

CITY OF NASHWAUK
City Council Regular Agenda

City of Nashwauk
301 Central Avenue
Nashwauk, MN 55769
p: 218-885-1210

MONDAY, JUNE 22, 2020

CITY COUNCIL WORK SESSION

City Council

Calvin Saari

Mayor

Brian Gangl

Councilor

Greg Heyblom

Councilor

David Holmbeck

Councilor

Kevin Bodin

Councilor

**Sellman, Borland, &
Simon**

City Attorney

Joe Dasovich

Police Chief

April Kurtock

City Administrator/Clerk

Amber Goss

Deputy Clerk

Tiffany Bodin

EMS Coordinator

Tom Martire

Street Lead

Mark Marinaro

Fire Chief

- 1. CALL TO ORDER**
- 2. East Itasca Joint Sewer Board Joint Powers Agreement Discussion**
- 3. City/PUC Agreement Discussion**
- 4. Ballot Question re: Recreation Center Renovations; Community Center; Safety Complex; or other project/s**

AMENDED AND RESTATED JOINT POWERS AGREEMENT
Relating to the East Itasca Joint Powers Board

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JOINT POWERS AGREEMENT
Relating to the East Itasca Joint Powers Board

This JOINT POWERS AGREEMENT (this “Agreement”) is entered into on the effective date described in Section 9.6 below, by and between the City of Nashwauk (“Nashwauk”), the City of Keewatin (“Keewatin”) and the Town of Lone Pine (“Lone Pine”), all in Itasca County, Minnesota (the City of Nashwauk and the City of Keewatin are collectively referred to herein as the “Cities” and the Town of Lone Pine “Town” or collectively together the “Parties” and individually referred to herein as a “Party”), for and in consideration of the promises, the mutual advantages to be derived therefrom and in consideration of the mutual covenants contained in this agreement, it is agreed by and between the Parties as follows:

ARTICLE I - RECITALS; DEFINITIONS; RULES OF INTERPRETATION

1.1 Recitals. The Parties make the following recitals of fact which are incorporated and made part of this Agreement:

A. This Agreement is being entered into pursuant to Minnesota Statutes, Section 471.59 (the “Act”) and amends and replaces in its entirety that Joint Powers Agreement for Wastewater Treatment Plan dated _____, and all amendments thereto. The Act states that two (2) or more governmental units, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any power common to the Parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised.

B. It has been determined by the Parties that public health and ground water protection is of value to the Parties on an individual and mutual basis.

C. The Parties have determined that it is beneficial to the Parties to share the cost to jointly operate, maintain, repair and replace the Wastewater Treatment Plant, certain portions of wastewater collection facilities of the Parties, and related administrative costs of the System (defined below). Each Party will retain ownership of those portions of the System located within its jurisdiction.

D. The Parties anticipate the issuance of obligations to finance capital projects for the System (each a “Project”). The Parties may identify one or more of the Parties to act as an issuer of obligations to finance the Project (the “Issuers” or individually an “Issuer”). To provide financing for a Project, a Party may apply for approval of a loan from a state or federal governmental entity (an “Anticipated Loan”). The proceeds of an Anticipated Loan will be used to pay Project costs, or alternatively, the principal of any Temporary Obligations (defined below) issued to provide temporary financing for a such Project when due.

E. Currently, each of Nashwauk and Keewatin has applied for and anticipates approval of an Anticipated Loan from the State of Minnesota Public Facilities Authority (the “PFA”), for the purpose of providing funds to finance capital improvements to the

System. Nashwauk has applied for a loan from the PFA to pay for improvements to the Wastewater Treatment Plant (the “Nashwauk Project”). Keewatin has applied for a loan from the PFA to pay for improvements to portions of the wastewater collection facilities of the System (the “Keewatin Project”). The Nashwauk Project and Keewatin Project shall each constitute a Project. The Nashwauk Project and the Keewatin Project are together referred to herein as the “Phase I Projects.”

F. The Parties have agreed to cooperate, through this Agreement, in the issuance by each Issuer of: (i) one or more temporary bonds in the amount of an Anticipated Loan (the “Temporary Obligations”); and (ii) permanent obligations or additional temporary bonds as further described in Minnesota Statutes Section 475.61 issued to repay the Temporary Obligations and pay Project costs in an amount not greater than an Issuer’s Anticipated Loan (the “Permanent Obligations” and together with the Temporary Obligations, the “Obligations” or individually, an “Obligation”) to finance a Project.

G. Each Party has agreed to pay an allocated share of Obligations as agreed to by the Parties pursuant to written agreement of the Parties prior to issuance of an Obligation.

H. The Parties have agreed to pay an allocated share of the Obligations issued to finance the Phase I Projects as set forth in **Exhibit A** to this Agreement.

I. The Parties anticipate future issuance of Obligations by the Town to finance the construction of a wastewater collection system which will connect to the System, and a portion of which, will become part of the System.

1.2 Definitions. The following terms have the meanings given, unless the context clearly indicates otherwise:

A. “Act” means Minnesota Statutes, Section 471.59, as the same may be amended from time to time.

B. “Agreement” means this Amended and Restated Joint Powers Agreement, as the same may be amended from time to time.

C. “Board” means the Joint Powers Board created in Section 2.2 of this Agreement, or any successor to its functions.

D. “Bylaws” means the bylaws adopted from time to time by the Board.

E. “Capital Expenditures” means costs of a type that would be properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of “placed in service” under the Reimbursement Rules) under general federal income tax principles in effect at the time the cost is paid, if the Obligor were a taxable corporation.

F. “City” or “Cities” means collectively, the City of Nashwauk and the City of Keewatin, or individually, either of them.

G. “GAAP” means generally accepted accounting principles applicable to municipalities as issued by the Governmental Accounting Standards Board (GASB) from time to time, consistently applied.

H. “Governing Body Representatives” means the members of the Board appointed by the Parties as described in Section 3.1.a.i.(1) hereof.

I. “Keewatin” means the City of Keewatin, Minnesota.

J. “Nashwauk” means the City of Nashwauk, Minnesota.

K. “Nashwauk Public Utilities Commission (NPUC)” means the Commission created by the City of Nashwauk to manage its public utility.

L. “Party” or “Parties” means collectively, the signatories to this Agreement, or individually, one of the signatories to this Agreement.

M. “State” means the State of Minnesota.

N. “System” means the Wastewater Treatment Plant and all wastewater collection facilities owned and operated by the City of Nashwauk as shown on the attached **Exhibit B**. *[Note: need map to identify jointly maintained assets]*

O. “Town” means the Town of Lone Pine, a public corporation and political subdivision of Itasca County, Minnesota.

P. “Wastewater Treatment Plant” means the wastewater treatment plant located in and owned by Nashwauk, which will serve the Parties to this Agreement.

1.3 Rules of Interpretation.

A. This Agreement must be interpreted in accordance with and governed by the laws of the State.

B. The words “herein,” “hereof” and “hereunder” and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than to any particular section or subdivision hereof.

C. The article and section headings and the Table of Contents in this Agreement are for convenience of reference only and do not define, limit or affect the construction hereof.

D. References in this Agreement to any particular article, section or subdivision hereof are to the article, section or subdivision of this Agreement as originally executed.

E. All accounting terms not otherwise defined in this Agreement have the meanings assigned to them in accordance with GAAP; and all computations provided for in this Agreement must be made in accordance with GAAP consistently applied and applied on the same basis as in prior years.

F. Unless the context hereof clearly requires otherwise, the singular includes the plural and vice versa and the masculine includes the feminine and vice versa.

G. References to the governing body of a City, Town or a Party are references to the governing body as elected by the voters, and in the case of a vacancy on the governing body, such person or persons as are appointed by the remaining members of the governing body. Where reference is made to approval of a Party, such approval must be evidenced by an action of its governing body.

ARTICLE II - BOARD ESTABLISHED

2.1 Finding. It is found and determined that each of the Parties is authorized to enter into this Agreement pursuant to the Act.

2.2 Joint Powers Board Established; Composition; Purpose; Limitation.

A. *Board Established.* Pursuant to the Act, the Parties join together to establish a joint powers board known as the East Itasca Joint Powers Board (the "Board") as a public agency.

B. *Composition.* The Board consists of representatives of all of the local governments signatory to this Agreement and also those local governments which may in the future become signatory to this Agreement.

C. *Purpose.* The Board is established for the following purposes:

i. for the joint and mutual planning and implementation of Phase I and Phase II of the centralized Wastewater Treatment Plant and related wastewater collection facilities;

ii. to provide the equipment, services and other items necessary and appropriate for the establishment of the System, including the Wastewater Treatment Plant for the joint and mutual benefit of the Parties;

iii. to plan for and provide a forum for discussion, study, development and implementation of recommendations for the operation and maintenance of the wastewater collection and treatment within the Parties; and

iv. to assist the parties in the exercise of their powers under Minnesota Statutes, Sections 115.46 and 444.075.

D. *Limitation.* No contract, employment, purchase, debt, liability, or obligation of the Board over \$25,000 will be binding upon or obligate any Party unless the governing body of such Party specifically consents thereto.

2.3 Party Approval Required.

A *Parties are Members.* Each Party is entitled to representation on the Board and the rights and privileges of membership. Each Party is subject to all obligations of membership. Each local governmental unit signing this Agreement and each local governmental unit which may in the future sign this Agreement.

B *Approval by Each Party Required.* Prior to execution of this Agreement, each Party must deliver to the other a certified copy of a resolution or minutes showing an action of its governing body authorizing and directing the execution of this Agreement.

2.4 New Parties.

A. Participation in the Board is contingent upon the execution of this Agreement. New Parties will be admitted upon a majority vote of the members of the Board. The terms and conditions of admission will be determined by the Board.

B. *Assumption of Liabilities.* All new Parties will become subject to existing debts and liabilities of Board to the same extent as all other Parties.

2.5 Withdrawal of Members. Upon mutual agreement of all of the Parties in writing, any Party to this Agreement may cease to be a Party and may withdraw from the Board if any one (1) of the following conditions are met:

A. the wastewater collection system can be and is turned over to another legal entity that is mutually agreeable to all Parties;

B. there is no outstanding indebtedness incurred by any of the Parties or by the Board with respect to the System;

C. payment or defeasance in full of a withdrawing Party's proportionate share of all outstanding Obligations incurred by the Board or a Party with respect to the System; or

D. the Parties mutually agree that the Board and this Agreement are no longer necessary.

**ARTICLE III - BOARD COMPOSITION; ORGANIZATION; OPERATION;
COMPENSATION**

3.1 Composition of the Board; Members.

A. *Members.* The Board shall be composed of four (4) members, consisting of;

- i. one member of the governing body of each Party; and
- ii. one member who shall be a member of the Nashwauk Public Utilities Commission, appointed by the Nashwauk Public Utilities Commission at their January meeting.

B. *Term.* Each Board member serves until their successor on the governing body of a Party has qualified, except that the Nashwauk Public Utilities Commissioner shall serve for a one year term.

C. *Vacancies.* If a vacancy in the voting membership of the Board results from the vacancy in the governing body of a Party, the person appointed or elected by the Party to fill the vacancy in the Party's governing body will also fill the vacancy on the Board.

D. *Appointing Authorities Responsible.* The appointing authority is responsible for the actions of and attendance by the members it appoints to the Board.

3.2 Election of Officers; Meetings of the Board. The Board shall:

A. elect officers; and

B. establish a schedule of meeting dates and method of notice, manner of payment of expenditures and any other procedural items deemed necessary to carry out the intent of this Agreement.

3.3 Organization; Bylaws; Officers. The Board may organize itself as it sees fit, provided that:

A. *Bylaws.* The Board must adopt Bylaws for the purpose of outlining the operational procedures to be followed by the Board, its officers and employees in carrying out the purposes set forth herein. If at any time a conflict should arise between the provisions of the Bylaws and the provisions and directives of the Act or this Agreement, the provisions and directives of the Act or this Agreement, as the case may be, will in all cases be controlling.

B. *Officers.* The Board may provide in the Bylaws for such officers as may be necessary for the conduct of its operations, provided that the Party from whom the presiding officer is selected shall not be able to select the vice presiding officer of the Board.

3.4 Meetings Must be Open; Minutes Will be Taken. Except as provided in Minnesota Statutes, Chapter 13D, all meetings of the Board must be open to the public. The Board must keep minutes of its proceedings as a public record. The Board must provide an opportunity for public comment at each of its regular meetings.

3.5 Compensation. Members of the Board must serve without compensation, but may be paid their actual expenses while engaged in performing the duties of their office or otherwise engaged in the business of the Board, upon submission of vouchers and/or receipts therefor. The Board will establish per diem rates for the conduct of official business and attendance at meetings on behalf of the Board. Members of the Board will be reimbursed for their mileage expenses at the federal mileage reimbursement rate then in effect.

3.6 Voting.

A. *Quorum.* A quorum for the transaction of all business by the Board consists of a majority of the voting members of the Board; provided that each Party has at least one member in attendance.

B. *One (1) Vote Per Member.* Each member of the Board in attendance will have one (1) vote.

C. *No Proxy Voting.* Proxy votes are not allowed.

D. *Majority Vote Required.* A majority vote of the members of the Board in attendance is necessary for any action.

3.7 Execution of Documents. All contracts, bonds, certificates of indebtedness and all instruments of every kind to which the Board is a party, must be executed in the name of the Board by the Chair of the Board and countersigned by the recording officer unless otherwise provided by resolution of the Board.

ARTICLE IV - POWERS AND DUTIES OF THE BOARD

4.1 Powers. The Board has the powers set forth in the Act and those powers necessary and incidental to carrying out the purposes set forth in this Agreement; including but not limited to the following:

A. The Board may make and enter into contracts in its own name subject to Minnesota Statutes 471.345, including contracts for providing services to other governmental units.

B. The Board may employ agents for planning and implementation of the project phases.

C. The Board may acquire, purchase, lease, hold and dispose of property, both real and personal.

D. The Board may incur debts, liabilities or obligations necessary for the accomplishment of its purposes in accordance with the Act, except as limited by this Agreement.

E. The Board may sue in its own name.

F. The Board may recommend the establishment of a fee schedule for its services which must be approved by the Parties.

G. The Board may enter into contracts to provide operational services to the Board on an interim basis.

H. The Board may propose ordinances and regulations for approval by the Parties, adopt resolutions, and take other appropriate action relating to any matter within the powers and purposes of the Board, and may do and perform all other acts and things necessary or proper for the effectuation of said powers and the accomplishment of said purposes.

I. The Board shall invoice the Parties for their proportionate share of the cost for all administrative costs of the Board.

J. The Board shall have such other powers as may be delegated by the Parties from time to time.

4.2 Duties. The duties of the Board include, but are not limited to the following:

A. The Board shall determine general policy of Board.

B. The Board shall hire auditors for annual audit of financial affairs of Board at the end of each fiscal year and provide for such report to be delivered to each Party.

C. The Board shall authorize by resolution any officer or agent to sign checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of Board.

D. The Board shall select banks as depositories by resolution.

E. The Board shall set a per diem rate for members of the Board for attendance at any required meeting for conducting business or other work required on behalf of Board.

F. The Board shall authorize reimbursement of appropriate expenses for members of the Board.

G. The Board shall determine official posting places for official notification by motion.

4.3 Indemnity and Insurance.

A. The Board must keep in full force and effect a liability insurance policy with at least the maximum limits of liability established in Minnesota Statutes, Chapter 466, as the same is amended from time to time. Each party, and each party's officers, employees, and volunteers, shall be named as additional covered parties all claims arising from Board activities or operations. The Board may in its discretion procure coverage for auto liability and damage to or loss of property. If the Board at any time hires employees, it will immediately acquire and maintain workers' compensation coverage.

B. The Board agrees to defend and indemnify the Parties for any liability claims arising from Board activities or operations, and decisions of the Board. The Board according to Minnesota Statutes Chapter 466, Tort Liability, Political Subdivisions, ". . . shall indemnify all of its officers and employees, whether elective or appointive, for damages, including punitive damages, claimed or levied against the officer or employee, provided that the officer or employee: (1) was acting in the performance of the duties of the position; and (2) was not guilty of malfeasance in office, willful neglect of duty, or bad faith." Nothing in this agreement shall constitute a waiver of the statutory limits on liability set forth in Minnesota Statutes Chapter 466 or a waiver of any available immunities or defenses, and the limits of liability under Minnesota Statutes, Chapter 466 for some or all of the Parties may not be added together to determine maximum amount of liability for any Party.

C. Any excess of uninsured liability shall be borne equally by all the Parties.

ARTICLE V - FINANCIAL MATTERS; RECORD KEEPING; CAPITAL EXPENDITURES

5.1 Financial Obligations of the Parties.

A. *Payment of Expenses.* Each Party agrees to pay its allocated share as set forth in **Exhibit C** of OM&R incurred by or on behalf of the City of Nashwauk and all other administrative costs of the Board, as more fully described below.

- i. OM&R shall include but not be limited to the cost of any agents of the Board or employees of a Party performing work on behalf of the City of Nashwauk to operate, maintain and repair the System, subject to the limits set forth in Sections 5.2B and 5.6 of this Agreement.
- ii. Administrative costs shall include but not limited to accounting costs and services, legal fees and costs, photocopying, mailing and publishing costs and the like.

B. *Billing.*

i. The Board will bill the Parties for their allocated share of the costs incurred hereunder, specifically including its allocated share of OM&R set forth on Exhibit C and its share of debt service on Obligations issued for Phase I Projects set forth on Exhibit A; provided that the Board may delegate the invoicing of Parties for its allocated share of OM&R and debt service due on any Obligations to a Party.

ii. Payment must be made within 35 days of submission of a bill by the Board or its delegate to the respective Party. In the event that payment by a Party is not made within sixty (60) days of the date of the Board's written request for such payment, the Party so in default will not be entitled to vote in the business of the Board until the default is remedied.

iii. In no event may a Party refuse to make any payment as billed by the Board or its delegate. Any dispute over the payment of a Party for their allocated share of the costs involved, and division of payment thereof will be resolved in accordance with this Agreement. The Parties agree that the sole recourse of any of them is to seek a refund from the Board of any overpayment.

C. *Accounting; Record Keeping.* Each Party will maintain a separate bookkeeping account for each System, or Project, as the case may be.

5.2 Financial Obligations of the Board.

A. *Disbursements.* The method used by the Board to disburse funds must agree as far as practicable with the method provided by law for the disbursement of funds by the Parties and shall be set forth in the Bylaws.

B. *Contracts; Purchasing.* Contracts let and purchases made by the Board must conform to the requirements applicable to contracts and purchases of the Parties. No contract for purchase exceeding \$25,000 in amount may be made unless approved by the governing bodies of the Parties.

C. *Record Keeping.* Strict accountability of all funds and report of all receipts and disbursements must be provided for by Board. The Board must maintain separate bookkeeping accounts for the System.

D. *Depositories and Investments.* Minnesota Statutes, Chapter 118A governs all depositories and investment of Board funds.

E. *Deposit of Funds Required.* All income of the Board must be deposited in the Board treasury and held and disposed of as the Board may direct for Board purposes, subject to any pledges or dedications made by the Board or the Parties for the use of

particular funds for the payment of bonds or interest thereon or expenses incident thereto or for other specific purposes.

F. *Accounting Methods.* The Board may prescribe and enforce such accounting methods, forms, blanks, and other devices as are consistent with the law and the standards of the Governmental Accounting Standards Board.

5.3 Fiscal Year. The fiscal year of Board commences January 1 and ends on December 31.

5.4 Budget. A proposed budget must be prepared by the Board and presented to the Parties no later than July 15 in each and every year. An annual budget must be adopted by the Board at its regular August meeting each year. The Parties agree to provide the Board information requested by the Board for purposes of preparing and adopting the budget, including but not limited to estimate costs associated with any employee of a Party performing work on behalf of the Board, other financial information relating to each Party's municipal sewer system and rates and charges therefor.

5.5 Audit.

A. The Board must call for an annual audit of the financial affairs of Board, to be made by a Certified Public Accountant (CPA) at the end of each fiscal year in accordance with GAAP.

B. An original copy of the annual audit report must be delivered to each Party.

5.6 Capital Expenditures. No Capital Expenditures in excess of \$25,000 shall be made unless approved by the governing body of each Party. The issuance of an Obligation by a Party to pay for Capital Expenditures for the System must be approved by unanimous vote of the Board and must be approved by the governing body of each Party.

5.7 Project Financing.

A. Upon identification of a Project, the Board may select an Issuer or Issuers to issue Obligations to finance the Project. Nashwauk and Keewatin are the Issuers for the Phase I Projects.

B. Upon notification of selection by the Board, the Issuer or Issuers shall apply for such Anticipated Loan, grants or other financing sources as the Board may direct to finance a Project. Nashwauk and Keewatin have applied for Anticipated Loans for the Phase I Projects.

C. Each Issuer covenants with the other Parties that:

(i) If temporary financing is required to pay Project costs then upon approval by all Parties to incur temporary financing to pay Project costs prior to receipt of approval of an Anticipated Loan, or upon receipt by an Issuer of a commitment for an Anticipated Loan or other permanent financing for a Project, such Issuer will adopt a resolution: (a) authorizing the issuance of Temporary Obligations; (b) pledging the Anticipated Loan, payments from each Party on its respective loan anticipation note and net revenues of its sewer utility, including its portion of the System for payment of the Temporary Obligations; (c) covenanting and agreeing that if the Temporary Obligations cannot be paid on maturity from proceeds of its Anticipated Loan and net revenues of its sewer utility, including its portion of the System, the Temporary Obligations will be paid from definite obligations or additional temporary bonds as provided in Minn. Stat. §475.61; and (d) approving the levy of ad valorem taxes without limitation as to rate or amount in the event the Anticipated Loan and net revenues of its sewer utility, including its portion of the System are insufficient for payment of the Temporary Obligations.

(ii) If temporary financing is not required, then upon receipt by an Issuer of a commitment for an Anticipated Loan or other permanent financing for a Project, such Issuer will adopt a resolution: (a) authorizing issuance of the Permanent Obligation; (b) pledging its full faith, credit and taxing power as a general obligation of such Issuer issued pursuant to Minnesota Statutes, Sections 115.46 and 444.075, and Chapter 475; and (c) pledging net revenues derived from operation of its sewer utility, including its portion of the System and its full faith, credit and taxing powers to pay the principal of and interest on the Permanent Obligations when due.

D. Each Party covenants with each Issuer that:

(i) With respect to any Temporary Obligation, upon approval by the Parties to incur temporary financing to pay Project costs prior to receipt of approval of an Anticipated Loan or upon receipt by each Issuer of a commitment for an Anticipated Loan or other permanent financing, the Parties will each adopt a resolution (i) authorizing the issuance by the Issuer of its allocated share of such Temporary Obligation as set forth in Exhibit A for Temporary Obligations issued to finance Phase I Projects, or in a written agreement of the Parties for future Temporary Obligations, on behalf of the Party; (ii) authorizing issuance and delivery to the Issuer by the Party of its general obligation loan anticipation note in the amount of its allocated share of the Temporary Obligation as set forth in Exhibit A for Temporary Obligations issued to finance Phase I Projects, or in a written agreement of the Parties for future Temporary Obligations, plus interest thereon payable at the same interest rate as the Temporary Obligation; (iii) pledging net revenues of its sewer utility, including its allocated share of the System and the full, faith and credit and taxing powers of the Party for payment of its allocated share of such Temporary Obligation as set forth in Exhibit A for Temporary Obligations issued to finance Phase I Projects, or in a written

agreement of the Parties for future Temporary Obligations, plus interest thereon payable at the same interest rate as such Temporary Obligation.

(ii) With respect to the Permanent Obligation, the Party will adopt a resolution (i) authorizing the issuance by the Issuer of its allocated share of the Permanent Obligation as set forth in Exhibit A for Permanent Obligations issued for Phase I Projects, or in a written agreement of the Parties for future Permanent Obligations, on behalf of the Party; (ii) authorizing issuance and delivery to the Issuer by the Party of its general obligation sewer revenue note in the amount of its allocated share of the Permanent Obligation as set forth in Exhibit A for Permanent Obligations issued to finance Phase I Projects, or in a written agreement of the Parties for future Permanent Obligations, plus interest thereon payable at the same interest rate as the Permanent Obligations; (iii) pledging net revenues of its sewer utility, including its allocated share of the System and the full, faith and credit and taxing powers of the Party for payment of its allocated share of the Permanent Obligation as set forth in Exhibit A for Permanent Obligations issued for Phase I Projects, or in a written agreement of the Parties for future Permanent Obligations, plus interest thereon payable at the same interest rate as the Permanent Obligations.

E. For each Temporary Obligation:

(i) the respective Issuer will create a fund designated as the Temporary Obligation Debt Service Fund into which it will deposit payments from the Parties on their loan anticipation notes, an Anticipated Loan and net revenues collected for payment of the Temporary Obligation and proceeds of any Permanent Obligations from which it will pay principal of and interest on the Temporary Obligation as the same become due.

(ii) the respective Issuer will create a fund designated the Temporary Obligation Construction Account (the "Construction Account"), into which it will deposit all proceeds of a Temporary Obligation. From the Construction Account there shall be paid all costs and expenses of making the Project, including, preliminary expenses, the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in the Act and Minnesota Statutes, Section 475.65; and the monies in said account shall be used for no other purpose except as otherwise provided by law; provided that if upon completion of the Project there shall remain any unexpended balance in the Construction Account, the balance shall be transferred to the Issuer's Temporary Obligation Debt Service Fund. Other costs for which payment from the Construction Account is authorized shall include costs of legal, financial advisory, and other provisional services, printing and publication costs, and costs of issuance of the Temporary Obligation.

F. Proceeds of each Issuer's Anticipated Loan not used to pay the Temporary Obligations in full shall be used to pay Project costs.

G. In the authorizing resolution to be adopted by each Issuer authorizing the Permanent Obligations the Issuer will create a fund designated as the "Permanent Obligations Debt Service Fund" into which it will deposit net revenues of its sewer utility, including its portion of the System collected by the Issuer including net revenues received from the Parties and the Board for payment of the Permanent Obligations from which it will pay principal of and interest on the Permanent Obligations as the same become due.

H. The Board shall assume all responsibilities for the operation and maintenance of the Project, including the replacement of equipment.

I. Each Party covenants and agrees that it will at all times continue to impose, maintain and collect rates, charges and rentals for the services, facilities and benefits provided by the System (including all Projects and all other additions and betterments to the System) to their inhabitants and industries and all others, such as will make the revenues of the System and its municipal sewer system sufficient to meet all of the requirements of this Agreement, including to pay its respective allocated share of OM&R and the principal of and interest due on the Obligations, including the payment of all principal and interest currently due, and the maintenance of any such funds and accounts provided for in any such respective authorizing documents, and with respect to all bonds payable therefrom, including all Obligations.

J. Each Party will cause proper and adequate books of record and accounts to be kept showing complete and correct entries of all receipts, disbursements and other transactions relating to the System, the monthly revenues derived from its operation, and the segregation and application of the revenues in accordance with any authorizing resolution, in such reasonable detail as may be determined by such Party in accordance with generally accepted accounting practices and principles.

K. The respective Issuer's Clerk-Treasurer (the "Clerk-Treasurer") shall manage the payment of the costs of the portion of the Project paid with the Issuer's Obligation or Obligations and payment of the principal and interest on the Obligations.

L. The Parties appoint the respective Issuer's Clerk-Treasurer to manage the respective Debt Service Funds described above. The money in each respective account shall be used for no purpose other than the payment of principal and interest on such Temporary Obligations or Permanent Obligations.

M. The Parties agree that the Board will invoice the Parties for its respective share of debt service due on any Obligations and such payments will be made to the respective Issuer for payment of principal and interest on such Obligations when due; provided that the Board may delegate the invoicing of Parties for its respective share of debt service due on any Obligations to a Party.

N. Monies on deposit in the funds and accounts managed by the Clerk-Treasurers may be invested in securities permitted by Minnesota Statutes, Chapter 118A; provided, that any such investments shall mature at such times and in such amounts as will permit for payment of principal and interest on the Temporary Obligations and Permanent Obligations when due.

ARTICLE VI - EMPLOYEES

6.1 Job Descriptions. The number and the job descriptions of persons employed by the City of Nashwauk to operate the System will be determined by the City of Nashwauk.

6.2 Fringe Benefits. The City of Nashwauk will determine the extent and type of fringe benefits available for City of Nashwauk employees. The full cost of these benefits, including reasonable administrative expenses approved by the City of Nashwauk, will be borne by the City of Nashwauk. For the purposes of obtaining fringe benefits, such as insurance and retirement benefits, City of Nashwauk personnel will be considered employees of the City of Nashwauk.

6.3 System Superintendent. The superintendent/operator shall be an employee of Nashwauk.

6.4 Employee of Party Performing Work on Behalf of Board. The Board may authorize an employee of a Party to perform work on behalf of the Board for the System, including but not limited to employees necessary to operate, maintain and repair the System and provide administrative support to the Board.

A. The Parties agree that the cost of such employees of a Party for work performed with respect to the System on behalf of the Board shall be shared with each Party paying its allocated share as set forth in Exhibit C.

B. Expenses to be incurred by such employees for work related to System in excess of \$5,000 must be approved by the Board.

C. Unless otherwise agreed to by the Parties in writing, the primary superintendent/operator (with Class B License) for the System will be an employee of Nashwauk performing work for the System so long as such employee has the required licensing.

ARTICLE VII - ORDINANCES

7.1 Adoption of Ordinances. Ordinances of the Board are adopted as follows:

A. *Recommendation.* The Board shall make recommendations regarding the adoption or amendment of ordinances and rates to the Parties.

B. *Adoption of Ordinances by Parties.* Each Party agrees to adopt and enforce within its jurisdiction ordinances that are in substantial conformity with the terms of Board's recommendations regarding ordinances relating to the System, including but not limited to provisions regarding penalties for ordinance violations, limitations on discharges into the System, right of entry, permits and licenses, variances and connection specifications.

7.2 Enforcement of Ordinances. The Parties will enforce its ordinances within its jurisdiction in order to comply with the requirements of this Agreement.

ARTICLE VIII - ENFORCEMENT; DURATION, DISPUTE RESOLUTION

8.1 Parties Must Negotiate. In cases of disputes pertaining to interpretation of the provisions of this Agreement, the Parties are expected to discuss and negotiate with each other in good faith to resolve the dispute. In cases where the negotiated conclusion produces an arrangement not covered by this Agreement, supplemental agreements may be adopted to clarify existing or to provide additional provisions.

8.2 Duration; Distribution of Assets.

A. *Duration.* This Agreement and Board will continue in effect until this Agreement is rescinded or canceled by mutual consent of all of the Parties.

B. *Disposition of Assets.* Upon termination of this Agreement, the disposition of any property acquired as the result of entering into this Agreement, and the return of any surplus moneys must be in proportion to costs paid by each Party pursuant to this Agreement for the System prior to termination of this Agreement.

ARTICLE IX - MISCELLANEOUS

9.1 Amendments. This Agreement may not be amended, except by written agreement and resolution of all Parties.

9.2 Severability. If any part of this Agreement is adjudged invalid, such adjudication will not effect the validity of this Agreement as a whole or of any other part.

9.3 Notices. All notices required by this Agreement must be in writing. Any notice required under this Agreement will be deemed to be given on the date of mailing if sent by registered or certified mail, return receipt requested, to the address or addresses of the Parties following their signatures at the end of this Agreement.

9.4 Entire Agreement. It is understood and agreed that the entire agreement of the Parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the Parties relating to the subject matter hereof as well as any previous agreements presently in effect between the Parties.

9.5 Counterparts. This document may be signed in duplicate originals.

9.6 Effective Date. This Agreement will become effective when signed by all of the Parties.

9.7 Termination of Other Agreements. All joint powers agreements or amendments previously entered into between the Parties relating to the East Itasca Joint Sewer Board are terminated and shall be of no further force or effect.

(The remainder of this page is intentionally left blank)

IN WITNESS WHEREOF, the undersigned local governments have set their signatures on the respective dates set forth below.

CITY OF NASHWAUK, MINNESOTA	
By _____ Mayor	_____, 2020
By _____ Clerk	_____, 2020

Signature page to Amended and Restated Joint Powers Agreement:

CITY OF KEEWATIN, MINNESOTA	
By _____ Mayor	_____, 2020
By _____ Clerk	_____, 2020

Signature page to Amended and Restated Joint Powers Agreement:

TOWN OF LONE PINE, MINNESOTA	
By _____ Chair	_____, 2020
By _____ Clerk	_____, 2020

**EXHIBIT A
ALLOCATED SHARE
PHASE I DEBT SERVICE**

NASHWAUK	5%
KEEWATIN	95%
LONE PINE	0%

**EXHIBIT B
SYSTEM MAP**

**EXHIBIT C
ALLOCATED OM&R COSTS***

NASHWAUK	50%
KEEWATIN	50%
LONE PINE	0%

*The Parties agree that upon connection of Lone Pine to the System, the Parties shall each pay 1/3 of the OM&R costs of the System.

EAST ITASCA JOINT SEWER BOARD

**Rate Breakdown
Updated: May 11, 2020**

A. Phase 1 Cost Estimate

The following is a summary of project costs based on the preliminary project design for Phase 1 as discussed in Section A above.

Aerated Pond Alternative (July 2019)	\$ 7,383,000
Nashwauk Lift Station EQ Basin (Addendum)	<u>\$ 755,000</u>
Nashwauk Subtotal	\$ 8,138,000
Keewatin Lift Station / Forcemain	\$ 2,186,000
Keewatin Demo	<u>\$ 350,000</u>
Keewatin Subtotal	\$ 2,536,000
Phase 1 Total	\$10,674,000

B. Annual Operating Budget

The annual operating budget for Phase 1 will include costs to the expanded Nashwauk facility, the new main lift station, and costs to operate the existing wastewater collection system at both Nashwauk and Keewatin. The following is a summary of the costs:

**Aerated Pond Alternative
Operation, Maintenance and Replacement Cost**

	Aerated Pond/Tertiary Treatment	Keewatin Lift Station	Nashwauk Lift Station	Total
Personnel	\$ 83,200	\$ 0	\$ 0	\$ 83,200
Administration	\$ 5,000	\$ 2,000	\$ 2,000	\$ 9,000
Insurance	\$ 10,000	\$ 2,000	\$ 2,000	\$ 14,000
Energy	\$ 29,900	\$ 6,800	\$ 6,800	\$ 43,500
Chemicals	\$ 20,000	\$ 0	\$ 0	\$ 20,000
Monitoring/Testing	\$ 10,000	\$ 1,000	\$ 1,000	\$ 12,000
Short Lived Replacement	\$ 21,000	\$ 5,000	\$ 5,000	\$ 31,000
Maintenance/Repairs	\$ 10,000	\$ 1,800	\$ 1,800	\$ 13,600
Professional Services	\$ 7,000	\$ 2,500	\$ 2,500	\$ 12,000
Miscellaneous	<u>\$ 2,500</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 4,500</u>
Total	\$198,600	\$ 22,100	\$ 22,100	\$ 242,800

Funding

Option #1

	Nashwauk	Keewatin	Total
PSIG Grant	\$ 4,174,000	\$ 1,137,000	\$ 5,311,000
SCDG Grant	\$	\$ 580,000	\$ 580,000
Bonding Bill	\$ 655,000	\$ 195,000	\$ 850,000
IRRRB	\$ 500,000	\$ 500,000	\$ 1,000,000
Total Grant			\$ 7,741,000
Project Debt (a)	\$ 255,000	\$ 2,678,000	\$ 2,933,000
Annual Payout 1% - 20 year	\$ 14,200/yr	\$ 148,400/yr	

- (a) Nashwauk \$755,000 cost - \$500,000 = \$255,000 = \$14,200/year
 Keewatin \$9,919,000 cost - \$7,241,000 = \$2,678,000 = \$148,400/year

Option #2 (Extra SCDG and delete Kee. Demo)

	Nashwauk	Keewatin	Total
PSIG Grant	\$ 4,174,000	\$ 1,137,000	\$ 5,311,000
SCDG Grant	\$ 600,000	\$ 580,000	\$ 1,180,000
Bonding Bill	\$ 655,000	\$ 195,000	\$ 850,000
IRRRB	\$ 500,000	\$ 500,000	\$ 1,000,000
Total Grant			\$ 8,341,000
Project Debt (a)	\$ 255,000	\$ 1,728,000	\$ 1,983,000
Annual Payout 1% - 20 year	\$ 14,200/yr	\$ 95,800/yr	

- (a) Nashwauk \$755,000 cost - \$500,000 = \$255,000 = \$14,200/year
 Keewatin \$9,569,000 cost - \$7,841,000 = \$1,728,000 = \$95,800/year

Rate Summary

	Population	Connectors	EDU's
Nashwauk	977	537	609
Keewatin	1059	500	520
Lone Pine			Phase 1

Option #1

Rate Option – per EDU	Nashwauk	Keewatin
Debt	\$23.50/year	\$285/year
O & M	\$215/year	\$215/year
Others/Fees	TBD	TBD

Option #2

Rate Option – per EDU	Nashwauk	Keewatin
Debt	\$23.50/year	\$185/year
O & M	\$215/year	\$215/year
Others/Fees	TBD	TBD

Schedule

The following is a preliminary project schedule estimated for implementation of EIJSB – Phase 1. The availability of funds will ultimately dictate the actual project schedule.

- Prepare Grant/Loan and loan Applications..... Winter 2019 – Spring 2020
- Prepare Easements, Plans and Specifications..... April 2020
- Secure all Funding..... May 2020
- Bid and Award the Project..... June 2020
- Initiate Construction..... July 2020
- Complete Construction Fall 2021

Aerated Pond Depreciation Schedule
50 Year Schedule
2020 Cost: \$7,383,000

Project Costs	\$7,383,000
Depreciation Years	50
Annual Depreciation	\$147,660

Equivalent Dwelling Units (EDUs) by Entity

Nashwauk	600
Keewatin	520
Lone Pine	124
Total EDUs	1244

Depreciation amount by EDU \$118.69

Annual Depreciation by Entity EDU

Nashwauk	\$71,214.00
Keewatin	\$61,718.80
Lone Pine	\$14,717.56

Annual Operating Budget
(costs derived and updated from Jamnick's breakdown spreadsheet)

Personnel, Health, Fringe		\$87,447.42
Administration		\$5,000.00
Insurance		\$10,000.00
Energy		\$29,900.00
Chemicals		\$20,000.00
Monitoring/Testing		\$10,000.00
Maintenance/Repairs		\$10,000.00
Professional Services		\$7,000.00
Miscellaneous		\$2,500.00
Total		\$181,847.42

50/50 Breakdown		\$90,923.71
EDU Breakdown	N	\$97,470.22
	K	\$84,377.20

Debt Service Annual Amortization					
		\$2,678,000			
Year	Interest	Principal	Total	Keewatin	Nashwauk
1	\$26,223.80	\$121,567.84	\$147,791.64	\$140,402.06	\$7,389.58
2	\$25,002.56	\$122,789.08	\$147,791.64	\$140,402.06	\$7,389.58
3	\$23,769.02	\$124,022.62	\$147,791.64	\$140,402.06	\$7,389.58
4	\$22,523.08	\$125,268.56	\$147,791.64	\$140,402.06	\$7,389.58
5	\$21,264.65	\$126,526.99	\$147,791.64	\$140,402.06	\$7,389.58
6	\$19,993.56	\$127,798.08	\$147,791.64	\$140,402.06	\$7,389.58
7	\$18,709.71	\$129,081.93	\$147,791.64	\$140,402.06	\$7,389.58
8	\$17,412.95	\$130,378.69	\$147,791.64	\$140,402.06	\$7,389.58
9	\$16,103.20	\$131,688.44	\$147,791.64	\$140,402.06	\$7,389.58
10	\$14,780.24	\$133,011.40	\$147,791.64	\$140,402.06	\$7,389.58
11	\$13,444.01	\$134,347.63	\$147,791.64	\$140,402.06	\$7,389.58
12	\$12,094.35	\$135,697.29	\$147,791.64	\$140,402.06	\$7,389.58
13	\$10,731.15	\$137,060.49	\$147,791.64	\$140,402.06	\$7,389.58
14	\$9,354.24	\$138,437.40	\$147,791.64	\$140,402.06	\$7,389.58
15	\$7,963.51	\$139,828.13	\$147,791.64	\$140,402.06	\$7,389.58
16	\$6,558.80	\$141,232.84	\$147,791.64	\$140,402.06	\$7,389.58
17	\$5,139.99	\$142,651.65	\$147,791.64	\$140,402.06	\$7,389.58
18	\$3,706.91	\$144,084.73	\$147,791.64	\$140,402.06	\$7,389.58
19	\$2,259.45	\$145,532.19	\$147,791.64	\$140,402.06	\$7,389.58
20	\$797.43	\$146,994.21	\$147,791.64	\$140,402.06	\$7,389.58
	\$277,832.61	\$2,678,000.19	\$2,955,832.80	\$2,808,041.16	\$147,791.64

412.321 MUNICIPAL UTILITIES.

Subdivision 1. **Authority to own and operate.** Any statutory city may own and operate any waterworks, district heating system, or gas, light, power, or heat plant for supplying its own needs for utility service or for supplying utility service to private consumers or both. It may construct and install all facilities reasonably needed for that purpose and may lease or purchase any existing utility properties so needed. It may, in lieu of providing for the local production of gas, electricity, water, hot water, steam, or heat, purchase the same wholesale and resell it to local consumers. After any such utility has been acquired, the council, except as its powers have been limited through establishment of a public utilities commission in the city, shall make all necessary rules and regulations for the protection, maintenance, operation, extension, and improvement thereof and for the sale of its utility products.

Subd. 2. **Vote on establishment.** No gas, light, power, or heat utility shall be constructed, purchased, or leased until the proposal to do so has been submitted to the voters at a regular or special election and been approved by five-eighths of those voting on the proposition. Such proposal shall state whether the public utility is to be constructed, purchased, or leased and the estimated cost or the maximum amount to be expended for that purpose. This proposal and a proposal to issue bonds to raise money therefor may be submitted either separately or as a single question. The proposal for the acquisition of the public utility may include authority for distribution only or for generation or production and distribution of a particular utility service or group of services. Approval of the voters shall be obtained under this section before a city purchasing gas or electricity wholesale and distributing it to consumers acquires facilities for the manufacture of gas or generation of electricity unless the voters have, within the two previous years, approved a proposal for both generation or production and distribution.

Subd. 3. **Extension beyond limitations.** Any city may, except as otherwise restricted by this section, extend any such public utility outside its limits and furnish service to consumers in such area at such rates and upon such terms as the council or utility commission, if there is one, shall determine; but no such extension shall be made into any incorporated municipality without its consent. The sale of electricity, other than surplus, outside the limits of the city shall be subject to the restriction of section 455.29.

Subd. 4. **Lease, sale, or abandonment.** Any such utility may be leased, sold, or its operation discontinued wholly or in part, by ordinance or resolution of the council, approved by two-thirds of the electors voting on the ordinance or resolution at a general or special election. If the utility is under the jurisdiction of a public utilities commission, the ordinance or resolution shall be concurred in by the public utilities commission. Such action may be taken with respect to any specific part of the utility, which part shall be named in the ordinance or resolution; but it shall not be necessary to submit the ordinance or resolution to the voters in such case if the action proposed will not result in depriving any customer inside the corporate limits of any type of municipal utility service available before the sale, lease or discontinuance of operation.

History: 1949 c 119 s 39-42; 1955 c 266 s 1; 1961 c 275 s 1; 1973 c 123 art 2 s 1 subd 2; 1981 c 334 s 2; 1986 c 444

412.341 COMMISSION; MEMBERSHIP, ORGANIZATION.

Subdivision 1. **Membership.** The commission shall consist of three members appointed by the council. No more than one member may be chosen from the council membership. Each member shall serve for a term of three years and until a successor is appointed and qualified except that of the members initially appointed in any city, one shall serve for a term of one year, one for a term of two years, and one for a term of three years. Residence shall not be a qualification for membership on the commission unless the council so provides. A vacancy shall be filled by the council for the unexpired term.

Subd. 2. **Rules; officers, salary.** The commission shall adopt rules for its own proceedings which shall provide among other things for at least one regular meeting by the commission each month. It shall annually choose a president from among its own members. It shall also appoint a secretary for an indefinite term. The secretary need not be a member of the commission and may be the city clerk. No member of the commission shall receive a salary except as fixed by the council. The secretary shall receive a salary fixed by the commission.

History: 1949 c 119 s 44; 1951 c 378 s 12; 1973 c 123 art 2 s 1 subd 2; 1986 c 444

412.351 COMMISSION, JURISDICTION.

The council shall, in the ordinance establishing the commission, decide which of the following public utilities shall be within the commission's jurisdiction: (1) the city water system; (2) light and power system, including any system then in use or later acquired for the production and distribution of steam heat; (3) gas system; (4) sanitary or storm sewer system or both, including the city sewage disposal plant; (5) public buildings owned or leased by the city; (6) district heating system. As used subsequently in sections 412.351 to 412.391, the term "public utility" means any water, light and power, gas or sewer system, or public buildings thus placed by ordinance under the jurisdiction of the public utilities commission. Any public utility not placed under the jurisdiction of the public utilities commission by the ordinance establishing the commission may be placed under the jurisdiction of the commission by an amendment to the original ordinance.

History: 1949 c 119 s 45; 1951 c 378 s 13; 1973 c 123 art 2 s 1 subd 2; 1981 c 334 s 3

412.361 PUBLIC UTILITY; COMMISSION POWERS.

Subdivision 1. **Contract; bid provisions apply.** The commission shall have power to extend and to modify or rebuild any public utility and to do anything it deems necessary for its proper and efficient operation; and it may enter into necessary contracts for these purposes. The provisions of section 412.311 relating to advertisement for bids shall apply to contracts of the public utilities commission.

Subd. 2. **Hire, direct, fix pay for personnel.** The commission shall have power to employ all necessary help for the management and operation of the public utility, prescribe duties of officers and employees and fix their compensation.

Subd. 3. **Buy fuel, supplies, wholesale energy.** The commission shall have power to buy all fuel and supplies, and it may purchase wholesale electric energy, steam heat, hot water energy, gas or water, as the case may be, for municipal distribution.

Subd. 4. **Fix rates; adopt service rules.** The commission shall have power to fix rates and to adopt reasonable rules and regulations for utility service supplied by the municipally owned public utilities within its jurisdiction.

Subd. 5. **Relations, finances with city.** The commission shall have power to enter into agreements with the council for payments by the city for utility service, compensation for the use by either the commission or the city of buildings, equipment, and personnel under the control of the other, payments to the city in lieu of taxes, transfers of surplus utility funds to the general fund, and also agreements on other subjects of relationships between the commission and the council.

History: 1949 c 119 s 46; 1953 c 735 s 6; 1973 c 123 art 2 s 1 subd 2; 1981 c 334 s 4

ORDINANCE
NO: 211-06

Establishing a Public Utilities Commission

The City Council of Nashwauk ordains as follows:

Section 1. Commission:

The provisions of Minn. Statute 412.331 through 412.391 shall govern the establishment of a Nashwauk Public Utilities Commission.

Section 2. Membership

The Commission shall consist of five members appointed by the Council. No more than one member may be chosen from the council members.

Section 3. Term

Each member shall serve for a term of three (3) years and until a successor is appointed and qualified, with the exception of the Council representative which will serve a two year term.

Initially upon establishment the member shall be for a one (1) year term. The second member shall be for a term of two (2) years and the third member shall be for a term of three (3) years. All subsequent terms will be for three (3) years, except for the Council representative term which shall be two (2) years.

Residence shall not be a qualification for a membership unless the Council provides otherwise.

Section 4. Vacancy

Any vacancy shall be filled by the Council for the unexpired term.

Section 5. Meetings

The Commission shall meet at least once per month. Additional meetings can be established by the Commission.

All commission meetings are public meetings except as permitted by statute.

NASHWAUK PUBLIC UTILITIES COMMISSION

Section 1. Public Utilities Commission. The City of Nashwauk Public Utilities Commission, hereinafter referred to as the Commission, in addition to the duties and powers set forth in Minnesota Statutes 1969, Section 412.361, shall have the duties and powers as hereinafter set forth.

Section 2. Members, Appointment, Term Meeting, Quorum. The Commission consisting of three members, shall be appointed by the City Council for a term of three years. The original appointees shall serve one, two, and three years respectively, as designated by the Council. Each commissioner shall hold office until his successor is appointed and qualified by subscribing to an oath that he will faithfully and impartially perform the duties of this office. A member of the Commission shall be chairman of the Commission during the last year of the term for which he is appointed. All members of any such existing commission shall remain in office until the expiration of their respective terms and until the appointment and qualification of their successors in office. The Commission shall meet at least twice each month. Special meetings may be called by the chairman of the commission, and in addition, a majority of the members may call a special meeting by giving two days' written mailed notice thereof to all members who have not joined in the request for such special meeting. Two members of said commission constitute a quorum.

Section 3. Nashwauk, City of: Public Utilities Commission.

Subdivision 1. Except as hereinafter provided, the commission shall have full and exclusive control of the water, light, gas, and power plants, and all systems, parts, attachments, lines, mains, and appurtenances thereto, and all apparatus and material of every kind and description used or to be used in operating these plants or any or either of them. The Commission shall have the power and authority to operate the same and each thereof, and to extend, replace, expand, repair, add to, change, modify and improve the same and to do any and all things in and about the same which they may deem necessary for a properly economical operation of same. The Commission shall not have the right to sell, lease, rent, or in any way dispose of or encumber, or suffer or permit this property or any part thereof to come under the control of any other person or corporation. This shall

not prevent the commission from renting or from leasing public halls or buildings for public use and entertainment. The commission shall have authority to buy all material and services and it may contract to extend, replace, expand, repair, add to, change, modify and improve said systems, plants, buildings, or any part thereof. The Commission shall have the authority to buy all fuel, supplies, and equipment and employ all help necessary to operate the plant.

The Commission shall also have the authority to purchase and pay for all forms of insurance usually and customarily carried on the business, including compensation, liability, fire and other disaster insurance, and to receive back directly any and all sums recovered from insurance policies maintained; to enter into easements in the name of the village on land over, on, or under which it may maintain any public utility, and to purchase in the name of the village, by and with the approval of the village, any real property which the village may lawfully purchase and which the commission deems necessary and expedient for utility purposes, and pay for same, and to have same earmarked for the use and benefit of the utilities commission. Real estate so acquired shall not be sold without the joint approval of the City and the Commission and the proceeds from the sale thereof shall be paid directly to the Commission who shall deposit the same in the Commission's replacement fund.

All revenues received from the sale of any and all other property acquired by expenditure from funds of the Commission and used for utility purposes shall be paid over directly to the Commission for use in the operation and maintenance of its plants and systems.

The Commission shall have power to spend annually out of the water and light fund a sum not to exceed one percent of the gross revenues received by it during the preceding calendar year, or \$20,000, whichever is less, for the purpose of advertising, improving and developing the tourist, recreational, industrial, commercial or vocational resources of the City of Nashwauk.

Subdivision 2. The Commission shall collect all water, light, gas and power charges from patrons including the City, and pay the same into a fund to be known and designated as the "Water and Light Fund". The Commission shall have exclusive control of the fund and all disbursements therefrom, and of all collections made by the

commission. Separate records shall be kept of the receipts and disbursements in the respect of each of the plants and systems under the jurisdiction of the Commission, but except as hereinafter otherwise provided, all moneys paid into the water and light funds shall be available for the making of expenditures, and may be pledged for the repayment and security of money borrowed, for any purpose for which the Commission is authorized to expend or borrow money on behalf of the City. Said fund shall be used exclusively for the benefit of the utility plants and systems and shall not in any manner be diverted or expended for any purpose which may be considered foreign to the operation of the utility plants and systems. Separate funds shall be maintained for all meter deposits.

Subdivision 3. It is the duty of the Commission to secure proper and sufficient surety bonds at all times for any officers or employees who are delegated the duty of handling in any manner any of the funds belonging to said commission and they may in their discretion require and secure bonds for any other employees.

Subdivision 4. The Commission is required to call for bids on any work or for any item or material purchased when the cost thereof exceeds the sum of \$_____. This shall not limit in any manner the power of the Commission to undertake work of any kind when such work is to be performed by men regularly employed by the Commission, nor shall said limitation be applicable in event of an emergency.

Subdivision 5. The Commission may employ an attorney, who may be regularly retained and perform such legal services and give such advice, as is required in the conduct of the normal business of the Commission. The Commission may pay to such retained counsel, and any attorney or attorneys they may deem expedient to hire specially, such additional reasonable sums for services rendered in connection with social work considered and determined by them to be in excess of normal requirements, including proceedings for the borrowing of money.

Subdivision 6. The Commission shall appoint a superintendent who shall be in charge of all the operations and functions of the plants and systems and of their personnel, and he/she shall manage and coordinate the functions and operations of said plants and systems and the personnel thereof.

Subdivision 7. The Commission shall have the power to fix all rates and charges for water, gas, light, power, and rents for public buildings under the control of the commission.

Subdivision 8. An annual audit of books, acts and affairs of the Commission shall be made by the state public examiner, and it shall be the duty of the Commission within 30 days after the end of its fiscal period to request the public examiner to make such audit.

Section 4. Issuance of Bonds.

Subdivision 1. The Commission is hereby authorized to issue revenue bonds to pay for expansions, extensions, additions, changes, modifications and improvements of any or all of the utility plants and systems under its jurisdiction, and to pay for replacements of parts of any and all of said plants and systems when the reserve for replacement fund is determined by the Commission to be inadequate to pay for all replacements immediately required and for anticipated emergencies. Such bonds shall be payable solely from the aggregate of the net revenues derived from the operation of said plants and systems, in excess of the current, reasonable and necessary costs of the operation and maintenance thereof, and the Commission shall by resolution make on behalf of the City all such reasonable covenants, consistent with the provisions of this act, concerning the management and handling of the funds of said utilities, the rates and charges of the services and products thereof, the time and manner of payment of such bonds, as shall be deemed necessary and proper to secure the adequacy of said net revenues for the prompt and full payment of the principal of and interest on said bonds. All payments to the replacement fund as provided for in Section 4 hereof, as may be deferred as a result of the preceding provision, shall be by the Commission expeditiously restored and paid in said fund from future earnings, the Commission to so conduct its utilities operations, and if necessary to readjust its rates, as to make this possible. The determination of the Commission shall be conclusive, in favor of the holders of all revenue bonds at any time outstanding as to the amount thereof which represents replacement, and as to the adequacy or inadequacy of the reserve for replacement fund for any replacements financed by such revenue bonds. Nothing herein shall be deemed to prevent the Commission from refunding any outstanding revenue bonds, if revenues are

insufficient for the payment of interest or principal thereof about to become due, or whenever by so doing a saving can be affected in the interest cost thereof.

Subdivision 2. If, with respect to bonds to be issued for the purposes authorized by this section, the Commission be resolution establishes a bond reserve equal to not less than the maximum principal and interest to become due in any year and establishes and promises to maintain rates and charges for services and products of the plants and systems under its jurisdiction which will provide net revenues in excess of the current, reasonable and necessary costs of operation and the maintenance thereof sufficient to meet current bond and interest payments and maintain the reserve, the Commission with the concurrence of the City Council and the City of Nashwauk may pledge the full faith and credit of the City for the maintenance of the reserve, and the bonds shall be designated as and governed by the provisions applicable to general obligation bonds set forth in Minnesota Statutes, Chapter 475, except such bonds may be sold and issued without approval of the voters of the City.

Section 5. Limitation. Nothing in this act shall be construed to limit or extend the powers of the City to levy, as provided by Sections 457.09 to 457.11 or be in lieu of such levies, nor shall be construed to limit or extend the powers or limitations with respect to levies for or expenditures from other funds by the City or Commission for the operation of the water and light department or for replacements, additions or extensions to such system from such funds. Nothing in this act shall be construed to limit the power of the City to make levies in excess of the present per capita limitations for indebtedness existing prior to January 1, 1929, as provided by Sections 275.11 and 275.17 to 275.21.

These Bylaws shall become effective following its passage.

Adopted by the Nashwauk Public Utilities Commission on the _____ day
of _____, 2006.

BY: _____
Chair

ATTEST: _____
Clerk

Nashwauk Public Utilities Profit / Loss Analysis 2019, 2018, 2017

		Profit / Loss Without Depreciation				
Electric	Revenue	Expenses	Profit/Loss		Excess Power Charge MM	
2019	\$648,819.98	\$718,606.94	\$69,786.96		\$74,400.00	
2018	\$659,821.91	\$666,925.48	\$7,103.57		\$86,400.00	
2017	\$637,158.00	\$683,705.36	\$46,547.36		\$102,000.00	
3 year total	\$1,945,799.89	\$2,069,237.78	\$123,437.89			
Water						
	Revenue	Expenses	Profit/Loss			
2019	\$191,224.00	\$87,105.13	\$104,118.87			
2018	\$181,148.81	\$106,744.91	\$74,403.90			
2017	\$153,969.65	\$70,580.80	\$83,388.85			
3 year total	\$526,342.46	\$264,430.84	\$261,911.62			
Sewer						
	Revenue	Expenses	Profit/Loss			
2019	\$117,162.47	\$50,340.87	\$66,821.60			
2018	\$114,869.66	\$50,699.52	\$64,170.14			
2017	\$118,127.88	\$42,310.09	\$75,817.79			
3 year total	\$350,160.01	\$143,350.48	\$206,809.53			
Garbage						
	Revenue	Expenses	Profit/Loss			
2019	\$117,896.00	\$119,957.05	\$2,061.05			
2018	\$112,575.88	\$127,088.48	\$14,512.60			
2017	\$114,618.72	\$117,897.03	\$3,278.31			
3 year total	\$345,090.60	\$364,942.56	\$19,851.96			

Nashwauck Public Utilities Profit / Loss Analysis 2019, 2018, 2017

		Profit / Loss With Depreciation					
	Revenue	Expenses	Profit/Loss	Depreciation	Excess Power Charge MM		
Electric	2019	\$648,819.98	\$742,227.94	\$93,407.96	\$23,621.00	\$74,400.00	
	2018	\$659,821.91	\$690,952.48	\$31,130.57	\$24,027.00	\$86,400.00	
	2017	\$637,158.00	\$713,247.36	\$76,089.36	\$29,542.00	\$102,000.00	
	3 year total	\$1,945,799.89	\$2,146,427.78	\$200,627.89			
Water	Revenue	Expenses	Profit/Loss				
2019	\$191,224.00	\$194,834.13	\$3,610.13	\$107,729.00			
2018	\$181,148.81	\$183,164.91	\$2,016.10	\$76,420.00			
2017	\$153,969.65	\$146,382.80	\$7,586.85	\$75,802.00			
3 year total	\$526,342.46	\$524,381.84	\$1,960.62				
Sewer	Revenue	Expenses	Profit/Loss				
2019	\$117,162.47	\$167,310.87	\$50,148.40	\$116,970.00			
2018	\$114,869.66	\$146,781.52	\$31,911.86	\$96,082.00			
2017	\$118,127.88	\$138,392.09	\$20,264.21	\$96,082.00			
3 year total	\$350,160.01	\$452,484.48	\$102,324.47				
Garbage	Revenue	Expenses	Profit/Loss				
2019	\$117,896.00	\$119,957.05	\$2,061.05	\$0.00			
2018	\$112,575.88	\$127,088.48	\$14,512.60	\$0.00			
2017	\$114,618.72	\$117,897.03	\$3,278.31	\$0.00			
3 year total	\$345,090.60	\$364,942.56	\$19,851.96				

TM

Payroll	Gen PU	Gen PU OT	Electric	Electric OT	Water	Water OT	Sewer	Sewer OT	Garbage	Garb OT	ESML	ESML OT
1/5/2020				2								
1/20/2020												
2/5/2020												
2/20/2020												
3/5/2020												
3/20/2020				2		2						
4/5/2020												
4/20/2020												
5/5/2020												
5/20/2020												
6/5/2020												
6/20/2020												
7/5/2020												
7/20/2020												
8/5/2020												
8/20/2020												
9/5/2020												
9/20/2020												
10/5/2020												
10/20/2020												
11/5/2020												
11/20/2020												
12/5/2020												
12/20/2020												
	0	0	0	4	0	2	0	0	0	0	0	0
	36.98	55.47	36.98	55.47	36.98	55.47	36.98	55.47	36.98	55.47	36.98	55.47
	0	0	0	221.88	0	110.94	0	0	0	0	0	0

Total Hours

6

H&F

\$74.94

CK

Payroll	Gen PU	Gen PU OT	Electric	Electric OT	Water	Water OT	Sewer	Sewer OT	Garbage	Garb OT	ESML	ESML OT
1/5/2020			8	2								
1/20/2020			16									
2/5/2020			12	2								
2/20/2020			2								1	
3/5/2020				2		2						
3/20/2020			15	1	2		2				3	
4/5/2020												
4/20/2020			8								2	
5/5/2020			10	4							1	
5/20/2020												
6/5/2020			8								1	
6/20/2020											2	
7/5/2020												
7/20/2020												
8/5/2020												
8/20/2020												
9/5/2020												
9/20/2020												
10/5/2020												
10/20/2020												
11/5/2020												
11/20/2020												
12/5/2020												
12/20/2020												
	0	0	79	11	0	4	0	2	0	0	10	0
	33.81	50.76	33.81	50.76	33.81	50.76	33.81	50.76	33.81	50.76	33.81	50.76
	0	0	2670.99	558.36	0	203.04	0	101.52	0	0	338.1	0

Total Hours

106

H&F

\$1,352.56

JM

Payroll	Gen PU	Gen PU OT	Electric	Electric OT	Water	Water OT	Sewer	Sewer OT	Garbage	Garb OT	ESML	ESML OT
1/5/2020					20		24					
1/20/2020					16		16					
2/5/2020					22		22					
2/20/2020					22		22					
3/5/2020					19		18					
3/20/2020				2	21	2	21					
4/5/2020					25		24					
4/20/2020					21		20					
5/5/2020				2	23		26					
5/20/2020					23		32	4				
6/5/2020					18		31	16				
6/20/2020				2	26	1	23.5	4				
7/5/2020												
7/20/2020												
8/5/2020												
8/20/2020												
9/5/2020												
9/20/2020												
10/5/2020												
10/20/2020												
11/5/2020												
11/20/2020												
12/5/2020												
12/20/2020												
	0	0	0	6	256	3	279.5	24	0	0	0	0
	30.35	45.53	30.35	45.53	30.35	45.53	30.35	45.53	30.35	45.53	30.35	45.53
	0	0	0	273.18	7769.6	136.59	8482.825	1092.72	0	0	0	0

Total Hours

568.5

H&F

\$6,111.38

LH

Payroll	Gen PU	Gen PU OT	Electric	Electric OT	Water	Water OT	Sewer	Sewer OT	Garbage	Garb OT	ESML	ESML OT
1/5/2020					16		16					
1/20/2020					19		19					
2/5/2020					10		10					
2/20/2020					11		10					
3/5/2020					6		5					
3/20/2020					8		7					
4/5/2020					12		12					
4/20/2020					20		20					
5/5/2020				2	19		25					
5/20/2020					22		25					
6/5/2020					17		28					
6/20/2020					25	5	18					
7/5/2020												
7/20/2020												
8/5/2020												
8/20/2020												
9/5/2020												
9/20/2020												
10/5/2020												
10/20/2020												
11/5/2020												
11/20/2020												
12/5/2020												
12/20/2020												
	0	0	0	2	185	5	195	0	0	0	0	0
	26.4	39.61	26.4	39.61	26.4	39.61	26.4	39.61	26.4	39.61	26.4	39.61
	0	0	0	79.22	4884	198.05	5148	0	0	0	0	0

Total Hours

387

H&F

\$1,857.60

AG

Payroll	Gen PU	Gen PU OT	Electric	Electric OT	Water	Water OT	Sewer	Sewer OT	Garbage	Garb OT	ESML	ESML OT
1/5/2020	49.5											
1/20/2020	26.25											
2/5/2020	26.75	6.5										
2/20/2020												
3/5/2020	41.25											
3/20/2020	22.25											
4/5/2020	30.5											
4/20/2020	19.25											
5/5/2020	47.5											
5/20/2020	35											
6/5/2020	39											
6/20/2020	39.25											
7/5/2020												
7/20/2020												
8/5/2020												
8/20/2020												
9/5/2020												
9/20/2020												
10/5/2020												
10/20/2020												
11/5/2020												
11/20/2020												
12/5/2020												
12/20/2020												
	376.5	6.5	0	0	0	0	0	0	0	0	0	0
	29.11	43.66	29.11	43.66	29.11	43.66	29.11	43.66	29.11	43.66	29.11	43.66
Total Hours	10959.915	283.79	0	0	0	0	0	0	0	0	0	0

Total Hours

383

H&F

\$149.37

AK

Payroll	Gen PU	Gen PU OT	Electric	Electric OT	Water	Water OT	Sewer	Sewer OT	Garbage	Garb OT	ESML	ESML OT
1/5/2020	19											
1/20/2020	19.5											
2/5/2020	37	1.5										
2/20/2020	12.5	1.5										
3/5/2020	15											
3/20/2020	6											
4/5/2020	17											
4/20/2020	5											
5/5/2020	41.5											
5/20/2020	34											
6/5/2020	14.5											
6/20/2020	16.5											
7/5/2020												
7/20/2020												
8/5/2020												
8/20/2020												
9/5/2020												
9/20/2020												
10/5/2020												
10/20/2020												
11/5/2020												
11/20/2020												
12/5/2020												
12/20/2020												
	237.5	3	0	0	0	0	0	0	0	0	0	0
	37.04	55.57	37.04	55.57	37.04	55.57	37.04	55.57	37.04	55.57	37.04	55.57
	8797	166.71	0	0	0	0	0	0	0	0	0	0

Total Hours

240.5

H&F

\$2,849.93

