

**Regular Council Meeting  
Mountain Lake City Hall  
Monday, February 6, 2017  
6:30 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 9919598 – 9919658; 472E-475E\*(1-7)
  - b. Approval of Payroll Checks #'s 62989 - 63016
  - c. Approval of Jan. 17 Council Minutes\*(8-10)
  - d. Approval of Jan. 12 Utility Commission Minutes\*(11-12)
  - e. Approval of Resolution #6-17 Resolution Approving A Consent to the Levy\*(13)
  
3. Public – A total of ten (10) minutes is allotted for individuals to briefly discuss a topic of concern with the Council.
  
4. Friends of the Pool, Diane Englin\*(14)
  
5. Sub-Station Project Update\*(15)
  
6. 2017A Electric Revenue Bonds
  - a. Final Financial Plan\*(16-18)
  - b. Adopt Resolution #5-17\*(19-44)
  
7. Water/Wastewater Co. Rd. #1 Project\*(45-47)
  
8. Administrator
  - a. Annexation Resolution\*(48-49)
  - b. Liability Coverage Waiver\*(50)
  
9. Adjourn

CITY OF MOUNTAIN LAKE

**\*Check Detail Register©**

*February 6, 2017*  
*Chk # 9919598 - 9919658*  
*472E to 475E*

January 2017 to February 2017

			Check Amt	Invoice	Comment
<b>10100 United Prairie</b>					
Paid Chk#	9919598	1/13/2017			INGRAM
E 211-45500-590	Capital Outlay Books		\$827.79		LIBRARY BOOKS
E 211-45500-592	A.V. Materials		\$156.73		LIBRARY AV
	<b>Total INGRAM</b>		\$984.52		
Paid Chk#	9919599	1/13/2017			AMBULANCE FUND
E 231-42154-430	Miscellaneous		\$24.55	1/12/17	FOOD ON AMB RUN
	<b>Total AMBULANCE FUND</b>		\$24.55		
Paid Chk#	9919600	1/13/2017			PEST PRO
E 101-41400-401	Repairs/Maint Buildings		\$345.54		YEARLY SERVICE AT CITY HALL
	<b>Total PEST PRO</b>		\$345.54		
Paid Chk#	9919601	1/13/2017			MAYNARDS FOOD CENTER
E 101-43100-200	Office Supplies		\$64.72	12/10/16	PAPER TOWELS & TP-ST
E 101-41400-200	Office Supplies		\$9.94	12/12/16	CLEANERS-OFFICE
E 101-41400-200	Office Supplies		\$13.98	12/5/16	TP-OFFICE
	<b>Total MAYNARDS FOOD CENTER</b>		\$88.64		
Paid Chk#	9919602	1/13/2017			ADVANCED SYSTEMS INC
E 101-41400-200	Office Supplies		\$69.12	520361	CITY-COPIES ON 3352 PRINTER-10/5/16 TO 1/10/17
E 205-46500-200	Office Supplies		\$5.01	520361	EDA-COPIES ON 3352 PRINTER-10/5/16 TO 1/10/17
	<b>Total ADVANCED SYSTEMS INC</b>		\$74.13		
Paid Chk#	9919603	1/19/2017			AFLAC
G 101-21713	AFLAC		\$186.96		
	<b>Total AFLAC</b>		\$186.96		
Paid Chk#	9919604	1/19/2017			AFSCME COUNCIL 65
G 101-21707	Union Dues		\$154.86		
	<b>Total AFSCME COUNCIL 65</b>		\$154.86		
Paid Chk#	9919605	1/19/2017			BCBS/HSA
G 101-21714	HSA		\$843.85		
	<b>Total BCBS/HSA</b>		\$843.85		
Paid Chk#	9919606	1/19/2017			COMMISSIONER OF REVENUE
G 101-21702	State Withholding		\$748.12		
	<b>Total COMMISSIONER OF REVENUE</b>		\$748.12		
Paid Chk#	9919607	1/19/2017			GISLASON & HUNTER
G 101-21712	Garnishments		\$362.72		
	<b>Total GISLASON &amp; HUNTER</b>		\$362.72		
Paid Chk#	9919608	1/19/2017			INTERNAL REVENUE SERVICE
G 101-21701	Federal Withholding		\$1,696.99		
G 101-21703	FICA Tax Withholding		\$2,182.84		
	<b>Total INTERNAL REVENUE SERVICE</b>		\$3,879.83		
Paid Chk#	9919609	1/19/2017			PERA
G 101-21704	PERA		\$4,264.44		
	<b>Total PERA</b>		\$4,264.44		
Paid Chk#	9919610	1/19/2017			SW/WC SERVICE COOPERATIVES
G 101-21708	Employee Paid Health Insurance		\$1,373.66		

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		Check Amt	Invoice	Comment
<b>Total SW/WC SERVICE COOPERATIVES</b>		<b>\$1,373.66</b>		
Paid Chk#	9919611 1/19/2017		VALIC	
G 101-21705	VALIC	\$388.00		
<b>Total VALIC</b>		<b>\$388.00</b>		
Paid Chk#	9919612 1/18/2017		SW/WC SERVICE COOPERATIVES	
E 101-42100-131	Employer Paid Health	\$3,248.67		JAN HEALTH INS-POLICE DEPT
E 101-41400-131	Employer Paid Health	\$2,603.50		JAN HEALTH INS-OFFICE
E 101-43100-131	Employer Paid Health	\$2,343.14		JAN HEALTH INS-ST DEPT
E 101-45200-131	Employer Paid Health	\$781.05		JAN HEALTH INS-PARKS DEPT
E 211-45500-131	Employer Paid Health	\$1,301.75		JAN HEALTH INS-LIBRARY
E 101-46200-131	Employer Paid Health	\$781.06		JAN HEALTH INS-CEMETERY
E 205-46500-131	Employer Paid Health	\$1,301.75		JAN HEALTH INS-EDA
E 101-42100-135	Employer Paid Other	\$430.00		JAN HEALTH INS-BRIAN LUNZ
<b>Total SW/WC SERVICE COOPERATIVES</b>		<b>\$12,790.92</b>		
Paid Chk#	9919613 1/18/2017		SW/WC SERVICE COOPERATIVES	
E 101-42100-131	Employer Paid Health	\$3,248.67		FEB HEALTH INS-POLICE DEPT
E 101-41400-131	Employer Paid Health	\$2,603.50		FEB HEALTH INS-OFFICE
E 101-43100-131	Employer Paid Health	\$2,343.14		FEB HEALTH INS-ST DEPT
E 101-45200-131	Employer Paid Health	\$781.05		FEB HEALTH INS-PARKS DEPT
E 211-45500-131	Employer Paid Health	\$1,301.75		FEB HEALTH INS-LIBRARY
E 101-46200-131	Employer Paid Health	\$781.06		FEB HEALTH INS-CEMETERY
E 205-46500-131	Employer Paid Health	\$1,301.75		FEB HEALTH INS-EDA
E 101-42100-135	Employer Paid Other	\$430.00		FEB HEALTH INS-BRIAN LUNZ
<b>Total SW/WC SERVICE COOPERATIVES</b>		<b>\$12,790.92</b>		
Paid Chk#	9919614 2/2/2017		AFLAC	
G 101-21713	AFLAC	\$186.96		
<b>Total AFLAC</b>		<b>\$186.96</b>		
Paid Chk#	9919615 2/2/2017		BCBS/HSA	
G 101-21714	HSA	\$843.85		
<b>Total BCBS/HSA</b>		<b>\$843.85</b>		
Paid Chk#	9919616 2/2/2017		COMMISSIONER OF REVENUE	
G 101-21702	State Withholding	\$757.36		
<b>Total COMMISSIONER OF REVENUE</b>		<b>\$757.36</b>		
Paid Chk#	9919617 2/2/2017		GISLASON & HUNTER	
G 101-21712	Garnishments	\$362.72		
<b>Total GISLASON &amp; HUNTER</b>		<b>\$362.72</b>		
Paid Chk#	9919618 2/2/2017		INTERNAL REVENUE SERVICE	
G 101-21701	Federal Withholding	\$1,736.97		
G 101-21703	FICA Tax Withholding	\$2,239.06		
<b>Total INTERNAL REVENUE SERVICE</b>		<b>\$3,976.03</b>		
Paid Chk#	9919619 2/2/2017		LAW ENFORCEMENT LABOR SERV	
G 101-21711	PD UNION DUES	\$147.00		
<b>Total LAW ENFORCEMENT LABOR SERV</b>		<b>\$147.00</b>		
Paid Chk#	9919620 2/2/2017		PERA	
G 101-21704	PERA	\$4,298.41		
<b>Total PERA</b>		<b>\$4,298.41</b>		

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CITY OF MOUNTAIN LAKE

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Paid Chk# 9919621	2/2/2017	VALIC			
G 101-21705		VALIC	\$388.00		
		<b>Total VALIC</b>	<b>\$388.00</b>		
Paid Chk# 9919622	2/1/2017	MUNICIPAL UTILITIES			
R 101-00000-31000		General Property Taxes	\$367.87		JANUARY SETTLEMENT PRIVATE SEWER LINE
		<b>Total MUNICIPAL UTILITIES</b>	<b>\$367.87</b>		
Paid Chk# 9919623	2/1/2017	MUNICIPAL UTILITIES			
E 101-43160-381		Electric Utilities	\$4,110.30		DECEMBER STREET LIGHTING
		<b>Total MUNICIPAL UTILITIES</b>	<b>\$4,110.30</b>		
Paid Chk# 9919624	2/1/2017	CHAMBER OF COMMERCE			
R 101-00000-36200		Miscellaneous Revenues	\$379.00		DOWNTOWN BEAUTIFICATION GRANT
		<b>Total CHAMBER OF COMMERCE</b>	<b>\$379.00</b>		
Paid Chk# 9919625	2/1/2017	FRONTIER			
E 211-45500-321		Telephone	\$62.21		LIBRARY PHONE
		<b>Total FRONTIER</b>	<b>\$62.21</b>		
Paid Chk# 9919626	2/1/2017	AMAZON			
E 211-45500-590		Capital Outlay Books	\$47.90		LIBRARY BOOKS
E 211-45500-592		A.V. Materials	\$189.87		LIBRARY AV
		<b>Total AMAZON</b>	<b>\$237.77</b>		
Paid Chk# 9919627	2/1/2017	BALZER			
E 231-42154-210		Operating Supplies	\$53.42	PSINV63106	SHIPPING FOR AMBULANCE DEPT
		<b>Total BALZER</b>	<b>\$53.42</b>		
Paid Chk# 9919628	2/1/2017	BOUND TREE MEDICAL			
E 231-42154-210		Operating Supplies	(\$88.75)	70238066	RETURN BLANKETS
E 231-42154-210		Operating Supplies	\$248.01	82371629	BLANKETS,DEFIB PADS-AMB
		<b>Total BOUND TREE MEDICAL</b>	<b>\$159.26</b>		
Paid Chk# 9919629	2/1/2017	CARDMEMBER SERVICE			
E 101-00000-430		Miscellaneous	\$19.98		COMPUTER CRASH PLAN-MONTHLY BACKUP
		<b>Total CARDMEMBER SERVICE</b>	<b>\$19.98</b>		
Paid Chk# 9919630	2/1/2017	CHAMBER OF COMMERCE			
R 101-00000-36200		Miscellaneous Revenues	\$500.00		HERITAGE CHRISTMAS GRANT
		<b>Total CHAMBER OF COMMERCE</b>	<b>\$500.00</b>		
Paid Chk# 9919631	2/1/2017	CRESCENT INVESTIGATIVE SERVICE			
E 101-42100-260		Recruitment	\$1,062.00	16119	POLICE DEPT BACKGROUND CHECK
		<b>Total CRESCENT INVESTIGATIVE SERVICE</b>	<b>\$1,062.00</b>		
Paid Chk# 9919632	2/1/2017	CURT JANZEN			
E 101-43100-430		Miscellaneous	\$99.54		ST DEPT-15 BAGS FLOOR DRY
E 221-42200-210		Operating Supplies	\$199.09		FIRE DEPT-30 BAGS FLOOR DRY
		<b>Total CURT JANZEN</b>	<b>\$298.63</b>		
Paid Chk# 9919633	2/1/2017	DENNIS HULZEBOS			
E 101-45186-400		Janitor-Repairs/Maint	\$250.00		FEB MAINT AT SR CTR
E 211-45500-400		Janitor-Repairs/Maint	\$345.00		FEB MAINT AT LIBRARY
		<b>Total DENNIS HULZEBOS</b>	<b>\$595.00</b>		
Paid Chk# 9919634	2/1/2017	DOLL DISTRIBUTING			

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E 211-45500-200	Office Supplies		\$30.00		LIBRARY OFFICE SUPPLIES
	<b>Total DOLL DISTRIBUTING</b>		\$30.00		
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Paid Chk# 9919635	2/1/2017	<b>FEDER MECHANICAL</b>			
E 101-43100-401	Repairs/Maint Buildings		\$199.75	18.35	RESET PRESSURE CONTROL AT ST DEPT
	<b>Total FEDER MECHANICAL</b>		\$199.75		
<hr/>					
Paid Chk# 9919636	2/1/2017	<b>FRONTIER</b>			
E 101-41400-321	Telephone		\$184.78		CITY HALL PHONE-427-2999
E 101-42100-321	Telephone		\$217.00		POLICE DEPT PHONE-427-3403
E 101-43100-321	Telephone		\$69.01		STREET DEPT PHONE-427-2997
E 101-45186-321	Telephone		\$66.23		SR CTR PHONE-427-2151
E 205-46500-321	Telephone		\$37.50		EDA PORTION OF DSL & 427-2999
E 101-00000-430	Miscellaneous		\$95.75		UT-PHONE
	<b>Total FRONTIER</b>		\$670.27		
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Paid Chk# 9919637	2/1/2017	<b>GREATAMERICA FINANCIAL SVCS</b>			
E 101-00000-430	Miscellaneous		\$8.43		CHAMBER-MONTHLY COLOR COPY MACHINE LEASE
E 101-41400-200	Office Supplies		\$26.35		OFFICE-MONTHLY COLOR COPY MACHINE LEASE
E 101-42100-200	Office Supplies		\$8.78		PD-MONTHLY COLOR COPY MACHINE LEASE
E 101-00000-430	Miscellaneous		\$91.31		UT-MONTHLY COLOR COPY MACHINE LEASE
E 205-46500-200	Office Supplies		\$5.62		EDA-MONTHLY COLOR COPY MACHINE LEASE
	<b>Total GREATAMERICA FINANCIAL SVCS</b>		\$140.49		
<hr/>					
Paid Chk# 9919638	2/1/2017	<b>INDOFF INCORPORATED</b>			
E 101-00000-430	Miscellaneous		\$4.91	2896418	DESK CALENDAR
E 205-46500-200	Office Supplies		\$63.47	2897739	EDA-REDI SEAL ENVELOPES
E 101-43100-200	Office Supplies		\$13.46	2897739	DESK CALENDAR
	<b>Total INDOFF INCORPORATED</b>		\$81.84		
<hr/>					
Paid Chk# 9919639	2/1/2017	<b>MILLER SELLNER EQUIPMENT</b>			
E 101-43100-404	Repairs/Maint Machinery/Equip		\$4,578.85	16648B	REPAIR TRUCK #14
	<b>Total MILLER SELLNER EQUIPMENT</b>		\$4,578.85		
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Paid Chk# 9919640	2/1/2017	<b>MINNESOTA DEPT NATURAL RESOURC</b>			
E 507-46103-430	Miscellaneous		\$35.00		AQUATIC VEGETATION/CUTTING PERMIT LAKE COMMISSION
	<b>al MINNESOTA DEPT NATURAL RESOURC</b>		\$35.00		
<hr/>					
Paid Chk# 9919641	2/1/2017	<b>MINNESOTA ENERGY RESOURCE CORP</b>			
E 101-41400-383	Gas Utilities		\$377.46		CITY HALL GAS-ACCT#4346780-2
E 221-42200-383	Gas Utilities		\$391.92		FIRE DEPT PORTION OF FIREHALL GAS-ACCT#4296165-6
E 231-42154-383	Gas Utilities		\$193.03		AMB PORTION OF FIREHALL GAS-ACCT#4296165-6
E 101-43100-383	Gas Utilities		\$687.69		STREET GARAGE GAS-ACCT#4092120-7
E 211-45500-383	Gas Utilities		\$284.64		LIBRARY GAS-ACCT#4134278-3
E 101-45186-383	Gas Utilities		\$236.51		SR CTR GAS-ACCT#4010846-6
	<b>al MINNESOTA ENERGY RESOURCE CORP</b>		\$2,171.25		
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Paid Chk# 9919642	2/1/2017	<b>MINNESOTA MUTUAL LIFE</b>			
E 101-42100-135	Employer Paid Other		\$1.70		FEB BRIAN LUNZ LIFE INSURANCE
E 101-42100-134	Employer Paid Life		\$6.80		FEB LIFE INS-POLICE DEPT
E 101-41400-134	Employer Paid Life		\$1.70		FEB WENDY FAST-LAKER APTS-LIFE INS
E 211-45500-134	Employer Paid Life		\$1.70		FEB LIFE INS-LIBRARY
E 101-43100-134	Employer Paid Life		\$3.06		FEB LIFE INS-ST DEPT
E 101-41400-134	Employer Paid Life		\$3.40		FEB LIFE INS-OFFICE
E 101-45200-134	Employer Paid Life		\$1.02		FEB LIFE INS-PARKS DEPT

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E 101-46200-134	Employer Paid Life		\$1.02		FEB LIFE INS-CEMETERY
E 205-46500-134	Employer Paid Life		\$1.70		FEB LIFE INS-EDA ROB ANDERSON
G 101-21706	Hospitalization/Medical Ins		\$25.30		FEB LIFE INS-ROBB ANDERSON
G 101-21706	Hospitalization/Medical Ins		\$10.90		FEB LIFE INS-DARON FRIESEN
G 101-21706	Hospitalization/Medical Ins		\$12.00		FEB LIFE INS-STEVE PETERS
<b>Total MINNESOTA MUTUAL LIFE</b>			<b>\$70.30</b>		
<b>Paid Chk# 9919643 2/1/2017 MINNESOTA WEST-JACKSON CAMPUS</b>					
E 231-42154-308	Training & Instruction		\$1,495.71	00209501	EMT CLASS-AMBER HUGHES
<b>Total MINNESOTA WEST-JACKSON CAMPUS</b>			<b>\$1,495.71</b>		
<b>Paid Chk# 9919644 2/1/2017 MSFDA</b>					
E 221-42200-433	Dues and Subscriptions		\$140.00		FIRE DEPT SUBSCRIPTON-20 X \$7
<b>Total MSFDA</b>			<b>\$140.00</b>		
<b>Paid Chk# 9919645 2/1/2017 MUNICIPAL UTILITIES</b>					
E 101-45200-380	Elec,Water,Sewer		\$12.18		LAWCON PARK
E 101-41400-380	Elec,Water,Sewer		\$281.46		CITY HALL UT
E 101-45200-380	Elec,Water,Sewer		\$127.14		CITY PARK RESTROOMS UT
E 101-45186-380	Elec,Water,Sewer		\$307.00		SR CTR UT
E 101-43100-380	Elec,Water,Sewer		\$228.87		ST DEPT UT
E 221-42200-380	Elec,Water,Sewer		\$107.65		FIRE DEPT PORTION OF FIREHALL UT
E 231-42154-380	Elec,Water,Sewer		\$53.03		AMB PORTION OF FIREHALL UT
E 211-45500-380	Elec,Water,Sewer		\$252.75		LIBRARY UT
E 607-46330-380	Elec,Water,Sewer		\$5.12		4-PLEX PORTION OF ST LITE ON HERITAGE DRIVE
E 608-46330-380	Elec,Water,Sewer		\$9.94		8-PLEX PORTION OF ST LITE ON HERITAGE DRIVE
E 101-45183-380	Elec,Water,Sewer		\$0.00		UT AT CAMPGROUND
E 101-45200-380	Elec,Water,Sewer		\$12.18		UT AT CITY PARK SHELTERHOUSE
E 101-00000-430	Miscellaneous		\$1,208.34		1ST QTR 2017 SAFETY TRAINING
E 101-46200-308	Training & Instruction		\$241.67		1ST QTR 2017 SAFETY TRAINING
E 101-45200-308	Training & Instruction		\$241.67		1ST QTR 2017 SAFETY TRAINING
E 101-43100-308	Training & Instruction		\$725.00		1ST QTR 2017 SAFETY TRAINING
E 101-45200-380	Elec,Water,Sewer		(\$12.18)		LAWCON PARK
E 101-41400-380	Elec,Water,Sewer		(\$281.46)		CITY HALL
E 101-45200-380	Elec,Water,Sewer		(\$127.14)		CITY PARK RESTROOMS UT
E 101-45186-380	Elec,Water,Sewer		(\$307.00)		SR CTR UT
E 101-43100-380	Elec,Water,Sewer		(\$228.87)		ST DEPT UT
E 221-42200-380	Elec,Water,Sewer		(\$107.65)		FIRE DEPT PORTION OF FIREHALL
E 231-42154-380	Elec,Water,Sewer		(\$53.03)		AMB PORTION OF FIREHALL UT
E 211-45500-380	Elec,Water,Sewer		(\$252.75)		LIBRARY UT
E 607-46330-380	Elec,Water,Sewer		(\$5.12)		4PLEX PORTION OF ST LITE ON HERITAGE DRIVE
E 608-46330-380	Elec,Water,Sewer		(\$9.94)		8PLEX PORTION OF ST LITE ON HERITAGE DRIVE
E 101-45200-380	Elec,Water,Sewer		(\$12.18)		UT AT CITY PARK SHELTERHOUSE
E 101-00000-430	Miscellaneous		(\$1,208.34)		1ST QTR 2017 SAFETY TRAINING
E 101-46200-308	Training & Instruction		(\$241.67)		1ST QTR 2017 SAFETY TRAINING
E 101-45200-308	Training & Instruction		(\$241.67)		1ST QTR 2017 SAFETY TRAINING
E 101-43100-308	Training & Instruction		(\$725.00)		1ST QTR 2017 SAFETY TRAINING
<b>Total MUNICIPAL UTILITIES</b>			<b>\$0.00</b>		
<b>Paid Chk# 9919646 2/1/2017 MUSKE, MUSKE, SURHOFF</b>					
E 101-41400-304	Legal Fees		\$1,400.00		FEBRUARY LEGAL RETAINER
E 101-41400-304	Legal Fees		\$1,177.00		ADDITIONAL LEGAL FEES
<b>Total MUSKE, MUSKE, SURHOFF</b>			<b>\$2,577.00</b>		
<b>Paid Chk# 9919647 2/1/2017 NATIONAL GOVERNMENT SERVICE</b>					
R 231-42154-34205	Ambulance Services		\$887.01		REFUND JOHN ANKENNY

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CITY OF MOUNTAIN LAKE

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<b>Total NATIONAL GOVERNMENT SERVICE</b>		<b>\$887.01</b>		
Paid Chk#	9919648 2/1/2017	<b>P&amp;P COMPANY</b>		
	G 235-10696 P&P Company(Peterson Drug)	\$5,891.67		NEW LOAN
	<b>Total P&amp;P COMPANY</b>	<b>\$5,891.67</b>		
Paid Chk#	9919649 2/1/2017	<b>PLUM CREEK LIBRARY SYSTEM</b>		
	E 211-45500-430 Miscellaneous	\$1,450.00		DELIVERY-LIBRARY
	E 211-45500-430 Miscellaneous	\$851.35		E-BOOKS-LIBRARY
	E 211-45500-307 Technology Services	\$3,315.94		TECHNOLOGY-LIB
	E 211-45500-200 Office Supplies	\$48.00		LIB OFFICE SUPPLIES
	E 211-45500-200 Office Supplies	\$97.00		LIB OFFICE SUPPLIES
	E 211-45500-200 Office Supplies	\$20.74		LIB OFFICE SUPPLIES
	E 211-45500-434 Project Expense	\$45.90		LIB-PROJECT EXP
	E 211-45500-434 Project Expense	\$185.45		WINTER READING PROGRAM-PROJ EXP
	E 211-45500-434 Project Expense	\$12.20		LIB PROJECT EXP
	<b>Total PLUM CREEK LIBRARY SYSTEM</b>	<b>\$6,026.58</b>		
Paid Chk#	9919650 2/1/2017	<b>PRAXAIR</b>		
	E 231-42154-210 Operating Supplies	\$122.98	75711740	OXYGEN FOR AMB
	E 231-42154-210 Operating Supplies	\$84.83	75882588	OXYGEN FOR AMB
	E 231-42154-210 Operating Supplies	\$122.98	75951756	OXYGEN FOR AMB
	<b>Total PRAXAIR</b>	<b>\$330.79</b>		
Paid Chk#	9919651 2/1/2017	<b>RED FEATHER PAPER</b>		
	E 101-41400-200 Office Supplies	\$35.32	91370	PAPER TOWELS FOR OFFICE
	<b>Total RED FEATHER PAPER</b>	<b>\$35.32</b>		
Paid Chk#	9919652 2/1/2017	<b>RUNNINGS</b>		
	E 221-42200-210 Operating Supplies	\$108.96	1/2/17	FD-CABLE CUTTER & GAS/OIL CAN
	<b>Total RUNNINGS</b>	<b>\$108.96</b>		
Paid Chk#	9919653 2/1/2017	<b>SOUTH CENTRAL COLLEGE</b>		
	E 101-42100-308 Training & Instruction	\$178.94	00151799	1ST RESPONDER REFRESH-WILL POHLMANN
	<b>Total SOUTH CENTRAL COLLEGE</b>	<b>\$178.94</b>		
Paid Chk#	9919654 2/1/2017	<b>STROMS</b>		
	E 221-42200-430 Miscellaneous	\$209.00	11617	FIRE DEPT JACKET-J JACKSON
	<b>Total STROMS</b>	<b>\$209.00</b>		
Paid Chk#	9919655 2/1/2017	<b>THIRD AVENUE AUTO PARTS</b>		
	E 101-43100-404 Repairs/Maint Machinery/Equip	(\$16.36)		2% CREDIT
	E 101-43100-215 Shop Supplies	\$3.69	S158033	HEX BIT SOCKET
	E 101-43100-215 Shop Supplies	\$15.96	S158193	CARB CLEANER
	E 101-43100-404 Repairs/Maint Machinery/Equip	\$68.82	S158493	SHARPEN CHAIN SAW, CHAIN SAW CHAINS
	E 101-42100-430 Miscellaneous	\$14.49	S158545	PD-DEX-COOL COMPAT ORANGE
	<b>Total THIRD AVENUE AUTO PARTS</b>	<b>\$86.60</b>		
Paid Chk#	9919656 2/1/2017	<b>VERIZON</b>		
	E 101-42100-321 Telephone	\$9.04		POLICE CELL PHONE
	E 231-42154-321 Telephone	\$9.31		AMB CELL PHONE
	E 101-42100-321 Telephone	\$35.01		PD TABLET #1
	E 101-42100-321 Telephone	\$35.01		PD TABLET #2
	E 231-42154-321 Telephone	\$35.01		AMB JET PACK
	<b>Total VERIZON</b>	<b>\$123.38</b>		
Paid Chk#	9919657 2/1/2017	<b>MUNICIPAL UTILITIES</b>		

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**\*Check Detail Register©**

January 2017 to February 2017

		Check Amt	Invoice	Comment
E 101-00000-430	Miscellaneous	\$1,208.34		1ST QTR 2017 SAFETY TRAINING
E 101-46200-308	Training & Instruction	\$241.67		1ST QTR 2017 SAFETY TRAINING
E 101-45200-308	Training & Instruction	\$241.67		1ST QTR 2017 SAFETY TRAINING
E 101-43100-308	Training & Instruction	\$725.00		1ST QTR 2017 SAFETY TRAINING
	<b>Total MUNICIPAL UTILITIES</b>	<b>\$2,416.68</b>		
<hr/>				
Paid Chk# 9919658	2/1/2017	<b>MUNICIPAL UTILITIES</b>		
E 101-45200-380	Elec,Water,Sewer	\$12.18		LAWCON PARK
E 101-41400-380	Elec,Water,Sewer	\$281.46		CITY HALL UT
E 101-45200-380	Elec,Water,Sewer	\$127.14		CITY PARK RESTROOMS UT
E 101-45186-380	Elec,Water,Sewer	\$307.00		SR CTR UT
E 101-43100-380	Elec,Water,Sewer	\$228.87		ST DEPT UT
E 221-42200-380	Elec,Water,Sewer	\$107.65		FIRE DEPT PORTION OF FIREHALL UT
E 231-42154-380	Elec,Water,Sewer	\$53.03		AMB PORTION OF FIREHALL UT
E 211-45500-380	Elec,Water,Sewer	\$252.75		LIBRARY UT
E 607-46330-380	Elec,Water,Sewer	\$5.12		4-PLEX PORTION OF ST LITE ON HERITAGE DRIVE
E 608-46330-380	Elec,Water,Sewer	\$9.94		8-PLEX PORTION OF ST LITE ON HERITAGE DRIVE
E 101-45200-380	Elec,Water,Sewer	\$12.18		UT AT CITY PARK SHELTERHOUSE
	<b>Total MUNICIPAL UTILITIES</b>	<b>\$1,397.32</b>		
	<b>10100 United Prairie</b>	<b>\$87,990.14</b>		

**Fund Summary**

<b>10100 United Prairie</b>	
101 GENERAL FUND	\$64,105.20
205 ECONOMIC DEVELOPMENT AUTHORITY	\$2,716.80
211 LIBRARY FUND	\$10,828.67
221 FIRE DEPT FUND	\$1,156.62
231 AMBULANCE FUND	\$3,241.12
235 SW HOUSING GRANT	\$5,891.67
507 LAKE COMMISSION FUND	\$35.00
607 EDA---4 PLEX FUND	\$5.12
608 EDA---8 PLEX FUND	\$9.94
	<b>\$87,990.14</b>

Paid Chk# 000472E	1/13/2017	<b>UNITED PRAIRIE BANK</b>		
E 230-47001-301	Auditing and Acct g Services	\$12.00		PUENTE RET CHECK CHARGE
	<b>Total UNITED PRAIRIE BANK</b>	<b>\$12.00</b>		

Paid Chk# 000473E	1/20/2017	<b>SELECT ACCOUNT</b>		
G 101-21710	Employee Flex Plan	\$1,475.00		EMPLOYEE FLEX REIMBURSE
	<b>Total SELECT ACCOUNT</b>	<b>\$1,475.00</b>		

Paid Chk# 000474E	1/27/2017	<b>NORTHLAND TRUST SERVICES</b>		
E 307-47000-602	Other Long-Term Oblig Princ al	\$48,180.00		WIRE-LAKEVIEW ESTATES-PRINCIPAL
E 308-47000-611	Bond Interest	\$3,465.00		WIRE-LAKEVIEW ESTATES-INTEREST
	<b>Total NORTHLAND TRUST SERVICES</b>	<b>\$51,645.00</b>		

Paid Chk# 000475E	2/1/2017	<b>STATE OF MINNESOTA</b>		
E 211-45500-430	Miscellaneous	\$72.00		LIBRARY SALES TAX
	<b>Total STATE OF MINNESOTA</b>	<b>\$72.00</b>		

**DRAFT**  
**Regular Council Meeting**  
**Mountain Lake City Hall**  
**Tuesday, January 17, 2017**  
**6:30 p.m.**

**AGENDA**

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

Members Absent: None

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

Others Present: Jason Kruser, David Watkins, Michael Watkins; Tammy Omdal, Northland Securities; Ed Zepeda, Pierre Kahlil, McKinstry, Inc.; Doug Regehr

**Call to Order**

The meeting called to order by Mayor Mike Nelson at 6:30AM. Motion by Kass, seconded by Kruser, to adopt the agenda and approve the consent agenda as presented. Motion carried unanimously.

Bills: Check #'s 9919529 – 9919597; 469E-471E

Payroll Checks #'s 62960 - 62988

Jan 3 Council Minutes

Oct. 13 Tree Commission Minutes

Dec. 12 Lake Commission Minutes

Nov. 9 Library Board Minutes, Nov. & Dec. Library Reports and Expenditures

Dec. 7 EDA Minutes

Hire Mark Pankratz, EMT, Ambulance Service, effective Jan. 10, 2017

**Public**

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

**Boy Scouts – Request to waive Community Center Rent**

Michael Watkins, on behalf of the members and leaders present requested the council waive the rental fee for the troop's February 12 pancake breakfast. Funds raised are used by the members to attend Boy Scout camp. Motion by Ysker, seconded by Savage, to waive the fee. Motion carried unanimously.

### **Mt. Lake EDA, Rob Anderson, Review of 2016 Work Plan**

The 2016 goals and accomplishments were reviewed and discussed. Anderson noted that the EDA prepared a 10 year strategic plan in late 2016 that will guide community growth through 2026. Chamber activities were also briefly discussed. Motion by Kruser, seconded by Ysker, to accept the 2016 Work Plan. Motion carried unanimously.

### **Cottonwood County Home Initiative, Resolution #3-17**

If the city participates the initiative would provide a 5 year, 100% tax rebate on the city's share of increased real estate taxes when qualifying new housing is built in the city. EDA owned properties, including lots in the Lakeview Estates Subdivision, would not be included in the initiative because there are currently other incentives available for these lots. Cottonwood County and the City of Windom have agreed to participate. Motion by Savage, seconded by Ysker, that the City of Mt. Lake participate in the program by adopting Resolution #3-17. Motion carried unanimously.

### **Guaranteed Energy Savings Program (GESP), Ed Zepeda, McKinstry and Tammy Omdal, Northland Securities**

Sections of the final report prepared by McKinstry were discussed. McKinstry is recommending replacement of the street lights with LEDs and the replacement of some interior and exterior lighting in some of the city's facilities. Funding mechanisms, including a city inter-fund loan, and the requirements of the GESP program were discussed. Consideration was given to waiting to include bonding for the LED street light with bonding for another city project at some time in the future. Motion by Kass, seconded by Kruser, to end the city's participation in GESP. Motion carried unanimously.

### **New Sub-Station at CR#1 and First Avenue North**

The results of the Friday, January 13 bid opening were reviewed. The project engineer Mike Thielen, Utilities Plus Energy Services (UPES) is recommending that Items 1, 3, 4, and 6 be awarded. Items 2 and 5 are under review because they were significantly over the engineer's estimate. Alternate procedures to increase the amount of the project bond if necessary were discussed. One alternate would be the adoption of Resolution #4-17 which would allow the mayor and administrator to increase the maximum size of the bond by \$500,000 without a special council meeting if necessary. Motion by Savage, seconded by Ysker, to adopt Resolution #4-17. Motion carried unanimously. When updated project costs are available from the engineer, the administrator will meet with council and utility commission representatives to review bond amount. Motion by Kass, seconded by Kruser, to award Item 1, Steel Building to MJ Electric, bid of \$182,084; to award Item 3 Steel Structure and Static Pole to Galvanizers, Inc., bid of \$29,035.23; to award Item 4 Transmission Pole to Galvanizers, Inc., bid of \$16,911.99 and to award Item 6 Substation Fencing to MJ Electric, bid of \$33,763. These figures do not include MN sales tax. Motion carried unanimously.



**Ambulance Service Billing**

Currently the Service does not bill for 'lift-assists' where someone has fallen and needs help getting up, but is not transported to the hospital. The policies of area cities were reviewed.

Motion by Kass, seconded by Ysker, to charge \$150 for each 'lift-assist' call when there is no transport. Motion carried unanimously.

**Law Enforcement Labor Services (LELS) 2017-2019 Union Contract**

Motion by Ysker, seconded by Kass, authorizing the signing of the contract. Motion carried unanimously.

**Annexation/Mt. Lake Township Proposal**

The city intends to annex 10 parcels with a total of 87 acres in the northeast corner of the Highway 60/County Road #27 intersection. The city recently purchased land for a new industrial park there. The township is requesting compensation for lost tax revenue at a rate of \$500 per year for ten years. Motion by Ysker, seconded by Savage, to compensate the township in the amount and term they requested. Motion carried unanimously. The city attorney will prepare a joint annexation resolution for the city's and township's review and adoption.

**Miscellaneous**

The 2016 October – December Mt. Lake Public School Pool bill, the Small Cities Development Program Final Report, the 2016 City of Mt. Lake Building Permit Summary, and a thank you were reviewed.

**Adjourn**

The meeting was adjourned at 8:27PM.

ATTEST:

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Wendy Meyer, Clerk/Administrator

**Mt. Lake Utilities Commission  
Commission Meeting  
Thursday, January 12, 2017  
7AM**

Members Present: Commissioners John Carrison, Mike Johnson, Todd Johnson, Mark Langland; Council Liaison David Savage

Members Absent: Brett Lohrenz

Staff Present: Wendy Meyer, Clerk/Administrator; Lynda Cowell, Utilities Office Manager; Ron Melson, Electric Supt.; Kevin Krahn, Water and Wastewater Supt.; Dave Watkins, Water and Wastewater Dept.

Others Present: None

**Call to Order**

The meeting was called to order at 7 AM

**Approval of December 8 Minutes and Check Numbers 16802 - 16853)**

Questions about several of the bills were asked and answered. Motion by Carrison, seconded by M. Johnson to approved check numbers 16802 – 16853. Motion carried unanimously.

**Electric Dept. Updates**

The delivery of the new sub-station transformer and the bid opening and engineer's estimate for the phase of the project was briefly discussed. Fairbanks-Morse (FM) continues to work on the problem that prevented the Caterpillar engines from meeting National Emission Standards for Hazardous Air Pollutants (NESHAP) requirements.

**Purchase of Dryer for Power Plant Air Compressor**

Moisture is a problem in the air compressor controls. Melson is recommending a dryer be purchased at a cost of \$2,600 plus plumbing/installation costs. Motion by M. Johnson, seconded by T. Johnson, to purchase a dryer. Motion carried unanimously.

**2017 Budgets**

Water, sewer and electric 2017 budgets were reviewed and discussion. Motion by M. Johnson, seconded by Carrison, to approve the budgets and recommend their approval to the city council. Motion carried unanimously.

**Adjourn**

The meeting was adjourned at 7:55 AM.

**Approved January 26, 2017.**

ATTEST:

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Wendy Meyer, Clerk/Administrator



**Resolution #6-17**

**City of Mountain Lake, Minnesota**

**Resolution Approving a Consent to the Levy;  
Economic Development Authority of the  
City of Mountain Lake for Mason Manor Apartments**

**WHEREAS**, on October 6, 2009 a Levy Agreement was entered into between the Economic Development Authority and the City of Mountain Lake, Minnesota to assist the Authority with the construction of a four unit Multi-Housing Development Project called Mason Manor Apartments; and

**WHEREAS**, as a part of the Levy Agreement it is necessary that the City annually consider a Consent to Levy, the proceeds of which would be used by the Authority to pay principal and interest due on the bonds financing the housing development project; and

**WHEREAS**, as required by the Levy Agreement, the Authority submitted a 2017 budget to the City that which sets forth the amount of the levy as authorized by Minnesota Statutes, Section 469.033, Subd 6. The levy in the Authority's Budget for 2017 is based on that dollar amount.

**IT IS HEREBY RESOLVED** by the City Council of the City of Mountain Lake that the levy requested by the Authority is an adequate amount and approval is granted to Consent to the Levy.

**This Resolution is hereby approved on this 6<sup>th</sup> day of February, 2017.**

\_\_\_\_\_  
Mike Nelson, Mayor

**ATTEST:**

\_\_\_\_\_  
Wendy Meyer, Clerk/Administrator

## Friends of the Pool

The group has funds that they would like to see used in ways that encourage active living in the City of Mt. Lake.

Here are some ideas:

- 1) A sand volleyball court at Lawcon Park (some discussion on a long-term plan for Lawcon Park - Dog Park? Swimming pool? Splash Pad? Sand Volleyball?)
- 2) A splash pad at Lawcon Park
- 3) A warming house or shelter for ice skating rink. Would the city consider employing someone to monitor it on weekends?
- 4) Beach - Are further explorations needed to make a beach with a dock and changing house?  
Rachel Yoder found out some interesting information

Sub-Station and  
NESHAP/RICE Project Costs

	Total Cost	
RICE	\$350,000	\$230,000 spent \$120,000 committed
Sub-Station	\$2,492,000	\$670,000 spent \$250,000 committed \$460,000 Items 2 and 5 (average) \$1,152,000 1-23 e-mail
Total	\$2,842,000	

**Items 2 and 5**

Item 2 - control enclosure wiring, ground grid and underground conduits

engineer's estimate	\$115,000
bid	\$258,067

Item 5 -foundations transformer, control house and dead end structures

Engineer's estimate	\$68,000
bid	\$382,546

**1-23 e-mail**

Transmission pole foundation

Sub-station commissioning

\*Tie line cables to power plant, transformer cables and MSC cables

Structure installation

Fiver optic and control cables

69 KV line construction

Engineer's estimate	\$1,152,000
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\*Not included in previous estimates; estimated cost \$700,000

**City of Mountain Lake, Minnesota**

\$3,000,000.00 Electric Revenue Bonds, Series 2017A

FINAL - PENDING CITY AND MA REVIEW

**Sources & Uses**

Dated 02/28/2017 | Delivered 02/28/2017

**Sources Of Funds**

Par Amount of Bonds	\$3,000,000.00
Reoffering Premium	9,757.60
Planned Issuer Equity contribution	43,104.64
<b>Total Sources</b>	<b>\$3,052,862.24</b>

**Uses Of Funds**

Total Underwriter's Discount (1.960%)	58,800.00
Costs of Issuance	12,095.00
Deposit to Debt Service Reserve Fund (DSRF)	282,967.24
Deposit to Project Construction Fund	2,699,000.00
<b>Total Uses</b>	<b>\$3,052,862.24</b>

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City of Mountain Lake, Minnesota

\$3,000,000.00 Electric Revenue Bonds, Series 2017A

FINAL - PENDING CITY AND MA REVIEW

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/28/2017	-	-	-	-	-
06/01/2017	-	-	27,575.79	27,575.79	-
12/01/2017	45,000.00	2.500%	53,372.50	98,372.50	125,948.29
06/01/2018	-	-	52,810.00	52,810.00	-
12/01/2018	15,000.00	2.500%	52,810.00	67,810.00	120,620.00
06/01/2019	-	-	52,622.50	52,622.50	-
12/01/2019	15,000.00	2.500%	52,622.50	67,622.50	120,245.00
06/01/2020	-	-	52,435.00	52,435.00	-
12/01/2020	15,000.00	2.500%	52,435.00	67,435.00	119,870.00
06/01/2021	-	-	52,247.50	52,247.50	-
12/01/2021	15,000.00	2.500%	52,247.50	67,247.50	119,495.00
06/01/2022	-	-	52,060.00	52,060.00	-
12/01/2022	15,000.00	2.500%	52,060.00	67,060.00	119,120.00
06/01/2023	-	-	51,872.50	51,872.50	-
12/01/2023	15,000.00	2.500%	51,872.50	66,872.50	118,745.00
06/01/2024	-	-	51,685.00	51,685.00	-
12/01/2024	145,000.00	2.750%	51,685.00	196,685.00	248,370.00
06/01/2025	-	-	49,691.25	49,691.25	-
12/01/2025	190,000.00	3.000%	49,691.25	239,691.25	289,382.50
06/01/2026	-	-	46,841.25	46,841.25	-
12/01/2026	195,000.00	3.100%	46,841.25	241,841.25	288,682.50
06/01/2027	-	-	43,818.75	43,818.75	-
12/01/2027	200,000.00	3.200%	43,818.75	243,818.75	287,637.50
06/01/2028	-	-	40,618.75	40,618.75	-
12/01/2028	205,000.00	3.300%	40,618.75	245,618.75	286,237.50
06/01/2029	-	-	37,236.25	37,236.25	-
12/01/2029	215,000.00	3.750%	37,236.25	252,236.25	289,472.50
06/01/2030	-	-	33,205.00	33,205.00	-
12/01/2030	220,000.00	3.750%	33,205.00	253,205.00	286,410.00
06/01/2031	-	-	29,080.00	29,080.00	-
12/01/2031	230,000.00	3.600%	29,080.00	259,080.00	288,160.00
06/01/2032	-	-	24,940.00	24,940.00	-
12/01/2032	240,000.00	3.700%	24,940.00	264,940.00	289,880.00
06/01/2033	-	-	20,500.00	20,500.00	-
12/01/2033	245,000.00	4.000%	20,500.00	265,500.00	286,000.00
06/01/2034	-	-	15,600.00	15,600.00	-
12/01/2034	250,000.00	4.000%	15,600.00	265,600.00	281,200.00
06/01/2035	-	-	10,600.00	10,600.00	-
12/01/2035	260,000.00	4.000%	10,600.00	270,600.00	281,200.00
06/01/2036	-	-	5,400.00	5,400.00	-
12/01/2036	270,000.00	4.000%	5,400.00	275,400.00	280,800.00
<b>Total</b>	<b>\$3,000,000.00</b>	<b>-</b>	<b>\$1,527,475.79</b>	<b>\$4,527,475.79</b>	<b>-</b>

Date And Term Structure

Dated	2/28/2017
Delivery Date	2/28/2017
First available call date	12/01/2025
Call Price	100.000%

Yield Statistics

Bond Year Dollars	\$41,375.00
Average Life	13.792 Years
Average Coupon	3.6917844%

Net Interest Cost (NIC)	3.8103159%
True Interest Cost (TIC)	3.8264372%
All Inclusive Cost (AIC)	3.8654247%

IRS Form 8038

Net Interest Cost (NIC)	3.8103159%
Weighted Average Maturity	13.790 Years
Bond Yield for Arbitrage Purposes	3.6377833%

Electric Rev 2017A | SINGLE PURPOSE | 2/ 1/2017 | 12:01 PM

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**City of Mountain Lake, Minnesota**

\$3,000,000.00 Electric Revenue Bonds, Series 2017A

FINAL - PENDING CITY AND MA REVIEW

**Detail Costs Of Issuance**

Dated 02/28/2017 | Delivered 02/28/2017

**COSTS OF ISSUANCE DETAIL**

Bond Counsel	\$9,500.00
Pricing Opinion	\$1,795.00
Paying Agent	\$800.00
<b>TOTAL</b>	<b>\$12,095.00</b>

Electric Rev 2017A | SINGLE PURPOSE | 2/ 1/2017 | 12:01 PM

**Northland Securities, Inc.**  
Public Finance

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DRAFT

EXTRACT OF MINUTES OF A MEETING  
OF THE CITY COUNCIL  
CITY OF MOUNTAIN LAKE, MINNESOTA

HELD: February 6, 2017

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Mountain Lake, Minnesota, was duly called and held at the City Hall on February 6, 2017, at 6:30 o'clock P.M., for the purpose, in part, of authorizing the issuance and awarding the sale of \$3,000,000 Electric Revenue Bonds, Series 2017A.

The following members were present:

and the following were absent:

Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

RESOLUTION NO. \_\_\_\_\_  
RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF  
\$3,000,000 ELECTRIC REVENUE BONDS, SERIES 2017A

A. WHEREAS, the City of Mountain Lake, Minnesota (the "City"), owns and operates a municipal electric light and power plant and system (the "Electric Utility"), which is under the jurisdiction of the City's Public Utilities Commission (the "Commission"), appointed by the City Council, and have been under the jurisdiction of the Commission since 1935; and

B. WHEREAS, the net revenues of the Electric Utility are pledged to the payment of the City's outstanding \$391,000 Electric Revenue Refunding Bonds, Series 2015B, dated November 10, 2015 (the "Outstanding 2015B Bonds"); \$645,000 original principal amount of Electric Revenue Refunding Bonds, Series 2012C, dated November 15, 2012 (the "Outstanding 2012C Bonds"), and \$2,060,000 original principal amount of CREB Electric Revenue Bond, Series 2007B, dated June 1, 2007 (the "Outstanding 2007B Bonds" and together with the Outstanding 2015B Bonds and the Outstanding 2012C Bonds, the "Outstanding Bonds"); and

C. WHEREAS, the City Council hereby determines and declares that it is necessary and expedient to issue \$3,000,000 Electric Revenue Bonds, Series 2017A (the "Bonds", or individually a "Bond"), pursuant to Minnesota Statutes, Chapter 475, to provide moneys to finance construction of a new substation and generator improvements to the Electric Utility (the "Improvements"), and, pursuant to Minnesota Statutes, Chapter 453, the Bonds will be payable solely from the Net Revenues of the Electric Utility. "Net Revenues" means the gross earnings of the Electric Utility after deduction of the reasonable and necessary cost of operating, maintaining, repairing and insuring the Electric Utility; and

D. WHEREAS, the City has retained Blue Rose Capital Advisors, in Minneapolis, Minnesota, as its independent financial advisor for the sale of the Bonds and was therefore authorized to sell the Bonds by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9); and



E. WHEREAS, it is in the best interests of the City that the Bonds be issued in book-entry form as hereinafter provided.

NOW, THEREFORE, BE IT RESOLVED by the City of Mountain Lake, Minnesota, as follows:

1. Findings. It is hereby found, determined and declared that:

(a) The Improvements. It is advisable, expedient and necessary to issue the Bonds to finance the Improvements.

(b) Outstanding Bonds. Except for the Outstanding Bonds which have a prior lien on the revenues of the Electric Utility, the City has no outstanding bonds, warrants, certificates, or other obligations or evidences of indebtedness, or money borrowed for or on account of the Electric Utility or indebtedness for which any of the net revenues of all or a part of the Electric Utility has been appropriated or pledged.

(c) Reserve Account. A deposit shall be made to the Reserve Account in an amount equal to the lesser of (i) ten percent of the principal amount of the Bonds (as hereinafter defined), (ii) one hundred twenty five percent of the average annual debt service requirements of the Bonds, or (iii) the maximum annual debt service on the Bonds, which deposit may be funded from the proceeds of the Bonds or available moneys of the City.

(d) Parity of Lien Test. All of the payments required to be made into the various funds and accounts provided for in the resolutions authorizing the issuance of the Outstanding Bonds, have been made and there is sufficient money in the Parity Revenue Bond Debt Service Account of the Electric Utility Fund to pay all principal and interest on all obligations payable from the revenues of the Electric Utility, coming due during the twelve month period next succeeding the issuance of the Bonds.

(e) Statement of Independent Accountant. As required in the resolutions authorizing the issuance of the Outstanding Bonds, there has been procured and filed with the Administrator/Clerk, a statement by an independent accountant, not in the regular employ of the City, reciting the opinion based upon necessary investigations that the Net Revenues of the Electric Utility for the last completed fiscal year immediately preceding the issuance of the Bonds, adjusted for additional annual revenues from rate increases which become effective at least six months prior to the issuance of the Bonds, were equal to (i) at least one and one-quarter times the average annual principal and interest coming due thereafter on the Parity Bonds (as hereinafter defined) then outstanding and the Bonds and (ii) the average annual principal and interest coming due thereafter on all outstanding obligations payable from the revenues of the Fund, including any subordinate lien obligations and the Bonds. These facts shall be shown by a Certificate to be provided the Administrator/Clerk. Said "adjusted net revenues" for the fiscal year shall be computed as if the existing rate had been in effect during all of the fiscal year.

2. Sufficiency of Net Revenues. The estimated Net Revenues to be derived from the operation of the Electric Utility during the term of the Bonds will be more than sufficient to



produce Net Revenues after current costs of operation and maintenance adequate to pay principal and interest when due on the Bonds and the Outstanding Bonds and to maintain reasonable reserves therefor.

3. Acceptance of Offer. The offer of Northland Securities Inc. (the "Purchaser"), to purchase the Bonds in accordance with the terms and at the rates of interest hereinafter set forth, and to pay therefor the sum of \$ \_\_\_\_\_, plus interest accrued to settlement, is hereby accepted.

4. Terms of Bonds.

(a) Original Issue Date; Denominations; Maturities and Term Bond Option.  
 The Bonds shall be dated February 28, 2017, as the date of original issue, shall be issued in fully registered form, shall be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof and shall mature on December 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2017		2027	
2018		2028	
2019		2029	
2020		2030	
2021		2031	
2022		2032	
2023		2033	
2024		2034	
2025		2035	
2026		2036	

All dates are inclusive. As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

(b) Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or its successors to its functions hereunder (the "Depository") will act as securities depository for the Bonds, and to this end:

(i) The Bonds shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 6 and 11 Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Bond.

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(ii) Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by the Bond Registrar (as hereinafter defined) in the name of CEDE & CO., as the nominee (it or any nominee of the existing or a successor Depository, the "Nominee").

(iii) With respect to the Bonds neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the "Participant") or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Bond Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.

(iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

(v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 11, references to the Nominee hereunder shall refer to such new Nominee.

(vi) So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Bond Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any



replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").

(vii) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.

(viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than fifteen calendar days in advance of such special record date to the extent possible.

(ix) Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.

(c) Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:

(i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.

(ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 11. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 11, the Bonds will be delivered to the Beneficial Owners.

(iii) Nothing in this subparagraph shall limit or restrict the provisions of paragraph 11.

(d) Letter of Representations. The provisions in the Letter of Representations are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Letter of Representations shall control.

5. Interest. The Bonds shall bear interest payable semiannually on June 1 and December 1 of each year commencing June 1, 2017 at the respective rates per annum set forth opposite the maturity years as follows:

<u>Maturity Years</u>	<u>Interest Rates</u>	<u>Maturity Years</u>	<u>Interest Rates</u>
2017		2027	
2018		2028	
2019		2029	
2020		2030	
2021		2031	
2022		2032	
2023		2033	
2024		2034	
2025		2035	
2026		2036	

6. Redemption. All Bonds maturing on December 1, 2026, and thereafter, shall be subject to redemption and prepayment at the option of the City on December 1, 2025, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the City; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered Holder of the Bonds at least thirty days prior to the date fixed for redemption.

To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar prior to giving notice of redemption shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers so assigned to such Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the



City or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the City and Bond Registrar duly executed by the holder thereof or the Holder's attorney duly authorized in writing) and the City shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

7. Bond Registrar. U.S. Bank National Association, in St. Paul, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond and paragraph 13.

8. Form of Bond. The Bonds to be issued hereunder, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COTTONWOOD COUNTY  
CITY OF MOUNTAIN LAKE

R-\_\_\_\_\_ \$ \_\_\_\_\_

ELECTRIC REVENUE BOND, SERIES 2017A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	December 1, _____	February 28, 2017	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THE CITY OF MOUNTAIN LAKE, COTTONWOOD COUNTY, MINNESOTA (the "Issuer"), hereby certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, solely out of the Electric Utility Fund of the Issuer, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, unless called for earlier redemption, and to pay interest thereon semiannually on June 1 and December 1, of each year (each, an "Interest Payment Date"), commencing June 1, 2017, at the rate per annum specified above, (calculated on the basis of a 360-day year of twelve thirty-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender



hereof at the principal office of U.S. Bank National Association, in St. Paul, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Bond and notice with respect thereto shall be made as provided in Letter of Representations, as defined in the Resolution. Until termination of the book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.

Optional Redemption. All Bonds of this issue (the "Bonds") maturing or subject to mandatory redemption on December 1, 2026, and thereafter, are subject to redemption and prepayment at the option of the Issuer on December 1, 2025, and on any date thereafter at a price of par plus accrued interest. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the Issuer; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected Holder of the Bonds at least thirty days prior to the date fixed for redemption.

Prior to the date on which any Bond or Bonds are directed by the Issuer to be redeemed in advance of maturity, the Issuer will cause notice of the call thereof for redemption identifying the Bonds to be redeemed to be mailed to the Bond Registrar and all Bondholders, at the addresses shown on the Bond Register. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited.

Selection of Bonds for Redemption; Partial Redemption. To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to the Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of such Bond of a denomination of more



than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Issuance; Purpose; Special Obligations. This Bond is one of an issue in the total principal amount of \$3,000,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on February 6, 2017 (the "Resolution"), for the purpose of providing moneys to finance construction of a new substation and generator improvements to the Issuer's municipal electric light and power plant and system (the "Electric Utility"). The Bonds and the interest thereon are payable solely and exclusively from the Net Revenues (as defined in the Resolution) of the Electric Utility pledged to the payment thereof, and do not constitute a debt of the Issuer, within the meaning of any constitutional or statutory limitation of indebtedness. In the event of any default hereunder, the Holder of this Bond may exercise any of the rights and privileges granted by the laws of the State of Minnesota subject to the provisions of the Resolution. The Issuer is authorized under certain conditions to issue additional revenue obligations on a parity of lien with the Bonds, all as provided in the Resolution.

Remedies. The Holders of twenty percent or more in aggregate principal amount of Bonds at any time outstanding may, either by law or in equity, by suit, action, or other proceedings, protect and enforce the rights of all Holders of Bonds then outstanding, or enforce and compel the performance of any and all of the covenants and duties specified in the Resolution to be performed by the Issuer or its officers and agents; provided, however, that nothing shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of and interest on each of the Bonds issued to the respective Holders thereof at the time and place, from the source and in the manner provided in the Resolution. In addition, if the Issuer fails to pay the principal of or interest on any Parity Bond, when due, and such default shall continue for ten days after notice thereof from the Holder of such Parity Bond, such Holder may declare all Parity Bonds due and payable immediately in the amount of a pro rata share of any amounts held in the Electric Utility Fund in excess of an amount sufficient to meet the current expenses of the month plus an amount equal to one-twelfth of any expenses payable on an annual basis, such as insurance, and upon any such declaration such amount shall immediately become due and payable.

Denominations; Exchange; Resolution. The Bonds are issuable solely in fully registered form in the denominations of \$5,000 and integral multiples thereof of a single maturity and are exchangeable for fully registered bonds of other authorized denominations in equal aggregate principal amounts at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution



for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

Transfer. This Bond is transferable by the Holder in person or by the Holder's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an authorized denomination or denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

Fees upon Transfer or Loss. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

Treatment of Registered Owners. The Issuer and the Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except as provided on the reverse side hereof with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar.

Qualified Tax-Exempt Obligations. The Bonds have been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the federal Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser does not exceed any constitutional or statutory limitation of indebtedness; and that the Issuer will maintain rates and charges for the electric service furnished by the Electric Utility sufficient in an amount to promptly meet the principal and interest requirements of the Bonds.

IN WITNESS WHEREOF, the City of Mountain Lake, Cottonwood County, Minnesota, has caused this Bond to be executed on its behalf by the facsimile signatures of the Mayor and the Administrator/Clerk, the corporate seal of the Issuer having been intentionally omitted as permitted by law.



Date of Registration:

\_\_\_\_\_

BOND REGISTRAR'S  
CERTIFICATE OF  
AUTHENTICATION

This Bond is one of the  
Bonds described in the  
Resolution mentioned  
within.

U.S. BANK NATIONAL  
ASSOCIATION  
St. Paul, Minnesota  
Bond Registrar

By \_\_\_\_\_  
Authorized Signature

Registrable by: U.S. BANK NATIONAL  
ASSOCIATION

Payable at: U.S. BANK NATIONAL  
ASSOCIATION

CITY OF MOUNTAIN LAKE,  
COTTONWOOD COUNTY, MINNESOTA

/s/ Facsimile \_\_\_\_\_  
Mayor

/s/ Facsimile \_\_\_\_\_  
Administrator/Clerk



9. Execution. The Bonds shall be in typewritten form, shall be executed on behalf of the City by the signatures of its Mayor and Administrator/Clerk and be sealed with the seal of the City; provided, as permitted by law, both signatures may be photocopied facsimiles and the corporate seal has been omitted. In the event of disability or resignation or other absence of either officer, the Bonds may be signed by the manual or facsimile signature of the officer who may act on behalf of the absent or disabled officer. In case either officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

10. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on such Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue, which date is February 28, 2017. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

11. Registration; Transfer; Exchange. The City will cause to be kept at the principal office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of Bonds and the registration of transfers of Bonds entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 10) and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any authorized denomination or denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no bond may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Bonds may be exchanged for Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration of, and deliver the Bonds which the Holder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly cancelled by the Bond Registrar and thereafter disposed of as directed by the City.



All Bonds delivered in exchange for or upon transfer of Bonds shall be valid special obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Bonds surrendered for such exchange or transfer.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost Bonds.

Transfers shall also be subject to reasonable regulations of the City contained in any agreement with the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Administrator/Clerk is hereby authorized to negotiate and execute the terms of said agreement.

12. Rights Upon Transfer or Exchange. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

13. Interest Payment, Record Date. Interest on any Bond shall be paid on each interest payment date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the City maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such interest payment date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten days prior to the Special Record Date.

14. Treatment of Registered Owner. The City and the Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 13) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

15. Delivery; Application of Proceeds. The Bonds when so prepared and executed shall be delivered by the Administrator/Clerk to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

16. Fund and Accounts. For the convenience and proper administration of the proceeds derived from the sale of the Bonds and for the payment of principal of and interest on the Bonds, the Electric Utility Fund heretofore established (the "Fund") shall continue to be in effect, subject to the following accounts which are hereby or have been previously, established.



The Operation and Maintenance Account heretofore established by the City shall continue to be maintained in the manner heretofore and herein provided by the City. The City shall maintain the Fund and the Operation and Maintenance Account in a manner such that the net revenues of the Electric Utility are separately accounted for. All moneys remaining after paying or providing for the items set forth in the resolution establishing the Operation and Maintenance Account shall constitute and are referred to as "net revenues" until the Bonds and the Outstanding Bonds have been paid:

(a) Capital Account. To the Capital Account there shall be credited the proceeds of the sale of the Bonds less accrued interest and the Reserve Account deposit. From the Capital Account shall be paid all costs of the Improvements, including legal, engineering, financing and other such expenses incidental thereto. Any balance remaining in the Capital Account after the payment of such costs shall be transferred to the Parity Revenue Bond Debt Service Account herein established.

(b) Operation and Maintenance Account. Money in the Fund shall first be disbursed monthly to make deposits into a separate and special account to pay current expenses of the Electric Utility. The account is known as the Electric Utility Operation and Maintenance Account (the "Operation and Maintenance Account"). There shall be deposited in the Operation and Maintenance Account each month an amount sufficient to meet the current expenses of the month plus an amount equal to 1/12<sup>th</sup> of any expenses payable on an annual basis such as insurance. After the first day of the month, further deposits may be made to the Operation and Maintenance Account from the Fund to the extent necessary to pay current expenses accrued and payable to the extent that surplus funds are not available.

(c) Parity Revenue Bond Debt Service Account. Money in the Fund shall next be disbursed to make deposits into a special and separate account known as the Parity Revenue Bond Debt Service Account (the "Debt Service Account"). The required amount to be deposited in the Debt Service Account, and to which there is hereby irrevocably pledged, on or before the twentieth day of each month: (i) commencing March 1, 2017 and ending November 20, 2017, shall be a sum equal to at least 1/6th of the total principal and interest due on the Bonds through December 1, 2017; and (ii) commencing December 20, 2017, shall be a sum equal to at least 1/12th of the total principal and interest due on the Bonds and the Outstanding Bonds and any other bonds issued on a parity therewith in accordance with the terms hereof (collectively, the "Parity Bonds") during the ensuing twelve months; provided, however, that no further payments need be made to the Debt Service Account when the moneys held therein are sufficient for the payment of all principal and interest due on the Parity Bonds on or before the next maturity date of each issue thereof. In addition, accrued interest, if any, paid by the Purchaser upon delivery of the Bonds shall be credited to the Debt Service Account. No money shall be paid out of the Debt Service Account except to pay principal and interest on the Parity Bonds as the same shall become due and payable.

(d) Reserve Account. Moneys in the Fund shall next be disbursed to make deposits into a special and separate account known as the Reserve Account. There is hereby pledged and appropriated from the proceeds of the Bonds \$ \_\_\_\_\_, which



amount equal to the lesser of (i) ten percent of the principal amount of the Bonds payable from the Debt Service Account, (ii) one hundred twenty five percent of the average annual debt service requirements of the Bonds payable from the Debt Service Account, or (iii) the maximum annual debt service on the Bonds payable from the Debt Service Account. Amounts in the Reserve Account shall be allocated from time to time to each issue of bonds at such time outstanding and payable from the Debt Service Account in a proportion equal to (i) the original face amount of such issue of bonds divided by (ii) the sum of the original face amounts of each and all such issues of bonds. The Reserve Account shall be used only when and if moneys in the Debt Service Account or other moneys available therefor are insufficient to pay principal and interest on the Parity Bonds; provided, however, that the moneys in the Reserve Account may be used to prepay the Parity Bonds when such prepayment will retire all of the Parity Bonds then outstanding. Whenever any moneys constituting the Reserve Account shall be used to pay principal and interest, the Reserve Account shall be restored from the next available Net Revenues; provided, however, that the Reserve Account shall terminate whenever there are sufficient funds in the Debt Service Account to pay the outstanding principal amount of and all interest on the Parity Bonds. The balance in the Reserve Account shall be deemed to be the sum of all cash and the cost of all securities held in the account.

(e) Subordinate Obligations. Moneys in the Fund may next be used to pay principal of and interest on (including reasonable reserves therefor) any other obligations which by their terms shall be payable from the revenues of the Electric Utility, but subordinate to the Parity Bonds, and which have been issued for the purposes of extensions and improvements to the Electric Utility or to retire the Parity Bonds in advance of maturity, or to pay for extraordinary repairs or replacements to the Electric Utility.

(f) Surplus Revenue. All money thereafter remaining in the Fund at the close of each month may be deposited in any of the accounts created by this Resolution, may be used to pay for extraordinary repairs or replacements to the Electric Utility, may be used to pay or redeem the Parity Bonds or any of them in accordance with the terms hereof, or for any lawful purpose.

No portion of the proceeds of the Bonds 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 Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Reserve Account or the Parity Revenue Bond Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the bonds payable therefrom) 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. Money 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 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

17. Investments. Moneys on deposit in the Fund may be invested in any securities described in Minnesota Statutes, Chapter 118A, as from time to time amended. Such investment may at any time be liquidated and the proceeds thereof applied for the purpose or purposes for which the Fund was created. All income derived from such investment shall constitute revenues of the Electric Utility and shall be retained in the Fund as earned.

18. Allocation of Money. The money in the Fund shall be allotted and paid to the various accounts herein established in the order in which the funds are listed on a cumulative basis, and if in any month the money in the accounts is insufficient to place the required amount in any account, the deficiency shall be made up in the following month or months after payment into all other funds having a prior claim on the revenues have been made in full.

19. Separate Accounting. All money held in any of the accounts created by this resolution shall be kept separate and apart from all municipal funds and accounts and shall be deposited in any bank or banks selected by the City.

20. Additional Parity Bonds. No Additional Parity Bonds shall be hereafter issued unless they are secured by a lien on the Net Revenues of the Electric Utility made expressly second and subordinate to the lien upon the Net Revenues securing the Parity Bonds; provided further, that additional obligations may be issued on a parity of lien with the Parity Bonds so long as the annual Net Revenues of the Electric Utility for the completed fiscal year for which audited financial statements have been prepared immediately preceding the issuance of such additional obligations shall have been at least (a) one and one-quarter times the average annual principal and interest coming due thereafter on all outstanding Bonds and Parity Bonds, including the additional obligations so to be issued adjusted for rate increases prior to the issuance of the additional obligations; and (b) equal to the average annual principal and interest coming due thereafter on all outstanding obligations payable from the revenues of the Fund, including any subordinate lien obligations and the additional obligations so to be issued. Such facts shall be shown by the Certificate of the Administrator/Clerk and recited in the resolution authorizing any such additional series. In addition, the following condition's shall be met:

(a) The payments required to be made (at the time of the issuance of such parity lien bonds) into the various accounts provided for in this resolution have been made.

(b) The resolution authorizing such additional bonds provides for the payment into the Reserve Account of an amount equal to the lesser of (i) ten percent of the principal amount of such additional bonds, (ii) one hundred twenty five percent of the average annual debt service requirements of the additional bonds, or (iii) the maximum annual debt service on the additional bonds to be funded from the proceeds of the additional bonds or available moneys of the City.

(c) The proceeds of such parity lien bonds shall be used only for the purpose of making improvements, additions or extensions to the Electric Utility.



(d) There shall be procured and filed with the Administrator/Clerk a statement by an independent consultant, not in the regular employ of the City, reciting the opinion based upon necessary investigations that the Net Revenues of the Electric Utility for the last completed fiscal year for which audited financial statements have been prepared immediately preceding the issuance of such additional bonds or obligations, adjusted for additional annual revenues from rate increases, were equal to at least one and one-quarter times the average annual principal and interest coming due thereafter on the Parity Bonds then outstanding and the additional bonds. Said "Adjusted Net Revenues" for the fiscal year shall be computed as if the existing rate had been in effect during all of the fiscal year.

No additional Parity Bonds may be issued pursuant to this paragraph unless the conditions and requirements of the resolutions authorizing all Parity Bonds are complied with and fully performed.

21. Refunding Bonds. The City also reserves the right and privilege of issuing additional bonds on a parity of lien with the Parity Bonds if and to the extent needed to refund bonds maturing within six months of the issuance of the refunding bonds in case the moneys in the Parity Revenue Bond Debt Service Account and Reserve Account of the Fund are insufficient to pay the same at maturity, provided that such refunding Parity Bonds shall mature subsequent to all other Parity Bonds which are still outstanding upon completion of such refunding.

22. Subordinate Lien Bonds. Except as authorized in paragraphs 20 and 21, the City covenants and agrees that it will issue or incur no obligations payable from the Net Revenues of all or a part of the Electric Utility or constituting in any manner a lien thereon, unless such obligations are secured by a lien on such Net Revenues which is expressly made junior and subordinate to the lien and charge of the Parity Bonds on the Net Revenues, except that the Parity Bonds, or any part thereof, may be refunded and the refunding bonds issued shall enjoy complete equality of lien with the portion of any Parity Bonds not refunded, if there are any, provided that if only a portion of the outstanding Parity Bonds shall be so refunded and if such Parity Bonds shall be refunded in such manner that the annual principal and interest to become due on the refunding Parity Bonds shall be greater than the annual principal and interest to become due on the Parity Bonds to be refunded (assuming payment at their maturity), then such Parity Bonds may not be refunded without the consent of the Holders of the unrefunded portion of the outstanding Parity Bonds.

23. Application of Funds Upon Default. In the event that the moneys in the Parity Revenue Bond Debt Service Account and Reserve Account shall be insufficient at any time to pay the principal then due and interest then accrued on all Parity Bonds payable therefrom, said moneys shall, to the extent they constitute Net Revenues of the Electric Utility, first be applied to the payment pro rata of the accrued interest on all such Parity Bonds, and second shall be applied in payment pro rata of the then due and owing principal on all such Parity Bonds; and finally be applied to the payment pro rata of the outstanding principal of all such Parity Bonds ratably according to the aggregate outstanding principal amount thereof (whether or not then due) without any preference or priority.



24. Bondholder Remedies. The Holders of twenty percent or more in aggregate principal amount of all outstanding Parity Bonds may, either at law or in equity, by suit, action, or other proceedings, protect and enforce the rights of all Holders of all outstanding Parity Bonds or enforce or compel the performance of any and all of the covenants and duties specified in this resolution, to be performed by the Commission and City or their officers and agents, including the fixing and maintaining of rates and charges and the collection and proper segregation of revenues and the application and use thereof; provided, however, that nothing herein shall affect or impair the right of the Holder of any Parity Bond to enforce the payment of the principal of and interest on any Parity Bond at and after the maturity thereof, or the obligation of the Commission or the City to pay the principal of and interest on each of the Parity Bonds issued hereunder to the respective Holders thereof at the time and place, from the source and in the manner provided in the Parity Bonds. In addition, if the City fails to pay the principal of or interest on any Parity Bond, when due, and such default shall continue for ten days after notice thereof from the Holder of such Parity Bond, such Holder may (a) require that the City appoint a receiver or trustee to collect and receive all revenues and income of the Electric Utility, all of which revenues shall be held in separate trust for the benefit of the holders of all Parity Bonds, and apply all such revenues in accordance with the terms hereof, and (b) declare all Parity Bonds to be due and payable immediately in the amount of a pro rata share of any amounts held in the Electric Utility Fund in excess of an amount sufficient to meet the current expenses of the month plus an amount equal to one twelfth of any expenses payable on an annual basis, such as insurance, and upon any such declaration such amount shall immediately become due and payable.

25. Additional Covenants. For the protection of the Holders of the Bonds herein authorized and all other Parity Bonds from time to time outstanding, the City herein covenants and agrees to and with the Holders thereof from time to time as follows:

(a) It will at all times adequately maintain and efficiently operate the Electric Utility as a municipal electric utility. It will from time to time make all needful and proper repairs, replacements, additions and betterments to the equipment and facilities of the Electric Utility so that they may at all times be operated properly and advantageously, and whenever any equipment of the system shall have been worn out, destroyed or otherwise become insufficient for proper use, it shall be promptly replaced or repaired so that the value and efficiency of the Electric Utility shall be at all times fully maintained and its revenues unencumbered by reason thereof.

(b) It will permit no free service to any consumer or utility. The rates for all electric service and the charges for all electricity supplied by the Electric Utility to the municipality and its residents and to all consumers shall be reasonable and just, taking into account the cost and value of the Electric Utility, the cost of maintaining and operating the Electric Utility and the proper and necessary allowances for depreciation and the amounts required for the payment of principal and interest on the bonds payable from the Net Revenues of the Electric Utility.

(c) It will establish, maintain and collect such charges and rates as will produce revenues sufficient to pay the reasonable cost of operation and maintenance of the Electric Utility and to pay interest on and principal of all Parity Bonds and one



hundred percent of the interest on and principal of all subordinate lien bonds as and when they become due as well as to provide sufficient money to make the required appropriations to the various accounts established herein. Electric Utility user rates will be maintained at such levels so that the Electric Utility operations will produce Net Revenues which shall be equal to at least one hundred twenty-five percent of the proportionate share of the annual debt service due on the then outstanding Parity Bonds.

(d) The City will not sell, lease, mortgage, or in any manner dispose of the Electric Utility or any part thereof including any and all extensions and additions that may be made thereto until all bonds payable from the revenues of the Electric Utility or a part thereof have been paid in full; provided however, that the City may sell the Electric Utility or any part thereof if simultaneously with or prior to the sale all of the outstanding bonds are discharged in accordance with paragraph 28. This covenant shall not be construed to prevent the sale by the City at fair market value of real estate, equipment or other non-revenue-producing properties which in the judgment of the City have become unnecessary, uneconomical or inexpedient to use in connection with the Electric Utility provided that suitable facilities are obtained in place thereof.

(e) It will procure and keep in force insurance upon the Electric Utility of a kind and in an amount which would normally be carried by private companies in a like business, including public liability insurance, with an insurer or insurers in good standing; and it will keep in full force and effect fiduciary bonds on employees in charge of the Electric Utility. In the event of any loss, the proceeds from such insurance (including liability insurance) or bonds shall be used to make good such loss or to repair or restore the Electric Utility or to discharge all of the outstanding Parity Bonds in accordance with paragraph 28. Insurance premiums shall be paid as a cost of operation.

(f) The City shall cause to be kept proper books, records and accounts adapted to the Electric Utility separate from other accounts to be audited by a certified public accountant at the end of each fiscal year. A copy of the audit shall be furnished, without cost, to the original purchaser of any outstanding Parity Bonds within 12 months after the close of each fiscal year. If the City fails to provide such audit at such time, the Holders of twenty percent or more of the outstanding Parity Bonds may cause such audit to be made at the expense of the City. The expense of preparing such audit shall be paid as a current operating expense of the Electric Utility. The original purchaser of the outstanding Parity Bonds and the Holders thereof, or their duly appointed representatives, from time to time shall have the right at all reasonable times, to inspect the Electric Utility and to inspect and copy the books, records, accounts and data relating thereto. The City agrees to furnish copies of such audit, without cost, to any Holder or Holders of the Parity Bonds at their request within 12 months days after the close of each fiscal year.

(g) It will faithfully and punctually perform all duties with reference to the Electric Utility required by the Constitution and laws of the State of Minnesota and this resolution.

(h) The City will grant no franchise to any competing utility.



26. Output Contracts. The City herein covenants that neither it nor the Commission has heretofore, nor will either the City or Commission hereafter enter into any contract which will obligate any person or persons to purchase electric energy from the City or Commission in a total aggregate amount which would cause any of the Bonds herein authorized to become private activity bonds within the meaning of Section 103(b) of the Internal Revenue Code and the regulations promulgated thereunder, and in particular Federal Income Tax Regulations, Section 1.103-7(b)(5).

27. Amendments. No change, amendment, modification or alteration shall be made in the covenants made with Holders of the Parity Bonds without the consent of the Holders of not less than sixty percent in principal amount of then such outstanding Parity Bonds except for changes, amendments, modifications and alterations made (a) to cure any ambiguity or formal defect or omission, or (b) any other change which would not materially prejudice the Holders of such outstanding Parity Bonds; provided, however, that nothing herein contained shall permit or be construed as permitting (1) an extension of the maturity of the principal of or the interest on any such Parity Bonds, or (2) a reduction in the principal amount of any such Parity Bond or the rate of interest thereon, or (3) a privilege or priority of any such Parity Bond or Bonds over any other Parity Bond or Bonds except as otherwise provided herein, or (4) a reduction in the aggregate principal amount of such Parity Bonds required for consent to any change, amendment, modification or alteration, or (5) permit the creation of any lien ranking prior to or on a parity with the lien of such Parity Bonds, except as hereinbefore expressly permitted, or (6) modify any of the provisions of this paragraph without the consent of the Holders of one hundred percent of the principal amount of Parity Bonds outstanding, or, in the case of any modifications described in clauses (1) through (5) the Holders of only those outstanding Parity Bonds adversely affected by the modifications.

28. Discharge. When any Parity Bonds and the interest due thereon, have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the Holders of such Parity Bonds shall, to the extent permitted by law, cease. The City may discharge any Parity Bonds which are due on any date by irrevocably depositing with the Bond Registrar for such Bonds on or before that date a sum sufficient for the payment thereof in full; or if any Parity Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Parity Bonds which are called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, plus accrued interest and redemption premium, if any, provided that notice of such redemption has been duly given as provided in the resolution authorizing such Parity Bonds. The City may also at any time discharge its obligations with respect to any Parity Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action including the applicable provisions of Minnesota Statutes, Section 475.67, and any amendments thereto, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date; provided that the



funds deposited in escrow in accordance with the provisions of Minnesota Statutes, Section 475.67 may but need not be in whole or part proceeds of advance refunding bonds. The City may discharge Parity Bonds as herein provided without the consent of the Holders of any outstanding Parity Bonds.

29. Fiscal Year. As used in this resolution the words "Fiscal Year" shall mean the twelve month period beginning on January 1 of each year and ending on December 31 of the same year. Should it be deemed advisable at some later date to change its fiscal yearly basis, the same may be done by proper actions to that effect, with the approval of the original Purchaser of these Bonds, which change shall not constitute an amendment or modification of this resolution.

30. Covenant With Bondholders. Each and all of the terms and provisions of this resolution shall be and constitute a covenant on the part of the City to and with each and every Holder from time to time of the Bonds issued hereunder and any other Parity bonds from time to time outstanding.

31. Compliance With Reimbursement Bond Regulations. The provisions of this paragraph are intended to establish and provide for the City's compliance with United States Treasury Regulations Section 1.150-2 (the "Reimbursement Regulations") applicable to the "reimbursement proceeds" of the Bonds, being those portions thereof which will be used by the City to reimburse itself for any expenditure which the City paid or will have paid prior to the Closing Date (a "Reimbursement Expenditure"). The City hereby certifies and/or covenants as follows:

(a) Not later than sixty days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Project"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Project; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Project, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed twenty percent of the "issue price" of the Bonds, and (ii) a de minimis amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or five percent of the proceeds of the Bonds.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Bonds or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.

(c) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Bonds and in all events within the period ending on the date which is the later of eighteen months after payment of the Reimbursement Expenditure or one year after the date on which the Project to which the Reimbursement Expenditure relates is first placed in service, but not more than three years after the date of the Reimbursement Expenditure.

(d) Each such reimbursement allocation will be made in a writing that evidences the City's use of Bond proceeds to reimburse the Reimbursement Expenditure and, if made within thirty days after the Bonds are issued, shall be treated as made on the day the Bonds are issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph upon receipt of an opinion of its Bond Counsel for the Bonds stating in effect that such action will not impair the tax-exempt status of the Bonds.

32. Continuing Disclosure. The City is the sole obligated person with respect to the Bonds. The City hereby agrees, in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, and a Continuing Disclosure Undertaking (the "Undertaking") hereinafter described to:

(a) Provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") by filing at [www.emma.msrb.org](http://www.emma.msrb.org) in accordance with the Rule, certain annual financial information and operating data in accordance with the Undertaking. The City reserves the right to modify from time to time the terms of the Undertaking as provided therein.

(b) Provide or cause to be provided to the MSRB notice of the occurrence of certain events with respect to the Bonds in not more than ten (10) business days after the occurrence of the event, in accordance with the Undertaking.

(c) Provide or cause to be provided to the MSRB notice of a failure by the City to provide the annual financial information with respect to the City described in the Undertaking, in not more than ten (10) business days following such occurrence.

(d) The City agrees that its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Holders of the Bonds and shall be enforceable on behalf of such Holders; provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

The Mayor and Administrator/Clerk of the City, or any other officer of the City authorized to act in their place (the "Officers") are hereby authorized and directed to execute on behalf of the City the Undertaking in substantially the form presented to the City Council subject to such modifications thereof or additions thereto as are (i) consistent with the requirements under the Rule, (ii) required by the Purchaser of the Bonds, and (iii) acceptable to the Officers.



33. Tax Exempt Status of the Bonds; 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 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 Bonds, and (3) the rebate of excess investment earnings to the United States if the Bonds (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceed the small issuer exception amount of \$5,000,000.

For purposes of qualifying for the exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that:

- (a) the Bonds are issued by a governmental unit with general taxing powers;
- (b) no Bond is a private activity bond;
- (c) ninety-five percent or more of the net proceeds of the Bonds are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City); and
- (d) the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities thereof, and all entities treated as one issuer with the City) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

34. Designation of Qualified Tax-Exempt Obligations. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:

- (a) the Bonds are issued after August 7, 1986;
- (b) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (c) the City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
- (d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2017 will not exceed \$10,000,000;
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2017 have been designated for purposes of Section 265(b)(3) of the Code; and

- (f) the aggregate amount of the Bonds does not exceed \$10,000,000.

The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

35. Negative Covenant as to Use of Bond Proceeds and Improvements. The City hereby covenants not to use the proceeds of the Bonds or to use the Improvements, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Improvements, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

36. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

37. Records and Certificates. The Administrator/Clerk is authorized and directed to prepare and furnish to the purchaser of the Bonds, and the attorneys approving the same, certified copies of all orders and resolutions of the City relating to the Electric Utility, and the issuance of the Bonds, and all other proceedings or records showing the right, power and authority of the City to issue the same and to provide funds for the payment thereof, and such certified copies and certificates shall be deemed representations of the City as to all statements therein.

38. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

The motion for the adoption of the foregoing resolution was duly seconded by member \_\_\_\_\_ and, after a full discussion thereof and upon a 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.

STATE OF MINNESOTA  
COUNTY OF COTTONWOOD  
CITY OF MOUNTAIN LAKE

I, the undersigned, being the duly qualified and acting Administrator/Clerk of the City of Mountain Lake, Minnesota, DO HEREBY CERTIFY that I have carefully compared the attached and foregoing extract of minutes of a meeting of said City, held on the date therein indicated, with the original minutes thereof on file in my office, and that the same is a full, true and correct transcript thereof insofar as said minutes relate to the adoption of the resolution authorizing the issuance and awarding the sale of \$3,000,000 Electric Revenue Bonds, Series 2017A.

WITNESS my hand as such Administrator/Clerk on February 6, 2017.

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Administrator/Clerk



**Preliminary Project Cost Estimate**

**Sanitary Sewer and Watermain Replacement on Cottonwood County CSAH 1**

- Sanitary Sewer Main and Service Between 3rd Avenue and 6th Avenue
- Watermain Between 3rd Avenue and 5th Avenue & Cap the Tee at 6th Avenue

**Mountain Lake, Minnesota**

January 25, 2017

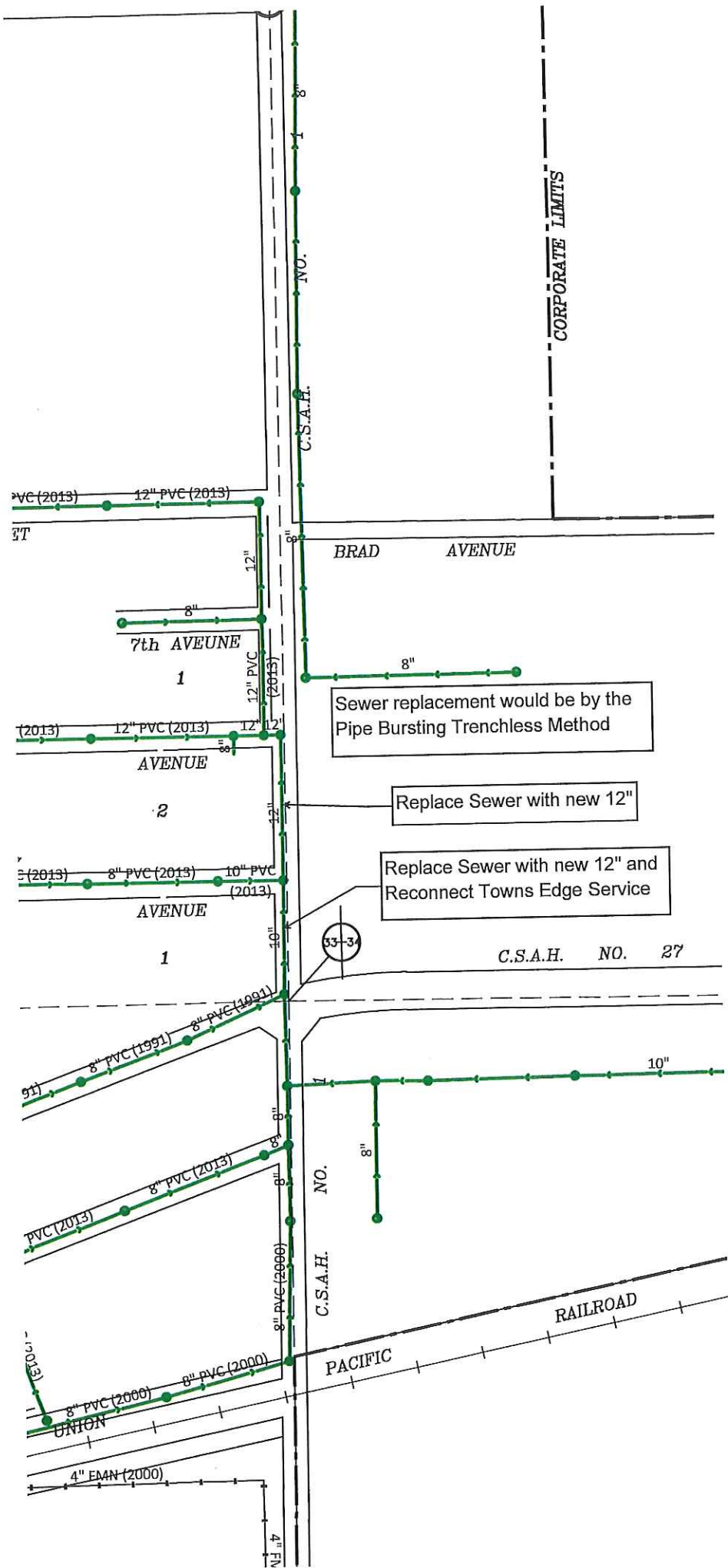
Filename: H:\MTRK\_General\2017 General Engineering\CSAH 1 Utility Replacement North of 3rd Street.xlsx\Sheet1

Item No.	Item Description	Unit	Estimated Unit Price	Total Estimated Quantity	Total Estimated Cost
<b>Surface Restoration</b>					
1	Mobilization & Traffic Control	Lump Sum	\$15,000.00	1	\$15,000.00
2	Remove Curb and Gutter	Linear Foot	\$5.00	20	\$100.00
3	Remove Concrete Driveway Pavement	Square Foot	\$1.50	0	\$0.00
4	Common Laborers	Hour	\$70.00	10	\$700.00
5	3 Cu Yd Shovel	Hour	\$175.00	5	\$875.00
6	10 Cu Yd Truck	Hour	\$90.00	5	\$450.00
7	1/2 Cu Yd Skid Loader	Hour	\$100.00	5	\$500.00
8	Bituminous Patch - Removal and Replacement	SY	\$60.00	400	\$24,000.00
9	Concrete Curb and Gutter, Design B618	Linear Foot	\$25.00	20	\$500.00
10	Construct Concrete Driveway Pavement	Square Foot	\$7.00	0	\$0.00
11	Inlet Protection	Each	\$100.00	2	\$200.00
<b>Sanitary Sewer System</b>					
12	Connect to Existing Sanitary Sewer Main	Each	\$500.00	4	\$2,000.00
1	6" PVC Sanitary Sewer Service - Open Trench	Linear Foot	\$50.00	40	\$2,000.00
13	8" PVC Sanitary Sewer - Open Trench	Linear Foot	\$50.00	5	\$250.00
14	10" PVC Sanitary Sewer - Open Trench	Linear Foot	\$60.00	10	\$600.00
2	12" PVC Sanitary Sewer - Open Trench	Linear Foot	\$70.00	30	\$2,100.00
13	12" PVC Pipe Sewer - Pipe Bursting Installation	Linear Foot	\$160.00	730	\$116,800.00
15	Construct Sanitary Sewer Manhole	Linear Foot	\$275.00	36	\$9,900.00
15	6" x 12" Service Saddle	Each	\$300.00	1	\$300.00
3	Salvage and Re-Install Casting Assembly - Sanitary	Each	\$400.00	1	\$400.00
16	Casting Assembly - Sanitary	Each	\$750.00	2	\$1,500.00
<b>Water System</b>					
17	8" PVC Watermain - Directional Bore Installation	Linear Foot	\$90.00	330	\$29,700.00
1	6" PVC Watermain - Hydrant Lead	Linear Foot	\$40.00	20	\$800.00
18	8" PVC Watermain	Linear Foot	\$40.00	10	\$400.00
2	10" PVC Watermain	Linear Foot	\$60.00	5	\$300.00
2	6" Gate Valve & Box	Each	\$1,300.00	1	\$1,300.00
19	8" Gate Valve & Box	Each	\$1,800.00	2	\$3,600.00
20	Hydrant (8' Bury)	Each	\$3,800.00	1	\$3,800.00
21	Watermain Fittings (SBDI)	Pound	\$8.00	400	\$3,200.00
21	Connect to Existing Watermain	Each	\$500.00	2	\$1,000.00
22	1" Corporation Stop & Saddle	Each	\$350.00	0	\$0.00
23	1" Curb Stop & Box	Each	\$350.00	0	\$0.00
24	1" Water Service	Linear Foot	\$40.00	0	\$0.00
Subtotal Estimated Construction Costs					\$222,275.00
10% Contingency					\$22,227.50
<b>Total Estimated Construction Cost</b>					<b>\$244,502.50</b>
Preliminary, Design and Construction Engineering (18%)					\$44,010.00
Legal, Interim Financing, Permits & Fees, Misc. (7%)					\$17,120.00
<b>Total Estimated Project Cost</b>					<b>\$305,632.50</b>

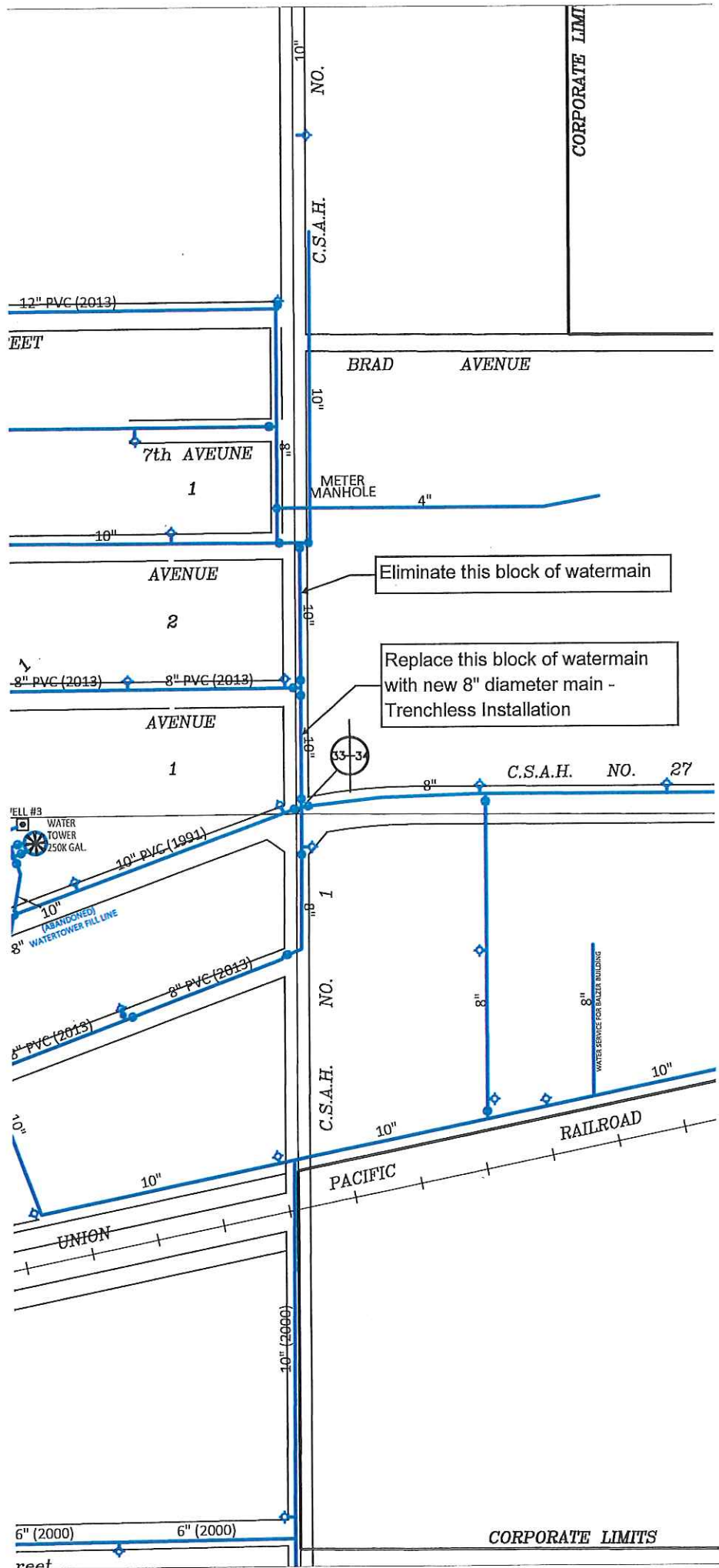
Sewer \$220,443.75

Water \$85,198.75

45







Eliminate this block of watermain

Replace this block of watermain with new 8" diameter main - Trenchless Installation

DRAFT

JOINT RESOLUTION NO. \_\_\_\_\_

This JOINT RESOLUTION of the City of Mountain Lake and the Township of Mountain Lake pertains to the Orderly Annexation of unincorporated land for the West Mountain Lake Road Development Area.

WHEREAS, the City Council of the City of Mountain Lake has considered the benefits and necessity of having an expansion of the City's Industrial Development Area in order to spur economic development, provide additional employment and ultimately expand its tax base for the benefit of its residents.

WHEREAS, the City Council of the City of Mountain Lake has developed a preliminary plat with plans to develop infrastructure to serve this expansion; and

WHEREAS, the Township of Mountain Lake has agreed that the subject land as described below should be annexed by the City of Mountain Lake;

NOW THEREFORE, BE IT JOINTLY RESOLVED BY THE CITY COUNCIL, of the City of Mountain Lake, Minnesota, AND BY THE TRUSTEES OF THE TOWNSHIP OF MOUNTAIN LAKE as follows:

1. That the following described territory, which abuts the corporate limits of the City of Mountain Lake and which is not, and will not be, owned by the City of Mountain Lake may be annexed to the City of Mountain Lake

12.004.0500  
12.004.1000  
12.004.0702  
12.004.0800  
12.004.0302  
12.004.1100  
12.004.0600  
12.004.0601  
12.004.0502  
12.005.0302  
12.004.0504

2. That the area being annexed by the City of Mountain Lake is currently entirely within Mountain Lake Township, Cottonwood County, Minnesota and does not include any area within any other township or any other city;



3. That the City of Mountain Lake shall pay to the Mountain Lake Township the revenue it would have collected from the owners of the property over the period of time extending eight (8) years from the date of execution of this Joint Resolution as follows:
  - a. The current real estate taxes collected from the aforementioned parcel of land is \$346.89
  - b. The real estate taxes that the Mountain Lake Township would have collected, over the period of time extending eight (8) years from the date of execution of this Joint Resolution, from the aforementioned parcel of land is \$2,775.12
  - c. The total amount due from the City of Mountain Lake to the Midway Township is \$2,775.12.
4. That No alteration of the designated area is appropriate and consideration of the Municipal Adjustment Boundary Unit is not necessary.
5. The zoning and subdivision regulations of the City of Mountain Lake shall apply to the annexed area.

Passed, approved, and adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

Motion Carried:

Ayes \_\_\_\_\_

Nays \_\_\_\_\_

Abstain \_\_\_\_\_

Published in the Mountain Lake Observer on \_\_\_\_\_,  
2017.



For 4/16 - 4/17 policy year the city Does Not Waive tort limits.

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](mailto: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:

- *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.
- *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.
- *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.

LMCIT Member Name \_\_\_\_\_

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 \_\_\_\_\_

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