

The City Council met in Special Session at the City Hall at 1:00 p.m. with Mayor Floyd A. Walter presiding. Council Members present were: Art Baudler, Deane Darrow, Andy Gentle and Keith Westphal. Absent: Ralph Means.

The news media and the notice of this meeting were notified and posted.

The purpose of the meeting was to meet with Mr. Denny Sunderman of Missouri Basin Municipal Power Agency on obtaining supplemental power in the future. Mr. Sunderman gave a slide presentation. He urged all Council Members to attend a District #4 area meeting at Denison, Iowa on May 3rd.

Mr. Sunderman stated that if the City of Fontanelle wants to enter into a contract with M.B.M.P.A. they can do so under the old guidelines since dues have been paid all the time. The City would retain its allotment from Western Area Power Administration, and if the City chooses M.B.M.P.A. would be willing to furnish supplemental power which would have to be wheeled by Central Iowa Power Co-op.

There being no further business, Motion was made by Keith Westphal to adjourn. Seconded by Deane Darrow. Carried.

*Evelyn M. Rohner*

*Floyd A. Walter*  
Floyd A. Walter, Mayor

Attest: Evelyn M. Rohner, Clerk

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Fontanelle, Iowa  
April 23, 1979

The City Council met in Special Session at the City Hall at 7:30 p.m. with Mayor Floyd A. Walter presiding. Council Members present were: Deane Darrow, Ralph Means and Keith Westphal. Absent: Art Baudler and Andy Gentle. The news media was notified and a Notice was posted at City Hall, notifying the Public of this meeting.

The purpose of the meeting was to meet with the financial advisor Mr. Tom Mehl, of the Robert E. Schweser Co. regarding the preparation for Water Revenue Bonding.

Motion by Ralph Means to authorize the Mayor and Clerk to sign the Letter of Intent to sell Revenue Bonds. Seconded by Keith Westphal. Carried.

LETTER OF INTENT

Gentlemen:

The City Council of Fontanelle, Iowa, is desirous of immediately selling Water Revenue Bonds in the total principal amount of \$165,000., and Robert E. Schweser Company Incorporated has proposed to act as a special agent for the City Council in connection with the placement of the bonds. The parties hereby agree that Robert E. Schweser Company Incorporated of Des Moines, Iowa, Fiscal Agent for the City Council of the City of Fontanelle, Iowa is hereby authorized, as agent for the City Council to undertake the placement with underwriters of \$165,000. Revenue Bonds. The Company is hereby authorized to commit the City Council to deliver to the purchaser or purchasers the Water Revenue Bonds of the City on the terms and conditions set out hereafter:

1. The bonds shall be dated June 1, 1979, be in \$5,000 denominations, shall mature June 1, 1980, through June 1, 1997, with interest payable June 1, 1980 and semiannually thereafter on June 1 and December 1 of each of the years respectively.
2. Bonds maturing 1990 through 1997 shall be optional for payment on June 1, 1989, and any interest payment date thereafter at par plus accrued interest.
3. Attached hereto as a part of this Letter of Intent is a proposed maturity schedule showing the average interest cost.
4. The covenants of the Bond Resolution shall contain provisions common to revenue financing such as requiring: annual audits, adequate insurance coverage, proper surety bonding of utility officials, proper accounting and bookkeeping procedures, maintenance of adequate rates and charges to provide sufficient funds for operation and maintenance and bonded debt service requirements, and not sell, pledge, mortgage, lease, or otherwise encumber or endanger any of the property or equipment of said utility.
5. Delivery of these bonds shall be on or about June 1, 1979.

In consideration of the time and expense in connection with the placement of the bonds contemplated herein, the Company, at the time the bonds have been placed with the purchaser or purchasers, will receive as compensation for performing this service any premium paid by said purchaser or purchasers. The Company agrees that the expenses in connection with this issue involving the printing of the bonds and other out-of-pocket expenses of the Company shall be paid for by the Company as required under their fiscal agreement with the City Council dated November 4, 1974. The preliminary official statement offering the bonds on behalf of the City Council will be filed with the City Clerk at the time of first offering the bonds and a complete recapitulation of the transaction will be filed with the City Clerk prior to closing.

If the proceeds of this entire issue have not been received by the City Council within 60 days of the date of this agreement, the authority for further placement shall cease unless the period has been extended by resolution of the City Council of Fontanelle, Iowa.

Respectfully submitted,  
by /s/ TOM B. MEHL  
Assistant Vice President

The foregoing letter of Intent is hereby agreed to and accepted by the Mayor and Council of the City of Fontanelle, Iowa, this 23rd day of April, 1979.

/s/ Floyd A. Walter  
Mayor

Attest: *Evelyn M. Rohner*  
Evelyn M. Rohner  
City Clerk

PROPOSED MATURITY SCHEDULE AND  
AVERAGE INTEREST COST

Year	Principal	Coupon	Interest Cost	Total Principal and Interest
1980	\$ 5,000	6.50%	\$ 11,045.00	\$16,045.00
1981	5,000	6.50	10,720.00	15,720.00
1982	5,000	6.50	10,395.00	15,395.00
1983	5,000	6.50	10,070.00	15,070.00
1984	5,000	6.50	9,745.00	14,745.00
1985	5,000	6.50	9,420.00	14,420.00
1986	5,000	6.50	9,095.00	14,095.00
1987	5,000	6.50	8,770.00	13,770.00
1988	5,000	6.50	8,445.00	13,445.00
1989	5,000	6.50	8,120.00	13,120.00
1990	5,000/*	6.75	7,795.00	12,795.00
1991	15,000/*	6.75	7,457.00	22,457.50
1992	15,000/*	6.75	6,445.00	21,445.00
1993	15,000/*	6.75	5,432.00	20,432.50
1994	15,000/*	6.80	4,420.00	19,420.00
1995	15,000/*	6.80	3,400.00	18,400.00
1996	15,000/*	6.80	2,380.00	17,380.00
1997	20,000/*	6.80	1,360.00	21,360.00
	<u>\$165,000</u>		<u>\$134,515.00</u>	<u>\$299,515.00</u>

Average Interest rate - 6.742%  
Ten Year Option

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Randall Bond and Gail Hepler came to meet with the Council regarding the Youth Recreation Center. They ask for financial help for Utilities in order to be able to keep the Recreation Center open, and have ask to be put on the agenda for the May 7th meeting

Motion by Deane Darrow to adjourn. Seconded by Ralph Means. Carried.

Attest: *Evelyn M. Rohner*  
Evelyn M. Rohner, Clerk

*Floyd A. Walter*  
Floyd A. Walter, Mayor