OF BATWING MOWER" and moved for adoption. Second to adopt Freeseeman. Resolution duly passed on roll call vote as follows: Ayes – Hammond, Mallaro, Starr, Joerger, Freeseeman. Nays - none.

We have received an engagement letter from Baird for the fire truck loan we are working on. This has become standard practice due to recent legislation and it spells out the duties the firm will perform for the city. Motion by Starr, second Joerger to approve the engagement letter. Ayes – 5

Paul Donna, representing Baird, was present to discuss the loan agreement for the fire aerial truck. All four local banks were contacted, as well as some outside of the city, for bids. Offers were received from First Citizens Bank and First Security Bank with First Citizens Bank providing the best offer at 1.85% for the first 2 ½ years of the loan and 2.45% for the remaining 7 ½ years. Council member Starr introduced Resolution No. 45-16 entitled, "RESOLUTION APPROVING A LOAN AGREEMENT, PROVIDING FOR THE ISSUANCE OF \$792,000 GENERAL OBLIGATION FIRE TRUCK ACQUISITION NOTES, SERIES 2016A AND PROVIDING FOR THE LEVY OF TAXES TO PAY THE SAME" and moved for adoption. Second to adopt Hammond. Resolution duly passed on roll call vote as follows: Ayes – Starr, Joerger, Freeseeman, Hammond, Mallaro. Nays – none

City Clerk O'Donnell reported that the next planning session will be May 23 at 7:00 p.m. City hall will be closed Monday, May 30 for Memorial Day.

City Administrator Diers reported that staff will be meeting with the people from Simply Essentials again this week on their proposed chicken processing plant. Research continues on broadband issues and this topic will be on an upcoming planning session agenda.

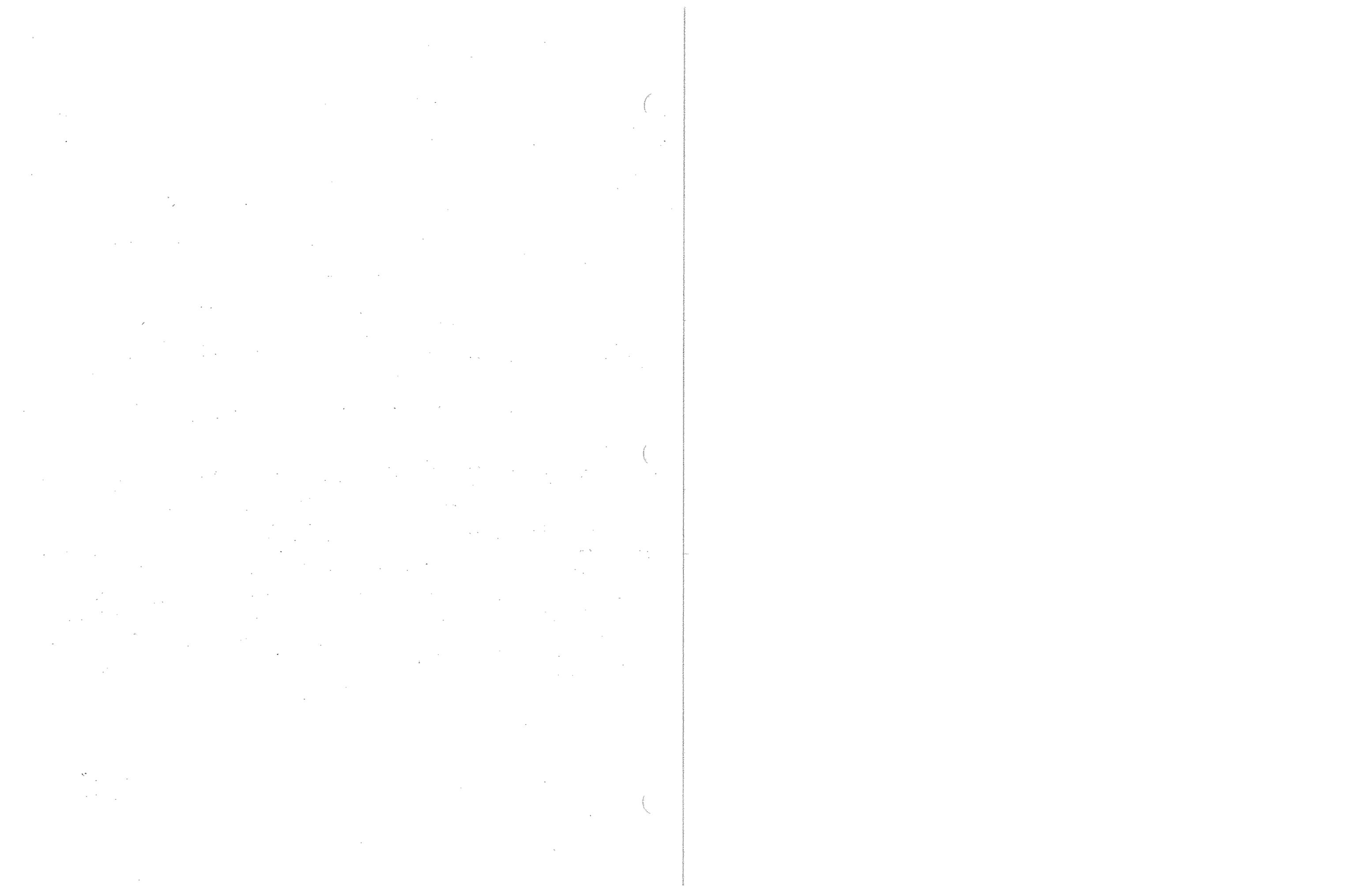
Motion by Freeseeman, second Mallaro to adjourn. Ayes – 5

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James A. Erb, Mayor

Attest:

Trudy O'Donnell, City Clerk



**CITY CLAIMS 06/06/16**

<b>VENDOR</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
PAYROLL	PAYROLL ENDING 05/14/16	\$ 81,281.41
PAYROLL LIABILITIES	PAYROLL LIABILITIES	\$ 96,339.30
PAYROLL	PAYROLL ENDING 05/28/16	\$ 84,528.84
PAYROLL LIABILITIES	PAYROLL LIABILITIES	\$ 35,642.58
JUNE HAP CHECKS	JUNE HAP CHECKS	\$ 47,912.30
AUXIANT	FLEX SPENDING REIMBURSEMENTS	\$ 60.02
BANCORPSV	FLEX PLAN DRAW-BENNY CARDS	\$ 394.71
BANCORPSV	FLEX PLAN DRAW-BENNY CARDS	\$ 271.78
CENTURYLINK COMMUNICATIONS	PHONE-HOUSING	\$ 178.57
CUSB	DEBT SERVICE	\$ 236,313.25
DISH NETWORK	TV SERVICE-P&R	\$ 68.98
FIREST CITIZENS NATIONAL BANK	DEBT SERVICE	\$ 23,870.58
FIRST SECURITY BANK	DEBT SERVICE	\$ 17,262.50
HY-VEE INC	FUEL/SUPPLIES-CITY DEPTS	\$ 1,667.87
JENDRO SANITATION	SPRING CLEANUP COSTS	\$ 16,273.00
KABRICK DISTRIBUTING	BEER-P&R	\$ 366.80
NOAH, SMITH & SCHUKNECHT TRUST ACCT	CLOSING-NUISANCE ABATEMENT	\$ 4,282.60
RISE BROADBAND	EXTRA EMAIL-CABLE	\$ 16.00
STATE BANK	DEBT SERVICE	\$ 17,758.76
TREASURER, STATE OF IOWA	SALES TAX-CITY DEPTS	\$ 3,755.82
UNITED BEVERAGE	BEER-P&R	\$ 532.10
AGING SERVICES COALITION N IOWA	MEMBERSHIP DUES-FGP	\$ 30.00
AGVANTAGE FS	CHEMICALS-WTP	\$ 351.06
ALLEN OCCUPATIONAL HEALTH SERV	AUDIO-DAVID SWEET-STREET	\$ 28.00
AMERICAN TARGET COMPANY	TARGETS/SHOOTING SUPPLIES-PD	\$ 384.00
ANGEL PHOTO & DESIGN	FOSTER GRANDPARENT PHOTOS-FGP	\$ 502.00
ASCAP	BASE LICENSE FEES-P&R	\$ 336.00
BARRON EQUIP & OVERHEAD DOOR	AIR VOLUTION,MACROAIR CONT-CVTC	\$ 26,762.89
BELIN MCCORMICK PC	PROFESSIONAL SERVICES-WTP	\$ 146.00
BETTY HANSON (FGP)	MILEAGE-FGP	\$ 8.32
BITUMINOUS MATERIALS & SUPPLY	848.98 GALLONS CRS-2-STREET	\$ 1,655.51
BOLAND RECREATION	BASKETBALL BANKBOARDS-P&R	\$ 3,950.00
CAL'S AUTO REPAIR INC	DOLMAR GAS TRIMMER-WWTP	\$ 290.15
CANADIAN PACIFIC RAILWAY CO.	RAILROAD CROSSING LEASE-WTP	\$ 556.00
CARPENTER UNIFORM CO	4 HALO VESTS-PD	\$ 2,821.00
CASEY MALLORY	TRAVEL REIMBURSEMENT-PD	\$ 103.88
CC FIRE EXTINGUISHER SERV	FIRE EXT SERVICE-P&R	\$ 199.00
CC PUBLIC EMP HEALTH PLAN	INSURANCE-CITY DEPTS	\$ 55,933.64
CEDAR CREEK TREE SERVICE LLC	TREE/STUMP REMOVALS-STREET	\$ 8,160.00
CEMSTONE CONCRETE MATERIALS LLC	TOPDRESSING-P&R	\$ 826.02
CENTURYLINK COMMUNICATIONS	PHONE-CVTC	\$ 381.70
CC CHAMBER OF COMMERCE	SHANKLAND INSURANCE-TECH GRANT	\$ 925.43

CHARLES CITY ELECTRONICS	16 GIG FLASH DRIVE-PD	\$	24.99
CHARLES CITY HOUSING	MOTOR VEHICLE FUEL TAX REFUND	\$	103.76
CHARLES CITY PRESS INC	RENEWAL SUBSCRIPTION-FD	\$	129.00
CITY OF CHARLES CITY	WATER/SEWER-CVTC	\$	185.48
COMPUTRONICS	NEW COMPUTER (CHIEF)-PD	\$	1,355.00
COUNTRY INN & SUITES-AMES	IAPFC LODGING-WHIPPLE-FD	\$	176.96
CROELL REDI MIX INC	CHIPS WITH FINES-P&R	\$	82.62
D&K PRODUCTS	GRASS SEED/FERTILIZER-P&R	\$	904.13
DANKO EMERGENCY EQUIPMENT	JUMBO BALL INTAKE VALVE-FD	\$	1,738.75
DLT SOLUTIONS, LLC	AUTODESK SUBSCRIP RENEWAL-ENG	\$	1,046.37
DOLLAR GENERAL STORES	SUPPLIES-FGP	\$	5.50
DON'S REPAIR	TRIMMER CORD-P&R	\$	47.78
DON'S TRUCK SALES INC	REPAIR PARTS-STREET	\$	208.54
ELECTRICAL ENG & EQUIP CO	PM GENERATOR-FD	\$	450.00
ETHANOL PRODUCTS LLC	CO2-WTP	\$	1,167.94
FLOYD COUNTY AG CENTER	GRASS WEED KILLER-WWTP	\$	130.00
FLOYD COUNTY ENGINEER	FITTINGS/HOSES-CITY DEPTS	\$	363.05
FOX ENGINEERING INC	NUTRIENT STUDY/FACILITY PLAN-WWTP	\$	7,544.50
GALLS LLC	BADGE-PD	\$	374.47
HACH COMPANY	LAB SUPPLIES-WTP	\$	524.61
HAWKINS INC	POOL CHEM/TEST REAGENTS-P&R	\$	3,314.76
HD SUPPLY WATERWORKS	REPAIR PARTS-WTP	\$	109.89
HEWETT WHOLESALE	FOOD/PIZZA OVEN-P&R	\$	250.60
HYDRO KLEAN LLC	MANHOLE REHABS-SANI SEWER	\$	8,220.00
INT'L ASSOC ELECTRICAL INSPECTORS	ELEC INSPECTOR DUES-HUGHES-CE	\$	120.00
IA DEPT OF NATURAL RESOURCES	EXAM FEE-MARK MCCOY-WWTP	\$	60.00
IDOT-CASHIER'S OFFICE	FUEL/SUPPLIES-CITY DEPTS	\$	3,081.68
IDOT-CASHIER'S OFFICE	SUPPLIES-CVTC	\$	77.79
IOWA LAW ENFORCEMENT ACADEMY	FBI SUPERVISOR TRNG-MALLORY-PD	\$	650.00
IMAGETEK INC	PROFESSIONAL SERVICES-CLERK	\$	37.50
INTERSTATE BATTERIES UPPER IOWA	BATTERY-CAR 4-PD	\$	109.95
IOWA CODIFICATION INC	PREP-MAY/16 SUPPLEMENT-CLERK	\$	81.00
IOWA GOLF ASSOCIATION	2016 MEMBERSHIP DUES-P&R	\$	720.00
IOWA ONE CALL	UTILITY LOCATES-WTP	\$	84.90
IOWA PRISON INDUSTRIES	1-PILOTT TASK CHAIR-DISPATCH	\$	2,727.50
JACQUELINE FERCH (FGP)	MILEAGE-FGP	\$	26.88
JEANETTE KLUNDER (FGP)	MILEAGE-FGP	\$	9.60
JENDRO SANITATION SERVICES	GARBAGE PICKUP-CVTC	\$	216.00
JOHN DEERE FINANCIAL	SAFETY SHOES/SUPPLIES-P&R	\$	162.81
JOHN A HOWE	CLEANING CONTRACT-CITY HALL	\$	850.00
KATHRYN HERRICK	TRAVEL REIMBURSEMENT-PD SEC	\$	25.38
KAY PARK RECREATION	PCNIC TABLE FRAMES-P&R	\$	619.40
KIESLER'S POLICE SUPPLY INC	5-GLOCK 22 PISTOLS-PD	\$	2,085.00
KMART STORE #7767	SWIM DIAPERS-P&R	\$	32.97
KOCH BROTHERS INC	COLOR COPIES-BROCHURE-CE	\$	6.37
LEAF	COPIER LEASE-PD	\$	121.03
LOU'S GLOVES, INC	NITRILE EXAM GLOVES-WWTP	\$	86.00

MANAGERPLUS LLC	SOFTWARE AGREEMENT-STREET	\$	449.00
MARY LITTERER	RECOGNITION SUPP REIMBURSE-FGP	\$	336.42
MARZEN'S TOWING	TOWING/STORAGE-PD	\$	275.00
MICK GAGE PLUMBING & HEATING	RESTROOM RENTAL/PARTS-P&R	\$	285.89
MID-IA SOLID WASTE EQUIPMENT	ROOT KNIFE/SKID-SANI SEWER	\$	348.58
MID-WEST ROOFING COMPANY	REPAIRS/SUPPLIES-CVTC	\$	219.19
MIDAMERICAN ENERGY	UTILITIES-CITY DEPTS	\$	24,886.63
MIDWEST BREATHING AIR LLC	COMPRESSOR OIL/VALVE SCREW-FD	\$	100.25
MIKE'S C&O TIRE INC	TIRES/SERVICE-CITY DEPTS	\$	5,448.25
MISSISSIPPI LIME COMPANY	STANDARD QUICKLIME-WTP	\$	5,458.79
MTI DISTRIBUTING INC	MOWER REGULATOR-P&R	\$	86.54
NCL OF WISCONSIN	LAB SUPPLIES-WWTP	\$	330.97
NEW HAMPTON AUTO BODY LLC	UTILITY GATE SPRINGS-P&R	\$	80.00
NEW HAMPTON ELECTRIC	INSTALL GAS PUMP LIGHT-CVTC	\$	135.00
NEWBAUER INC	MATS/TOWELS-CVTC	\$	587.26
NIACC	UNCANCELLED REGIS-HOLZER-WWTP	\$	60.00
NOAH, SMITH & SCHUKNECHT PLC	PROFESSIONAL SERVICES-LEGAL	\$	7,056.47
OTTO'S OASIS	FLOWERS-P&R	\$	92.34
PAWS HUMANE SOCIETY	CONTRACT-ANIMAL CONTROL	\$	1,550.00
PERRY NOVAK ELECTRIC INC	ELECTRICAL SERVICES-CITY DEPTS	\$	2,018.52
R&S MOWING	MOWING PLANT & LAGOONS-WTP	\$	450.00
RC SYSTEMS	SIREN REPAIRS/BATTERIES-EMERG	\$	2,684.43
RECREATION SUPPLY COMPANY	SWIM LESSON SUPPLIES-P&R	\$	34.68
RECREONICS, INC	VALVES/RESCUE TUBE/UMBRELLAS-P&R	\$	400.98
RIVER CITY FENCE COMPANY	DOG PARK FENCING-P&R	\$	4,950.00
RYAN W WOLFE	TAPING MEETINGS-CABLE	\$	150.00
SCHUMACHER ELEVATOR COMPANY	ANNUAL SAFETY TEST-WWTP	\$	750.00
SHIELD TECHNOLOGY CORPORATION	SHIELDWARE/MAINTENANCE FEES-PD	\$	3,862.50
SISSON & ASSOCIATES INC	HANDRAIL PROJECT INS-HOUSING	\$	180.00
SITE SERVICES, INC	ASBESTOS SURVEY-1911 CLARK-CE	\$	400.00
SJE-RHOMBUS	UPGRADE SCADA,3 PC,MONITOR-WTP	\$	39,895.00
SNAP-ON TOOLS/DUANE KAY	CLAM SHELL BLAST CABINET-CVTC	\$	2,295.00
STAPLES CREDIT PLAN	SUPPLIES-PD	\$	40.97
STEVEN T DIERS	MONTHLY PHONE STIPEND-ADMIN	\$	50.00
STEVEN ZIMMER	TAPING 5/2, 5/16 MEETINGS-CABLE	\$	60.00
STORY CONSTRUCTION	ROCK FILTER REPAIRS-WWTP	\$	18,097.63
SUPERIOR WELDING SUPPLY CO	FIRE EXTINGUISHER SERVICE-FD	\$	358.20
T&T TOOLS INC	SNUB HOSE HOOKS-SANI SEWER	\$	266.00
TASER INTERNATIONAL	TASERS/HOLSTERS/BATTERIES-PD	\$	2,732.04
THE CUTTING EDGE	AERIFIED GREENS-P&R	\$	900.00
TRANS-IOWA EQUIPMENT INC	EQUIP/SUPPLIES-SANI SEWER	\$	2,590.98
ULTRAMAX AMMUNITION	AMMUNITION-PD	\$	3,877.00
US POSTAL SERVICE	RESERVE POSTAGE-BUS OFF	\$	1,000.00
USA BLUEBOOK	SUPPLIES-WTP	\$	670.17
VALERO RENEWABLE FUELS CO	BI-ANNUAL LEASE PURCHASE PYMT	\$	75,750.00
VERIZON WIRELESS	MDT DATA FEES-PD	\$	120.07
VERN LAURES AUTO CENTER	TIE ROD & NUT-PD	\$	46.43

ZARNOTH BRUSH WORKS INC

TUBE BROOM/GUTTER BROOM-STREET

\$ 1,455.00

**TOTAL**

\$ 1,027,451.01

ACCOUNTS PAYABLE ACTIVITY

CLAIMS REPORT

*Housing*

VENDOR NAME	REFERENCE	VENDOR TOTAL	CHECK CHECK#	CHECK DATE
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ACCOUNTS PAYABLE CLAIMS  
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BUSINESS CARD	TRAINING-HOUSING	502.10		
C. NABER & ASSOCIATES	FEES S8-HOUSING	395.00		
CEDAR VALLEY PRINT & SUPPLY	SUPPLIES-HOUSING	199.00		
CINTAS CORPORATION #762	RUG SERVICE-HOUSING	187.26		
CITY OF CHARLES CITY	WATER	2,570.32		
DON'S REPAIR	PARTS-HOUSING	108.88		
GE CAPITAL	LEASE-HOUSING	252.02		
HEIDI J. NIELSEN	REIMBURSEMENT-HOUSING	27.35		
HOCKENSON PLUMBING	SUPPLIES	822.70		
IDOT-CASHIER'S OFFICE	FUEL-HOUSING	107.94		
JENDRO SANITATION SERVICES	TERRACES	611.00		
MARCO INC	SERVICE-HOUSING	74.20		
ARTHUR MEHMEN	SERVICES-HOUSING	150.00		
MIDAMERICAN ENERGY	UTILITIES-HOUSING	5,770.75		
NOAH, SMITH & SCHUKNECHT PLC	SERVICES-HOUSING	1,407.88		
PHYLLIS COMSTOCK	SEC DEP REFUND-HOUSING	200.00		
PITNEY BOWES	LEASE-HOUSING	54.09		
PLUNKETT'S PEST CONTROL	SERVICES-HOUSING	1,200.00		
SCHUETH ACE HARDWARE	MAINTENANCE-HOUSING	286.66		
STACY CLEVELAND	REIMBURSEMENT-HOUSING	40.96		
STAPLES DIRECT	SUPPLIES-HOUSING	402.30		
SUPERIOR LUMBER INC	MAINTENANCE-HOUSING	42.52		
UNITED STATES CELLULAR	PHONE-HOUSING	72.36		
YARDI RESIDENT SCREENING	SERVICES-HOUSING	105.00		

\*\*\*\* SCHED TOTAL \*\*\*\* 15,590.29

\*\*\*\*\* REPORT TOTAL \*\*\*\*\*  
===== 15,590.29 =====



~ PROCLAMATION ~  
RELAY FOR LIFE

WHEREAS, the American Cancer Society is the nationwide, community-based voluntary health organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives, and diminishing suffering from cancer through research, education, advocacy and service; and

WHEREAS, the lives of many of the citizens of Charles City and Floyd County have been touched by cancer and thus they have been drawn to support the continuing research that will find a cure for the disease; and

WHEREAS, Relay for Life is a community-wide event that generates support for families who have suffered the death of a loved one because of cancer; and

WHEREAS, the Survivors' Walk during the Relay for Life event celebrates with those who are living with cancer and offers them hope for continued health; and

WHEREAS, the Luminaria Ceremony honors the memory of loved ones who have died of cancer as well as those who are cancer survivors.

THEREFORE, I, James A. Erb, Mayor of Charles City, Iowa do hereby proclaim that the Relay for Life event be held on June 17, 2016 and may the citizens of Charles City and Floyd County support this event with great enthusiasm so that a cure for cancer can be found.

In Testimony Whereof, I have hereunto subscribed my name this 6<sup>th</sup> day of June, 2016.

James A. Erb, Mayor  
City of Charles City, Iowa



~ PROCLAMATION ~

WHEREAS,

Charles City Benevolent and Protective Order of Elks Lodge No. 418 desires to hold the annual Flag Day Observance at Central Park in Charles City at 4:00 p.m. on June 14, 2016, and

WHEREAS,

this grand commemorative event is a traditional ceremony with the participation of numerous American Citizens, Veterans and local musicians,

NOW, THEREFORE, I, James A. Erb, Mayor of Charles City, Iowa do hereby proclaim the Observance of Flag Day on June 14, 2016, and encourage all citizens to renew our allegiance to our Flag at 4:00 p.m. at Central Park in Charles City.

In Testimony Whereof, I have hereunto subscribed my name this 6<sup>th</sup> day of June, 2016.

James A. Erb, Mayor  
Charles City, Iowa



MEETING DATE: 6/6/16

ITEM:9A

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## AGENDA ITEM SUMMARY

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**Subject: Request for street closure on June 17 for Relay for Life event**

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**Background Summary:**

This is a yearly event held in Central Park and this year it will be on June 17. The committee is requesting that the following streets that surround Central Park be closed to allow for a safe event: one block each on N. Jackson, Blunt and Kelly that are around the park.

The time frame for closure will be 5:00 pm to 10:00 pm.

Karen Andersen will be in attendance to answer any questions the council may have.

CITY OF CHARLES CITY

MEETING DATE: 6/6/16

ITEM: 9B

## AGENDA ITEM SUMMARY

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**Subject:** Request for street closure for car show to be held on July 30

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### **Background Summary:**

Craig Hamm is requesting the closure of Spriggs Street north of Trinity United Methodist church for a car show. The date is July 30 and he would like it closed from 7:00 a.m. to 3:00 p.m. that day.

He will be present at the meeting to answer any questions you may have.

CITY OF CHARLES CITY

MEETING DATE: 6/6/16

ITEM: 9C

## AGENDA ITEM SUMMARY

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**Subject: Request from CC Chamber for 4<sup>th</sup> of July activities**

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### **Background Summary:**

Mark Wicks has submitted a request for various events for the July 4<sup>th</sup> festivities. The parade will be on the same route as previous years, starting at 13<sup>th</sup> Avenue, going down Main Street, right on Riverside Drive and north on N. Jackson ending at Lane St. The parade starts at 10:30. They are also requesting the blocks of Kelly and Blunt around Central Park be closed July 1-4 for food vendors and bandshell. These blocks will remain closed throughout the celebration. The block of N. Jackson bordering Central Park will also be closed July 1 – 4 for various activities including Kids Day, and Uncle Sam Jam but will be reopening at the end of those 4 days. The Firecracker 5K will also be held July 4 and will require the following streets be closed from 7:00 a.m. to 9:00 a.m.: Salsbury Ave/Comet Drive from Clark to 1<sup>st</sup> Ave, 11<sup>th</sup> Ave from F Street to N. Grand, N. Main St. from N. Grand to Court Street, Court St. from Main to S. Illinois and S. Illinois from Court to Grove. Manned intersection control to allow runners through without stopping will be where the trail crosses the road at Hwy 18/14 by trailhead and Clark St. at Salsbury/Comet Drive.

Mark will be at the meeting to answer any questions you may have.

CITY OF CHARLES CITY

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## AGENDA ITEM SUMMARY

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**Subject: Public hearing and second reading for Ordinance 1091 to rezone property in the 300 block of North Jackson Street from B-2, General Business District to R-3, Multi-Family Residence District and COS, Conservation Open Space District.**

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### **Background Summary:**

The City recently received an inquiry to rezone a parcel at 305 North Jackson Street from B-2, General Business District, to R-3, Multi-Family Residence District, to allow for the conversion of the large single family dwelling into apartments and dwellings on the ground floor. During the review of this area, the Staff determined that the half block on the west side of Jackson Street between Kelly and Blunt Streets would be better served as a different zoning district.

The Staff recommends that the zoning for the Art Center and adjacent vacant lot be changed to Conservation Open Space to match the zoning of Central Park immediately on the east side of North Jackson Street and the remaining portion of the block be rezoned to R-3, Multi-Family Residence District.

The City Council submitted this rezoning request to the Planning and Zoning Commission for study and recommendation at the April 18<sup>th</sup> City Council Meeting. The Commission held a public hearing on the matter at their May 11<sup>th</sup> meeting and is returning to the City Council a recommendation to approve the requested rezoning.

The Council completed the first reading of Ordinance 1091 at the May 16<sup>th</sup> meeting and will hold a public hearing and is scheduled to act on the second reading at this meeting.

We recommend approval of the second reading.

CITY OF CHARLES CITY

ORDINANCE NO. 1091

AN ORDINANCE AMENDING THE ZONING CLASSIFICATION OF TWO PARCELS LOCATED IN BLOCK 8 IN THE ORIGINAL PLAT OF ST. CHARLES, NOW INCORPORATED AS CHARLES CITY, IOWA, FROM B-2, GENERAL BUSINESS DISTRICT, TO R-3, MULTI-FAMILY RESIDENCE DISTRICT, AND COS, CONSERVATION AND OPEN SPACE DISTRICT, RESPECTIVELY

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

**SECTION 1. Change in Zoning Classification.** Property legally described as: Lot Two (2), except the Northeasterly six feet (NEly 6') thereof;

And

Lot 1 and the Northeasterly 6 feet of Lot 2; all in Block 8 of St. Charles, now incorporated as Charles City, Iowa

presently classified as B-2, General Business District, be and are hereby reclassified as R-3, Multi-family Residence District.

**SECTION 2. Zoning Classification Amended.** Property legally described as:

Lots Three (3) and Four (4), Block Eight (8), Original Plat of St. Charles, now incorporated as Charles City, Iowa

presently classified as B-2, General Business District, be and is hereby reclassified as COS, Conservation and Open Space District.

**SECTION 3. Map Amendment.** The zoning map of the City of Charles City shall be modified to reflect these changes in zoning classification upon approval of this Ordinance.

**SECTION 4. Severability.** If any section, provision or 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 5. When Effective.** This ordinance shall be in effect from and after its final passage, approval and publication as provided by law and the official zoning map of the City of Charles City, Iowa shall be amended to reflect the change in zoning effected by this ordinance.

Passed by the City Council on this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
James A. Erb, Mayor

ATTEST:  
  
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## AGENDA ITEM SUMMARY

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**Subject: Public hearing and second reading for Ordinance 1092 amending the zoning ordinance pertaining to ramps and setting the date of public hearing for Ordinance 1092.**

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### **Background Summary:**

The City Code Enforcement Department continues to receive requests for building permits to construct ramps for wheel chair accessibility to single family homes. These ramps are basically an extension of the porch but often times extend closer to the street, extending into the front yard setback area to obtain the proper slope for the ramp. This encroachment into the front yard setback area then requires a variance from the Board of Adjustment prior to obtaining a building permit to construct the ramp. A request to the Board of Adjustment also requires a \$75.00 application fee.

Ordinance 1092 adds a new subsection to Section IV of the Zoning Ordinance that allows the Zoning Administrator to approve an encroachment of a handicap ramp. The Zoning Administrator's approval will be contingent that the ramp can remain only if an occupant needing the ramp resides in the residence. The removal of the ramp will be required within six months if no one continues to reside in the residence requiring the use of ramp.

The Planning and Zoning Commission held a public hearing on the matter at their May 11<sup>th</sup> meeting and is returning to the City Council a recommendation to approve the requested ordinance amendment to Section IV of the Zoning Ordinance. The Council completed the first reading of Ordinance 1092 at the May 16<sup>th</sup> meeting and will hold a public hearing and is scheduled to act on the second reading at this meeting.

We recommend approval of the second reading.

CITY OF CHARLES CITY

ORDINANCE NO. 1092

AN ORDINANCE AMENDING SECTION IV, GENERAL PROVISIONS, OF THE CHARLES CITY ZONING ORDINANCE BY ADDING A NEW SUBSECTION TO ALLOW RAMPS AND OTHER STRUCTURES PROVIDING ACCESSIBILITY TO RESIDENTIAL STRUCTURES FOR HANDICAPPED INDIVIDUALS IN SITUATIONS WHERE SUCH STRUCTURES MIGHT OTHERWISE VIOLATE PROVISIONS OF THE ZONING ORDINANCE

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

**SECTION 1.** New Subsection added. The following new subsection of Section IV, General Provisions, is adopted as follows:

P. Ramps and Other Structures Providing Accessibility to Residential Structures by Handicapped Individuals. Notwithstanding the provisions of this ordinance governing minimum yard set-backs or obstructive structures, wheelchair ramps and other structures that facilitate accessibility to a principal residence by handicapped individuals shall be allowed without the requirement of a special use determination on the following terms and conditions:

1. That the owner of the principal residence provide proof that an occupant of the residence requires the ramp or other structure to have reasonable accessibility to the residential structure. Such proof may be provided in the form of a letter from the occupant's physician or an active handicap parking certification; and
2. In submitting an application for a building permit to construct the ramp or structure that the owner provide a drawing or schematic that accurately depicts the location and specifications of the proposed structure.
3. That the zoning administrator makes a determination that such structure does not present a danger to the general public and that it complies with all applicable building codes and regulations pertaining to such structures.
4. That in the event that such structure would otherwise violate a provision of this zoning ordinance the owner will sign an agreement to remove the structure within six months after the date that the occupant who requires its use for accessibility ceases to use or occupy the residence, unless another occupant with similar needs occupies the residence within such six month time period.

**SECTION 2.** Repealer. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

**SECTION 3.** Severability. If any section, provision or 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 4. When Effective.** This ordinance shall be in effect from and after its final passage, approval and publication as provided by law and the official zoning map of the City of Charles City, Iowa shall be amended to reflect the change in zoning effected by this ordinance.

Passed by the City Council on this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

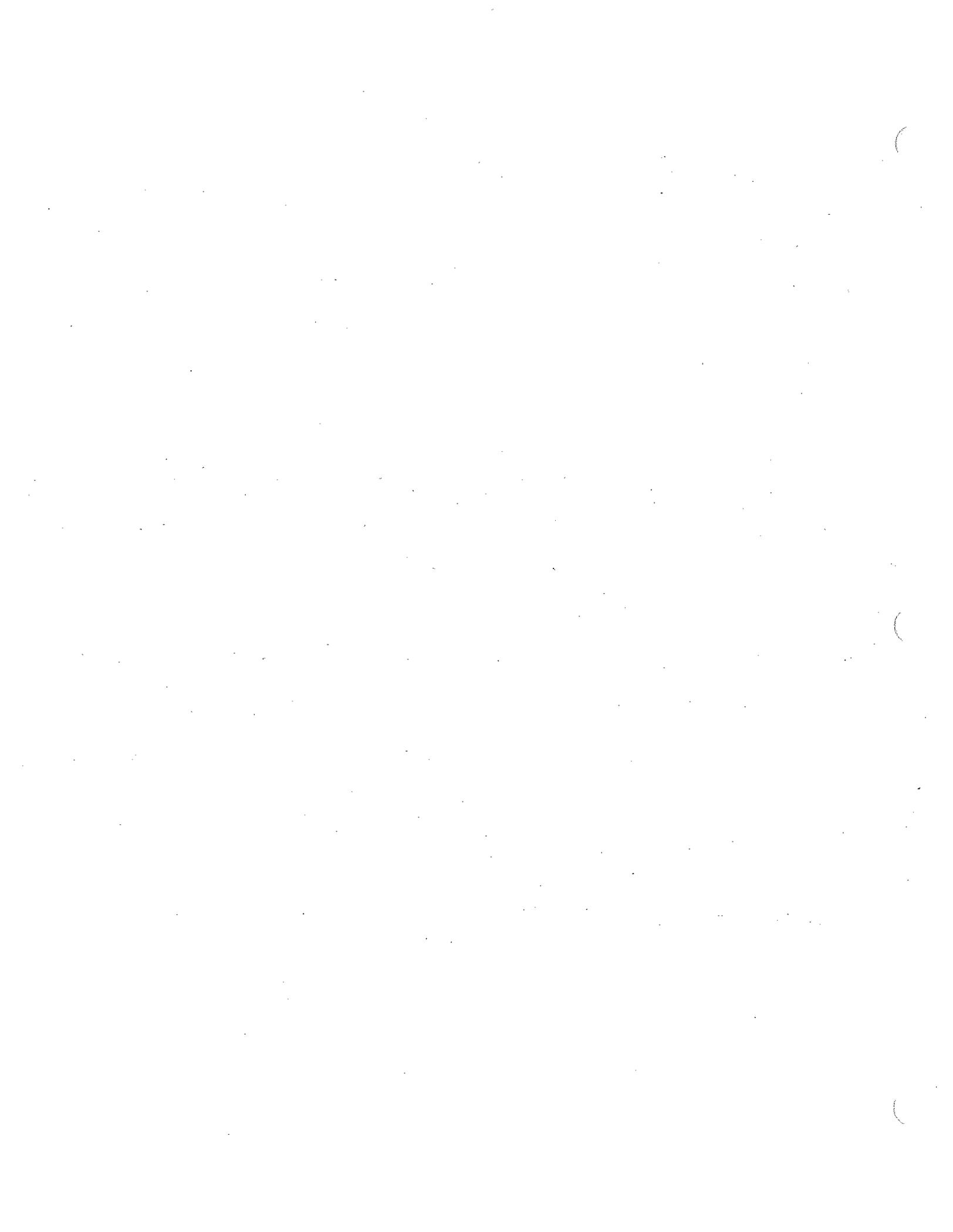
\_\_\_\_\_  
James A. Erb, Mayor

ATTEST:

\_\_\_\_\_  
Trudy O'Donnell, City Clerk

I certify that the foregoing was published as Ordinance No. \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Trudy O'Donnell, City Clerk



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## AGENDA ITEM SUMMARY

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**Subject: Water meter discussions – purchase contract of iTron meter readers; Sale contract of used meter readers to City of Clear Lake**

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**Background Summary:**

This is a follow up to our previous discussions on water meter change of supplier/brand sale of existing used meter readers to Clear Lake.

As we discussed we're moving to the Badger Brand of water meters with use of the iTron readers that go with it. We've done some initial installations of the Badger meters/iTron readers and have obtained a "loaner" scanning device and it has performed wonderfully. Information is pulling in from over a block away without fail and the Water Department has been very satisfied.

With that we have some steps we need to take. We need to approve the iTron agreement which is enclosed. Ralph has reviewed and feels it is a pretty standard contract. Something we didn't have with Sensus. Once approved we'll be able to order and obtain our own scanner.

Secondly we would like to sell the existing meter readers to the City of Clear Lake. When Mason City liquidated their existing used meter readers they sold them to Clear Lake for \$25 (\$100 new retail) and we're looking to make the same deal. We've been able to return any new unused meter readers but the used ones we'd like to sell whatever we can to Clear Lake. We'll potentially have more as we get into the meter exchange program but for now it would be 130 of them at \$25 each.

**RESOLUTION NO. 47-16**

*RESOLUTION APPROVING CONTRACT WITH ITRON FOR NEW WATER METER READERS*

WHEREAS, city staff has recommended changing the brand of city water meters to Badger with iTron readers, and;

WHEREAS, a contract has been drafted with iTron for the purchase of these items, and;

WHEREAS, it is in the best interest of the citizens of the City of Charles City, Iowa that said project improvements be completed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Charles City, Iowa, meeting in regular session on this 6<sup>th</sup> day of June, 2016 that the contract with iTron for the purchase of meters and related equipment be approved.

COUNCIL MEMBER      moved the adoption of the foregoing Resolution;

COUNCIL MEMBER seconded the motion to adopt, and on roll call the voting was as follows:

AYES:

NAYS:

Passed and approved this 6<sup>th</sup> day of June, 2016.

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James A. Erb, Mayor

Attest:

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Trudy O'Donnell, City Clerk

## INDIRECT SALES AGREEMENT

This Indirect Sales Agreement (the "**Agreement**") is entered into as of [month/day/year] (the "Effective Date") by and between Itron, Inc. ("**Itron**") and [CITY OF CHARLES CITY] ("**Customer**"). Itron and Customer may each be referred to as a "**Party**" and together as the "**Parties**."

Customer shall execute this Agreement prior to its receipt of any Itron software, services or equipment by an authorized Itron distributor (each a "**Distributor**"). The terms of Customer's agreement with a Distributor shall govern Customer's purchase of Itron equipment or services from a Distributor (it being understood that Distributor will pass certain Itron warranties through to Customer). The terms of this Agreement shall govern (i) any software provided by Itron, regardless of whether the order for such software is placed with a Distributor or directly with Itron, and (ii) any order of equipment or services placed directly with Itron.

The Parties agree as follows:

### 1. Software Terms

#### a. Definitions.

"**Delivery**," with respect to Software, means that Itron has either made the Software available to Distributor via electronic means or has provided the Software to a carrier on physical media for delivery to Distributor.

"**Documentation**" means all printed or electronic materials published or otherwise that are provided to Customer and that describe or relate to the functional, operational or performance capabilities of the Software.

"**Endpoint**" means (i) a physical device (e.g., a meter, encoder-transmitter-receiver or other measuring or monitoring device) that is the source of data used in the Software application or (ii) a virtual device created in the Software application to simulate the existence of a physical device. An example of a virtual device that is an Endpoint would include a single electricity meter that serves 10 apartment units. If the consumption data from that electricity meter was divided between the 10 units (e.g., on the basis of square footage) and used in the Software application as if that single electricity meter was actually 10 electricity meters, it would count as 10 Endpoints. Further, each account, whether active or inactive, in the application that is associated with a single physical device counts as a separate Endpoint.

"**Object Code**" means the binary, machine-readable version of the Software.

"**Software**" means software identified on Attachment A that is owned by Itron and any modifications, corrections, improvements or enhancements thereto provided by Itron.

"**Source Code**" means human-readable computer programming code, associated procedural code and related documentation.

"**Specifications**" means the applicable published Itron functional specifications for an item of Software.

"**Third Party Software**" means software that is not owned by Itron but is identified on Attachment A as being provided by Itron.

"**Use**" means the ability to run, execute, display and, subject to the restrictions described below, duplicate and distribute internally.

"**Warranty Period**," with respect to a particular item of Software, means the warranty term beginning on the warranty start date, as set forth on Attachment A.

#### b. License Grant.

Subject to the terms of this Agreement, Itron grants to Customer a nonexclusive, nontransferable, perpetual Object Code license to Use the Software and Documentation for its internal business purposes only in connection with the number of Endpoints set forth in Attachment A.

#### c. Restrictions.

As a condition to the foregoing license grant, Customer shall not (i) violate any restriction set forth on Attachment A, (ii) modify or create any derivative work from the Software, (iii) include the Software in any other software, (iv) use the Software to provide processing services to third parties or on a service bureau basis, (v) reverse assemble, decompile, reverse engineer or otherwise attempt to derive Source Code (of the underlying ideas, algorithms, structure or organization) from Software, or (vi) use the Software to process business information concerning customers derived through merger, asset acquisition or other entity combination. Except as expressly permitted in this Agreement, Customer may not copy the Software other than to make one machine readable copy for disaster recovery or archival purposes. Customer may only make copies of Documentation as reasonably necessary for the use contemplated herein. The Software and Documentation shall be considered the confidential information of Itron and, as such, shall be subject to the confidentiality provisions of this Agreement.

#### d. Invoicing.

Distributor will invoice Customer for the Software and Itron will invoice Distributor.

#### e. Limited Software Warranty

##### i. Warranty and Remedy.

For the Warranty Period, Itron warrants to Customer that the Software will perform substantially in accordance with the Specifications. Itron does not warrant that the Software will operate uninterrupted or error-free. Itron's sole obligation and Customer's exclusive remedy in connection with the breach of a warranty provided under this Section shall be for Itron to repair or replace the non-conforming Software. If Itron, in its sole discretion, is unable to repair or replace non-conforming Software, Itron will refund to Customer the amount paid for such Software. Software that is repaired or replaced pursuant to this Section will be warranted for the remainder of the original warranty period or 30 days, whichever is longer. Customer's license to Software for which it has received a refund hereunder shall terminate upon its receipt of a refund.

ii. Exclusions.

The warranty provided in this Section shall not apply to the extent that non-compliance relates to or is the result of (i) use of the Software in combination with software, equipment or communications networks not provided by Itron, (ii) a change to the Software's operating environment not made or authorized by Itron, (iii) Customer's failure to install any correction or enhancement provided by Itron, (iv) viruses introduced through no fault of Itron, (v) any use of the Software not authorized by this Agreement. The warranty provided in this Section is valid only if Customer has complied with the terms of this Agreement (including paying the applicable Software license fees) and shall be void to the extent of any modification to the Software not authorized by Itron.

f. *Third Party Software and Documentation.*

Itron shall provide the Third Party Software, if any, identified on Attachment A and any related documentation. Any Third Party Software, and related documentation provided by Itron in connection with this Agreement shall be subject to a separate license agreement between the Customer and the third party software provider and will be subject to separate third party warranties, if any. Customer agrees that it will be bound by and will abide by all such third party software licensing arrangements. Customer is solely responsible for acquiring any software that is required to use the Software or Third Party Software.

g. *Audit.*

Customer will maintain accurate and detailed records as necessary to verify compliance with this Agreement. Itron may audit these records to verify compliance at any time during Customer's regular business hours after giving notice 5 business days in advance of the audit. Except as described below, Itron will bear all costs and expenses associated with the exercise of its audit rights. Any errors in payments identified will be corrected by Customer by appropriate adjustment. In the event of an underpayment of more than 5 percent, Customer will reimburse Itron the amount of the underpayment, reasonable costs associated with the audit, and interest on the overdue amount at the maximum allowable interest rate from the date the obligation accrued.

h. *Obligations Upon Termination for Cause.*

Upon a termination by Itron for cause, Customer's license to any Software and right to receive maintenance and support for such Software shall immediately terminate and Customer shall (i) delete any Software from all of its computers, (ii) immediately deliver to Itron or destroy all copies of such Software and any related Documentation and (iii) certify in writing to Itron within 10 days of any such termination that, to the best of Customer's knowledge, Customer has complied with this Section.

i. *Other Provisions.*

Customer shall not, directly or indirectly, export or transmit the Software to any country to which such export or transmission is prohibited by any applicable regulation or statute. The Parties agree that Software provided under this Agreement shall be deemed to be "goods" within the meaning of Article 2 of the Uniform Commercial Code, except when such a practice would cause an unreasonable result. The Parties agree that the Uniform Computer Information Transaction Act (or a version thereof or substantially similar law) shall not govern this Agreement.

**2. Equipment Terms**

**SUB-ITEMS a., b. AND c. BELOW APPLY ONLY TO EQUIPMENT PURCHASED BY CUSTOMER DIRECTLY FROM ITRON:**

a. *Equipment Purchase.*

Customer agrees to purchase the equipment, if any, identified on Attachment A (the "**Equipment**") from Itron at the price(s) and in the quantities set forth thereon pursuant to the terms of this Agreement. Prices set forth on Attachment A are valid for one year from the date of this Agreement.

b. *Ordering*

During the term of this Agreement, Customer shall order quantities of Equipment by issuing a purchase order, change order or release (each an "**Order**") to Itron, in each case specifying the type and quantity of Equipment, the shipment destination and the requested delivery date. Unless otherwise agreed in a separate writing signed by an authorized representative of each Party, the requested delivery date in an Order must be no earlier than ninety days following Itron's receipt of such Order.

c. *Firmware*

The purchase of Equipment manufactured by Itron will include a perpetual, irrevocable license to use and execute any software embedded in the Equipment. The license to any software embedded in third party Equipment provided by Itron shall be between Customer and the manufacturer of such third party Equipment.

d. *Invoicing.*

Itron will invoice Customer for the Equipment upon shipment.

e. *Delivery, Title and Risk of Loss.*

Unless otherwise agreed by the Parties, Itron will make arrangements with its carrier to deliver Equipment to Customer's location at Customer's expense. For Equipment delivered to Canada, title to the Equipment and risk of loss shall pass to Customer upon delivery to the Customer. For Equipment delivered to all other locations, title to the Equipment and risk of loss shall pass to Customer upon Itron's delivery to a carrier for shipment to Customer.

f. *Limited Equipment Warranty*

i. *Warranty and Remedy.*

Except as otherwise set forth on Attachment A, Itron warrants to Customer that the Equipment that is manufactured by Itron will be free from defects in materials and workmanship and will conform to the applicable published Itron specifications for a period of one year from the date of shipment if purchased directly from Itron and 14 months if purchased through a Distributor. Except to the extent otherwise provided in Attachment A, Itron's sole obligation and Customer's exclusive remedy in connection with the breach of a warranty provided under this Section or under Attachment A shall be for Itron to repair non-conforming Equipment or provide Customer

with replacement Equipment after Customer has returned non-conforming Equipment properly packaged and prepaid to a repair facility designated by Itron in accordance with Itron's then-current RMA procedures. If Itron, in its sole discretion, determines that it is unable to repair or replace such non-conforming Equipment, Itron will refund to Customer the amount paid for such Equipment. Equipment that is repaired or replaced pursuant to this Section will be warranted for the remainder of the original warranty period or 30 days, whichever is longer. Customer will pay the cost of returning non-conforming Equipment to the place of repair designated by Itron and Itron will pay the cost of delivering repaired or replacement Equipment to Customer.

ii. **Exclusions.**

The warranty provided herein does not cover damage due to external causes, including accident, abuse, misuse, inadequate maintenance, problems with electrical power, acts of God; service (including installation or de-installation) not performed or authorized by Itron; usage not in accordance with product instructions or in a configuration not approved by Itron; normal wear and tear; and problems caused by use of parts and components not supplied by Itron. The warranty provided herein shall be void if the Equipment is modified in a way not authorized in writing by Itron. The above warranty does not cover any third party equipment provided by Itron. Any warranty for such equipment will be between Customer and the third party manufacturer.

3. **Cloud Service Terms**

a. **Access to Cloud Service.**

Subject to the terms of this Agreement, Itron grants to Customer, for its internal business purposes only, the non-transferrable, non-exclusive right to access and use the service identified on Attachment A (the "**Cloud Service**") in accordance with the terms of service attached hereto as Attachment B (the "**Terms of Service**").

b. **Use Restrictions.**

Customer is responsible for maintaining the confidentiality of all information required to access the Cloud Service and for the activities of its employees or representatives that access the Cloud Service. Customer will not (i) access or use the Cloud Service other than in accordance with the Cloud Service documentation; (ii) reverse engineer the software underlying the Cloud Service; (iii) engage in any activity that interferes with or disrupts the Cloud Service or any servers or networks connected to the Cloud Service; (iv) allow a third party to access the Cloud Service or operate the Cloud Service for the benefit of a third party, including as a service bureau; (v) modify or create derivative works based on the Cloud Service; or (vi) use the Cloud Service in a manner that violates any law or regulation or the rights of any third party.

c. **Cloud Service Term.**

Itron will make the Cloud Service available to Customer for an initial one-year period beginning on the Effective Date. Thereafter, Itron shall provide the Cloud Service for successive one-year periods unless the Cloud Service is terminated in writing by either Party at least 90 days prior to the end of the then-current one-year period.

d. **Invoicing.**

Itron shall invoice Customer for the initial annual Cloud Service fee identified on Attachment A immediately following the Effective Date. Thereafter, Itron shall invoice Customer for each successive one-year period prior to the commencement of such period. Itron may elect to increase the annual fee for any successive annual period by providing Customer with written notice of such increase at least 90 days prior to the commencement of such period.

e. **Customer Data.**

Customer retains all right, title and interest in and to any electronic data or information contained in any database, table or similar file or document provided by Customer for use in connection with any Cloud Service (the "**Customer Data**"). Customer grants to Itron a license to use the Customer Data to the extent necessary for Itron to provide the Cloud Service, or as required by law. Customer is solely responsible for the Customer Data, including providing the Customer Data required for proper operation of the Cloud Service, and will not provide, post or transmit any Customer Data or any other information or material that: (i) infringes or violates the rights of any third party or any law or regulation or (ii) contains any virus or programming routine that has the effect of damaging, surreptitiously intercepting or expropriating any system, data or personal information. Itron may take any remedial action it deems advisable to address any violation of this Section but Itron is under no obligation to review Customer Data for accuracy or potential liability. Customer agrees to indemnify Itron for any loss or damage suffered by Itron in connection with Customer's breach of its obligations under this Section.

f. **Service Levels.**

Itron agrees to make commercially reasonable efforts to: (i) maintain Appropriate Security Measures (defined below); (ii) provide regular backups for the Customer Data as further described in the Terms of Service; and (iii) make the Cloud Service generally available 24 hours a day and 7 days a week except for (y) planned downtime in accordance with the Terms of Service and (z) downtime caused by circumstances beyond Itron's reasonable control, including telecommunications or network failures or delays, computer failures that could not reasonably have been prevented by Itron or acts of vandalism (e.g., network intrusions and denial of service attacks). Itron's sole obligation, and Customer's exclusive remedy, in connection with a breach of any obligation of Itron with respect to the performance or availability of the Cloud Service shall be for Itron, at its option, to correct the failure or to refund to Customer the amount paid for the Cloud Service for the period in which it was affected. Customer's subscription to the Cloud Service shall terminate upon its receipt of any such refund. "**Appropriate Security Measures**" means customary technical, physical and procedural controls to protect Customer Data against destruction, loss, alteration, or unauthorized disclosure to third parties. Customer acknowledges that, notwithstanding Appropriate Security Measures, use of or connection to the Cloud Service presents the opportunity for unauthorized third parties to circumvent such precautions and illegally gain access to the Cloud Service and Customer Data. Accordingly, Itron does not guarantee the privacy, security or authenticity of any information stored in connection with or transmitted to or from any Cloud Service.

g. **Federal Communications Commission ("FCC") Licensed Facilities.**

Customer acknowledges and agrees that Itron maintains the exclusive right to operate and control any Federal Communications Commission ("FCC") licensed facilities involved in the provision of services, including the transmitter and other components that produce RF energy (e.g. Itron Cell Control Units, Endpoints, etc.). Itron will make all decisions regarding any FCC licenses used to implement the Cloud Services provided for by this Agreement, including the preparation and filing of applications with the FCC.

#### 4. **Payment Terms and Taxes.**

The following terms shall apply to any equipment, services or software purchased by Customer directly from Itron. For invoices not paid within 30 days of the invoice date, in addition to other remedies to which Itron may be entitled, Itron may charge Customer a late fee of one percent per month applied against overdue amounts. Customer shall also be responsible for collection costs associated with late payment, if any, including reasonable attorneys' fees. No endorsement or statement on any check or payment or in any letter accompanying a check or payment or elsewhere shall be construed as an accord or satisfaction. Unless otherwise indicated on Attachment A, Customer shall pay all amounts owing under this Agreement in U.S. Dollars. The prices set forth on Attachment A do not include taxes. Customer will be responsible for and pay all applicable sales, use, excise, value-added and other taxes associated with the provision of products or services by Itron, excluding taxes on Itron's income generally. If Customer is a tax exempt entity, or pays taxes directly to the state, Customer will provide Itron with a copy of its Tax Exemption Certificate or Direct Pay Permit, as applicable, upon execution of this Agreement.

#### 5. **Changes.**

Changes to the products or services ordered by Customer pursuant to this Agreement, including the purchase of additional quantities or entirely new products or services, may be made at Itron's then-current pricing by purchase order or Change Order (in a form acceptable to Itron), provided that any such purchase order must first be accepted by Itron.

#### 6. **Confidentiality.**

With respect to any information supplied in connection with this Agreement and designated by either Party as confidential, or which the recipient should reasonably believe to be confidential based on its subject matter or the circumstances, the recipient agrees to protect the confidential information in a reasonable and appropriate manner, and to use and reproduce the confidential information only as necessary to realize the benefits of or perform its obligations under this Agreement and for no other purpose. The obligations in this Section will not apply to information that is: (i) publicly known; (ii) already known to the recipient; (iii) lawfully disclosed by a third party; (iv) independently developed; or (v) disclosed pursuant to a legal requirement or order. The recipient may disclose the confidential information on a need-to-know basis to its contractor's, agents and affiliates who agree to confidentiality and non-use terms that are substantially similar to these terms. The parties acknowledge and agree that any software provided by Itron in connection with this Agreement shall be considered the confidential information of Itron.

#### 7. **IP Ownership**

Between Itron and Customer, all patents, copyrights, mask works, trade secrets, trademarks and other proprietary rights in or related to any product, software or deliverable provided by Itron pursuant to this Agreement are and will remain the exclusive property of Itron. Any modification or improvement to an Itron product or deliverable that is based on Customer's feedback shall be the exclusive property of Itron. Customer will not take any action that jeopardizes Itron's proprietary rights nor will it acquire any right in any such product, software or deliverable or Itron's confidential information other than rights granted in this Agreement.

#### 8. **Indemnification**

##### a. *General Indemnity.*

Itron will defend Customer from any third party claim for (i) wrongful death of or bodily injury, to the extent caused by Itron's gross negligence or intentional torts, or (ii) physical damage to tangible personal property, to the extent caused by Itron's gross negligence or intentional torts, and will pay costs and damages awarded against Customer in any such claim that are specifically attributable to Itron's gross negligence or intentional torts or those costs and damages agreed to by Itron in a monetary settlement of such claim.

##### b. *Infringement Indemnity.*

Itron will defend at its own expense any action brought against Customer by an unaffiliated third party to the extent that the action is based upon a claim that any product manufactured, software licensed or service provided by Itron hereunder directly infringes any U.S. patent (issued as of the Effective Date) or any copyright or trademark, and Itron will pay those costs and damages awarded against Customer in any such action that are specifically attributable to such claim or those costs and damages agreed to by Itron in a monetary settlement of such action. The foregoing indemnity does not apply to products not manufactured by Itron or software licensed by third parties.

##### c. *Conditions to Infringement Indemnity.*

Itron's infringement indemnity obligations under this Section are conditioned on Customer's agreement that if the applicable product or service, becomes, or in Itron's opinion is likely to become, the subject of such a claim, Customer will permit Itron, at Itron's option and expense, either to procure the right for Customer to continue using the affected product or service or to replace or modify the same so that it becomes non-infringing. Such replacements or modifications will be functionally equivalent to the replaced product or service. If the foregoing alternatives are not available on terms that are reasonable in Itron's judgment, Itron shall have the right to require Customer to cease using the affected product or service in which case Itron will refund to Customer the depreciated value of the affected product or service.

##### d. *Exclusions.*

Itron shall have no obligation under this Agreement to the extent any claim of infringement or misappropriation results from: (i) use of a product or service, other than as permitted under this Agreement or as intended by Itron, if the infringement would not have occurred but for such use; (ii) use of any product or service in combination with any other product, equipment, software or data, if the infringement would not have occurred but for such combination; (iii) any use of any release of a software or any firmware other than the most current release made available to Customer, (iv) any claim based on Customer's use of a product after Itron has informed

Customer of modifications or changes to the product required to avoid such claims and offered to implement those modification or changes, if such claim would have been avoided or mitigated by the implementation of Itron's suggestions, (v) any modification to a product made by a person other than Itron or an authorized representative of Itron, or (vi) compliance by Itron with specifications or instructions supplied by Customer. Itron shall not be liable hereunder for enhanced or punitive damages that could have been avoided or reduced by actions within the control of Customer.

e. *Right to Defend.*

As a condition to Itron's indemnity obligations under this Agreement, Customer will provide Itron with prompt written notice of the claim, permit Itron to control the defense or settlement of the claim and provide Itron with reasonable assistance in connection with such defense or settlement. Customer may employ counsel at its own expense to assist it with respect to any such claim.

f. *Indemnity Disclaimer*

THIS SECTION CONSTITUTES ITRON'S SOLE AND EXCLUSIVE OBLIGATION WITH RESPECT TO THIRD PARTY CLAIMS BROUGHT AGAINST CUSTOMER.

9. **Warranty Disclaimer.**

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, ITRON DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES, CONDITIONS OR REPRESENTATIONS INCLUDING, WITHOUT LIMITATION, (I) IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, (II) WARRANTIES OF TITLE AND AGAINST INFRINGEMENT AND (III) WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. TO THE EXTENT ANY IMPLIED WARRANTY CANNOT BE EXCLUDED, SUCH WARRANTY IS LIMITED IN DURATION TO THE EXPRESS WARRANTY PERIOD.

10. **WAIVER OF CONSEQUENTIAL DAMAGES.**

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IN NO EVENT WILL EITHER PARTY BE LIABLE UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR COVER OR FOR INCIDENTAL, SPECIAL, CONSEQUENTIAL (INCLUDING LOSS OR CORRUPTION OF DATA OR LOSS OF REVENUE, SAVINGS OR PROFITS) OR EXEMPLARY DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. ITRON'S PRICING REFLECTS THIS ALLOCATION OF RISKS AND LIMITATION OF LIABILITY.

11. **CAP ON LIABILITY.**

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, EXCEPT FOR A BREACH BY CUSTOMER OF (I) ANY INTELLECTUAL PROPERTY RIGHT OF ITRON OR (II) ANY LICENSE GRANTED BY ITRON HEREUNDER, THE AGGREGATE LIABILITY OF EACH PARTY AND ITS AFFILIATES AND ITS AND THEIR OFFICERS, DIRECTORS, EMPLOYEES OR OTHER REPRESENTATIVES, ARISING IN ANY WAY IN CONNECTION WITH THIS AGREEMENT—WHETHER UNDER CONTRACT LAW, TORT LAW, WARRANTY OR OTHERWISE—SHALL NOT EXCEED THE TOTAL AMOUNT PAID AND PAYABLE HEREUNDER. ITRON SHALL NOT BE LIABLE FOR ANY CLAIM MADE THE SUBJECT OF A LEGAL PROCEEDING MORE THAN TWO (2) YEARS AFTER THE CAUSE OF ACTION ASSERTED IN SUCH CLAIM AROSE. ITRON'S PRICING REFLECTS THIS ALLOCATION OF RISKS AND LIMITATION OF LIABILITY.

12. **Term and Termination**

a. *Term of Agreement.*

Unless terminated earlier as provided herein, the term of this Agreement shall be from the Effective Date through December 31st of the year in which any products or services to be provided hereunder have been provided. The term of this Agreement shall thereafter automatically renew for successive one year periods unless either Party provides the other with written notice of its intent not to renew at least 90 days prior to such termination; provided, however, that Customer shall be obligated to purchase and Itron shall be obligated to provide any product or service that is the subject of an unfulfilled order accepted by Itron prior to the time of any such termination. Notwithstanding the foregoing, the term of any license provided by Itron hereunder shall be as set forth in the provision granting such license.

b. *Termination for Cause.*

Either Party may terminate this Agreement by providing the other Party with written notice if the other Party (i) becomes insolvent, executes a general assignment for the benefit of creditors or becomes subject to bankruptcy or receivership proceedings; (ii) breaches its obligations related to the other Party's confidential information; or (iii) commits a material breach of this Agreement, the Distributor/Customer agreement or the Distributor/Itron agreement that remains uncured for 30 days following delivery of written notice of such breach (including, but not necessarily limited to, a statement of the facts relating to the breach or default, the provisions of this Agreement that are in breach or default and the action required to cure the breach or default).

c. *Survival.*

Any provision of this Agreement that contemplates performance or observance subsequent to termination or expiration of this Agreement shall survive termination or expiration and continue in full force and effect for the period so contemplated including, but not limited to, provisions relating to warranties and warranty disclaimers, intellectual property ownership, payment terms, confidentiality, waiver of consequential damages, and cap on liability.

13. **Miscellaneous**

a. *Entire Agreement.*

This Agreement and any attachments hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements pertaining to such subject matter. All prior agreements, representations, warranties, statements, negotiations, understandings, and undertakings are superseded hereby and Customer represents and acknowledges that it has not relied on any representation or warranty other than those explicitly set forth in this Agreement in connection with its execution of this Agreement. Neither Party shall be bound by terms and conditions imprinted on or embedded in purchase orders, order

acknowledgments, statements of work not attached hereto or other communications between the Parties subsequent to the execution of this Agreement.

b. *Amendments and Waivers.*

Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only by a writing signed by an authorized representative of each Party and declared to be an amendment hereto. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision. No waiver granted under this Agreement as to any one provision herein shall constitute a subsequent waiver of such provision or of any other provision herein, nor shall it constitute the waiver of any performance other than the actual performance specifically waived.

c. *Governing Law; Jury Trial.*

This Agreement and performance hereunder will be governed by and construed in accordance with the laws of the State of Washington without reference to Washington conflicts of law principles or the United Nations Convention on Contracts for the Sale of Goods. THE PARTIES HEREBY UNCONDITIONALLY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM ARISING IN ANY WAY IN CONNECTION WITH THIS AGREEMENT.

d. *Assignment.*

Customer may not assign or transfer its interests, rights or obligations under this Agreement by written agreement, merger, consolidation, operation of law or otherwise without the prior written consent of an authorized executive officer of Itron. Any attempt to assign this Agreement by Customer shall be null and void. For purposes of this Agreement, the acquisition of an equity interest in Customer of greater than 25 percent by any third party shall be considered an assignment.

e. *Publicity.*

Unless otherwise provided in a separate confidentiality agreement between the Parties, each Party may issue a press release following the execution of this Agreement, subject to the other Party's written approval, which shall not be unreasonably withheld. Each Party hereby consents to the other Party's use of its name, URL and logo on its website and in its customer and partner lists for corporate and financial presentations.

f. *Force Majeure.*

Neither Party will be responsible for any failure or delay in performing any obligation hereunder if such failure or delay is due to a cause beyond the Party's reasonable control, including, but not limited to acts of God, flood, fire, volcano, war, third-party suppliers, labor disputes or governmental acts (a "**Force Majeure Event**"). Notwithstanding the foregoing, no obligation to make any payment required under this Agreement is excused as a result of a Force Majeure Event.

g. *Notices.*

Any notice required or permitted under this Agreement or required by law must be in writing and must be delivered in person, by facsimile, by certified mail (return receipt requested), or by a nationally recognized overnight service with all freight charges prepaid, to the address set forth below. Notices will be deemed to have been given at the time of actual delivery, if in person, or upon receipt (as evidenced by facsimile confirmation, return receipt or overnight delivery verification). Either Party may change its address for notices by written notice to the other Party in accordance with this Section.

Itron: Attn: General Counsel  
Itron, Inc.  
2111 North Molter Road  
Liberty Lake, WA 99019

Customer:  
CITY OF CHARLES CITY  
500 MILWAUKEE MALL  
CHARLES CITY, IA 50616

h. *Miscellaneous.*

Headings used in this Agreement are intended for convenience or reference only and will not control or affect the meaning or construction of any provision of this Agreement. If any provision in this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will in no way be affected or impaired thereby and such provision shall be interpreted so as to best accomplish the intent of the Parties within the limits of applicable law. Any principle of construction or rule of law that provides that an agreement shall be construed against the drafter of the agreement shall not apply to the terms and conditions of this Agreement. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement. If available, maintenance and support for products will be provided pursuant to a separate maintenance agreement. Itron shall perform all work to be performed in connection with this Agreement as an independent contractor and not as the agent or employee of Customer. All persons furnished by Itron shall be for all purposes solely Itron's employees or agents and shall not be deemed to be employees of Customer for any purpose whatsoever. This Agreement is entered into only for the benefit of Customer and Itron. No other person or entity shall have the right to make any claim or assert any right hereunder, and no other person or entity shall be deemed a beneficiary of this Agreement.

[Signature Page Follows]

**ATTACHMENT A-1**

Please check the type of Software being licensed or hosted (Itron Cloud Service) and enter the number of meters.

Software	Units	Warranty Start Date	Warranty Term	Itron Cloud Service
*MV-RS	Up to _____ Endpoints	Delivery	14 months	N/A
Field Collection System Software	Up to 3400_ Endpoints	Delivery	5 months	<input checked="" type="checkbox"/>
Network Software	Up to _____ Endpoints	Delivery	5 months	<input type="checkbox"/>
Network Software – Outage Notification	Up to _____ Endpoints	Delivery	5 months	N/A
Itron Analytics	Up to _____ Endpoints	Delivery	5 months	<input type="checkbox"/>
Itron Analytics Customer Portal	Up to _____ Endpoints	Delivery	5 months	<input type="checkbox"/>
Itron Security Manager (ISM)	Up to _____ Endpoints	Delivery	5 months	<input type="checkbox"/>
Field Deployment Manager (FDM)	Up to _____ Endpoints	Delivery	5 months	<input type="checkbox"/>
FDM – Endpoint Tools Enhanced	Up to _____ Endpoints	Delivery	5 months	<input type="checkbox"/>
Mlogonline	Up to _____ Endpoints	Delivery	5 months	<input type="checkbox"/>
Mobile Collector Software	[Up to _____ Endpoints]	Delivery	5 months	[N/A]

\*Customer receives 5 months of Phone Support at no charge for the MV-RS Product.

**PRICING SUMMARY FOR PRODUCTS AND SERVICES PURCHASED DIRECTLY FROM ITRON**

**ATTACHMENT A-2**  
Warranty Terms

Product	Warranty Terms
Centron and Sentinel electricity meters	3 years from shipment
Repairs for out-of-warranty electricity meters	Itron shall perform the repairs with reasonable care and in a diligent and competent manner. Itron's sole obligation in connection with repair warranty failures shall be, at its option, to correct or re-perform repairs or refund to Customer the amount paid for the repairs. Customer must report any deficiencies in repair work to Itron in writing within 90 days of shipment to receive the remedies described herein.
200W series water endpoints (including battery)	<p><b>Standard Warranty:</b> Full warranty consistent with the warranty terms in the Agreement for the first 5 years from shipment.</p> <p><b>Optional Extended Warranty (if purchased by Customer):</b></p> <p>For warranty claims in years 6 through 10, Itron's sole obligation will be to provide Customer with a discount on replacement product equal to 100 percent of its then-current list price for the replacement product.</p> <p>For warranty claims in years 11 through 15, Itron's sole obligation will be to provide Customer with a discount on replacement product equal to 50 percent of its then-current list price for the replacement product.</p> <p>For warranty claims in years 16 through 20, Itron's sole obligation will be to provide Customer with a discount on replacement product equal to 25 percent of its then-current list price for the replacement product.</p> <p>The warranty on Itron water endpoints shall be void if the endpoint is used in connection with a third party reading system that is not approved by Itron.</p>
100W and 60W series water endpoints (including battery)	<p>Full warranty consistent with the warranty terms in the Agreement for the first 10 years from shipment.</p> <p>For warranty claims in years 11 through 15, Itron's sole obligation will be to provide Customer with a discount on replacement product equal to 50 percent of its then-current list price for the replacement product.</p> <p>For warranty claims in years 16 through 20, Itron's sole obligation will be to provide Customer with a discount on replacement product equal to 25 percent of its then-current list price for the replacement product.</p> <p>The warranty on Itron water endpoints shall be void if the endpoint is used in connection with a third party reading system that is not approved by Itron.</p>
Leak Sensor	<p>Full warranty consistent with the warranty terms in the Agreement for the first 10 years from shipment.</p> <p>For warranty claims in years 11 through 15, Itron's sole obligation will be to provide Customer with a discount on replacement product equal to 50 percent of its then-current list price for the replacement product.</p> <p>For warranty claims in years 16 through 20, Itron's sole obligation will be to provide Customer with a discount on replacement product equal to 25 percent of its then-current list price for the replacement product.</p>
Upgraded handhelds or mobile collectors	90 days from shipment
METRIS Meters and I-250 Meters	<p>Itron warrants that eighty five percent (85%) or more of the METRIS Meters and I-250 Meters shipped to Customer during any calendar year will be free from defects in materials and workmanship such that they maintain set point calibration that is within two percent of their original factory set point calibration (open and check) ("Calibration Warranty"). The foregoing Calibration Warranty is valid until the earlier of (i) 15 years from shipment to Customer of the METRIS Meter and I-250 Meter for which warranty coverage is sought, (ii) the measurement of more than one million cubic feet of gas measured by such meter, or (iii) until such meter is replaced by Customer in connection with a periodic meter change-out.</p> <p>Itron's sole obligation and Customer's exclusive remedy in connection with the breach of a warranty provided under this Section shall be for Itron, at its option, to repair any non-conforming METRIS Meters and I-250 Meters, provided that if Itron determines that it is unable to repair a non-conforming METRIS Meter and I-250 Meter, Itron will refund to Customer the depreciated value of such non-conforming METRIS Meter and I-250 Meter. At the request of Itron, Customer will provide evidence of a meter's service history to verify warranty coverage.</p>

MEETING DATE: 6/6/16

ITEM: 10C

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## AGENDA ITEM SUMMARY

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**Subject:** amended 28E agreement for SW TIF

**Recommendation:** Consider Resolution 48-16 approving amended 28E agreement with Floyd County for SW TIF District

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### **Background Summary:**

This amendment has been in the works for quite some time and after much discussion, the SW TIF administrative board has drafted an amended agreement and it is now being presented to each entity for their approval.

One of the changes made is property ownership. Previously, the SW TIF entity was designated the owner of any property. However, John Danos informed us that the entity can not legally own property. So that was changed to state any property within city limits would be owned by the city and any property outside of city limits would be owned by Floyd County.

Another change was the makeup of the board. There are two representatives from the city and two from the county that make up this board. The county wanted their reps to be one supervisor and the other member to be another elected county official. The city has designated one council member and the other shall be a resident of the city (which will in all likelihood remain another council member).

There may be a change to the economic development plan for this district in the future, but we will wait to incorporate this change when a new project comes up so we can save some money on legal expenses.

**RESOLUTION NO. 48-16**

***RESOLUTION APPROVING REVISED 28E AGREEMENT BETWEEN CITY OF CHARLES CITY AND FLOYD COUNTY FOR SW TIF DISTRICT***

WHEREAS, the City Council of the City of Charles City, Iowa, has by prior resolution approved a 28E agreement with Floyd County for the administration of the SW TIF District, and;

WHEREAS, the entities' mutual desire is to change some of the terms of the previous agreement, especially pertaining to board membership and property ownership;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charles City, Iowa, meeting in regular session on this 6<sup>th</sup> day of June, 2016 that the revised 28E agreement between the city and Floyd County be approved.

COUNCIL MEMBER moved the adoption of the foregoing Resolution;

COUNCIL MEMBER seconded the motion to adopt, and on roll call the voting was as follows:

AYES:

NAYS:

Passed and approved this 6<sup>th</sup> day of June, 2016.

\_\_\_\_\_  
James A. Erb, Mayor

Attest:

\_\_\_\_\_  
Trudy O'Donnell, City Clerk

Prepared by and Return to: Ralph A. Smith, 200 N. Johnson St., Charles City, IA 50616, 641-228-4533

AMENDED AND SUBSTITUTED S. W. BYPASS TAX INCREMENTAL FINANCING  
DISTRICT AGREEMENT

This amended and substituted SW ByPass Tax Incremental Financing District Agreement is made and entered into by and between the City of Charles City, Iowa, (hereinafter called "City") and Floyd County, Iowa, (hereinafter called "County") pursuant to Chapter 28E of the 2015 Code of Iowa, as amended. This Agreement replaces the SW ByPass Tax Incremental Financing District Agreement adopted on January 7, 1994, and recorded on February 24, 1994 in the office of the Floyd County Recorder in Book 53 at pages 208 to 214.

1. PURPOSE. The purpose of this joint Agreement is to establish a Tax Increment Financing (TIF) District encompassing both incorporated and unincorporated areas creating an Economic Development Area in Floyd County, Iowa. The District shall be called the Southwest ByPass T.I.F. District and shall include the area described in Exhibit A attached to this Agreement.

2. DURATION. The duration of this Agreement shall be perpetual unless earlier terminated as provided herein.

3. ECONOMIC DEVELOPMENT PLAN. In conjunction with the adoption and approval of this Financing District, the City and County have adopted the Southwest ByPass Tax Increment Financing District Economic Development Plan (the Economic Development Plan) pursuant to Chapter 403 of the Code of Iowa. The Southwest ByPass T.I.F. District lies partially within the corporate limits of Charles City, Iowa with the remainder of the District located outside the corporate limits of Charles City, but within two miles of these corporate limits. To facilitate joint management of this District the City accordingly grants to the County the authority to exercise powers granted to the City under the provisions of Chapter 403 within the entire urban renewal area.

4. ADMINISTRATIVE BOARD. The administration of the Southwest ByPass T.I.F. District shall be directed by a joint board called the Administrative Board. The Administrative Board will be comprised of two residents of the City of Charles City appointed by the City Council, one of whom will be a member of the City Council; and two residents of Floyd County appointed by the Floyd County Board of Supervisors, one of whom will be a member of the Board of Supervisors, and the other an elected official of the County other than a Supervisor. All members of the Administrative Board shall be appointed for a term of one year. The Administrative Board shall elect from among its members a chairperson and vice chairperson and shall adopt Bylaws for its governance.

5. ANNUAL BUDGET. The Administrative Board shall develop a budget for anticipated projects and actions authorized by the Economic Development Plan to be undertaken during the forthcoming calendar year. The budget shall include expenditures deemed necessary to complete the proposed projects and actions outlined in the Economic Development Plan within reasonable cost limits and according to available financing. All T.I.F. District related expenses including engineering and administration expenses shall be included within the T.I.F. District budget. This budget shall be submitted by the Administrative Board to the City Council and to the Board of Supervisors by November 1<sup>st</sup> in each year preceding the calendar year to which the budget pertains.

6. ADMINISTRATION. The activities and economic development projects set forth in the Economic Development Plan will be approved and executed as follows:

a. Project Identification. The Administrative Board will present a project recommendation to the City Council and to the Board of Supervisors with a request that the Economic Development Plan be amended to reflect approval of the recommended project or action.

b. Debt Creation. The City Council and the Board of Supervisors will each act to approve or deny the recommended amendment to the Economic Development Plan with the approval of both bodies required to amend the Plan and to go forward with the recommended project or action. For proposals which are approved, the City Council and the Board of Supervisors will then determine which of the two public entities will incur the debt obligations necessary to finance the approved project or activity. That entity will then adopt such measures as necessary to incur the debt and secure the financing for the project or activity.

c. Receipt and Payment of Funds. The City will administer the funds secured for projects and activities in the Southwest ByPass T.I.F. District and will document all receipts and disbursements. All expenditures require approval by the Administrative Board prior to payment.

d. Certification of Debt. The City and County shall annually certify to the State all debt incurred for district projects and activities as required by Iowa law.

7. PROPERTY. Real property acquired with tax dollars within the Southwest ByPass T.I.F. District and within the corporate limits of Charles City shall be titled in the name of the City of Charles City. Real property acquired with tax dollars within the Southwest ByPass T.I.F. District outside the corporate limits of the City of Charles City shall be titled in the name of Floyd County, Iowa. All personal property acquired with tax dollars generated from this District shall be owned jointly by the City of Charles City and Floyd County.

8. TERMINATION. This Agreement may be terminated by either party adopting a resolution requesting the dissolution of this Agreement. This Agreement shall not be terminated by either party while debt incurred by the District or either party on the District's behalf remains outstanding. Upon termination of this Agreement, all real property owned by Floyd County shall remain the property of Floyd County, and all real property owned by the City of Charles City shall remain the property of Charles City. All personal property that is jointly owned shall be divided equally between the City and County.

9. AMENDMENTS. The terms of this joint Agreement may be amended only by written agreement signed by both parties to the Agreement following approval by their respective governing bodies..

10. ARBITRATION. Any controversy or claim arising out of or relating to this Agreement, or breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association.

11. SEVERABILITY. If any provisions of this Agreement, or the application thereof to any person or circumstance, are held to be invalid, such invalidity shall not affect other provisions or applications of the terms and conditions of this Agreement, which can be given affect without the invalid provision or applications, and to this end the provisions of these articles are declared to be severable.

FLOYD COUNTY BOARD OF SUPERVISORS

By \_\_\_\_\_  
Chairman

Attest:

\_\_\_\_\_  
Auditor

Exhibit A

Beginning at a point on the easterly right-of-way line of the Charles City Railways located 486 feet north of the centerline of Highway Iowa 14, said point also on the south property line of Wildwood Park; thence south along the easterly right-of-way line of the railroad to the southeasterly corner of Lot 1, Green Acres Addition to Charles City; thence south along the westerly boundary line of Hillcrest Addition to the north right-of-way line of 11th Street; thence south 33 feet to the NE corner of the W $\frac{1}{2}$  NW $\frac{1}{4}$  Section 13, T95N, R16W; thence south along the east line of the W $\frac{1}{2}$  NW $\frac{1}{4}$  of said Section 13 to the SE corner of the W $\frac{1}{2}$  NW $\frac{1}{4}$  of Section 13; thence west along the south line of the NW $\frac{1}{4}$  of Section 13 to the SE corner of the NE $\frac{1}{4}$  of Section 14, T95N, R16W; thence west along the south line of the NE $\frac{1}{4}$  of said Section 14 to the east right-of-way line of Ridgeway Avenue; thence north along the east right-of-way line of Ridgeway Avenue to the southeasterly right-of-way line of the abandoned Charles City Western Railway; thence southwesterly along said southeasterly right-of-way line to south right-of-way line of 215th Street; thence west along the south right-of-way line of 215th Street to the west right-of-way line of Quail Avenue; thence north along the west right-of-way line of Quail Avenue to the centerline of Highway Iowa 14; thence east along the centerline of Iowa 14 33 feet to the west section line of Section 11, T95N, R16W; thence north along the west section line of Section 11 to the NW corner of the SW $\frac{1}{4}$  of the NW $\frac{1}{4}$  of Section 11; thence east along the south line of the NW $\frac{1}{4}$  of Section 11 to the NW corner of Wildwood Park; thence south along the west line of Wildwood Park 861.2 feet to the SW corner of Wildwood Park; thence east along the south line of Wildwood Park to the point of beginning.

AND

Commencing at the Southeast corner of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 13-T95N-R16W, said point also being approximately on the centerline of 215th Street in Floyd County, Iowa; thence east along the centerline of 215th to the west right-of-way line of South Main Street; thence south along the west right-of-way line of South Main Street to the northerly right-of-way line Iowa 27, a/k/a U.S. 218 and Avenue of Saints; thence westerly and northerly along said right-of-way line of Iowa 27 to the South right-of-way line of Iowa 14; thence east along the south right-of-way line of Iowa 14 to the west right-of-way line of Quail Avenue; thence south along the west right-of-way line of Quail Avenue to the south right-of-way line of 215th Street; thence east along the south right-of-way line of 215th Street to the southeasterly right-of-way line of the abandoned Charles City Western Railway; thence northeasterly along the southeasterly right-of-way line of said Charles City Western Railway to the east right-of-way line of Ridgeway Avenue; thence south along the east right-of-way line of Ridgeway Avenue to the centerline of 215th Street; thence east along the centerline of 215th Street to the point of beginning, the S.E. Corner of SW $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 13-95-16.

AND

1. A parcel of land in section 2, Township 95 North, range 16 West and in section 35, Township 96 North, Range 16 West of the 5<sup>th</sup> P.M., all being in Floyd County, Iowa more particularly described as beginning at the South East corner of said Section 35, thence along the South line of section 35

South 89° 33' 56" West 275.46', Thence North 83° 26' 04" West 1376.27', thence South 78° 54' 22" West 724.31', thence South 34° 23' 33" West 35.66', Thence North 78° 54' 22" East 745.86', thence South 83° 26' 04" East 1374.03', thence North 89° 33' 56" East 276.85' to the East line of Section 2, thence Northerly along the East Line of Section 2 to the point of beginning; and

2. A 20-ft. wide permanent easement across a parcel B located in part of the Northeast quarter of the fractional Northwest quarter and part of the Northwest quarter of the fractional Northeast quarter of Section 2, Township 95 North, Range 16 West of the 5<sup>th</sup> P.M.; and across part of the Southeast quarter of the Southwest Quarter, and the Southwest quarter of the Southeast quarter of Section 35, township 96 North, Range 16 West of the 5<sup>th</sup> P.M., all being in Floyd County, Iowa, said 20-ft. wide permanent easement being more specifically described as: commencing at the North quarter corner of said section 2 (The South Quarter corner of Section 35); thence on an assumed bearing of South 89°32'00" West 355.44' along the South line of the Southwest quarter of Section 35 to the centerline of Gilbert Street, thence south 33°26'17" East a distance of 211.35' to the point of beginning, thence North 66°26'17" East 395.56', thence North 78°54'22" East 180.67', thence South 34°23'33" West 28.53', thence South 78°54'22" West 157.49', thence South 66°26'17" West 390.55' to the centerline of Gilbert Street, thence Northwesterly along the centerline of Gilbert Street to the point of beginning; and
3. A parcel of land in Section 33, Township 96 North, Range 16 West of the 5<sup>th</sup> P.M., Floyd County, Iowa more particularly described as the North 25.0 feet of the Southwest quarter of the Northeast quarter of Section 33, Township 96 North, Range 16 West of the 5<sup>th</sup> P.M., Floyd County, Iowa, containing 32,220 square feet, more or less; and
4. A parcel of land in Section 33 and Section 34, Township 96 North, Range 16 West of the 5<sup>th</sup> P.M., Floyd County, Iowa more particularly described as the North 25.0 Feet of the Southeast quarter of the Northeast quarter, Section 33 and of the Southwest quarter of the Northwest quarter of Section 34, all in Township 96 North, Range 16 West of the 5<sup>th</sup> P.M., Floyd County, Iowa , containing 74,605 square feet, more or less; and
5. A parcel of land in Section 34, Township 96 North, Range 16 West of the 5<sup>th</sup> P.M., Floyd County, Iowa more particularly described as the North 25.0 feet of the South Half of the North Half, West of US Highway 18 Right-of Way and except the Southwest quarter of the Northwest quarter of Section 34, Township 96 North, Range 16 West of the 5<sup>th</sup> P.M., Floyd County, Iowa, containing 42,885 square feet, more or less; and
6. The Right-of-Way of 19<sup>th</sup> Avenue, Charles City, Iowa commencing at the East intersecting line of 19<sup>th</sup> Avenue and the Canadian National Railroad Right of Ways thence West to the West intersecting line of 19<sup>th</sup> Avenue and Walnut Street right of ways; and
7. The Right of Way of Walnut Street from the North intersection of Walnut Street and 19<sup>th</sup> Avenue Right of Ways thence North to the North Section line of Section 1, Township 95 North, Range 16 West; and
8. That portion of City property located 25' South of the North Section line of Section 1, Township 95 North, Range 16 West lying between the West Right of Way line of Walnut Street and the Northwest corner of said Section; and
9. The Right of Way of Gilbert Street commencing at intersection of said Right of Way and the South Section line of Section 35, Township 95 North, Range 16 West to the East intersection line of Cedar View Drive and Gilbert Street, also known as 185<sup>th</sup> Street Right of Ways; and

10. The Right of Way of Cedar View Drive from the East intersecting line of Cedar View Drive Right of Way and Gilbert Street, also known as 185<sup>th</sup> Street North to a point intersecting the East Avenue of the Saints, Iowa Highway 27 Right of Way; and
11. A portion of Right of Way of Avenue of the Saints also known as Iowa Highway 27 Right of Way centered 25' on the South Half Section line of the Northeast quarter of Section 34, T96N, R16W.

MEETING DATE: 06/06/16

ITEM: 10D

## AGENDA ITEM SUMMARY

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**A. Subject: Approve Change Order Number 1 for the 2016 Sanitary Sewer Lining Project**

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Recommendation: Approve Resolution No. 49-16 approving Change Order Number 1 for Visu-Sewer, Inc. for the 2016 Sanitary Sewer Lining Project

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**Background Summary:**

The 2016 Sanitary Sewer Lining Project was awarded to Visu-Sewer, Inc. Technologies USA, LLC at the March 7th City Council meeting. Their total bid for the project was \$177,174.00. This project involves lining 5,484 lineal feet of 12" sanitary sewer mains located in the northwest area of the City and lining 660 lineal feet of 18" sanitary sewer main located east of O'Reilly Auto Parts Store and north of the Charles Western Recreation Trail.

Since Visu-Sewer's contract was below the budgeted amounts available for sewer lining and to utilize the favorable low unit prices, we worked with Dirk Uetz in identifying additional sanitary sewer mains that are in need of lining. An additional 2,633 lineal feet of sanitary sewer were identified as sewer mains as candidates in need of sewer lining. These sewer mains are located as follows: 12" sewer on Johnson Street from Clark to Riverside, 10" sewer on Riverside from Joslin to Main, 10" sewer on Richings from Iowa to Johnson, 10" sewer on Joslin from Clark to Riverside, and 8" sewer on Kelly from Howard to Illinois.

Due to the sizeable increase in the contract amount, we have prepared a change order with Visu-Sewer for City Council approval. Change Order Number 1 will increase the contract from \$177,174.00 to \$238,353.25 for a total increase of \$61,179.25.

We recommend approval of this resolution approving Change Order Number 1 and authorizing the Mayor to sign the change order form.

CITY OF CHARLES CITY

**RESOLUTION NO. 49-16**

*RESOLUTION APPROVING CHANGE/EXTRA WORK ORDER FOR THE 2015  
SANITARY SEWER LINING PROJECT, CHARLES CITY, IOWA*

WHEREAS, the City Council of the City of Charles City, Iowa has by prior resolution awarded a contract to Visu-Sewer for the 2015 Sanitary Sewer Lining Project as set forth in the preamble hereof, and;

WHEREAS, the contract amount was below the budgeted amounts available for sewer lining and staff is recommending to add additional sanitary sewer lining to utilize the favorable low unit prices, and;

WHEREAS, this change order reflects the change in contract price of an additional \$61,179.25 for an extra 2,633 lineal feet of lining, and;

WHEREAS, the City Engineer recommends the approval of the above change order as being in the best interest of the citizens of the City of Charles City, Iowa,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charles City, Iowa, meeting in regular session on this 6<sup>th</sup> day of June, 2016, that a change order for an additional \$61,179.25 is hereby approved.

COUNCIL MEMBER moved the adoption of the foregoing Resolution;

COUNCIL MEMBER seconded the motion to adopt, and on roll call the voting was as follows:

AYES:

NAYS:

Passed and approved this 6th day of June, 2016.

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James A. Erb, Mayor

Attest:

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Trudy O'Donnell, City Clerk

MEETING DATE: 6/6/16

ITEM: 10E

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## AGENDA ITEM SUMMARY

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**Subject: Water Meter ordinance 1093**

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**Background Summary:**

This Ordinance amends the current Water ordinance that would require an additional shut off valve be installed in newly constructed homes when the water meter is installed.

Currently there is one shut off valve and when a meter is changed out or otherwise removed, water flow is shut off on the supply side and not on the "home" side. The result is the draining out of the customer's water pipes which often is messy and can be avoided.

Changing the ordinance so that there are shut offs on either side would eliminate this issue for a nominal fee up front at installation.

CITY OF CHARLES CITY

ORDINANCE NO. 1093

AN ORDINANCE AMENDING SECTION 91.05 OF THE CHARLES CITY CODE OF ORDINANCES BY AMENDING PROVISIONS PERTAINING TO METER SETTINGS

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

**SECTION 1. SECTION MODIFIED.** Section 91.05 of the Code of Ordinances of the City of Charles City, Iowa is repealed and the following adopted in lieu thereof:

**91.05 METER SETTING.** The property owner shall provide all necessary piping and fittings for proper setting of the meter including a valve on each side of the meter. Meter pits may be used only upon approval of the Superintendent and shall be of a design and construction approved by the Superintendent.

**SECTION 2. Applicability.** The requirement that a property owner provide a valve on each side of the meter shall apply to all new building construction from and after the date of the final passage, approval and publication of this ordinance as provided by law.

**SECTION 3. Repealer.** All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

**SECTION 4. Severability.** If any section, provision or 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 5. When Effective.** This ordinance shall be in effect from and after its final passage, approval and publication as provided by law.

Passed by the City Council on this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
James A. Erb, Mayor

ATTEST:

\_\_\_\_\_  
Trudy O'Donnell, City Clerk

I certify that the foregoing was published as Ordinance No. \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Trudy O'Donnell, City Clerk

MEETING DATE: 6/6/16

ITEM: 10F

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## AGENDA ITEM SUMMARY

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**Subject: SRF Loan Application – Wastewater Treatment Plant UV  
Disinfection Phase II final financing**

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**Background Summary:**

Enclosed is the City's SRF loan application to secure the long term financing for the UV Disinfection project's final phase. Total funds needed are \$1,745,000 and is within the limit that was set at the public hearing. (\$1,790,000)

The application was reviewed as required by a financial advisor, Ron Fiscus, from Planscape Partners, and he provided the pro forma as required by the state SRF loan application.

Council action is needed to officially approve the application. We are working towards closing on this loan in June if at all possible.

CITY OF CHARLES CITY

**RESOLUTION NO. 50-16**

*RESOLUTION APPROVING APPLICATION FOR SRF CONSTRUCTION LOAN FOR  
THE UV DISINFECTION PROJECT, CHARLES CITY, IOWA*

WHEREAS, the city has completed construction of Phase 2 of a UV disinfection project, and;

WHEREAS, this project is in the best interest of the citizens of Charles City and;

WHEREAS, to fund the construction of this project, staff desires to apply for a construction loan through the state revolving fund, and;

NOW, THEREFORE BE IT RESOLVED, that the Charles City City Council approves the application for a construction loan for Phase 2 the UV disinfection project through the State Revolving Fund in the amount not to exceed \$1,745,000.

COUNCIL MEMBER moved the adoption of the foregoing Resolution;

COUNCIL MEMBER seconded the motion to adopt, and on roll call the voting was as follows:

AYES:

NAYS:

Passed and approved this 6<sup>th</sup> day of June, 2016.

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James A. Erb, Mayor

Attest:

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Virginia Titus, Deputy Clerk

# Construction Loan Application



**Applicant:** City of Charles City

Tax ID Number: 42-6004360

Contact person/Title: Steven T. Diers, City Administrator

Address: 105 Milwaukee Mall

City Charles City County Floyd Zip Code: 50616

Telephone Number: 641-257-6300 Fax Number: 641-257-6331

E-mail address: steven.diers@cityofcharlescity.org

Clean Water SRF NPDES Number: 3405001

Drinking Water SRF PWSID Number: \_\_\_\_\_

Please write a brief description of the project: Installation of Ultra-Violet disinfection equipment and a serpentine weir within the new concrete channel. UV equipment includes UV lamp modules and ballasts, extension baffles, monitoring instrumentation and similar equipment. Project also includes reconstruction of clarifying tanks to change elevations, repiping and associated work.

Do you have all permits/clearances required for this project?

	Yes	No	N/A	Date Obtained	Date Expected
Environmental Review (FONSI or CX)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Operating Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Construction Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3-17-2015	
Others:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Is the system under any regulatory compliance order?  Yes  No

What is the expected construction start date? 7-6-2015

Have construction bids been awarded?  Yes  No

What is the expected project completion date? 12-31-2015

How many people are served by the system? 7800

System Utilization for the most recent year:	Number of Connections	Annual Revenue	Percentage of System Annual Usage
Residential	2997	\$833,175	64
Commercial	328	\$468,371	36
Industrial			
Other			
Unmetered			
Total	3,325	\$1,301,546	100

**PROFESSIONAL CONSULTANTS**

**Project Engineer:** Fox Engineering  
 Name of Contact Person: Lance Aldrich  
 Mailing Address: 414 South 17th Street, Suite 107  
 City, State, and Zip Code: Ames, IA 50010  
 Telephone Number: 515-233-000  
 E-mail address: lja@foxeng.com

**Bond Counsel:** Dorsey & Whitney  
 Name of Contact Person: John Danos  
 Mailing Address: 801 Grand Avenue Suite 3900  
 City, State, and Zip Code: Des Moines, IA 50309-2790  
 Telephone Number: 515-283-1000  
 E-mail address: danos.john@Dorsey.com

**Financial Advisor:** PlanScape Partners  
 Name of Contact Person: Ronald Fiscus  
 Mailing Address: 1005 North Shore Drive  
 City, State, and Zip Code: Clear Lake, IA 50428  
 Telephone Number: 641-357-6344  
 E-mail address: rfiscus@planscapepartners.com

**SOURCE OF FUNDS/COST BREAKDOWN FOR PROJECT**

Project Cost Breakdown

Administrative, Financial & Legal expenses	\$ 64,842
Planning & Design expenses	\$ 336,090
Engineering construction fees	\$ 142,700
Construction	\$ 1,812,722
Equipment	\$
Other- Specify	\$
Contingency	\$
<b>Total Project Cost</b>	\$ 2,356,354
<b>Minus Funds from other sources</b>	\$ 620,000
SRF Loan Subtotal	\$ 1,736,153
0.5% loan origination fee (.005 x SRF amount)	\$ 8,646
<b>Total SRF Loan (round to nearest \$1,000)</b>	\$1,745,000

Source of Funds

<b>Total SRF Loan (from above)</b>	\$ 1,745,000
Federal grant or loan- Specify	\$ 620,000 IJOBS Grant
Applicant's share	\$

Other- Specify	\$
<b>Total Source of Funds</b>	<b>\$ 2,365,000</b>

Are you interested in an extended term loan (up to 30 years?)  Yes  No

If yes, has the extended term worksheet been completed and submitted to DNR?  Yes  No

**NOTE:** extended terms are available for all CWSRF loans. The applicant must be considered disadvantaged (51% of population low-to moderate-income) to get an extended term DWSRF loan.

Type of debt requested (check one): G.O.  Revenue  Combination

If GO – Has Bond Counsel or Financial Advisor calculated GO debt capacity for this project?

Yes  No

If Revenue: Do you have any outstanding debt payable from the system revenues?  Yes  No

**If Yes, please list or attach debt schedules:**

<b>Existing System Debt:</b>	Current Balance	Interest Rate	Year Issued	Maturity Date	Annual Payment (Principal + Interest)
Revenue Bonds	1,516,000	3.00	2003	6/1/2024	See Attached
Other Debt (Payable from System Revenues)	165,000	4.85	2007	6/1/2022	See Attached

Has Financial Advisor reviewed parity debt provisions for outstanding debt?  Yes  No  NA

Do you have a current bond rating?  Yes  No  I don't know

If yes, what is it? A1 From which rating agency?  Moody's  S&P  Fitch

Have ordinances related to increasing rates been adopted for financing this project?  Yes  No

If no – are you planning on increasing rates?  Yes  No

If yes – when will these ordinances be adopted? \_\_\_\_\_

What will average monthly **residential** user rates be with new ordinance? \$31.54 (based on 5,000 gal)

**The applicant must enclose (or email) the following documentation with the completed application.**

\_\_\_\_\_ Five year pro-forma showing revenue and expenses for system

FY15 Most recent financial statement  Audited  Unaudited

(If your financial information is available online, you may just provide a link)

The undersigned is duly authorized to request this loan on behalf of the Applicant. The Applicant declares under penalty of law that all facts given and information attached are true and correct. The Applicant authorizes IFA to verify all information.

Authorized Signature \_\_\_\_\_ Date 6-6-2016

Typed Name and Title Steven Diers - City Administrator



MEETING DATE: 6/6/16

ITEM: 10G

## AGENDA ITEM SUMMARY

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**Subject: Appointment of DeLaine Freeseaman and Keith Starr to the joint facility sub committee with Mike Hammond as alternate**

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### **Background Summary:**

At the joint meeting with the Floyd County Board of Supervisors on June 1, it was decided to form a sub committee to conduct interviews of the firms who submitted proposals for the study of a joint law enforcement center. The city will have two representatives on this committee and the county will have two representatives. The council has selected DeLaine Freeseaman and Keith Starr for their members with Mike Hammond being the alternate.

Once interviews are completed, this committee will make a recommendation to the council and BOS on which firm to hire.

CITY OF CHARLES CITY



MEETING DATE: 6/6/16

ITEM: 10H

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## AGENDA ITEM SUMMARY

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**Subject: Resolution approving SRF Loan for UV Disinfection project at Wastewater Treatment Plant (Water Pollution Control)**

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Recommendation: Approve the resolution, amount not to exceed \$1,745,000

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### **Background Summary:**

After several years of planning and construction we are coming to the end of the UV Disinfection project at the Wastewater Treatment Plant. This project was broken up into three potential phases based on the effectiveness of the approach to dealing with E-Coli bacteria. The approach was to implement UV lighting which is used to kill the bacteria as a final stage of treatment before the water is released.

1<sup>st</sup> phase consisted of plant upgrades to rectify elevation needs of the clarifier. The 2<sup>nd</sup> phase completed the installation of the UV lighting weirs. 3<sup>rd</sup> phase was to consider additional improvements for bacteria disinfection as needed. The plant began running the UV lighting when the snow melted this spring and all indications show that we are meeting our goals with the UV lighting. With that said it would appear that a third phase is not necessary.

We are ready to approve the SRF sewer revenue bond in the amount of \$1,745,000 for this project. A hearing was held on this issuance at the May 16 council meeting. Terms of the loan are 2% for 10 years.

We recommend approval of this resolution.

CITY OF CHARLES CITY

RESOLUTION NO. 51-16

Resolution authorizing and approving a Loan and Disbursement Agreement and providing for the issuance and securing the payment of \$1,745,000 Sewer Revenue Bonds, Series 2016

WHEREAS, the City of Charles City (the "City"), in Floyd County, State of Iowa, did heretofore establish a Municipal Sanitary Sewer System (the "Utility") in and for the City which has continuously supplied sanitary sewer 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 resolution adopted and approved by the City Council on May 19, 2003 (the "Outstanding Bond Resolution"), the City previously issued its \$3,000,000 Sewer Revenue Bond, SRF Series 2003, dated June 17, 2003 (the "Outstanding Bond"), a portion of which remains outstanding; and

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

WHEREAS, the City has heretofore proposed to contract indebtedness and enter into a certain Sewer Revenue Loan and Disbursement Agreement in a principal amount not to exceed \$1,790,000 (the "Agreement") pursuant to the provisions of Section 384.24A of the Code of Iowa for the purpose of paying the cost, to that extent, of planning, designing and constructing improvements and extensions to the Utility (the "Project"), and has published notice of the proposed action and has held a hearing thereon on May 16, 2016;

WHEREAS, it is necessary at this time for the City Council to approve a certain Sewer Revenue Loan and Disbursement Agreement (the "Agreement") with the Iowa Finance Authority, an agency and public instrumentality of the State of Iowa, as lender (the "Lender") and to issue Sewer Revenue Bonds, Series 2016 (the "Bonds") in evidence thereof in the principal amount of \$1,745,000 in order to pay the costs of the Project;

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

Section 1. It is hereby determined that the City shall enter into the Agreement with the Lender. The Agreement shall be in substantially the form as has been placed on file with the City and shall provide for a loan (the "Loan") to the City in the amount of \$1,745,000, for the purpose as set forth in the preamble hereof.

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

Section 2. Sewer Revenue Bonds, Series 2016 (the "Bonds") are hereby authorized to be issued in evidence of the obligation of the City under the Agreement, in the total aggregate principal amount of \$1,745,000, to be dated the date of delivery to or upon the direction of the Lender, and bearing interest from the date of each advancement made at the rate of 1.75% per annum pursuant to the Agreement, until payment thereof, as set forth in Exhibit A attached to the Agreement.

The Bonds may be in the denomination of \$1,000 each or any integral multiple thereof and, at the request of the Lender, shall be initially issued as a single Bond in the denomination of \$1,745,000 and numbered R-1.

The City Clerk is hereby designated as the Registrar and Paying Agent for the Bonds and may be hereinafter referred to as the "Registrar" or the "Paying Agent".

Payment of the principal of and interest on the Bonds and premium, if any, shall be payable at the office of the Paying Agent to the registered owners thereof appearing on the registration books of the City. All such payments, except full redemption, shall be made to the registered owners appearing on the registration books at the close of business on the fifteenth day of the month next preceding the payment date. Final payment of principal shall only be made upon surrender of the Bond or Bonds to the Paying Agent.

In addition to the payment of principal of and interest on the Bonds, the City also agrees to pay the Initiation Fee and the Servicing Fee (defined in the Agreement) in accordance with the terms of the Agreement.

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

The Bonds shall be fully registered as to principal and interest in the names of the owners on the registration books of the City kept by the Registrar. Each Bond shall be transferable without cost to the registered owner thereof only upon the registration books of the City upon presentation to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form thereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

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

The Bonds are subject to optional redemption by the City at a price of par plus accrued interest (i) on any date with the prior written consent of the Lender, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any optional redemption of the Bonds

by the City may be made from any funds regardless of source, in whole or from time to time in part, in inverse order of maturity upon not less than thirty (30) days' notice of redemption by facsimile, e-mail, certified or registered mail to the Lender (or any other registered owner of the Bonds). The Bonds are also subject to mandatory redemption as set forth in Section 5 of the Agreement.

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

Section 3. The Bonds shall be executed as herein provided as soon after the adoption of this resolution as may be possible and thereupon they shall be delivered to the Registrar for registration and delivery to the Lender, upon receipt of the loan proceeds (the "Loan Proceeds"), and all action heretofore taken in connection with the Agreement is hereby ratified and confirmed in all respects.

Section 4. The Bonds shall be in substantially the following form:

(Form of Bond)  
UNITED STATES OF AMERICA  
STATE OF IOWA

COUNTY OF FLOYD

CITY OF CHARLES CITY

SEWER REVENUE BOND, SERIES 2016

No. R-1

\$1,745,000

RATE

MATURITY

BOND DATE

1.75%

June 1, 2036

June 24, 2016

The City of Charles City (the "City"), in Floyd County, State of Iowa, for value received, promises to pay from the source and as hereinafter provided, to the

IOWA FINANCE AUTHORITY

or registered assigns, the principal sum of

ONE MILLION SEVEN HUNDRED FORTY-FIVE THOUSAND DOLLARS.

Interest at the rate specified above shall be payable semiannually on June 1 and December 1 of each year, commencing December 1, 2016, and principal shall be due and payable in installments in the amounts shown on the Principal Payment Schedule hereon on June 1, 2017, and annually thereafter on June 1 in each year until the principal and interest are fully paid, except that the final installments of the entire balance of principal and interest, if not sooner paid, shall become due and payable on June 1, 2036. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The City Clerk shall act as Registrar and Paying Agent and may be hereinafter referred to as the "Registrar" or the "Paying Agent".

Payment of the principal of and interest on this Bond and premium, if any, shall be payable at the office of the Paying Agent to the registered owners thereof appearing on the registration books of the City at the addresses shown on such registration books. All such payments, except full redemption, shall be made to the registered owners appearing on the registration books at the close of business on the fifteenth day of the month next preceding the payment date. Final payment of principal shall only be made upon surrender of this Bond to the Paying Agent.

This Bond is one of a series of bonds (the "Bonds") issued by the City to evidence its obligation under a certain Loan and Disbursement Agreement, dated the date hereof (the "Agreement") entered into by the City for the purpose of providing funds to pay a portion of the cost of constructing improvements and extensions (the "Project") to the Municipal Sanitary Sewer System of the City (the "Utility").

The Bonds are issued pursuant to and in strict compliance with the provisions of Sections 384.24A and 384.83 of the Code of Iowa, 2015, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the City Council authorizing and approving the Agreement and providing for the issuance and securing the payment of the Bonds (the "Resolution"), and reference is hereby made to the Resolution and the Agreement for a more complete statement as to the source of payment of the Bonds and the rights of the owners of the Bonds.

The Bonds are subject to optional redemption by the City at a price of par plus accrued interest (i) on any date with the prior written consent of the Iowa Finance Authority, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any optional redemption of the Bonds by the City may be made from any funds regardless of source, in whole or from time to time in part, in inverse order of maturity upon not less than thirty (30) days' notice of redemption by facsimile, e-mail, certified or registered mail to the Iowa Finance Authority (or any other registered owner of the Bonds). The Bonds are also subject to mandatory redemption as set forth in Section 5 of the Agreement.

The Bonds are not general obligations of the City but, together with the City's Sewer Revenue Bond, SRF Series 2003, dated June 17, 2003, and any additional obligations as may be hereafter issued and outstanding from time to time ranking on a parity therewith under the conditions set forth in the Resolution, are payable solely and only out of the future Net Revenues of the Utility of the City, a sufficient portion of which has been ordered set aside and pledged for that purpose. This Bond is not payable in any manner by taxation, and under no circumstances shall the City be in any manner liable by reason of the failure of the said Net Revenues to be sufficient for the payment of this Bond and the interest thereon.

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

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

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

IN TESTIMONY WHEREOF, the City of Charles City, Iowa, has caused this Bond to be executed by its Mayor and attested by its City Clerk, all as of the Bond Date.

CITY OF CHARLES CITY, IOWA

By (Do Not Sign)  
Mayor

Attest:

(Do Not Sign)  
City Clerk

**(On the back of each Bond the following certificate shall be executed with the duly authorized signature of the City Treasurer)**

STATE OF IOWA  
COUNTY OF FLOYD                      SS: CITY TREASURER'S CERTIFICATE  
CITY OF CHARLES CITY

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

(Do Not Sign)  
City Treasurer

ABBREVIATIONS

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

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

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

ASSIGNMENT

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

\_\_\_\_\_  
(Please print or type name and address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

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

Dated: \_\_\_\_\_

Signature guaranteed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

PRINCIPAL PAYMENT SCHEDULE

Due June 1	Amount	Due June 1	Amount
2017	\$72,000	2027	\$87,000
2018	\$73,000	2028	\$89,000
2019	\$75,000	2029	\$91,000
2020	\$76,000	2030	\$93,000
2021	\$78,000	2031	\$95,000
2022	\$79,000	2032	\$97,000
2023	\$81,000	2033	\$99,000
2024	\$82,000	2034	\$100,000
2025	\$84,000	2035	\$103,000
2026	\$86,000	2036	\$105,000

Section 5. The Loan Proceeds shall be held by the Lender and disbursed for costs of the Project, as referred to in the preamble hereof. The City will keep a detailed, segregated accounting of the expenditure of the Loan Proceeds.

Section 6. So long as any of the Bonds, the Outstanding Bond or any Parity Obligations are outstanding, the City shall continue to maintain the Utility in good condition, and the Utility shall continue to be operated in an efficient manner and at a reasonable cost as a revenue producing undertaking. The City shall establish, impose, adjust and provide for the collection of rates to be charged to customers of the Utility, including the City, to produce gross revenues (hereinafter sometimes referred to as the "Gross Revenues") at least sufficient to pay the expenses of operation and maintenance of the Utility, which shall include salaries, wages, cost of maintenance and operation, materials, supplies, insurance and all other items normally included under recognized accounting practices (but does not include allowances for depreciation in the valuation of physical property) (which such expenses are hereinafter sometimes referred to as the "Operating Expenses") and to leave a balance of net revenues (herein referred to as the "Net Revenues") equal to at least 110% of the principal of and interest on all of the Bonds, the Outstanding Bond and any other Parity Obligations due in such fiscal year, as the same become due.

Section 7. The provisions, covenants, undertakings and stipulations for the operation of the Utility and for the collection, application and use of the Gross Revenues and income from such operation, as set forth in the Outstanding Bond Resolution shall inure and appertain to the Bonds to the same extent and with like force and effect as if herein set out in full, except only insofar as the same may be inconsistent with this resolution.

Nothing in this resolution shall be construed to impair the rights vested in the Outstanding Bond. The amounts herein required to be paid into the various funds hereafter named shall be inclusive of said payments required with respect to the Outstanding Bond. The provisions of the Outstanding Bond Resolution and the provisions of this resolution are to be construed whenever possible so that the same will not be in conflict. In the event such construction is not possible, the provisions of the resolution first adopted shall prevail until such time as the obligations authorized by such resolution have been paid or otherwise satisfied as therein provided, at which time the provisions of this resolution shall again prevail.

Section 8. From and after the issuance of the Bonds, the Gross Revenues of the Utility shall continue to be set aside into the City's Sewer Revenue Fund ("Sewer Revenue Fund") created under the Outstanding Bond Resolution. The Sewer Revenue Fund shall be used in maintaining and operating the Utility, and after payment of the Operating Expenses shall, to the extent hereinafter provided, be used to pay the principal of and interest on the Bonds, the Outstanding Bond and any Parity Obligations, and to create and maintain the several separate funds hereinafter established.

Section 9. The provisions in and by the Outstanding Bond Resolution, whereby there has been created and is to be maintained a Sewer Revenue Bond Sinking Fund (herein referred to as the "Sinking Fund"), and for the payment into said fund from the Net Revenues of the Utility such portion thereof as will be sufficient to pay the interest on and principal of the Outstanding Bond, are all hereby ratified and confirmed, and all such provisions shall inure and constitute the

security for the payment of the interest on and principal of the Bonds hereby authorized as may be outstanding from time to time; provided, however that on the first day of each month of each year, the minimum amount to be set aside, in addition to the amounts required to be set aside in the Outstanding Bond Resolution, and paid into the Sinking Fund shall be not less than as follows:

Beginning July 1, 2016, and continuing to and including November 1, 2016, an amount equal to 1/5th of the installment of interest coming due on December 1, 2016, and, thereafter, commencing December 1, 2016, and continuing to final maturity, an amount equal to 1/6th of the installment of interest coming due on the next succeeding interest payment date on the then outstanding Bonds. In addition, commencing July 1, 2016, and continuing to and including May 1, 2017, an amount equal to 1/11th of the installment of principal coming due on June 1, 2017, and, thereafter, commencing June 1, 2017, and continuing to final maturity, an amount equal to 1/12th of the installment of principal coming due on such Bonds on the next succeeding principal payment date until the full amount of such installment is on deposit in the Sinking Fund.

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

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

No further payments need be made into the Sinking Fund when and so long as the amount therein is sufficient to retire all of the Bonds, the Outstanding Bond and any Parity Obligations then outstanding which are payable from the Sinking Fund and to pay all interest to become due thereon prior to such retirement, or if provision for such payment has been made.

All of such payments required to be made into the Sinking Fund shall be made in equal monthly installments on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday, then such payments shall be made on the next succeeding secular day.

Section 10. The provisions in and by the Outstanding Bond Resolution whereby there has been created and is to be maintained a special fund to be known and designated as the Surplus Fund into which there shall be set apart and paid all of the Net Revenues remaining after first making the required payments into the Sinking Fund are all hereby ratified and confirmed. All money credited to the Surplus Fund shall be transferred and credited to the Sinking Fund whenever necessary to prevent or remedy a default in the payment of the principal of or interest on the Bonds, the Outstanding Bond and any Parity Obligations.

As long as the Sinking Fund has the full amounts required to be deposited therein by the Outstanding Bond Resolution and this resolution, any balance in the Surplus Fund may be expended by the City in such manner as the Council, or such other duly constituted body as may then be charged with the operation of the Utility, may from time to time direct.

Section 11. All money held in any fund or account created or to be maintained under the terms of this resolution shall be deposited in lawful depositories of the City or invested in accordance with Chapters 12B and 12C of the Code of Iowa and continuously held and secured as provided by the laws of the State of Iowa relating to the depositing, securing, holding and investing of public funds. All interest received by the City as a result of investments under this section shall be considered to constitute Gross Revenues of the Utility and shall be deposited in or transferred to the Sewer Revenue Fund and used solely and only for the purposes specified herein for such funds.

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

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

Section 14. The Bonds, the Outstanding Bond or any Parity Obligations shall not be entitled to priority or preference one over the other in the application of the Net Revenues of the Utility regardless of the time or times of the issuance of such Bonds, the Outstanding Bond or Parity Obligations, it being the intention of the City that there shall be no priority among the Bonds, the Outstanding Bond or Parity Obligations, regardless of the fact that they may have been actually issued and delivered at different times. The City hereby reserves the right and privilege of issuing additional Parity Obligations.

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

Section 16. The provisions of this resolution shall constitute a contract between the City and the owners of the Bonds and Parity Obligations as may from time to time be outstanding, and after the issuance of the Bonds, no change, variation or alteration of any kind of the provisions of this resolution shall be made which will adversely affect the owners of the Bonds or Parity Obligations until all of the Bonds, the Outstanding Bond and Parity Obligations and the interest thereon shall have been paid in full, except as hereinafter provided.

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

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

Whenever the City shall propose to amend or modify this resolution under the provisions of this section, it shall cause notice of the proposed amendment to be (1) filed with the Lender and (2) mailed by certified mail to each registered owner of any Bond or Parity Obligation as shown by the records of the Registrar. Such notice shall set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the City Clerk.

Whenever at any time within one year from the date of the mailing of said notice, there shall be filed with the City Clerk an instrument or instruments executed by the owners of at least a majority in aggregate principal amount of the Bonds and Parity Obligations outstanding at the time of the adoption of such amendatory resolution specifically consenting to the adoption thereof as herein provided, no owner of any Bonds or Parity Obligations shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the City from taking any action pursuant to the provisions thereof.

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

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

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

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

Section 18. If any section, paragraph, clause or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 19. All resolutions and orders or parts thereof in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.

Section 20. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved June 6, 2016.

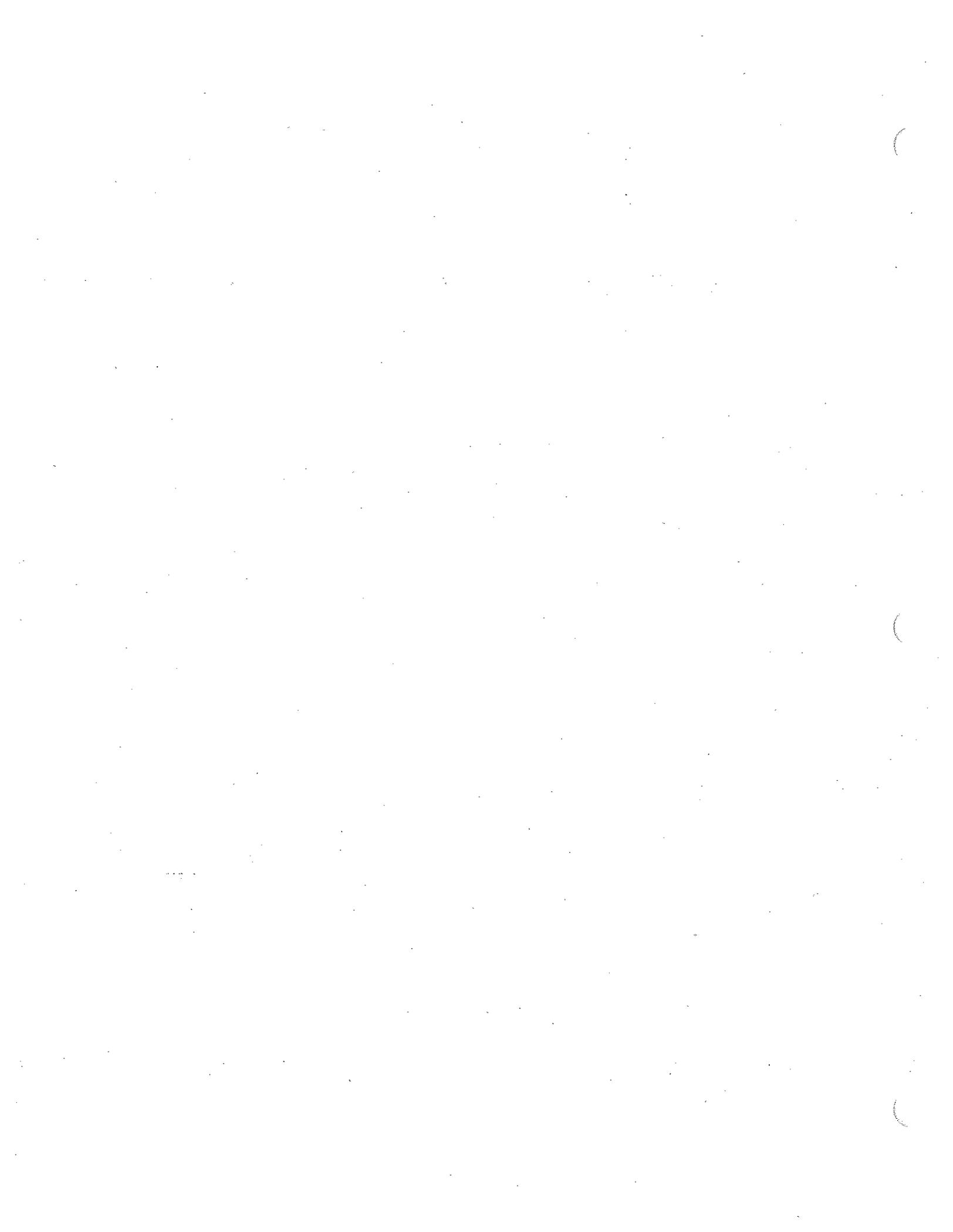
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Mayor

Attest:

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City Clerk



MEETING DATE: 6/6/16

ITEM: 10F

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## AGENDA ITEM SUMMARY

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**Subject: SRF Loan Application – Wastewater Treatment Plant UV  
Disinfection Phase II final financing**

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**Background Summary:**

Enclosed is the City's SRF loan application to secure the long term financing for the UV Disinfection project's final phase. Total funds needed are \$1,745,000 and is within the limit that was set at the public hearing. (\$1,790,000)

The application was reviewed as required by a financial advisor, Ron Fiscus, from Planscape Partners, and he provided the pro forma as required by the state SRF loan application.

Council action is needed to officially approve the application. We are working towards closing on this loan in June if at all possible.

CITY OF CHARLES CITY

**RESOLUTION NO. 50-16**

*RESOLUTION APPROVING APPLICATION FOR SRF CONSTRUCTION LOAN FOR  
THE UV DISINFECTION PROJECT, CHARLES CITY, IOWA*

WHEREAS, the city has completed construction of Phase 2 of a UV disinfection project, and;

WHEREAS, this project is in the best interest of the citizens of Charles City and;

WHEREAS, to fund the construction of this project, staff desires to apply for a construction loan through the state revolving fund, and;

NOW, THEREFORE BE IT RESOLVED, that the Charles City City Council approves the application for a construction loan for Phase 2 the UV disinfection project through the State Revolving Fund in the amount not to exceed \$1,745,000.

COUNCIL MEMBER moved the adoption of the foregoing Resolution;

COUNCIL MEMBER seconded the motion to adopt, and on roll call the voting was as follows:

AYES:

NAYS:

Passed and approved this 6<sup>th</sup> day of June, 2016.

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James A. Erb, Mayor

Attest:

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Virginia Titus, Deputy Clerk

# Construction Loan Application



**Applicant:** City of Charles City

Tax ID Number: 42-6004360

Contact person/Title: Steven T. Diers, City Administrator

Address: 105 Milwaukee Mall

City Charles City County Floyd Zip Code: 50616

Telephone Number: 641-257-6300 Fax Number: 641-257-6331

E-mail address: steven.diers@cityofcharlescity.org

Clean Water SRF NPDES Number: 3405001

Drinking Water SRF PWSID Number: \_\_\_\_\_

Please write a brief description of the project: Installation of Ultra-Violet disinfection equipment and a serpentine weir within the new concrete channel. UV equipment includes UV lamp modules and ballasts, extension baffles, monitoring instrumentation and similar equipment. Project also includes reconstruction of clarifying tanks to change elevations, repiping and associated work.

Do you have all permits/clearances required for this project?

	Yes	No	N/A	Date Obtained	Date Expected
Environmental Review (FONSI or CX)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Operating Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Construction Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3-17-2015	
Others:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Is the system under any regulatory compliance order?  Yes  No

What is the expected construction start date? 7-6-2015

Have construction bids been awarded?  Yes  No

What is the expected project completion date? 12-31-2015

How many people are served by the system? 7800

System Utilization for the most recent year:	Number of Connections	Annual Revenue	Percentage of System Annual Usage
Residential	2997	\$833,175	64
Commercial	328	\$468,371	36
Industrial			
Other			
Unmetered			
Total	3,325	\$1,301,546	100

**PROFESSIONAL CONSULTANTS**

**Project Engineer:** Fox Engineering  
 Name of Contact Person: Lance Aldrich  
 Mailing Address: 414 South 17th Street, Suite 107  
 City, State, and Zip Code: Ames, IA 50010  
 Telephone Number: 515-233-000  
 E-mail address: lja@foxeng.com

**Bond Counsel:** Dorsey & Whitney  
 Name of Contact Person: John Danos  
 Mailing Address: 801 Grand Avenue Suite 3900  
 City, State, and Zip Code: Des Moines, IA 50309-2790  
 Telephone Number: 515-283-1000  
 E-mail address: danos.john@Dorsey.com

**Financial Advisor:** PlanScape Partners  
 Name of Contact Person: Ronald Fiscus  
 Mailing Address: 1005 North Shore Drive  
 City, State, and Zip Code: Clear Lake, IA 50428  
 Telephone Number: 641-357-6344  
 E-mail address: rfiscus@planscapepartners.com

**SOURCE OF FUNDS/COST BREAKDOWN FOR PROJECT**

Project Cost Breakdown

Administrative, Financial & Legal expenses	\$ 64,842
Planning & Design expenses	\$ 336,090
Engineering construction fees	\$ 142,700
Construction	\$ 1,812,722
Equipment	\$
Other- Specify	\$
Contingency	\$
<b>Total Project Cost</b>	\$ 2,356,354
<b>Minus Funds from other sources</b>	\$ 620,000
SRF Loan Subtotal	\$ 1,736,153
0.5% loan origination fee (.005 x SRF amount)	\$ 8,646
<b>Total SRF Loan (round to nearest \$1,000)</b>	\$1,745,000

Source of Funds

<b>Total SRF Loan (from above)</b>	\$ 1,745,000
Federal grant or loan- Specify	\$ 620,000 IJOBS Grant
Applicant's share	\$

Other- Specify	\$
<b>Total Source of Funds</b>	\$ 2,365,000

Are you interested in an extended term loan (up to 30 years?)  Yes  No

If yes, has the extended term worksheet been completed and submitted to DNR?  Yes  No

**NOTE:** extended terms are available for all CWSRF loans. The applicant must be considered disadvantaged (51% of population low-to moderate-income) to get an extended term DWSRF loan.

Type of debt requested (check one): G.O.  Revenue  Combination

If GO – Has Bond Counsel or Financial Advisor calculated GO debt capacity for this project?

Yes  No

If Revenue: Do you have any outstanding debt payable from the system revenues?  Yes  No

**If Yes, please list or attach debt schedules:**

<b>Existing System Debt:</b>	Current Balance	Interest Rate	Year Issued	Maturity Date	Annual Payment (Principal + Interest)
Revenue Bonds	1,516,000	3.00	2003	6/1/2024	See Attached
Other Debt (Payable from System Revenues)	165,000	4.85	2007	6/1/2022	See Attached

Has Financial Advisor reviewed parity debt provisions for outstanding debt?  Yes  No  NA

Do you have a current bond rating?  Yes  No  I don't know

If yes, what is it? A1 From which rating agency?  Moody's  S&P  Fitch

Have ordinances related to increasing rates been adopted for financing this project?  Yes  No

If no – are you planning on increasing rates?  Yes  No

If yes – when will these ordinances be adopted? \_\_\_\_\_

What will average monthly **residential** user rates be with new ordinance? \$31.54 (based on 5,000 gal)

**The applicant must enclose (or email) the following documentation with the completed application.**

\_\_\_\_\_ Five year pro-forma showing revenue and expenses for system

FY15 Most recent financial statement  Audited  Unaudited

(If your financial information is available online, you may just provide a link)

The undersigned is duly authorized to request this loan on behalf of the Applicant. The Applicant declares under penalty of law that all facts given and information attached are true and correct. The Applicant authorizes IFA to verify all information.

Authorized Signature \_\_\_\_\_ Date 6-6-2016

Typed Name and Title Steven Diers - City Administrator



MEETING DATE: 6/6/16

ITEM: 10G

## AGENDA ITEM SUMMARY

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**Subject: Appointment of DeLaine Freeseaman and Keith Starr to the joint facility sub committee with Mike Hammond as alternate**

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### **Background Summary:**

At the joint meeting with the Floyd County Board of Supervisors on June 1, it was decided to form a sub committee to conduct interviews of the firms who submitted proposals for the study of a joint law enforcement center. The city will have two representatives on this committee and the county will have two representatives. The council has selected DeLaine Freeseaman and Keith Starr for their members with Mike Hammond being the alternate.

Once interviews are completed, this committee will make a recommendation to the council and BOS on which firm to hire.

CITY OF CHARLES CITY



MEETING DATE: 6/6/16

ITEM: 10H

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## AGENDA ITEM SUMMARY

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**Subject: Resolution approving SRF Loan for UV Disinfection project at Wastewater Treatment Plant (Water Pollution Control)**

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Recommendation: Approve the resolution, amount not to exceed \$1,745,000

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### **Background Summary:**

After several years of planning and construction we are coming to the end of the UV Disinfection project at the Wastewater Treatment Plant. This project was broken up into three potential phases based on the effectiveness of the approach to dealing with E-Coli bacteria. The approach was to implement UV lighting which is used to kill the bacteria as a final stage of treatment before the water is released.

1<sup>st</sup> phase consisted of plant upgrades to rectify elevation needs of the clarifier. The 2<sup>nd</sup> phase completed the installation of the UV lighting weirs. 3<sup>rd</sup> phase was to consider additional improvements for bacteria disinfection as needed. The plant began running the UV lighting when the snow melted this spring and all indications show that we are meeting our goals with the UV lighting. With that said it would appear that a third phase is not necessary.

We are ready to approve the SRF sewer revenue bond in the amount of \$1,745,000 for this project. A hearing was held on this issuance at the May 16 council meeting. Terms of the loan are 2% for 10 years.

We recommend approval of this resolution.

CITY OF CHARLES CITY

RESOLUTION NO. 51-16

Resolution authorizing and approving a Loan and Disbursement Agreement and providing for the issuance and securing the payment of \$1,745,000 Sewer Revenue Bonds, Series 2016

WHEREAS, the City of Charles City (the "City"), in Floyd County, State of Iowa, did heretofore establish a Municipal Sanitary Sewer System (the "Utility") in and for the City which has continuously supplied sanitary sewer 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 resolution adopted and approved by the City Council on May 19, 2003 (the "Outstanding Bond Resolution"), the City previously issued its \$3,000,000 Sewer Revenue Bond, SRF Series 2003, dated June 17, 2003 (the "Outstanding Bond"), a portion of which remains outstanding; and

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

WHEREAS, the City has heretofore proposed to contract indebtedness and enter into a certain Sewer Revenue Loan and Disbursement Agreement in a principal amount not to exceed \$1,790,000 (the "Agreement") pursuant to the provisions of Section 384.24A of the Code of Iowa for the purpose of paying the cost, to that extent, of planning, designing and constructing improvements and extensions to the Utility (the "Project"), and has published notice of the proposed action and has held a hearing thereon on May 16, 2016;

WHEREAS, it is necessary at this time for the City Council to approve a certain Sewer Revenue Loan and Disbursement Agreement (the "Agreement") with the Iowa Finance Authority, an agency and public instrumentality of the State of Iowa, as lender (the "Lender") and to issue Sewer Revenue Bonds, Series 2016 (the "Bonds") in evidence thereof in the principal amount of \$1,745,000 in order to pay the costs of the Project;

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

Section 1. It is hereby determined that the City shall enter into the Agreement with the Lender. The Agreement shall be in substantially the form as has been placed on file with the City and shall provide for a loan (the "Loan") to the City in the amount of \$1,745,000, for the purpose as set forth in the preamble hereof.

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

Section 2. Sewer Revenue Bonds, Series 2016 (the "Bonds") are hereby authorized to be issued in evidence of the obligation of the City under the Agreement, in the total aggregate principal amount of \$1,745,000, to be dated the date of delivery to or upon the direction of the Lender, and bearing interest from the date of each advancement made at the rate of 1.75% per annum pursuant to the Agreement, until payment thereof, as set forth in Exhibit A attached to the Agreement.

The Bonds may be in the denomination of \$1,000 each or any integral multiple thereof and, at the request of the Lender, shall be initially issued as a single Bond in the denomination of \$1,745,000 and numbered R-1.

The City Clerk is hereby designated as the Registrar and Paying Agent for the Bonds and may be hereinafter referred to as the "Registrar" or the "Paying Agent".

Payment of the principal of and interest on the Bonds and premium, if any, shall be payable at the office of the Paying Agent to the registered owners thereof appearing on the registration books of the City. All such payments, except full redemption, shall be made to the registered owners appearing on the registration books at the close of business on the fifteenth day of the month next preceding the payment date. Final payment of principal shall only be made upon surrender of the Bond or Bonds to the Paying Agent.

In addition to the payment of principal of and interest on the Bonds, the City also agrees to pay the Initiation Fee and the Servicing Fee (defined in the Agreement) in accordance with the terms of the Agreement.

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

The Bonds shall be fully registered as to principal and interest in the names of the owners on the registration books of the City kept by the Registrar. Each Bond shall be transferable without cost to the registered owner thereof only upon the registration books of the City upon presentation to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form thereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

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

The Bonds are subject to optional redemption by the City at a price of par plus accrued interest (i) on any date with the prior written consent of the Lender, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any optional redemption of the Bonds

by the City may be made from any funds regardless of source, in whole or from time to time in part, in inverse order of maturity upon not less than thirty (30) days' notice of redemption by facsimile, e-mail, certified or registered mail to the Lender (or any other registered owner of the Bonds). The Bonds are also subject to mandatory redemption as set forth in Section 5 of the Agreement.

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

Section 3. The Bonds shall be executed as herein provided as soon after the adoption of this resolution as may be possible and thereupon they shall be delivered to the Registrar for registration and delivery to the Lender, upon receipt of the loan proceeds (the "Loan Proceeds"), and all action heretofore taken in connection with the Agreement is hereby ratified and confirmed in all respects.

Section 4. The Bonds shall be in substantially the following form:

(Form of Bond)  
UNITED STATES OF AMERICA  
STATE OF IOWA

COUNTY OF FLOYD

CITY OF CHARLES CITY

SEWER REVENUE BOND, SERIES 2016

No. R-1

\$1,745,000

RATE

MATURITY

BOND DATE

1.75%

June 1, 2036

June 24, 2016

The City of Charles City (the "City"), in Floyd County, State of Iowa, for value received, promises to pay from the source and as hereinafter provided, to the

IOWA FINANCE AUTHORITY

or registered assigns, the principal sum of

ONE MILLION SEVEN HUNDRED FORTY-FIVE THOUSAND DOLLARS.

Interest at the rate specified above shall be payable semiannually on June 1 and December 1 of each year, commencing December 1, 2016, and principal shall be due and payable in installments in the amounts shown on the Principal Payment Schedule hereon on June 1, 2017, and annually thereafter on June 1 in each year until the principal and interest are fully paid, except that the final installments of the entire balance of principal and interest, if not sooner paid, shall become due and payable on June 1, 2036. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The City Clerk shall act as Registrar and Paying Agent and may be hereinafter referred to as the "Registrar" or the "Paying Agent".

Payment of the principal of and interest on this Bond and premium, if any, shall be payable at the office of the Paying Agent to the registered owners thereof appearing on the registration books of the City at the addresses shown on such registration books. All such payments, except full redemption, shall be made to the registered owners appearing on the registration books at the close of business on the fifteenth day of the month next preceding the payment date. Final payment of principal shall only be made upon surrender of this Bond to the Paying Agent.

This Bond is one of a series of bonds (the "Bonds") issued by the City to evidence its obligation under a certain Loan and Disbursement Agreement, dated the date hereof (the "Agreement") entered into by the City for the purpose of providing funds to pay a portion of the cost of constructing improvements and extensions (the "Project") to the Municipal Sanitary Sewer System of the City (the "Utility").

The Bonds are issued pursuant to and in strict compliance with the provisions of Sections 384.24A and 384.83 of the Code of Iowa, 2015, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the City Council authorizing and approving the Agreement and providing for the issuance and securing the payment of the Bonds (the "Resolution"), and reference is hereby made to the Resolution and the Agreement for a more complete statement as to the source of payment of the Bonds and the rights of the owners of the Bonds.

The Bonds are subject to optional redemption by the City at a price of par plus accrued interest (i) on any date with the prior written consent of the Iowa Finance Authority, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any optional redemption of the Bonds by the City may be made from any funds regardless of source, in whole or from time to time in part, in inverse order of maturity upon not less than thirty (30) days' notice of redemption by facsimile, e-mail, certified or registered mail to the Iowa Finance Authority (or any other registered owner of the Bonds). The Bonds are also subject to mandatory redemption as set forth in Section 5 of the Agreement.

The Bonds are not general obligations of the City but, together with the City's Sewer Revenue Bond, SRF Series 2003, dated June 17, 2003, and any additional obligations as may be hereafter issued and outstanding from time to time ranking on a parity therewith under the conditions set forth in the Resolution, are payable solely and only out of the future Net Revenues of the Utility of the City, a sufficient portion of which has been ordered set aside and pledged for that purpose. This Bond is not payable in any manner by taxation, and under no circumstances shall the City be in any manner liable by reason of the failure of the said Net Revenues to be sufficient for the payment of this Bond and the interest thereon.

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

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

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

IN TESTIMONY WHEREOF, the City of Charles City, Iowa, has caused this Bond to be executed by its Mayor and attested by its City Clerk, all as of the Bond Date.

CITY OF CHARLES CITY, IOWA

By (Do Not Sign) \_\_\_\_\_

Mayor

Attest:

(Do Not Sign) \_\_\_\_\_

City Clerk

**(On the back of each Bond the following certificate shall be executed with the duly authorized signature of the City Treasurer)**

STATE OF IOWA

COUNTY OF FLOYD

CITY OF CHARLES CITY

SS: CITY TREASURER'S CERTIFICATE

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

(Do Not Sign) \_\_\_\_\_

City Treasurer

ABBREVIATIONS

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

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

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

ASSIGNMENT

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

\_\_\_\_\_  
(Please print or type name and address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

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

Dated: \_\_\_\_\_

Signature guaranteed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

PRINCIPAL PAYMENT SCHEDULE

Due June 1	Amount	Due June 1	Amount
2017	\$72,000	2027	\$87,000
2018	\$73,000	2028	\$89,000
2019	\$75,000	2029	\$91,000
2020	\$76,000	2030	\$93,000
2021	\$78,000	2031	\$95,000
2022	\$79,000	2032	\$97,000
2023	\$81,000	2033	\$99,000
2024	\$82,000	2034	\$100,000
2025	\$84,000	2035	\$103,000
2026	\$86,000	2036	\$105,000

Section 5. The Loan Proceeds shall be held by the Lender and disbursed for costs of the Project, as referred to in the preamble hereof. The City will keep a detailed, segregated accounting of the expenditure of the Loan Proceeds.

Section 6. So long as any of the Bonds, the Outstanding Bond or any Parity Obligations are outstanding, the City shall continue to maintain the Utility in good condition, and the Utility shall continue to be operated in an efficient manner and at a reasonable cost as a revenue producing undertaking. The City shall establish, impose, adjust and provide for the collection of rates to be charged to customers of the Utility, including the City, to produce gross revenues (hereinafter sometimes referred to as the "Gross Revenues") at least sufficient to pay the expenses of operation and maintenance of the Utility, which shall include salaries, wages, cost of maintenance and operation, materials, supplies, insurance and all other items normally included under recognized accounting practices (but does not include allowances for depreciation in the valuation of physical property) (which such expenses are hereinafter sometimes referred to as the "Operating Expenses") and to leave a balance of net revenues (herein referred to as the "Net Revenues") equal to at least 110% of the principal of and interest on all of the Bonds, the Outstanding Bond and any other Parity Obligations due in such fiscal year, as the same become due.

Section 7. The provisions, covenants, undertakings and stipulations for the operation of the Utility and for the collection, application and use of the Gross Revenues and income from such operation, as set forth in the Outstanding Bond Resolution shall inure and appertain to the Bonds to the same extent and with like force and effect as if herein set out in full, except only insofar as the same may be inconsistent with this resolution.

Nothing in this resolution shall be construed to impair the rights vested in the Outstanding Bond. The amounts herein required to be paid into the various funds hereafter named shall be inclusive of said payments required with respect to the Outstanding Bond. The provisions of the Outstanding Bond Resolution and the provisions of this resolution are to be construed whenever possible so that the same will not be in conflict. In the event such construction is not possible, the provisions of the resolution first adopted shall prevail until such time as the obligations authorized by such resolution have been paid or otherwise satisfied as therein provided, at which time the provisions of this resolution shall again prevail.

Section 8. From and after the issuance of the Bonds, the Gross Revenues of the Utility shall continue to be set aside into the City's Sewer Revenue Fund ("Sewer Revenue Fund") created under the Outstanding Bond Resolution. The Sewer Revenue Fund shall be used in maintaining and operating the Utility, and after payment of the Operating Expenses shall, to the extent hereinafter provided, be used to pay the principal of and interest on the Bonds, the Outstanding Bond and any Parity Obligations, and to create and maintain the several separate funds hereinafter established.

Section 9. The provisions in and by the Outstanding Bond Resolution, whereby there has been created and is to be maintained a Sewer Revenue Bond Sinking Fund (herein referred to as the "Sinking Fund"), and for the payment into said fund from the Net Revenues of the Utility such portion thereof as will be sufficient to pay the interest on and principal of the Outstanding Bond, are all hereby ratified and confirmed, and all such provisions shall inure and constitute the

security for the payment of the interest on and principal of the Bonds hereby authorized as may be outstanding from time to time; provided, however that on the first day of each month of each year, the minimum amount to be set aside, in addition to the amounts required to be set aside in the Outstanding Bond Resolution, and paid into the Sinking Fund shall be not less than as follows:

Beginning July 1, 2016, and continuing to and including November 1, 2016, an amount equal to 1/5th of the installment of interest coming due on December 1, 2016, and, thereafter, commencing December 1, 2016, and continuing to final maturity, an amount equal to 1/6th of the installment of interest coming due on the next succeeding interest payment date on the then outstanding Bonds. In addition, commencing July 1, 2016, and continuing to and including May 1, 2017, an amount equal to 1/11th of the installment of principal coming due on June 1, 2017, and, thereafter, commencing June 1, 2017, and continuing to final maturity, an amount equal to 1/12th of the installment of principal coming due on such Bonds on the next succeeding principal payment date until the full amount of such installment is on deposit in the Sinking Fund.

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

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

No further payments need be made into the Sinking Fund when and so long as the amount therein is sufficient to retire all of the Bonds, the Outstanding Bond and any Parity Obligations then outstanding which are payable from the Sinking Fund and to pay all interest to become due thereon prior to such retirement, or if provision for such payment has been made.

All of such payments required to be made into the Sinking Fund shall be made in equal monthly installments on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday, then such payments shall be made on the next succeeding secular day.

Section 10. The provisions in and by the Outstanding Bond Resolution whereby there has been created and is to be maintained a special fund to be known and designated as the Surplus Fund into which there shall be set apart and paid all of the Net Revenues remaining after first making the required payments into the Sinking Fund are all hereby ratified and confirmed. All money credited to the Surplus Fund shall be transferred and credited to the Sinking Fund whenever necessary to prevent or remedy a default in the payment of the principal of or interest on the Bonds, the Outstanding Bond and any Parity Obligations.

As long as the Sinking Fund has the full amounts required to be deposited therein by the Outstanding Bond Resolution and this resolution, any balance in the Surplus Fund may be expended by the City in such manner as the Council, or such other duly constituted body as may then be charged with the operation of the Utility, may from time to time direct.

Section 11. All money held in any fund or account created or to be maintained under the terms of this resolution shall be deposited in lawful depositories of the City or invested in accordance with Chapters 12B and 12C of the Code of Iowa and continuously held and secured as provided by the laws of the State of Iowa relating to the depositing, securing, holding and investing of public funds. All interest received by the City as a result of investments under this section shall be considered to constitute Gross Revenues of the Utility and shall be deposited in or transferred to the Sewer Revenue Fund and used solely and only for the purposes specified herein for such funds.

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

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

Section 14. The Bonds, the Outstanding Bond or any Parity Obligations shall not be entitled to priority or preference one over the other in the application of the Net Revenues of the Utility regardless of the time or times of the issuance of such Bonds, the Outstanding Bond or Parity Obligations, it being the intention of the City that there shall be no priority among the Bonds, the Outstanding Bond or Parity Obligations, regardless of the fact that they may have been actually issued and delivered at different times. The City hereby reserves the right and privilege of issuing additional Parity Obligations.

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

Section 16. The provisions of this resolution shall constitute a contract between the City and the owners of the Bonds and Parity Obligations as may from time to time be outstanding, and after the issuance of the Bonds, no change, variation or alteration of any kind of the provisions of this resolution shall be made which will adversely affect the owners of the Bonds or Parity Obligations until all of the Bonds, the Outstanding Bond and Parity Obligations and the interest thereon shall have been paid in full, except as hereinafter provided.

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

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

Whenever the City shall propose to amend or modify this resolution under the provisions of this section, it shall cause notice of the proposed amendment to be (1) filed with the Lender and (2) mailed by certified mail to each registered owner of any Bond or Parity Obligation as shown by the records of the Registrar. Such notice shall set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the City Clerk.

Whenever at any time within one year from the date of the mailing of said notice, there shall be filed with the City Clerk an instrument or instruments executed by the owners of at least a majority in aggregate principal amount of the Bonds and Parity Obligations outstanding at the time of the adoption of such amendatory resolution specifically consenting to the adoption thereof as herein provided, no owner of any Bonds or Parity Obligations shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the City from taking any action pursuant to the provisions thereof.

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

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

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

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

Section 18. If any section, paragraph, clause or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 19. All resolutions and orders or parts thereof in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.

Section 20. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved June 6, 2016.

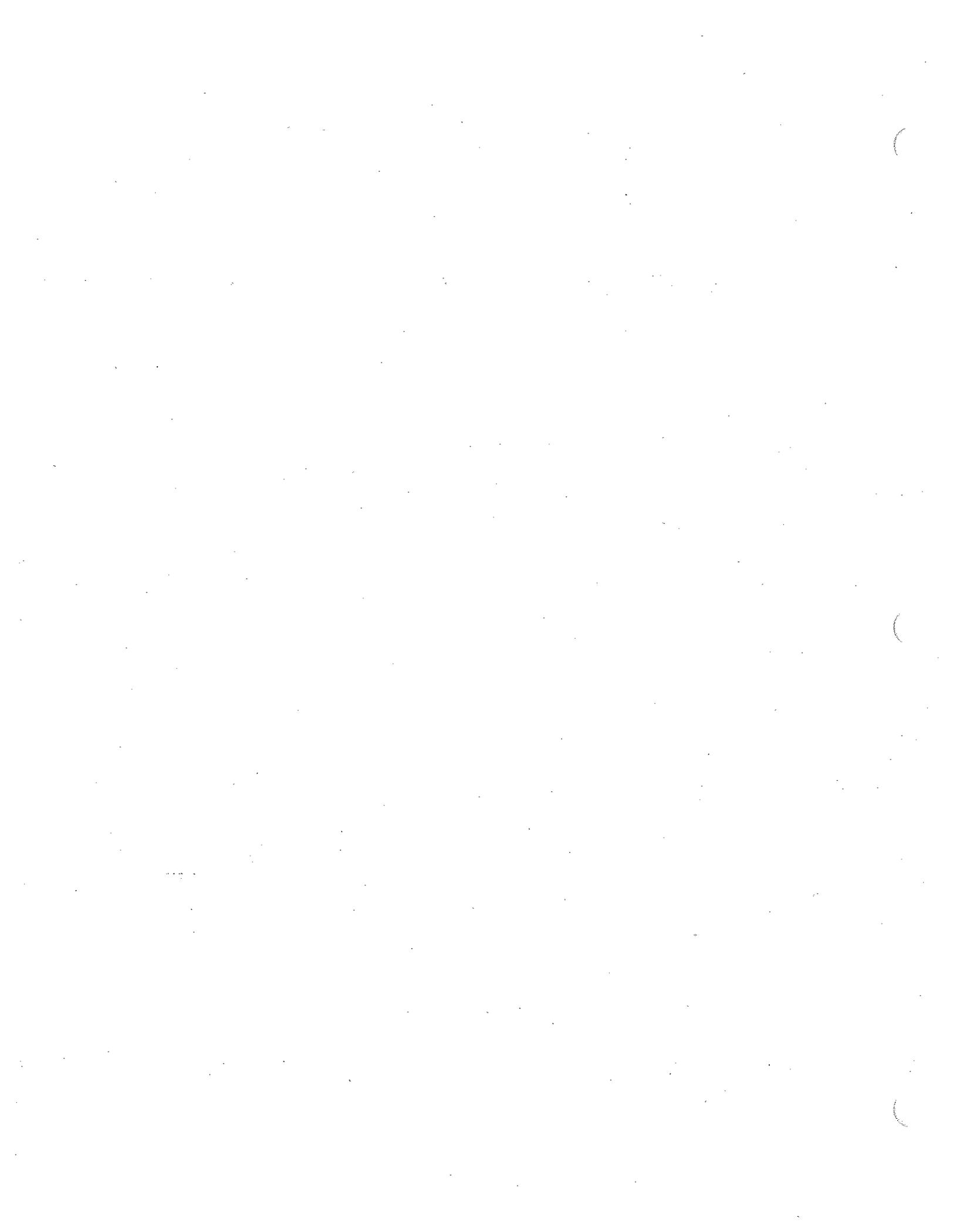
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Mayor

Attest:

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City Clerk



MEETING DATE: 6/6/16

ITEM: 10G

## AGENDA ITEM SUMMARY

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**Subject: Appointment of DeLaine Freeseaman and Keith Starr to the joint facility sub committee with Mike Hammond as alternate**

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### **Background Summary:**

At the joint meeting with the Floyd County Board of Supervisors on June 1, it was decided to form a sub committee to conduct interviews of the firms who submitted proposals for the study of a joint law enforcement center. The city will have two representatives on this committee and the county will have two representatives. The council has selected DeLaine Freeseaman and Keith Starr for their members with Mike Hammond being the alternate.

Once interviews are completed, this committee will make a recommendation to the council and BOS on which firm to hire.

CITY OF CHARLES CITY

MEETING DATE: 6/6/16

ITEM: 10H

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## AGENDA ITEM SUMMARY

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**Subject: Resolution approving SRF Loan for UV Disinfection project at Wastewater Treatment Plant (Water Pollution Control)**

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Recommendation: Approve the resolution, amount not to exceed \$1,745,000

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### **Background Summary:**

After several years of planning and construction we are coming to the end of the UV Disinfection project at the Wastewater Treatment Plant. This project was broken up into three potential phases based on the effectiveness of the approach to dealing with E-Coli bacteria. The approach was to implement UV lighting which is used to kill the bacteria as a final stage of treatment before the water is released.

1<sup>st</sup> phase consisted of plant upgrades to rectify elevation needs of the clarifier. The 2<sup>nd</sup> phase completed the installation of the UV lighting weirs. 3<sup>rd</sup> phase was to consider additional improvements for bacteria disinfection as needed. The plant began running the UV lighting when the snow melted this spring and all indications show that we are meeting our goals with the UV lighting. With that said it would appear that a third phase is not necessary.

We are ready to approve the SRF sewer revenue bond in the amount of \$1,745,000 for this project. A hearing was held on this issuance at the May 16 council meeting. Terms of the loan are 2% for 10 years.

We recommend approval of this resolution.

CITY OF CHARLES CITY

RESOLUTION NO. 51-16

Resolution authorizing and approving a Loan and Disbursement Agreement and providing for the issuance and securing the payment of \$1,745,000 Sewer Revenue Bonds, Series 2016

WHEREAS, the City of Charles City (the "City"), in Floyd County, State of Iowa, did heretofore establish a Municipal Sanitary Sewer System (the "Utility") in and for the City which has continuously supplied sanitary sewer 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 resolution adopted and approved by the City Council on May 19, 2003 (the "Outstanding Bond Resolution"), the City previously issued its \$3,000,000 Sewer Revenue Bond, SRF Series 2003, dated June 17, 2003 (the "Outstanding Bond"), a portion of which remains outstanding; and

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

WHEREAS, the City has heretofore proposed to contract indebtedness and enter into a certain Sewer Revenue Loan and Disbursement Agreement in a principal amount not to exceed \$1,790,000 (the "Agreement") pursuant to the provisions of Section 384.24A of the Code of Iowa for the purpose of paying the cost, to that extent, of planning, designing and constructing improvements and extensions to the Utility (the "Project"), and has published notice of the proposed action and has held a hearing thereon on May 16, 2016;

WHEREAS, it is necessary at this time for the City Council to approve a certain Sewer Revenue Loan and Disbursement Agreement (the "Agreement") with the Iowa Finance Authority, an agency and public instrumentality of the State of Iowa, as lender (the "Lender") and to issue Sewer Revenue Bonds, Series 2016 (the "Bonds") in evidence thereof in the principal amount of \$1,745,000 in order to pay the costs of the Project;

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

Section 1. It is hereby determined that the City shall enter into the Agreement with the Lender. The Agreement shall be in substantially the form as has been placed on file with the City and shall provide for a loan (the "Loan") to the City in the amount of \$1,745,000, for the purpose as set forth in the preamble hereof.

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

Section 2. Sewer Revenue Bonds, Series 2016 (the "Bonds") are hereby authorized to be issued in evidence of the obligation of the City under the Agreement, in the total aggregate principal amount of \$1,745,000, to be dated the date of delivery to or upon the direction of the Lender, and bearing interest from the date of each advancement made at the rate of 1.75% per annum pursuant to the Agreement, until payment thereof, as set forth in Exhibit A attached to the Agreement.

The Bonds may be in the denomination of \$1,000 each or any integral multiple thereof and, at the request of the Lender, shall be initially issued as a single Bond in the denomination of \$1,745,000 and numbered R-1.

The City Clerk is hereby designated as the Registrar and Paying Agent for the Bonds and may be hereinafter referred to as the "Registrar" or the "Paying Agent".

Payment of the principal of and interest on the Bonds and premium, if any, shall be payable at the office of the Paying Agent to the registered owners thereof appearing on the registration books of the City. All such payments, except full redemption, shall be made to the registered owners appearing on the registration books at the close of business on the fifteenth day of the month next preceding the payment date. Final payment of principal shall only be made upon surrender of the Bond or Bonds to the Paying Agent.

In addition to the payment of principal of and interest on the Bonds, the City also agrees to pay the Initiation Fee and the Servicing Fee (defined in the Agreement) in accordance with the terms of the Agreement.

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

The Bonds shall be fully registered as to principal and interest in the names of the owners on the registration books of the City kept by the Registrar. Each Bond shall be transferable without cost to the registered owner thereof only upon the registration books of the City upon presentation to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form thereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

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

The Bonds are subject to optional redemption by the City at a price of par plus accrued interest (i) on any date with the prior written consent of the Lender, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any optional redemption of the Bonds

by the City may be made from any funds regardless of source, in whole or from time to time in part, in inverse order of maturity upon not less than thirty (30) days' notice of redemption by facsimile, e-mail, certified or registered mail to the Lender (or any other registered owner of the Bonds). The Bonds are also subject to mandatory redemption as set forth in Section 5 of the Agreement.

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

Section 3. The Bonds shall be executed as herein provided as soon after the adoption of this resolution as may be possible and thereupon they shall be delivered to the Registrar for registration and delivery to the Lender, upon receipt of the loan proceeds (the "Loan Proceeds"), and all action heretofore taken in connection with the Agreement is hereby ratified and confirmed in all respects.

Section 4. The Bonds shall be in substantially the following form:

(Form of Bond)  
UNITED STATES OF AMERICA  
STATE OF IOWA

COUNTY OF FLOYD

CITY OF CHARLES CITY

SEWER REVENUE BOND, SERIES 2016

No. R-1

\$1,745,000

RATE

MATURITY

BOND DATE

1.75%

June 1, 2036

June 24, 2016

The City of Charles City (the "City"), in Floyd County, State of Iowa, for value received, promises to pay from the source and as hereinafter provided, to the

IOWA FINANCE AUTHORITY

or registered assigns, the principal sum of

ONE MILLION SEVEN HUNDRED FORTY-FIVE THOUSAND DOLLARS.

Interest at the rate specified above shall be payable semiannually on June 1 and December 1 of each year, commencing December 1, 2016, and principal shall be due and payable in installments in the amounts shown on the Principal Payment Schedule hereon on June 1, 2017, and annually thereafter on June 1 in each year until the principal and interest are fully paid, except that the final installments of the entire balance of principal and interest, if not sooner paid, shall become due and payable on June 1, 2036. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The City Clerk shall act as Registrar and Paying Agent and may be hereinafter referred to as the "Registrar" or the "Paying Agent".

Payment of the principal of and interest on this Bond and premium, if any, shall be payable at the office of the Paying Agent to the registered owners thereof appearing on the registration books of the City at the addresses shown on such registration books. All such payments, except full redemption, shall be made to the registered owners appearing on the registration books at the close of business on the fifteenth day of the month next preceding the payment date. Final payment of principal shall only be made upon surrender of this Bond to the Paying Agent.

This Bond is one of a series of bonds (the "Bonds") issued by the City to evidence its obligation under a certain Loan and Disbursement Agreement, dated the date hereof (the "Agreement") entered into by the City for the purpose of providing funds to pay a portion of the cost of constructing improvements and extensions (the "Project") to the Municipal Sanitary Sewer System of the City (the "Utility").

The Bonds are issued pursuant to and in strict compliance with the provisions of Sections 384.24A and 384.83 of the Code of Iowa, 2015, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the City Council authorizing and approving the Agreement and providing for the issuance and securing the payment of the Bonds (the "Resolution"), and reference is hereby made to the Resolution and the Agreement for a more complete statement as to the source of payment of the Bonds and the rights of the owners of the Bonds.

The Bonds are subject to optional redemption by the City at a price of par plus accrued interest (i) on any date with the prior written consent of the Iowa Finance Authority, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any optional redemption of the Bonds by the City may be made from any funds regardless of source, in whole or from time to time in part, in inverse order of maturity upon not less than thirty (30) days' notice of redemption by facsimile, e-mail, certified or registered mail to the Iowa Finance Authority (or any other registered owner of the Bonds). The Bonds are also subject to mandatory redemption as set forth in Section 5 of the Agreement.

The Bonds are not general obligations of the City but, together with the City's Sewer Revenue Bond, SRF Series 2003, dated June 17, 2003, and any additional obligations as may be hereafter issued and outstanding from time to time ranking on a parity therewith under the conditions set forth in the Resolution, are payable solely and only out of the future Net Revenues of the Utility of the City, a sufficient portion of which has been ordered set aside and pledged for that purpose. This Bond is not payable in any manner by taxation, and under no circumstances shall the City be in any manner liable by reason of the failure of the said Net Revenues to be sufficient for the payment of this Bond and the interest thereon.

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

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

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

IN TESTIMONY WHEREOF, the City of Charles City, Iowa, has caused this Bond to be executed by its Mayor and attested by its City Clerk, all as of the Bond Date.

CITY OF CHARLES CITY, IOWA

By (Do Not Sign) \_\_\_\_\_

Mayor

Attest:

(Do Not Sign) \_\_\_\_\_

City Clerk

**(On the back of each Bond the following certificate shall be executed with the duly authorized signature of the City Treasurer)**

STATE OF IOWA

COUNTY OF FLOYD

CITY OF CHARLES CITY

SS: CITY TREASURER'S CERTIFICATE

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

(Do Not Sign) \_\_\_\_\_

City Treasurer

ABBREVIATIONS

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

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

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

ASSIGNMENT

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

\_\_\_\_\_  
(Please print or type name and address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

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

Dated: \_\_\_\_\_

Signature guaranteed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

PRINCIPAL PAYMENT SCHEDULE

Due June 1	Amount	Due June 1	Amount
2017	\$72,000	2027	\$87,000
2018	\$73,000	2028	\$89,000
2019	\$75,000	2029	\$91,000
2020	\$76,000	2030	\$93,000
2021	\$78,000	2031	\$95,000
2022	\$79,000	2032	\$97,000
2023	\$81,000	2033	\$99,000
2024	\$82,000	2034	\$100,000
2025	\$84,000	2035	\$103,000
2026	\$86,000	2036	\$105,000

Section 5. The Loan Proceeds shall be held by the Lender and disbursed for costs of the Project, as referred to in the preamble hereof. The City will keep a detailed, segregated accounting of the expenditure of the Loan Proceeds.

Section 6. So long as any of the Bonds, the Outstanding Bond or any Parity Obligations are outstanding, the City shall continue to maintain the Utility in good condition, and the Utility shall continue to be operated in an efficient manner and at a reasonable cost as a revenue producing undertaking. The City shall establish, impose, adjust and provide for the collection of rates to be charged to customers of the Utility, including the City, to produce gross revenues (hereinafter sometimes referred to as the "Gross Revenues") at least sufficient to pay the expenses of operation and maintenance of the Utility, which shall include salaries, wages, cost of maintenance and operation, materials, supplies, insurance and all other items normally included under recognized accounting practices (but does not include allowances for depreciation in the valuation of physical property) (which such expenses are hereinafter sometimes referred to as the "Operating Expenses") and to leave a balance of net revenues (herein referred to as the "Net Revenues") equal to at least 110% of the principal of and interest on all of the Bonds, the Outstanding Bond and any other Parity Obligations due in such fiscal year, as the same become due.

Section 7. The provisions, covenants, undertakings and stipulations for the operation of the Utility and for the collection, application and use of the Gross Revenues and income from such operation, as set forth in the Outstanding Bond Resolution shall inure and appertain to the Bonds to the same extent and with like force and effect as if herein set out in full, except only insofar as the same may be inconsistent with this resolution.

Nothing in this resolution shall be construed to impair the rights vested in the Outstanding Bond. The amounts herein required to be paid into the various funds hereafter named shall be inclusive of said payments required with respect to the Outstanding Bond. The provisions of the Outstanding Bond Resolution and the provisions of this resolution are to be construed whenever possible so that the same will not be in conflict. In the event such construction is not possible, the provisions of the resolution first adopted shall prevail until such time as the obligations authorized by such resolution have been paid or otherwise satisfied as therein provided, at which time the provisions of this resolution shall again prevail.

Section 8. From and after the issuance of the Bonds, the Gross Revenues of the Utility shall continue to be set aside into the City's Sewer Revenue Fund ("Sewer Revenue Fund") created under the Outstanding Bond Resolution. The Sewer Revenue Fund shall be used in maintaining and operating the Utility, and after payment of the Operating Expenses shall, to the extent hereinafter provided, be used to pay the principal of and interest on the Bonds, the Outstanding Bond and any Parity Obligations; and to create and maintain the several separate funds hereinafter established.

Section 9. The provisions in and by the Outstanding Bond Resolution, whereby there has been created and is to be maintained a Sewer Revenue Bond Sinking Fund (herein referred to as the "Sinking Fund"), and for the payment into said fund from the Net Revenues of the Utility such portion thereof as will be sufficient to pay the interest on and principal of the Outstanding Bond, are all hereby ratified and confirmed, and all such provisions shall inure and constitute the

security for the payment of the interest on and principal of the Bonds hereby authorized as may be outstanding from time to time; provided, however that on the first day of each month of each year, the minimum amount to be set aside, in addition to the amounts required to be set aside in the Outstanding Bond Resolution, and paid into the Sinking Fund shall be not less than as follows:

Beginning July 1, 2016, and continuing to and including November 1, 2016, an amount equal to 1/5th of the installment of interest coming due on December 1, 2016, and, thereafter, commencing December 1, 2016, and continuing to final maturity, an amount equal to 1/6th of the installment of interest coming due on the next succeeding interest payment date on the then outstanding Bonds. In addition, commencing July 1, 2016, and continuing to and including May 1, 2017, an amount equal to 1/11th of the installment of principal coming due on June 1, 2017, and, thereafter, commencing June 1, 2017, and continuing to final maturity, an amount equal to 1/12th of the installment of principal coming due on such Bonds on the next succeeding principal payment date until the full amount of such installment is on deposit in the Sinking Fund.

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

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

No further payments need be made into the Sinking Fund when and so long as the amount therein is sufficient to retire all of the Bonds, the Outstanding Bond and any Parity Obligations then outstanding which are payable from the Sinking Fund and to pay all interest to become due thereon prior to such retirement, or if provision for such payment has been made.

All of such payments required to be made into the Sinking Fund shall be made in equal monthly installments on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday, then such payments shall be made on the next succeeding secular day.

Section 10. The provisions in and by the Outstanding Bond Resolution whereby there has been created and is to be maintained a special fund to be known and designated as the Surplus Fund into which there shall be set apart and paid all of the Net Revenues remaining after first making the required payments into the Sinking Fund are all hereby ratified and confirmed. All money credited to the Surplus Fund shall be transferred and credited to the Sinking Fund whenever necessary to prevent or remedy a default in the payment of the principal of or interest on the Bonds, the Outstanding Bond and any Parity Obligations.

As long as the Sinking Fund has the full amounts required to be deposited therein by the Outstanding Bond Resolution and this resolution, any balance in the Surplus Fund may be expended by the City in such manner as the Council, or such other duly constituted body as may then be charged with the operation of the Utility, may from time to time direct.

Section 11. All money held in any fund or account created or to be maintained under the terms of this resolution shall be deposited in lawful depositories of the City or invested in accordance with Chapters 12B and 12C of the Code of Iowa and continuously held and secured as provided by the laws of the State of Iowa relating to the depositing, securing, holding and investing of public funds. All interest received by the City as a result of investments under this section shall be considered to constitute Gross Revenues of the Utility and shall be deposited in or transferred to the Sewer Revenue Fund and used solely and only for the purposes specified herein for such funds.

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

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

Section 14. The Bonds, the Outstanding Bond or any Parity Obligations shall not be entitled to priority or preference one over the other in the application of the Net Revenues of the Utility regardless of the time or times of the issuance of such Bonds, the Outstanding Bond or Parity Obligations, it being the intention of the City that there shall be no priority among the Bonds, the Outstanding Bond or Parity Obligations, regardless of the fact that they may have been actually issued and delivered at different times. The City hereby reserves the right and privilege of issuing additional Parity Obligations.

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

Section 16. The provisions of this resolution shall constitute a contract between the City and the owners of the Bonds and Parity Obligations as may from time to time be outstanding, and after the issuance of the Bonds, no change, variation or alteration of any kind of the provisions of this resolution shall be made which will adversely affect the owners of the Bonds or Parity Obligations until all of the Bonds, the Outstanding Bond and Parity Obligations and the interest thereon shall have been paid in full, except as hereinafter provided.

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

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

Whenever the City shall propose to amend or modify this resolution under the provisions of this section, it shall cause notice of the proposed amendment to be (1) filed with the Lender and (2) mailed by certified mail to each registered owner of any Bond or Parity Obligation as shown by the records of the Registrar. Such notice shall set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the City Clerk.

Whenever at any time within one year from the date of the mailing of said notice, there shall be filed with the City Clerk an instrument or instruments executed by the owners of at least a majority in aggregate principal amount of the Bonds and Parity Obligations outstanding at the time of the adoption of such amendatory resolution specifically consenting to the adoption thereof as herein provided, no owner of any Bonds or Parity Obligations shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the City from taking any action pursuant to the provisions thereof.

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

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

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

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

Section 18. If any section, paragraph, clause or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 19. All resolutions and orders or parts thereof in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.

Section 20. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved June 6, 2016.

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Mayor

Attest:

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City Clerk

