

**CITY COUNCIL BUDGET
WORK SESSION 6 P.M.
REGULAR WASECA CITY COUNCIL MEETING
TUESDAY, September 4, 2018
7:00 P.M. AGENDA**

CLOSED SESSION: Pursuant to MN Statute 13D.05, Sub. 3(c)3: to develop or consider offers for the purchase or sale of real property (following announcements portion of the agenda)

1 CALL TO ORDER/ROLL CALL

2 MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE

3 APPROVAL OF AGENDA

4 PUBLIC COMMENT

Those wishing to speak must state their name and address for the record after they reach the podium. Each person will have three (3) minutes to make his/her remarks. Speakers will address all comments to the City Council as a whole and not one individual councilmember. The Council may not take action on an item presented during the Public Comment period, unless the item is already on the agenda for action. When appropriate, the Council may refer inquiries and items brought up during the Public Comment period to the City Manager for follow up.

5 REQUESTS AND PRESENTATIONS

A. Proclamation – Constitution Week, Susan Jirele (p.3)

6 CONSENT AGENDA

A. Minutes – Regular City Council meeting – August 21, 2018(p.4-7)

B. Payroll & Expenditures (p.9-27)

C. Minutes – City Council Work Session – August 9, 2018 (p.28)

D. Accepting Board/Commission Applications: Anne Gerber and Byron Larson(p.29-30)

E. **Introducing Ordinance 1068** and Setting Public Hearing Date for October 16, 2018 (p.31-35)

F. Approval of Elm Ave Construction Payment: Dirt Merchant (p.36-38)

G. Approval of Elm Ave Construction Payment: Pearson Brothers (p39-40)

7 ACTION AGENDA

A. **Resolution 18-57:** Wastewater Schedule of Compliance (p.41-56)

- B. **Resolution 18-53:** Authorizing the Preparation of Plans and Specifications for City Project 2019-01 (p.57-59)
- C. **Resolution 18-58 & 18-59:** Authorizing Issuance and Sale of General Obligation Bonds to the Minnesota Public Facilities Authority (p.60-90)

8 REPORTS

- A. City Manager's Report
 -Vision 2030
- B. Commission Reports

 -HPC (Tlougan)
 -Fire Relief Assoc. (Conrath)
 -Airport Board (Rose)

9 ANNOUNCEMENTS

- 10 **CLOSED SESSION:** Pursuant to MN Statute 13D.05, Sub. 3(c)3: to develop or consider offers for the purchase or sale of real property

11 ADJOURNMENT

PROCLAMATION

WHEREAS, the Constitution of the United States of America, the guardian of our liberties, embodies the principles of limited government in a Republic dedicated to rule by law; and

WHEREAS, September 17, 2018 marks the two hundred thirty first anniversary of the framing of the Constitution of the United States of America by the Constitutional Convention; and

WHEREAS, it is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary, and to the patriotic celebrations which will commemorate it; and

WHEREAS, Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week.

NOW, THEREFORE, I, Roy Srp, by virtue of the authority vested in me as Mayor of the City of Waseca, do hereby proclaim the week of September 17 through 23 as

CONSTITUTION WEEK

And I ask our citizens to reaffirm the ideals the Framers of the Constitution had in 1787 by vigilantly protecting the freedoms guaranteed to us through this guardian of our liberties.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Waseca to be affixed this 4th day of September, 2018.

R. D. SRP
MAYOR

MINUTES
REGULAR WASECA CITY COUNCIL MEETING
TUESDAY, August 21, 2018

6A

CALL TO ORDER/ROLL CALL

- 1 The regular Waseca City Council meeting was called to order by Mayor Roy Srp at 7:00 p.m.

Councilmembers present:

Mayor Roy Srp	Ann Fitch
Daren Arndt	Mark Christiansen
Les Tloughan	Allen Rose
Jeremy Conrath	

Staff present:

Duane Hebert, Interim City Manager
Bill Green, Planning and Zoning Coordinator
Mike Anderson, Assistant to City Manager

Others:

Grant Wissmore – Veterans Memorial Committee
Steve Baaken – Chairperson, Sinister Forest

MOMENT OF SILENT PRAYER/PLEDGE OF ALLEGIANCE

- 2 A moment of silence was observed. The Pledge of Allegiance to the Flag was recited.

APPROVAL OF AGENDA

- 3 Assistant to City Manager Anderson asked for Item 6C to be removed from the Agenda. It was moved by Tloughan, seconded by Arndt, to approve the agenda as amended, motion carried 7-0.

PUBLIC COMMENT

- 4 None

REQUESTS AND PRESENTATIONS

- 5 Steve Baaken: Chair of the Sinister Forest spoke to the City Council. Steve recapped the 2017 Sinister Forest which is held at Maplewood Park. He thanked the Council for allowing them to use the Park and waiving the fees in 2017. Steve asked the Council to waive the fees and close the park for the month of October for the Sinister Forest.

It was moved by Arndt, seconded by Srp to waive the fees and close the park for the 2018 Sinister Forest, motion carried 7-0.

CONSENT AGENDA

- 6 It was moved by Fitch, seconded by Tlougan, to approve the Consent Agenda as amended; the motion carried 7-0 and included the following:
- A. Minutes – Regular City Council meeting – July August 7, 2018
 - B. Payroll & Expenditures
 - C. ~~Minutes – City Council Work Session – August 9, 2018~~
 - D. **Resolution 18-48:** Amendment to Resolution 15-09 regarding Pondview Development
 - E. **Resolution 18-54:** Authorizing Acquisition of Tax Forfeited Property from the State of Minnesota For Public Purpose
 - F. **Ordinance 1066 & Setting the Public Hearing Date,** Regarding Number of Planning Commission Members for September 18, 2018
 - G. Contract Payment: TLCF – Ditch Creek Landscape Payments for Labor and Materials
 - H. Contract Payment: TLCF – Skold Specialty Contracting Payments for Labor and Materials
 - I. Contract Payment: TLCF – RTL Construction Payments for Labor and Materials
 - J. Contract Payment: TLCF – Reichel Paint Co
 - K. Contract Payment: TLCF – Met Con Construction
 - L. Contract Payment: TLCF – J&K Masonry
 - M. Contract Payment: TLCF – South Central Erectors
 - N. Contract Payment: TLCF – Merit Contracting
 - O. Contract Payment: TLCF – HKS Construction
 - P. Contract Payment: TLCF – Britton Plumbing & Heating
 - Q. Contract Payment: TLCF – Carciofini Company
 - R. Contract Payment: TLCF – Del's Construction
 - S. Contract Payment: HWY14 – Ulland Bro's
 - T. **Resolution 18-52:** Accepting the FAA Grant for Airport Runway Culvert Replacement, City Project 2018-05

ACTION AGENDA

7

- A. **Resolution 18-50:** Granting a Variance to Allow an Addition to an Existing Garage

Planning and Zoning Coordinator Bill Green presented information to Council informing them that the variance was needed to allow for this addition. The Planning Commission held a public hearing on Aug 15, Planning Commission voted in favor of this Variance 4-0 and recommended approval to Council.

It was moved by Conrath, seconded by Fitch to approve Resolution 18-50. Motion carried 7-0.
- B. **Adopting Ordinance 1065:** Releasing Utility Easement Agreement for Kwik Trip Property

Planning and Zoning Coordinator Bill Green presented information regarding an Easement Release Agreement which will allow future development of the property

located just north of Oscars. Planning Commission held a Public Hearing on Aug 15 and voted in favor 4-0 and recommendation to Council.

It was moved by Conrath, seconded by Arndt to adopt Ordinance 1065. Motion carried 7-0.

- C. **Veterans Memorial Request:** Grant Wissmore from the Veterans Memorial Committee presented information to the Council about the Memorial. The site is expected to be completed for Veterans Day. Back in May of 2017, the Council talked about adding a budget item for 2019 of \$25,000 to assist in the completion of the Memorial. Council discussed adding UP TO \$25,000 for 2019 based on funds needed for completion.

It was moved by Christiansen, seconded by Srp to include Up To \$25,000 for the memorial in the 2019 Budget. Motion carried 7-0

- D. **Resolution 18-55:** EDA Federal Grant Applications

City Manager Hebert informed the Council that there are funds available through the Federal EDA which will fund a position 80/20. This position specializes in finding businesses with similar jobs and pay to those that have been lost in the City. This person would come in and evaluate the current buildings available for businesses and help in bringing them to Waseca. Hebert would like to have staff apply for this funding.

It was moved by Arndt, seconded by Fitch to approve Resolution 18-55. Motion carried 7-0.

City Manager Hebert discussed talking to Region Nine in assisting with the grant writing for the Federal EDA Application. Region Nine specializes in this area and asked the Council to approve a Memo of Understanding to work with Region Nine in this area.

It was moved by Arndt, seconded by Conrath to approve the Memo of Understanding. Motion carried 7-0.

REPORTS

8A **City Manager's Report**

Duane Hebert, City Manager, provided the following updates:

- Vision 2030: The kickoff event is scheduled for September 12 at the Public Safety Building beginning at 4:30 pm. The entire community is welcome.
- Fire Study Next Steps: Not all items in the RFP were identified, so the consultant will be working on an addendum.
- 2019 Budget Update: All the Department budget drafts are done and look good. Staff is waiting for more information before submitting numbers to Council. City Manager Hebert feels good about the numbers.
- HyVee: City will continue to monitor the situation and help any way we can.

- TLCF: Grand opening had an incredible turnout, the Mayor sang the National Anthem. Overall, it was a success.
- Housing Starts: 7 permitted houses in the City limits in 2018, and more are within the 2 mile radius. Building is happening within the community.

8B Commission Reports

- DWT: Fitch talked about Sinister Forest and what a great partner they are. The Fall and Winter brochure is coming out soon, and the SQ which is coming up Labor Day weekend. Conrath said that the Marching Classic has 20 bands signed up including Waseca. Also that any event, please send it to Gary Sandholm at City Hall and get those events listed on the DWT website.
- EDA: Fitch discussed bringing in a specialist from the Federal EDA to help Waseca. Also she mentioned the Opportunity Zones, partnering with Region 9 and the School District to host a regional conference.
- Planning Commission: Arndt talked about the Variance and Ordinance that was passed earlier at the meeting

ANNOUNCEMENTS

9 The following miscellaneous announcements were made:

- City Council all Thanked Interim City Manager Hebert for his amazing job during the last few months
- Arndt informed all to come to Sinister Forest
- Tlougan talked about the Marching Classic and how there will be 1,900 students here along with their family, friends, and relatives. He is excited for the City of Waseca that weekend
- Fitch thanked Jacob Stark from the Waseca County News who will be moving on. She also said that the Performing Arts Center will be open for all the Sesquicentennial events
- Christiansen said it was nice to see the article in the paper regarding TLCF Grand Opening
- Rose talked about residents getting control of their crab grass, don't let it wreck your yard
- Srp said that the grand opening to TLCF was exceptional, he estimated the crowd to be 150-200 people. Everyone had a great time
- Tlougan also Thanked all the Staff for their great work during the City Manager transition period.

ADJOURNMENT

10 It was moved by Conrath, seconded by Arndt, to adjourn the meeting at 8:22 p.m.; the motion carried 7-0.

R. D. SRP
MAYOR

MIKE ANDERSON
ASSISTANT TO CITY MANAGER

Shelly L. Kelly Don Helt

LIST OF EXPENDITURES

6B

September 4, 2018

=====
City Council 0.00
Streets 24,279.08
Parks 13,206.20
Wastewater 10,053.58
Utility Administration 4,291.01
Utility Billing 7,109.20
Electric 14,401.72
Water 5,121.25
Building and Code Compliance 2,676.38
Police 52,283.25
Administration 0.00
Community Aides 60.00
Fire 9,814.65
Paid On Call Fire Department 0.00
Election Judges 5,339.59
PEG 0.00
Finance 10,400.84
Connections 3,487.77
Community Development 5,458.44
Engineering 14,518.17
Recreation 11,575.44
Econ Development 2,437.82

Total Gross Payroll 196,514.39

*Less- Payroll Deductions (57,501.91)

Net Payroll Cost \$ 139,012.48

*These costs are included in Accounts Payable totals below

Accounts Payable

Expenditures dated:

August 17, 2018-August 30, 2018

Includes check #'s 152494-152548

Bank ACH Withdrawals..... 414,313.55

GRAND TOTAL EXPENDITURES \$ 553,326.03

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount	
General Fund						
08/30/2018	81837	ACH Internal Revenue Service	FEDERAL WITHHOLDING TAX Pay Period: 8/26/2018	101-21701-0000	17,683.76	M
Total 101217010000:					17,683.76	
08/30/2018	81833	MN Department of Revenue	STATE WITHHOLDING TAX Pay Period: 8/26/2018	101-21702-0000	8,627.88	M
Total 101217020000:					8,627.88	
08/30/2018	81837	ACH Internal Revenue Service	SOCIAL SECURITY Pay Period: 8/26/2018	101-21703-0000	8,210.58	M
08/30/2018	81837	ACH Internal Revenue Service	SOCIAL SECURITY Pay Period: 8/26/2018	101-21703-0000	8,210.58	M
Total 101217030000:					16,421.16	
08/30/2018	81834	Public Employees Retirement Assn (ACH	PERA COORD Emplr 1% Pay Period: 8/26/2018	101-21704-0000	1,201.98	M
08/30/2018	81834	Public Employees Retirement Assn (ACH	PERA COORDINATED Employee Pay Period: 8/26/201	101-21704-0000	7,812.59	M
08/30/2018	81834	Public Employees Retirement Assn (ACH	PERA POLICE Employee Pay Period: 8/26/2018	101-21704-0000	6,148.85	M
08/30/2018	81834	Public Employees Retirement Assn (ACH	PERA COORDINATED Employer Pay Period: 8/26/201	101-21704-0000	7,812.59	M
08/30/2018	81834	Public Employees Retirement Assn (ACH	PERA POLICE Employer Pay Period: 8/26/2018	101-21704-0000	9,223.29	M
Total 101217040000:					32,199.30	
08/30/2018	20180701	Greater Mankato Area United Way	UNITED WAY Pay Period: 8/26/2018	101-21708-0000	28.00	
Total 101217080000:					28.00	
08/30/2018	152528	MN Life	September Life Insurance	101-21710-0000	469.25	
Total 101217100000:					469.25	
08/30/2018	81837	ACH Internal Revenue Service	MEDICARE Pay Period: 8/26/2018	101-21712-0000	2,693.49	M
08/30/2018	81837	ACH Internal Revenue Service	MEDICARE Pay Period: 8/26/2018	101-21712-0000	2,693.49	M
Total 101217120000:					5,386.98	
08/30/2018	81838	MSRS- (DEF COMP)	MSRS - ROTH (AFTER TAX) Pay Period: 8/26/2018	101-21713-0000	760.00	M
08/30/2018	81838	MSRS- (DEF COMP)	MSRS - DEF COMP Pay Period: 8/26/2018	101-21713-0000	495.00	M
Total 101217130000:					1,255.00	
08/30/2018	81836	Vantagepoint Transfer Agents 457	ICMA DEF COMPENSATION Pay Period: 8/26/2018	101-21714-0000	2,290.00	M
Total 101217140000:					2,290.00	
08/30/2018	81832	Further	Flex/HSA Reimbursement	101-21716-0000	2.00	M
08/30/2018	81831	Further	Flex/HSA Reimbursement	101-21716-0000	19.85	M
08/30/2018	81839	Further	HSA DEDUCTION Pay Period: 8/26/2018	101-21716-0000	467.92	M
Total 101217160000:					489.77	
08/30/2018	81835	MN Child Support Payment Center	CHILD SUPPORT FLAT AMT Pay Period: 8/26/2018	101-21717-0000	1,194.73	M
Total 101217170000:					1,194.73	
08/30/2018	20180699	Discover Waseca Tourism	July Lodging Tax	101-41110-4440	2,716.27	

M = Manual Check, V = Void Check

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Total 101411104440:					2,716.27
08/30/2018	152528	MN Life	September Life Insurance	101-41320-1330	4.12
Total 101413201330:					4.12
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-41320-1340	10.83 M
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-41320-1340	4.33 M
Total 101413201340:					15.16
08/30/2018	152537	Shred-it USA LLC	Shredding service	101-41320-3100	28.28
Total 101413203100:					28.28
08/30/2018	20180703	Innovative Office Solutions LLC	Election Supplies	101-41410-2000	78.53
Total 101414102000:					78.53
08/30/2018	20180687	APG Media of So MN LLC	Filing Dates notice	101-41410-3400	43.88
Total 101414103400:					43.88
08/30/2018	152528	MN Life	September Life Insurance	101-41500-1330	64.50
Total 101415001330:					64.50
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-41500-1340	77.53 M
Total 101415001340:					77.53
08/30/2018	152537	Shred-it USA LLC	Shredding service	101-41500-3100	183.83
Total 101415003100:					183.83
08/30/2018	152526	MN Government Finance Officers Assoc	2018 MNGFOA Annual Conference	101-41500-3300	210.00
Total 101415003300:					210.00
08/30/2018	20180687	APG Media of So MN LLC	Annual Adit Summary	101-41500-3400	97.50
Total 101415003400:					97.50
08/30/2018	20180709	Pantheon Computer Systems Inc.	September billing	101-41920-3100	5,659.50
Total 101419203100:					5,659.50
08/30/2018	20180708	ManagerPlus LLC	ManagerPlus Software Agreement	101-41920-4950	2,016.00
Total 101419204950:					2,016.00
08/30/2018	152512	Hawk Labeling Systems	Label cartridges	101-41940-2000	113.20
08/30/2018	20180703	Innovative Office Solutions LLC	Office Supplies	101-41940-2000	52.42
08/30/2018	20180703	Innovative Office Solutions LLC	Office Supplies	101-41940-2000	15.77

M = Manual Check, V = Void Check

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount	
Total 101419402000:					181.39	
08/30/2018	20180711	Red Feather Paper Company	Towels	101-41940-2170	59.74	
Total 101419402170:					59.74	
08/30/2018	20180691	Cady Business Technologies Inc	Monthly Phone Support Plan	101-41940-3100	262.62	
08/30/2018	152503	Cintas Corporation	Floor Mats	101-41940-3100	19.20	
Total 101419403100:					281.82	
08/30/2018	81841	Consolidated Communications	Monthly Billing	101-41940-3200	155.68	M
08/30/2018	81841	Consolidated Communications	Monthly Billing	101-41940-3200	92.19	M
Total 101419403200:					247.87	
08/30/2018	152500	Centerpoint Energy	Monthly Billing	101-41940-3800	64.68	
Total 101419403800:					64.68	
08/30/2018	152502	Chris Fuchs	City hall drywall patches	101-41940-4000	325.00	
08/30/2018	152505	Connors Plumbing & Heating Inc.	Repairs and Maintenance	101-41940-4000	884.00	
Total 101419404000:					1,209.00	
08/30/2018	152528	MN Life	September Life Insurance	101-41950-1330	30.19	
Total 101419501330:					30.19	
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-41950-1340	46.96	M
Total 101419501340:					46.96	
08/30/2018	20180721	WSB & Associates Inc	July Planning Services	101-41950-3100	465.00	
Total 101419503100:					465.00	
08/30/2018	152528	MN Life	September Life Insurance	101-42100-1330	330.00	
Total 101421001330:					330.00	
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-42100-1340	445.61	M
Total 101421001340:					445.61	
08/30/2018	20180703	Innovative Office Solutions LLC	Office supplies	101-42100-2000	15.96	
Total 101421002000:					15.96	
08/30/2018	152508	Driver and Vehicle Services	Registration renewal	101-42100-2220	11.00	
08/30/2018	20180717	Thornhill, Lawrence E.	Vehicle detailing	101-42100-2220	28.00	
08/30/2018	20180717	Thornhill, Lawrence E.	Car detailing	101-42100-2220	28.00	
Total 101421002220:					67.00	

M = Manual Check, V = Void Check

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
08/30/2018	152505	Connors Plumbing & Heating Inc.	HVAC Service	101-42100-2230	442.00
08/30/2018	152505	Connors Plumbing & Heating Inc.	Repairs and Maintenance	101-42100-2230	317.05
Total 101421002230:					759.05
08/30/2018	152497	Bock's Service Inc.	Tow expense	101-42100-3100	170.00
08/30/2018	152503	Cintas Corporation	Floor Mats	101-42100-3100	12.77
08/30/2018	152537	Shred-it USA LLC	Shredding service	101-42100-3100	28.28
Total 101421003100:					211.05
08/30/2018	81841	Consolidated Communications	Monthly Billing	101-42100-3200	155.68 M
08/30/2018	81841	Consolidated Communications	Monthly Billing	101-42100-3200	299.61 M
08/30/2018	81841	Consolidated Communications	Monthly Billing	101-42100-3200	28.47 M
08/30/2018	20180715	Sprint	IC command trailer	101-42100-3200	39.99
08/30/2018	152542	Verizon Wireless	Monthly Billing	101-42100-3200	1,148.23
08/30/2018	152542	Verizon Wireless	Monthly Billing	101-42100-3200	50.76
Total 101421003200:					1,722.74
08/30/2018	20180687	APG Media of So MN LLC	Police Reserve Ad	101-42100-3400	164.00
Total 101421003400:					164.00
08/30/2018	152528	MN Life	September Life Insurance	101-42200-1330	49.50
Total 101422001330:					49.50
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-42200-1340	55.32 M
Total 101422001340:					55.32
08/30/2018	20180692	Central Fire Protection Inc.	extinguisher refill	101-42200-2160	30.00
08/30/2018	20180692	Central Fire Protection Inc.	Extinguishers	101-42200-2160	591.00
08/30/2018	20180692	Central Fire Protection Inc.	Extinguisher	101-42200-2160	30.00
Total 101422002160:					651.00
08/30/2018	20180689	Bomgaars Supply	Parts & Supplies	101-42200-2170	7.77
08/30/2018	20180697	Culligan	Culligan	101-42200-2170	170.00
Total 101422002170:					177.77
08/30/2018	152495	Aspen Mills Inc	class a uniform	101-42200-2180	183.70
Total 101422002180:					183.70
08/30/2018	152543	Viking Industrial Center	Gas Detector	101-42200-2190	911.08
Total 101422002190:					911.08
08/30/2018	152505	Connors Plumbing & Heating Inc.	HVAC Service	101-42200-2230	442.00
08/30/2018	152530	MPeters Enterprises Inc.	Flags for Public Safety Building	101-42200-2230	80.00
Total 101422002230:					522.00

M = Manual Check, V = Void Check

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
08/30/2018	152539	Southern MN Hose Washers	Hose Washer	101-42200-2410	1,500.00
Total 101422002410:					1,500.00
08/30/2018	152503	Cintas Corporation	Floor Mats	101-42200-3100	12.77
08/30/2018	152523	Mayo Clinic	Pre-employment screening	101-42200-3100	239.00
08/30/2018	20180710	Precision Chiropractic and Wellness	pre-employment check	101-42200-3100	73.00
08/30/2018	152534	Pro Hydro-Testing LLC	Hydro testing	101-42200-3100	100.00
Total 101422003100:					424.77
08/30/2018	152494	Ancom Communications Inc	pager repair	101-42200-3200	133.00
08/30/2018	81841	Consolidated Communications	Monthly Billing	101-42200-3200	28.48 M
08/30/2018	152542	Verizon Wireless	Monthly Billing	101-42200-3200	60.76
Total 101422003200:					222.24
08/30/2018	81841	Consolidated Communications	Monthly Billing	101-42200-3800	29.73 M
Total 101422003800:					29.73
08/30/2018	152528	MN Life	September Life Insurance	101-42400-1330	5.45
08/30/2018	152528	MN Life	September Life Insurance	101-42400-1330	16.50
Total 101424001330:					21.95
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-42400-1340	20.84 M
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-42400-1340	6.56 M
Total 101424001340:					27.40
08/30/2018	20180693	City Building Inspection Services LLC	Monthly Building Inspections	101-42400-3000	5,585.28
Total 101424003000:					5,585.28
08/30/2018	152542	Verizon Wireless	Monthly Billing	101-42400-3200	31.31
Total 101424003200:					31.31
08/30/2018	152528	MN Life	September Life Insurance	101-43000-1330	5.61
08/30/2018	152528	MN Life	September Life Insurance	101-43000-1330	74.74
Total 101430001330:					80.35
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-43000-1340	6.76 M
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-43000-1340	93.08 M
Total 101430001340:					99.84
08/30/2018	152498	Bolton & Menk Inc.	GIS Services	101-43000-3000	432.00
Total 101430003000:					432.00
08/30/2018	152542	Verizon Wireless	Monthly Billing	101-43000-3200	50.64
08/30/2018	152542	Verizon Wireless	Monthly Billing	101-43000-3200	50.76
08/30/2018	152542	Verizon Wireless	Monthly Billing	101-43000-3200	50.76

M = Manual Check, V = Void Check

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Total 101430003200:					152.16
08/30/2018	152528	MN Life	September Life Insurance	101-43100-1330	89.10
08/30/2018	152528	MN Life	September Life Insurance	101-43100-1330	1.65
Total 101431001330:					90.75
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-43100-1340	95.51 M
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-43100-1340	1.90 M
Total 101431001340:					97.41
08/30/2018	20180703	Innovative Office Solutions LLC	Ink	101-43100-2000	31.89
08/30/2018	20180703	Innovative Office Solutions LLC	Office Supplies	101-43100-2000	92.34
Total 101431002000:					124.23
08/30/2018	152496	Auto Value Waseca	Parts	101-43100-2170	2.99
08/30/2018	20180689	Bomgaars Supply	Parts & Supplies	101-43100-2170	143.88
08/30/2018	20180704	James Brothers Construction Inc.	Sand	101-43100-2170	241.30
Total 101431002170:					388.17
08/30/2018	20180702	IFACS	street sign washers	101-43100-2171	59.01
08/30/2018	152544	W W Blacktopping Inc.	Hot Mix	101-43100-2171	4,518.50
08/30/2018	152544	W W Blacktopping Inc.	Hot Mix	101-43100-2171	10,373.00
08/30/2018	152544	W W Blacktopping Inc.	Hot Mix	101-43100-2171	8,163.48
08/30/2018	152544	W W Blacktopping Inc.	Hot Mix	101-43100-2171	9,434.88
Total 101431002171:					32,548.87
08/30/2018	20180686	AmeriPride Services Inc	uniform service	101-43100-2180	174.25
08/30/2018	20180686	AmeriPride Services Inc	uniform service	101-43100-2180	174.25
Total 101431002180:					348.50
08/30/2018	20180714	Sportsmans Stop Inc.	Shipping to return tool	101-43100-2400	8.15
Total 101431002400:					8.15
08/30/2018	152544	W W Blacktopping Inc.	Trucking	101-43100-3100	327.50
Total 101431003100:					327.50
08/30/2018	81841	Consolidated Communications	Monthly Billing	101-43100-3200	29.73 M
Total 101431003200:					29.73
08/30/2018	152500	Centerpoint Energy	Monthly Billing	101-43100-3800	116.83
Total 101431003800:					116.83
08/30/2018	152528	MN Life	September Life Insurance	101-43125-1330	23.10
08/30/2018	152528	MN Life	September Life Insurance	101-43125-1330	1.65

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Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount	
Total 101431251330:					24.75	
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-43125-1340	24.76	M
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-43125-1340	1.90	M
Total 101431251340:					26.66	
08/30/2018	20180706	Kritzer Oil Company Inc.	Diesel Dyed	101-43125-2120	2,239.20	
Total 101431252120:					2,239.20	
08/30/2018	20180702	IFACS	plow bolts & nuts	101-43125-2170	142.37	
Total 101431252170:					142.37	
08/30/2018	152528	MN Life	September Life Insurance	101-43170-1330	4.95	
Total 101431701330:					4.95	
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-43170-1340	5.31	M
Total 101431701340:					5.31	
08/30/2018	20180698	Diamond Vogel Paints	paint supplies	101-43170-2170	78.40	
Total 101431702170:					78.40	
08/30/2018	152528	MN Life	September Life Insurance	101-43220-1330	8.25	
Total 101432201330:					8.25	
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-43220-1340	8.84	M
Total 101432201340:					8.84	
08/22/2018	152416	Waseca County Public Health	food stand license	101-45100-2500	55.00-	V
Total 101451002500:					55.00-	
08/30/2018	81841	Consolidated Communications	Monthly Billing	101-45100-3200	27.23	M
Total 101451003200:					27.23	
08/30/2018	152528	MN Life	September Life Insurance	101-45130-1330	19.80	
Total 101451301330:					19.80	
08/30/2018	20180689	Bomgaars Supply	Parts & Supplies	101-45130-2170	5.99	
Total 101451302170:					5.99	
08/30/2018	20180684	A. H. Hermel Company	Garbage Bags	101-45130-2175	35.27	
08/30/2018	20180684	A. H. Hermel Company	Janitorial Supplies	101-45130-2175	96.95	

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Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Total 101451302175:					132.22
08/30/2018	20180684	A. H. Hermel Company	Concession Supplies	101-45130-2500	2,145.07
08/30/2018	20180684	A. H. Hermel Company	Concession Supplies	101-45130-2500	164.86
08/30/2018	152514	Hy-Vee Inc	Bday party balloons	101-45130-2500	6.99
08/30/2018	152514	Hy-Vee Inc	Birthday cakes for birthday parties	101-45130-2500	85.98
08/30/2018	152514	Hy-Vee Inc	Birthday party balloons	101-45130-2500	13.98
08/30/2018	152514	Hy-Vee Inc	Birthday Cake	101-45130-2500	42.99
08/30/2018	152520	Lau's Meat Market	Hot dog buns	101-45130-2500	6.58
08/30/2018	152520	Lau's Meat Market	hot dogs and buns	101-45130-2500	38.03
Total 101451302500:					2,504.48
08/30/2018	81841	Consolidated Communications	Monthly Billing	101-45130-3200	179.49 M
Total 101451303200:					179.49
08/30/2018	152504	Cole's Electric Inc.	repair of lighting conduits on flagpole	101-45130-4000	80.00
Total 101451304000:					80.00
08/30/2018	152528	MN Life	September Life Insurance	101-45200-1330	74.25
08/30/2018	152528	MN Life	September Life Insurance	101-45200-1330	4.95
Total 101452001330:					79.20
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-45200-1340	78.93 M
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	101-45200-1340	17.33 M
Total 101452001340:					96.26
08/30/2018	20180718	Timm's Trucking Inc.	Colored Mulch	101-45200-2170	810.00
Total 101452002170:					810.00
08/30/2018	152531	North American Safety Inc	Work gloves	101-45200-2190	198.00
08/30/2018	152531	North American Safety Inc	Safety clothing	101-45200-2190	97.00
Total 101452002190:					295.00
08/30/2018	152509	Ferguson Enterprises Inc	Drainage covers at TLCF	101-45200-2230	27.84
Total 101452002230:					27.84
08/30/2018	20180689	Bomgaars Supply	Parts & Supplies	101-45200-2280	88.92
Total 101452002280:					88.92
08/30/2018	152522	Manthe Garage Doors	Park shop garage door repairs	101-45200-3100	139.50
08/30/2018	152524	McClune's Tree Service	Tree removal	101-45200-3100	1,350.00
Total 101452003100:					1,489.50
08/30/2018	152500	Centerpoint Energy	Monthly Billing	101-45200-3800	43.81
08/30/2018	152500	Centerpoint Energy	Monthly Billing	101-45200-3800	18.78

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Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount	
Total 101452003800:					62.59	
08/30/2018	81841	Consolidated Communications	Monthly Billing	101-45500-3800	46.70	M
08/30/2018	81841	Consolidated Communications	Monthly Billing	101-45500-3800	2.51	M
Total 101455003800:					49.21	
08/30/2018	152505	Connors Plumbing & Heating Inc.	Repairs and Maintenance	101-45500-4000	139.86	
Total 101455004000:					139.86	
08/30/2018	152538	South Central College	Silica Program & Training	101-49210-4940	3,075.00	
Total 101492104940:					3,075.00	
08/30/2018	81830	Further	Admin Fees Flex/HSA	101-49244-1600	209.45	M
Total 101492441600:					209.45	
Total General Fund:					160,636.30	
Airport						
08/30/2018	152501	CenturyLink	Century Link	230-49810-3200	227.38	
Total 230498103200:					227.38	
08/30/2018	152500	Centerpoint Energy	Monthly Billing	230-49810-3800	20.17	
Total 230498103800:					20.17	
08/30/2018	20180690	Border States Electric Supply	Supplies	230-49810-4000	277.89	
08/30/2018	152515	Janesville Tile Supply	Beehive 12" Yellow Bar Guard	230-49810-4000	63.88	
08/30/2018	152540	T & M Electric LLC	Misc Wiring	230-49810-4000	250.00	
Total 230498104000:					591.77	
Total Airport:					839.32	
Historical Preservation						
08/30/2018	152527	MN Historical Society	2018 Membership #188312	255-46500-3300	25.00	
Total 255465003300:					25.00	
Total Historical Preservation:					25.00	
Economic Development-General f						
08/30/2018	152528	MN Life	September Life Insurance	261-46700-1330	4.13	
Total 261467001330:					4.13	
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	261-46700-1340	10.83	M
Total 261467001340:					10.83	

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Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Total Economic Development-General f:					14.96
Safe Haven Grant					
08/30/2018	152528	MN Life	September Life Insurance	279-46350-1330	33.00
Total 279463501330:					33.00
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	279-46350-1340	29.62 M
Total 279463501340:					29.62
08/30/2018	152542	Verizon Wireless	Monthly Billing	279-46350-3200	50.76
Total 279463503200:					50.76
Total Safe Haven Grant:					113.38
PEG Channel					
08/30/2018	152535	RadioShack	Peg Channel supplies	290-41920-2170	54.66
Total 290419202170:					54.66
Total PEG Channel:					54.66
Capital Improvement					
08/30/2018	152532	Pearson Brothers Inc.	Partial Payment #1 crack seal/seal coat	430-43010-3102	19,237.50
Total 430430103102:					19,237.50
08/30/2018	152499	Braun Intertec Corporation	Construction and Materials Testing	430-43010-5340	7,105.50
08/30/2018	152533	Premier Polysteel-ADA Enterprises Inc	Trash and recycling receptacles	430-43010-5340	1,950.00
08/30/2018	20180713	Southern MN Construction Co. Inc.	Rip Rap Rock for TLCF	430-43010-5340	70.74
08/30/2018	20180720	Waseca Sand & Gravel Inc.	Concrete for TLCF Flag Pole	430-43010-5340	650.00
Total 430430105340:					9,776.24
08/30/2018	152507	Dirt Merchant Inc	Partial Payment no. One	430-43010-5560	79,461.07
Total 430430105560:					79,461.07
Total Capital Improvement:					108,474.81
HWY 14 Reconstruction					
08/30/2018	152499	Braun Intertec Corporation	Materials testing	436-43010-3000	3,000.75
Total 436430103000:					3,000.75
Total HWY 14 Reconstruction:					3,000.75
Water					
08/30/2018	152513	Hawkins Inc	CityWell Chemicals	601-49401-2170	5,781.27
08/30/2018	152513	Hawkins Inc	Birds Eye Well Chemicals	601-49401-2170	3,146.33
Total 601494012170:					8,927.60
08/30/2018	20180707	M & R Electric Inc.	Electrician	601-49401-3100	300.28

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Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Total 601494013100:					300.28
08/30/2018	152528	MN Life	September Life Insurance	601-49430-1330	16.50
08/30/2018	152528	MN Life	September Life Insurance	601-49430-1330	11.02
Total 601494301330:					27.52
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	601-49430-1340	16.31 M
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	601-49430-1340	24.15 M
Total 601494301340:					40.46
08/30/2018	152496	Auto Value Waseca	Parts	601-49430-2170	17.99
Total 601494302170:					17.99
08/30/2018	152503	Cintas Corporation	Uniform Service	601-49430-2180	3.90
Total 601494302180:					3.90
08/30/2018	20180695	Core & Main LP	Main Materials	601-49430-2230	210.72
Total 601494302230:					210.72
08/30/2018	152503	Cintas Corporation	Work Clothes	601-49430-3100	3.90
Total 601494303100:					3.90
08/30/2018	152542	Verizon Wireless	Monthly Billing	601-49430-3200	40.01
Total 601494303200:					40.01
08/30/2018	152528	MN Life	September Life Insurance	601-49585-1330	3.47
08/30/2018	152528	MN Life	September Life Insurance	601-49585-1330	18.25
Total 601495851330:					21.72
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	601-49585-1340	3.91 M
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	601-49585-1340	19.96 M
Total 601495851340:					23.87
08/30/2018	81841	Consolidated Communications	Monthly Billing	601-49585-3200	41.51 M
08/30/2018	152541	U.S. Postal Service	Postage - Sept utility bills	601-49585-3200	431.95
Total 601495853200:					473.46
08/30/2018	152528	MN Life	September Life Insurance	601-49586-1330	1.98
08/30/2018	152528	MN Life	September Life Insurance	601-49586-1330	2.72
Total 601495861330:					4.70
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	601-49586-1340	2.32 M
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	601-49586-1340	12.58 M

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Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Total 601495861340:					14.90
08/30/2018	152537	Shred-it USA LLC	Shredding service	601-49586-3100	183.83
Total 601495863100:					183.83
08/30/2018	20180709	Pantheon Computer Systems Inc.	September billing	601-49586-4950	808.50
Total 601495864950:					808.50
08/30/2018	152507	Dirt Merchant Inc	Partial Payment no. One	601-49593-5300	54,264.95
Total 601495935300:					54,264.95
Total Water:					65,368.31
Sanitary Sewer					
08/30/2018	152528	MN Life	September Life Insurance	602-49470-1330	29.70
08/30/2018	152528	MN Life	September Life Insurance	602-49470-1330	1.65
Total 602494701330:					31.35
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	602-49470-1340	31.83 M
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	602-49470-1340	1.90 M
Total 602494701340:					33.73
08/30/2018	81841	Consolidated Communications	Monthly Billing	602-49470-3200	442.72 M
08/30/2018	152542	Verizon Wireless	Monthly Billing	602-49470-3200	40.01
08/30/2018	152542	Verizon Wireless	Monthly Billing	602-49470-3200	40.01
Total 602494703200:					522.74
08/30/2018	152500	Centerpoint Energy	Monthly Billing	602-49470-3800	18.78
Total 602494703800:					18.78
08/30/2018	152529	Momar Inc	Lift station degreaser	602-49470-4020	1,652.13
08/30/2018	20180716	Team Laboratory Chemical Corp	Liftstation Degreaser	602-49470-4020	2,872.50
Total 602494704020:					4,524.63
08/30/2018	152507	Dirt Merchant Inc	Partial Payment no. One	602-49470-5300	10,527.47
Total 602494705300:					10,527.47
08/30/2018	152528	MN Life	September Life Insurance	602-49480-1330	71.48
Total 602494801330:					71.48
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	602-49480-1340	81.33 M
Total 602494801340:					81.33
08/30/2018	20180694	Continental Research Corporation	Shop supplies	602-49480-2170	578.27

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Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Total 602494802170:					578.27
08/30/2018	152543	Viking Industrial Center	Gas Detector Parts	602-49480-2210	484.24
Total 602494802210:					484.24
08/30/2018	20180689	Bomgaars Supply	Parts & Supplies	602-49480-2230	49.50
Total 602494802230:					49.50
08/30/2018	152503	Cintas Corporation	Janitorial Supplies	602-49480-3100	16.88
Total 602494803100:					16.88
08/30/2018	81841	Consolidated Communications	Monthly Billing	602-49480-3200	147.92 M
08/30/2018	152542	Verizon Wireless	Monthly Billing	602-49480-3200	50.76
Total 602494803200:					198.68
08/30/2018	152500	Centerpoint Energy	Monthly Billing	602-49480-3800	196.88
08/30/2018	152548	Xcel Energy	July Service	602-49480-3800	9,379.65
Total 602494803800:					9,576.53
08/30/2018	152528	MN Life	September Life Insurance	602-49585-1330	3.47
08/30/2018	152528	MN Life	September Life Insurance	602-49585-1330	18.25
Total 602495851330:					21.72
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	602-49585-1340	3.91 M
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	602-49585-1340	19.96 M
Total 602495851340:					23.87
08/30/2018	81841	Consolidated Communications	Monthly Billing	602-49585-3200	41.51 M
08/30/2018	152541	U.S. Postal Service	Postage - Sept utility bills	602-49585-3200	431.96
Total 602495853200:					473.47
08/30/2018	152528	MN Life	September Life Insurance	602-49586-1330	1.98
08/30/2018	152528	MN Life	September Life Insurance	602-49586-1330	2.72
Total 602495861330:					4.70
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	602-49586-1340	2.32 M
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	602-49586-1340	12.58 M
Total 602495861340:					14.90
08/30/2018	152537	Shred-It USA LLC	Shredding service	602-49586-3100	183.83
Total 602495863100:					183.83
08/30/2018	20180709	Pantheon Computer Systems Inc.	September billing	602-49586-4950	808.50

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Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Total 602495864950:					808.50
Total Sanitary Sewer:					28,246.60
Electric Utility					
08/30/2018	152528	MN Life	September Life Insurance	604-49570-1330	2.11
Total 604495701330:					2.11
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	604-49570-1340	3.05 M
Total 604495701340:					3.05
08/30/2018	152528	MN Life	September Life Insurance	604-49571-1330	46.60
Total 604495711330:					46.60
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	604-49571-1340	67.27 M
Total 604495711340:					67.27
08/30/2018	20180685	Amaril Uniform Co.	FR Work Clothes	604-49571-2180	211.23
Total 604495712180:					211.23
08/30/2018	152518	Lake Shore Inn Nursing Home Inc.	Lakeshore Inn	604-49571-2320	305.00
08/30/2018	152519	Latham Place	Latham Place	604-49571-2320	125.00
08/30/2018	152545	Waseca County Courthouse	Security Building	604-49571-2320	347.50
08/30/2018	152546	Waseca County Garage	Reimbursement	604-49571-2320	115.00
Total 604495712320:					892.50
08/30/2018	152547	Wesco Receivables Corp	Credit for tools sent back	604-49571-2400	406.44-
Total 604495712400:					406.44-
08/30/2018	152542	Verizon Wireless	Monthly Billing	604-49571-3200	80.02
Total 604495713200:					80.02
08/30/2018	152528	MN Life	September Life Insurance	604-49572-1330	4.69
Total 604495721330:					4.69
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	604-49572-1340	6.76 M
Total 604495721340:					6.76
08/30/2018	152528	MN Life	September Life Insurance	604-49573-1330	8.45
Total 604495731330:					8.45
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	604-49573-1340	12.20 M

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Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Total 604495731340:					12.20
08/30/2018	152547	Wesco Receivables Corp	Splice Kits	604-49573-2230	1,003.62
08/30/2018	152547	Wesco Receivables Corp	Transformer Studs	604-49573-2230	1,460.68
Total 604495732230:					2,464.30
08/30/2018	152540	T & M Electric LLC	Inspection on electric at Bardens Bar	604-49573-3100	36.00
Total 604495733100:					36.00
08/30/2018	152528	MN Life	September Life Insurance	604-49574-1330	2.38
Total 604495741330:					2.38
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	604-49574-1340	3.43 M
Total 604495741340:					3.43
08/30/2018	20180705	JT Services of MN	Street Light Fixture	604-49574-2230	494.20
Total 604495742230:					494.20
08/30/2018	152528	MN Life	September Life Insurance	604-49584-1330	1.77
Total 604495841330:					1.77
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	604-49584-1340	2.57 M
Total 604495841340:					2.57
08/30/2018	152528	MN Life	September Life Insurance	604-49585-1330	2.81
08/30/2018	152528	MN Life	September Life Insurance	604-49585-1330	18.36
Total 604495851330:					21.17
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	604-49585-1340	3.16 M
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	604-49585-1340	20.07 M
Total 604495851340:					23.23
08/30/2018	81841	Consolidated Communications	Monthly Billing	604-49585-3200	77.85 M
08/30/2018	81841	Consolidated Communications	Monthly Billing	604-49585-3200	29.73 M
08/30/2018	152541	U.S. Postal Service	Postage - Sept utility bills	604-49585-3200	431.96
Total 604495853200:					539.54
08/30/2018	152528	MN Life	September Life Insurance	604-49586-1330	3.80
08/30/2018	152528	MN Life	September Life Insurance	604-49586-1330	2.81
Total 604495861330:					6.61
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	604-49586-1340	4.44 M
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	604-49586-1340	12.96 M

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Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Total 604495861340:					17.40
08/30/2018	152537	Shred-it USA LLC	Shredding service	604-49586-3100	212.12
Total 604495863100:					212.12
08/30/2018	20180687	APG Media of So MN LLC	Ad for Quotes	604-49586-3400	29.25
Total 604495863400:					29.25
08/30/2018	20180709	Pantheon Computer Systems Inc.	September billing	604-49586-4950	808.50
Total 604495864950:					808.50
08/30/2018	20180688	Barr Engineering Company	Substation Engineering	604-49593-5400	4,415.00
Total 604495935400:					4,415.00
Total Electric Utility:					10,005.91
Storm Water Utility					
08/30/2018	152528	MN Life	September Life Insurance	651-43140-1330	9.90
Total 651431401330:					9.90
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	651-43140-1340	10.61 M
Total 651431401340:					10.61
08/30/2018	20180689	Bomgaars Supply	Parts & Supplies	651-43140-2170	74.05
Total 651431402170:					74.05
08/30/2018	20180721	WSB & Associates Inc	MS4 Services	651-43140-3100	46.00
Total 651431403100:					46.00
08/30/2018	152528	MN Life	September Life Insurance	651-49585-1330	2.89
Total 651495851330:					2.89
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	651-49585-1340	3.16 M
Total 651495851340:					3.16
Total Storm Water Utility:					146.61
Central Garage Services					
08/30/2018	152528	MN Life	September Life Insurance	701-43180-1330	28.05
Total 701431801330:					28.05
08/30/2018	81840	Reliance Standard	Sept LTD Insurance	701-43180-1340	32.22 M

M = Manual Check, V = Void Check

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Total 701431801340:					32.22
08/30/2018	152496	Auto Value Waseca	Parts	701-43180-2170	3.49
08/30/2018	20180700	GMS Industrial Supplies Inc.	shop supplies	701-43180-2170	250.50
08/30/2018	20180722	Ziegler Inc	charge brake accumulators	701-43180-2170	552.05
Total 701431802170:					806.04
08/30/2018	152496	Auto Value Waseca	Parts	701-43180-2210	226.56
08/30/2018	152496	Auto Value Waseca	Parts	701-43180-2210	127.30
08/30/2018	152497	Bock's Service Inc.	New Tires	701-43180-2210	928.24
08/30/2018	20180696	Crysteel Truck Equipment Inc.	Snow Deflector	701-43180-2210	251.84
08/30/2018	152510	FleetPride Inc	Parts for Unit 29	701-43180-2210	388.91
08/30/2018	152511	Grainger	air filters	701-43180-2210	30.24
08/30/2018	152516	Kibble Equipment	parts for JD mower	701-43180-2210	296.20
08/30/2018	152516	Kibble Equipment	Zipper	701-43180-2210	18.77
08/30/2018	152521	Locators & Supplies Inc.	LED strobe light-inventory	701-43180-2210	402.35
08/30/2018	152536	Rylind Manufacturing Inc	slide lock cyl kit	701-43180-2210	150.00
08/30/2018	20180712	Sanco Equipment LLC	Glass Doors	701-43180-2210	403.58
08/30/2018	20180712	Sanco Equipment LLC	Parts	701-43180-2210	117.23
08/30/2018	20180712	Sanco Equipment LLC	reseal drive motor	701-43180-2210	1,082.51
08/30/2018	20180712	Sanco Equipment LLC	Bushing	701-43180-2210	12.28
08/30/2018	20180719	Trenchers Plus Inc.	hose couplers	701-43180-2210	119.22
08/30/2018	20180722	Ziegler Inc	turn table shims	701-43180-2210	221.64
Total 701431802210:					4,776.87
08/30/2018	20180700	GMS Industrial Supplies Inc.	Drill Bits, Sawblades, Sanding disc	701-43180-2400	270.76
Total 701431802400:					270.76
Total Central Garage Services:					5,913.94
Equipment Replacement Fund					
08/30/2018	152525	Metro Sales Inc.	New copier for WWTP	705-49910-5400	5,685.00
Total 705499105400:					5,685.00
08/30/2018	152506	Deml Ford Lincoln Mercury Inc	Unmarked Ford Edge-Lt	705-49920-5400	22,998.00
08/30/2018	152517	L & L Street Rod & Sports Truck LLC	new squad expense	705-49920-5400	2,790.00
Total 705499205400:					25,788.00
Total Equipment Replacement Fund:					31,473.00
Grand Totals:					414,313.55

Report Criteria:
Report type: GL detail
[Report].Amount = {<>} 0

MINUTES
CITY COUNCIL WORK SESSION
THURSDAY, AUGUST 9, 2018

6C

The work session began at 6:00 p.m. at the Public Safety Building.

Councilmembers present:

Mayor Roy Srp
Ann Fitch Mark Christiansen
Jeremy Conrath Daren Arndt
Les Tlougan

Staff present:

Duane Hebert, City Manager
Penny Vought, Public Safety Director
John "Woody" Underwood, Fire Chief
Active Firefighters: Paul Walker, Craig Youngberg, Jason Forshee, Jay Dulas, Nicholas Edwards, Kyle Gallagher, Jim Groll, Adam Hagre, Lonnie Mitchell, Brandee Nelson, Kyle Petersen, Randy Sietsema, Mike Sexton, Brenda Sandborg

Consultant Present:

Don Bivens, Emergency Services Consulting International

Others Present: Sign-up sheet in files

Fire Study Presentation

Don Bivens gave a slide presentation on the background, methodology, and findings of the Fire Study. He answered questions from people in the audience.

Councilmember Fitch asked if all the requirements of the RFP were met. Mr. Bivens said he would review the RFP and get back to the City on his findings.

There being no further questions the Work Session was adjourned with no action taken.

R. D. SRP
MAYOR

Mike Anderson
Assistant to City Manager

CITY OF WASECA

6D

Board/Commission/Authority Application Form

Date 24 Aug 2018Name Anne GerberAddress 300 9th St. NE WasecaTelephone Number: ^{cell} ~~(Home)~~ 507-461-6296 (Work) email: anne.gerber77a@gmail.comOccupation: Midwife

Please check the Board/Commission/Authority for which you are applying:

☐ Airport Board☐ Human Rights Commission☐ Charter Commission☐ Library Board☒ Community Ed Advisory Board☐ Park Board☐ Economic Development Authority☐ Planning Commission☐ Historic Preservation Commission☐ Traffic Safety Board☐ Housing & Redevelopment Authority☐ Water Park Advisory Board

Please tell us why you are interested in serving on this Board/Commission/Authority.

My family has lived in Waseca for 10 yrs, and in that time, we have used community ed classes extensively. I would love to be part of making community ed happen.

Have you previously served on this Board/Commission/Authority? (if yes provide dates)

No

Have you held, or do you currently hold, an office on this Board/Commission/Authority?

No

Please list what qualifications you possess that will be helpful to this Board /Commission /Authority.
(List your experience, education, certification, etc.)

See attached CV

Please return completed application to Waseca City Hall, ATTN: Records Secretary, 508 South State Street, Waseca, MN 56093.

CITY OF WASECA

Board/Commission/Authority Application Form

Date 8/24/2018

Name Byron Larson

Address 422 2nd Street NE, Waseca, MN
218-640-1216

Telephone Number: (Home) 507-201-3059 (Work) email: bycala@earthlink.net

Occupation: Retired

Please check the Board/Commission/Authority for which you are applying:

- | | |
|---|--|
| <input type="checkbox"/> Airport Board | <input type="checkbox"/> Human Rights Commission |
| <input type="checkbox"/> Charter Commission | <input type="checkbox"/> Library Board |
| <input type="checkbox"/> Community Ed Advisory Board | <input type="checkbox"/> Park Board |
| <input type="checkbox"/> Economic Development Authority | <input type="checkbox"/> Planning Commission |
| <input type="checkbox"/> Heritage Preservation Commission | <input type="checkbox"/> Traffic Safety Board |
| <input checked="" type="checkbox"/> Housing & Redevelopment Authority | |

Please tell us why you are interested in serving on this Board/Commission/Authority.

I have had experience with a Housing Authority. Worked as a Project Manager in Wadena, MN

Have you previously served on this Board/Commission/Authority? (If yes provide dates)

NO

Have you held, or do you currently hold, an office on this Board/Commission/Authority?

NO

Please list what qualifications you possess that will be helpful to this Board /Commission /Authority.
(List your experience, education, certification, etc.)

*Project Manager for Wadena Housing & Redevelopment
Attended many Housing Board meetings
B.S. Degree Bemidji State Univ.*

Please return completed application to Waseca City Hall, ATTN: Records Secretary, 508 South State Street, Waseca, MN 56093.

*My Mother-in-law was a resident of
Maple Terrace*

Title:	Introduce and Set Public Hearing Date: Ordinance No. 1067: A Resolution of the Waseca City Council Annexing Certain Properties Owned by Clemons Properties LLC (Woodville Township)		
Meeting Date:	September 4, 2018	Agenda Item Number:	6E
Action:	<input checked="" type="checkbox"/> MOTION <input type="checkbox"/> REQUESTS/PRESENTATIONS <input type="checkbox"/> RESOLUTION <input type="checkbox"/> ORDINANCE <input type="checkbox"/> DISCUSSION	Supporting Documents:	Petition, Annexation Timeline, Draft Ordinance No. 1067
Originating Department:	Community Development	Presented By:	City Manager
Approved By City Manager: <input checked="" type="checkbox"/>	Proposed Action: Motion to set the public hearing date for Ordinance No 1067 at the October 16, 2018 City Council Meeting.		
How does this item pertain to Vision 2030 goals?	Good Governance		

BACKGROUND: A petition for annexation was received on August 31, 2018 for annexation of un-platted property owned by Clemons Properties, LLC. The properties are located at 37437 State Highway 13. The properties are west of TH-13 and south of 375th Avenue/County Road 5. The property is occupied by a single family residence and accessory buildings and is being used for residential rental property.

The purpose of the annexation is to allow the property owner to have access to municipal utilities. Upon Annexation it is recommended that the property be zoned R-2, Urban Residential District. This is the zoning applied to the land to the north and east.

BUDGET IMPACT: Tax revenue from the property.

POLICY QUESTION: The City Council has the authority to approve annexations.

ALTERNATIVES CONSIDERED: None.

RECOMMENDATION: Staff is recommending the City Council set a public hearing date for Ordinance No. 1067 on October 16, 2018.

PETITION FOR ANNEXATION

TO THE CITY COUNCIL OF THE CITY OF WASECA, MINNESOTA

We, the undersigned, being the owners of the property in the territory described herein, hereby request that the Waseca City Council annex the territory described herein into the City of Waseca under Minnesota Statute 414.033, and to extend the City boundaries to include the same, and for the purpose respectfully state:

1. The territory to be annexed consists of 1.36 + .14 acres of unplatted lands, lying entirely within Woodville Township in the County of Waseca, Minnesota, and a description of such lands are contained in Exhibit "A". Said land is to be zoned R-2, Urban Residential.
2. The territory to be annexed is owned by Clemons Properties LLC
3. The territory described above abuts the east/north portion of the City of Waseca.
4. The territory described is urban or suburban in nature or abut to become urban or suburban in nature, and is planned for Urban Residential development.
5. The current population of the territory described is 0.
6. The reason for this petition is: Sewer & Water Hook up

7. The area proposed for annexation is not included in any area that has been designed for orderly annexation pursuant to Minnesota Statutes 414.033.

Dated this 31st day of August, 2018

Clemons Properties
Property Owner Name (Please Print)

[Signature]
Property Owner Signature

Property Owner Name (Please Print)

Property Owner Signature

ANNEXATION TIMEFRAME – CLEMONS ANNEXATION

(Providing all required documents are submitted timely and accurately)

Introduction of Ordinance	September 4, 2018
Certified mail notification to Woodville Township board, plus notification to Landowners contiguous to the property	September 5, 2018
Electric rate Notification to Petitioner	September 7, 2018
Public Notice in newspaper	Published in Waseca County News Friday, September 28, 2018 (Both PC & CC)
Planning Commission hearing on annexation	October 9, 2018
City Council hearing on annexation	October 16, 2018

PLEASE NOTE:

1. Thirty (30) days must elapse between Township/landowner notification and public hearing/ordinance adoption. If the Council adopts the Ordinance it will be filed with the Minnesota Planning, Secretary of State, Waseca County Board, Waseca County Auditor, Waseca County Recorder, Waseca County Zoning Administrator, and Woodville Township Board.
2. Annexation is not official until the City receives approval from the State (Office of Administrative Hearings)
3. Zoning of the annexed parcel is addressed in the Annexation Ordinance for consideration on October 16, 2018.
4. The Town Board shall have 90 days from the date of service to serve objections.

ORDINANCE NO. 1067

**AN ORDINANCE ANNEXING CERTAIN LANDS INTO THE CITY OF WASECA, MINNESOTA
AND ESTABLISHING ZONING THEREOF**

WHEREAS, Clemons properties LLC, are the owners of the properties, incorporated herein by this reference (the **Property**); and

WHEREAS, The Property is described in **Exhibit “A”** and depicted in **Exhibit “B”** attached hereto and incorporated herein by this reference; and

WHEREAS, the Waseca City Council finds that the Property abuts the limits of the City of Waseca; the Property is less than 60 acres; the above described party is the sole owner of the Property and has petitioned for annexation; and the Property is not included with any other municipality.

NOW, THEREFORE, The City Council of Waseca, Minnesota does hereby determine, find and ordain:

- Section 1. That the Property abuts the City of Waseca
- Section 2. That the Property is less than 60 acres in size.
- Section 3. That the above described party is the sole owner of the Property and has petitioned for annexation.
- Section 4. The corporate limits of the City of Waseca area extended to include the Property.
- Section 5. Certified copies of this Ordinance shall be filed with Municipal Boundary Adjustments Office, the Minnesota Secretary of State, the Waseca County Auditor, the Waseca County Recorder, and the Clerk of the Woodville Township Board.
- Section 6. This Ordinance shall be effective: upon passage and legal publication and the filing of the certified copies as described in Section 5; and, upon approval of the Ordinance by the Municipal Boundary Adjustments Office.
- Section 7. Upon annexation this parcel will be zoned R-2, Urban Residential District.

- Section 8. The City and Township have mutually agreed, pursuant to Minnesota Statutes 414.036, reimbursements from the City to the Town shall occur for the taxes collected on land annexed into the City according to the following conditions:
- a. All reimbursements will be based on the valuation of the tax capacity of the land as it exists in the town at the time of annexation.
 - b. The reimbursement of said land shall be based on a four (4) year schedule with the percentage of taxes reimbursed to the town as follows:

Year 1	100%
Year 2	75%
Year 3	50%
Year 4	25%
 - c. After the fourth year, and every year thereafter, all pertinent tax revenues will be the property of the City.

Adopted by the City Council of Waseca, Minnesota, this 16th day of October, 2018.

R. D. SRP
MAYOR

ATTEST:

MIKE ANDERSON
ASSISTANT TO THE CITY MANAGER

Introduced:
Adopted:
Published:
Effective:

CONTRACT CONSTRUCTION PAYMENT REQUEST

DATE: August 30, 2018

TO: Mayor & City Council
Duane Hébert, Interim City Manager

PROJECT NAME: 2016 Street, Water and Misc Storm Sewer Improvements

CITY PROJECT NO. 2017-06 and 2018-01

PAYMENT REQUEST : NO. 1

PAYMENT PERIOD : July 23, 2018-August 24, 2018

CONTRACTOR: Dirt Merchant, Inc

PAYMENT AMOUNT: \$144,253.49

Approved By:



Department Head Date 8/30/18_____
Director of Finance Date_____
City Manager Date

CONTRACT CONSTRUCTION PAYMENT REQUEST

DATE: AUGUST 28, 2018

TO: Mayor & City Council
Lee Mattson-City Manager

PROJECT NAME: 2016 STREET, WATER AND MISC. STORM SEWER IMPROVEMENTS

CITY PROJECT NO. : 2017-06 and 2018-01

PAYMENT REQUEST : NO. 1

PAYMENT PERIOD : JULY 23, 2018 to AUGUST 24, 2018

CONTRACTOR: DIRT MERCHANT, INC.

<u>CONTRACT</u>		<u>PAYMENT</u>	
Original Contract sum:	<u>\$ 1,361,268.22</u>	Contract Sum to date:	<u>\$ 1,375,433.47</u>
Change Orders		Total earned to date (Includes Change Orders)	<u>\$ 151,845.78</u>
Change Order #1	8/28/2016 <u>\$ 14,165.25</u>	Retainage: 5%	<u>\$ 7,592.29</u>
Change Order #2	<u> </u>	Total earned less retainage:	<u>\$ 144,253.49</u>
		Less previous payment requests:	<u>\$ -</u>
		Payment due this request:	<u>\$ 144,253.49</u>
		% Contract completed to date:	<u>11%</u>
Net change by change orders:	<u>\$ 14,165.25</u>	Amount remaining on contract:	<u>\$ 1,223,587.69</u>
Contract Sum to date:	<u>\$ 1,375,433.47</u>	Total Amount Due:	<u>\$ 144,253.49</u>

Approved By:

 8-30-18
Contractor Date

 8/30/18
City Engineer Date

Director of Finance Date

City Manager Date

CHANGE ORDER

CHANGE ORDER NO. ONE

CITY OF WASECA PROJECT NO. 2018-01

DATE: AUGUST 28, 2018

PROJECT NAME: 2018 STREET, WATER, & MISCELLANEOUS STORM IMPROVEMENTS

CONTRACTOR: DIRT MERCHANT INC.
3301 THIRD AVENUE
MANKATO, MN 56001

THE JUSTIFICATION FOR THIS CHANGE ORDER IS:

Additional sanitary sewer items on 4th Avenue NE were found to need repair that were not called for in the original contract.

ITEM	UNIT	QTY.	UNIT PRICE	TOTAL PRICE
REMOVE EXISTING MANHOLE	EACH	1	\$500.00	\$500.00
REMOVE EXISTING SANITARY SEWER PIPE	LN. FT.	104	\$5.00	\$520.00
REMOVE SAN. SEWER SERVICE PIPE	LN. FT.	30	\$7.50	\$225.00
4" PVC PIPE SEWER	LN. FT.	30	\$38.95	\$1,168.50
8" PVC PIPE SEWER	LN. FT.	104	\$37.00	\$3,848.00
8" X 4" PVC WYE	EACH	1	\$300.00	\$300.00
CONNECT TO EXISTING SEWER SERVICE	EACH	1	\$350.00	\$350.00
CASTING ASSEMBLY MANHOLE (NEENAH R-1733)	EACH	1	\$675.00	\$675.00
CONSTRUCT DRAINAGE STRUCTURE DESIGN 48-4020	LN. FT.	10.09	\$525.00	\$5,297.25
CONNECT TO EXISTING SANITARY SEWER	EACH	1	\$350.00	\$350.00
CONSTRUCT INSIDE SEWER DROP	LN. FT.	10.35	\$90.00	\$931.50
TOTAL CHANGE ORDER NO. ONE				\$14,165.25

ORIGINAL CONTRACT PRICE	\$1,361,268.22
PREVIOUS CHANGE ORDERS	\$0.00
AMOUNT OF THIS CHANGE ORDER	\$14,165.25
REVISED CONTRACT AMOUNT	\$1,375,433.47

APPROVED BY:

 8-29-18
CONTRACTOR DATE

 8/30/18
CITY ENGINEER DATE

DIRECTOR OF FINANCE DATE

CITY MANAGER DATE

CONTRACT CONSTRUCTION PAYMENT REQUEST

DATE: August 30, 2018

TO: Mayor & City Council
Duane Hébert, Interim City Manager

PROJECT NAME: 2018 Crack Seal/ Seal Coat Project

CITY PROJECT NO. 2018-03

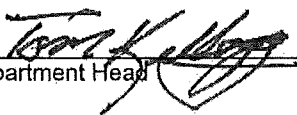
PAYMENT REQUEST: NO. 1

PAYMENT PERIOD: July 23, 2018-August 24, 2018

CONTRACTOR: Pearson Brother's Inc

PAYMENT AMOUNT: \$19,237.50

Approved By:


Department Head8/30/18
Date_____
Director of Finance_____
Date_____
City Manager_____
Date

CONTRACT CONSTRUCTION PAYMENT REQUEST

DATE: August 27, 2018

TO: Mayor & City Council
Lee Mattson City Manager

PROJECT NAME: 2018 CRACK SEAL / SEAL COAT PROJECT

CITY PROJECT NOS. : 2018-03

PAYMENT REQUEST : NO. 1

PAYMENT PERIOD : July 23, 2018 to August 24, 2018

CONTRACTOR: PEARSON BROTHERS, INC.
11079 LAMONT AVE NE
HANOVER, MN 55341

CONTRACT

Original Contract sum: \$ 60,737.60

Change Orders

Net change by change orders: \$ -

Contract Sum to date: \$ 60,737.60

PAYMENT

Contract Amount to date: \$ 60,737.60

Change Orders to date: \$0.00

Total completed to date (earned): \$ 20,250.00

Retainage: 5% \$ 1,012.50

Total earned less retainage: \$ 19,237.50

Less previous payment requests: \$ -

Payment due this request: \$ 19,237.50

% Contract completed to date: 33%

Amount remaining on contract \$ 40,487.60

Total Amount Due \$ 19,237.50

Approved By:

Jack Pearson
Contractor Date

Tom Bullock 8/30/18
City Engineer Date

Director of Finance Date

City Manager Date

Title:	Schedule of Compliance (SOC) with the Minnesota Pollution Control Agency (MPCA) in the matter of the City of Waseca Wastewater Treatment Facility (WWTP)		
Meeting Date:	September 4, 2018	Agenda Item Number:	7A
Action:	<input type="checkbox"/> MOTION <input type="checkbox"/> REQUESTS/PRESENTATIONS <input checked="" type="checkbox"/> RESOLUTION <input type="checkbox"/> ORDINANCE <input type="checkbox"/> DISCUSSION	Supporting Documents:	Attached
Originating Department:	Administration	Presented By:	City Manager
Approved By City Manager: <input checked="" type="checkbox"/>	Proposed Action: Staff recommends City Council adoption of Resolution 18-57.		
How does this item pertain to Vision 2030 goals?	The goal of the SOC is to reduce and minimize all wastewater collection system release pumping. As the City accomplishes this goal, community infrastructure will be improved, allowing for expansion and leverage of economic development initiatives, as well as improving reliability of the collection system to receive and transport all wastewater to the WWTP for permit compliance.		

BACKGROUND: During 2015 and 2016 the City received abnormal/extreme/State record rain events which resulted in alleged wastewater collection system releases. All alleged releases are immediately self-reported by City Staff to the MPCA, and all monitoring and testing results are submitted to the MPCA for permit compliance based on MPCA reporting requirements. During a routine inspection by MPCA Staff on January 18, 2018, MPCA Staff began to discuss the alleged 2015 and 2016 releases as permit violations. Subsequent discussions with multiple MPCA Staff have resulted in the MPCA issuance of the attached SOC agreement between the City and the MPCA.

Should the City Council authorize the Mayor to sign the proposed SOC, the City will be required to invest in significant wastewater infrastructure improvements during the foreseeable future, at least five (5) years. This means that City projects will need to be re-prioritized to accomplish the SOC requirement of reducing and minimizing collection system releases.

The additional alleged violation contained within the SOC is late submittal of one report to the MPCA. The mandated testing was completed on time but the lab report was misfiled in the aftermath of the September 2016 Mega Storm, resulting in a subsequent permit violation. Administrative steps have been taken to ensure such misfiling will not occur in the future.

BUDGET IMPACT: The City's Capital Improvement Plan (CIP) will be evaluated during the remaining months of 2018 and into 2019 to determine overall impact to future wastewater system budgets, cash position of this utility, and overall impact to City planning and work priorities.

POLICY QUESTION: The overall impact to City policies and work plans has yet to be determined, but is likely to be significant.

ALTERNATIVES CONSIDERED: City Staff and consultant Attorney and Engineer have been discussing alternatives with MPCA Staff. Should the City decide not to sign the SOC at this time, MPCA Staff has verbally stated that the City will be issued a financial Administrative Penalty Order (APO). Other action the MPCA could impose includes a stipulation agreement, or refer the matter to the Attorney General for a civil suit against the City. The maximum civil penalty MPCA could assess under State law is \$10,000 per day per violation (not involving hazardous waste). The maximum penalty MPCA could assess under an APO is \$20,000. The maximum penalty under federal law (if the EPA brings action) is \$51,570 per day per violation.

Alternately, the City could decide to attempt to continue negotiations with the MPCA. Should the City choose this option, resulting in an APO issued by the MPCA, City legal counsel "believe the City is well positioned to defend any such APO that MPCA might issue related to the alleged 2015-16 violations." Subsequent legal arguments would then be heard in District Court.

Finally, should the City decide to sign the SOC, further alleged collection system release violations as well as the 2015-16 alleged violations listed in the current SOC will be subject to MPCA enforcement action, including potential fines and other actions listed in the above paragraph. This means that MPCA will have the right to hold the 2015-16 releases over the City during the foreseeable future.

RECOMMENDATION: As the City has always worked cooperatively with the MPCA, Staff recommends adoption of Resolution 18-57.



Mankato Office | 12 Civic Center Plaza | Suite 2165 | Mankato, MN 56001-8704 | 507-389-5977
800-657-3864 | Use your preferred relay service | info.pca@state.mn.us | Equal Opportunity Employer

July 20, 2018

The Honorable Roy Srp
Mayor, City of Waseca
508 State St S
Waseca, MN 56093

RE: Schedule of Compliance
City of Waseca Wastewater Treatment Facility, Waseca, Waseca County

Dear Mayor Srp:

Enclosed is a Schedule of Compliance (Schedule) between the Minnesota Pollution Control Agency (MPCA) and the City of Waseca (Regulated Party) and one original and two additional signature pages. Sections of the Schedule have been revised, based on discussions with your negotiations team over the last several months.

Please review the Schedule carefully and if you have any comments or concerns, please contact Teri Roth at 507-344-5252. However, if the Schedule is acceptable to you, please *sign* and *date* all *three* signature pages and return them to Teri Roth at the MPCA by August 10, 2018. Assuming the Regulated Party signs the Schedule, it will be submitted for approval to the appropriate MPCA Supervisor or Manager. A signed copy will be returned to you for your records after approval by the MPCA.

Should the Regulated Party have any questions or require further assistance, please contact Teri Roth at 507-344-5252 or teresa.roth@state.mn.us.

Thank you for your cooperation in this matter.

Sincerely,

Teri Roth

This document has been electronically signed.

Teri Roth
Environmental Specialist
Municipal Division

TR:jljb

Enclosure

cc: Carl Sonnenberg, City of Waseca (w/enclosure)
Jean Coleman, Attorney, MPCA (w/enclosure)
Paul Kimman, MPCA (w/enclosure)
Mark Hugeback, MPCA (w/enclosure)
Cathy Rofshus, MPCA (w/enclosure)
Activity ID PEN20180001 @ 4848

STATE OF MINNESOTA
MINNESOTA POLLUTION CONTROL AGENCY

IN THE MATTER OF: Waseca Wastewater Treatment Plant

SCHEDULE OF COMPLIANCE

Part 1. PARTIES. This Schedule of Compliance ("Schedule") applies to and is binding upon the following parties:

- a. The City of Waseca ("Regulated Party"); and
- b. The Minnesota Pollution Control Agency ("MPCA").

Unless specified otherwise in this Schedule, where this Schedule identifies actions to be taken by the MPCA, the Commissioner or the Commissioner's designees shall act on the MPCA's behalf.

Part 2. PURPOSE AND SCOPE OF SCHEDULE OF COMPLIANCE. The purpose of this Schedule is to resolve the alleged violations set out in Part 6 of this Schedule by specifying actions the Regulated Party agrees to undertake. By entering into this Schedule, the Regulated Party is settling a disputed matter between itself and the MPCA and does not admit that the alleged violations set out in Part 6 of this Schedule occurred. However, the Regulated Party agrees that the MPCA may rely upon the alleged violations set out in Part 6 as provided in Part 10 of this Schedule. Except for the purposes of implementing and enforcing this Schedule, nothing in this Schedule constitutes an admission by any Party, or creates rights, substantive or procedural, that can be asserted or enforced with respect to any claim of or legal action brought by a person who is not a party to this Schedule. All citations are to the latest codification of the cited material unless otherwise indicated.

Part 3. AUTHORITY. This Schedule is entered under the authority vested in the MPCA by Minn. Stat. chs. 115 and 116.

Part 4. DEFINITIONS. Unless otherwise explicitly stated, the definitions in Minn. Stat. chs. 115, 115A, 115B, 115C, 116, 116B and in Minn. R. chs. 7000 to 7151 apply, as appropriate, to the terms used in this Schedule.

Part 5. BACKGROUND. The following is the background of this Schedule:

- a. The Regulated Party is a municipality and operates a wastewater treatment plant located in Waseca, Waseca County, Minnesota, hereafter the "Facility".
- b. The Facility is a mechanical facility with a continuous surface discharge to an unnamed ditch to the Le Sueur River (Class 2B, 3C, 4A, 4B, 5, 6 water) and is designed to treat an average wet-weather (AWW) flow of 3.5 million gallons per day (MGD), and a peak hourly wet weather flow of 12 MGD.
- c. The unauthorized release of wastewater was identified in Duty Officer Reports and Release Sample Reports that were submitted for each release event during the review period of March 2015 through November 2017. The MPCA staff conducted follow-up phone or email communication with the Regulated Party after each event to discuss the cause(s) of the release. The MPCA staff was also in annual or more frequent communication with the Regulated Party for updates on plans and completion of inflow and infiltration elimination activities to prevent future releases.

d. On May 18, 2017, the MPCA staff identified the late submittal of Whole Effluent Toxicity test results.

e. On January 18, 2018, the MPCA staff conducted a routine inspection of the Facility which included an onsite records review. The violations in Part 6 were discussed as part of the inspection and were included in the March 15, 2018, inspection report.

f. On March 29, 2018, the Regulated Party submitted a response to the inspection report.

g. The Regulated Party has a sump pump ordinance and inspection plan.

h. Routine maintenance to the collection system is performed with approximately half of the collection system being cleaned annually. The entire system was smoke tested in the winter of 2016-2017, and is televised annually (30,000 feet in 2017) and repaired or lined as necessary.

i. In December 2015, the Regulated Party approved a utility rate increase and a plan to improve infrastructure, including a \$6,000,000 water and sewer project to reduce inflow and infiltration ("I/I") at priority locations by the end of 2018.

j. The Regulated Party budgeted \$300,000 from its wastewater capital improvements fund to line high priority sewer lines, and \$90,000 for lift station improvements in 2017.

k. The MPCA received calls from concerned citizens or complaints on July 13, 2016; August 10, 2016; August 23, 2016; and July 21, 2017 regarding the discharges from the sanitary collection system to local recreational lakes. The MPCA staff notified the Regulated Party when such calls and complaints were received.

Part 6. ALLEGED VIOLATIONS. The MPCA alleges that the Regulated Party has violated the following requirements of statute, rule and/or permit condition:

- a. **National Pollutant Discharge Elimination System (NPDES)/State Disposal System (SDS) Permit Number MND020796, Chapter 10, Total Facility Requirements, General Requirements.**

1.32. Unauthorized Releases of Wastewater Prohibited. Except for discharges from outfalls specifically authorized by this permit, overflows, discharges, spills, or other releases of wastewater or materials to the environment, whether intentional or not, are prohibited. However, the MPCA will consider the Permittee's compliance with permit requirements, frequency of release, quantity, type, location, and other relevant factors when determining appropriate action (40 CFR 122.41 and Minn. Stat. Sec 115.061).

Minn. Rules 7053.0205 GENERAL REQUIREMENTS FOR DISCHARGES TO WATERS OF THE STATE.

Subpart 1. **Untreated sewage.** No untreated sewage may be discharged into any waters of the state. Effective disinfection of any discharges, including combined flows of sewage and storm water, shall be required when necessary to protect the specified uses of the waters of the state.

Minn. Rules 7050.0210 GENERAL STANDARDS FOR WATERS OF THE STATE.

Subp. 13. Pollution prohibited. No sewage, industrial waste, or other wastes shall be discharged from either a point or a nonpoint source into the waters of the state in such quantity or in such manner alone or in combination with other substances as to cause pollution as defined by law. In any case where the waters of the state into which sewage, industrial waste, or other waste effluents discharge are assigned different standards than the waters of the state into which the receiving waters flow, the standards applicable to the waters into which the sewage, industrial waste, or other wastes discharged shall be supplemented by the following:

The quality of any waters of the state receiving sewage, industrial waste, or other waste effluents shall be such that no violation of the standards of any waters of the state in any other class shall occur by reason of the discharge of the sewage, industrial waste, or other waste effluents.

On June 22, 2015, the Regulated Party reported unauthorized releases from four sanitary sewer manholes to the stormwater system and on to Clear Lake, Rice Lake, Gaiter Lake, and Watkins Lake. The releases were the result of receiving 2.5 inches of rain in four hours. The operator indicated that the releases were necessary to prevent basement backups. The releases lasted five hours and a total of 1.18 million gallons of wastewater were released. The releases were reported to the Minnesota Duty Officer (DO) (Report #150790) and sampled in accordance with the Facility Permit. The following Release Sample Report data represents the release location with the higher pollutant levels. Carbonaceous biochemical oxygen demand (CBOD): 74 milligrams per liter (mg/L); Total Suspended Solids (TSS): 506 mg/L; potential of hydrogen (pH): 7.1 Standard Unit (SU); total phosphorus (TP): 3.34 mg/L; Fecal: 1,540,000 most probable number (MPN).

On September 8, 2015, the Regulated Party reported unauthorized releases from five sanitary sewer manholes to the stormwater system and on to Clear Lake. The releases were the result of receiving three days of rain totalling 3.62 inches to already saturated soils. A total of 1,441,660 gallons of wastewater were released. The releases were reported to the DO (Report #152862) and sampled. The release duration and sample data was lost in the 2016 flood (additionally, the MPCA did not scan page 2 of the Release Sample Report with the sample results and release duration).

On July 7, 2016, the Regulated Party reported unauthorized releases from four sanitary sewer manholes to the stormwater system and on to Rice Lake and Gaiter Lake. The releases were the result of receiving 3.35 inches in 1.5 hours. The releases lasted two hours and a total of 905,000 gallons of wastewater were released. The releases were reported to the DO (Report #159045) and sampled. The following data represents the release location with the higher pollutant levels. CBOD: 220 mg/L; TSS: 457 mg/L; pH: 7.0 SU; TP: 5.18 mg/L; and Fecal: 990,000 MPN.

On August 11, 2016, the Regulated Party reported unauthorized releases from five sanitary sewer manholes to the stormwater system and on to Clear Lake, Rice Lake, and Gaiter Lake. The releases were the result of receiving 3.25 inches in 24 hours. The releases lasted 9.75 hours and a total of 1.86 million gallons of wastewater were released. The releases were reported to the DO (Report #160110) and sampled. The following data represents the release location with the higher pollutant levels. CBOD: 23 mg/L; TSS: 72 mg/L; pH: 7.2 SU; TP: 1.05 mg/L; and Fecal: 770,000 MPN.

On August 12, 2016, the Regulated Party reported unauthorized releases from four sanitary sewer manholes to the stormwater system and on to Rice Lake and Gaiter Lake. The releases were the result of receiving 1.35 inches in 24 hours to already saturated soils. The releases lasted six hours and a total of 1,224,900 gallons of wastewater were released. The releases were reported to the DO (Report #160196) and sampled. The following data represents the release location with the higher pollutant levels. CBOD: 18 mg/L; TSS: 72 mg/L; pH: 7.2 SU; TP: 1.12 mg/L; and Fecal: 420,000 MPN.

On September 21, 2016, the Regulated Party reported unauthorized releases from 13 sanitary sewer manholes to the stormwater system and on to Clear Lake, Rice Lake, and Gaiter Lake. The releases were the result of receiving 2.7 inches in 24 hours to already saturated soils, 16 inches total for the month. The releases lasted 27.75 hours and a total of 15,024,000 gallons of wastewater were released. The releases were reported to the DO (Report #161157) and sampled. The following data represents the release location with the higher pollutant levels. CBOD: 197 mg/L; TSS: 500 mg/L; pH: 7.0 SU; TP: 3.78 mg/L; and Fecal: 580,000 MPN.

On September 22, 2016, the Regulated Party reported unauthorized releases from 12 sanitary sewer manholes to the stormwater system and on to Clear Lake, Rice Lake, Gaiter Lake, Loon Lake, Le Sueur River. The releases were the result of receiving 7.94 inches in 24 hours to already saturated soils. The Facility and much of the town was flooded; the National Weather Service reported 14.5 inches of rain for the area over two days. The releases lasted 26 hours and a total of 3,833,000 gallons of wastewater were released. An additional 4,536,438 gallons were released when the equalization (EQ) basin overflowed to county ditch 45 and on to the Le Sueur River, and an unknown volume was lost when the chlorine contact tank overflowed to county ditch 45 and on to the Le Sueur River. The releases were reported to the DO (Report #161198 and Report #161223) and sampled. The following data represents the release location with the higher pollutant levels. CBOD: 30 mg/L; TSS: 98 mg/L; pH: 7.3 SU; TP: 1.59 mg/L; and Fecal: 2,160,000 MPN.

b. **NPDES/SDS Permit Number MN0020796, Chapter 1, Whole Effluent Toxicity (WET) Testing – Chronic, General Requirements.**

1.2. The Permittee shall conduct annual chronic toxicity test batteries on Outfall SD003 beginning with the issuance date of the permit. The first set of annual results are due the last day of the first full calendar quarter following permit issuance and annually thereafter (for example, if the permit is issued April 28, the test results are due on or before September 30 of each year.).

The results of the WET Test - Chronic, due December 31, 2016, were received by the MPCA on May 18, 2017.

Part 7. REGULATED PARTY REQUIREMENTS. The Regulated Party agrees to the following requirements:

- a. The Regulated Party shall submit to the MPCA, postmarked by December 31, 2018, a copy of its comprehensive plan (five-year minimum duration) to reduce inflow and infiltration in the collection system and minimize wastewater releases.
- b. The Regulated Party shall submit, postmarked within 60 days of the execution date of this Schedule, documentation of the steps implemented to ensure that future WET Test – Chronic results are submitted on time.

Part 8. PENALTIES FOR VIOLATIONS OF THIS SCHEDULE.

a. If the Regulated Party fails to comply with requirements of Part 7 subpart a. of this Schedule, the Regulated Party shall pay to the MPCA a penalty in the amount of \$250 per requirement for each day of failure. If the Regulated Party fails to comply with requirements of Part 7 subpart b. of this Schedule, the Regulated Party shall pay to the MPCA a penalty in the amount of \$50 per requirement for each day of failure.

b. Penalties for failure to comply with requirements of Part 7 of this Schedule shall accrue from the date the Regulated Party was to have fulfilled the requirement until the Regulated Party fulfills the requirement. Penalties shall not accrue while the MPCA considers a timely extension request under Part 13 or during dispute resolution under Part 11, unless the MPCA determines that the Regulated Party filed the request or initiated dispute resolution solely for purposes of delay. If the Regulated Party does not pursue dispute resolution under Part 11 for denial of a timely extension request, penalties shall accrue from the date the extension request is denied by the MPCA Case Contact. If the Regulated Party pursues dispute resolution for denial of an extension request and does not file a timely challenge in a court of competent jurisdiction as provided by Part 11, penalties shall accrue from the date of a Commissioner's dispute resolution decision against the Regulated Party until the Regulated Party fulfills the requirement that is the subject of the extension request.

c. The Regulated Party shall pay a penalty under this Part within 30 days after receiving written notice from the MPCA that the penalty is due. The written notice shall specify the provision of the Schedule that the Regulated Party has not fulfilled and indicate the date penalties began to accrue. If the Regulated Party fails to make timely payment, the MPCA may assess and the Regulated Party agrees to pay a late payment charge, in addition to the stipulated penalty, to be assessed as follows. Forty-five days after receipt of written notice, the Regulated Party shall be obligated to pay a late charge in an amount equal to ten percent of the unpaid stipulated penalty. Sixty days after receipt of written notice, the Regulated Party shall be obligated to pay an additional late charge in an amount equal to twenty percent of the unpaid stipulated penalty.

d. In dispute resolution before the Commissioner under Part 13, the Regulated Party can contest the factual basis for the MPCA's determination that the Regulated Party has not fulfilled a requirement of this Schedule covered by this Part. However, the Regulated Party waives its right to challenge, on legal grounds, the requirement that it pay penalties under this Part.

e. The Regulated Party shall not be liable for payment of penalties for failure to comply with requirements of Part 7 of this Schedule covered by this Part if it has submitted to the MPCA a timely request for an extension of schedule under Part 13 and the MPCA has granted the request. The MPCA's grant of an extension of schedule waives the payment of penalties covered by this Part only on the requirements for which the MPCA granted an extension of schedule and only for the time period specified by the MPCA in the grant of an extension. An extension of schedule for one requirement of Part 7 does not extend the schedule for any other requirement of Part 7.

f. Any requirement of this Schedule may be enforced as provided in Minn. Stat. § 115.071 (2004). Payment of a stipulated penalty does not relieve the Regulated Party of its obligation to fulfill and complete requirements under the Schedule and to otherwise comply with the terms and conditions of the Schedule.

Part 9. COVENANT NOT TO SUE AND RESERVATION OF REMEDIES. With respect to the Regulated Party, the MPCA agrees not to exercise any administrative, legal or equitable remedies available to the

MPCA to address the violations alleged and described in Part 6 as long as the Regulated Party performs according to and has complied with the terms and conditions contained in this Schedule. The MPCA reserves the right to enforce this Schedule or take any action authorized by law, if the Regulated Party fails to comply with the terms and conditions of this Schedule.

Further, the MPCA reserves the right to seek to enjoin violations of this Schedule and to exercise its emergency powers pursuant to Minn. Stat. § 116.11 (2004) in the event conditions or the Regulated Party's conduct warrant such action. Nothing in this Schedule shall prevent the MPCA from exercising these rights and nothing in this Schedule constitutes a waiver of these rights.

The MPCA reserves the right to pursue recovery for Natural Resources Damages pursuant to Minn. Stat. § 115.071, Minn. Stat. § 115B.08 or other laws. Nothing in this Schedule shall prevent the MPCA from exercising these rights and nothing in this Schedule constitutes a waiver of these rights.

The Regulated Party agrees to waive all claims it may now have, as of the effective date of this Schedule, under Minn. Stat. § 15.472 for fees and expenses arising out of matters leading up to and addressed in this Schedule.

Part 10. REPEAT VIOLATIONS. Federal and state environmental programs establish harsher penalties for violations of environmental laws or rules that constitute repeat violations. In a proceeding to resolve alleged violations by the Regulated Party, if any, occurring after the date of the alleged violations set out in Part 6 of this Schedule, the Regulated Party may argue about the extent to which the violations alleged in Part 6 of this Schedule should affect the penalty amount for the later violations, but waives the right: (1) to contend that the violations alleged in Part 6 of this Schedule did not occur as alleged and (2) to require the MPCA to prove the violations alleged in Part 6 of this Schedule.

Part 11. RESOLUTION OF DISPUTES. The parties to this Schedule shall resolve disputes that arise as to any part of the Schedule as follows:

a. Either party, acting through its Case Contact (as defined in Part 14 below), may initiate dispute resolution by providing to the Case Contact of the other party an initial written statement setting forth the matter in dispute, the position of the party, and the information the party is relying upon to support its position.

The other party, acting through its Case Contact, shall provide a written statement of its position and supporting information to the case contact of the initiating party within 14 calendar days after receipt of the initial written statement.

b. If the parties, acting through their Case Contacts, do not reach a resolution of the dispute and reduce such resolution to writing in a form agreed upon by the parties within 21 calendar days after the initiating party receives the statement of position from the responding party, the Commissioner shall issue a written decision resolving the dispute. The written decision may address stipulated penalties assessed pursuant to Part 8. The Commissioner's decision shall be considered a final decision of the MPCA for purposes of judicial review.

c. The Commissioner's decision shall become an integral and enforceable part of this Schedule unless the Regulated Party timely challenges the decision in a court of competent jurisdiction. Failure to timely challenge means the Regulated Party agrees to comply with the MPCA Commissioner's decision on the matter in dispute and to pay any penalties that accrue pursuant to Part 8 for failure to fulfill requirements of this Schedule that are the subject of the dispute resolution. Further, if the

Commissioner's decision assesses penalties pursuant to Part 8 of this Schedule, the Regulated Party agrees to and shall pay the amount of penalty determined by the Commissioner within 60 days after receiving the Commissioner's decision.

d. Throughout any dispute resolution, the Regulated Party shall comply with all portions of the Schedule that the MPCA determines are not in dispute.

Part 12. VENUE. Actions brought by the MPCA to enforce requirements and terms of this Schedule shall be venued in Ramsey County District Court.

Part 13. EXTENSION OF SCHEDULES. If the Regulated Party wants an extension of a deadline included in a schedule set out in Part 7, the Regulated Party must request the extension in writing at least ten days before the scheduled deadline, or as soon as possible before that date if the reason for the extension request arises less than ten days before the deadline.

Each deadline extension request shall separately specify the reason why the extension is needed. No requested extension shall be effective until approved in writing by the MPCA, acting through the MPCA Case Contact or the Commissioner.

The MPCA shall grant an extension only for the period of time the MPCA determines is reasonable under the circumstances. The written approval or grant of an extension request shall be considered an enforceable part of the Schedule.

The Regulated Party has the burden of demonstrating to the satisfaction of the MPCA that the request for the extension is timely, and that good cause exists for granting the extension. Good cause can include, but is not limited to, the following:

- a. Circumstances beyond the reasonable control of the Regulated Party.
- b. Delays caused by the MPCA in reviewing timely submittals required by this Schedule, the Regulated Party submitted in complete and approvable form, which make it not feasible for the Regulated Party to meet the required schedules.

Good cause does not include unanticipated costs, increases in the cost of control equipment, or delays in MPCA review of submittals when the submittals are not in complete and approvable form.

The Regulated Party may challenge a decision by the MPCA to deny a request for an extension under this Part.

Part 14. CASE CONTACT. The MPCA and the Regulated Party shall each designate a Case Contact for the purpose of overseeing the implementation of this Schedule. The MPCA Case Contact is Teri Roth. The address, telephone number, and email address of the MPCA's Case Contact is: 12 Civic Center Plaza, Suite 2165, Mankato, Minnesota 56001, 507-344-5252, teresa.roth@state.mn.us. The Regulated Party's Case Contact is Carl Sonnenberg. The address, telephone number, and email address of the Regulated Party's Case Contact is: 508 South State Street, Waseca, Minnesota, 56093, 507-521-1540, and carls@ci.waseca.mn.us. Either party may change its designated Case Contact by notifying the other party in writing, within five days of the change. To the extent possible, communications between the Regulated Party and the MPCA concerning the terms and conditions of this Schedule shall be directed through the Case Contacts.

Part 15. APPLICABLE LAWS AND PERMITS. This Schedule does not relieve the Regulated Party of the duty to comply with the requirements of all applicable federal, state and local laws and regulations, including without limitation in the Regulated Party's undertaking actions to comply with this Schedule. Except when the MPCA has specifically authorized a different compliance method in Part 7, the Regulated Party must also comply with all applicable permits, orders, stipulation agreements and schedules of compliance. Nothing in this Schedule exempts or relieves the Regulated Party of its obligation to comply with local governmental requirements.

Part 16. OTHER CLAIMS. Nothing herein shall release the Regulated Party from any claims, causes of action or demands in law or equity by any person, firm, partnership or corporation not a signatory to this Schedule for any liability it may have arising out of or relating to the release of any pollutant or contaminant from its operations or from a facility. Neither the Regulated Party nor the MPCA shall be held as a party to any contract entered into by the other party to implement the requirements of this Schedule.

Part 17. LIABILITIES. Each party agrees that it will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of the other party and the results thereof. The State's liability shall be governed by the provisions of the Minnesota Tort Claims Act, Minn. Stat. §§ 3.732, et seq., and other applicable law.

Part 18. SUCCESSORS, AGENTS AND CONTRACTORS. This Schedule shall be binding upon the Regulated Party and its successors and assigns and upon the MPCA, its successors and assigns. If the Regulated Party sells or otherwise conveys or assigns any of its right, title or interest in the Facility, the conveyance shall not release the Regulated Party from any obligation imposed by this Schedule, unless the party to whom the right, title or interest has been transferred or assigned agrees in writing to fulfill the obligations of this Schedule and the MPCA approves the transfer or assignment. The Regulated Party shall ensure that the Regulated Party's agents, contractors and subsidiaries comply with the terms and conditions of this Schedule.

Part 19. AMENDMENTS. Except with respect to extensions of schedules granted under Part 13 and approved submittals under Part 7, this Schedule may be amended only by written Schedule between the parties.

Part 20. EFFECTIVE DATE. This Schedule shall be effective on the date it is signed by the MPCA.

Part 21. TERMINATION. The provisions of this Schedule shall be deemed satisfied and terminated when the Regulated Party receives written notice from the MPCA that the Regulated Party has demonstrated, to the satisfaction of the MPCA, that all terms of the Schedule have been completed. Termination of this Schedule does not release the Regulated Party from any duty to comply with any statutes, rules or permit conditions, whether or not they are cited in this Schedule. The Regulated Party agrees that it shall retain all records related to this Schedule for three years following its termination. Termination of this Schedule does not release the Parties from Parts 9 (Covenant Not To Sue And Reservation Of Remedies), 10 (Repeat Violations) and 17 (Liabilities), which terms shall survive the termination of this Schedule.

BY THEIR SIGNATURES BELOW, THE UNDERSIGNED REPRESENT THAT THEY HAVE AUTHORITY TO BIND
THE PARTIES THEY REPRESENT

CITY OF WASECA

By: _____

Name: _____

Title: _____

Date: _____

STATE OF MINNESOTA
POLLUTION CONTROL AGENCY

By: _____

Paul Kimman
Supervisor, Southeast/Southwest Regional Unit
Marshall Office
Municipal Division

Date: _____

BY THEIR SIGNATURES BELOW, THE UNDERSIGNED REPRESENT THAT THEY HAVE AUTHORITY TO BIND
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CITY OF WASECA

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POLLUTION CONTROL AGENCY

By: _____

By: _____

Name: _____

Paul Kimman
Supervisor, Southeast/Southwest Regional Unit
Marshall Office
Municipal Division

Title: _____

Date: _____

Date: _____

CITY OF WASECA, MINNESOTA
CITY COUNCIL RESOLUTION 18-57

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WASECA, MINNESOTA, AUTHORIZING EXECUTION OF THE SCHEDULE OF COMPLIANCE WITH THE MINNESOTA POLLUTION CONTROL AGENCY IN THE MATTER OF CITY OF WASECA WASTEWATER TREATMENT FACILITY:

WHEREAS, on or about March 15, 2018, the Minnesota Pollution Control Agency (“MPCA” or “Agency”) commenced an enforcement action against the City of Waseca, Minnesota (“City”) alleging, in part, that City violated terms of its National Pollutant Discharge Elimination System (“NPDES”) Permit No.: MN0020796 and related state and federal regulations as a result of unauthorized releases/bypasses from the City’s sanitary sewer collection system dated June 22, 2015; September 8, 2015; July 7, 2016; August 11 and 12, 2016; and September 21 and 22, 2016; and

WHEREAS, MPCA offered to resolve the alleged violations without imposing any fines or penalties if the City agrees to enter into a Schedule of Compliance (“SOC”) with the MPCA requiring the City to agree to certain conditions, including the submission of five-year (at minimum) comprehensive plan to reduce inflow and infiltration in the collection system and minimize wastewater releases; and

WHEREAS, the City asserts that the unauthorized releases/bypasses identified by MPCA do not constitute violations of its NPDES permit or other applicable state and federal regulations because the unauthorized releases/bypasses were caused by extremely rare rainfall events that exceeded the types of rainfall conditions that an appropriately designed wastewater treatment facility and collection system can reasonably be expected to manage, the alleged unauthorized releases/bypasses were unavoidable and necessary to prevent severe property damage, and there were no feasible alternatives to the releases/bypasses available to the City; and

WHEREAS, as a result of the above, the City is concerned that MPCA is using extreme rainfall events and conditions beyond the reasonable control of the City as basis for pursuing enforcement action against the City in contradiction of state and federal regulations and policies; and

WHEREAS, the City has made significant investments and taken meaningful action to reduce inflow and infiltration (“I/I”) in its collections system including but not limited to approving a utility rate increase to fund a \$6,000,000 project to reduce I/I in the collection system, the development of a hydrological model of the collection system to identify and prioritize problem areas in the system and completed necessary sewer projects at priority locations; and

WHEREAS, the City values its relationship with the MPCA and believes that despite its serious concerns regarding the SOC, it is the best interest of the City and the City's relationship with MPCA to efficiently resolve the alleged violations by executing the SOC with MPCA;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

1. The City Council hereby authorizes and directs the Mayor to execute the schedule of compliance provided by MPCA to the City on July 20, 2018.

PASSED by the City Council of the City of Waseca on this 4th day of September, 2018.

R.D. SRP
MAYOR

ATTEST:

MIKE ANDERSON
ASSISTANT TO THE CITY MANAGER

Title:	RESOLUTION NO. 18-53, AUTHORIZING THE PREPARATION OF PLANS AND SPECIFICATIONS FOR THE 3 RD STREET NE STREET AND UTILITY IMPROVEMENT PROJECT, CITY PROJECT NO. 2019-01		
Meeting Date:	September 4, 2018	Agenda Item Number:	7B
Action:	<input type="checkbox"/> MOTION <input type="checkbox"/> REQUESTS/PRESENTATIONS <input checked="" type="checkbox"/> RESOLUTION <input type="checkbox"/> ORDINANCE <input type="checkbox"/> DISCUSSION	Supporting Documents:	Resolution 18-53
Originating Department:	Engineering	Presented By:	City Engineer
Approved By City Manager: <input checked="" type="checkbox"/>	Proposed Action: Motion to Adopt Resolution No. 18-53, Authorizing the preparation of plans and specifications for the 3 rd Street NE Street and Utility Improvement Project, City Project No. 2019-01.		
How does this item pertain to Vision 2030 goals?	Creating High Quality Community Assets		

BACKGROUND: On August 7, 2018 the City Council approved the Feasibility Study and ordered the public hearing for the 3rd Street NE Street and Utility Improvement Project, City Project No. 2019-01. The project will reconstruct the street and utilities on 3rd Street NE between 4th Avenue NE and 11th Avenue NE.

BUDGET IMPACT: The 3rd Street NE Street and Utility Improvement Project is included in the proposed 2019 Budget. Based on information in the Feasibility Study, the estimated cost and funding sources for the 3rd Street NE Street and Utility Improvement Project are as follows:

Table 4 – 3rd Street NE Street and Utility Improvement Project	
Proposed Project Funding	
Funding Source	Estimate
440 Special Assessment Fund	\$ 150,757.64
430 Capital Improvement Street Fund	\$ 263,646.55
602 Sanitary Sewer Fund	\$ 480,029.99
601 Water Utility Fund	\$ 473,575.74
Local Road Improvement Program (LRIP)	\$ 1,000,000.00
Waseca County Participation	\$ 102,334.01
State Aid Eligible Funds*	\$ 1,139,972.73
Total	\$ 3,601,316.66

**Includes the minimum 55% contribution towards drainage improvements*

POLICY QUESTION: Are the proposed improvements consistent with the City of Waseca's Pavement Management and Special Assessment Policies? Yes, the proposed project is consistent with the policies for the City and is necessary to provide safe and reasonable transportation to the citizens of the City.

RECOMMENDATION: Staff recommends the Waseca City Council adopt Resolution No. 18-53, authorizing the preparation of plans and specifications for the 3rd Street NE Street and Utility Improvement Project, City Project No. 2019-01.

RESOLUTION NO. 18-53

**A RESOLUTION OF THE WASECA CITY COUNCIL
ORDERING THE 3RD STREET NE STREET AND UTILITY IMPROVEMENT
PROJECT, CITY PROJECT 2019-01 AND AUTHORIZING THE PREPARATION OF
PLANS AND SPECIFICATIONS, AND PREPARATION OF ASSESSMENT ROLL
#281**

WHEREAS, the City Council has received and accepted the feasibility report for City Project No. 2019-01.

AND WHEREAS, a public improvement hearing has been be scheduled to consider the project;

AND WHEREAS, staff needs to prepare plans and specifications and prepare the assessment roll for the improvements included City Project No. 2019-01;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Waseca that the City Council has determined:

1. Such improvements are necessary, cost-effective, and feasible as detailed in the feasibility report.
2. A public improvement hearing has been scheduled to be held on September 4, 2018.
3. WSB is hereby designated as the engineer for this improvement.
4. Staff is also ordered to prepare preliminary Assessment Roll No. 281 in compliance with the adopted Assessment Policy and in accordance with Chapter 429 of Minnesota State Statutes.

Adopted this 4th day of September, 2018.

R.D. SRP
MAYOR

ATTEST:

MIKE ANDERSON
ASSISTANT TO THE CITY MANAGER

Title:	AUTHORIZATION OF ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS TO THE MINNESOTA PUBLIC FACILITIES AUTHORITY		
Meeting Date:	September 4, 2018	Agenda Item Number:	7C
Action:	<input type="checkbox"/> MOTION <input type="checkbox"/> REQUESTS/PRESENTATIONS <input checked="" type="checkbox"/> RESOLUTION <input type="checkbox"/> ORDINANCE <input type="checkbox"/> DISCUSSION	Supporting Documents:	Resolution 18-58 Resolution 18-59
Originating Department:	Finance	Presented By:	Finance Director
Approved By City Manager: <input type="checkbox"/>	Proposed Action: 1) Adopt Resolution Number 18-58 authorizing General Obligation Drinking Water Revenue Note, Series 2018A. 2) Adopt Resolution Number 18-59 authorizing General Obligation Wastewater Revenue Note, Series 2018B.		
How does this item pertain to Vision 2030 goals?	Strengthen Regional Connectivity by providing top grade infrastructure.		

BACKGROUND: In early 2015 the Waseca City Council elected to take the project lead for the reconstruction of Old TH 14 as offered by the State of Minnesota through the Department of Transportation (MnDOT). Included within this project are updates to the City's wastewater and watermain utilities of which the City is responsible for 100% of the costs.

The City is authorized pursuant to Minnesota Statutes, Section 444.075, as amended, and Chapter 475 to issue and sell its general obligation bonds or notes in order to finance the cost of improvements to its municipal water and wastewater treatment utilities.

BUDGET IMPACT: The estimated cost of the water project is \$2,573,350. The Minnesota Public Facilities Authority (the "PFA") has agreed to lend the City up to \$2,573,350 in order to finance the cost of the Project. The Note will be payable over a 15 year term and shall bear interest at the rate of 1.00% per annum.

The estimated cost of the wastewater project is \$3,692,936. The Minnesota Public Facilities Authority (the "PFA") has agreed to lend the City up to \$3,692,936 in order to finance the cost of the Project. The Note will be payable over a 15 year term and shall bear interest at the rate of 1.00% per annum.

For both utilities the City has planned for this structured debt prior to the initiation of this project. The capital funding charge that has been added to each utility is projected to cover the annual payments. The notes details and payment schedules are shown in the attached resolutions.

RECOMMENDATION:

- 1) Adopt Resolution Number 18-58 authorizing General Obligation Drinking Water Revenue Note, Series 2018A.
- 2) Adopt Resolution Number 18-59 authorizing General Obligation Wastewater Revenue Note, Series 2018B.

RESOLUTION NO. 2018-58

RESOLUTION RELATING TO \$2,573,350 GENERAL OBLIGATION DRINKING WATER REVENUE NOTE, SERIES 2018A; AUTHORIZING THE ISSUANCE AND SALE, FIXING THE FORM AND DETAILS THEREOF AND PROVIDING FOR THE SECURITY THEREFOR

BE IT RESOLVED by the City Council (the "Council") of the City of Waseca, Minnesota (the "City"), as follows:

Section 1. Authorization and Recitals.

1.01. Authorization. The City is authorized pursuant to Minnesota Statutes, Section 444.075, as amended, and Chapter 475 to issue and sell its general obligation bonds or notes in order to finance the cost of improvements to its municipal water utility (the "Utility"). The City is proposing to undertake improvements to its municipal water utility consisting of replacement of the water distribution lines along the Elm Avenue (Old TH 14) Corridor, all as detailed in the Minnesota Department of Health project certification dated November 14, 2017 (the "Project"). The estimated cost of the Project is \$2,573,350.

1.02. PFA Loan. The Minnesota Public Facilities Authority (the "PFA") has agreed, subject to certain terms and conditions contained in a Bond Purchase and Project Loan Agreement dated August 20, 2018, entered into between the City and PFA (the "Loan Agreement"), to lend the City up to \$2,573,350 in order to finance the cost of the Project (the "PFA Loan"). This Council hereby accepts such offer, authorizes and ratifies the execution of the Loan Agreement by the Mayor and the City Manager and agrees to issue its General Obligation Drinking Water Revenue Note, Series 2018A (the "Note"), to the PFA evidencing such loan. The proceeds from the Note will be disbursed to the City from the PFA on a cost reimbursement basis consistent with a budget presented to the PFA in connection with the application for financing and in accordance with state law applicable to the PFA Loan. If (i) as a result of action by the City or PFA, the entire principal amount is not to be disbursed for such reimbursement or (ii) the entire principal amount is not fully disbursed within three years of the date of the Loan Agreement, and an extension is not granted pursuant to the Loan Agreement, the undisbursed balance shall be applied to principal payments on the PFA Loan. The City hereby pledges to use all money disbursed for the Project exclusively for the Project, and to pay any additional amount by which the cost of the Project exceeds such disbursements by an appropriation to the construction account described in Section 4.01 hereof of additional money or proceeds of additional bonds or notes to be issued by the City.

1.03. Tax Exemption. The Loan Agreement requires that the Note be tax-exempt, and that the City take the actions required and within its power to assure the tax-exemption of the bonds issued by the PFA (the "PFA Bonds").

1.04. Sale. The offer of the PFA to lend the City funds in the aggregate amount of \$2,573,350, as described in Section 1.02 above, is reasonable and advantageous to the City and is hereby accepted. The Loan Agreement is hereby approved in substantially the form presented to

the Council, and is hereby incorporated by reference and made a part of this Resolution. Each and all of the provisions of this Resolution relating to the Note are intended to be consistent with the provisions of the Loan Agreement, and to the extent that any provision in the Loan Agreement is in conflict with this Resolution as it relates to the Note, that provision shall control and this Resolution shall be deemed accordingly modified. The Mayor and City Manager are hereby authorized and directed to execute the Loan Agreement. The execution of the Loan Agreement by the appropriate officers shall be conclusive evidence of the approval of the Loan Agreement in accordance with the terms hereof. The Loan Agreement may be attached to the Note, and shall be attached to the Note if the holder of the Note is any person other than the PFA. The PFA has represented to the City that it is a duly organized agency of the State of Minnesota, and the City is authorized under Minnesota Statutes, Section 475.60, Subdivision 2(4), to sell its obligations at private sale to an agency of the State of Minnesota.

1.05. Recitals. All acts, conditions, and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen, and to be performed prior to the issuance of the Note having been done, existing, and having happened, it is now necessary for this Council to establish the form and terms of the Note, to provide for the security thereof, and to issue the Note forthwith.

Section 2. Terms and Execution.

2.01. Terms. In order to finance costs of the Project and to evidence the loan referred to in Section 1.02, the City shall forthwith issue the Note in the principal amount of \$2,573,350. The Note shall be dated as of the date of its delivery to the PFA and shall be payable in annual installments of principal maturing on August 20 of the years and in the amounts set forth below:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2019	\$ 82,350	2027	\$179,000
2020	167,000	2028	180,000
2021	168,000	2029	182,000
2022	170,000	2030	184,000
2023	172,000	2031	186,000
2024	173,000	2032	188,000
2025	175,000	2033	190,000
2026	177,000		

The Note shall bear interest, which includes amounts treated by the PFA as service fees from the date of the Loan Agreement, at the rate of 1.00% per annum through the date on which no principal remains unpaid, provided, however, that interest and service fees shall accrue only on the aggregate principal amount of the Note actually disbursed by the PFA. Interest shall be payable on each February 20 and August 20, commencing February 20, 2019. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. The principal of and interest on the Note shall be payable to the registered holder thereof at the address appearing on the Note register of the City on the date of payment.

2.02. Registration. The Note shall be fully registered as to both principal and interest and shall be initially registered in the name of and payable to the PFA. While so registered, principal of and interest on the Note shall be payable at the address of the registered holder thereof, as it appears on the note register maintained by the City Manager, or such other place as may be designated by the registered holder in writing, and delivered to the City Manager. The City Manager shall act as note registrar and as such shall establish and maintain a note register for the purpose of recording the name and addresses of the registered holder and its assigns, and the date of registration of any transfer.

2.03. Redemption. (a) The City shall have the option to prepay the Note, subject to the approval thereof by the PFA in its sole discretion, in whole or in part on any February 20 or August 20, upon forty-five days prior written notice to the PFA at a price equal to 100% of the principal amount to be prepaid, together with accrued interest to the redemption date and a premium equal to all fees and expenses of the PFA incurred in connection with such prepayment as determined by the PFA in its sole discretion. The PFA may require an opinion of a law firm, selected by the PFA, having a national reputation in the field of municipal law whose legal opinions are generally accepted by purchasers of municipal bonds to the effect that such prepayment will not cause the interest on the Note to be included in the gross income of the recipient thereof for federal income tax purposes.

(b) In the event that special assessments and/or connection charges from another municipality are pledged to the payment of the Note, and the City receives prepayments or lump sum payments of such special assessments and/or connection charges, the City is hereby required, and hereby agrees, to notify the PFA immediately upon receipt of any such payment. The PFA, in its sole discretion, may direct the City to use the funds for the payment of eligible construction costs of the Project, or to transmit the funds to the PFA for payment of the Note, immediately or at a later date. Any such payment received by the PFA may be applied to reduce each unpaid annual principal installment required with respect to the Note in the proportion that such installment bears to the total of all unpaid principal installments or, at the sole option and in the sole discretion of the PFA, may be applied to a future principal payment on the Note in a manner determined by the PFA.

(c) The principal amount of a partial prepayment may, at the sole option and discretion of the PFA, (i) be applied to a future principal payment on the PFA Loan in a manner determined by the PFA or (ii) be applied to reduce each unpaid annual principal installment required with respect to the PFA Loan in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be re-amortized to provide proportionately reduced principal payments in each year) with respect to the PFA Loan. The PFA Loan and the Note shall be re-amortized on the same basis to result in identical amortization of the PFA Loan and the Note.

(d) Any payments of principal or interest received by the PFA in excess of the principal of and interest on the Loan and the Note which are not mandatory payments described in (b) above or not expressly designated by the City to be treated as a prepayment may, in the sole discretion of the PFA, be (i) held without interest payable by the PFA and applied to a future payment due on the Note in a manner determined by the PFA, (ii) treated as a prepayment of principal on the Note; or (iii) returned to the City as an overpayment.

2.04. Execution and Delivery. The Note shall be prepared under the direction of the City Manager and shall be executed on behalf of the City by the signature of the Mayor, attested by the City Manager, and sealed with the official seal of the City. When the Note has been so executed and authenticated, it shall be delivered by the City Manager to the PFA to evidence the obligation of the City under the Loan Agreement.

2.05. Assignment and Exchange. The Note shall be transferable by the registered owner or the owner's attorney duly authorized in writing upon presentation thereof to the City Manager together with a written instrument of transfer satisfactory to the City Manager and duly executed by the registered owner or the owner's attorney. The following form of assignment shall be sufficient for the purpose:

For value received _____ hereby
sells, assigns and transfers unto
_____ the within Note of the City of
Waseca, Minnesota, and does hereby irrevocably constitute and appoint
_____, Attorney, to transfer the Note on
the books of the City with full power of substitution in the premises.

Dated: _____

Registered Owner

Such transfer shall also be noted on the Note and in the note register. No service charge shall be made for such transfer, but the City may require payment of a sum sufficient to cover any tax, fee or governmental charge or other expense incurred by the City with respect thereto.

Section 3. Form of Note. The Note shall be in substantially the form attached hereto as Exhibit A.

Section 4. Use of Proceeds; Security Provisions.

4.01. Use of Proceeds. Upon advancements of principal of the Note by the PFA in accordance with the Loan Agreement, or upon an appropriation of funds described in Section 1.02 hereof, the City Manager shall deposit such proceeds in a separate construction fund to be created on the books of the City and expended to pay for the costs of the Project, including the costs of issuance of the Note, as further provided in the Loan Agreement. Any amounts remaining upon completion of the Project shall be transferred to the Bond Fund as described in Section 4.02.

No portion of the proceeds of the Note shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Note was issued, and (2) in addition to the above, in an amount not greater than the lesser of five percent (5%) of the proceeds of the Note or \$100,000. To this effect, any proceeds of the Note or any sums from time to time held in the Bond Fund (or any other City account which will be used to pay principal or interest to become due on the Note)

in excess of amounts which under then-applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. In addition, moneys in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Note to be "federally guaranteed" within the meaning of Section 149 (b) of the federal Internal Revenue Code of 1986, as amended (the Code).

4.02. Bond Fund. So long as any of the Note is outstanding and unpaid, the City Manager shall maintain a Drinking Water Debt Service Fund of the City as a separate and special fund (the "Bond Fund") to be used for no purpose other than the payment of the principal of and interest on the Note and such other general obligation drinking water revenue bonds of the City as may be directed to be paid from the Bond Fund. If the balance in the Bond Fund is ever insufficient to pay all principal and interest then due on bonds or notes payable therefrom, the City Manager shall nevertheless provide sufficient money from any other funds of the City which are available for that purpose, and such other funds shall be reimbursed from subsequent receipts of net revenues appropriated to the Bond Fund and, if necessary, from the proceeds of the taxes levied for the Fund. The City Manager shall deposit in the Bond Fund the proceeds of all money which may at any time be received for or appropriated to the payment of such bonds and interest thereon, including the net revenues herein pledged and appropriated to the Bond Fund and all collections of any ad valorem taxes levied for the payment of the Note.

4.03. Coverage Test; Pledge of Net Revenues. It is hereby found, determined and declared that the net revenues of the Utility are sufficient in an amount to pay when due one hundred five percent (105%) of the principal of and interest on the Note and any other debt payable there from when due, and the net revenues of the Utility are hereby pledged to the payment of the Note, but solely to the extent required to meet, with other pledged sources, one hundred five percent (105%) of the principal and interest requirements of the Note as the same become due. Excess net revenues may be used for any proper purpose.

4.04. Rate Covenant; Pledge of Revenues; Additional Bonds. Pursuant to the provisions of Minnesota Statutes, Section 444.075, as amended, the City hereby covenants and agrees with the owners from time to time of the Note that so long as the Note is outstanding, the City will impose and collect reasonable charges for the service, use and availability of the Utility to the City and its inhabitants according to schedules calculated to produce net revenues which will be sufficient to pay all principal and interest when due on the Note and any other bonds payable therefrom, and said net revenues, to the extent necessary, are hereby irrevocably pledged and appropriated to the payment of the Note and interest thereon. Nothing herein shall preclude the City from hereafter making further pledges and appropriations of net revenues of the Utility for the payment of additional obligations of the City hereafter authorized if the Council determines before the authorization of such additional obligations that the estimated net revenues of the Utility will, with any other sources of funds pledged, be sufficient for the payment of the Note, any other bonds then payable therefrom and such additional obligations. Such further pledges and appropriations of said net revenues may be made superior or subordinate to or on a parity with the pledge and appropriation herein made.

4.05. Full Faith and Credit Pledged. The full faith and credit and taxing powers of the City shall be and are hereby irrevocably pledged for the prompt and full payment of the principal of and interest on the Note, and the City covenants and agrees that it will make good any deficiency from the general fund of the City. On or before September 1 of each year, beginning in 2018, the City Manager will calculate and certify to this Council the total amount of cash on hand in the Bond Fund and the available net revenues of the Utility on hand and estimated to be received and available on or before the 20th day of August of the next succeeding year, and shall determine the sufficiency of such total amount for the payment of principal of and interest on the Note coming due on such August 20 and the interest payable on the immediately preceding February 20.

If such total amount is determined to be insufficient for such payments, this Council shall forthwith appropriate to the Bond Fund sufficient available moneys of the City to make good the deficiency, and if available moneys of the City are not on hand in amounts sufficient for this purpose, this Council shall forthwith levy and certify to the County Auditor for Waseca County for collection in the following year a tax at least five percent in excess of the amounts adequate to make good the deficiency. The City Manager shall also at the same time estimate and certify to this Council the amount which will be on hand in the Bond Fund after payment of principal and interest payable on the 20th day of August of the second succeeding year, and the amount of net revenues of the Utility to be received and available for such purpose in the period of twelve months ending on said 20th day of August and shall determine the sufficiency of such estimated amounts for the payment of the principal of and interest on the Note coming due during and immediately at the end of such twelve-month period. If the amount of estimated net revenues to become available during such period is determined to be insufficient for such payment, this Council shall forthwith cause to be levied and certified to the County Auditor of Waseca County for collection in the following year a tax at least five percent in excess of amounts adequate to make good the deficiency.

Section 5. Registration and Certification of Proceedings.

5.01. Registration. The City Manager is hereby authorized and directed to file a certified copy of this resolution with the County Auditor for Waseca County, together with such other information as shall be required, and to obtain from the County Auditor a certificate that the Note has been entered on his or her note register as required by law.

5.02. Certification of Proceedings. The officers of the City and the County Auditor for Waseca County are hereby authorized and directed to prepare and furnish to the PFA and to Dorsey & Whitney LLP, Bond Counsel to the City, certified copies of all proceedings and records of the City, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

5.03. Negative Covenants as to Use of Proceeds and Project. The City hereby covenants not to use the proceeds of the Note or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Project, in such a

manner as to cause the Note to be a “private activity bond” within the meaning of Sections 103 and 141 through 150 of the Code. The City reasonably expects that no actions will be taken over the term of the Note that would cause it to be a private activity bond, and the average term of the Note is not longer than reasonably necessary for the governmental purpose of the issue. The City hereby covenants not to use the proceeds of the Note in such a manner as to cause the Note to be a “hedge bond” within the meaning of Section 149(g) of the Code.

5.04. Tax-Exempt Status of the Note; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Note, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the Note, and (3) the rebate of excess investment earnings to the United States if an exception is not available.

5.05. Tax-Exempt Status of the PFA Bonds; Rebate. The City with respect to the Note shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the PFA Bonds, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the PFA Bonds, and (3) the rebate of excess investment earnings to the United States. The City covenants and agrees with the PFA and holders of the Note that the investments of proceeds of the Note, including the investment of any revenues pledged to the Note which are considered gross proceeds of the PFA Bonds under the applicable regulations, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the PFA Bonds shall not be arbitrage bonds within the meaning of Section 148 of the Code and any regulations thereunder. On the basis of the existing facts, estimates and circumstances, including the foregoing findings and covenants, the City hereby certifies that it is not expected that the proceeds of the Note will be used in such manner as to cause the PFA Bonds to be arbitrage bonds under Section 148 of the Code and any regulations thereunder. The Mayor and City Manager shall furnish a certificate to the PFA embracing or based on the foregoing certification at the time of delivery of the Note to the PFA.

5.06. Qualified Tax-Exempt Obligations. The Council hereby designates the Note as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of tax-exempt obligations which are not private activity bonds (not treating qualified 501(c)(3) bonds under Section 145 of the Code as private activity bonds for the purpose of this representation) which will be issued by the City and all subordinate entities during calendar year 2018 does not exceed \$10,000,000.

Upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted this 4th day of September, 2018.

R.D. SRP
MAYOR

ATTEST:

MIKE ANDERSON
ASSISTANT TO THE CITY MANAGER

CERTIFICATION OF MINUTES RELATING TO
\$2,573,350 GENERAL OBLIGATION DRINKING WATER REVENUE NOTE,
SERIES 2018A

Issuer: City of Waseca, Minnesota

Governing Body: City Council

Kind, date, time and place of meeting: A regular meeting held September 4, 2018, at 7:00 p.m.,
at the municipal offices in Waseca, Minnesota.

Members present:

Members absent:

Documents Attached:

Minutes of said meeting (including):

RESOLUTION NO. 2018-58

RESOLUTION RELATING TO \$2,573,350 GENERAL OBLIGATION
DRINKING WATER REVENUE NOTE, SERIES 2018A; AUTHORIZING THE
ISSUANCE AND SALE, FIXING THE FORM AND DETAILS THEREOF
AND PROVIDING FOR THE SECURITY THEREFOR

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the obligations referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said obligations; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer this 4th day of September, 2018.

City Manager

EXHIBIT A

FORM OF SERIES 2018A NOTE

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF WASECA

CITY OF WASECA

GENERAL OBLIGATION DRINKING WATER REVENUE NOTE, SERIES 2018A

No. R-1

\$2,573,350

FOR VALUE RECEIVED, THE CITY OF WASECA, Waseca County, Minnesota (the “City”), acknowledges itself to be indebted and hereby promises to pay to the Minnesota Public Facility Authority (the “PFA”), or registered assigns, the principal sum of Two Million Five Hundred Seventy-Three Thousand Three Hundred Fifty Dollars (\$2,573,350.00), or such lesser amount as may be advanced by the PFA to the City hereunder, in the following installments on August 20 in the following years:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2019	\$ 82,350	2027	\$179,000
2020	167,000	2028	180,000
2021	168,000	2029	182,000
2022	170,000	2030	184,000
2023	172,000	2031	186,000
2024	173,000	2032	188,000
2025	175,000	2033	190,000
2026	177,000		

and promises to pay interest, and amounts treated by the PFA as service fees, from the date of the Project Loan and Bond Purchase Agreement between the City and the PFA (the “Loan Agreement”) on the installments of principal which have been disbursed from the PFA and are from time to time remaining unpaid at the rate of 1.00% per annum through the date on which no principal remains unpaid, said interest being payable semiannually on February 20 and August 20 of each year, commencing February 20, 2019. The principal installments of and interest on this Note are payable by wire payment, or by check or draft mailed at least five business days prior to the payment date to the address of the registered holder hereof as it appears on the note register of the City as of the payment date, in any coin or currency of the United States of America which on the respective dates of payment is legal tender for public and private debts. For the prompt and full payment of such principal installments and interest when due, the full faith, credit and taxing powers of the City are hereby irrevocably pledged.

This Note constitutes an issue in the aggregate principal amount of \$2,573,350, issued to defray a portion of the cost of construction of improvements (the "Project") to the municipal water utility of the City (the "Utility"), and is issued pursuant to and in full conformity with the provisions of the Constitution, laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Section 444.075 and Chapter 475, as amended. This Note is payable primarily from the Drinking Water Debt Service Fund (the "Bond Fund") of the City, but the City is required by law to pay maturing principal hereof and interest thereon out of any funds in the treasury if money on hand in the Bond Fund is insufficient therefore.

The City shall have the option to prepay the Note, subject to the approval thereof by the PFA in its sole discretion, in whole or in part on any February 20 or August 20, upon forty-five days prior written notice to the PFA at a price equal to 100% of the principal amount to be prepaid, together with accrued interest to the redemption date and a premium equal to all fees and expenses of the PFA incurred in connection with such prepayment as determined by the PFA in its sole discretion. The PFA may require an opinion of a law firm, selected by the PFA, having a national reputation in the field of municipal law whose legal opinions are generally accepted by purchasers of municipal bonds to the effect that such prepayment will not cause the interest on the Note to be included in the gross income the recipient thereof for federal income tax purposes.

In the event that special assessments and/or connection charges from another municipality are pledged to the payment of the Note, and the City receives prepayments or lump sum payments of such special assessments and/or connection charges, the City is hereby required, and hereby agrees, to notify the PFA immediately upon receipt of any such payment. The PFA, in its sole discretion, may direct the City to use the funds for the payment of eligible construction costs of the Project, or to transmit the funds to the PFA for payment of the Note, immediately or at a later date. Any such payment received by the PFA may be applied to reduce each unpaid annual principal installment required with respect to the Note in the proportion that such installment bears to the total of all unpaid principal installments or, at the sole option and in the sole discretion of the PFA, may be applied to a future principal payment on the Note in a manner determined by the PFA.

The principal amount of a partial prepayment may, at the sole option and discretion of the PFA, (i) be applied to a future principal payment on the loan in a manner determined by the PFA or (ii) be applied to reduce each unpaid annual principal installment required with respect to the PFA Loan in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be re-amortized to provide proportionately reduced principal payments in each year) with respect to the PFA Loan. The PFA Loan and the Note shall be re-amortized on the same basis to result in identical amortization of the PFA Loan and the Note.

Any payments of principal or interest received by the PFA in excess of the principal of and interest on the Loan and the Note which are not mandatory payments with respect to special assessment and connection charges described above or not expressly designated by the City to be treated as a prepayment may, in the sole discretion of the PFA, be (i) held without interest payable by the PFA and applied to a future payment due on the Note in a manner determined by

the PFA, (ii) treated as a prepayment of principal on the Note; or (iii) returned to the City as an overpayment.

This Note shall be registered in the name of the owner on the note register of the City kept by the City Manager as Bond Registrar. This Note is transferable by the registered owner or the owner's attorney duly authorized in writing, upon presentation hereof with a written instrument of transfer satisfactory to the City and duly executed by the registered owner or the owner's attorney, subject to reimbursement for any tax, fee or governmental charge or other expense incurred by the City with respect to such transfer. Such transfer shall be noted on the note register and hereon. The City may treat the person in whose name this Note is registered as the absolute owner hereof, whether this Note is overdue or not, for the purpose of receiving payment of principal and interest and all other purposes, and shall not be affected by any notice to the contrary.

The City intends that the interest on this Note will be excluded from gross income for United States income tax purposes and from both gross income and taxable net income for State of Minnesota income tax purposes.

This Note has been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the federal Internal Revenue Code of 1986, as amended.

The City may deem and treat the person in whose name this Note is registered as the absolute owner hereof, whether this Note is overdue or not, for the purpose of receiving payment and for all other purposes, and the City shall not be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution, laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the issuance of this Note in order to make it a valid and binding general obligation of the City according to its terms have been done, do exist, have happened and have been performed in regular and due time, form and manner as so required; that in and by the resolution authorizing the issuance of the Note, the City has covenanted and agreed with the owners of the Note that it will impose and collect charges for the service, use and availability of the Utility according to schedules sufficient to produce net revenues adequate to pay all principal of and interest on the Note and any other bonds or notes payable therefrom, as such principal and interest respectively become due; that, if necessary to pay such principal and interest, the City is required by law to levy ad valorem taxes upon all taxable property within its corporate limits, without limitation as to rate or amount; and that the issuance of this Note does not cause the indebtedness of the City to exceed any constitutional, charter or statutory limitation.

IN WITNESS WHEREOF, the City of Waseca, Minnesota, by its City Council, has caused this Note to be executed on its behalf by the signature of the Mayor, attested by the signature of the City Manager, and has caused this Note to be dated as of September 4, 2018.

ATTEST:

City Manager

Mayor

NO WRITING HEREON EXCEPT BY THE CITY MANAGER
AS NOTE REGISTRAR

The Note Registrar has transferred on the books of the City of Waseca, Waseca County, Minnesota, on the last date noted below, to the registered assign noted opposite said date, ownership of the principal amount of and interest on this Note, except the amounts of principal and interest theretofore paid:

<u>Date of Transfer</u>	<u>Registered Assign</u>	<u>Signature of Note Registrar</u>
[], 2018	MN Public Facilities Authority	

COUNTY AUDITOR'S CERTIFICATE
AS TO BOND REGISTRATION

The undersigned, being the duly qualified and acting County Auditor of Waseca County, Minnesota, hereby certify that there has been filed in my office a certified copy of a resolution duly adopted on September 4, 2018, by the City Council of the City of Waseca, Minnesota, setting forth the form and details of an \$2,573,350 General Obligation Drinking Water Revenue Note, Series 2018A to be dated as of the date of issuance thereof.

I further certify that the issue has been entered on my note register as required by Minnesota Statutes, Sections 475.61 and 475.63, as amended.

WITNESS my hand and official seal this ____ day of _____, 2018.

(SEAL)

Waseca County Auditor

/
4822-3235-9792\2

RESOLUTION NO. 2018-59

RESOLUTION RELATING TO \$3,692,936 GENERAL OBLIGATION
WASTEWATER REVENUE NOTE, SERIES 2018B; AUTHORIZING THE
ISSUANCE AND SALE, FIXING THE FORM AND DETAILS THEREOF
AND PROVIDING FOR THE SECURITY THEREFOR

BE IT RESOLVED by the City Council (the "Council") of the City of Waseca, Minnesota (the "City"), as follows:

Section 1. Authorization and Recitals.

1.01. Authorization. The City is authorized pursuant to Minnesota Statutes, Section 444.075, as amended, and Chapter 475 to issue and sell its general obligation bonds or notes in order to finance the cost of improvements to its municipal wastewater treatment utility (the "Utility"). The City is proposing to undertake improvements to its municipal wastewater treatment utility consisting of replacement of the sewer collection lines along the Elm Avenue (Old TH 14) Corridor, all as detailed in the Minnesota Pollution Control Agency project certification dated December 14, 2017 (the "Project"). The estimated cost of the Project is \$3,692,936.

1.02. PFA Loan. The Minnesota Public Facilities Authority (the "PFA") has agreed, subject to certain terms and conditions contained in a Bond Purchase and Project Loan Agreement dated August 20, 2018, entered into between the City and PFA (the "Loan Agreement"), to lend the City up to \$3,692,936 in order to finance the cost of the Project (the "PFA Loan"). This Council hereby accepts such offer, authorizes and ratifies the execution of the Loan Agreement by the Mayor and the City Manager and agrees to issue its General Obligation Wastewater Revenue Note, Series 2018B (the "Note"), to the PFA evidencing such loan. The proceeds from the Note will be disbursed to the City from the PFA on a cost reimbursement basis consistent with a budget presented to the PFA in connection with the application for financing and in accordance with state law applicable to the PFA Loan. If (i) as a result of action by the City or PFA, the entire principal amount is not to be disbursed for such reimbursement or (ii) the entire principal amount is not fully disbursed within three years of the date of the Loan Agreement, and an extension is not granted pursuant to the Loan Agreement, the undisbursed balance shall be applied to principal payments on the PFA Loan. The City hereby pledges to use all money disbursed for the Project exclusively for the Project, and to pay any additional amount by which the cost of the Project exceeds such disbursements by an appropriation to the construction account described in Section 4.01 hereof of additional money or proceeds of additional bonds or notes to be issued by the City.

1.03 Tax Exemption. The Loan Agreement requires that the Note be tax-exempt, and that the City take the actions required and within its power to assure the tax-exemption of the bonds issued by the PFA (the "PFA Bonds").

1.04. Sale. The offer of the PFA to lend the City funds in the aggregate amount of \$3,692,936, as described in Section 1.02 above, is reasonable and advantageous to the City and is hereby accepted. The Loan Agreement is hereby approved in substantially the form presented to

the Council, and is hereby incorporated by reference and made a part of this Resolution. Each and all of the provisions of this Resolution relating to the Note are intended to be consistent with the provisions of the Loan Agreement, and to the extent that any provision in the Loan Agreement is in conflict with this Resolution as it relates to the Note, that provision shall control and this Resolution shall be deemed accordingly modified. The Mayor and City Manager are hereby authorized and directed to execute the Loan Agreement. The execution of the Loan Agreement by the appropriate officers shall be conclusive evidence of the approval of the Loan Agreement in accordance with the terms hereof. The Loan Agreement may be attached to the Note, and shall be attached to the Note if the holder of the Note is any person other than the PFA. The PFA has represented to the City that it is a duly organized agency of the State of Minnesota, and the City is authorized under Minnesota Statutes, Section 475.60, Subdivision 2(4), to sell its obligations at private sale to an agency of the State of Minnesota.

1.05. Recitals. All acts, conditions, and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen, and to be performed prior to the issuance of the Note having been done, existing, and having happened, it is now necessary for this Council to establish the form and terms of the Note, to provide for the security thereof, and to issue the Note forthwith.

Section 2. Terms and Execution.

2.01. Terms. In order to finance costs of the Project and to evidence the loan referred to in Section 1.02, the City shall forthwith issue the Note in the principal amount of \$3,692,936. The Note shall be dated as of the date of its delivery to the PFA and shall be payable in annual installments of principal maturing on August 20 of the years and in the amounts set forth below:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2019	\$120,936	2027	\$256,000
2020	239,000	2028	259,000
2021	241,000	2029	261,000
2022	244,000	2030	264,000
2023	246,000	2031	267,000
2024	249,000	2032	269,000
2025	251,000	2033	272,000
2026	254,000		

The Note shall bear interest, which includes amounts treated by the PFA as service fees from the date of the Loan Agreement, at the rate of 1.00% per annum through the date on which no principal remains unpaid, provided, however, that interest and service fees shall accrue only on the aggregate principal amount of the Note actually disbursed by the PFA. Interest shall be payable on each February 20 and August 20, commencing February 20, 2019. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. The principal of and interest on the Note shall be payable to the registered holder thereof at the address appearing on the Note register of the City on the date of payment.

2.02. Registration. The Note shall be fully registered as to both principal and interest and shall be initially registered in the name of and payable to the PFA. While so registered, principal of and interest on the Note shall be payable at the address of the registered holder thereof, as it appears on the note register maintained by the City Manager, or such other place as may be designated by the registered holder in writing, and delivered to the City Manager. The City Manager shall act as note registrar and as such shall establish and maintain a note register for the purpose of recording the name and addresses of the registered holder and its assigns, and the date of registration of any transfer.

2.03. Redemption. (a) The City shall have the option to prepay the Note, subject to the approval thereof by the PFA in its sole discretion, in whole or in part on any February 20 or August 20, upon forty-five days prior written notice to the PFA at a price equal to 100% of the principal amount to be prepaid, together with accrued interest to the redemption date and a premium equal to all fees and expenses of the PFA incurred in connection with such prepayment as determined by the PFA in its sole discretion. The PFA may require an opinion of a law firm, selected by the PFA, having a national reputation in the field of municipal law whose legal opinions are generally accepted by purchasers of municipal bonds to the effect that such prepayment will not cause the interest on the Note to be included in the gross income of the recipient thereof for federal income tax purposes.

(b) In the event that special assessments and/or connection charges from another municipality are pledged to the payment of the Note, and the City receives prepayments or lump sum payments of such special assessments and/or connection charges, the City is hereby required, and hereby agrees, to notify the PFA immediately upon receipt of any such payment. The PFA, in its sole discretion, may direct the City to use the funds for the payment of eligible construction costs of the Project, or to transmit the funds to the PFA for payment of the Note, immediately or at a later date. Any such payment received by the PFA may be applied to reduce each unpaid annual principal installment required with respect to the Note in the proportion that such installment bears to the total of all unpaid principal installments or, at the sole option and in the sole discretion of the PFA, may be applied to a future principal payment on the Note in a manner determined by the PFA.

(c) The principal amount of a partial prepayment may, at the sole option and discretion of the PFA, (i) be applied to a future principal payment on the PFA Loan in a manner determined by the PFA or (ii) be applied to reduce each unpaid annual principal installment required with respect to the PFA Loan in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be re-amortized to provide proportionately reduced principal payments in each year) with respect to the PFA Loan. The PFA Loan and the Note shall be re-amortized on the same basis to result in identical amortization of the PFA Loan and the Note.

(d) Any payments of principal or interest received by the PFA in excess of the principal of and interest on the Loan and the Note which are not mandatory payments described in (b) above or not expressly designated by the City to be treated as a prepayment may, in the sole discretion of the PFA, be (i) held without interest payable by the PFA and applied to a future payment due on the Note in a manner determined by the PFA, (ii) treated as a prepayment of principal on the Note; or (iii) returned to the City as an overpayment.

2.04. Execution and Delivery. The Note shall be prepared under the direction of the City Manager and shall be executed on behalf of the City by the signature of the Mayor, attested by the City Manager, and sealed with the official seal of the City. When the Note has been so executed and authenticated, it shall be delivered by the City Manager to the PFA to evidence the obligation of the City under the Loan Agreement.

2.05. Assignment and Exchange. The Note shall be transferable by the registered owner or the owner's attorney duly authorized in writing upon presentation thereof to the City Manager together with a written instrument of transfer satisfactory to the City Manager and duly executed by the registered owner or the owner's attorney. The following form of assignment shall be sufficient for the purpose:

For value received _____ hereby
sells, assigns and transfers unto
_____ the within Note of the City of
Waseca, Minnesota, and does hereby irrevocably constitute and appoint
_____, Attorney, to transfer the Note on
the books of the City with full power of substitution in the premises.

Dated: _____

Registered Owner

Such transfer shall also be noted on the Note and in the note register. No service charge shall be made for such transfer, but the City may require payment of a sum sufficient to cover any tax, fee or governmental charge or other expense incurred by the City with respect thereto.

Section 3. Form of Note. The Note shall be in substantially the form attached hereto as Exhibit A.

Section 4. Use of Proceeds; Security Provisions.

4.01. Use of Proceeds. Upon advancements of principal of the Note by the PFA in accordance with the Loan Agreement, or upon an appropriation of funds described in Section 1.02 hereof, the City Manager shall deposit such proceeds in a separate construction fund to be created on the books of the City and expended to pay for the costs of the Project, including the costs of issuance of the Note, as further provided in the Loan Agreement. Any amounts remaining upon completion of the Project shall be transferred to the Bond Fund as described in Section 4.02.

No portion of the proceeds of the Note shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Note was issued, and (2) in addition to the above, in an amount not greater than the lesser of five percent (5%) of the proceeds of the Note or \$100,000. To this effect, any proceeds of the Note or any sums from time to time held in the Bond Fund (or any other City account which will be used to pay principal or interest to become due on the Note)

in excess of amounts which under then-applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. In addition, moneys in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Note to be "federally guaranteed" within the meaning of Section 149 (b) of the federal Internal Revenue Code of 1986, as amended (the Code).

4.02. Bond Fund. So long as any of the Note is outstanding and unpaid, the City Manager shall maintain a Wastewater Debt Service Fund of the City as a separate and special fund (the "Bond Fund") to be used for no purpose other than the payment of the principal of and interest on the Note and such other general obligation Wastewater revenue bonds of the City as may be directed to be paid from the Bond Fund. If the balance in the Bond Fund is ever insufficient to pay all principal and interest then due on bonds or notes payable therefrom, the City Manager shall nevertheless provide sufficient money from any other funds of the City which are available for that purpose, and such other funds shall be reimbursed from subsequent receipts of net revenues appropriated to the Bond Fund and, if necessary, from the proceeds of the taxes levied for the Fund. The City Manager shall deposit in the Bond Fund the proceeds of all money which may at any time be received for or appropriated to the payment of such bonds and interest thereon, including the net revenues herein pledged and appropriated to the Bond Fund and all collections of any ad valorem taxes levied for the payment of the Note.

4.03. Coverage Test; Pledge of Net Revenues. It is hereby found, determined and declared that the net revenues of the Utility are sufficient in an amount to pay when due one hundred five percent (105%) of the principal of and interest on the Note and any other debt payable there from when due, and the net revenues of the Utility are hereby pledged to the payment of the Note, but solely to the extent required to meet, with other pledged sources, one hundred five percent (105%) of the principal and interest requirements of the Note as the same become due. Excess net revenues may be used for any proper purpose.

4.04. Rate Covenant; Pledge of Revenues; Additional Bonds. Pursuant to the provisions of Minnesota Statutes, Section 444.075, as amended, the City hereby covenants and agrees with the owners from time to time of the Note that so long as the Note is outstanding, the City will impose and collect reasonable charges for the service, use and availability of the Utility to the City and its inhabitants according to schedules calculated to produce net revenues which will be sufficient to pay all principal and interest when due on the Note and any other bonds payable therefrom, and said net revenues, to the extent necessary, are hereby irrevocably pledged and appropriated to the payment of the Note and interest thereon. Nothing herein shall preclude the City from hereafter making further pledges and appropriations of net revenues of the Utility for the payment of additional obligations of the City hereafter authorized if the Council determines before the authorization of such additional obligations that the estimated net revenues of the Utility will, with any other sources of funds pledged, be sufficient for the payment of the Note, any other bonds then payable therefrom and such additional obligations. Such further pledges and appropriations of said net revenues may be made superior or subordinate to or on a parity with the pledge and appropriation herein made.

4.05. Full Faith and Credit Pledged. The full faith and credit and taxing powers of the City shall be and are hereby irrevocably pledged for the prompt and full payment of the principal of and interest on the Note, and the City covenants and agrees that it will make good any deficiency from the general fund of the City. On or before September 1 of each year, beginning in 2018, the City Manager will calculate and certify to this Council the total amount of cash on hand in the Bond Fund and the available net revenues of the Utility on hand and estimated to be received and available on or before the 20th day of August of the next succeeding year, and shall determine the sufficiency of such total amount for the payment of principal of and interest on the Note coming due on such August 20 and the interest payable on the immediately preceding February 20.

If such total amount is determined to be insufficient for such payments, this Council shall forthwith appropriate to the Bond Fund sufficient available moneys of the City to make good the deficiency, and if available moneys of the City are not on hand in amounts sufficient for this purpose, this Council shall forthwith levy and certify to the County Auditor for Waseca County for collection in the following year a tax at least five percent in excess of the amounts adequate to make good the deficiency. The City Manager shall also at the same time estimate and certify to this Council the amount which will be on hand in the Bond Fund after payment of principal and interest payable on the 20th day of August of the second succeeding year, and the amount of net revenues of the Utility to be received and available for such purpose in the period of twelve months ending on said 20th day of August and shall determine the sufficiency of such estimated amounts for the payment of the principal of and interest on the Note coming due during and immediately at the end of such twelve-month period. If the amount of estimated net revenues to become available during such period is determined to be insufficient for such payment, this Council shall forthwith cause to be levied and certified to the County Auditor of Waseca County for collection in the following year a tax at least five percent in excess of amounts adequate to make good the deficiency.

Section 5. Registration and Certification of Proceedings.

5.01. Registration. The City Manager is hereby authorized and directed to file a certified copy of this resolution with the County Auditor for Waseca County, together with such other information as shall be required, and to obtain from the County Auditor a certificate that the Note has been entered on his or her note register as required by law.

5.02. Certification of Proceedings. The officers of the City and the County Auditor for Waseca County are hereby authorized and directed to prepare and furnish to the PFA and to Dorsey & Whitney LLP, Bond Counsel to the City, certified copies of all proceedings and records of the City, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

5.03. Negative Covenants as to Use of Proceeds and Project. The City hereby covenants not to use the proceeds of the Note or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Project, in such a

manner as to cause the Note to be a “private activity bond” within the meaning of Sections 103 and 141 through 150 of the Code. The City reasonably expects that no actions will be taken over the term of the Note that would cause it to be a private activity bond, and the average term of the Note is not longer than reasonably necessary for the governmental purpose of the issue. The City hereby covenants not to use the proceeds of the Note in such a manner as to cause the Note to be a “hedge bond” within the meaning of Section 149(g) of the Code.

5.04. Tax-Exempt Status of the Note; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Note, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the Note, and (3) the rebate of excess investment earnings to the United States if an exception is not available.

5.05. Tax-Exempt Status of the PFA Bonds; Rebate. The City with respect to the Note shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the PFA Bonds, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the PFA Bonds, and (3) the rebate of excess investment earnings to the United States. The City covenants and agrees with the PFA and holders of the Note that the investments of proceeds of the Note, including the investment of any revenues pledged to the Note which are considered gross proceeds of the PFA Bonds under the applicable regulations, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the PFA Bonds shall not be arbitrage bonds within the meaning of Section 148 of the Code and any regulations thereunder. On the basis of the existing facts, estimates and circumstances, including the foregoing findings and covenants, the City hereby certifies that it is not expected that the proceeds of the Note will be used in such manner as to cause the PFA Bonds to be arbitrage bonds under Section 148 of the Code and any regulations thereunder. The Mayor and City Manager shall furnish a certificate to the PFA embracing or based on the foregoing certification at the time of delivery of the Note to the PFA.

5.06. Qualified Tax-Exempt Obligations. The Council hereby designates the Note as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of tax-exempt obligations which are not private activity bonds (not treating qualified 501(c)(3) bonds under Section 145 of the Code as private activity bonds for the purpose of this representation) which will be issued by the City and all subordinate entities during calendar year 2018 does not exceed \$10,000,000.

Upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted this 4th day of September, 2018.

R.D. SRP
MAYOR

ATTEST:

MIKE ANDERSON
ASSISTANT TO THE CITY MANAGER

CERTIFICATION OF MINUTES RELATING TO
\$3,692,936 GENERAL OBLIGATION WASTEWATER REVENUE NOTE,
SERIES 2018B

Issuer: City of Waseca, Minnesota

Governing Body: City Council

Kind, date, time and place of meeting: A regular meeting held September 4, 2018, at 7:00 p.m., at the municipal offices in Waseca, Minnesota.

Members present:

Members absent:

Documents Attached:

Minutes of said meeting (including):

RESOLUTION NO. 2018-59

RESOLUTION RELATING TO \$3,692,936 GENERAL OBLIGATION
WASTEWATER REVENUE NOTE, SERIES 2018B; AUTHORIZING THE
ISSUANCE AND SALE, FIXING THE FORM AND DETAILS THEREOF
AND PROVIDING FOR THE SECURITY THEREFOR

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the obligations referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said obligations; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer this 4th day of September, 2018.

City Manager

EXHIBIT A

FORM OF SERIES 2018B NOTE

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF WASECA

CITY OF WASECA

GENERAL OBLIGATION WASTEWATER REVENUE NOTE, SERIES 2018B

No. R-1

\$3,692,936

FOR VALUE RECEIVED, THE CITY OF WASECA, Waseca County, Minnesota (the “City”), acknowledges itself to be indebted and hereby promises to pay to the Minnesota Public Facility Authority (the “PFA”), or registered assigns, the principal sum of Three Million Six Hundred Ninety-Two Thousand Nine Hundred Thirty-Six Dollars (\$3,692,936.00), or such lesser amount as may be advanced by the PFA to the City hereunder, in the following installments on August 20 in the following years:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2019	\$120,936	2027	\$256,000
2020	239,000	2028	259,000
2021	241,000	2029	261,000
2022	244,000	2030	264,000
2023	246,000	2031	267,000
2024	249,000	2032	269,000
2025	251,000	2033	272,000
2026	254,000		

and promises to pay interest, and amounts treated by the PFA as service fees, from the date of the Project Loan and Bond Purchase Agreement between the City and the PFA (the “Loan Agreement”) on the installments of principal which have been disbursed from the PFA and are from time to time remaining unpaid at the rate of 1.00% per annum through the date on which no principal remains unpaid, said interest being payable semiannually on February 20 and August 20 of each year, commencing February 20, 2019. The principal installments of and interest on this Note are payable by wire payment, or by check or draft mailed at least five business days prior to the payment date to the address of the registered holder hereof as it appears on the note register of the City as of the payment date, in any coin or currency of the United States of America which on the respective dates of payment is legal tender for public and private debts. For the prompt and full payment of such principal installments and interest when due, the full faith, credit and taxing powers of the City are hereby irrevocably pledged.

This Note constitutes an issue in the aggregate principal amount of \$3,692,936, issued to defray a portion of the cost of construction of improvements (the "Project") to the municipal wastewater treatment utility of the City (the "Utility"), and is issued pursuant to and in full conformity with the provisions of the Constitution, laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Section 444.075 and Chapter 475, as amended. This Note is payable primarily from the Wastewater Debt Service Fund (the "Bond Fund") of the City, but the City is required by law to pay maturing principal hereof and interest thereon out of any funds in the treasury if money on hand in the Bond Fund is insufficient therefore.

The City shall have the option to prepay the Note, subject to the approval thereof by the PFA in its sole discretion, in whole or in part on any February 20 or August 20, upon forty-five days prior written notice to the PFA at a price equal to 100% of the principal amount to be prepaid, together with accrued interest to the redemption date and a premium equal to all fees and expenses of the PFA incurred in connection with such prepayment as determined by the PFA in its sole discretion. The PFA may require an opinion of a law firm, selected by the PFA, having a national reputation in the field of municipal law whose legal opinions are generally accepted by purchasers of municipal bonds to the effect that such prepayment will not cause the interest on the Note to be included in the gross income the recipient thereof for federal income tax purposes.

In the event that special assessments and/or connection charges from another municipality are pledged to the payment of the Note, and the City receives prepayments or lump sum payments of such special assessments and/or connection charges, the City is hereby required, and hereby agrees, to notify the PFA immediately upon receipt of any such payment. The PFA, in its sole discretion, may direct the City to use the funds for the payment of eligible construction costs of the Project, or to transmit the funds to the PFA for payment of the Note, immediately or at a later date. Any such payment received by the PFA may be applied to reduce each unpaid annual principal installment required with respect to the Note in the proportion that such installment bears to the total of all unpaid principal installments or, at the sole option and in the sole discretion of the PFA, may be applied to a future principal payment on the Note in a manner determined by the PFA.

The principal amount of a partial prepayment may, at the sole option and discretion of the PFA, (i) be applied to a future principal payment on the loan in a manner determined by the PFA or (ii) be applied to reduce each unpaid annual principal installment required with respect to the PFA Loan in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be re-amortized to provide proportionately reduced principal payments in each year) with respect to the PFA Loan. The PFA Loan and the Note shall be re-amortized on the same basis to result in identical amortization of the PFA Loan and the Note.

Any payments of principal or interest received by the PFA in excess of the principal of and interest on the Loan and the Note which are not mandatory payments with respect to special assessment and connection charges described above or not expressly designated by the City to be treated as a prepayment may, in the sole discretion of the PFA, be (i) held without interest payable by the PFA and applied to a future payment due on the Note in a manner determined by

the PFA, (ii) treated as a prepayment of principal on the Note; or (iii) returned to the City as an overpayment.

This Note shall be registered in the name of the owner on the note register of the City kept by the City Manager as Bond Registrar. This Note is transferable by the registered owner or the owner's attorney duly authorized in writing, upon presentation hereof with a written instrument of transfer satisfactory to the City and duly executed by the registered owner or the owner's attorney, subject to reimbursement for any tax, fee or governmental charge or other expense incurred by the City with respect to such transfer. Such transfer shall be noted on the note register and hereon. The City may treat the person in whose name this Note is registered as the absolute owner hereof, whether this Note is overdue or not, for the purpose of receiving payment of principal and interest and all other purposes, and shall not be affected by any notice to the contrary.

The City intends that the interest on this Note will be excluded from gross income for United States income tax purposes and from both gross income and taxable net income for State of Minnesota income tax purposes.

This Note has been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the federal Internal Revenue Code of 1986, as amended.

The City may deem and treat the person in whose name this Note is registered as the absolute owner hereof, whether this Note is overdue or not, for the purpose of receiving payment and for all other purposes, and the City shall not be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution, laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the issuance of this Note in order to make it a valid and binding general obligation of the City according to its terms have been done, do exist, have happened and have been performed in regular and due time, form and manner as so required; that in and by the resolution authorizing the issuance of the Note, the City has covenanted and agreed with the owners of the Note that it will impose and collect charges for the service, use and availability of the Utility according to schedules sufficient to produce net revenues adequate to pay all principal of and interest on the Note and any other bonds or notes payable therefrom, as such principal and interest respectively become due; that, if necessary to pay such principal and interest, the City is required by law to levy ad valorem taxes upon all taxable property within its corporate limits, without limitation as to rate or amount; and that the issuance of this Note does not cause the indebtedness of the City to exceed any constitutional, charter or statutory limitation.

IN WITNESS WHEREOF, the City of Waseca, Minnesota, by its City Council, has caused this Note to be executed on its behalf by the signature of the Mayor, attested by the signature of the City Manager, and has caused this Note to be dated as of September 4, 2018.

ATTEST:

City Manager

Mayor

The Note Registrar has transferred on the books of the City of Waseca, Waseca County, Minnesota, on the last date noted below, to the registered assign noted opposite said date, ownership of the principal amount of and interest on this Note, except the amounts of principal and interest theretofore paid:

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COUNTY AUDITOR'S CERTIFICATE
AS TO BOND REGISTRATION

The undersigned, being the duly qualified and acting County Auditor of Waseca County, Minnesota, hereby certify that there has been filed in my office a certified copy of a resolution duly adopted on September 4, 2018, by the City Council of the City of Waseca, Minnesota, setting forth the form and details of an \$3,692,936 General Obligation Wastewater Revenue Note, Series 2018B to be dated as of the date of issuance thereof.

I further certify that the issue has been entered on my note register as required by Minnesota Statutes, Sections 475.61 and 475.63, as amended.

WITNESS my hand and official seal this ____ day of _____, 2018.

(SEAL)

Waseca County Auditor

/
4812-7423-1152\2