

KEOKUK MUNICIPAL WATERWORKS
SUMMARY OF BOARD PROCEEDINGS

April 21, 2021

Present: Chairman Pro Tem Hickey, Trustees Hausch, Boyd and Long.

The public was invited to attend the Go To Meeting by phone, computer or smart phone, as the office was closed due to COVID-19.

This is the time and place for a public hearing for Notice of Proposed Action to Institute Proceedings to Issue Keokuk Waterworks Utility Revenue and Revenue Refunding Bonds in one or more series in an aggregate principal amount not to exceed \$5,900,000. Chairman Pro Tem Hickey opened the public hearing and asked if there were any written or oral comments or objections. There being none, a motion was made by Trustee Boyd and seconded by Trustee Long, that the public hearing is closed.

Chairman Pro Tem Hickey opened the regular meeting. Mike Maloney was introduced and talked with the Board about the steps in the bond refinancing. Afterwards, David Grossklaus commented that he agreed with everything that had been discussed. After some discussion the following resolution was adopted, RES # 1130,

Resolution authorizing the use of a preliminary official statement in connection with entering into a loan agreement to borrow not exceed \$5,900,000 and taking additional action

WHEREAS, the City of Keokuk (the “City”), in Lee County, State of Iowa, did heretofore establish the Keokuk Municipal Waterworks (the “Waterworks Utility”) of the City and for which the Waterworks Utility has continuously supplied water and water service in and to the City and its inhabitants since its establishment; and

WHEREAS, the management and control of the Waterworks Utility are vested in the Board of Trustees (the “Board”) of the Waterworks Utility; and

WHEREAS, the City acting by and through the Board of the Waterworks Utility heretofore proposed to issue indebtedness in a principal amount not to exceed \$5,900,000 pursuant to the provisions of Chapter 384 of the Code of Iowa, 2021, as amended, for the purposes of: (i) paying the cost, to that extent, of constructing water improvements and extensions to the municipal waterworks system of the Water Utility, (ii) paying for the costs necessary to refund outstanding indebtedness, (iii) funding a debt service reserve fund, and (iv) paying for costs related to the issuance of the revenue and revenue refunding bonds (collectively the “Project”) and pursuant to law and a notice duly published, the Board has held a public hearing on such proposal on April 21, 2021.

WHEREAS, a Preliminary Official Statement (the “P.O.S.”) has been prepared to facilitate the sale of Water Revenue Bonds, Series 2021 (the “Bonds”), and it is now necessary to make provision for the approval of the P.O.S. and to authorize its use by D.A. Davidson & Co. (the “Underwriter”);

NOW, THEREFORE, Be It Resolved by the Board of Trustees of the Keokuk Municipal Waterworks, as follows:

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

Section 2. The Board Secretary is hereby authorized to take such action as shall be deemed necessary and appropriate with the assistance of Dorsey & Whitney, LLP (the “Disclosure Counsel”) to prepare the P.O.S. describing the Bonds and providing for the terms and conditions of their sale, and all action heretofore taken in this regard is hereby ratified and approved.

Section 3. The use by the Underwriter of the P.O.S. relating to the Bonds in substantially the form as has been presented to and considered by the Board is hereby approved, and the Underwriter, together with Disclosure Counsel, is hereby authorized to prepare and use a final Official Statement for the Bonds substantially in the form of the P.O.S. but with such changes therein as are required to conform the same to the terms of the Bonds and the resolution, when adopted, providing for the sale and issuance of the Bonds, and the Board Secretary is hereby authorized and directed to execute a final Official Statement for the Bonds, if requested. The P.O.S. as of its date is deemed final by the Board within the meaning of Rule 15(c)(2)-12 of the Securities and Exchange Commission.

Section 4. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law. Motion was made by Trustee Boyd and seconded by Trustee Long. All ayes. Passed and approved April 21, 2021.

A motion was made by Trustee Long and seconded by Trustee Boyd that the minutes from the previous meeting of March 24, 2021, shall be approved as presented. All ayes, motion carried. Vouchers were also approved.

Mr. Maddox presented the Board with monthly charts and informed the Board of the work that has been done around the plant. Mr. Maddox shared that the cost of polymer will increase by 2 ½ %. Mr. Maddox said there should not be any flooding this spring. Mr. Seabold shared the 2020 Consumer Confidence Report with the Board.

Mr. Johnston presented the Board with monthly charts. He also told the Board that the meters that they have been buying are failing at a much quicker rate than in past years. Mr. Johnston and Mr. Bogner will meet with some new suppliers.

Ms. Barnes discussed monthly financials, budget, operating expenses, and water sales to date. She mentioned to the Board that the Waterworks will need to look into a rate increase. Ms. Barnes discussed with the Board the need to set a public hearing date for the Budget Amendment 2020-2021. After some discussion, the following resolution was adopted, RES #1131, the Board hereby sets the date of May 26, 2021, at 2:30 P.M. for a public hearing to amend the 2020-21 fiscal year budget. Motion was made by Trustee Long and seconded by Trustee Boyd. All ayes. Motion carried.

Ms. Barnes shared with the Board the proposal submitted by Anderson, Larkin & Co. P.C. for the annual audit. After some discussion, the following resolution was adopted, RES #1132, the Board hereby approves Anderson, Larkin & Co., P.C. to conduct the annual audit for three years starting with the fiscal year ending June 30, 2021 through June 30, 2023, not to exceed \$21,500 for time and materials, as presented. Motion was made by Trustee Long and seconded by Trustee Hausch. All ayes. Motion carried.

Mr. Bogner shared with the Board, a revised COVID-19 policy for the Waterworks employees. He also shared with the Board how the Union negotiations are progressing. Mr. Bogner discussed that there is an American Waterworks Association (AWWA) Conference coming up and that he would like to attend. The Board agreed.

Mr. Bogner shared a couple of graphs showing Income and Sales and Lime System Cost Trends over the past few years.

There being no further business to come before the Board of Trustees, the meeting was adjourned. A Special Meeting will be held on May 5, 2021, at 2:30 P.M., regarding Bond Issuance and Loan Agreement for Series 2021 Bonds. The next regular meeting of the Board of Trustees, will be May 26, 2021, at 2:30 P.M. For participation by phone or computer, instructions will be included on the agenda.

ATTEST: _____
David Bogner, Secretary

Mike Hickey, Chairman Pro Tem