

Mountain Lake City Council
Regular Council Meeting
Tuesday, February 3, 2015
6:00 p.m.

AGENDA

1. Meeting called to order by Mayor, Mike Nelson
* further information on agenda item is attached
 2. Approval of Agenda and Consent Agenda
 - a. Bills: Check #'s 9917028-9917097; (1-5)
 - b. Approval of Jan. 20 Council Minutes*(6-8)
 - c. Approval of Jan. 8 Utility Commission Minutes*(9-10)
 3. Mt. Lake Public School Board
 4. Public – A total of ten (10) minutes is allotted for individuals to briefly discuss a topic of concern with the Council.
 5. Wastewater Treatment Upgrade Project and Funding, Andy Kehren, Bolton & Menk, City Engineer*(11-14)
 6. League of MN Cities Insurance Trust (LMCIT) Policy
 - a. Appoint Agent, Resolution #3-15*(15-16)
 - b. Liability Coverage Waiver*(17-23)
 7. Consider Work Session to Identify Council Goals
 8. Garbage Collection in the City of Mt. Lake*(24-27)
 9. Administrator
 - a. Conservation Improvement Plan, 2014 Summary and 2015 Goals*(28-31)
 - b. 2014 Budget – separate packet
 - c. Bonded Indebtedness as of 12/31/14*(32)
 10. Mt. Lake Trail – Meeting May Be Closed, Attorney-Client Privilege
 11. Adjourn
- Upcoming
- Thurs. Feb. 5 2:30 and 6:30 Energy Audit Informational Meetings

***Check Detail Register©**

January 2015 to February 2015

February 3, 2015
mtg
ck H9917028
to
9917069

| | | Check Amt | Invoice | Comment |
|---|--------------------------------|--------------------|-----------------------------------|---|
| 10100 United Prairie | | | | |
| Paid Chk# | 9917028 | 1/16/2015 | BRAUN INTERTEC | |
| E 441-46300-434 | Project Expense | \$2,202.50 | B019524 | MT POWER BLDG |
| Total BRAUN INTERTEC | | \$2,202.50 | | |
| Paid Chk# | 9917029 | 1/16/2015 | CARQUEST AUTO PARTS STORES | |
| E 101-43100-404 | Repairs/Maint Machinery/Equip | \$373.60 | 2789-279733 | PAINT SUPPLIES-#16 |
| E 101-43100-404 | Repairs/Maint Machinery/Equip | \$367.84 | 2789-279786 | PAINT SUPPLIES-#16 |
| E 101-43100-404 | Repairs/Maint Machinery/Equip | \$7.12 | 2789-280550 | PAINT SUPPLIES-#16 |
| E 101-43100-404 | Repairs/Maint Machinery/Equip | \$73.69 | 2789-280645 | PAINT SUPPLIES-#16 |
| Total CARQUEST AUTO PARTS STORES | | \$822.25 | | |
| Paid Chk# | 9917030 | 1/16/2015 | LAKER ELECTRIC | |
| E 235-46340-401 | Repairs/Maint Buildings | \$44.32 | 4192 | LABOR WATER HEATER/DISHWASHER-HOMETOWN CAFE |
| Total LAKER ELECTRIC | | \$44.32 | | |
| Paid Chk# | 9917031 | 1/16/2015 | JACKSON BUILDING CENTER | |
| E 235-46340-401 | Repairs/Maint Buildings | \$1,012.24 | | ROOFING SUPPLIES-HOMETOWN CAFE |
| Total JACKSON BUILDING CENTER | | \$1,012.24 | | |
| Paid Chk# | 9917032 | 1/20/2015 | SALON 310 LLC | |
| G 230-10642 | LOAN SALON 310 LLC-K.ANDERSO | \$18,000.00 | | NEW LOAN |
| Total SALON 310 LLC | | \$18,000.00 | | |
| Paid Chk# | 9917033 | 1/22/2015 | AFLAC | |
| G 101-21713 | AFLAC | \$192.74 | | |
| Total AFLAC | | \$192.74 | | |
| Paid Chk# | 9917034 | 1/22/2015 | AFSCME COUNCIL 65 | |
| G 101-21707 | Union Dues | \$152.26 | | |
| Total AFSCME COUNCIL 65 | | \$152.26 | | |
| Paid Chk# | 9917035 | 1/22/2015 | BCBS/HSA | |
| G 101-21714 | HSA | \$804.25 | | |
| Total BCBS/HSA | | \$804.25 | | |
| Paid Chk# | 9917036 | 1/22/2015 | COMMISSIONER OF REVENUE | |
| G 101-21702 | State Withholding | \$669.45 | | |
| Total COMMISSIONER OF REVENUE | | \$669.45 | | |
| Paid Chk# | 9917037 | 1/22/2015 | GISLASON & HUNTER | |
| G 101-21712 | Garnishments | \$359.55 | | |
| Total GISLASON & HUNTER | | \$359.55 | | |
| Paid Chk# | 9917038 | 1/22/2015 | INTERNAL REVENUE SERVICE | |
| G 101-21703 | FICA Tax Withholding | \$2,295.92 | | |
| G 101-21701 | Federal Withholding | \$1,457.22 | | |
| Total INTERNAL REVENUE SERVICE | | \$3,753.14 | | |
| Paid Chk# | 9917039 | 1/22/2015 | PERA | |
| G 101-21704 | PERA | \$4,255.97 | | |
| Total PERA | | \$4,255.97 | | |
| Paid Chk# | 9917040 | 1/22/2015 | SWWC SERVICE COOPERATIVES | |
| G 101-21708 | Employee Paid Health Insurance | \$1,091.34 | | |

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| Total SW/WC SERVICE COOPERATIVES | | \$1,091.34 | | |
| Paid Chk# | 9917041 | 1/22/2015 | VALIC | |
| | G 101-21705 | VALIC | | \$952.91 |
| Total VALIC | | \$952.91 | | |
| Paid Chk# | 9917042 | 2/2/2015 | MUNICIPAL UTILITIES | |
| E 221-42200-380 | Elec,Water,Sewer | \$97.10 | | FIRE DEPT PORTION OF FIREHALL UT |
| E 101-45171-380 | Elec,Water,Sewer | \$312.53 | | WATER AT ICE RINK |
| E 101-45200-380 | Elec,Water,Sewer | \$7.52 | | UT AT CITY PARK SHELTERHOUSE |
| E 101-45183-380 | Elec,Water,Sewer | \$15.84 | | UT AT CAMPGROUND |
| E 608-46330-380 | Elec,Water,Sewer | \$4.11 | | 8-PLEX PORTION OF ST LITE ON HERITAGE DRIVE |
| E 607-46330-380 | Elec,Water,Sewer | \$2.12 | | 4-PLEX PORTION OF ST LITE ON HERITAGE DRIVE |
| E 231-42154-380 | Elec,Water,Sewer | \$47.83 | | AMB PORTION OF FIREHALL UT |
| E 101-43100-380 | Elec,Water,Sewer | \$217.55 | | ST DEPT UT |
| E 101-45186-380 | Elec,Water,Sewer | \$256.06 | | SR CTR UT |
| E 101-41400-380 | Elec,Water,Sewer | \$286.03 | | CITY HALL UT |
| E 101-45200-380 | Elec,Water,Sewer | \$103.83 | | LAWCON PARK LIGHTS |
| E 101-45200-380 | Elec,Water,Sewer | \$118.13 | | CITY PARK RESTROOMS UT |
| E 211-45500-380 | Elec,Water,Sewer | \$275.44 | | LIBRARY UT |
| Total MUNICIPAL UTILITIES | | \$1,744.09 | | |
| Paid Chk# | 9917043 | 2/2/2015 | SW/WC SERVICE COOPERATIVES | |
| E 101-42100-135 | Employer Paid Other | \$366.00 | | FEB HEALTH INS-BRIAN LUNZ |
| E 101-42100-131 | Employer Paid Health | \$3,543.54 | | FEB HEALTH INS-POLICE DEPT |
| E 205-46500-131 | Employer Paid Health | \$1,070.16 | | FEB HEALTH INS-EDA |
| E 101-46200-131 | Employer Paid Health | \$642.10 | | FEB HEALTH INS-CEMETERY |
| E 211-45500-131 | Employer Paid Health | \$1,070.16 | | FEB HEALTH INS-LIBRARY |
| E 101-45200-131 | Employer Paid Health | \$642.10 | | FEB HEALTH INS-PARKS DEPT |
| E 101-43100-131 | Employer Paid Health | \$1,926.28 | | FEB HEALTH INS-ST DEPT |
| E 101-41400-131 | Employer Paid Health | \$2,140.32 | | FEB HEALTH INS-OFFICE |
| Total SW/WC SERVICE COOPERATIVES | | \$11,400.66 | | |
| Paid Chk# | 9917044 | 2/2/2015 | FRONTIER | |
| E 211-45500-321 | Telephone | \$64.16 | | LIBRARY PHONE |
| Total FRONTIER | | \$64.16 | | |
| Paid Chk# | 9917045 | 2/2/2015 | MUNICIPAL UTILITIES | |
| E 101-46200-308 | Training & Instruction | \$226.67 | | CEM-1ST QTR SAFETY PROGRAM |
| E 101-00000-430 | Miscellaneous | \$1,133.32 | | GEN-1ST QTR SAFETY PROGRAM |
| E 101-45200-308 | Training & Instruction | \$226.67 | | PARKS-1ST QTR SAFETY PROGRAM |
| E 101-43100-308 | Training & Instruction | \$680.00 | | ST-1ST QTR SAFETY PROGRAM |
| Total MUNICIPAL UTILITIES | | \$2,266.66 | | |
| Paid Chk# | 9917046 | 2/2/2015 | MUNICIPAL UTILITIES | |
| E 101-43160-381 | Electric Utilities | \$4,028.30 | | DECEMBER STREET LIGHTING |
| Total MUNICIPAL UTILITIES | | \$4,028.30 | | |
| Paid Chk# | 9917047 | 2/2/2015 | AMAZON | |
| E 211-45500-590 | Capital Outlay Books | \$364.32 | | LIBRARY BOOKS |
| Total AMAZON | | \$364.32 | | |
| Paid Chk# | 9917048 | 2/2/2015 | BOUND TREE MEDICAL | |
| E 231-42154-580 | Other Equipment | \$710.15 | 81661565 | LIFE BAND 3 BOXES FOR AUTO PULSE |
| E 231-42154-580 | Other Equipment | \$4,809.38 | 81674173 | ZOLL AUTO PULSE FOR AMBULANCE |
| Total BOUND TREE MEDICAL | | \$5,519.53 | | |

2

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January 2015 to February 2015

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| Paid Chk# 9917049 | 2/2/2015 | DANA KASS | | | |
| E 101-41110-308 | Training & Instruction | | \$161.62 | | NEWLY ELECTED OFFICIAL CONF EXPENSE |
| | Total DANA KASS | | \$161.62 | | |
| Paid Chk# 9917050 | 2/2/2015 | DARLA KRUSER | | | |
| E 101-41110-308 | Training & Instruction | | \$160.14 | | NEWLY ELECTED OFFICIALS CONFERENCE EXP |
| | Total DARLA KRUSER | | \$160.14 | | |
| Paid Chk# 9917051 | 2/2/2015 | FRONTIER | | | |
| E 101-41400-321 | Telephone | | \$332.51 | | CITY HALL PHONE-427-2999 |
| E 101-42100-321 | Telephone | | \$279.63 | | POLICE DEPT PHONE-427-3403 |
| E 101-43100-321 | Telephone | | \$67.29 | | STREET DEPT PHONE-427-2997 |
| E 101-45186-321 | Telephone | | \$59.20 | | SR CTR PHONE-427-2151 |
| E 205-46500-321 | Telephone | | \$37.50 | | EDA PORTION OF DSL & 427-2999 |
| E 205-46500-321 | Telephone | | \$10.09 | | CHAMBER 800# |
| E 101-00000-430 | Miscellaneous | | \$167.88 | | UT-PHONE |
| | Total FRONTIER | | \$954.10 | | |
| Paid Chk# 9917052 | 2/2/2015 | HALL AND CARLSON PERFORMANCE | | | |
| E 221-42200-404 | Repairs/Maint Machinery/Equip | | \$51.30 | 783239 | STEERING STABILIZER-1980 CHEV GRASS RIG |
| | Total HALL AND CARLSON PERFORMANCE | | \$51.30 | | |
| Paid Chk# 9917053 | 2/2/2015 | INDOFF INCORPORATED | | | |
| E 101-41400-200 | Office Supplies | | \$6.62 | 2563845 | REPORT COVERS |
| E 101-42100-200 | Office Supplies | | \$39.21 | 2570099 | PD FILE FOLDERS |
| E 101-41400-200 | Office Supplies | | \$68.14 | 2570099 | INDEX TABS,CALENDAR,TAPE,POST-IT NOTES |
| | Total INDOFF INCORPORATED | | \$113.97 | | |
| Paid Chk# 9917054 | 2/2/2015 | LAKER ELECTRIC | | | |
| E 240-46500-401 | Repairs/Maint Buildings | | \$59.21 | 4230 | LIGHT & LABOR-FITNESS CENTER |
| | Total LAKER ELECTRIC | | \$59.21 | | |
| Paid Chk# 9917055 | 2/2/2015 | LARAWAY ROOFING INC. | | | |
| E 240-46500-401 | Repairs/Maint Buildings | | \$585.00 | 1-01569 | LABOR & MATERIALS-CUSTOM MOTORS ROOF |
| | Total LARAWAY ROOFING INC. | | \$585.00 | | |
| Paid Chk# 9917056 | 2/2/2015 | LEAGUE OF MN CITIES-FINANCE | | | |
| E 101-42100-308 | Training & Instruction | | \$595.00 | 211949 | 7-PATROL SUBSCRIPTIONS |
| | Total LEAGUE OF MN CITIES-FINANCE | | \$595.00 | | |
| Paid Chk# 9917057 | 2/2/2015 | MILLER SELLNER EQUIPMENT | | | |
| E 221-42200-404 | Repairs/Maint Machinery/Equip | | \$2,134.29 | 12877B | WORK ON 2007 KENWORTH TANKER-FIRE DEPT |
| E 101-43100-404 | Repairs/Maint Machinery/Equip | | \$96.80 | 60914B | ADAPTER,COUPLER-SKIDLOADER JACK HAMER |
| | Total MILLER SELLNER EQUIPMENT | | \$2,231.09 | | |
| Paid Chk# 9917058 | 2/2/2015 | MINNESOTA ENERGY RESOURCE CORP | | | |
| E 101-45186-383 | Gas Utilities | | \$345.93 | | SR CTR GAS-ACCT#4010846-6 |
| E 221-42200-383 | Gas Utilities | | \$473.72 | | FIRE DEPT PORTION OF FIREHALL GAS-ACCT#4296165-6 |
| E 211-45500-383 | Gas Utilities | | \$405.22 | | LIBRARY GAS-ACCT#4134278-3 |
| E 101-43100-383 | Gas Utilities | | \$1,203.02 | | STREET GARAGE GAS-ACCT#4092120-7 |
| E 231-42154-383 | Gas Utilities | | \$233.33 | | AMB PORTION OF FIREHALL GAS-ACCT#4296165-6 |
| E 101-41400-383 | Gas Utilities | | \$511.90 | | CITY HALL GAS-ACCT#4346780-2 |
| | Total MINNESOTA ENERGY RESOURCE CORP | | \$3,173.12 | | |
| Paid Chk# 9917059 | 2/2/2015 | MINNESOTA MUTUAL LIFE | | | |
| E 205-46500-134 | Employer Paid Life | | \$2.00 | | FEB LIFE INS-EDA |

3

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January 2015 to February 2015

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| G 101-21706 | Hospitalization/Medical Ins | | \$26.70 | | FEB LIFE INS-KIM HALL |
| G 101-21706 | Hospitalization/Medical Ins | | \$7.30 | | FEB LIFE INS-DARON FRIESEN |
| G 101-21706 | Hospitalization/Medical Ins | | \$40.90 | | FEB LIFE INS-NICK NAXAY |
| E 101-42100-135 | Employer Paid Other | | \$2.00 | | FEB BRIAN LUNZ LIFE INSURANCE |
| E 101-42100-134 | Employer Paid Life | | \$8.00 | | FEB LIFE INS-POLICE DEPT |
| E 101-41400-134 | Employer Paid Life | | \$2.00 | | FEB WENDY FAST-LAKER APTS-LIFE INS |
| E 101-46200-134 | Employer Paid Life | | \$1.20 | | FEB LIFE INS-CEMETERY |
| E 101-45200-134 | Employer Paid Life | | \$1.20 | | FEB LIFE INS-PARKS DEPT |
| E 211-45500-134 | Employer Paid Life | | \$2.00 | | FEB LIFE INS-LIBRARY |
| E 101-41400-134 | Employer Paid Life | | \$4.00 | | FEB LIFE INS-OFFICE |
| E 101-43100-134 | Employer Paid Life | | \$3.60 | | FEB LIFE INS-ST DEPT |
| G 101-21706 | Hospitalization/Medical Ins | | \$18.10 | | FEB LIFE INS-ROBB ANDERSON |
| | Total MINNESOTA MUTUAL LIFE | | \$119.00 | | |
| <hr/> | | | | | |
| Paid Chk# | 9917060 | 2/2/2015 | MUSKE, MUSKE, SURHOFF | | |
| E 101-41400-304 | Legal Fees | | \$1,400.00 | | FEBRUARY LEGAL RETAINGER |
| | Total MUSKE, MUSKE, SURHOFF | | \$1,400.00 | | |
| <hr/> | | | | | |
| Paid Chk# | 9917061 | 2/2/2015 | NORTHLAND SECURITIES | | |
| E 101-00000-430 | Miscellaneous | | \$2,750.00 | | CONTINUING DISCLOSURE REPORT |
| | Total NORTHLAND SECURITIES | | \$2,750.00 | | |
| <hr/> | | | | | |
| Paid Chk# | 9917062 | 2/2/2015 | PRAXAIR | | |
| E 231-42154-210 | Operating Supplies | | \$70.80 | 51590304 | OXYGEN FOR AMBULANCE |
| E 231-42154-210 | Operating Supplies | | \$214.25 | 51644506 | OXYGEN FOR AMBULANCE |
| | Total PRAXAIR | | \$285.05 | | |
| <hr/> | | | | | |
| Paid Chk# | 9917063 | 2/2/2015 | RADTKE WELDING | | |
| E 101-43100-404 | Repairs/Maint Machinery/Equip | | \$18.00 | 8004 | PRESSWORK #16 |
| E 101-43100-404 | Repairs/Maint Machinery/Equip | | \$481.07 | 8006 | MATERIALS-#16 |
| E 101-43100-404 | Repairs/Maint Machinery/Equip | | \$24.00 | 8012 | PRESSWORK #16 |
| E 101-43100-404 | Repairs/Maint Machinery/Equip | | \$188.89 | 8024 | MATERIALS-#16 |
| | Total RADTKE WELDING | | \$711.96 | | |
| <hr/> | | | | | |
| Paid Chk# | 9917064 | 2/2/2015 | SEACHANGE | | |
| E 101-41400-200 | Office Supplies | | \$205.40 | 9899 | 2015 LARGE MINUTE BOOK |
| | Total SEACHANGE | | \$205.40 | | |
| <hr/> | | | | | |
| Paid Chk# | 9917065 | 2/2/2015 | SOUTH CENTRAL COLLEGE | | |
| E 231-42154-308 | Training & Instruction | | \$300.00 | 00134905 | EMT TESTING SURCHARGE |
| | Total SOUTH CENTRAL COLLEGE | | \$300.00 | | |
| <hr/> | | | | | |
| Paid Chk# | 9917066 | 2/2/2015 | SW/WC SERVICE COOPERATIVES | | |
| E 101-42100-131 | Employer Paid Health | | \$3,543.54 | | MARCH HEALTH INS-POLICE DEPT |
| E 101-42100-135 | Employer Paid Other | | \$366.00 | | MARCH HEALTH INS-BRIAN LUNZ |
| E 205-46500-131 | Employer Paid Health | | \$1,070.16 | | MARCH HEALTH INS-EDA |
| E 101-46200-131 | Employer Paid Health | | \$642.10 | | MARCH HEALTH INS-CEMETERY |
| E 211-45500-131 | Employer Paid Health | | \$1,070.16 | | MARCH HEALTH INS-LIBRARY |
| E 101-45200-131 | Employer Paid Health | | \$642.10 | | MARCH HEALTH INS-PARKS DEPT |
| E 101-43100-131 | Employer Paid Health | | \$1,926.28 | | MARCH HEALTH INS-ST DEPT |
| E 101-41400-131 | Employer Paid Health | | \$2,140.32 | | MARCH HEALTH INS-OFFICE |
| | Total SW/WC SERVICE COOPERATIVES | | \$11,400.66 | | |
| <hr/> | | | | | |
| Paid Chk# | 9917067 | 2/2/2015 | TOWNS EDGE AUTO | | |
| E 101-45200-404 | Repairs/Maint Machinery/Equip | | \$914.15 | 72111 | TIRES FOR #4-PARKS PICKUP |
| | Total TOWNS EDGE AUTO | | \$914.15 | | |

4

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| Paid Chk# | 9917068 | 2/2/2015 | | VERIZON | |
| E | 101-42100-321 | Telephone | \$37.29 | | POLICE DATA LINE/TABLET |
| E | 101-42100-321 | Telephone | \$10.58 | | POLICE CELL PHONE |
| E | 231-42154-321 | Telephone | \$9.65 | | AMB CELL PHONE |
| | | Total VERIZON | \$57.52 | | |
| Paid Chk# | 9917069 | 2/2/2015 | | WENDY MEYER | |
| E | 101-41400-200 | Office Supplies | \$7.40 | | REIMBURSE CERTIFIED MAIL |
| E | 101-41400-308 | Training & Instruction | \$155.70 | | DATA PRACTICES SEMINAR |
| | | Total WENDY MEYER | \$163.10 | | |
| | | 10100 United Prairie | \$86,092.03 | | |

Fund Summary

| | |
|------------------------------------|--------------------|
| 10100 United Prairie | |
| 101 GENERAL FUND | \$49,589.36 |
| 205 ECONOMIC DEVELOPMENT AUTHORITY | \$2,189.91 |
| 211 LIBRARY FUND | \$3,251.46 |
| 221 FIRE DEPT FUND | \$2,756.41 |
| 230 REVOLVING LOAN FUND | \$18,000.00 |
| 231 AMBULANCE FUND | \$6,395.39 |
| 235 SW HOUSING GRANT | \$1,056.56 |
| 240 PROTIENT--DTED LOAN | \$644.21 |
| 441 MT POWER CONST ACCT | \$2,202.50 |
| 607 EDA----4 PLEX FUND | \$2.12 |
| 608 EDA----8 PLEX FUND | \$4.11 |
| | \$86,092.03 |

DRAFT
Mt. Lake City Council
Mt. Lake City Hall
Tuesday, January 6, 2015
6:30 p.m.

Members Present: Dana Kass, Darla Kruser, Mike Nelson, David Savage, Andrew Ysker

Members Absent: None

Staff Present: Rob Anderson, EDA Director; Maryellen Suhrhoff, Muske, Muske and Suhrhoff, City Attorney; Wendy Meyer, Clerk/Administrator

Others Present: Jason Kruser, Dave Watkins, Michael Watkins, Shannon Sykes, Ethan Sykes, Dean Janzen, Doug Regehr, Rachel Yoder

Call to Order

Mayor Nelson called the meeting to order at 6:30 p.m.

Agenda and Consent Agenda

An additional item, 7 d. community center was added to the agenda. Item 6 was moved to the Feb. 3 council meeting. Motion by Kass, seconded by Kruser, to adopt the agenda with the changes and the consent agenda as presented. Motion carried unanimously.

Bills: Check #'s 9916967-9917027; 375E- 379E

Payroll: Check #'s 61574 - 61602

Jan. 6 Council Minutes

Dec. 8 Lake Commission Minutes

Dec. 11 Utility Commission Minutes

Dec. 12 EDA Minutes

Dec. 10 Library Board Minutes, Dec. Library Report and Expenditures

Appoint John Oeltjenbruns to Lake Commission

Appoint Merv Rempel to HRA Board

Public

No one present addressed the council during this portion of the meeting.

Boy Scouts

Michael Watkins and Ethan Sykes addressed the council and requested the fee to rent the community center be waived. The scouts will be holding a pancake brunch on Sun. Feb. 8 to

6

raise funds to attend Boy Scout camp. Motion by Ysker, seconded by Savage, to waive the fee. Motion carried unanimously.

Review of 2014 EDA Work Plan

Rob Anderson reviewed the 2014 plan and accomplishments. Anderson highlighted the sale and opening of Our Hometown Café; the Mt. Power Hydraulics and Milk Specialties Global expansions; the award of a Small Cities Development Program (SCDP) grant for housing; the \$100,000 contribution of the EDA to the Utility's Well 7 project as part of a SCDP grant; lot sales and home construction in the Lakeview Estates addition; and the need for a new industrial park. Anderson noted that 37 jobs were created in 2014. Motion by Ysker, seconded by Kass to accept and approve the plan. Motion carried unanimously.

2015 Aquatic Invasive Species Control

The applications for the invasive aquatic plant management permit and the aquatic invasive species control projects grant were reviewed. The grant reimburses the city for the costs of operating the weed harvester to remove curly pond leaf from the lake. The city applied to remove weeds for 100 acres in 2014 and will apply for the same amount in 2015. Motion by Savage, seconded by Kruser to submit the applications to the MN Dept. of Natural Resources (DNR). Motion carried unanimously.

Utility Pick-up

Motion by Ysker, seconded by Kruser, to declare the 1994 pick-up surplus property and advertise for sale. Motion carried unanimously.

Meeting with Mt. Lake Public School Board

The school board will likely attend the Feb. 3 city council meeting to discuss topics of interest to both bodies. The date will be finalized at the board's January 26 meeting.

Community Center

The administrator has been approached by a group interested in converting a church into a community center. The idea was briefly discussed. Some council members have also been approached.

Rachel Yoder

Yoder briefly addressed the council and requested that details of her comments to the council be included in the official minutes.

Closed Meeting, Mt. Lake Trail, Attorney-Client Privilege

The public meeting was closed, and the closed meeting opened at 7:15 p.m. to discuss on-going Mt. Lake trail litigation, attorney-client privilege. The closed meeting was closed and the public meeting opened at 8:24 p.m. No action taken.

Adjourn

Motion by Kass, seconded by Ysker, to adjourn at 8:26 p.m.

ATTEST:

Wendy Meyer, Clerk/Administrator

REGULAR UTILITIES COMMISSION MEETING
THURSDAY, JANUARY 8, 2015
7:00 A.M.

PRESENT: Mark Langland
Brett Lohrenz
John Carrison
Mike Johnson
David Savage-City Council Liaison
Todd Johnson

ABSENT: none

Staff: Lynda Cowell – Utilities Office Manager
Kevin Krahn – Water/Wastewater Supt.
Wendy Meyer - City Administrator
Dave Watkins - Water/Wastewater
Pat Oja - Lineman
Ron Melson - Electric Supt.

Others: none

Wendy Meyer - City Administrator called the regular meeting of the Utilities commission for January 08, 2015 to order at 7:00 a.m.

Election of Officers: The clerk/administrator called for nominations for chairman. Mark Langland was nominated. Motion by Mike Johnson, seconded by Brett Lohrenz, to close nominations and cast a unanimous ballot for Mark Langland. Motion carried. The chairman Mark Langland called for nominations for vice-chairman. John Carrison was nominated. Motion by Mike Johnson, seconded by Brett Lohrenz, to close nominations and cast a unanimous ballot for John Carrison. Motion carried. The chairman Mark Langland called for nominations for secretary. Mike Johnson was nominated. Motion by Brett Lohrenz, seconded by John Carrison, to close nominations and cast a unanimous ballot for Mike Johnson. Motion carried.

1. **Minutes and Bills:** Discussion was held on bills with late fees. Utility staff was directed to send routine every month bills before commission approval to prevent late fees. Notice of unusual bills that need to be paid before they are approved should be sent to the commission members thru their e-mails Motion by Mike Johnson, seconded by Brett Lohrenz, to accept the minutes and bills as presented. Motion carried. Checks #14915-14987.

2. **Water/Wastewater:**

Sanitary Survey Report for Mtn. Lake Public Water System: This is a report from the Minnesota Dept. of Health summarizing an on-site inspection of our Community Public Water System. This includes a review of the system's water source, facilities, equipment, operation, maintenance and monitoring compliance. No action taken.

Disposal of the old pickup: Staff was directed to advertise it for sale.

Utility Inspection of Private Sewer Lines: Motion by Brett Lohrenz seconded Mike Johnson to add the statement "must have a plumbers license to do work inside of a house, if you are hiring the work done" to our ordinance. After revision the updated ordinance will be reviewed the commission for their approval. Motion carried.

Private Sewer Line Inspections and Replacements: Discussion was held on whether or not to continue the program and which areas to address next. Kevin will prepare a list for the next meeting.

3. **Electric Department:**

69KV Line: Switch has been ordered.

Mike Thielen: Mike will come to the January 22 meeting to discuss power plant and sub-station maintenance,

repairs and upgrades.

4. Office:

Rate Study: Scott Johnson, Springfield Municipal Utilities did not make the meeting because of the weather. Selected pages of Springfield's rate study, prepared by Missouri River Energy, were distributed. CMMPA is adding member rate studies to its budget and intends to pay for three a year. By consensus it was agreed that Mt. Lake should pursue a CMMPA funded rate study in 2015. Mt. Lake's most recent rate study is over 25 years old.

Cyber Security: The letter from Western Area Power Administration was reviewed.

Meeting adjourned.



Minnesota Pollution
Control Agency



Date: December 2, 2014

To: Public Wastewater, Stormwater, and Drinking Water Officials

Subject: **Accepting Projects for State Revolving Fund Loan Programs**

Submissions are now being accepted to place public wastewater, stormwater, and drinking water infrastructure improvement projects on the 2016 Project Priority Lists (PPL) and Intended Use Plans (IUP) for the Clean Water and Drinking Water Revolving Funds. Projects must be listed on the appropriate PPL as the first step to be eligible for the revolving fund loan programs or Clean Water Legacy grants. System owners must request that their projects be placed on the appropriate 2016 IUP if they expect to be ready for construction and are seeking financing in state fiscal year 2016 (July 1, 2015 to June 30, 2016).

The two state revolving fund programs are administered by the Minnesota Public Facilities Authority (PFA), together with the Minnesota Pollution Control Agency (MPCA) and Minnesota Department of Health. The PFA provides below-market rate loans, principal forgiveness or grants to local governments for eligible projects based on priorities determined by the MPCA (for wastewater and stormwater projects) and the MDH (for drinking water projects).

Additional information and instructions are enclosed

Deadlines:

Project Priority List – Clean Water Revolving Fund

- Wastewater and stormwater projects
- Deadline: March 6, 2015 (on or before) to MPCA
 - PPL Application and scoring worksheet
(Including supporting documentation, as required)
 - Wastewater facilities plans
 - Stormwater project plans
- See enclosed **yellow sheet** for information

Bill Dunn, MPCA
651-757-2324
bill.dunn@state.mn.us
www.pca.state.mn.us/ppl

Project Priority List – Drinking Water Revolving Fund

- Drinking water projects
- Deadline: May 1, 2015 to Department of Health
- See enclosed **blue sheet** for information

Chad Kolstad, MDH
651-201-3972
chad.kolstad@state.mn.us
www.health.state.mn.us/divs/eh/water/dwrf

2016 Intended Use Plans – Both Programs

- Specify which program on submission
- Deadline: June 5, 2015 to Public Facilities Authority
- See enclosed **green sheet** for information

Becky Sabie, PFA
651-259-7470
rebecca.sabie@state.mn.us
www.mn.gov/deed/pfa

Working in cooperation: Minnesota Pollution Control Agency, Minnesota Public Facilities Authority and Minnesota Department of Health.



**Clean Water Revolving Fund
Drinking Water Revolving Fund**

Requests for Placement on the 2016 Intended Use Plans

Loans from the Clean Water Revolving Fund (CWRF) and Drinking Water Revolving Fund (DWRF) programs are made by the Minnesota Public Facilities Authority (PFA), which is responsible for financial management of the funds. The PFA prepares an annual Intended Use Plan (IUP) for each program that lists the projects eligible to apply for loans. Wastewater and stormwater projects seeking CWRF loans must be listed on the Minnesota Pollution Control Agency's (MPCA) Project Priority List to be eligible for placement on the IUP, and construction projects must have an approved facility plan. Drinking water projects seeking DWRF loans must be listed on the Minnesota Health Department's Project Priority List to be eligible for placement on the IUP.

The PFA is accepting requests through June 5, 2015 for placement on the 2016 IUPs. The 2016 IUPs will list projects that are expected to receive all necessary approvals and be ready to proceed in state fiscal year (FY) 2016 (July 1, 2015 to June 30, 2016).

The PFA will prepare the 2016 IUPs based on the requests received, the project priorities set by the MPCA and Health Department, and the amount of loan funds available. There is no guarantee that all projects requesting placement on the 2016 IUPs will be placed in the fundable range and allowed to apply for loans.

A written request must be submitted to the PFA by June 5, 2015 to request placement on the 2016 CWRF or DWRF IUP. IUP requests should be sent to the appropriate PFA loan officer. (See map on back.) The request must be signed by a municipal official (mayor, clerk, administrator, etc.) of the municipality that will be issuing a general obligation bond to the PFA as security for the loan. For each separate project please provide the following information:

- The project name and description as it is (or will be) shown on the Project Priority List.
- The current project cost estimate, requested loan amount, and information about the status of any other sources of funds being sought or received (including any temporary financing).
- Estimated cost of project components believed to meet the eligibility requirements for water efficiency, energy efficiency or stormwater mitigation as described in information provided by the MPCA.
- A project schedule showing the following estimated dates:
 - submittal of plans and specifications to the MPCA or Health Department
 - bid advertising and bid opening dates
 - construction start
 - construction end

General questions about the IUP process may be directed to Becky Sabie at 651-259-7470. Specific project financing questions should be directed to the appropriate PFA loan officer.

Minnesota Public Facilities Authority
1st National Bank Building • 332 Minnesota St., Suite W820 • Saint Paul, MN 55101-1378 • USA
651-259-7469 • 800-657-3858 • Fax: 651-296-8833 • TTY/TDD: 651-296-3900
www.mn.gov/deed/pfa



Drinking Water Revolving Fund

Accepting Submissions for 2016 Project Priority List

The Minnesota Department of Health is soliciting requests to place new projects on the Drinking Water Revolving Fund (DWRf) Project Priority List (PPL). Projects must be on the list to be eligible for below-market rate DWRf loans to improve public drinking water systems. Typical projects include watermain, wells, water treatment plants and water towers. Funding is not for expansion of water systems to serve future growth or for fire suppression infrastructure.

- Submissions are easy to prepare. Go to www.health.state.mn.us/divs/eh/water/dwrf for instructions on what to submit, a general program overview, and for an example of a simplified submission.
- Submissions are due at the Department of Health by **Friday, May 1, 2015**.
- Water system owners planning to start construction and receive DWRf financing before June 30, 2016, must also submit a request to the Public Facilities Authority (PFA) to place the project on the 2016 Intended Use Plan (IUP). (See the enclosed green sheet from the Public Facilities Authority.)
- **Note for Projects on the Current IUP:** The environmental review process has been modified to assure that the requirements of the National Historic Preservation Act are met. Most projects will not have a significant impact from these revisions but sufficient time should be allowed in the event that a historical structure or archeological site is impacted. To find out more information about the environmental review process or for a step-by-step checklist please go to:
<http://www.health.state.mn.us/divs/eh/water/dwrf/er/index.html>
This only applies to projects on the current IUP.
- **Questions?** Contact Chad Kolstad at 651-201-3972 or chad.kolstad@state.mn.us

*Environmental Health Division, Section of Drinking Water Protection, P.O. Box 64975, St. Paul, Minnesota 55164-0975
TTY: (651) 201-5797*



Minnesota Pollution Control Agency

Accepting Submissions from Wastewater or Stormwater Projects for the Clean Water Revolving Fund (CWRF) 2016 Project Priority List

Proposals are being accepted to place wastewater or stormwater collection and treatment system projects on the Clean Water Revolving Fund (CWRF) Project Priority List (PPL). Projects must be on the PPL to be eligible to apply for below market rate CWRF loans and other Clean Water Legacy grants and loans from the Minnesota Public Facilities Authority (PFA). PFA financing is for investments in municipal infrastructure which result in improvements in water quality. Funding is not available for privately owned infrastructure.

Please Note: Projects on the 2015 PPL will automatically be listed on the 2016 PPL unless the project has received funding, requested removal or shown no progress in the past five (5) years. If necessary, please submit updated project costs, construction schedule and PPL scoring parameters. It is to your advantage to keep all scoring information as current as possible.

In 2014 the Clean Water Act was reauthorized and the requirement for Green Project Reserve (GPR) was eliminated. To the extent available, federal principal forgiveness will be provided to projects in priority order to address affordability needs per existing criteria, water efficiency goals, energy efficiency goals or to mitigate stormwater. Projects believed to include water efficiency; energy efficiency or stormwater mitigation as described in the PPL application forms, should indicate their potential eligibility in the PPL application and Intended Use Plan (IUP) request for placement.

Municipalities planning to start construction and receive CWRF financing before June 30, 2016, must also submit a request to the PFA to place the project on the 2016 IUP. (See the enclosed PFA notice.)

IMPORTANT DEADLINES:

- Wastewater Facilities Plans or Stormwater Project Plans are due to the MPCA (to ensure priority review)March 6, 2015 or before
Request for Placement on 2016 PPL due to the MPCAMarch 6, 2015 or before
Request for Placement on the 2016 IUP due to the PFAJune 5, 2015
Wastewater Facilities Plans or Stormwater Project Plans preliminary approval by MPCA for 2016 IUP projectsJuly 1, 2015

To obtain necessary PPL instructions, application forms and general program information go to:

www.pca.state.mn.us/ppl

For more information, to receive materials by postal mail or to ask questions, please contact:

Bill Dunn, Clean Water Revolving Fund Coordinator
Minnesota Pollution Control Agency
520 Lafayette Road North
Saint Paul, MN 55155-4194
651-757-2324 or bill.dunn@state.mn.us

14

RESOLUTION #3-15

CITY OF MOUNTAIN LAKE, MN

**A RESOLUTION TO APPOINT A CITY INSURANCE AGENT FOR
THE YEARS 2015 THROUGH 2017**

WHEREAS, the League of Minnesota Cities Insurance Trust (LMCIT) requires cities to use the services of an agent in order to participate in the LMCIT property/casualty program; and

WHEREAS, the City Council has reviewed and considered the written materials from LMCIT discussing the agent's role and compensation in LMCIT; and

WHEREAS, the City Council on December 20, 1993 approved a three year rotation among qualified insurance agents within the City of Mt. Lake for the Agent of Record for the City's property/casualty insurance; and

WHEREAS, Hanson Agency has agreed they are willing to provide to the city the services listed below under the terms and conditions listed below;

The City Council of the City of Mountain Lake, Minnesota resolves as follows:

Appointment

1. The City of Mountain Lake, Minnesota hereby appoints as its agent for purposes of the City's participation in the LMCIT property/casualty the Hanson Agency effective April 1, 2015.
2. This appointment shall remain effective until March 31, 2018.

Compensation

3. As compensation for the services provided to the city as described in Paragraph 4 below, the agent will receive annually a fee equal to ten (10) percent of the annual premiums paid by the city to LMCIT for property, liability, and automotive coverages This fee shall be included in the amounts billed to the city by LMCIT and shall be paid to the agent by LMCIT on the city's behalf.

Services

4. The agent will perform the following services:

- a. Advise and assist the city in assembling and accurately reporting underwriting data, including updating property values, for rating purposes.
- b. Advise and assist the city in evaluating and selecting among coverage alternatives such as deductibles, limits, optional coverages, alternative coverage forms, etc.
- c. Review coverage documents and invoices to assure coverage has been correctly issued and billed.
- d. Advise the city on potential gaps or overlaps in coverages.
- e. Assist the city as requested in submitting claims and interpreting coverage as applied to particular claims.
- f. Review loss reports for correct reporting, appropriate reserves, etc.
- g. Assist as requested with safety and loss control activities.
- h. Assist the city in identifying risk exposures and developing appropriate strategies to address those exposures.

Adopted by the City Council of the City of Mountain Lake, Minnesota, on this 3rd day of February, 2015.

Mayor

Attest:

Clerk/Administrator



CONNECTING & INNOVATING
SINCE 1913

LIABILITY COVERAGE – WAIVER FORM

LMCIT members purchasing coverage must complete and return this form to LMCIT before the effective date of the coverage. Please return the completed form to your underwriter or email to pstech@lmc.org

This decision must be made by the member's governing body every year. You may also wish to discuss these issues with your attorney.

League of Minnesota Cities Insurance Trust (LMCIT) members that obtain liability coverage from LMCIT must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased. The decision has the following effects:

- o *If the member does not waive the statutory tort limits*, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits apply regardless of whether the city purchases the optional excess liability coverage.
- o *If the member waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could potentially recover up to \$2,000,000 for a single occurrence. (Under this option, the tort cap liability limits are waived to the extent of the member's liability coverage limits, and the LMCIT per occurrence limit is \$2 million.) The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$2,000,000, regardless of the number of claimants.
- o *If the member waives the statutory tort limits and purchases excess liability coverage*, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

_____ selects liability coverage limits of \$_____ from the League of Minnesota Cities Insurance Trust (LMCIT).

Check one:

- The member **DOES NOT WAIVE** the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04.
- The member **WAIVES** the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04 to the extent of the limits of the liability coverage obtained from LMCIT.

Date of city council/governing body meeting _____

Signature _____ Position _____



RISK MANAGEMENT INFORMATION
LMCIT LIABILITY COVERAGE OPTIONS
Liability Limits, Coverage Limits, and Waivers

LMCIT gives cities several options for structuring their liability coverage. The city can choose either to waive or not to waive the monetary limits the statutes provide; and the city can select from among several liability coverage limits. This memo discusses these options and identifies some issues to consider in deciding which of the options best meets the city's needs.

What are the statutory limits on municipal tort liability?

The statutes limit a city's tort liability to a maximum of \$500,000 per claimant and \$1,500,000 per occurrence. These limits apply whether the claim is against the city, against the individual officer or employee, or against both.

What are the coverage limits for LMCIT's basic primary liability coverage?

For coverage written or renewed on or after November 15, 2014, LMCIT's liability coverage will provide a limit of \$2,000,000 per occurrence. Besides the overall coverage limit of \$2,000,000 per occurrence, there are also annual aggregate limits (that is, limits on the total amount of coverage for the year regardless of the number of claims), for certain specific risks. Aggregate limits apply to the following:

| | |
|-------------------------------------|----------------------|
| Products | \$3,000,000 annually |
| Failure to supply utilities | \$3,000,000 annually |
| Data security breaches | \$3,000,000 annually |
| EMF | \$3,000,000 annually |
| Limited pollution* | \$3,000,000 annually |
| Mold | \$3,000,000 annually |
| Employers liability (work comp) | \$1,500,000 annually |
| Land use/special risk litigation** | \$1,000,000 annually |
| Activities in outside organizations | \$100,000 annually |

* Includes sudden and accidental releases of pollutants; herbicide and pesticide application; sewer ruptures, overflows and backups; and lead and asbestos claims. Dredging or excavation claims are subject to a \$250,000 sublimit. These limits apply to both damages and defense costs.

** Coverage is provided on a sliding scale percentage basis, which is based on participation in LMCIT's online land use training. Coverage applies to both damages and litigation costs.

Why does LMCIT provide higher coverage limits than the statutory limit?

The reason is to give member cities better protection. The statutory liability limit caps the city's liability for many types of claims. But some liability claims, which are listed in the next section, aren't covered by the statutory limit, so the city's potential liability is unlimited. The higher limit also protects against a major incident in which many people might be injured. The \$2,000,000 per occurrence coverage limit gives the city better protection for these types of claims, and makes it less likely the city could end up with liability exceeding its coverage limit.

Another reason to provide higher limits is because it's increasingly more common to see contracts require more than the statutory limit of \$1,500,000; a more common figure is a \$2,000,000 limit. LMCIT's higher limits will now meet this requirement, but if even higher limits are required, there is the option to carry LMCIT's excess coverage to meet the additional requirements. LMCIT can also issue an endorsement to increase the city's coverage limit only for claims relating to a particular contract.

If the statute limits our liability and LMCIT is already providing higher limits than required, why purchase even more limits?

There are four good reasons why cities should strongly consider carrying LMCIT's excess coverage, which provides higher limits of liability coverage. Excess coverage is available in \$1,000,000 increments, up to a maximum of \$5,000,000.

1. The statutory tort limits either do not or may not apply to several types of claims

The following are the types of claims the statutory limits do not apply to. LMCIT's higher limit of \$2,000,000 will definitely provide better protection against these types of claims, but there could be cases where even that limit might not be enough.

- *Claims under federal civil rights laws.* These include Section 1983, the Americans with Disabilities Act, etc.
- *Claims for tort liability that the city has assumed by contract.* This occurs when a city agrees in a contract to defend and indemnify a private party.
- *Claims for actions in another state.* This might occur in border cities that have mutual aid agreements with adjoining states, or when a city official attends a national conference or goes to Washington to lobby, etc.
- *Claims based on liquor sales.* This mostly affects cities with municipal liquor stores, but it could also arise in connection with beer sales at a fire relief association fund-raiser, for example.
- *Claims based on a "taking" theory.* Suits challenging land use regulations frequently include an "inverse condemnation" claim, alleging that the regulation amounts to a "taking" of the property.

2. LMCIT's primary liability coverage has annual limits on coverage for a few specific risks

The table on page 1 lists the liability risks to which aggregate coverage limits apply. If the city has a loss or claim in one of these areas, there might not be enough limits remaining to cover the city's full exposure if there is a second loss of the same sort during the year.

Excess liability coverage gives the city additional protection against this risk as well.

There are, though, a couple important restrictions on how the excess coverage applies to risks that are subject to aggregate limits:

- The excess coverage does not apply to the following types of risks:
 - Failure to supply utilities.
 - Mold.
 - “Limited pollution” claims if either the pollutant release or the damage is below ground or in a body of water.
 - Auto no-fault claims.
 - Uninsured/underinsured motorist claims.
 - Workers’ compensation, disability, or unemployment claims.
 - Claims under the medical payments coverage.
- The excess coverage does not automatically apply to liquor liability unless the city specifically requests it.

3. The city may be required by contract to carry higher coverage limits

LMCIT’s limit of \$2,000,000 will meet most contract requirements, but if even higher limits are required, LMCIT’s excess coverage is an option. LMCIT can also issue an endorsement to increase the city’s coverage limit only for claims relating to a particular contract.

4. There may be more than one political subdivision covered under the city’s coverage

An HRA, EDA, or port authority is itself a separate political subdivision. If the city EDA, for example, is named as a covered party on the city’s coverage and a claim were made that involved both the city and the EDA, theoretically the claimant might be able to recover up to \$1,500,000 from both the city and the EDA, since there are two political subdivisions involved. Excess coverage is one way to provide enough coverage limits to address this situation. Another solution is for the HRA, EDA, or port authority to carry separate liability coverage in its own name.

This issue of multiple covered parties can also arise if the city has agreed by contract to name another entity as a covered party, or to defend and indemnify another entity.

Who needs excess liability coverage?

If anything, excess liability coverage is even more important to a small city rather than to a large city. If a city ends up with more liability than it has coverage, the city will have to either draw on existing funds or go to its taxpayers to pay that judgment. A large city faced with, say, \$1,000,000 of liability over and above what its LMCIT coverage pays might be able to spread that cost over several thousand taxpayers. The small city by contrast might be dividing that same \$1,000,000 among only a couple hundred taxpayers. \$1,000,000 divided among 5,000 taxpayers is \$200 apiece – annoying but probably at least manageable for most taxpayers. \$1,000,000 divided among 200 taxpayers is \$5,000 apiece – enough to be a real problem for many.

What’s the effect of waiving the “per claimant” statutory liability limit?

For cities that choose to waive the statutory limits, the city is choosing to waive the protection of the statutory limits, up to the amount of coverage the city has. Someone with a claim against a

city that has waived the statutory limits would be able to recover up to \$2,000,000 (of course the individual would have to prove to the court or jury that he or she really does have that amount of damages), rather than the statutory limit of \$500,000 per claimant. Because the waiver increases the exposure, the premium is roughly 3% higher for coverage under the waiver option.

For cities that choose not to waive the statutory limits, the city's liability is limited by the statute to no more than \$500,000 per claimant and \$1,500,000 per occurrence. LMCIT's higher coverage limits would only come into play on those types of claims that aren't covered by the statutory liability limit.

Why would the city choose to pay more for the waiver-option coverage?

The statutory liability limit only comes into play in a case where:

- The city is in fact liable.
- The injured party's actual proven damages are greater than the statutory limit.

Very literally, applying the statutory liability limit means an injured party won't be fully compensated for his or her actual, proven damages that were caused by city negligence. Some cities, as a matter of public policy, may want to have more assets available to compensate their citizens for injuries caused by the city's negligence. Waiving the statutory liability limits is a way to do that.

Other cities may feel that the appropriate policy is to minimize the expenditure of the taxpayers' funds by taking full advantage of every protection the legislature has decided to provide. There's no right or wrong answer on this point. It's a discretionary question of city policy that each city council needs to decide for itself.

What's the effect of waiving the statutory limits if the city has excess coverage?

If the city has \$1,000,000 of excess coverage and chooses to waive the statutory tort limits, the claimants (whether it's one claimant or several) could then potentially recover up to \$3,000,000 in damages in a single occurrence. If the city carries higher excess coverage limits, the potential maximum recovery per occurrence is correspondingly higher.

Carrying excess coverage under the waiver option is a way to address an issue that some cities find troubling: the case where many people are injured in a single occurrence caused by city negligence. Suppose, for example, that a city vehicle negligently runs into a school bus full of children, causing multiple serious injuries. \$1,500,000 divided 50 ways may not go far toward compensating for those injuries. Excess coverage under the waiver option makes more funds available to compensate the victims in that kind of situation.

The cost of the excess liability coverage is about 25% greater if the city waives the statutory tort limits. The cost difference is proportionally greater than the cost difference at the primary level because for a city that carries excess coverage, waiving the statutory tort limits increases both the per-claimant exposure and the per-occurrence exposure.

Is there an increase in risk if the city waives the statutory tort liability limits?

There is no increase in risk for the city to end up with liability if LMCIT doesn't cover it. The waiver form specifically says the city is waiving the statutory tort liability limits only to the extent of the city's coverage.

Of course, that's not to say there is no risk the city's liability could exceed its coverage limits. Listed earlier in this memo are a number of ways that could happen to any city, but the waiver doesn't increase that risk.

Can the city waive the statutory tort limits for the primary coverage but not for the excess coverage?

No. If the city decides to waive the statutory tort limits, that waiver applies to the full extent of the coverage limits the city has. The city cannot partially waive the statutory limits.

Is there a simple way to summarize the options?

It's not necessarily simple, but the table on the following page is a shorthand summary of what the effect would be of the various coverage structure options in different circumstances.

Your League Resource
Call the Underwriting
Department at 651.281.1200
or 800.925.1122 with any
questions.

LMCIT Liability Coverage Options

| Coverage structure If the city: | On a liability claim to which the statutory limits apply | | On a liability claim to which the statutory limits do not apply |
|---|--|---|---|
| | This is the maximum amount a single claimant could recover on an occurrence. | This is the maximum total amount that all claimants could recover on a single occurrence. | |
| Does not have excess coverage & Does not waive the statutory limits | \$500,000 | \$1,500,000 | \$2,000,000 |
| Does not have excess coverage & Waives the statutory limits | \$2,000,000 | \$2,000,000 | \$2,000,000 |
| Has \$1,000,000 of excess coverage & Does not waive the statutory limits | \$500,000 | \$1,500,000 | \$3,000,000 |
| Has \$1,000,000 of excess coverage & Waives the statutory limits | \$3,000,000 | \$3,000,000 | \$3,000,000 |

SOLID WASTE SERVICES CONTRACT

THIS CONTRACT is made commencing the 1st day of April 2013, by and between the City of Mountain Lake, MN, hereinafter referred to as "City," and Hometown Sanitation Services, Inc., hereinafter referred to as "Contractor."

WHEREAS, Contractor has been awarded the contract for solid waste services for the City for April 1, 2013 through March 31, 2016.

WHEREAS, the following sets forth the parties' responsibilities;

NOW, THEREFORE, IT IS AGREED:

1. All previous contracts or agreements between the parties relating to solid waste services are hereby declared to be null and void and of no further affect.
2. The City hereby grants to the Contractor the exclusive right to pick up solid waste from all residences located within the City, and the Contractor agrees to provide such solid waste collection service subject to the terms and conditions of this agreement. The term "solid waste" as used in this agreement shall not include demolition debris resulting from the demolition of buildings, roads or other structures.
3. The Contractor acknowledges and agrees to abide by all city ordinances regulating solid waste as well as all state and/or federal statutes, rules or regulations. Contractor shall be properly licensed, bonded and insured in compliance with all city ordinances as well as state and/or federal statutes, rules or regulations and shall show proof thereof to the City. Limits of said performance bond shall be as agreed upon by the parties. Contractor will at all times during the term of this agreement carry the following insurance coverage:
 - A. Comprehensive General Liability Insurance covering bodily injury liability and property damage liability with a combined single limit of not less than one million dollars.
 - B. Automobile Liability Insurance covering all vehicles for bodily injury liability and property damage liability with a combined single limit of not less than one million dollars.
 - C. Workers Compensation Insurance as required by law.

Contractor will file with the City a certificate of insurance setting forth compliance with these requirements prior to commencing performance under this agreement.

4. The Contractor agrees not to subcontract, lease, assign or otherwise convey any interest or right under this contract, whether voluntarily or by operation of law, without the prior written consent of the City.
5. The Contractor shall provide an adequate number of enclosed vehicles to collect and haul all solid waste to be hauled pursuant to this contract. Vehicles shall be so constructed that no portion of the solid waste so collected will leak out or be blown from any vehicle used to perform this contract.
6. This three-year contract shall commence effective April 1, 2013, and shall continue until March 31, 2016. Thereafter, the contract shall automatically renew for one year extensions, with like terms and conditions unless either party gives written notice (90) days prior to the expiration of any annual renewal term or unless terminated sooner pursuant to paragraph 14 below.
7. Contractor agrees to service all residences within city limits. Contractor agrees to provide solid waste collection for solid waste generated by the City offices and departments and solid waste generated during Pow Wow Celebration, with the exception of the campground, free of charge. City agrees that it will not separately contract with any other person or entity to provide such services during the term of this agreement, provided however, that the parties agree that this contract does not cover collection of electronics and appliances and the collection and disposal of recyclables from either residential or commercial areas, and the rental of dumpsters or roll-off containers. The Contractor will have no exclusive right or obligation to pick up and dispose of electronics, appliances or recyclables or to rent dumpsters or roll-off containers under this contract.
8. The Contractor shall pick up solid waste at the residences one time per week. The hours of operation shall be as follows:

6:00 a.m. - 6:00 p.m.
9. All solid waste, upon being removed from the premises where produced or accumulated, shall become the property of the Contractor. The Contractor shall dispose of same in a proper manner as designated in the Cottonwood County Solid Waste plan. The Contractor shall hold the City harmless from any and all claims or causes of action with regard to disposal of the solid waste collected from the city. The contractor will haul all garbage and refuse picked up in the City of Mt. Lake to the Cottonwood County Landfill.
10. The parties acknowledge the state has now mandated "volume based" charges for solid waste disposal. The Contractor agrees to bill every residential customer who has selected garbage cart service a service fee based on the cart size selected. The pre-tax cart service fees are:

| | Base Price |
|--------------------|-------------------|
| 1. Autopay: | |
| 35 gallon | \$11.54 |
| 65 gallon | \$13.64 |

95 gallon \$15.74

2. Paper Bill:

35 gallon \$12.06

65 gallon \$14.16

95 gallon \$16.26

3. Sr. Citizen Autopay:

35 gallon \$10.49

65 gallon \$12.59

95 gallon \$14.69

4. Sr. Citizen Paper Bill:

35 gallon \$11.01

65 gallon \$13.11

95 gallon \$15.21

5. Alternative 35 gallon every other week tub:

Base Price

1. Autopay:

35 gallon \$8.49

2. Paper Bill:

35 gallon \$8.99

3. Sr. Citizen Autopay:

35 gallon \$7.49

4. Sr. Citizen Paper Bill:

35 gallon \$7.99

6. City Campground dumpster: \$120 per month

11. Hometown Sanitation's 30 and 20 gallon bags and stickers previously available for purchase at Mountain Lake businesses are eliminated effective April 1, 2013. After such date, all solid waste removed by the contractor must be in a contractor-provided garbage cart.
12. Contractor may raise container rates up to 2.5% or the CPI, whichever is less, each in year two and year three of the contract.
13. To the extent a residential customer fails to pay the Contractor the cart service fee, the Contractor shall terminate cart service to that residence unless and until requested to do so by the City.

14. All of the terms and conditions of this contract are considered to be material and, should the Contractor fail to perform any of its obligations hereunder or comply with any terms or conditions hereof, the City shall have the right to terminate this contract upon the mailing of written notice to the Contractor indicating the default or nonperformance and, further, upon the Contractor's failure to remedy said violation within thirty (30) days after receipt of said notice.

Hometown Sanitation Services, Inc.

By: *Tom M. [Signature]*

Its: *Partner*

City of Mountain Lake

By: *[Signature]*
Its Mayor

Attest: *[Signature]*
Its City Administrator

Dear CMPAS CIP Participants:

Outlined below are the 2015 Conservation Improvement Program (CIP) goal numbers that you should strive to achieve. The numbers shaded in tan came directly from your 2012 CIP report. The highlighted numbers in blue are the numbers you should use for budget purposes.

Your spending goal for 2014 is a MINIMUM of 1.5% of your 2012 Gross Operating Revenue.

| Spending Goal | | |
|---------------|--------------|--|
| | 2013 GOR | 2015 Minimum Spend Is 1.5% of 2013 GOR |
| Blue Earth | \$ 4,802,949 | \$ 72,044 |
| Fairfax | \$ 1,307,850 | \$ 19,618 |
| Granite Falls | \$ 2,743,323 | \$ 41,150 |
| Janesville | \$ 1,400,441 | \$ 21,007 |
| Kasson | \$ 3,010,588 | \$ 45,159 |
| Kenyon | \$ 1,953,117 | \$ 29,297 |
| Mountain Lake | \$ 2,318,095 | \$ 34,771 |
| Sleepy Eye | \$ 4,676,412 | \$ 70,146 |
| Springfield | \$ 2,677,876 | \$ 40,168 |
| Windom | \$ 5,689,169 | \$ 85,338 |
| CMPAS | | \$ 458,697 |

| | % of Revenue | |
|---------------|--------------|------------|
| | Residential | C&I/Other |
| Blue Earth | 32% | 68% |
| Delano | | |
| Fairfax | 46% | 54% |
| Glencoe | | |
| Granite Falls | 48% | 52% |
| Janesville | 70% | 30% |
| Kasson | 68% | 32% |
| Kenyon | 45% | 55% |
| Mountain Lake | 33% | 67% |
| Sleepy Eye | 33% | 67% |
| Springfield | 40% | 60% |
| Windom | 31% | 69% |
| CMPAS | 41% | 59% |

2015 kWh Goal is a minimum of 1.5% of the 2011-2013 Average kWh Sales

| kWh Savings Goal | | | | | |
|------------------|----------------|----------------|----------------|-----------------------------|---|
| | 2011 kWh Sales | 2012 kWh Sales | 2013 kWh Sales | 2011-2013 Average kWh Sales | 2015 kWh Goal is a minimum of 1.5% of the 2011-2013 Average kWh Sales |
| Blue Earth | 60,573,000 | 58,400,000 | 57,471,692 | 58,814,897 | 882,223 |
| Fairfax | 13,768,000 | 13,614,727 | 13,389,466 | 13,590,731 | 203,861 |
| Granite Falls | 29,525,000 | 29,707,000 | 30,747,987 | 29,993,329 | 449,900 |
| Janesville | 11,580,000 | 11,488,201 | 11,612,643 | 11,560,281 | 173,404 |
| Kasson | 31,215,000 | 31,015,000 | 30,707,239 | 30,979,080 | 464,686 |
| Kenyon | 15,345,000 | 15,802,000 | 15,941,703 | 15,696,234 | 235,444 |
| Mountain Lake | 24,244,000 | 24,244,000 | 25,809,486 | 24,765,829 | 371,487 |
| Sleepy Eye | 44,596,000 | 44,340,000 | 44,340,461 | 44,425,487 | 666,382 |
| Springfield | 23,453,000 | 24,022,000 | 20,075,000 | 22,516,667 | 337,750 |
| Windom | 69,320,000 | 68,117,000 | 66,589,000 | 68,008,667 | 1,020,130 |
| | | | | | 4,805,268 |

| | Savings | | | |
|---------------|------------|------------|------------|--|
| | EUI | Res | Comm | |
| Blue Earth | 294,045 | 176,445 | 411,734 | |
| Fairfax | 67,947 | 40,772 | 95,142 | |
| Granite Falls | 149,952 | 89,980 | 209,968 | |
| Janesville | 57,796 | 34,681 | 80,928 | |
| Kasson | 154,880 | 92,937 | 216,869 | |
| Kenyon | 78,473 | 47,089 | 109,881 | |
| Mountain Lake | 123,817 | 74,297 | 173,373 | |
| Sleepy Eye | 222,105 | 133,276 | 311,001 | |
| Springfield | 112,572 | 67,550 | 157,628 | |
| Windom | 340,009 | 204,026 | 476,095 | |
| | 1601595.83 | 961053.605 | 2242618.59 | |

29

Outlined below is your 2015 Low Income Spending Goal

| Low Income Goal | | |
|-----------------|----------------------|--|
| | 2013 Residential GOR | 2015 Low Income Spend Is 0.2% of Residential GOR |
| Blue Earth | \$ 1,545,087 | \$ 3,090 |
| Fairfax | 601,940 | 1,204 |
| Granite Falls | 1,313,463 | 2,627 |
| Janesville | 974,132 | 1,948 |
| Kasson | 2,051,732 | 4,103 |
| Kenyon | 880,684 | 1,761 |
| Mountain Lake | 772,877 | 1,546 |
| Sleepy Eye | 1,557,917 | 3,116 |
| Springfield | 1,080,462 | 2,161 |
| Windom | 1,747,873 | 3,496 |
| | | 25,052 |

Thanks you for your attention. Please let me know if you have any questions.

Sincerely,

Christina Plerson

El Inc. - Utility Conservation Program Tracking

2014 - CMPAS

| CIP Savings Goals and Progress - 2014 Results | | | | | | | | | |
|---|------------------|-------------------|---------------------------|---|-------------------------|--------------------------------|-------------------------|----------------------------------|---|
| Utility | 1.5% kWh goal | C&I kWh submitted | Residential kWh submitted | EUI kWh calculated (including GF hydro) | Total kWh saved to date | % saved to date (goal is 1.5%) | % progress to 1.5% goal | C&I kWh Ready to Submit for 2015 | Carryover into 2015 (kWh in excess of 2014 1.5% goal) |
| Blue Earth | 883,785 | 842,456 | 16,855 | 245,623 | 1,104,935 | 1.88% | 125% | 243,221 | |
| Fairfax | 200,384 | 2,520 | 7,095 | 675 | 10,290 | 0.08% | 5% | | |
| Granite Falls | 440,535 | 289,600 | 3,432 | 2,200,000 | 2,493,032 | 8.49% | 566% | | |
| Janesville | 170,411 | 50,137 | 35,270 | 0 | 85,407 | 0.75% | 50% | | |
| Kasson | 468,130 | 96,806 | 81,556 | 0 | 178,362 | 0.57% | 38% | | |
| Kenyon | 231,965 | 224,833 | 9,572 | 0 | 234,405 | 1.52% | 101% | | |
| Mountain Lake | 361,255 | 46,876 | 33,282 | 3,245 | 83,404 | 0.35% | 23% | | |
| Sleepy Eye | 674,425 | 278,389 | 7,235 | 0 | 285,624 | 0.64% | 42% | | |
| Springfield | 355,790 | 272,333 | 14,630 | 0 | 286,962 | 1.21% | 81% | | |
| Windom | 1,035,860 | 895,125 | 48,414 | 4,023 | 947,562 | 1.37% | 91% | 80,707 | |
| Total: | 4,822,540 | 2,999,075 | 257,341 | 2,453,566 | 5,709,982 | 1.78% | 118% | 323,928 | 887,442 |

*C&I and residential savings include additional 8%, as allowed by DOC-DER in 2014, for kWh savings at generator.

** Savings include figures in ESP through 10/30/14, as well as C&I rebates through 12/31/14. Residential savings added beyond this date in the ESP, will increase the savings to carryover into 2015.

31

City of Mt. Lake Bonded Indebtedness as of 12/31/14
by Year of Last Payment

| Title | Purpose | Issued | Balance as of 12/31/13 | 2014 Principal Payment | Balance as of 12/31/14 |
|--|--|--------------|------------------------|------------------------|------------------------|
| 2008 Public Purpose Refunding Revenue Bonds | was 1999 EDA Public Project Revenue Bond (City Hall) (last payment 2018) | \$555,000 | \$345,000 | \$60,000 | \$285,000 |
| USDA Note Payable | Rescue Truck | \$85,000 | \$1,366 | \$1,366 | \$0 |
| USDA Note Payable 2014 | Fire Truck (last payment 2019) | \$32,000 | \$0 | \$0 | \$32,000 |
| 2007C GO Improvement bonds | Lakeview Estates (last payment 2020) (44% street) | \$455,000 | \$325,000 | \$35,000 | \$290,000 |
| 2009A Refunding GO Bonds | Formerly 2002 GO Imp. (Jennie's) (last payment 2021) (39% street, 4% storm, 49% sewer, 8% water) | \$670,000 | \$470,000 | \$50,000 | \$420,000 |
| 2011A Crossover Refunding Bonds | Street and Storm Sewer portion of 2006 St. & Ut. Project; replaces 2006 GO Corp. Purpose (67% street, 33% storm) (last payment 2022) | \$845,000 | \$845,000 | \$84,000 | \$761,000 |
| 2011A Crossover Refunding Bonds | Water and Sewer portion of 2006 St. & Util Project, places 2006 GO Corp. Purpose (50% water, 50% sewer) (last payment 2022) | \$370,000 | \$370,000 | \$36,000 | \$334,000 |
| Electric Refund 2012C | was 2007A Electric Refunding Bonds (last payment 2023) | \$645,000 | \$590,000 | \$55,000 | \$535,000 |
| 2007B Clean Renewable Energy (Revenue) Bonds | Wind Turbine Project (last payment 2023) | \$2,060,000 | \$1,287,500 | \$128,750 | \$1,158,750 |
| MN PFA (GO Revenue Note) | Water Treatment Plant (last payment 2023) | \$2,885,000 | \$1,622,249 | \$151,000 | \$1,471,249 |
| 2009B Electric Revenue Bonds | Feeder #8 Upgrade (last payment 2024) | \$550,000 | \$445,000 | \$35,000 | \$410,000 |
| Series 2012A GO Housing Revenue Ref. Bonds | was 1998 Essential Function Housing Development Bond 4 PLEX (last payment 2026) | \$190,000 | \$180,000 | \$15,000 | \$165,000 |
| Series 2012A GO Housing Revenue Ref. Bonds | was 2001 Essential Function (last payment 2026) Housing Development Bond 8 PLEX | \$430,000 | \$410,000 | \$15,000 | \$395,000 |
| USDA Note Payable 2012 | Library Roof (last payment 2026) | \$70,000 | \$63,921 | \$6,079 | \$57,842 |
| Series 2013B GO TIF Bonds | Pop'd Kems Project (last payment 2029) | \$1,310,000 | \$1,310,000 | \$0 | \$1,310,000 |
| Series 2014A GO TIF Bonds | Mt. Power TIF (last payment 2029) | \$2,040,000 | \$0 | \$0 | \$2,040,000 |
| MN PFA (GO Revenue Note) 2014 | Well #7 (last payment 2029) | \$47,444 | \$0 | \$0 | \$47,444 |
| 2001 GO Sewer Revenue Bonds | SE Sewer Project (2030) | \$570,000 | \$423,000 | \$17,000 | \$406,000 |
| MN PFA (GO Revenue Note) 2012 | Sewer Infrastructure (last payment 2032) | \$7,754,480 | \$7,455,000 | \$358,000 | \$7,097,000 |
| MN PFA (GO Revenue Note) 2012 | Water Infrastructure (last payment 2032) | \$38,440 | \$38,000 | \$2,440 | \$35,560 |
| Series 2013A GO Bonds | 2012-14 Util & St. Project (Street/Storm Sewer portion) (last payment 2035) | \$2,180,000 | \$2,180,000 | \$0 | \$2,180,000 |
| Series 2013A GO Bonds | 2012-14 Util & St. Project (Water portion) (last payment 2035) | \$2,060,000 | \$2,060,000 | \$85,000 | \$1,975,000 |
| TIF Bonds 2012B | The Lodge/Good Samaritan (last payment 2039) | \$830,000 | \$830,000 | \$0 | \$830,000 |
| Essential Function Housing Dev. Revenue Bond of 2009 | Mason Manor (last payment 2040) | \$254,700 | \$241,029 | \$4,737 | \$236,292 |
| | | \$22,551,261 | \$21,492,065 | \$1,139,372 | \$22,472,137 |