

February 25, 2021

The Utility Board of Trustees of Laurens, Iowa met in regular session at the Municipal Building, 272 N. Third Street, Laurens, Iowa, at 11:30 a.m. on the above date. Present were Trustees Richard Main, Jerry Runneberg, and Ben Storms. Also present was General Manager Chad Cleveland.

Motion by Trustee Storms and seconded by Trustee Runneberg to approve the agenda for the February 25, 2021 regular meeting. Ayes: All. Nays: None. Motion carried.

Motion by Trustee Runneberg and seconded by Trustee Storms to approve the minutes of the January 25, 2021 and February 17, 2021 Board meetings. Ayes: All. Nays: None. Motion carried.

Motion by Trustee Runneberg and seconded by Trustee Storms to approve the summary of receipts for January 2021 in the amount of \$385,109.98 and the list of expenses for January 2021 in the amount of \$282,172.99. Ayes: All. Nays: None. Motion carried.

Summary of Receipts

A/R – Electric	\$ 271,755.56
A/R – Communications	\$ 60,424.65
Merchandise/Services – Electric	\$ 5,025.00
Merchandise/Services – Communications	\$ 152.00
Carrier Access Fees – Communications	\$ 4,527.55
LIHEAP Energy Assistance – Electric	\$ 2,120.00
Deposits – Electric	\$ 806.58
Deposits – Internet	\$ 166.00
Deposits – Cable TV	\$ 25.00
Marathon Energy Sales – Electric	\$ 13,075.78
E911 Fees – Telephone	\$ 643.26
Tower Lease – Communications	\$ 2,100.00
Attachment H Revenues – Electric	\$ 24,185.50
Miscellaneous – Telephone	\$ 62.00
Miscellaneous – Cable TV	\$ 11.10
Office Phones – Electric	\$ 30.00
Total Cash Receipts	\$ 385,109.98

Electric Receipts	\$ 316,998.42
Communications Receipts	\$ 68,111.56
Total Cash Receipts	\$ 385,109.98

List of Expenses

A & M Laundry	Dust Mops & Mats	\$ 85.28
Aureon	CALEA/SS7/Switching/Transport	\$ 534.60
Aveis	Group Vision Insurance	\$ 108.48
Big 10 Network	Programming Fees	\$ 525.38
Century Link Access	Access/Transport Fees	\$ 553.35
Consortia Consulting	Consulting Contract	\$ 975.00
Counsel	Lanier Copier Support	\$ 55.74
Customers	Deposit/Credit Refunds	\$ 277.47
Department of Energy	WAPA Power Bill	\$ 34,768.91
DGR Engineering	Marathon Rate Calculations	\$ 432.00
Echo Group	Tower Light Bulbs	\$ 218.53
Employee Benefit Systems	Self-Funding – Administration	\$ 120.00
Employee Benefit Systems	Self-Funding – Claims	\$ 20.00
Fox Sports Net North	Programming Fees	\$ 1,380.93
Hearst Television	Programming Fees	\$ 1,222.86

ICMA RC	Employee Contributions	\$	800.00
Internal Revenue Service	Payroll Taxes	\$	7,572.78
Interstate TRS Fund	TRS Fund Assessment	\$	213.95
Iowa Association of Municipal Utilities	Apprenticeship Program Fees	\$	1,200.00
Iowa Department of Natural Resources	Tank Management Fee	\$	65.00
Iowa Department of Revenue	Sales Tax	\$	6,518.00
Iowa Department of Revenue	State Withholding	\$	1,230.00
Iowa One Call	Locates	\$	39.60
Iowa Public Employees Retirement System	IPERS Contributions	\$	5,006.39
Laurens, City of	Utility Billing	\$	86,354.87
Laurens Food Pride	Cleaning Supplies	\$	42.93
Laurens Municipal Power & Communications	Communications Bill	\$	137.33
Laurens Municipal Utilities	Utility Bill	\$	93.97
Laurens Plumbing	Miscellaneous Supplies	\$	145.28
Laurens State Bank	Safe Deposit Box Rent	\$	15.00
Laurens State Bank	Service Charges	\$	52.29
Laurens Sun	Publications/Advertising	\$	874.77
Long Lines	Communication Services	\$	9,493.99
Lumen Lexcis	Directory Listings	\$	29.34
Merchant Bankcard	Credit Card Processing Fees	\$	776.79
MidAmerican Energy	Neal 4 Operations	\$	11,000.00
National Cable Television Cooperative	Cable Modems	\$	2,304.69
Nexstar Broadcasting	Programming Fees	\$	1,181.46
NIMECA	Power Bill	\$	64,938.47
Norsolv Systems	Norsolv Services	\$	191.48
Oakhill Consulting	FTTH Project	\$	2,046.00
Office Elements	Office Supplies	\$	28.47
Payroll	Salaried, Hourly & Overtime	\$	21,626.45
PLIC-SBD Grand Island	Life/Disability Insurance	\$	497.84
Pop Media	Programming Fees	\$	45.39
Postmaster	Utility Billing Postage	\$	341.50
Pro Cooperative	Fuel/Diesel	\$	372.87
R&D Industries	Network Support	\$	653.87
RB Lumber Company	Supplies	\$	12.68
Secure Shred Solutions	Paper Shredding	\$	50.00
Siepkers Auto	Vehicle Maintenance	\$	63.51
Spencer Municipal Utilities	Transport Fees	\$	660.75
Tegna	Programming Fees	\$	1,860.99
US Card Systems	Credit Card Terminal Lease	\$	29.95
Verizon	Wireless Phone Service	\$	622.56
Visa	Website Domain Renewal	\$	225.28
Wellmark Blue Cross Blue Shield	Group Health Insurance	\$	10,892.10
Zcorum	Cable Modem Provisioning	\$	804.40
	Total Expenses	\$	282,172.99

Electric Expenses	\$	239,897.41
Communications Expenses	\$	<u>42,275.58</u>
Total Expenses	\$	282,172.99

Trustees reviewed the Utility Funds Report, Balance Sheet, and Income Statement for January 2021. Motion by Trustee Storms and seconded by Trustee Runneberg to have the Investment Committee reinvest CD # 71264 upon maturity. This CD is designated as our Bond Reserve Fund. Ayes: All. Nays: None. Motion carried.

Trustee Storms introduced the following Resolution entitled "RESOLUTION APPROVING BOND DISCLOSURE POLICY" and moved that it be adopted. Trustee Runneberg seconded the motion to adopt. The roll was called and the vote was as follows:

Ayes: Main, Runneberg, and Storms. Nays: None.

Whereupon, Chairman Main declared the Resolution duly adopted as follows:

RESOLUTION APPROVING BOND DISCLOSURE POLICY

WHEREAS, the City of Laurens, Iowa, by and through its Board of Trustees of the Municipal Utilities (the "Utilities"), is a political subdivision, organized and existing under and by virtue of the constitution and laws of the State of Iowa; and

WHEREAS, Rule 15c2-12, as amended (the "Rule"), promulgated under the Securities Exchange Act of 1934, as amended, imposes requirements upon the Utilities' municipal securities offerings including providing an official statement and a continuing disclosure agreement with the purchaser or underwriter in connection with each new issuance of obligations which fall within the Rule; and

WHEREAS, to provide a protocol for future compliance with the Rule, the Utilities has prepared a Bond Disclosure Policy outlining procedures related to the preparation of its primary and secondary disclosures for existing and future municipal securities issued by the Utilities.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MUNICIPAL UTILITIES OF THE CITY OF LAURENS, STATE OF IOWA:

Section 1. The Bond Disclosure Policy (the "Policy") attached hereto as Exhibit A is hereby adopted and approved. Said Policy shall apply with respect to all utilities of the City of Laurens governed by the Board of Trustees of the Laurens Municipal Utilities.

Section 2. The official identified as the Disclosure Coordinator in the Policy is hereby approved and shall take any and all action necessary to properly implement the Policy.

PASSED AND APPROVED this 25th day of February 2021.

Richard Main
Chairman, Board of Trustees

ATTEST: Chad Cleveland
Secretary, Board of Trustees

Trustee Runneberg introduced the following resolution entitled "RESOLUTION APPOINTING UMB BANK, N.A. OF WEST DES MOINES, IOWA, TO SERVE AS PAYING AGENT, NOTE REGISTRAR, AND TRANSFER AGENT, APPROVING THE PAYING AGENT AND NOTE REGISTRAR AND TRANSFER AGENT AGREEMENT AND AUTHORIZING THE EXECUTION OF THE AGREEMENT" and moved that the resolution be adopted. Trustee Storms seconded the motion to adopt. The roll was called and the vote was as follows:

Ayes: Main, Runneberg, and Storms Nays: None

Whereupon, Chairman Main declared the resolution duly adopted as follows:

RESOLUTION APPOINTING UMB BANK, N.A. OF WEST DES MOINES, IOWA, TO SERVE AS PAYING AGENT, NOTE REGISTRAR, AND TRANSFER AGENT, APPROVING THE PAYING AGENT AND NOTE REGISTRAR AND TRANSFER AGENT AGREEMENT AND AUTHORIZING THE EXECUTION OF THE AGREEMENT

WHEREAS, \$7,955,000 Electric Revenue Capital Loan Notes, Series 2021, dated March 18, 2021, have been sold and action should now be taken to provide for the maintenance of records, registration of certificates and payment of principal and interest in connection with the issuance of the notes; and

WHEREAS, this Board has deemed that the services offered by UMB Bank, N.A. of West Des Moines, Iowa, are necessary for compliance with rules, regulations, and requirements governing the registration, transfer, and payment of registered notes; and

WHEREAS, a Paying Agent, Note Registrar and Transfer Agent Agreement (hereafter "Agreement") has been prepared to be entered into between the City and UMB Bank, N.A.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MUNICIPAL UTILITIES OF THE CITY OF LAURENS, STATE OF IOWA:

Section 1. That UMB Bank, N.A. of West Des Moines, Iowa, is hereby appointed to serve as Paying Agent, Note Registrar, and Transfer Agent in connection with the issuance of \$7,955,000 Electric Revenue Capital Loan Notes, Series 2021, dated March 18, 2021.

Section 2. That the Agreement with UMB Bank, N.A. of West Des Moines, Iowa, is hereby approved and that the Chairperson and Secretary are authorized to sign the Agreement on behalf of the City.

PASSED AND APPROVED this 25th day of February 2021.

Richard Main
Chairman, Board of Trustees

ATTEST: Chad Cleveland
Secretary, Board of Trustees

Trustee Storms moved that the form of Tax Exemption Certificate be placed on file and approved. Trustee Runneberg seconded the motion, and the roll was called. The vote was as follows: Ayes: Main, Runneberg, and Storms. Nays: None. Motion carried.

Trustee Runneberg moved that the form of Continuing Disclosure Certificate be placed on file and approved. Trustee Storms seconded the motion, and the roll was called. The vote was as follows: Ayes: Main, Runneberg, and Storms. Nays: None. Motion carried.

Trustee Storms introduced the following Resolution entitled "A RESOLUTION APPROVING AND AUTHORIZING A FORM OF LOAN AGREEMENT AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF \$7,955,000 ELECTRIC REVENUE CAPITAL LOAN NOTES, SERIES 2021, OF THE CITY OF LAURENS, STATE OF IOWA, UNDER THE PROVISIONS OF THE CITY CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF THE NOTES" and moved its adoption. Trustee Runneberg seconded the motion to adopt. The roll was called and the vote was as follows:

Ayes: Main, Runneberg, and Storms

Nays: None

Whereupon Chairman Main declared the Resolution duly adopted.

Due to the length of the Resolution, here is a summary:

- The Loan Agreement and the Notes authorized by this Resolution shall be issued pursuant to Sections 384.24A and 384.83, of the City Code of Iowa, and in compliance with all applicable provisions of the Constitution and laws of the State of Iowa.

- There are hereby authorized to be issued, negotiable, serial, fully registered Electric Revenue Capital Loan Notes of the City of Laurens, in the County of Pocahontas, State of Iowa, in the aggregate amount of \$7,955,000, for the purpose of paying costs of improvements and extensions to the Municipal Electric Utility, including the construction of a fiber-to-the-premise communications system, a new fiber management frame in the Network Operations Center and installation of conduit, fiber, vaults, handholes, pedestals, and multipoint service terminals to serve the Municipal Electric Utility, and refunding and refinancing outstanding electric revenue obligations, including Electric Revenue Capital Loan Notes, Series 2012.
- The Notes herein authorized and Parity Obligations and the interest thereon shall be payable solely and only out of the net earnings of the System and shall be a first lien on the future Net Revenues of the System. The Notes shall not be general obligations of the Issuer nor shall they be payable in any manner by taxation and the Issuer shall be in no manner liable by reason of failure of the net revenues to be sufficient for the payment of the Notes.

ADOPTED AND APPROVED this 25th day of February 2021.

Richard Main
Chairman, Board of Trustees

ATTEST: Chad Cleveland
Secretary, Board of Trustees

The Board reviewed the Investment Policy for the utilities. No specific action was taken.

Discussion was held on distributed generation and what our avoided costs are. Motion by Trustee Storms and seconded by Trustee Runneberg to set our avoided cost rate at \$0.01876 from March 1, 2021 through February 28, 2022. Ayes: All. Nays: None. Motion carried.

General Manager reported that we received 4 competitive quotes to do maintenance on the transformer in our West Substation. The low quote was from CE Power for \$26,685.00 and the high quote was from PSD for \$34,337.25. Motion by Trustee Runneberg and seconded by Trustee Storms to approve the hiring of CE Power to do the maintenance on the West Substation Transformer at a cost of \$26,685.00. Ayes: All. Nays: None. Motion carried.

Discussion was held on Cable TV rates and a proposed cash flow projection. January 1, 2021 marks the start of a new three-year retransmission agreement with the local channels (ABC, CBS, NBC, and Fox). Looking at the new programming costs for each Cable TV package we offer, there are some changes that need to be made. LMPC has not changed rates for communication services since September of 2017. The Board directed the General Manager to prepare new rates for Cable TV and any other communication services for their review at the regular March board meeting.

Discussion was held on preparing a press release to tell the public why our generators were running during the winter weather event of February 12 – 19, 2021.

There being no further business, the Chairman declared the meeting adjourned at 3:05 p.m.

Richard Main
Chairman, Board of Trustees

ATTEST: Chad Cleveland
Secretary, Board of Trustees