

**CITY OF COON RAPIDS, IOWA**  
**MUNICIPAL UTILITY BOARD OF TRUSTEES**

DECEMBER 15, 2016

The Board of Trustees of Coon Rapids Municipal Utilities met at 7:00 A.M., December 15, 2016 as per posted notice and rules of the Board at the Conference Room – “NOC” Network Operations Center, Coon Rapids, Iowa. Trustees present were Ron Brower, Terry Garnes, Doris Bass, Mary Schwaller and Harry Siegler.

Motion by Bass, Second by Siegler with all voting “Aye” to approve the agenda.

Motion by Brower, Second by Garnes with all voting “Aye” to approve the consent items: 11/18/16 Board Minutes, Abstract of Claims #2016-12 in the amount of \$354,620.<sup>79</sup>, Financials.

General Manager’s Report: NIMECA Update, SPP, Basin, Etc. - Cable TV Programming - Notices/Statistics.

2017 FTTH Project

Materials

The General Manager updated the Board on the status of the FTTH materials contract and expected ship dates from Graybar and storage building options.

Motion by Garnes, Second by Schwaller with all voting “Aye” authorizing the General Manager to purchase a used forklift for up to \$12,500.

Construction

Whereupon, there was received and filed the General Manager’s report of bids received on December 5, 2016 at 10:00 A.M., and publicly opened pursuant to the resolution of the Board and notice duly published for construction of certain public improvements described in general as the 2017 FTTH Project – Construction, in accordance with the plans and specifications now adopted, as attached following:

Report of Opening of Construction Bids

A public meeting was held at 10:00 o’clock A.M. on December 5, 2016 at Coon Rapids Municipal Utilities, 123 3<sup>rd</sup> Avenue South, Coon Rapids, Iowa, presided over by the General Manager of the Coon Rapids Municipal Utilities, State of Iowa. Present were Brad Honold, Brett Stangl, Kevin Dorpinghaus and Kari Woodard.

The General Manager thereupon announced that a purpose of this meeting was to receive, open and tabulate bids for the construction of the 2017 FTTH Project – Construction, in accordance with the plans and specifications heretofore filed with the Board Secretary of the Board of Trustees of the Coon Rapids Municipal Utilities. The following bids were thereupon received, opened, inspected and tabulated, to-wit:

Name and Address of Bidder	Amount of Bid
Perrin Directional Drilling, LLC. - Aurelia, IA.	\$1,603,862. <sup>00</sup>
Push, Inc. – Rice Lake, WI.	\$2,345,306. <sup>50</sup>
North Central Service (NCS) – Bemidji, MN.	\$1,277,355. <sup>00</sup>
MP Nexlevel, LLC. – Maple Lake, MN.	\$1,488,097. <sup>17</sup>
Anderson Underground – Sauk Rapids, MN.	\$1,790,319. <sup>30</sup>
Telcom Construction, Inc. – Clearwater, MN.	\$2,192,395. <sup>63</sup>
Excel Utility Contractors, LLC. – St. James, MO.	\$1,699,843. <sup>00</sup>

Whereupon the General Manager declared that all bids have been received and that the Board of Trustees will consider and act on the bids at its meeting as provided in the notice of bids heretofore published.

The General Manager reported that another bid was received after the posted bid opening time from LaPoint Utilities, Forest Lake, Minnesota in the amount of \$2,335,824.<sup>00</sup>. The General Manager stated that this bid was rejected because it was late and did not meet the approved bidding requirements.

Motion by Bass, Second by Garnes approving Resolution #2016-11: "Resolution Making Award of Construction Contract." Whereupon, the Chairperson declared the following Resolution duly adopted:

"RESOLUTION MAKING AWARD OF CONSTRUCTION CONTRACT"

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE COON RAPIDS MUNICIPAL UTILITIES, STATE OF IOWA:

Section 1. That the following bid for the construction of certain public improvements described in general as 2017 FTTH Project - Construction, described in the plans and specifications heretofore adopted by this Board on November 18, 2016, be and is hereby accepted, the same being the lowest responsible bid received for such work, as follows:

Contractor:	<u>North Central Service (NCS)</u>	of	<u>Bemidji, MN.</u>
Amount of bid:	<u>\$1,277,355.<sup>00</sup></u>		
Portion of project:	<u>Construction</u>		

Section 2. That the Chairperson and Secretary are hereby directed to execute contract with the contractor for the construction of the public improvements, such contract not to be binding on the City until approved by this Board.

Brower "Aye," Garnes "Aye," Bass "Aye," Siegler "Aye" Schwaller "Aye."

Electronics

The General Manager stated that technical sessions have been scheduled with Adtran and Goldfield/Calix on January 9<sup>th</sup>, 2017. Staff and Oak Hill Engineering will be able to ask technical questions about each vendor's FTTH equipment, operating support systems and integrated tools for managing in-home WiFi. The General Manager also stated that CRMU will need to evaluate the cost/benefit of installing the latest 10 Gbps GPON equipment vs. the legacy 2.5 Gbps blades.

Financing

The General Manager stated that staff has been working with Public Financial Management (PFM) and Ahlers Law Firm to finalize the "Terms of Offering" so that staff may obtain financing quotes. The General Manager stated that the next step in the financing process is to pass a resolution on the proposition of borrowing money for this project and setting the date for a public hearing on the matter.

Not To Exceed \$2,750,000 Electric Revenue Capital Loan Notes

Motion by Schwaller, Second by Brower approving Resolution #2016-12: "Resolution Fixing Date For A Meeting On The Proposition To Authorize A Loan Agreement And The Issuance Of Notes To Evidence The Obligations Of The City Thereunder." Whereupon, the Chairperson declared the Resolution duly adopted as follows:

RESOLUTION FIXING DATE FOR A MEETING ON THE AUTHORIZATION OF A LOAN AGREEMENT AND THE ISSUANCE OF NOT TO EXCEED \$2,750,000 ELECTRIC REVENUE CAPITAL LOAN NOTES, OF THE CITY OF COON RAPIDS, STATE OF IOWA, AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

WHEREAS, it is deemed necessary and advisable that the City of Coon Rapids, State of Iowa, should provide for the authorization of a Loan Agreement and the issuance of Electric Revenue Capital Loan Notes, in the amount of not to exceed \$2,750,000, as authorized by Sections 384.24A and 384.83, Code of Iowa, as amended, for the purpose of providing funds to pay costs as hereinafter described; and

WHEREAS, the Loan Agreement and Notes shall be payable solely and only out of the net earnings of the Municipal Electric Utility and shall be a first lien on the future net earnings of the Utility; and shall not be general obligations of the City or payable in any manner by taxation and the City shall be in no manner liable by reason of the failure of the net revenues to be sufficient for the payment of the Loan Agreement and Notes; and

WHEREAS, before a Loan Agreement may be authorized and Electric Revenue Capital Loan Notes, issued to evidence the obligation of the City thereunder, it is necessary to comply with the provisions of the City Code of Iowa, as amended, and to publish a notice of the proposal and of the time and place of the meeting at which the Board proposes to take action for the authorization of the Loan Agreement and Notes and to receive oral and/or written objections from any resident or property owner of the City to such action.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MUNICIPAL ELECTRIC UTILITY OF THE CITY OF COON RAPIDS, STATE OF IOWA:

Section 1. That this Board meet in the Municipal Utilities Office, 123 - 3rd Avenue South, Coon Rapids, Iowa, at 12:01 o'clock P.M., on the 28<sup>th</sup> day of December, 2016, for the purpose of taking action on the matter of the authorization of a Loan Agreement and the issuance of not to exceed \$2,750,000 Electric Revenue Capital Loan Notes, to evidence the obligations of the City thereunder, the proceeds of which will be used to provide funds to pay the costs of improvements and extensions to the Municipal Electric Utility, including construction of a fiber-to-the-home fiber optic cable system and a new fiber frame in the Network Operations Center to serve the Municipal Electric Utility.

Section 2. The Secretary is authorized and directed to proceed on behalf of the City with the negotiation of terms of a Loan Agreement and the issuance of Electric Revenue Capital Loan Notes, to a principal amount of not to exceed \$2,750,000, to select a date for the final approval thereof, to cause to be prepared such notice and sale information as may appear appropriate, to publish and distribute the same on behalf of the City and this Board and otherwise to take all action necessary to permit the completion of a loan on a basis favorable to the City and acceptable to the Board.

Section 3. That the Secretary is hereby directed to cause at least one publication to be made of a notice of the meeting, in a legal newspaper, printed wholly in the English language, published at least once weekly, and having general circulation in the City. The publication to be not less than four clear days nor more than twenty days before the date of the public meeting on the issuance of the Notes.

Section 4. The notice of the proposed action shall be in substantially the following form:

NOTICE OF MEETING OF THE BOARD OF TRUSTEES OF THE MUNICIPAL ELECTRIC UTILITY OF THE CITY OF COON RAPIDS, STATE OF IOWA, ON THE MATTER OF THE PROPOSED AUTHORIZATION OF A LOAN AGREEMENT AND THE ISSUANCE OF NOT TO EXCEED \$2,750,000 ELECTRIC REVENUE CAPITAL LOAN NOTES, AND THE PUBLIC HEARING ON THE AUTHORIZATION AND ISSUANCE THEREOF

PUBLIC NOTICE is hereby given that the Board of Trustees of the Municipal Electric Utility of the City of Coon Rapids, State of Iowa, will hold a public hearing on the 28<sup>th</sup> day of December, 2016, at 12:01 o'clock P.M., in the Municipal Utilities Office, 123 - 3rd Avenue South, Coon Rapids, Iowa, at which meeting the Board proposes to take additional action for the authorization of a Loan Agreement and the issuance of not to exceed \$2,750,000 Electric Revenue Capital Loan Notes, in order to provide funds to pay the costs of improvements and extensions to the Municipal Electric Utility, including construction of a fiber-to-the-home fiber optic cable system and a new fiber frame in the Network Operations Center to serve the Municipal Electric Utility. The Notes will not constitute general obligations or be payable in any manner by taxation, but will be payable from and secured by the net revenues of the Municipal Electric Utility.

At the above meeting the Board shall receive oral or written objections from any resident or property owner of the City, to the above action. After all objections have been received and considered, the Board will at this meeting or at any adjournment thereof, take additional action for the authorization of a Loan Agreement and the issuance of Notes or will abandon the proposal to issue the Notes.

This Notice is given by order of the Board of Trustees of the Municipal Electric Utility of the City of Coon Rapids, State of Iowa, as provided by Sections 384.24A and 384.83 of the City Code of Iowa, as amended.

Dated this 15th day of December, 2016.

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Secretary of the Board of Trustees of  
the Municipal Electric Utility, City of  
Coon Rapids,  
State of Iowa

Brower "Aye," Garnes "Aye," Bass "Aye," Siegler "Aye," Schwaller "Aye."

Motion by Siegler, Second by Bass with all voting "Aye" approving the Bond Counsel Engagement Agreement with Ahlers & Cooney, P.C. for the Proposed Issuance of Not to Exceed \$2,750,000 Electric Revenue Capital Loan Notes.

Motion by Schwaller, Second by Brower approving Resolution #2016-13: "Resolution Approving Post-Issuance Compliance Policy." Brower "Aye," Garnes "Aye," Bass "Aye," Siegler "Aye" Schwaller "Aye."

Motion by Bass, Second by Schwaller with all voting "Aye" to approve the 2017 updates to the Conflict of Interest Policy.

Motion by Siegler, Second by Brower with all voting "Aye" to approve the 2017 Energy Efficiency Rebate Program.

Motion by Garnes, Second by Schwaller with all voting "Aye" to approve the 2017 Wage & Benefits Program & General Manager Employment Agreement.

The Board discussed Whiterock Corporate sponsorship and future marketing efforts for CRMU.

This notice is given at the direction of the Chairman pursuant to Chapter 28A, Code of Iowa and local rules of said governmental body.

**SEAL**

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Chairman, Board of Trustees

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Secretary, Board of Trustees