



**AGENDA FOR  
REGULAR CITY COUNCIL MEETING  
TUESDAY, NOVEMBER 21, 2023 – 5:00 P.M.**

1. **Pledge of Allegiance**
2. **Call to Order**
  - Roll Call and Establishment of Quorum
3. **Approval of Agenda**
  - Council Changes
  - Staff Changes
4. **Approval of Minutes**
  - A. November 7, 2023
5. **Audience Participation** (10-minute time limit for items not on the agenda)
6. **Consent Agenda**
7. **Scheduled Public Hearings**
8. **Old Business**
9. **Regular Agenda**
  - A. Sale of Electric Utility Bonds – Resolution #69
  - B. Request for Exclusion from 3M and Dupont PFAS Settlement Agreements – Res. #70/71
  - C. Airport Grant Agreement – Resolution #72
  - D. Updated Drug Task Force Agreement – Resolution #73
  - E. Rezoning Request – Ordinance #88
10. **Other Items and Communications**
  - A. Council Items
  - B. Staff Items
11. **Paid Bills and Claims – For Informational Purposes**
  - A. City of Redwood Falls Accounts Payable Summary
12. **Adjournment**

**MINUTES  
REGULAR COUNCIL MEETING  
CITY OF REDWOOD FALLS, MINNESOTA  
TUESDAY, NOVEMBER 7, 2023**

Pursuant to due call and notice thereof, a regular meeting of the Redwood Falls City Council was called to order in the Municipal Chambers on Tuesday, November 7, 2023, at 5:00 p.m.

Roll call indicated Mayor Tom Quackenbush and Council Members Matt Smith, Jim Sandgren, Larry Arentson, and John T. Buckley were present, constituting a quorum. Council Member Denise Kerkhoff was absent.

Also present were City Administrator Keith Muetzel, Finance Director Kari Klages, City Attorney Trenton Dammann, Public Works Project Coordinator Jim Doering, and Deputy City Clerk Caitlin Kodet.

City Administrator Muetzel requested the addition of Regular Agenda Item 9K – Approve Appointment of Justin Jensen to the Redwood Falls Fire Department.

A motion was made by Council Member Smith and seconded by Council Member Buckley to approve the agenda with the addition of Regular Agenda Item 9K – Approve Appointment of Justin Jensen to the Redwood Falls Fire Department. Motion passed by unanimous vote.

A motion was made by Council Member Sandgren and seconded by Council Member Arentson to approve the October 17, 2023, minutes as presented. Motion passed by unanimous vote.

A motion was made by Council Member Smith and seconded by Council Member Buckley to approve the following items on the Consent Agenda.

1. Parade Permit Application – Redwood Area Chamber & Tourism
2. Write-Off of Delinquent Electric Utility Charges

Motion passed by unanimous vote.

City Attorney Dammann introduced Ordinance No. 87, Fourth Series – An Ordinance Amending Redwood Falls Code of Ordinances §9.10 Relating to Weather Emergency.

Mr. Dammann stated the proposed Ordinance was introduced at the October 17, 2023, City Council Meeting. City Staff annually confront the issues of vehicle parking on city streets and private property during declared weather emergencies. The current section of City Code regulating the declaration of such emergencies and citizens' obligations during such emergencies (Section 9.10) has led to a certain level of confusion amongst citizens that has been heard at administrative hearings as well as difficulties amongst City Staff with enforcement. Proposed Ordinance No. 87 is an amending ordinance that was drafted after reviewing and using examples of language in similar ordinances already approved by other Minnesota cities. Removed language has been stricken through and added language has been underlined for easier comprehension of the proposed modifications.

Mr. Dammann stated the proposed modifications include but are not limited to: 1) giving every emergency an effective end date and time to be included in the weather emergency announcement instead of relying on the cessation of precipitation or the completion of street maintenance (plowing, clearing, salt and sand); and 2) allowing citizens to park vehicles on non-impervious surfaces such as lawns on residential premises during the effective times of an emergency to allow for easier compliance with on-street parking regulations.

A motion was made by Council Member Sandgren and seconded by Council Member Smith to approve Ordinance No. 87, Fourth Series – An Ordinance Amending Redwood Falls Code of Ordinances §9.10 Relating to Weather Emergency. Motion passed by the following roll call vote.

AYE: Council Members Smith, Sandgren, Buckley, and Arentson  
NO: None  
ABSENT: Council Member Kerkhoff

Public Utilities Superintendent Jason Halvorson was present to introduce the Drew Street Electric Distribution Relocation Project – Final Pay Request.

Mr. Halvorson stated the final contract price for the Drew Street Distribution Relocation was \$745,041.23. The original contract price was \$155,108.73 less than the final but more material and labor were required than the engineers estimated, along with the Change Order of the Reflections Addition. Castrejon, Inc. has submitted all the necessary paperwork, which DGR has signed off on, and has submitted the final pay request in the amount of \$41,227.81.

A motion was made by Council Member Buckley and seconded by Council Member Smith to approve the Drew Street Electric Distribution Relocation Project – Final Pay Request in the amount of \$41,227.81. Motion passed by unanimous vote.

Public Utilities Superintendent Halvorson introduced the 2023 Electric Distribution System Improvements – Final Pay Request.

Mr. Halvorson stated the final contract price for the 2023 Electric Distribution System Improvements was \$433,911.00. The original contract price was \$9,929.00 more than the final but less material and labor were required than the engineers estimated. Castrejon, Inc. has submitted all the necessary paperwork, which DGR has signed off on, and has submitted the final pay request in the amount of \$40,866.55.

A motion was made by Council Member Smith and seconded by Council Member Arentson to approve the 2023 Electric Distribution System Improvements – Final Pay Request in the amount of \$40,866.55. Motion passed by unanimous vote.

Finance Director Klages introduced Resolution No. 62 of 2023 – A Resolution Establishing Procedures Relating to Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code.

Ms. Klages stated in order to use the proceeds of a bond issuance to reimburse project expenditures made prior to the issuance of those bonds, IRS regulations require that the City make a declaration of intent to reimburse itself not later than 60 days after the expenditure is actually paid. Staff is currently working with DGR, the City's electric engineer, as well as Shannon Sweeney, the City's Financial Advisor on a recommendation to issue bonds to fund 2023-2025 electric capital projects. In order to use any bond proceeds to cover some of the 2023 capital expenditures, the City must make this declaration of intent to reimburse. Resolution No. 62 of 2023 authorizes the City Finance Director to make these declarations on behalf of the City.

A motion was made by Council Member Buckley and seconded by Council Member Arentson to waive the reading of Resolution No. 62 of 2023 – A Resolution Establishing Procedures Relating to Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code. Motion passed by unanimous vote.

A motion was made by Council Member Smith and seconded by Council Member Arentson to approve Resolution No. 62 of 2023 – A Resolution Establishing Procedures Relating to Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code. Motion passed by unanimous vote.

City Attorney Dammann introduced Resolution No. 63 of 2023 – Approving Memorandum of Understanding Between the City of Redwood Falls and Redwood Area School District ISD #2897 Concerning School Resource Officer.

Mr. Dammann stated since 2002, the City of Redwood Falls and the Redwood Area School District have cooperated in placing a School Resource Officer ("SRO") in the High School/Middle School building of the District in an effort to proactively address school safety, diversionary programming, and inappropriate student behaviors; and in 2014 that agreement was formalized into a Memorandum of Understanding that has automatically renewed on an annual basis.

Mr. Dammann stated in 2023, Minnesota lawmakers included two provisions in the education bill amending Minn. Stat. Chapter 121A which governs student rights, responsibilities, and behavior. These provisions limit the use of force toward students by School Resource Officers and officers contracted with a school (agents of a school). The change in the law became generally known to law enforcement and legal communities in the middle of August 2023 as the new school year was about to begin. Due to concerns and questions over the proper use of force by SROs in school settings and possible criminal, civil, and professional liability that SROs could incur, several agencies throughout the State of Minnesota removed their SROs from school facilities prior to or at the beginning of the school year.

Mr. Dammann further stated the Minnesota Attorney General is empowered by law to issue binding guidance on legal issues relating to public schools. The AG has exercised this power twice now regarding the amendments to Chapter 121A, once on August 22, 2023, and again on September 20, 2023. Given the AG's September opinion and LMCIT analysis of that opinion, City Staff is recommending that the SRO program continue but with new terms and conditions as outlined in a new Memorandum of Understanding which has already been reviewed and approved by the school board of the District.

A motion was made by Council Member Smith and seconded by Council Member Buckley to waive the reading of Resolution No. 63 of 2023 – Approving Memorandum of Understanding Between the City of Redwood Falls and Redwood Area School District ISD #2897 Concerning School Resource Officer. Motion passed by unanimous vote.

A motion was made by Council Member Arentson and seconded by Council Member Sandgren to approve Resolution No. 63 of 2023 – Approving Memorandum of Understanding Between the City of Redwood Falls and Redwood Area School District ISD #2897 Concerning School Resource Officer. Motion passed by unanimous vote.

Human Resources Coordinator Stage introduced Resolution No. 64 of 2023 – Setting and Adopting the 2024 Contract Renewal of Group Health Insurance and the Employer's Share of Premium for Health Insurance Coverage.

Ms. Stage stated City staff worked with the City's Insurance Broker, Jenny Van Denise, from Gallagher Insurance Consulting to obtain Group Health Insurance proposals for 2024. Three vendors responded to the renewal and marketing summary. Jenny renegotiated with the City's current health insurance provider, United Healthcare as well as two other providers. At the time of renewal, the City was running a 122% loss ratio with United Healthcare. Staff recommends accepting the renewal of the current group health plan with United Healthcare in 2024 at an increase of 25.4% in premiums. This proposal maintains the same coverages provided in 2023.

A motion was made by Council Member Buckley and seconded by Council Member Sandgren to waive the reading of Resolution No. 64 of 2023 – Setting and Adopting the 2024 Contract Renewal of Group Health Insurance and the Employer's Share of Premium for Health Insurance Coverage. Motion passed by unanimous vote.

A motion was made by Council Member Smith and seconded by Council Member Arentson to approve Resolution No. 64 of 2023 – Setting and Adopting the 2024 Contract Renewal of Group Health Insurance and the Employer's Share of Premium for Health Insurance Coverage. Motion passed by unanimous vote.

Human Resources Coordinator Stage introduced Resolution No. 65 of 2023 – Setting and Adopting the 2024 Contract Renewal of Group Dental Insurance and the Employer’s Share of Premium for Dental Insurance Coverage.

Ms. Stage stated City Staff worked with the City’s Insurance Broker, Jenny Van Denise, from Gallagher Insurance Consulting to obtain Group Dental Insurance proposals for 2024. Jenny renegotiated with the City’s current dental insurance provider, Delta Dental of MN to renew the current contract. Staff recommends accepting the renewal of the current group dental plan with Delta Dental in 2024 at an increase of 4.7% in premiums. This proposal maintains the same coverages provided in 2023. The proposal is a 100% employee-paid benefit plan for 2024. Staff recommends accepting the Delta Dental Pathfinder 3 Plan for 2024.

A motion was made by Council Member Sandgren and seconded by Council Member Buckley to waive the reading of Resolution No. 65 of 2023 – Setting and Adopting the 2024 Contract Renewal of Group Dental Insurance and the Employer’s Share of Premium for Dental Insurance Coverage. Motion passed by unanimous vote.

A motion was made by Council Member Smith and seconded by Council Member Arentson to approve Resolution No. 65 of 2023 – Setting and Adopting the 2024 Contract Renewal of Group Dental Insurance and the Employer’s Share of Premium for Dental Insurance Coverage. Motion passed by unanimous vote.

Public Works Project Coordinator Jim Doering introduced Resolution No. 66 of 2023 – Authorization to Execute Task Order No. 2023-4 For Airport Geotechnical Survey.

Mr. Doering stated Resolution No. 66 authorizes Task Order No. 2023-4 with Bolton and Menk, Inc. (BMI) to provide a listed scope of services for a geotechnical survey of runways 12 & 30 and preliminary design for a full mill and overlay rehabilitation. The FAA is in agreement that they will sponsor at 90% cost share on the full 4000’ x 100’ runway rehabilitation. The survey and preliminary design are also needed to finish the Master Plan Update that BMI is currently finishing.

Mr. Doering stated the City has requested \$3.368 million in bonding from the State Legislature to do a full-depth reclamation which the FAA deems as a full reconstruction. The FAA has declared that they will not participate at 90% cost share for the full reconstruction of the runway. As noted in the task order the Airport has not met minimum requirements. They will only cost-participate on a 3400’ x 75’ runway. To the amount of \$3.282 million. Completion of the project scope is anticipated for November to May 2024.

A motion was made by Council Member Smith and seconded by Council Member Arentson to waive the reading of Resolution No. 66 of 2023 – Authorization to Execute Task Order No. 2023-4 For Airport Geotechnical Survey. Motion passed by unanimous vote.

A motion was made by Council Member Buckley and seconded by Council Member Arentson to approve Resolution No. 66 of 2023 – Authorization to Execute Task Order No. 2023-4 For Airport Geotechnical Survey. Motion passed by unanimous vote.

Public Works Project Coordinator Jim Doering introduced Resolution No. 67 of 2023 – A Resolution Accepting Grant Navigator Funding.

Mr. Doering stated the City of Redwood Falls has been awarded the League of Minnesota City’s Grant Navigator funding for the build-out of the Reflections Trail Loop Project. The award is for \$5,000.00 to engage Bolton & Menk Inc. to assist with finding additional grant funding, develop preliminary assessments, and work with the project from concept design through construction. Council approved the application for the grant by enacting Resolution No. 50 of 2023 on September 19, 2023. The league will be sending a formal award letter and grant funds through the mail. Staff was notified by email of the award with a draft version of the resolution that is required to receive the grant funds.

A motion was made by Council Member Buckley and seconded by Council Member Smith to waive the reading of Resolution No. 67 of 2023 – A Resolution Accepting Grant Navigator Funding. Motion passed by unanimous vote.

A motion was made by Council Member Sandgren and seconded by Council Member Arentson to approve Resolution No. 67 of 2023 – A Resolution Accepting Grant Navigator Funding. Motion passed by unanimous vote.

Finance Director Klages introduced Resolution No. 68 of 2023 – Resolution to Accept Minnesota OSHA Safety Program Grant.

Ms. Klages stated at the October 3, 2023, Council meeting, Staff was authorized to submit an application to OSHA's Safety Grant Program to help cover the costs of updating the City's current trench box and confined space gas monitoring system. The Safety Grant Program awards employers a dollar-for-dollar match on qualifying projects. The total cost to replace both items is \$13,539. The awarded grant is a total of \$6,769.50 which will cover 50% of the total cost. The City will be responsible for a 50% match of \$6,769.50. The cost will be split between the water and wastewater budgets.

A motion was made by Council Member Smith and seconded by Council Member Buckley to waive the reading of Resolution No. 68 of 2023 – Resolution to Accept Minnesota OSHA Safety Program Grant. Motion passed by unanimous vote.

A motion was made by Council Member Arentson and seconded by Council Member Sandgren to approve Resolution No. 68 of 2023 – Resolution to Accept Minnesota OSHA Safety Program Grant. Motion passed by unanimous vote.

Public Works Project Coordinator Jim Doering introduced the Request for Qualifications for Airport Engineering Services.

Mr. Doering stated at the October 19, 2023, regular meeting, the Redwood Falls Airport Commission moved to recommend soliciting an RFQ for the Redwood Falls City Council's consideration and approval. The Federal Aviation Administration of the U.S. Department of Transportation has set a five-year limitation on airport sponsors for using the same consultant for aviation consulting services under Advisory Circular No. 150/5100-14E. Every five years, airport sponsors must use qualifications-based selection procedures in the selection and engagement of consultants in the same manner as Federal contracts for architectural and engineering services negotiated under Title IX of the Federal Property and Administration Services Act of 1949.

Mr. Doering stated at the scheduled December 21, 2023, Airport Commission meeting, the Commission will rank and determine a clear candidate for recommendation to Council. If a clear candidate is not apparent, a shortlist selection of 3 consultants based on qualified submittals will be developed and invitations sent for scheduled presentations at a special Airport Commission meeting with the date to be determined. A single consultant of the three shortlist candidates will be selected and recommended to the Redwood Falls City Council at the regularly scheduled first business meeting of 2024. Upon approval, the selected consultant will help develop a service agreement that will enable them to provide services listed in the RFQ to aid the City of Redwood Falls Municipal Airport in CIP planning and implementation for up to five years.

A motion was made by Council Member Buckley and seconded by Council Member Smith to approve the Request for Qualifications for Airport Engineering Services. Motion passed by unanimous vote.

City Administrator Muetzel introduced the Appointment of Justin Jensen to the Redwood Falls Fire Department.

Mr. Muetzel stated in October, the hiring committee conducted interviews to fill a vacancy on the Fire Department. The hiring committee interviewed three applicants and selected Justin Jensen. Mr. Jensen's background check has been completed and approved. Staff is recommending Council approve the hiring of Justin Jensen to the Fire Department.

A motion was made by Council Member Arentson and seconded by Council Member Buckley to approve the Appointment of Justin Jensen to the Redwood Falls Fire Department. Motion passed by unanimous vote.

City Administrator Muetzel stated a request was received from residents to add a speed limit sign along County Highway 24 between State Highway 67 and County Highway 1. Redwood County had also received feedback from residents and local Law Enforcement regarding the rate of speed in the area along County Highway 24 by St. John's Lutheran School and the CentraCare Hospital. The Redwood County Highway Department made the decision to reduce the speed limit in that area to 45 mph and install new speed limit signs.

City Administrator Muetzel presented Council with a draft packet of the marketing materials for the Reflections Ridge Business Park.

Public Works Project Coordinator Jim Doering stated the Reflections Ridge Business Park and the Reflection Prairie housing development are both nearing completion. November 24, 2023 continues to be the substantial completion date for infrastructure work. Great Plains Natural Gas has not been installed yet but underground electric is 75% complete. As soon as the infrastructure is complete, the individual lots previously sold can begin construction.

Bills and Claims were presented to the Council for informational purposes. No questions, comments or concerns were raised.

There being no further business, a motion was made by Council Member Sandgren and seconded by Council Member Smith to adjourn the meeting at 6:01 p.m. Motion passed by unanimous vote.

ATTEST:

\_\_\_\_\_  
Keith Muetzel  
City Administrator

\_\_\_\_\_  
Tom Quackenbush  
Mayor



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10555 Orchard Road  
Cologne, MN 55322  
Phone: (952) 356-2992  
shannon@daviddrown.com

November 15, 2023

City of Redwood Falls  
Attn: Keith Muetzel, City Administrator  
Attn: Kari Klages, Director of Finance  
P.O. Box 526  
Redwood Falls, MN 56283

**RE: Electric Utility Revenue Bonds**

Honorable Mayor, Council Members, Administrator Muetzel, and Director Klages:

The purpose of this letter is to provide our recommendations regarding the sale of bonds for electrical improvements being made as part of the city's system conversion to underground. The proposed financing has been sized to cover those project costs for the next two years.

Our estimate of costs to be included in the proposed project financing includes the following:

Underground Project	\$5,132,284.00
Debt Service Reserve	369,830.00
Finance & Legal	78,470.00
<b>TOTAL PROJECT COST:</b>	<b>\$5,580,584.00</b>

The funding sources to be utilized to finance the costs outlined above include the following:

<b>2023B Electric Utility Revenue Bonds</b>	<b>\$5,210,000.00</b>
Construction Fund Earnings	754.00
Cash Contribution (D/S Reserve)	369,830.00
<b>TOTAL SOURCES OF FUNDING:</b>	<b>\$5,580,584.00</b>

**Payment and Revenue Requirements:**

The City of Redwood Falls will be required to pledge electric utility revenues for the repayment of the bonds. Those payments will average approximately \$503,000 per year for 15-years at an interest rate of 5% on the proposed bonds. As required in covenants included in prior bonds, the City will be need to maintain a debt service reserve account of approximately \$856,800 (funded by designating an additional portion of cash reserves), charge sufficient rates to provide debt coverage of 120% (currently projected to average more than 2 times), and meet a coverage test of 115% if additional bonds are to be issued.

**Alternatives Considered:**

We looked at both a public sale (with a credit rating) and a bank placement, and ultimately recommended the use of a placement agent (DA Davidson). DA Davidson reached out to local banks and others in this process and ultimately Security Bank & Trust Co. offered what was the most competitive proposal that compared well to a rated public sale.



**\$5,210,000 Electric Utility Revenue Bonds:**

If the Council chooses to finance the project costs as proposed, David Drown Associates, Inc. recommends the following:

- 15-year term on project financing
- Bonds callable any time after 12/1/2032
- Sale of bonds utilizing a placement agent
- We do not recommend purchasing a credit rating

Schedule and Issuance:

If determined to be appropriate to proceed, the proposed schedule for the sale of bonds would be as follows:

November 21, 2023	Award Sale of Bond Issue
December 6, 2023	Closing

Attached you will find a resolution awarding the sale of bonds to Security Bank & Trust Co. We recommend that the City Council approve the resolution if it is determined to be appropriate to proceed with the project financing as proposed.

Please feel free to contact me with any questions regarding the attached materials. Thank you for your time and consideration.

Sincerely,



Shannon Sweeney  
David Drown Associates, Inc.

**\$5,210,000**  
**Electric Revenue Bonds, Series 2023B**

**Uses of Funds**

Underground Electrical Projects	5,132,284.00	
Contribution to Debt Service Reserve	369,830.00	
Other Costs	-	
<b>Total Project Costs</b>	<b>5,502,114.00</b>	
Underwriter's Discount Allowance	0.000%	-
Unused Underwriter's Discount Allowance		-
Fiscal Fee	23,000.00	
Bond Counsel	18,000.00	
Lenders Counsel	-	
Printing & Misc	1,000.00	
Bank Placement Fee	36,470.00	
Capitalized Interest	-	
Accrued Interest	-	
Rounding	-	
		<u>5,580,584.00</u>

**Sources of Funds**

Bond Issue	5,210,000.00
Construction Fund Earnings	754.00
Cash Contribution (Debt Service Reserve)	369,830.00
	<u>5,580,584.00</u>

**Payment Schedule & Cashflow**

<i>Payment Schedule</i>					
12-Month	Interest		Payment	plus 20%	
Period ending	Principal	Rate	Interest	Total	Coverage
	-		-	-	
12/6/2023	-	5.00%	-	-	-
12/1/2024	238,000.00	5.00%	256,881.94	<b>494,881.94</b>	593,858.33
12/1/2025	254,000.00	5.00%	248,600.00	<b>502,600.00</b>	603,120.00
12/1/2026	266,000.00	5.00%	235,900.00	<b>501,900.00</b>	602,280.00
12/1/2027	280,000.00	5.00%	222,600.00	<b>502,600.00</b>	603,120.00
12/1/2028	294,000.00	5.00%	208,600.00	<b>502,600.00</b>	603,120.00
12/1/2029	308,000.00	5.00%	193,900.00	<b>501,900.00</b>	602,280.00
12/1/2030	324,000.00	5.00%	178,500.00	<b>502,500.00</b>	603,000.00
12/1/2031	340,000.00	5.00%	162,300.00	<b>502,300.00</b>	602,760.00
12/1/2032	357,000.00	5.00%	145,300.00	<b>502,300.00</b>	602,760.00
12/1/2033	375,000.00	5.00%	127,450.00	<b>502,450.00</b>	602,940.00
12/1/2034	393,000.00	5.00%	108,700.00	<b>501,700.00</b>	602,040.00
12/1/2035	413,000.00	5.00%	89,050.00	<b>502,050.00</b>	602,460.00
12/1/2036	434,000.00	5.00%	68,400.00	<b>502,400.00</b>	602,880.00
12/1/2037	456,000.00	5.00%	46,700.00	<b>502,700.00</b>	603,240.00
12/1/2038	478,000.00	5.00%	23,900.00	<b>501,900.00</b>	602,280.00
	<u>5,210,000.00</u>		<u>2,316,781.94</u>	<u>7,526,781.94</u>	<u>9,032,138.33</u>

**Bond Details**

Set Sale Date	N/A
Sale Date	11/21/2023
Dated Date	12/6/2023
Closing Date	12/6/2023
1st Interest Payment	6/1/2024
Proceeds spent by:	12/31/2025
	<i>to Dated Date</i>
Purchase Price	5,210,000.00
Net Interest Cost	2,316,781.94
Net Effective Rate	<b>5.0000%</b>
Average Coupon	5.0000%
Yield	TBD
Average Life	8.8936
Call Option	12/1/2032
Purchaser	Security Bank & Trust Co.
Bond Counsel	Taft
Pay Agent	Bank to Send Invoice
Tax Status	<b>Tax Exempt, Bank Qualified</b>
Continuing Disclosure	Audit within 180 Days
Rebate	24-Month Spend Down
Statutory Authority	M.S. 453 & 475

<i>Pledged Revenues</i>			<i>Account Balances</i>	
Collection	Electric	Other	Surplus	Account
Year	Revenues	Revenues	(deficit)	Balance
		Capitalized & accrued interest >		-
2021	-	-	-	-
2022	593,858.33	-	-	-
2023	603,120.00	-	-	-
2024	602,280.00	-	-	-
2025	603,120.00	-	-	-
2026	603,120.00	-	-	-
2027	602,280.00	-	-	-
2028	603,000.00	-	-	-
2029	602,760.00	-	-	-
2030	602,760.00	-	-	-
2031	602,940.00	-	-	-
2032	602,040.00	-	-	-
2033	602,460.00	-	-	-
2034	602,880.00	-	-	-
2035	603,240.00	-	-	-
2036	602,280.00	-	-	-
	<u>9,032,138.33</u>	-		<u>-</u>

EXTRACT OF MINUTES OF A MEETING  
OF THE CITY COUNCIL  
CITY OF REDWOOD FALLS, MINNESOTA

HELD: November 21, 2023

Pursuant to due call, a regular or special meeting of the City Council of the City of Redwood Falls, Redwood County Minnesota, was duly held at the City Hall on November 21, 2023, at 5:00 p.m. for the purpose, in part, of awarding the sale of a \$5,210,000 Electric Utility Revenue Bond, Series 2023B.

The following members were present:

and the following were absent:

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

RESOLUTION NO. 69

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF A  
\$5,210,000 ELECTRIC UTILITY REVENUE BOND, SERIES 2023B

A. WHEREAS, the City of Redwood Falls, Minnesota (the "City"), owns and operates a municipal electric utility (the "Electric Utility") and the City deems it necessary and expedient to finance improvements (the "Improvements") to the Electric Utility and it is necessary for the City to borrow \$5,210,000 to make the Improvements; and

B. WHEREAS, by Resolution No. 6 dated February 5, 2013 (the "Prior 2013 Resolution") the City authorized the issuance and sale of \$2,065,000 Electric Utility Revenue Bonds, Series 2013A, dated March 5, 2013 (the "Prior 2013 Bonds"). There are presently outstanding \$895,000 in principal amount and paragraph 4(a) of the Prior 2013 Resolution provides for the maturity of the Prior 2013 Bonds as follows:

<u>Year</u>	<u>Amount</u>
2023	\$285,000
2025	295,000
2027	315,000

C. WHEREAS, by Resolution No. 39 of 2019, dated November 19, 2019 (the "Prior 2019 Resolution") the City authorized the issuance and sale of a \$2,415,000 Electric Utility Revenue Bond, Series 2019A, dated December 5, 2019 (the "Prior 2019 Bond"). There are presently outstanding \$1,872,000 in principal amount and paragraph 4 of the Prior 2019 Resolution provides for the maturity of the Prior 2019 Bond as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	189,000	2028	212,000
2024	194,000	2029	217,000
2025	198,000	2030	223,000
2026	203,000	2031	228,000
2027	208,000		

D. WHEREAS, by Resolution No. 49 of 2021, dated September 21, 2021 (the "Prior 2021 Resolution") the City authorized the issuance and sale of a \$1,205,000 Electric Utility Revenue bond, Series 2021B, dated December 6, 2021 (the "Prior 2021 Bond"). There are presently outstanding \$1,135,000 in principal amount and paragraph 4 of the Prior 2021 Resolution provides for the maturity of the Prior 2021 Bond as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	70,000	2030	\$85,000
2024	70,000	2031	85,000
2025	75,000	2032	85,000
2026	75,000	2033	85,000
2027	75,000	2034	90,000
2028	80,000	2035	90,000
2029	80,000	2036	90,000

E. WHEREAS, the Prior 2013 Resolution, the Prior 2019 Resolution and the Prior 2021 Resolution are hereinafter referred to collectively as, the "Prior Resolutions"; and the Prior 2013 Bonds, the Prior 2019 Bond and the Prior 2021 Bond are hereinafter referred to collectively as, the "Prior Bonds"; and

F. WHEREAS, except for the Prior Bonds, there are no bonds, certificates or other obligations payable out of the net revenues of the Electric Utility constituting a lien or charge upon the revenues thereof; and

G. WHEREAS, the City Council has heretofore determined that it is necessary and expedient to issue a \$5,210,000 Electric Utility Revenue Bond, Series 2023B (the "Bond"), pursuant to Minnesota Statutes, Chapters 453 and 475, payable solely from the net revenues of the Electric Utility to finance the Improvements; and

H. WHEREAS, the City has retained David Drown Associates, Inc., in Minneapolis, Minnesota ("David Drown"), as its independent municipal advisor for the sale of the Bond, and was therefore authorized to sell the Bond by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9) and proposals to purchase the Bond have been solicited by DA Davidson & Company, Inc., as placement agent; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Redwood Falls, Minnesota, as follows:

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

(a) Parity of Lien Test. All of the payments required to be made into the various funds and accounts provided for in the Prior Resolutions authorizing the issuance of the Prior Bonds, have been made and there is sufficient money in the Debt Service Account of the Electric Utility Fund to pay all principal and interest on the Prior Bonds coming due during the twelve month period next succeeding the issuance of the Bond authorized by this Resolution.

The gross revenues, expenses of operation and maintenance, and net revenues of said Electric Utility from all sources for the past completed two fiscal years have been as follows:

<u>Year Ended</u>	<u>12/31/2021</u>	<u>12/31/2022</u>
GROSS REVENUES	<u>\$7,004,336</u>	<u>\$7,228,370</u>
NET INCOME BEFORE OPERATING TRANSFERS		
ADD: Depreciation Expense	<u>800,448</u>	<u>909,209</u>
Interest Expense	<u>117,140</u>	<u>100,742</u>
CASH FLOW AVAILABLE FOR DEBT SERVICE	<u>\$2,320,777</u>	<u>\$2,037,229</u>
TWO YEAR AVERAGE CASH FLOW (NET REVENUES)	<u>\$2,471,415</u>	<u>\$2,179,003</u>

(b) The annual average of the Net Revenues of the Electric Utility for the two fiscal years immediately preceding the issuance of the Bond are \$2,179,003, which are not less than one hundred fifteen percent (115%) of the average of the unpaid annual debt service requirements on the outstanding Prior Bonds (which are \$300,931) and the Bond to be issued (which are \$501,785), and the City is therefore authorized to issue the present Bond on a parity lien with the Prior Bonds.

(c) The payments required to be made into the funds established by the Prior Resolutions have been provided for.

(d) Other than the Prior Bonds, the City has no other presently outstanding bonds, warrants, certificates or other obligations or evidences of indebtedness of money borrowed for or on account of said Electric Utility or indebtedness for which any of the net revenues of said utilities have been appropriated or pledged.

2. Sufficiency of Net Revenues. The estimated revenues to be derived from the operation of the Electric Utility during the term of the Bond 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 Prior Bonds, the Bond and to maintain reasonable reserves therefor.

3. Acceptance of Offer. The offer of Security Bank & Trust Co., in Winsted, Minnesota (the "Purchaser"), to purchase the Bond and to pay therefor the sum of \$5,210,000, without accrued interest, all in accordance with the terms and at the rate of interest hereinafter set forth, is hereby accepted.

4. Bond Terms.

(a) Original Issue Date; Maturities; and Payment. The Bond shall be dated December 6, 2023, as the date of original issue and shall be issued forthwith on or after such date in fully registered form. The Bond shall be numbered R-1. The Bond shall be subject to mandatory sinking fund installments on December 1 in the years and amounts set forth below and shall bear interest at 5.00% per annum (calculated on the basis of a 360-day year of twelve 30-day months) from its date of original issue until paid or duly called for redemption as follows:

Principal Installments		Principal Installments	
<u>Due December 1</u>	<u>Amount</u>	<u>Due December 1</u>	<u>Amount</u>
2024	238,000	2032	\$357,000
2025	254,000	2033	375,000
2026	266,000	2034	393,000
2027	280,000	2035	413,000
2028	294,000	2036	434,000
2029	308,000	2037	456,000
2030	324,000	2038	478,000
2031	340,000		

5. Interest Payment Dates. The interest on the Bond shall be payable on June 1 and December 1 in each year, commencing June 1, 2024 (each a "Payment Date"), to the owner of record thereof.

6. Optional Redemption. This Bond is subject to redemption and prepayment at the option of the Issuer on December 1, 2032, and on any Payment Date thereafter, in whole or in multiples of \$1,000, upon written notice to the Owner, at the redemption price equal to par plus accrued interest to date of prepayment.

7. Bond Registrar. The Finance Director, City of Redwood Falls, Minnesota, is appointed to act as Bond Registrar and transfer agent with respect to the Bond (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed. Any successor Bond Registrar shall act as Bond Registrar and transfer agent pursuant to any contract the City and successor 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 Bond shall be paid to the registered owners (or record owners) of the Bond in the manner set forth in the form of Bond.

8. Form of Bond. The Bond, together with the Certificate of Registration, shall be in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
REDWOOD COUNTY  
CITY OF REDWOOD FALLS

R-1

\$5,210,000

ELECTRIC UTILITY REVENUE BOND, SERIES 2023B

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
5.00%	December 1, 2038	December 6, 2023

REGISTERED OWNER: SECURITY BANK & TRUST CO., WINSTED, MINNESOTA

PRINCIPAL AMOUNT: FIVE MILLION TWO HUNDRED TEN THOUSAND DOLLARS

The City of Redwood Falls, Redwood County, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or assigns duly certified on the Certificate of Registration attached to and made a part of this Bond (the "Owner" or "Holder"), in the manner hereinafter set forth, the \$5,210,000 principal amount of this Bond in the principal installments due on December 1 of the years and in the amounts, respectively, as follows, with each such principal installment bearing interest until paid through mandatory sinking fund redemption at the interest rate of 5.00% per annum:

<u>Principal Installments</u> <u>Due December 1</u>		<u>Amount</u>	<u>Principal Installments</u> <u>Due December 1</u>		<u>Amount</u>
2024	238,000		2032	\$357,000	
2025	254,000		2033	375,000	
2026	266,000		2034	393,000	
2027	280,000		2035	413,000	
2028	294,000		2036	434,000	
2029	308,000		2037	456,000	
2030	324,000		2038	478,000	
2031	340,000				

Interest. Interest shall be payable semiannually on June 1 and December 1 of each year (each, an "Payment Date"), commencing June 1, 2024, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for.

Payment. Principal installments and interest shall be paid by check, ACH debit, wire transfer or draft mailed to the Owner at the address listed on the Certificate of Registration attached to and made a part of this Bond. The payment of all principal and interest on this Bond, shall be made by the Finance Director, City of Redwood Falls, Minnesota (the "Bond

Registrar"). The owner of this Bond shall not have to present this Bond to receive any payment hereunder, including any final payment of sinking fund redemption.

Optional Redemption. This Bond is subject to redemption and prepayment at the option of the Issuer on December 1, 2032, and on any Payment Date thereafter, in whole or in multiples of \$1,000, upon written notice to the Owner, at the redemption price equal to par plus accrued interest to date of prepayment.

Date of Payment Not a Business Day. If the nominal date for payment of any principal of or interest on this Bond shall not be a business day of the Issuer or of the Owner, then the date for such payment shall be the next such business day and payment on such business day shall have the same force and effect as if made on the nominal date of payment.

Issuance; Purpose; Special Obligations. This Bond is issued as a single instrument in the total principal amount of \$5,210,000, pursuant to and in full conformity with the Charter of the Issuer, the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on November 21, 2023 (the "Resolution") for the purpose of providing money to finance the cost of improvements to the municipal electric utility (the "Electric Utility"), and is issued pursuant to and in full conformity with the provisions of the Charter of the Issuer, the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapter 475. The Bond and the interest thereon are payable solely and exclusively from the net revenues 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 Bond has a parity lien upon the net revenues of the electric utility of the Issuer with the outstanding Electric Utility Revenue Bonds, Series 2013A, Electric Utility Revenue Refunding Bond, Series 2019A and Electric Utility Revenue Bond, Series 2021B, except that the Issuer is authorized under certain conditions to issue additional revenue obligations on a parity of lien with this Bond, all as provided in the Resolution.

Remedies. The Owner may, either by law or in equity, by suit, action, or other proceedings, protect and enforce its rights 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 the Owner to enforce the payment of the principal of and interest on this Bond after the maturity, or the obligation of the Issuer to pay the principal of and interest on this Bond at the time and place, from the source and in the manner provided in the Resolution.

Transfer. This Bond is transferable by the Owner in person or by the Owner'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 new, fully registered Bond 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 Bond.

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.

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

Qualified Tax-Exempt Obligation. This Bond has been designated by the Issuer as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Charter of the Issuer, 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; 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 this Bond issue; 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 charter, constitutional or statutory limitation of indebtedness.

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

Date of Registration:

CITY OF REDWOOD FALLS,  
REDWOOD COUNTY, MINNESOTA

December 6, 2023

REGISTRABLE BY AND  
PAYABLE AT:

Finance Director

City of Redwood Falls,  
Minnesota

---

Mayor

---

City Administrator

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Bond may be made only by the registered owner or the registered owner's legal representative last noted below:

<u>DATE OF REGISTRATION</u>	<u>REGISTERED OWNER</u>	<u>SIGNATURE OF BOND REGISTRAR</u>
<u>December 6, 2023</u>	<u>Security Bank &amp; Trust Co. 110 First St. N. Winsted, MN 55395</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>

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

10. 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.

11. 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.

12. Delivery; Application of Proceeds. The Bond when so prepared and executed shall be delivered by the Finance Director to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

13. Income and Revenue Funds. The City has heretofore established, and shall continue to maintain as long as the Bond or any additional Parity Bonds (described in paragraph 17) are outstanding, a separate City fund for the Electric Utility (the "Electric Utility Fund"), into which all of the income and revenues from the operation of the Electric Utility are and shall continue to be deposited and segregated from all other City funds. 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.

As used in this Resolution, the term "Gross Revenues" of the Electric Utility means all income and revenue of any nature derived from the operation or use of the Electric Utility, investment earnings on funds held in the Electric Utility Fund (except to the extent explicitly reserved for other purposes in this Resolution) and all other funds specifically declared in this Resolution to constitute Gross Revenues, and the term "Net Revenues" of the Electric Utility means the Gross Revenues minus the Operation and Maintenance Expenses of the Electric Utility (defined in paragraph (a) below).

(a) Gross Revenues of the Electric Utility shall first be used to make full and timely payment, when due, of the current "Operation and Maintenance Expenses" of the

Electric Utility. As used in this Resolution, the term "Operation and Maintenance Expenses" means the reasonable and necessary costs of operating and maintaining the Electric Utility, including but not limited to salaries, wages, contractual and professional service costs, costs of materials and supplies, insurance and audits, costs of purchasing, producing and delivering electric power and energy, specifically including fuel costs, costs of transmission service, reserve service, interchange service and all other costs of purchased power; provided that Operation and Maintenance Expenses shall not include interest costs, depreciation, accumulations of reserves for capital replacements or the "contributions in lieu of taxes" paid to the City out of the Electric Utility Fund.

(b) Net Revenues of the Electric Utility in amounts sufficient to pay the principal of and the interest on the Bond and on any additional Parity Bonds, as and when due, shall next be set aside into the "Electric Utility Revenue Bond Debt Service Account" (the "Debt Service Account") hereby created as a separate account within the Electric Utility Fund to be held and applied only to the payment of the principal of and interest on the Bond and on any additional Parity Bonds. Such monies required to be deposited into the Debt Service Account are hereby irrevocably pledged to the payment of the principal of and interest on the Bond and on any Parity Bonds, when due.

(c) Net Revenues in excess of the amounts required to be maintained in the funds and accounts of the Electric Utility under this Resolution are not restricted by the terms hereof and may be used by the City for such other purposes and at such times as may be permitted by law.

It is the express intent and determination of the City that the amount of the Net Revenues to be set aside and paid into the Debt Service Account (including the Reserve Account therein) shall in any event be sufficient to pay the principal of and interest on the Bond and on any additional Parity Bonds, when due, and to meet reserve requirements, and the Finance Director shall from time to time deposit sufficient Net Revenues in said funds for such purposes.

The Debt Service Account shall be used for no purpose other than the payment of interest on and principal of the Bond and any additional Parity Bonds promptly as the same become due and payable or to pay redemption premiums, if any.

14. Reserve Account. There has heretofore been created and there shall continuously be maintained a separate subaccount in the Debt Service Account known as the "Reserve Account". The City shall continue to maintain the Reserve Account as a separate and distinct subaccount within the Debt Service Account, and the Reserve Account shall secure the prompt and full payment of the principal of and the interest on the Prior Bonds, the Bond (and any additional Parity Bonds), but only to the extent that the regular debt service amounts deposited in the Debt Service Account are otherwise insufficient for such purposes. The City shall deposit from cash funds in the amount of \$369,830.00, which together with funds on hand shall equal the Reserve Requirement, as defined herein.

The Reserve Account shall be maintained at the "Reserve Requirement" described in this paragraph. At the time of issuance of the Bond, the Prior Bonds and any additional Parity Bonds

(collectively, the "Secured Bonds"), the City shall cause the Reserve Account to be funded in the amount equal to the smallest of the following:

- (a) The maximum of the unpaid annual debt service requirements of the outstanding Secured Bonds (including those then being issued);
- (b) 125% of the average of the unpaid annual debt service requirements of the outstanding Secured Bonds (including those then being issued); and
- (c) an amount equal to the sum of the Reserve Requirement (if any) just prior to the issuance of additional Secured Bonds plus 10% of the "issue price" of the Secured Bonds at the time being issued (such issue price to be determined pursuant to Section 1273 of the Code, but without regard to accrued interest); provided, however,

that pursuant to such instructions and opinions as the City may receive or request from its bond counsel, the Reserve Requirement, and the investment of funds in the Reserve Account, shall be subject to such restrictions and affirmative obligations as shall be necessary in order that none of the Secured Bonds issued as tax-exempt bonds shall (in the absence of compliance with any such restrictions or affirmative obligations) become generally subject to federal income taxation.

In this section respecting the Reserve Account, references to provisions of the Code shall be to the then-applicable provisions of the Internal Revenue Code of 1986, as amended, supplemented or superseded, and to the regulations, rulings and decisions thereunder relating to tax-exempt obligations.

If an entire issue of Secured Bonds shall have been paid in full in accordance with its terms, or if any obligation under any Secured Bond shall have been defeased within the meaning of paragraph 20 of this Resolution, the Reserve Requirement shall be reduced to that level thereof which would apply had said issue of Secured Bonds, or said obligation of that Secured Bond, as the case may be, never been issued; provided, however, that any such reduction shall be subject to the condition that there shall not at the time be a default continuing with respect to the payment of or security for any Secured Bond or a default continuing under any resolution, indenture or other document pursuant to which any Secured Bonds were issued.

The City shall maintain the Reserve Account not in excess of the Reserve Requirement(s) that may apply from time to time and the City shall promptly withdraw from the Reserve Account any amounts which are in excess thereof (including all earnings, as and when received, on investments of monies in the Reserve Account); provided that the City hereby covenants and agrees that at any time that the Reserve Account shall be funded at a level less than the applicable Reserve Requirement, the City shall retain all such earnings in the Reserve Account and shall promptly pay such monies into the Reserve Account from the first available Net Revenues as shall be sufficient to restore such deficiency.

15. Construction Account; Certain Investment Restrictions. To the Construction Account, which shall be an account within the Electric Utility Fund hereby established for the Bond separate and apart from all other funds and accounts of the City, there shall be credited the proceeds of the sale of the Bond (net of any accrued interest on the Bond or other proceeds thereof deposited into the Debt Service Account to pay interest first coming due on the Bond,

plus earnings on funds invested while on deposit in the Construction Account. From the Construction Account there shall be paid all costs and expenses of making the Improvements, and the moneys in said account shall be used for no other purpose except as otherwise provided by law.

No portion of the proceeds of the Bond 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 for an available and reasonable "temporary period" until such proceeds are needed for the purpose for which the Bond was issued, and for any available "minor portion." To this effect, any proceeds of the Bond and any sums from time to time held in the Construction Account or Debt Service Account (or any other City account which will be used to pay principal of or interest on the Bond) 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 the arbitrage regulations on such investments, after taking into account any applicable "temporary periods" or "minor portion" under the federal arbitrage regulations. In addition, the proceeds of the Bond and the monies in the above referenced funds and accounts 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 Bond to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended, and the regulations, rulings and decisions thereunder (the "Code").

16. Operation of System; City Covenants. The City covenants and agrees with the registered owners of the Bond that:

(a) The City 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 the Home Rule Charter of the City, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the Electric Utility, and the City will segregate and apply the revenues of the Electric Utility as provided herein;

(b) The City will not mortgage, sell, lease, or in any manner dispose of the Electric Utility, including any part thereof or any additions or extensions that may be made part thereto, except that the City shall have the right to sell, lease or otherwise dispose of any property of the Electric Utility found by the City to be neither necessary nor useful in the operation of the Electric Utility, provided the proceeds received from such sale, lease or disposal shall be applied to the acquisition or construction of such capital facilities as the City may reasonably determine to be necessary for the normal operation of the Electric Utility and, to the extent not needed for said purposes, such proceeds shall be treated as Gross Revenues of the Electric Utility;

(c) The City will pay or cause to be paid all lawful taxes, assessments, governmental charges, and claims for labor, materials or supplies which if unpaid could become a lien upon the Electric Utility or its revenues or could impair the security of the Bond;

(d) The City will continue to operate the Electric Utility, will maintain it in good repair and condition and will establish, charge and collect such lawfully established rates and charges for the service rendered by the Electric Utility so that (1) the annual Net Revenues shall not be less than 120% of the average of the unpaid annual debt service requirements of the outstanding Secured Bonds; and (2) the Net Revenues of the Electric Utility herein agreed to be set aside to provide for the prompt and full payment, when due, of the principal of and interest on the Secured Bonds will be sufficient for such purposes (and will also be sufficient to restore any deficiency in the Reserve Account);

(e) The City will cause a budget for the Electric Utility to be prepared at least annually, and, in the event such budget indicates that Net Revenues for each year will not exceed debt service for each corresponding year by the proportion stated hereunder, the City will take any and all steps permitted by law to increase rates so that the aforementioned proportion of Net Revenues to debt service shall be accomplished as promptly as possible; and

(f) The City will proceed with due diligence to obtain and retain in effect all state, federal and/or local permits, licenses, and/or other approvals necessary for the City's ownership, construction, maintenance and continued operation of the Electric Utility, including without limitation the Improvements.

17. Additional Bonds; Parity Bonds. No bonds or obligations payable out of the revenues of the Electric Utility may be issued in such manner as to enjoy priority over the Bond. Additional obligations may be issued if their lien and pledge is junior and subordinate to that of the Bond. Additional obligations may be issued on a parity as to pledge and lien with the Bond (such additional parity obligations and the Bond being sometimes collectively referred to in this Resolution as the "Parity Bonds") if all of the following conditions are met:

(a) The annual average of the Net Revenues of the Electric Utility for the two fiscal years immediately preceding the issuance of such Parity Bonds shall not have been less than 115% of the average of the unpaid annual debt service requirements on the Secured Bonds and any additional Parity Bonds to be issued.

(b) The payments required to be made into the funds enumerated in paragraphs 13 and 14 of this Resolution (including the Reserve Account) must have been provided for.

(c) The additional Parity Bonds must have principal maturing on December 1 of each year and interest falling due on June 1 and December 1 of each year.

(d) The proceeds of the additional Parity Bonds must be used for providing extensions or improvements to the Electric Utility or refunding obligations issued for such purpose.

For purposes of calculating the coverages under subparagraph (a) above, if the rates and charges for service rendered by the Electric Utility in effect at the time of issuance of the Parity Bonds have been changed in any manner since the beginning of the preceding fiscal year, the Net Revenues for that year shall be deemed to be those which would have been received from such



changed rates and charges if applied to the services furnished during that year, after deduction of the actual Operation and Maintenance Expenses incurred during that year; and

If the project to be financed by the issuance of the Parity Bonds is estimated to result in a reduction of Operation and Maintenance Expenses, including but not limited to energy, demand, fuel or supply charges, or otherwise in a projected increase in Net Revenues on account of improved technology or other improvements to the Electric Utility, the Operation and Maintenance Expenses or Net Revenues of each year for which Net Revenues are determined shall be adjusted to the amount which it is estimated would have accrued or been payable had the change occurred at or before the beginning of that year.

18. Additional Covenants.

(a) General Covenant. The City covenants and agrees with the holder of the Bond that until such obligations and interest thereon are fully paid or discharged as provided in this Resolution, it will fully and promptly perform and do all acts and things provided in this paragraph.

(b) Continued Ownership. The City will continue its ownership and operation of the Electric Utility, until the Bond has been fully paid or discharged as provided by paragraph 20, and will cause it to be maintained in good and efficient operating condition, free from all liens on the revenues or the physical properties thereof, other than the liens herein provided, and will not sell or otherwise dispose of any capital assets of the Electric Utility except as provided herein. The City may at any time sell or otherwise dispose of any part of the Electric Utility, in the reasonable judgment of the City Council, which is obsolete, inadequate, worn out, or no longer necessary or desirable for continued operation of the Electric Utility, provided that any amounts received upon such sale or other disposition of such properties shall be deposited in the Debt Service Account or applied toward payment of the cost of procuring other capital assets useful in operation of the Electric Utility. The City may also at any time discontinue its operation of the Electric Utility and thereupon sell or otherwise dispose of any part or all of the assets thereof provided that all of the following conditions are satisfied:

(i) The City Council shall have adopted a resolution determining that it is in the best interest of the City that the City shall discontinue its operation of the Electric Utility.

(ii) The City Council shall have entered into a contract for the sale or other disposition of part or all of the Electric Utility on terms such that the City is entitled to receive amounts at all times sufficient to pay when due the interest to accrue on all outstanding Secured Bonds to their maturity dates or earlier designated redemption dates and to pay when due the entire principal amount of all outstanding Secured Bonds at maturity or upon prior redemption.

(iii) The City Council shall have adopted resolutions irrevocably pledging to payment of the outstanding Secured Bonds, and interest thereon, the amounts to be received by the City under paragraph (ii).

(iv) The City shall have received: (A) from nationally recognized bond counsel a written opinion stating that the result of the pledge made in accordance with paragraph (iii) will not result in the interest payable on the Bond thereafter being includable in gross income for

federal income tax purposes, and (B) from a nationally recognized rating agency a written statement that under the circumstances the investment quality of the Bond has not been impaired by the sale or other disposition of the Electric Utility.

(c) Books and Records. The City will cause proper and adequate books of record and account to be maintained, reflecting all receipts and disbursements and all accrued claims and expenses in connection with the operation, maintenance and improvement of the Electric Utility and the payment of obligations incurred therefor, and will make such records available for inspection at all reasonable times by the holder of any Bond or the holder's agent or attorney, and will cause them to be audited annually by a qualified independent certified public accountant, and will furnish the report of each such audit without cost to the initial purchaser of each series of Secured Bonds and will make the report available, upon request, to the holder of any Bond upon payment of reasonable photocopying and mailing fees.

(d) Insurance. The City will procure and keep in force at all times insurance on all buildings, structures, improvements, machinery and equipment constituting at any time a part of the Electric Utility, exclusive of foundations and excavations, against the perils covered under "extended coverage" or "all risk" insurance approved by the Insurance Department of the State of Minnesota, in such amounts as like properties are customarily insured for by prudent owners thereof, and will maintain public liability insurance at all times in amounts not less than the amounts in excess of which the City is immune from tort liability under the laws of the State of Minnesota, for all acts and omissions of its officers and employees concerned with the operation and maintenance of the Electric Utility, and will procure and keep in force surety company bonds covering all officers and employees handling Electric Utility funds, in amounts sufficient to cover at all times the funds in their hands. In the event of loss or damage compensated by any such insurance or bonds, the proceeds thereof shall be used to repair and restore the damage compensated.

(e) Bondholders' Rights. The holders of not less than 25% in aggregate principal amount of the Secured Bonds which are at such time outstanding may, either at law or in equity, by suit, action or other proceedings, protect and enforce the rights of all holders of the Secured Bonds and compel the performance of any and all of the covenants required herein to be performed by the City and its officers and agents, including but not limited to the establishment and maintenance of charges, fees and rentals and the collection and proper segregation of revenues and the use thereof. The holders of a majority in principal amount of all outstanding Secured Bonds shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to such holders or the exercise of any power conferred upon them, and the right to waive a default in the performance of any such covenant, and its consequences, except a default in the payment of the principal of or interest on any Secured Bond when due. However, nothing herein shall impair the absolute and unconditional right of the holder of each Secured Bond to receive payment of the principal thereof and interest thereon as such principal and interest respectively become due, from the Net Revenues pledged and appropriated for the payment thereof, and to institute suit for the enforcement of any such payment.

(f) Limitation; Bonds Not Debt. The Bond shall not constitute in any manner indebtedness, bonds or certificates of indebtedness of the City within the meaning of any

provision of state law limiting the amount or method of incurring such indebtedness, and shall be payable solely from the Net Revenues of the Electric Utility which are pledged and appropriated for that purpose in this Resolution, and the taxing powers of the City are not pledged in any manner for the payment thereof, except as may be needed for the payment of reasonable charges for electric utility service and benefits rendered and available to the City.

(g) Competing Service. To the extent permitted by law, the City will not grant a franchise for, establish or authorize the establishment of any other system in competition with any or all of the services supplied by the Electric Utility.

19. Amendments.

(a) Amendments Without Bondholder Consent. The City reserves the right to amend this Resolution from time to time and at any time, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein, or of making such provision with regard to matters or questions arising hereunder as the City Council may deem necessary or desirable and not inconsistent with this Resolution, and which shall not adversely affect the interests of the holders of Secured Bonds issued hereunder, or for the purpose of adding to the covenants and agreements herein contained, or to the Gross Revenues herein pledged, other covenants and agreements thereafter to be observed and additional Gross Revenues thereafter appropriated to the Electric Fund, for the purpose of surrendering any right or power herein reserved to or conferred upon the City or for the purpose of authorizing the issuance of additional bonds in the manner and subject to the terms and conditions prescribed in this Resolution. Any such amendment may be adopted by resolution, without the consent of the holders of any of the Secured Bonds.

(b) Amendments With Bondholder Consent. With the consent of the holders of Secured Bonds as provided in paragraph 19(c), the City may from time to time and at any time amend this Resolution by adding any provisions hereto or changing in any manner or eliminating any of the provisions hereof, or of any amending resolution, except that no amendment shall be adopted at any time without the consent of the holders of all Secured Bonds then outstanding, if it would extend the maturities of any such Secured Bonds, would reduce the rate or extend the time of payment of interest thereon, would reduce the amount or extend the time of payment of the principal thereof, would give to any Secured Bond(s) any privileges over any other Secured Bond(s), would reduce the sources of Gross Revenues appropriated to the Electric Fund, would authorize the creation of a pledge of said Gross Revenues prior to or on a parity with the Secured Bonds (except as is authorized by this Resolution as adopted), or would reduce the percentage in principal amount of Secured Bonds required to authorize or consent to any such amendment.

(c) Notice and Consent. Any amendment adopted pursuant to paragraph 19(b) shall be made by resolution duly adopted and shall become effective only upon the filing of written consents with the City Administrator, signed by the holders of not less than a majority in principal amount of the Secured Bonds then outstanding or, in the case of an amendment not affecting all outstanding Secured Bonds, by the holders of not less than a majority in aggregate principal amount of the Secured Bonds affected by such amendment. Any written consent to an amendment may be embodied in and evidenced by one or any number of concurrent written

instruments of substantially similar tenor signed by bondholders in person or by agent duly appointed in writing, and shall become effective when delivered to the City Administrator. Any consent by the holder of any Secured Bond shall bind the holder and every future holder of the same Secured Bond with respect to any amendment adopted by the City pursuant to such consent.

(d) Proof. Proof of the execution of any consent, or of a writing appointing any agent to execute the same, or of the ownership by any person of Secured Bonds, shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the City if made in the manner provided in this subparagraph (d). The fact and date of the execution by any person of any such consent or appointment may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the person signing it acknowledged the execution thereof. The amount of Secured Bonds held by any person by or for whom a consent is given, and the distinguishing numbers of such Secured Bonds, and the date of the holder's holding the same, shall be proved by the bond register. The fact and date of execution of any such consent and the amount and distinguishing numbers of Secured Bonds held by the person executing the same may also be proved in any other manner which the City may deem sufficient; but the City may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable.

20. Defeasance. 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 cease. The City may discharge any Parity Bonds which are due on any date by depositing with the Bond Registrar for such Parity 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 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, provided that notice of redemption thereof has been duly given as provided in the resolution authorizing the 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, 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 provided in the resolution authorizing the Parity Bonds has been duly provided for, to such earlier redemption date. The City may discharge Parity Bonds as herein provided without the consent of the Holders of any outstanding Parity Bonds.

21. 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 Bond, 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 Bond, 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 Bond.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Bond 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 not later than 18 months after the later of (i) the date of the payment of the Reimbursement Expenditure, or (ii) the date on which the Project to which the Reimbursement Expenditure relates is first placed in service, but in no event more than three years after the date of payment 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 Bond is issued, shall be treated as made on the day the Bond is 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 Bond stating in effect that such action will not impair the tax-exempt status of the Bond.

22. 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 the Bond, which change shall not constitute an amendment or modification of this Resolution.

23. 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 Bond, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Bond, and (iii) the rebate of excess investment earnings to the United States. The City expects to satisfy the twenty-four month exemption for gross proceeds of the Bond as provided in Section 1.148-7(e) of the Regulations. The Mayor, City Administrator, and/or Finance Director, are hereby authorized and directed to make such elections as to arbitrage and rebate matters relating to the Bond as they deem necessary, appropriate or desirable in connection with the Bond, and all such elections shall be, and shall be deemed and treated as, elections of the City.

24. Designation of Qualified Tax-Exempt Obligations. In order to qualify the Bond as a "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 Bond is issued after August 7, 1986;
- (b) the Bond is not a "private activity bond" as defined in Section 141 of the Code;
- (c) the City hereby designates the Bond 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 2023 will not exceed \$10,000,000;
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2023 have been designated for purposes of Section 265(b)(3) of the Code; and
- (f) the aggregate face amount of the Bond 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.

25. Negative Covenant as to Use of Improvements. The City hereby covenants not 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 Bond to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

26. Information to be Disclosed. The City will provide to the Purchaser, on or before 270 days after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2023, the audited financial statements of the Electric Utility (which may be a part of the audited financial statements of the City) for such fiscal year, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding

fiscal year of the Electric Utility, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements and, within 10 days after the receipt thereof, the City shall provide the audited financial statements.

27. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser of the Bond, and to the attorneys approving the legality of the issuance of the Bond, certified copies of all proceedings and records of the City relating to the Bond and the financial condition and affairs of the City, and such other affidavits, certifications and information as are required to show the facts relating to the legality and marketability of the Bond as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certifications and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts related therein.

28. 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 Bond issued hereunder and any other Parity Bonds from time to time outstanding.

29. 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.

30. 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 REDWOOD  
CITY OF REDWOOD FALLS

I, the undersigned, being the duly qualified and acting City Administrator of the City of Redwood Falls, Minnesota, DO HEREBY CERTIFY that I have carefully compared the attached and foregoing extract of minutes of a meeting of the 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 the minutes relate to the adoption of the resolution providing for the issuance and the sale of a \$5,210,000 Electric Utility Revenue Bond, Series 2023B.

WITNESS my hand on November 21, 2023.

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City Administrator





Trenton Dammann  
City Attorney  
Phone: (507)616-7400  
Fax: (507)637-2417

tdammann@ci.redwood-falls.mn.us

## AGENDA MEMO

**Meeting Date:** November 21, 2023

**Agenda Item:** Resolution No. 70 of 2023 – Approving Request for Exclusion From 3M Settlement Agreement. AND Resolution No. 71 of 2023 – Approving Request for Exclusion from Dupont Settlement Agreement.

**Recommendation/Action Requested:** Read the proposed Resolutions or make a motion to waive the reading of the Resolutions. Discuss the proposed Resolutions. If there are no concerns, adopt the proposed Resolutions by motion in accordance with Chapter 4 of the City Charter.

**Summary/Overview:** There are proposed class action settlements between 3M and public water systems in the United States as well as Dupont related to PFAS contamination in drinking water. These class action lawsuits consolidate multidistrict litigation. The City of Redwood Falls has been automatically included as a class member in both suits as the City owns and operates a “Public Water System.”

In the proposed national settlement, 3M will pay out somewhere between \$10.5-12.5 billion. The funds will be split between two groups: 1) Phase one class members are public water systems that have detected PFAS before the settlement date; 2) Phase two class members are public water systems that have not detected PFAS before the settlement date but are either required to test their drinking water for PFAS contamination pursuant to UCMR-5, or serve more than 3,300 people according to the Safe Drinking Water Information System (SDWIS).

The Dupont settlement is structured similarly and is approximately \$1.185 billion. The City of Redwood Falls is considered a Phase Two class member in both settlement agreements. It is important to note that Redwood Falls drinking water sources have not tested positive for PFAS contamination and have not experienced any negative impact by PFAS.

All class members are subject to important deadlines in exercising their rights under the settlement agreements. If the City wishes to remain a class member, it will be required to submit a claims form in both cases by January 1, 2026, and undertake PFAS testing and reporting. If the City wishes to opt-out of either or both settlement agreements, a Request for Exclusion with supporting affidavit and documentation must be served upon several specific parties prior to specific deadlines (3M – 12/11/2023; and Dupont – 12/4/2023).

Remaining as a class member may provide the City access to the settlement funds, but the City will be required to give up significant legal rights that would impact the City’s ability to seek future legal recourse including the recovery of any clean-up costs not covered by the current settlements.

**Attachments:** Resolution No. 70 of 2023  
Resolution No. 71 of 2023  
Flaherty & Hood Memorandum

**RESOLUTION NO. 70 OF 2023**

**APPROVING REQUEST FOR EXCLUSION FROM SETTLEMENT AGREEMENT; *IN RE: AQUEOUS FILM-FORMING FOAMS PRODUCTS LIABILITY LITIGATION*, MDL NO. 2-18-MN-2873-RMG; *CITY OF CAMDEN, ET AL. V. 3M COMPANY*, CASE NO. 2:23-CV-03147-RMG**

**WHEREAS**, the City of Redwood Falls is authorized to own and operate public utilities pursuant to Chapter 11 of the Home Rule Charter of the City of Redwood Falls, dated September 5, 1974; and

**WHEREAS**, pursuant to Chapter 3 of said Home Rule Charter, the City Council of Redwood Falls exercises the legislative power of the City and determines all matters of policy; and

**WHEREAS**, pursuant to Chapter 7 of said Home Rule Charter, the City Administrator controls and directs the administration of the City's affairs; and

**WHEREAS**, the City of Redwood Falls may sue and be sued pursuant to Minnesota Statutes Section 412.211, and the City Council has the power to provide for the prosecution or defense of actions or proceedings at law in which the City may be interested, pursuant to Minnesota Statutes Section 412.221 Subd. 5; and

**WHEREAS**, the proposed Settlement Class for the above-captioned class action lawsuit, is defined as, “[e]very Active Public Water System in the United States of America that—(a) has one or more Impacted Water Sources as of the Settlement Date (June 22, 2023); or (b) does not have one or more Impacted Water Sources as of the Settlement Date, and (i) is required to test for certain PFAS under UCMR-5, or (ii) serves more than 3,300 people, according to SDWIS.” (Dkt. No. 3620-1 ¶ 5.1.); and

**WHEREAS**, the City of Redwood Falls (“City”) operates a “Public Water System” as defined by the Settlement Agreement and is currently listed as a Phase II eligible public water system. The City is listed in Exhibit F of the Settlement Agreement and is a member of the above-referenced proposed Settlement Class; and

**WHEREAS**, The City serves more than 3,300 people with drinking water but does not currently have any water sources impacted by PFAS contamination; and

**WHEREAS**, the City would need to file a claims form to be eligible to receive a payment under the Settlement Agreement and perform Baseline Testing, which would require the City to test each of its Water Sources for PFAS and submit or cause the testing laboratory to submit detailed PFAS test results to the Claims Administrator; and

**WHEREAS**, the Settlement Agreement allows for class members to “Opt-Out” of the Settlement by completing and mailing a notice of intention to Opt-Out (referred to as a “Request for Exclusion” or an “Opt-Out”) along with other documents; and

**WHEREAS**, opting-out of the Settlement Agreement will eliminate access to the settlement funds by the City, but it will also preserve significant legal rights the City may wish to exercise in the future, including the ability to recover for any future clean-up costs not covered by the Settlement; and

**WHEREAS**, City staff have discussed this matter after consulting the available resources of information and recommend that Council approve a Request for Exclusion and authorize the City Administrator and City Attorney to sign and file said Request for Exclusion and all other necessary documents to exclude the City from participation in the Settlement Agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF REDWOOD FALLS, MINNESOTA, AS FOLLOWS:**

1. The City Council has determined that it is in the best interests of the City to exclude its public water system from the above-described Settlement Agreement with the 3M Company.
2. The City Council names Keith Muetzel, City Administrator, as its authorized agent for the purposes of excluding its public water system from the above-described Settlement Agreement.
3. The authorized agent shall execute a Request for Exclusion, affidavit, and all other necessary documentation and forward to the City Attorney for proper notice and filing.

**PASSED AND ADOPTED** by the City Council of the City of Redwood Falls, Minnesota this 21<sup>st</sup> day of November, 2023.

ATTEST:

\_\_\_\_\_  
Keith Muetzel, City Administrator

(City Seal)

\_\_\_\_\_  
Tom Quackenbush, Mayor

Subscribed and sworn to before me this  
21<sup>st</sup> day of November, 2023.

\_\_\_\_\_  
Notary Public

**RESOLUTION NO. 71 OF 2023**

**APPROVING REQUEST FOR EXCLUSION FROM SETTLEMENT AGREEMENT; *IN RE: AQUEOUS FILM-FORMING FOAMS PRODUCTS LIABILITY LITIGATION*, MDL NO. 2-18-MN-2873-RMG; *CITY OF CAMDEN, ET AL. V. E.I. DUPONT DE NEMOURS AND COMPANY (N/K/A EIDP, INC.)*, ET AL., CASE NO. 2:23-CV-03230-RMG**

**WHEREAS**, the City of Redwood Falls is authorized to own and operate public utilities pursuant to Chapter 11 of the Home Rule Charter of the City of Redwood Falls, dated September 5, 1974; and

**WHEREAS**, pursuant to Chapter 3 of said Home Rule Charter, the City Council of Redwood Falls exercises the legislative power of the City and determines all matters of policy; and

**WHEREAS**, pursuant to Chapter 7 of said Home Rule Charter, the City Administrator controls and directs the administration of the City's affairs; and

**WHEREAS**, the City of Redwood Falls may sue and be sued pursuant to Minnesota Statutes Section 412.211, and the City Council has the power to provide for the prosecution or defense of actions or proceedings at law in which the City may be interested, pursuant to Minnesota Statutes Section 412.221 Subd. 5; and

**WHEREAS**, the proposed Settlement Class for the above-captioned class action lawsuit, is defined as, "(a) All Public Water Systems in the United States of America that draw or otherwise collect from any Water Source that, on or before the Settlement Date, was tested or otherwise analyzed for PFAS and found to contain any PFAS at any level; and (b) All Public Water Systems in the United States of America that, as of the Settlement Date, are (i) subject to the monitoring rules set forth in UCMR 5 (i.e., "large" systems serving more than 10,000 people and "small" systems serving between 3,300 and 10,000 people), or (ii) required under applicable federal or state law to test or otherwise analyze any of their Water Sources or the water they provide for PFAS before the UCMR 5." (Settlement Agreement at paragraph 5.1.1.); and

**WHEREAS**, the City of Redwood Falls ("City") operates a "Public Water System" as defined by the Settlement Agreement and is considered a phase two class member of the above-referenced proposed Settlement Class; and

**WHEREAS**, The City serves more than 3,300 people with drinking water but does not currently have any water sources impacted by PFAS contamination; and

**WHEREAS**, the City would need to file a claims form to be eligible to receive a payment under the Settlement Agreement and perform Baseline Testing, which would require the City to test each of its Water Sources for PFAS and submit or cause the testing laboratory to submit detailed PFAS test results to the Claims Administrator; and

**WHEREAS**, the Settlement Agreement allows for class members to "Opt-Out" of the Settlement by completing and mailing a notice of intention to Opt-Out (referred to as a "Request for Exclusion" or an "Opt-Out") along with other documents; and

**WHEREAS**, opting-out of the Settlement Agreement will eliminate access to the settlement funds by the City, but it will also preserve significant legal rights the City may wish to exercise in the future, including the ability to recover for any future clean-up costs not covered by the Settlement; and

**WHEREAS**, City staff have discussed this matter after consulting available resources of information and recommend that Council approve a Request for Exclusion and authorize the City Administrator and City Attorney to sign and file said Request for Exclusion and all other necessary documents to exclude the City from participation in the Settlement Agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF REDWOOD FALLS, MINNESOTA, AS FOLLOWS:**

1. The City Council has determined that it is in the best interests of the City to exclude its public water system from the above-described Settlement Agreement with Dupont.
2. The City Council names Keith Muetzel, City Administrator, as its authorized agent for the purposes of excluding its public water system from the above-described Settlement Agreement.
3. The authorized agent shall execute a Request for Exclusion, affidavit, and all other necessary documentation and forward to the City Attorney for proper notice and filing.

**PASSED AND ADOPTED** by the City Council of the City of Redwood Falls, Minnesota this 21<sup>st</sup> day of November, 2023.

ATTEST:

\_\_\_\_\_  
Keith Muetzel, City Administrator

\_\_\_\_\_  
Tom Quackenbush, Mayor

(City Seal)

Subscribed and sworn to before me this  
21<sup>st</sup> day of November, 2023.

\_\_\_\_\_  
Notary Public

**MEMORANDUM**

**VIA EMAIL ONLY**

To: MESERB MEMBERS

From: Daniel M. Marx

Date: October 23, 2023

Re: 3M and DuPont AFFF MDL Settlements

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*Notice and Disclaimer: This memorandum does not create an attorney-client relationship. The information provided in this memorandum does not, and is not intended to, constitute legal advice; instead, this memorandum is for general informational purposes only. Prior to making any decisions related to join or opt out of the MDL settlements you should consult an attorney retained for this purpose.*

**1. INTRODUCTION**

The purpose of this memorandum is to update MESERB membership on the status of the settlements stemming from the [Aqueous Film-Forming Foam \(AFFF\) Product Liability Litigation \(MDL 2873\)](#). Over the last several months many MESERB members have contacted us requesting information or advice about where and how to participate in the PFAS related MDL settlements. While a small number of Minnesota cities are excluded because of prior settlements with 3M, approximately 200 Minnesota cities will need to decide whether to file claims or opt out of the settlement.<sup>1</sup> Even though class members are automatically included in the MDL, they must still file a claims form to be eligible to receive a payment under the settlement agreement.<sup>2</sup> While it likely makes sense for most eligible cities to file a claim, as discussed below there are some potentially significant downsides that may affect some cities if they have experienced substantial PFAS contamination requiring significant remediation efforts or capital improvements to their public water systems. Such cities may want to consider opting out of the MDL settlement and pursuing individual litigation for clean-up costs and harms. Any decision to opt in or opt out should be made with the advice of legal counsel based on a fact-specific analysis of your situation.<sup>3</sup>

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<sup>1</sup> NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND COURT APPROVAL HEARING in the United States District Court for the District of South Carolina Charleston Division. In Re: Aqueous Film-Forming Foams Products Liability Litigation, MDL No. 2:18-mn-2873-RMG at 2. <https://www.pfaswatersettlement.com/3m-court-documents/>

<sup>2</sup> 3M and DuPont class members can submit a claims form online at [www.PFASWaterSettlement.com](http://www.PFASWaterSettlement.com) or can download, complete and mail a claims form to the claims administrator at AFFF Public Water System Claims, PO Box 4466, Baton Rouge, Louisiana 70821.

<sup>3</sup> Many cities are working directly with one of the law firms that represents the class in the litigation to assist with this process. A list of those attorneys is available here: <https://www.pfaswatersettlement.com/contact-the-settlement-administrator/>.

## **2. 3M AND DUPONT SETTLEMENT BACKGROUND**

Major PFAS manufacturers, including 3M and DuPont, are currently defendants in multiple lawsuits throughout the country stemming from alleged harm caused by PFAS and PFAS-containing products, especially in aqueous film-forming foam (AFFF),<sup>4</sup> in drinking water. Thousands of these cases related to AFFF have been consolidated into two massive multi-district litigations (MDL).<sup>5</sup> Both proposed settlement agreements are still subject to final approval in December 2023 and February 2024 and therefore are subject to change.<sup>6</sup> The current agreements are both designed to resolve these claims for PFAS contamination in public drinking water systems with two distinct groups of settling defendants:

1. The 3M Company (“3M”); and
2. E.I. Du Pont de Nemours and Company (n/k/a EIDP, Inc.), DuPont de Nemours Inc., The Chemours Company, The Chemours Company FC, LLC, and Corteva, Inc. (collectively, “DuPont”).<sup>7</sup>

Class Representatives in the MDL have alleged that they have suffered harm resulting from the presence of PFAS in drinking water, from the costs incurred while monitoring for the presence of PFAS in drinking water, and that 3M and DuPont are liable for damages and other forms of relief to compensate for such harm and costs. Both proposed settlements are still subject to final approval in December 2023 and February 2024 by the MDL Judge, the Honorable Richard M. Gergel of the United States District Court for the District of South Carolina.<sup>8</sup>

## **3. SETTLEMENT CLASS MEMBERSHIP**

The amount of the proposed 3M settlement is historic; it is by far the largest settlement of PFAS-related claims to date. 3M has agreed to pay an amount not less than \$10,500,000,000 and not more than \$12,500,000,000, and DuPont has agreed to pay a maximum amount of \$1,185,000,000. Payments to class participants are proposed to start as early as July 2024 and go through 2036.

The 3M and DuPont settlement classes are divided into “phase one” and “phase two” class members. Members of 3M phase one include any water system tested on or before June 22, 2023, using a state- or federal-approved methodology and found to contain a measurable concentration of PFAS. 3M phase two members include public water systems that are not phase one members but test for PFAS and submit their results to the Claims Administrator.

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<sup>4</sup> Firefighting foam use and disposal, MPCA, <https://www.pca.state.mn.us/sites/default/files/w-hw4-17.pdf>

<sup>5</sup> *Settlement Information*, Public Water System Settlements, <https://www.pfaswatersettlement.com/>

<sup>6</sup> *Frequently Asked Questions (3M)*, Public Water System Settlements, <https://www.pfaswatersettlement.com/3m-frequently-asked-questions/>. The proposed settlement and accompanying documents are part of the MDL public file. They are accessible on PACER (Master Docket No: [2:18-mn-02873-RMG](https://www.pca.state.mn.us/sites/default/files/w-hw4-17.pdf)) or at the Public Water Settlement website (<https://www.pfaswatersettlement.com/>).

<sup>7</sup> *Settlement Information*, Public Water System Settlements, <https://www.pfaswatersettlement.com/>

<sup>8</sup> *Frequently Asked Questions (3M)*, Public Water System Settlements, <https://www.pfaswatersettlement.com/3m-frequently-asked-questions/>

Members of DuPont phase one include public water systems that monitored for PFAS and found contamination before June 30, 2023. Phase two class members include public water systems that are not phase one members but are subject to PFAS monitoring. Members of DuPont phase one include public water systems that monitored for PFAS and found contamination before June 30, 2023; these members will be allocated 55% of the settlement funds. Phase two class members include public water systems that are not phase one members but are subject to PFAS monitoring; these members will be allocated 45% of the settlement funds.<sup>9</sup>

#### **4. BENEFITS AND RISKS OF OPTING IN OR OUT**

All impacted cities should make a conscious election to either opt into the settlement or opt out. The benefits of opting in will be some level of cost recovery (dependent on eligibility and level of impact) for testing, monitoring, and remediation PFAS. However, in exchange for access to the settlement funds, cities will be required to give up significant legal rights. For example, under the expansive “release” provisions of the settlement agreement, any qualifying member subject to the settlement would automatically release 3M “fully, finally, and forever [...] as broadly, expansively, and inclusively as possible”<sup>10</sup> from liability associated with contamination of drinking water by PFAS or PFAS-containing products. This waiver could have significant implications for the ability to recover from any future clean-up costs that would not be covered by the MDL settlement.

The proposed agreement would also bar members from seeking punitive damages related to PFAS, as well as from “asserting that any future rate increase request was caused by 3M’s development, manufacture, formulation, distribution, sale, transportation, storage, loading, mixing, application, or use of PFAS or any product manufactured with or containing PFAS.”<sup>11</sup>

The language in the final settlement agreement may remain broad regarding indemnifying these manufacturers for future claims involving PFAS in public water supplies. This broad language could result in significant exposure for costs of future claims by individuals allegedly harmed by PFAS contamination in public drinking water.

As a result of the above, opting into the settlement likely makes sense for most cities and public utilities that have been negatively impacted by PFAS in some capacity, but where additional cost recovery beyond what the settlement provides is not needed or justified by actual harm. For cities or public utilities that have been significantly impacted by PFAS contamination and are facing significant current and/or future potential costs (i.e. major capital improvements and significant clean-up costs), it is worthwhile seeking specific legal advice about the benefits of opting out of the settlement and initiating individual cost recovery action.

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<sup>9</sup> *Frequently Asked Questions (DuPont)*, Public Water System Settlements, <https://www.pfaswatersettlement.com/duPont-frequently-asked-questions/>

<sup>10</sup> SETTLEMENT AGREEMENT BETWEEN PUBLIC WATER SYSTEMS AND 3M COMPANY in the United States District Court for the District of South Carolina Charleston Division. In Re: Aqueous Film-Forming Foams Products Liability Litigation, MDL No. 2:18-mn-2873-RMG at 35.

<sup>11</sup> *Id.* at 39



Any decision to opt in or out should be carefully weighed—especially if you are aware of significant current and/or future potential PFAS contamination that could require major infrastructure improvements or could subject the city to third-party claims from customers or others related to PFAS contamination in drinking water. To assess your rights and options and make a decision you should work with your city attorney and also consider consulting with the lawyers and law firms representing the class; they are available to help you determine whether or not you should file a claim as a class members, or opt out of the class action and initiate an individual legal action instead. A list of the attorneys directly involved in the class action can be found here: <https://www.pfaswatersettlement.com/contact-the-settlement-administrator/>.

## **5. CONCLUSION**

For most qualifying members, it will likely make sense to opt in to take advantage of the settlements. The main reason to opt out would be if there has been extensive PFAS contamination that you are aware of which will lead to significant treatment or remediation costs which may be greater than the amount you could receive through the settlement. Again, this should be evaluated by each city on a case-by-case basis. The law firms representing the class are available to assess your case and help you determine whether it makes sense for you to opt in or out based on the facts specific to your case and help evaluate the benefits of having them submit the claim for you, which may save time.

These settlements pose many cities throughout Minnesota with difficult decisions about whether to join. Those who file claims will likely be barred from pursuing any future claims against the defendant manufacturers for harms stemming from PFAS, whereas those who opt out will have to choose whether to pursue a lengthy, risk-laden, and expensive litigation process either alone or as part of a smaller class action separate from the MDL to recover.

Please do not hesitate to reach out to either with any questions on this topic. Thank you,

Daniel Marx, Senior Attorney  
Flaherty & Hood, P.A.  
525 Park Street, Suite 470  
St. Paul, MN 55103  
Direct Dial: 651-259-1907  
Office: 651-225-8840  
Email: [dmmarx@flaherty-hood.com](mailto:dmmarx@flaherty-hood.com)

**Meeting Date: November 21, 2023**

## **AGENDA RECOMMENDATION**

**Agenda Item:** Resolution No. 72 of 2023

**Recommendation/Action Requested:** Read the proposed Resolution or make a motion to waive the reading of the Resolution. Discuss the proposed Resolution. If there are no concerns, adopt proposed Resolution by motion in accordance with Chapter 4 of the City Charter.

**Summary/Overview:** This is a house keeping item to provide the proper resolution format for the State of MN Aeronautics department.

The City of Redwood Falls Airport was awarded \$159,210.00 in 90% Federal funding and \$8,845.00 in 5% State funding with a local share of \$8,845.00. This grant is to complete the airport masterplan update, a 3<sup>rd</sup> party project review and the 12' airport broom attachment for the JD Payloader.

At the regular Council meeting of April 5<sup>th</sup>, 2022, Resolution No. 28 of 2022 was passed to approve Task Order 2022-4 for master planning services and authorize the application for this federal grant to complete the master plan update and purchase the 12' runway broom for the airport payloader. That resolution also authorized the Mayor or City Administrator to execute all subsequent grant agreements that would result from the grant submission.

On June 20, 2023, the City Administrator and City Attorney executed the awarded Federal grant agreement 3-27-0083-022-2023 under the authority of Res. 28 of 2022 and the resolution was accepted for the Federal agreement.

On July 18, 2023, the Mayor and City Administrator executed the State companion grant under the authority of Res. 28 of 2022 and was submitted electronically July 24, 2023. Email correspondence on November 15, 2023, was received from the State of MN that Res.28 of 2022 was not sufficient because it does not include the State project number or grant number assigned.

Staff supports Resolution 72 of 2023 that will allow reimbursement requests for accrued expenses of the master plan update that is under way and the 12'broom that is in its second season of use.

**Attachments:**

- Resolution No. 72 of 2023
- Resolution No. 28 of 2022
- MNDOT Agreement No. 1054246

**RESOLUTION NO. 72 OF 2023**

**AUTHORIZATION TO EXECUTE  
MINNESOTA DEPARTMENT OF TRANSPORTATION  
GRANT AGREEMENT FOR AIRPORT MAINTENANCE AND OPERATION**

WHEREAS, the City of Redwood Falls is resolved to the following: That the State of Minnesota Agreement No. 1054246, "Grant Agreement for Federal Airport Expenses Reimbursement", for State Project No. A6401-59 at the Redwood Falls Municipal Airport is accepted.

FURTHER, that the Mayor and City Administrator are authorized to execute this Agreement and any amendments on behalf of the City of Redwood Falls.

PASSED AND ADOPTED by the City Council of the City of Redwood Falls this 21st day of November 2023.

ATTEST:

\_\_\_\_\_  
Keith Muetzel  
City Administrator

\_\_\_\_\_  
Tom Quackenbush  
Mayor

(City Seal)

**CERTIFICATION**

STATE OF MINNESOTA

COUNTY OF REDWOOD

I certify that the above Resolution is a true and correct copy of the Resolution adopted by the City of Redwood Falls at an authorized meeting held on the 21st day of November 2023, as shown by the minutes of the meeting in my possession.

\_\_\_\_\_  
Keith Muetzel  
City Administrator

Subscribed and sworn to before me this  
\_\_\_\_ day of \_\_\_\_\_, 2023.

(Corporate Seal)

\_\_\_\_\_  
Notary Public

**RESOLUTION NO. 28 OF 2022  
AUTHORIZATION TO EXECUTE  
TASK ORDER NO. 2022-4  
FOR AIRPORT PLANNING SERVICES FOR THE  
2022 AIRPORT MASTER PLAN UPDATE**

**WHEREAS**, the City of Redwood Falls (“City”) is authorized to enter into a contract with Bolton & Menk Inc, pursuant to Minnesota Statutes Section 412.221, subd. 2 for the benefit of its citizens; and

**WHEREAS**, Bolton & Menk, Inc. of Mankato, MN is the designated Redwood Falls Airport Engineer under a Professional Service Contract also known as the “Master Agreement”; and

**WHEREAS**, Work Order No. 2022-4 outlines the specific professional tasks to be completed by Bolton & Menk, Inc. and is estimated to be \$150,000.00 which is not to be exceeded without prior authorization; and

**WHEREAS**, with approval, the Council also authorizes the application for FAA grant funding in the amount of 90% of the total planning cost listed in Work Order 2022-4, airport rotary broom costs of \$23,400.00 plus incidentals including grant administration, and grant closing costs; and

**FURTHERMORE**, the Public Works Project Coordinator shall be listed as the Project Representative on behalf of the City of Redwood Falls; and

**FURTHERMORE**, the Mayor and/or City Administrator are authorized to execute this contract, pre-applications, grant applications, subsequent federal and state grant agreements and amendments and negotiate in good faith, as are necessary to implement the project pursuant to the Redwood Falls Procurement Policy.


**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF REDWOOD FALLS, MINNESOTA, AS FOLLOWS:**


1. The work order described above is approved and shall be executed in the form submitted to the City Council and made a part of this Resolution by reference.
2. The work order described above shall be maintained and insured as allowed by law.

**BE IT FURTHER RESOLVED** that the City Council of the City of Redwood Falls, Minnesota, approves the request contingent upon compliance with all the requirements of the Minnesota State Statutes.

**PASSED AND ADOPTED** by the City Council of the City of Redwood Falls, Minnesota this 5<sup>th</sup> day of April 2022.

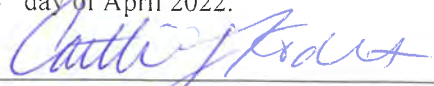
ATTEST:

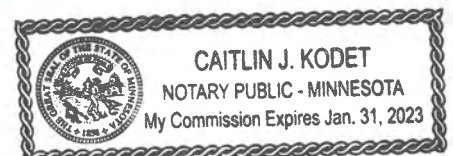
  
\_\_\_\_\_  
Keith Muetzel  
City Administrator

  
\_\_\_\_\_  
Tom Quackenbush  
Mayor

(City Seal)

Subscribed and sworn to before me this  
5<sup>th</sup> day of April 2022.

  
\_\_\_\_\_  
Notary Public





**STATE OF MINNESOTA  
STATE AIRPORTS FUND  
GRANT AGREEMENT**

This agreement is between the State of Minnesota, acting through its Commissioner of Transportation ("State"), and the City of Redwood Falls ("Grantee").

**RECITALS**

1. Minnesota Statutes Chapter 360 authorizes State to provide financial assistance to eligible airport sponsors for the acquisition, construction, improvement, marketing, maintenance, or operation of airports and other air navigation facilities.
2. Grantee owns, operates, controls, or desires to own an airport ("Airport") in the state system, and Grantee desires financial assistance from the State for an airport improvement project ("Project").
3. Grantee represents that it is duly qualified and agrees to perform all services described in this agreement to the satisfaction of the State. Pursuant to [Minn.Stat.§16B.98](#), Subd.1, Grantee agrees to minimize administrative costs as a condition of this agreement.

**AGREEMENT TERMS**

**1 Term of Agreement, Survival of Terms, and Incorporation of Exhibits**

- 1.1 **Effective Date.** This agreement will be effective on June 20, 2023, or the date the State obtains all required signatures under [Minn. Stat.§16B.98](#), Subd. 5, whichever is later. As required by [Minn.Stat.§16B.98](#) Subd. 7, no payments will be made to Grantee until this agreement is fully executed. Grantee must not begin work under this agreement until this agreement is fully executed and Grantee has been notified by the State's Authorized Representative to begin the work.
- 1.2 **Expiration Date.** This agreement will expire on December 31, 2028, or when all obligations have been satisfactorily fulfilled, whichever occurs first.
- 1.3 **Survival of Terms.** All clauses which impose obligations continuing in their nature and which must survive in order to give effect to their meaning will survive the expiration or termination of this agreement, including, without limitation, the following clauses: 8. Liability; 9. State Audits; 10. Government Data Practices and Intellectual Property; 11. Workers Compensation; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; and 15 Data Disclosure.
- 1.4 **Plans, Specifications, Descriptions.** Grantee has provided the State with the plans, specifications, and a detailed description of the Project **SP A6401-59**, which are on file with the State's Office of Aeronautics and are incorporated into this Agreement by reference.
- 1.5 **Exhibits: Exhibit 'A' – City of Redwood Falls Grant Request Letter; Exhibit 'B' – Credit Application**

**2 Grantee's Duties**

- 2.1 Grantee will complete the Project in accordance with the plans, specifications, and detailed description of the Project, which are on file with the State's Office of Aeronautics. Any changes to the plans or specifications of the Project after the date of this Agreement will be valid only if made by written change order signed by the Grantee and the State. Subject to the availability of funds, the State may prepare an amendment to this Agreement to reimburse the Grantee for the allowable costs of qualifying change orders.
- 2.2 If the Project involves construction, Grantee will designate a registered engineer to oversee the Project work. If, with the State's approval, the Grantee elects not to have such services performed by a registered engineer, then the Grantee will designate another responsible person to oversee such work.
- 2.3 Grantee will notify State's Authorized Representative in advance of any meetings taking place relating to the Project.
- 2.4 Grantee will comply with all required grants management policies and procedures set forth through [Minn.Stat.§16B.97](#), Subd. 4 (a) (1).



- 2.5 **Asset Monitoring.** If Grantee uses funds obtained by this agreement to acquire a capital asset, the Grantee is required to use that asset for a public aeronautical purpose for the normal useful life of the asset. Grantee may not sell or change the purpose of use for the capital asset(s) obtained with grant funds under this agreement without the prior written consent of the State and an agreement executed and approved by the same parties who executed and approved this agreement, or their successors in office.
- 2.6 **Airport Operations, Maintenance, and Conveyance.** Pursuant to Minnesota Statutes Section 360.305, subdivision 4 (d) (1), the Grantee will operate the Airport as a licensed, municipally-owned public airport at all times of the year for a period of **20 years** from the date the Grantee receives final reimbursement under this Agreement. The Airport must be maintained in a safe, serviceable manner for public aeronautical purposes only. Without prior written approval from the State, Grantee will not transfer, convey, encumber, assign, or abandon its interest in the airport or in any real or personal property that is purchased or improved with State funds. If the State approves such a transfer or change in use, the Grantee must comply with such conditions and restrictions as the State may place on such approval. The obligations imposed by this clause survive the expiration or termination of this Agreement.

**3 Time**

- 3.1 Grantee must comply with all the time requirements described in this agreement. In the performance of this grant agreement, time is of the essence.

**4 Cost and Payment**

- 4.1 **Cost Participation.** Costs for the Project will be proportionate and allocated as follows:

<u>Item Description</u>	<u>Federal Share</u>	<u>State Share</u>	<u>Grantee Share</u>
Master Plan/ALP Update & SRE Attachment AIP (\$176,900.00)	90.00%	5.0%	5.0%
Federal Committed:	\$ <u>159,210.00</u>		
State:	\$ <u>8,845.00</u>		
Grantee:	\$ <u>8,845.00</u>		

Federal funds are not committed and are only available after being made so by the U.S. Government. Federal funds for the Project will be received and disbursed by the State. In the event federal reimbursement becomes available or is increased for the Project, the State will be entitled to recover from such federal funds an amount not to exceed the state funds advanced for this Project. No more than 95% of the amount due under this Agreement will be paid by the State until the State determines that the Grantee has complied with all terms of this Agreement and furnished all necessary records.

- 4.2 **Travel Expenses.** No travel Expenses are authorized for this project. The Grantee will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the Commissioner of Minnesota Management and Budget (MMB). Grantee will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state at the current Minnesota Department of Transportation Reimbursement Rates for Travel Expenses.
- 4.3 **Sufficiency of Funds.** Pursuant to Minnesota Rules 8800.2500, the Grantee certifies that (1) it presently has available sufficient unencumbered funds to pay its share of the Project; (2) the Project will be completed without undue delay; and (3) the Grantee has the legal authority to engage in the Project as proposed.
- 4.4 **Total Obligation.** The total obligation of the State for all compensation and reimbursements to Grantee under this agreement will not exceed \$ 8,845.00.
- 4.5 **Payment**

- 4.5.1 **Invoices.** Grantee will submit invoices for payment by Credit Application, Exhibit 'B', which is attached and incorporated into this agreement and can also be found at <http://www.dot.state.mn.us/aero/airportdevelopment/documents/creditappinteractive.pdf>, is the form



grantee will use to submit invoices. The State's Authorized Representative, as named in this agreement, will review each invoice against the approved grant budget and grant expenditures to-date before approving payment. The State will promptly pay Grantee after Grantee presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices will be submitted timely and according to the following schedule:

*As work progresses on a monthly schedule.*

- 4.5.2 **All Invoices Subject to Audit.** All invoices are subject to audit, at State's discretion.
- 4.5.3 **State's Payment Requirements.** State will promptly pay all valid obligations under this agreement as required by Minnesota Statutes §16A.124. State will make undisputed payments no later than 30 days after receiving Grantee's invoices for services performed. If an invoice is incorrect, defective or otherwise improper, State will notify Grantee within ten days of discovering the error. After State receives the corrected invoice, State will pay Grantee within 30 days of receipt of such invoice.
- 4.5.4 **Grantee Payment Requirements.** Grantee must pay all contractors under this agreement promptly. Grantee will make undisputed payments no later than 30 days after receiving an invoice. If an invoice is incorrect, defective, or otherwise improper, Grantee will notify the contractor within ten days of discovering the error. After Grantee receives the corrected invoice, Grantee will pay the contractor within 30 days of receipt of such invoice.
- 4.5.5 **Grant Monitoring Visit and Financial Reconciliation.** During the period of performance, the State will make at least annual monitoring visits and conduct annual financial reconciliations of Grantee's expenditures.
- 4.5.5.1 The State's Authorized Representative will notify Grantee's Authorized Representative where and when any monitoring visit and financial reconciliation will take place, which State employees and/or contractors will participate, and which Grantee staff members should be present. Grantee will be provided notice prior to any monitoring visit or financial reconciliation.
- 4.5.5.2 Following a monitoring visit or financial reconciliation, Grantee will take timely and appropriate action on all deficiencies identified by State.
- 4.5.5.3 At least one monitoring visit and one financial reconciliation must be completed prior to final payment being made to Grantee.
- 4.5.6 **Closeout.** The State will determine, at its sole discretion, whether a closeout audit is required prior to final payment approval. If a closeout audit is required, final payment will be held until the audit has been completed. Monitoring of any capital assets acquired with grant funds will continue following grant closeout.
- 4.5.7 **Closeout Deliverables.** At the close of the Project, the Grantee must provide the following deliverables to the State before the final payment due under this Agreement will be released by the State: (1) Electronic files of construction plans as a PDF and in a MicroStation compatible format; and (2) Electronic files of as-builts as a PDF and in a MicroStation compatible format. (3) Electronic files of planning documents (Airport Layout Plans – ALP) and Airport Zoning as a PDF and in a MicroStation compatible format and in GIS.
- 4.6 **Contracting and Bidding Requirements.** Prior to publication, Grantee will submit to State all solicitations for work to be funded by this Agreement. Prior to execution, Grantee will submit to State all contracts and subcontracts funded by this agreement between Grantee and third parties. State's Authorized Representative has the sole right to approve, disapprove, or modify any solicitation, contract, or subcontract submitted by Grantee. All contracts and subcontracts between Grantee and third parties must contain all applicable provisions of this Agreement. State's Authorized Representative will respond to a solicitation, contract, or subcontract submitted by Grantee within ten business days.

## 5 Conditions of Payment

All services provided by Grantee under this agreement must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law. In addition, Grantee will not receive payment for Airport's failure to pass periodic inspections by a representative of the



State's Office of Aeronautics.

## 6 Authorized Representatives

6.1 The State's Authorized Representative are:

**Luke Bourassa**, South Region Airports Engineer; ([luke.bourassa@state.mn.us](mailto:luke.bourassa@state.mn.us)) (651)508-0448 and/or **Brian Conklin**, Regional Airport Specialist Sr.; ([brian.conklin@state.mn.us](mailto:brian.conklin@state.mn.us)) (651)252-7658, or his successor.

State's Authorized Representative has the responsibility to monitor Grantee's performance and the authority to accept the services provided under this agreement. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

6.2 Grantee's Authorized Representative is:

**Jim Doering**; Public Works Project Coordinator (507) 359-8380

[JoeS@newulmmn.gov](mailto:JoeS@newulmmn.gov)

City of New Ulm

Engineering Department

100 North Broadway

New Ulm, MN 56073

If Grantee's Authorized Representative changes at any time during this agreement, Grantee will immediately notify the State.

## 7 Assignment Amendments, Waiver, and Grant Agreement Complete

7.1 **Assignment.** The Grantee may neither assign nor transfer any rights or obligations under this agreement without the prior written consent of the State and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this agreement, or their successors in office.

7.2 **Amendments.** Any amendments to this agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.

7.3 **Waiver.** If the State fails to enforce any provision of this agreement, that failure does not waive the provision or the State's right to subsequently enforce it.

7.4 **Grant Agreement Complete.** This grant agreement contains all negotiations and agreements between the State and Grantee. No other understanding regarding this agreement, whether written or oral, may be used to bind either party.

7.5 **Electronic Records and Signatures.** The parties agree to contract by electronic means. This includes using electronic signatures and converting original documents to electronic records.

## 8 Liability

In the performance of this agreement, and to the extent permitted by law, Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this agreement by Grantee or Grantee's agents or employees. This clause will not be construed to bar any legal remedies Grantee may have for the State's failure to fulfill its obligations under this agreement.

## 9 State Audits

Under Minn. Stat. § 16B.98, Subd.8, the Grantee's books, records, documents, and accounting procedures and practices of Grantee, or other party relevant to this grant agreement or transaction, are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. Grantee will take timely and appropriate action on all deficiencies identified by an audit.

## 10 Government Data Practices and Intellectual Property Rights

10.1 **Government Data Practices.** Grantee and State must comply with the Minnesota Government Data Practices





Act, [Minn. Stat. Ch. 13](#), as it applies to all data provided by the State under this grant agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this agreement. The civil remedies of [Minn. Stat. §13.08](#) apply to the release of the data referred to in this clause by either Grantee or the State. If Grantee receives a request to release the data referred to in this section 10.1, Grantee must immediately notify the State. The State will give Grantee instructions concerning the release of the data to the requesting party before the data is released. Grantee's response to the request shall comply with applicable law.

## 10.2 Intellectual Property Rights.

**Intellectual Property Rights.** State owns all rights, title and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks and service marks in the Works and Documents created and paid for under this agreement. "Works" means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes and disks conceived, reduced to practice, created or originated by Grantee, its employees, agents and subcontractors, either individually or jointly with others in the performance of this agreement. Works includes Documents. "Documents" are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks or other materials, whether in tangible or electronic forms, prepared by Grantee, its employees, agents or subcontractors, in the performance of this agreement. The Documents will be the exclusive property of State, and Grantee upon completion or cancellation of this agreement must immediately return all such Documents to State. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be "works made for hire." Grantee assigns all right, title and interest it may have in the Works and the Documents to State. Grantee must, at the request of State, execute all papers and perform all other acts necessary to transfer or record the State's ownership interest in the Works and Documents.

### 10.2.1 Obligations

**10.2.1.1 Notification.** Whenever any invention, improvement or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by Grantee, including its employees and subcontractors, in the performance of this agreement, Grantee will immediately give State's Authorized Representative written notice thereof and must promptly furnish State's Authorized Representative with complete information and/or disclosure thereon.

**Representation.** Grantee must perform all acts, and take all steps necessary to ensure that all intellectual property rights in the Works and Documents are the sole property of State and that neither Grantee nor its employees, agents or subcontractors retain any interest in and to the Works and Documents. Grantee represents and warrants that the Works and Documents do not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 8, Grantee will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless State, at Grantee's expense, from any action or claim brought against State to the extent that it is based on a claim that all or part of the Works or Documents infringe upon the intellectual property rights of others. Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs and damages, including but not limited to, attorney fees. If such a claim or action arises, or in Grantee's or State's opinion is likely to arise, Grantee must, at State's discretion, either procure for State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of State will be in addition to and not exclusive of other remedies provided by law.

## 11 Workers Compensation

The Grantee certifies that it is in compliance with [Minn. Stat. §176.181](#), Subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in



no way the State's obligation or responsibility.

## 12 Publicity and Endorsement

**12.1 Publicity.** Any publicity regarding the subject matter of this agreement must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant agreement. All projects primarily funded by state grant appropriation must publicly credit the State of Minnesota, including on the Grantee's website when practicable.

**12.2 Endorsement.** The Grantee must not claim that the State endorses its products or services.

## 13 Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this agreement. Venue for all legal proceedings out of this agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

## 14 Termination; Suspension

**14.1 Termination by the State.** The State may terminate this agreement at any time, with or without cause, upon written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

**14.2 Termination for Cause.** The State may immediately terminate this grant agreement if the State finds that there has been a failure to comply with the provisions of this agreement, that reasonable progress has not been made, that fraudulent or wasteful activity has occurred, that Grantee has been convicted of a criminal offense relating to a state grant agreement, or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

**14.3 Termination for Insufficient Funding.** The State may immediately terminate this agreement if:

14.3.1 It does not obtain funding from the Minnesota Legislature; or

14.3.2 If funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State will provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

**14.4 Suspension.** The State may immediately suspend this agreement in the event of a total or partial government shutdown due to the failure to have an approved budget by the legal deadline. Work performed by the Grantee during a period of suspension will be deemed unauthorized and undertaken at risk of non-payment.

## 15 Data Disclosure

Under [Minn. Stat. § 270C.65](#), Subd. 3, and other applicable law, Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

**16 Fund Use Prohibited.** The Grantee will not utilize any funds received pursuant to this Agreement to compensate, either directly or indirectly, any contractor, corporation, partnership, or business, however organized, which is disqualified or debarred from entering into or receiving a State contract. This restriction applies regardless of



whether the disqualified or debarred party acts in the capacity of a general contractor, a subcontractor, or as an equipment or material supplier. This restriction does not prevent the Grantee from utilizing these funds to pay any party who might be disqualified or debarred after the Grantee's contract award on this Project. For a list of disqualified or debarred vendors, see [www.mmd.admin.state.mn.us/debarredreport.asp](http://www.mmd.admin.state.mn.us/debarredreport.asp).

- 17 **Discrimination Prohibited by Minnesota Statutes §181.59.** Grantee will comply with the provisions of Minnesota Statutes §181.59 which requires that every contract for or on behalf of the State of Minnesota, or any county, city, town, township, school, school district or any other district in the state, for materials, supplies or construction will contain provisions by which Contractor agrees: 1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no Contractor, material supplier or vendor, will, by reason of race, creed or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; 2) That no Contractor, material supplier, or vendor, will, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause 1 of this section, or on being hired, prevent or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed or color; 3) That a violation of this section is a misdemeanor; and 4) That this contract may be canceled or terminated by the state of Minnesota, or any county, city, town, township, school, school district or any other person authorized to grant contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this Agreement.
- 18 **Limitation.** Under this Agreement, the State is only responsible for receiving and disbursing funds. Nothing in this Agreement will be construed to make the State a principal, co-principal, partner, or joint venturer with respect to the Project(s) covered herein. The State may provide technical advice and assistance as requested by the Grantee, however, the Grantee will remain responsible for providing direction to its contractors and consultants and for administering its contracts with such entities. The Grantee's consultants and contractors are not intended to be third party beneficiaries of this Agreement.
- 19 **Telecommunications Certification.** By signing this agreement, Contractor certifies that, consistent with Section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. 115-232 (Aug. 13, 2018), and 2 CFR 200.216, Contractor will not use funding covered by this agreement to procure or obtain, or to extend, renew, or enter into any contract to procure or obtain, any equipment, system, or service that uses "covered telecommunications equipment or services" (as that term is defined in Section 889 of the Act) as a substantial or essential component of any system or as critical technology as part of any system. Contractor will include this certification as a flow down clause in any contract related to this agreement.
- 20 **Title VI/Non-discrimination Assurances.** Grantee agrees to comply with all applicable US DOT Standard Title VI/Non-Discrimination Assurances contained in DOT Order No. 1050.2A, and in particular Appendices A and E, which can be found at: [https://edocs-public.dot.state.mn.us/edocs\\_public/DMResultSet/download?docId=11149035](https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=11149035). Grantee will ensure the appendices and solicitation language within the assurances are inserted into contracts as required. State may conduct a review of the Grantee's compliance with this provision. The Grantee must cooperate with State throughout the review process by supplying all requested information and documentation to State, making Grantee staff and officials available for meetings as requested, and correcting any areas of non-compliance as determined by State.
- 21 **Additional Provisions**  
[Intentionally left blank.]

**STATE ENCUMBRANCE VERIFICATION**

*Individual certifies that funds have been encumbered as required by Minn. Stat. § 16A.15 and § 16C.05.*

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

SWIFT Contract/PO No(s) \_\_\_\_\_

**GRANTEE**

*The Grantee certifies that the appropriate person(s) have executed the grant agreement on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.*

By:  \_\_\_\_\_

Title: Mayor \_\_\_\_\_

Date: 7-18-23 \_\_\_\_\_

By:  \_\_\_\_\_

Title: City Administrator \_\_\_\_\_

Date: 07-18-23 \_\_\_\_\_

**DEPARTMENT OF TRANSPORTATION**

By: \_\_\_\_\_  
(with delegated authority)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**DEPARTMENT OF TRANSPORTATION  
CONTRACT MANAGEMENT**

By: \_\_\_\_\_

Date: \_\_\_\_\_



Jim Doering  
 Public Works Project Coordinator  
 Phone: 507-616-7400  
 Fax: 507-637-2417  
 jdoering@ci.redwood-falls.mn.us

April 8, 2022

SP A6401-59 AIP 3-27-0083-22-23

Mr. Luke Bourassa  
 Airport Development Engineer  
 MnDOT Office of Aeronautics  
 222 East Plato Blvd.  
 St. Paul, MN 55107

MnDOT Contract No. 1054246

RE: Grant Application  
 Redwood Falls Municipal Airport (RWF)  
 Master Plan Update / SRE Attachment

Dear Mr. Bourassa:

Please find enclosed the signed professional service agreement, independent fee evaluation, SRE quote, SRE FAA Buy America Form, FAA Form 5100-100, FAA Form 5100-101, and FAA cost-price analysis for the aforementioned projects at the Redwood Falls Municipal Airport in Redwood Falls, Minnesota.

The aforementioned projects involve an update of the Airport Master Plan and Airport Layout Plan and acquisition of a broom attachment for a previously acquired snow removal equipment carrier vehicle.

The following is a breakdown of costs associated with this grant request:

MASTER PLAN UPDATE/SRE ATTACHMENT				
PROFESSIONAL SERVICES	TOTAL	FAA (90%)	STATE (5%)	LOCAL (5%)
BOLTON & MENK, INC.	\$150,000.00	\$135,000.00	\$7,500.00	\$7,500.00
<b>TOTAL ENGINEERING:</b>	<b>\$150,000.00</b>	<b>\$135,000.00</b>	<b>\$7,500.00</b>	<b>\$7,500.00</b>
EQUIPMENT ACQUISITION	TOTAL	FAA (90%)	STATE (5%)	LOCAL (5%)
CRYSTEEL TRUCK EQP. (TKH-L BROOM)	\$23,400.00	\$21,060.00	\$1,170.00	\$1,170.00
<b>TOTAL ENGINEERING:</b>	<b>\$23,400.00</b>	<b>\$21,060.00</b>	<b>\$1,170.00</b>	<b>\$1,170.00</b>
ADMINISTRATION (REDWOOD FALLS)	TOTAL	FAA (90%)	STATE (5%)	LOCAL (5%)
IFE (SAMBATEK, INC.)	\$3,500.00	\$3,150.00	\$175.00	\$175.00
<b>TOTAL CITY ADMINISTRATION:</b>	<b>\$3,500.00</b>	<b>\$3,150.00</b>	<b>\$175.00</b>	<b>\$175.00</b>
	<b>TOTAL</b>	<b>FAA (90%)</b>	<b>STATE (5%)</b>	<b>LOCAL (5%)</b>
<b>TOTAL PROJECT:</b>	<b>\$176,900.00</b>	<b>\$159,210.00</b>	<b>\$8,845.00</b>	<b>\$8,845.00</b>

The city of Redwood Falls requests a Federal grant agreement in the amount of \$ 159,210.00 for the aforementioned projects. If you need any further information or documentation, please feel welcome to contact me at jdoering@ci.redwood-falls.mn.us or 507-616-7400.

Sincerely,



Jim Doering  
Public Works Project Coordinator

cc: Lindsay Butler, FAA DMA-ADO  
Brian Conklin, MnDOT Aeronautics  
Silas Parmar, Bolton & Menk, Inc.

Enclosures:

- Signed Professional Service Agreement
- Independent Fee Evaluation
- SRE Attachment Quote
- FAA Buy America Forms
- FAA Form 5100-100
- FAA Form 510-101
- FAA Cost-Price Analysis







Meeting Date: November 21, 2023

### **Agenda Recommendation**

**Agenda Item:** Resolution 73 of 2023 - Approval of Updated Joint Powers Agreement with Brown/Lyon/Redwood/Renville Drug Task Force

**Recommendation/Action Requested:** Read the proposed Resolution or make a motion to waive the reading of the Resolution. Discuss the proposed Resolution. If there are no concerns, adopt the proposed Resolution by motion in accordance with Chapter 4 of the City Charter.

**Summary/Overview:** In 2018 Redwood Falls City Council review and approved an updated Joint Powers Agreement (JPA) between the Brown/Lyon/Redwood/Renville Drug Task Force (DTF) and all the member agencies which included the City of Redwood Falls. During a regularly scheduled Board of Directors meeting of the DTF on November 9, 2023, the board approved a motion to change their meeting dates from every month to every other month.

This change of meeting dates was made in consideration of several factors. First, State of Minnesota guidelines on DTF operations dictate Board of Directors meet no less than once per quarter. The Board of Directors for most of the DTF's in the state do not meet monthly. The BLRR DTF is one of the smallest DTF's in the state yet our Board of Directors was meeting the most frequently. In addition, most members of the Board of Directors, and staff, must travel a significant distance consuming a significant amount of time each month.

To facilitate this change of meeting dates verbiage within the JPA had to be revised. Specifically, language was changed within items 3.2, 3.13, 6, 7, and 9.4. The primary change can be found within item #6 and, in summary, authorizes the fiscal agent to make expenditures not to exceed \$15,000 without board approval or upon written approval of the Board Chairman. Most other language changes were made to support this primary change. A draft copy of the JPA with changes highlighted is attached.

### **Attachments:**

1. Resolution 73 of 2023
2. Joint Powers Agreement; Draft

**RESOLUTION NO. 73 OF 2023**

**RESOLUTION APPROVING BROWN-LYON-REDWOOD-RENVILLE  
DRUG TASK FORCE (BLRR-DTF) JOINT POWERS AGREEMENT WITH  
THE CITY OF REDWOOD FALLS ON BEHALF OF ITS POLICE DEPARTMENT**

**WHEREAS**, the City of Redwood Falls, on behalf of its Police Department, desires to enter into the BLRR-DTF Joint Powers Agreement with the counties of Brown, Lyon, Redwood, and Renville, the cities of Marshall and New Ulm, and the Lower Sioux Tribal Council, to promote the effective enforcement of the laws of the State of Minnesota, particularly concerning controlled substances.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of Redwood Falls, Minnesota as follows:

1. That the BLRR-DTF Joint Powers Agreement by and between the counties of Brown, Lyon, Redwood, and Renville, the cities of Marshall and New Ulm, the Lower Sioux Tribal Council, and the City of Redwood Falls on behalf of its Police Department, is hereby approved. A Copy of the Joint Powers Agreement is attached to this Resolution and made a part of it.
2. That the Chief of Police, Jason Cotner, or his successor, is designated the Authorized Representative for the Police Department.
3. That Tom Quackenbush, the Mayor for the City of Redwood Falls, and Keith Muetzel, the City Administrator of Redwood Falls, together, are authorized to sign the Joint Powers Agreement.

**PASSED AND ADOPTED** by the City Council of the City of Redwood Falls, Minnesota this 21st day of November 2023.

ATTEST:

\_\_\_\_\_  
Keith Muetzel  
City Administrator

\_\_\_\_\_  
Tom Quackenbush  
Mayor

(City Seal)

Subscribed and sworn to before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public

## **BROWN-LYON-REDWOOD-RENVILLE DRUG TASK FORCE JOINT POWERS AGREEMENT**

This Agreement is entered into between the counties of Brown, Lyon, Redwood, and Renville by and through their respective County Board and Sheriff, the cities of New Ulm, Redwood Falls, and Marshall, by and through their respective City Council and Police Chief, and the Lower Sioux Police Department by and through its Tribal Council and Police Chief (hereinafter collectively referred to as the "Parties").

**WHEREAS**, the Parties are each respectively charged with the enforcement of the laws of the State of Minnesota in their respective jurisdictions; and

**WHEREAS**, the Parties desire to promote the effective enforcement of such laws, particularly as they relate to laws concerning controlled substances; and

**WHEREAS**, the nature of illegal controlled substance activity is such that coordinated, multi-jurisdictional efforts are needed for effective enforcement; and

**WHEREAS**, the purpose of this Agreement is to create a cooperative law enforcement effort that involves at least one dedicated full-time licensed peace officer who is responsible for all controlled substance investigations and for the development of a system of sharing intelligence information among participating agencies; and

**WHEREAS**, multi-jurisdictional drug task forces must have a governing board comprised of representatives from each participating agency that meets regularly and an interagency agreement addressing staffing, supervision, program income and equipment; and

**WHEREAS**, all drug task forces must have a viable infrastructure to prepare grant proposals, maintain statistics on operations, account for grant expenditures, track program income, and manage confidential funds in accordance with statewide policy.

**NOW, THEREFORE**, pursuant to Minnesota Statute § 471.59, the Joint Exercise of Powers, the Parties agree as follows:

### **1. TERM**

The term of this Agreement shall commence on July 1, 2016, and shall continue in full force and effect until terminated by the Parties pursuant to Section 4 of this Agreement.

### **2. GOVERNING BOARD**

**2.1.** The powers, duties, and purpose of the Brown-Lyon-Redwood-Renville Drug Task Force shall be carried out through a governing board. Members of this board shall be known as "Directors." The Board shall consist of the Sheriff or Chief of Police of each participating governmental unit, or his/her designee. Each board member shall have one vote. The Directors of the participating governmental units shall appoint a prosecuting attorney from one of their jurisdictions to also serve as its legal counsel. The prosecuting attorney is a member of the Board, but shall not have a vote on any matter before the Board. The prosecuting attorney shall provide legal advice and guidance to the Board as requested.

2.2. The Board shall elect a Chairperson to serve for one year. The Chairperson will preside at meetings. The Board shall also elect a Vice-Chair who shall assume the powers and duties of the Chairperson during a period of absence or incapacity and shall perform such additional duties and functions as the Board may direct. The Chair and Vice-Chair shall be elected at the first meeting of the year.

2.3. A majority of Directors of the Board are required to constitute a quorum. A simple majority vote of the Directors present at a meeting with a valid quorum is required for the Board to take action.

2.4. Other entities may become a Party to this agreement upon approval of two-thirds (2/3) of the then existing Board. Upon such approval; the number of members on the Board shall be increased by one for each new Party. The new Party's Sheriff or Chief of Police, or his/her designee shall serve as a Director on the Board and shall have one vote.

2.5. The time and place of regular and special meetings shall be established by the Board. Special meetings may be called by the Chairperson or upon the request of at least two Directors on the Board. Notice of meetings shall be mailed or otherwise delivered as approved by the Board to each Director at least three days before regular meetings of the Board. Notices shall include an agenda containing those items to be considered at the meeting.

### 3. **BOARD OF DIRECTORS' POWERS AND DUTIES**

The Board of Directors shall possess all the powers and duties to:

3.1. Contribute financially to the establishment and the continued operation of the task force through the commitment of time and resources, as approved by each party's respective County Board, City Council, or Tribal Council.

3.2. Direct the ongoing management and operation of the task force including the establishment of funds and accounts necessary for the task force to comply with state and/or federal guidelines. **That** The Board shall select a Fiscal **Host Agent** to be responsible for the accounting and financial obligations of the drug task force **operations to provide for the proper receipts and disbursement of funds, and to perform all other duties normally assigned to the Treasurer of a deliberative body.**

3.3. Adopt internal written policies and cooperative procedures for the operation of the task force, in order to implement this Agreement to the maximum extent possible.

3.4. Jointly plan and provide information, access to training opportunities and technical assistance for the staff members of the individual Parties to facilitate the purpose of the task force, when feasible.

3.5. Elect general legal counsel to provide legal assistance and recommendations relative to the general operations, duties, and functions of the task force members and its Board. That legal counsel shall receive notice for and attend Board of Director meetings, as available.

3.6. Comply with the Minnesota Government Data Practices Act and other applicable rules and procedures that relate to the use, security, dissemination, retention and destruction of records, and maintain confidentiality of information that is not otherwise exempt as provided by law.

3.7. Apply for the use of any state or federal funds or new federal reimbursements to task force programs resulting from federal revenue enhancement to expand expenditures for task force goals.

3.8. Provide an annual report on the progress of the task force to all Parties. This report shall include, but not be limited to, finance, governance, and information management updates.

3.9. Contribute to the collection of data required to complete the task force's evaluation plan and the state annual progress report.

3.10. Adopt by-laws as necessary to conduct Board business.

3.11. Set the financial contribution required from all Parties on an annual basis, as approved by each Party's respective County Board, City Council, or Tribal Council.

3.12. Procure and maintain property, casualty, and professional liability insurance as required by law or as deemed appropriate and prudent by the Parties.

3.13. Elect a person to assist in keeping a record of all proceedings of the Board of Directors, ~~to provide for the proper receipts and disbursement of funds (moved to section 3.2)~~, and to perform all other duties normally assigned to the Secretary/~~Treasurer~~ of a deliberative body.

3.14. The Board of Directors may constitute and convene such committees as it deems necessary and appropriate. The Board shall determine respective membership, duration, structure, if any, designation and the election of officers and operating procedures of any committee. The Chairperson, with the approval of the Board, shall appoint the members and the Chairperson of each committee.

3.15. The Board of Directors shall have the authority to utilize funds received under this Agreement for any of the purposes outlined herein.

#### **4. TERMINATION**

Any Party shall have the right to withdraw from this Agreement or a Party may be terminated from this Agreement as set forth below.

4.1. The Party withdrawing shall pass a resolution declaring its intent to withdraw effective on December 31st of the calendar year of withdrawal from this Agreement. The withdrawing Party shall send a copy of such resolution to the Chairperson of the Board of Directors no later than September 30<sup>th</sup> of the calendar year of withdrawal from this agreement.

4.2. Upon receipt of the resolution to a withdrawal, the Chairperson of the Board of Directors shall send a copy of said resolution to each Party within five (5) working days.

4.3. When a Party exercises its option to withdraw under the terms of this Agreement, no fiscal liability shall accrue for the subsequent year.

4.4. The withdrawing Party shall not be entitled to a refund of monies contributed to the task force prior to the effective date of the withdrawal. The Fiscal Host will provide a fiscal accounting to the

withdrawing party of funds within sixty (60) days of the effective date of the withdrawal.

4.5. Failure to comply with the terms of this Agreement by any individual Party may result in termination of membership to this Agreement. A Party's termination shall be by a majority vote of the full Board of Directors following consideration of the nature and extent of the violation(s). A terminated Party shall not be entitled to a refund of any contributed monies or property given to the drug task force unless approved by a majority vote of the full Board of Directors.

4.6. Notwithstanding any Party's decision to withdraw from this Agreement, or in the case of a Party's termination of membership to this Agreement, this Agreement and the remaining Board of Directors created herein shall continue in force until and unless all remaining Parties mutually agree to terminate the Agreement by joint resolution, or when membership on the Board of Directors is reduced to less than two Parties.

4.7. In the case of the Parties' mutual agreement to terminate this Agreement, the Board of Directors shall continue to exist for the limited purpose of discharging the Board of Directors' debts and liabilities, settling its affairs, and disposing of its property.

4.8. In the event that the Fiscal Host exercises its option to withdraw under the terms of this Agreement, the Board of Directors shall solicit a Party to volunteer as the new Fiscal Host. The new Fiscal Host shall become effective upon the effective date of the prior Fiscal Host's withdrawal. If no new Fiscal Host volunteers, this Agreement shall be terminated, notwithstanding any provision of this Agreement to the contrary.

5. **DISPOSAL OF SURPLUS FUNDS AND PROPERTY UPON TERMINATION**

All property, real and personal, held by the drug task force at the time of termination shall be distributed by resolution of the Board of Directors as allowed by law and in a manner to best accommodate its task force efforts.

6. **INDEBTEDNESS**

~~All obligations or other forms of indebtedness issued pursuant to this Agreement shall require authorization by the Board of Directors.~~ The Fiscal Agent shall sign all warrants or other evidence of indebtedness at any time issued by the Brown-Lyon-Redwood-Renville Drug Task Force no larger than \$15,000 per claim. If a claim against the Task Force is higher than \$15,000 it will require prior approval by the Task Force Advisory Board or written approval by the Board Chair.

7. **REVENUE**

All revenues of the task force, and the earnings those revenues generate, shall remain property of the task force. The Fiscal Agent shall deposit all monies received on behalf of the Task Force in the bank or depository designated by the fiscal agent. All monies shall be deposited in the name of the Brown-Lyon-Redwood-Renville Drug Task Force.

8. **CONTRIBUTIONS**

Each Party to this Agreement that is a police department or sheriff's department shall contribute cash, personnel, and in-kind resources to the task force. Each Party shall assign such licensed peace officers and unlicensed personnel as that party deems appropriate to assist and participate in the Brown-Lyon-Redwood-Renville Drug Task Force. Each Party shall designate and advise all other Parties of the name or names of such person or persons who shall have authority to assign personnel to operate the provisions of this Agreement.

## 9. MEMBER RESPONSIBILITIES

**9.1. Calls for Assistance.** Whenever an officer of a Party believes that assistance is needed from one or more of the other Parties in the enforcement of controlled substance laws, the Party desiring assistance shall make an oral or written request for assistance to another Party or Parties. Upon receipt of a request for assistance, the responding Party or Parties may assign and direct such personnel as that Party deems fit to provide assistance in the nature and to the extent it deems fit. A Party which is requested to provide assistance shall make a good faith effort to provide the assistance requested, but no guarantee is made that the requested assistance will be provided and each Party expressly agrees that failure to provide requested assistance will not result in any liability claim by the requesting Party against the other Party. Whenever a Party provides mutual assistance to another Party under this Agreement, those Parties shall remain an employee and agent of the agency providing assistance. The Party providing the assistance shall remain under the ultimate direction and control of the agency by which they are employed and all acts and coverages shall be the same as if they were acting in the course and scope of the employment of that Party.

**9.2. Officer Authority.** Licensed peace officers and licensed part-time peace officers who act under the terms of this agreement shall be granted peace officer authority to the full extent authorized by Minnesota Statutes, including, but not limited to Minn. Stat. §§ 629.34 and 629.40. To the extent necessary, the Parties agree that each may grant peace officer authority to licensed peace officers and licensed part-time peace officers already employed in that capacity by another Party. In such cases, the officer so appointed shall for all purposes other than peace officer authority, remain an employee of the initial appointing party for Purposes of this Agreement herein.

**9.3 Coordinating Authority.** The Task Force Commander shall be responsible for the day-to-day operations of the task force including supervision of staff, intelligence sharing, management of confidential funds and coordination with other agencies. The Task Force Commander shall make sure that task force policies and procedures are followed.

**9.4 Fiscal Agency/Host.** The City of New Ulm New Ulm Police Department shall be responsible for fiscal management of the task force grant and other resources such as cash contributions, program income (forfeiture proceeds, restitution and fines) and oversight of confidential funds. **The Fiscal Agent shall present the Drug Task Force Advisory Board with a report monthly or as otherwise directed by the Task Force Advisory Board, setting forth in detail all monies received and paid out on behalf of the Drug Task Force since the last report. At the end of each fiscal year a similar report shall be presented to the Drug Task Force Advisory Board showing all receipts and disbursements of the Drug Task Force for the fiscal year ending.** The Fiscal Agent/Host shall complete an audit of all financial resources of the Brown-Lyon-Redwood-Renville Drug Task Force at least annually and shall make such reports available to all Parties. All said reports shall be in such form as may be prescribed by the Task Force Advisory Board. Buy funds shall be reconciled at least quarterly and reports shall be distributed to the representative of each Party at the Advisory Board meeting, **immediately following such reconciliation.** Any Party to this Agreement may request and obtain access to any and all financial records pertaining to the fiscal management of the Task Force. The Board of Directors

may, in its discretion and at any time, request an independent audit of the Brown-Lyon-Redwood-Renville Drug Task Force's finances.

**9.5 Restitution and Forfeitures.** Any assets or property subject to legal forfeiture as a result of enforcement or obtained under any criminal restitution received under this Agreement shall be used and/or distributed to the Parties as follows:

- a. With the approval of the Board of Directors, the assets or proceeds may be reinvested in the task force in accordance with applicable federal and state law.
- b. The property may, if practicable, be split equally among the Parties to this joint powers agreement and the State of Minnesota in accordance with federal and state law.
- c. In cases subject to federal forfeiture proceedings, distribution of forfeited assets shall be in equal shares among the parties to this joint powers agreement with the federal government receiving either an equal share or its share as governed by federal statutes or regulations.
- d. All seized, held and/or forfeitable property shall be documented and safeguarded in accordance with the procedures set forth in the Brown-Lyon-Redwood-Renville Drug Task Force Policies and Procedures Manual, and applicable state and federal law.

The Parties agree that in any cases in which the Brown-Lyon-Redwood-Renville Drug Task Force cooperates with another jurisdiction (e.g., another task force or a local, state or federal agency) that the supervising investigators on the scene of any arrest will negotiate a split based upon the amount of effort expended in the investigation and document said agreement.

**9.6 Policy Manual.** The Parties agree to abide by the Brown-Lyon-Redwood-Renville Drug Task Force Policies and Procedures Manual.

## **10. INSURANCE AND INDEMNIFICATION**

**10.1.** Parties to this Agreement shall maintain workers compensation insurance, automobile insurance including general liability insurance for bodily injury, personal injury insurance, and property damage insurance for their officials and employees in the performance of duties arising from this Agreement and provide certification and evidence of such coverage to the other Parties within ten (10) days of signing this Agreement.

**10.2.** Each Party to this Agreement agrees to defend the action of its own officers and agrees to hold harmless, indemnify, and defend the other parties, its commissioners, officers, employees, and agents against any and all claims, losses, damages or lawsuits for damages, including payment of reasonable attorney's fees, arising from, allegedly arising from or related to the acts of its own officers in the performance of duties contemplated by this Agreement.

**10.3.** The Parties do not waive the limits of liability and immunity as governed by the provisions of the Municipal Tort Claims Act, Minnesota Statutes Chapter 466, and other applicable laws.

**10.4.** Each Party shall be responsible and liable for its own personnel, equipment, and supplies and shall have sole title and interest in the equipment and supplies it utilizes as part of this Agreement unless some alternative arrangement is provided for in writing.

## **11. MODIFICATION**



Any alterations, variations, modifications, or waivers of the provisions of this Agreement shall only be valid once they have been reduced to writing and signed by the authorized representatives from each of the Parties.

**12. SEVERABILITY**

The provisions of this Agreement shall be deemed severable. If any part of this Agreement is rendered void, invalid, or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Agreement unless the part or parts which are void, invalid or otherwise unenforceable shall substantially impair the value of the entire Agreement with respect to any party.

**13. FEDERAL / STATE FUNDING**

In the event that the Brown-Lyon-Redwood-Renville Drug Task Force becomes ineligible for State, Federal or local financial participation, the parties agree to review the Agreement within thirty (30) days of the determination of the ineligibility. Notwithstanding any provision of this Agreement to the contrary, any party may withdraw from this Agreement after the thirty day review of the Agreement following determination of ineligibility under this paragraph upon thirty (30) days written notice.

**14. COUNTERPARTS**

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which constitute one and the same instrument. Counterparts shall be delivered to the Brown-Lyon-Renville Drug Task Force Legal Counsel who will make each a part of this Agreement by attaching each hereto.

**15. MERGER**

This Agreement is the final expression of the agreement of the Parties and the complete and exclusive statement of the terms agreed upon, and shall supersede all prior negotiations, understandings or agreements.

**IN WITNESS WHEREOF:**

**Brown County**

**Lyon County**

\_\_\_\_\_  
Chair, Brown County Board of Commissioners  
Dated: \_\_\_\_\_

\_\_\_\_\_  
Chair, Lyon County Board of Commissioners  
Dated: \_\_\_\_\_

Attested to:

Attested to:

\_\_\_\_\_  
Brown County Administrator

\_\_\_\_\_  
Lyon County Administrator

**Redwood County**

\_\_\_\_\_  
Chair, Redwood County Board of Commissioners  
Dated: \_\_\_\_\_

Attested to:

\_\_\_\_\_  
Redwood County Administrator

**City of Marshall**

\_\_\_\_\_  
Mayor, Marshall City Council  
Dated: \_\_\_\_\_

Attested to:

\_\_\_\_\_  
Marshall City Administrator/Clerk

**City of Redwood Falls**

\_\_\_\_\_  
Mayor, Redwood Falls City Council  
Dated: \_\_\_\_\_

Attested to:

\_\_\_\_\_  
Redwood Falls City Administrator

**Renville County**

\_\_\_\_\_  
Chair, Renville County Board of Commissioners  
Dated: \_\_\_\_\_

Attested to:

\_\_\_\_\_  
Renville County Administrator

**City of New Ulm**

\_\_\_\_\_  
Mayor, New Ulm City Council  
Dated: \_\_\_\_\_

Attested to:

\_\_\_\_\_  
New Ulm City Administrator

**Lower Sioux Indian Community**

\_\_\_\_\_  
Chair, Lower Sioux Tribal Council  
Dated: \_\_\_\_\_

Attested to:

\_\_\_\_\_  
Lower Sioux Tribal Council Clerk



Trenton Dammann  
 City Attorney  
 Phone: (507)616-7400  
 Fax: (507)637-2417

tdammann@ci.redwood-falls.mn.us

## AGENDA MEMO

**Meeting Date:** November 21, 2023

**Agenda Item:** Ordinance No. 88 – An Ordinance Amending Zoning Ordinance

**Recommendation/Action Requested:** Read the proposed Ordinance or make a motion to waive the first reading of the ordinance. Discuss the proposed ordinance. If no concerns, proposed ordinance will be discussed again at the next Council Meeting on December 5, 2023, and approved by motion in accordance with Chapter 4 of the City Charter.

**Summary/Overview:** The City has received a request from Bob LeSage on behalf of R & R Partnership, John & Tina Jenniges, and Prouty Properties to rezone the properties located at 820 E. Plum Street, 210 North Patten Street, 204 North Patten Street, and parcel #88-131-4050 (no address assigned) from R-4 to B-2; to also rezone 905 E. Plum Street from R-2 to B-2; rezone the south half of 900 E. Elm Street (#88-131-4070) currently zoned R-M to a B-2; and rezone the north half of 900 E. Elm Street (#88-131-4070) from R-M to R-2. (See included map)

In 2018, following the Zoning Amendment request being approved by City Council, the parcel located east of the current request, 211 N. Patten Street, was also rezoned to B-2 to construct commercial storage buildings.

The applicant is also in the process of completing a minor subdivision to split 900 E. Elm Street into two equal parcels. 900 E. Elm Street is currently zoned R-M but the property is not being utilized as a Manufactured Home Park. The zoning request includes rezoning the north half to R-2 and the south half to B-2. These changes better suit the surrounding properties and uses. With the request to also rezone 905 E. Plum St. to B-2, the applicant intends to combine 905 E. Plum St. with the south half of 900 E. Elm St. to construct commercial storage buildings.

Based on the current commercial use of the requested parcels and the surrounding properties, the business zoning designation fits this area better than the current residential zoning. The request to re-zone the property was presented to the Planning and Zoning Commission on August 8, 2023. The Planning and Zoning Commission, along with City staff, recommend approval of the re-zone and Amendment of the Zoning Ordinance.

No action needs to take place at tonight's meeting, solely discussion of the proposed amendment to the Zoning Ordinance. City Staff will provide the required 10-day notice of the Ordinance prior to the final approval on the proposed Ordinance. On December 5, 2023, City staff will request Council approve the proposed Ordinance by roll call vote in accordance with Chapter 4 of the City Charter and Chapter 3 of the City's Unified Development Ordinance.

**Attachment:** Ordinance No. 88 – An Ordinance Amending Zoning Ordinance  
 Map of Property requesting Re-Zone

**ORDINANCE NO. 88, FOURTH SERIES**

**AN ORDINANCE AMENDING ZONING ORDINANCE**

**THE CITY COUNCIL OF REDWOOD FALLS DOES ORDAIN:**

**SECTION 1.** That after a public hearing and review of all the evidence pertaining to the request to re-zone certain real property as referenced in Section 2, Section 3, Section 4, and Section 5, the City Council of the City of Redwood Falls makes the following:

**FINDINGS OF FACT**

1. The amendment is consistent with the applicable policies of the City's Comprehensive and Land Use Plan.
2. The amendment proposes to change the zoning classification of particular properties.
3. The amendment is in the best interest of the public as it promotes orderly development and is not solely for the benefit of a single property owner.
4. The existing uses of properties and the zoning classification of property within the general area of the properties in question are compatible with the proposed zoning classification.
5. There are reasonable uses of the properties in question permitted under the existing zoning classifications of R-4, R-2, and R-M.
6. There has been a change in the character or trend of development in the general area of the properties in question, which has taken place since such properties were placed in their present zoning classifications.

**SECTION 2.** That the following described real estate lying and being in the City of Redwood Falls, Redwood County, Minnesota, to-wit:

The East 130 feet of the North Half of Lot Eleven (11) of Auditor's Subdivision Number One (1) of the Southwest Quarter of the Southeast Quarter (SW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>) of Section Thirty-

one (31), Township One Hundred Thirteen (113) North, Range Thirty-five (35) West of the Fifth Principal Meridian, EXCEPTING therefrom the South 5 feet thereof; AND

The North Half (N $\frac{1}{2}$ ) of Lot Eleven (11), Auditor's Subdivision Number One (1) of the Southwest Quarter of the Southeast Quarter (SW $\frac{1}{4}$ SE $\frac{1}{4}$ ) of Section Thirty-one (31), Township One Hundred Thirteen (113) North, Range Thirty-five (35) West of the Fifth Principal Meridian, and of Auditor's Lot Twenty-five (25) of Auditor's Subdivision Number One (1) of Section Thirty-one (31), Township One Hundred Thirteen (113) North, Range Thirty-five (35) West of the Fifth Principal Meridian, EXCEPTING therefrom the East 130 feet of said North Half of Lot 11 and also EXCEPTING therefrom the South 5 feet of the North Half of said Lot 11, Redwood County Minnesota; AND

The Southerly 135 feet of Lot Eleven (11) of the Plat entitled "Auditor's Subdivision No. One (1) of the Southwest Quarter of the Southeast Quarter (SW $\frac{1}{4}$ SE $\frac{1}{4}$ ) of Section Thirty-one (31), Township One Hundred Thirteen (113) North, Range Thirty-five (35) West of the Fifth Principal Meridian, Redwood County, Minnesota, and of Lot Twenty-five (25) of Auditor's Subdivision Number One (1) of the Southwest Quarter of the Southeast Quarter (SW $\frac{1}{4}$ SE $\frac{1}{4}$ ) of Section Thirty-one (31), Township One Hundred Thirteen (113) North, Range Thirty-five (35) West of the Fifth Principal Meridian;

now classified as "R-4, Multiple Family Residential," be changed to "B-2, Limited Community Retail Business."

**SECTION 3.** That the following described real estate lying and being in the City of Redwood Falls, Redwood County, Minnesota, to-wit:

Lot Twelve (12), Block Four (4) of Watson's Third Addition to the Village (now City) of Redwood Falls, Minnesota, according to the recorded plat thereof;

now classified as "R-2, Single and Two Family Residential," be changed to "B-2, Limited Community Retail Business."

**SECTION 4.** That the following described real estate lying and being in the City of Redwood Falls, Redwood County, Minnesota, to-wit:

That part of Lot Twelve (12), of the record Plat entitled Auditor's Subdivision No. One (1) of the Southwest Quarter (SW $\frac{1}{4}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Thirty-one (31), Township One Hundred Thirteen (113) North, Range Thirty-five (35) West of the Fifth Principal Meridian, Redwood County Minnesota, and of Auditor's Lot No. Twenty-five (25) of Auditor's Subdivision No. One (1) of Section Thirty-one (31), Township One Hundred Thirteen (113) North, Range Thirty-five (35) West of the Fifth Principal Meridian, Redwood County, Minnesota, on file in the office of the Redwood County Recorder, lying south of the following described line: Beginning at the northeast corner of Lot 12 of said Block 4 of the record plat entitled Watson's 3<sup>rd</sup> Addition, on file in the office of the Redwood County Recorder; thence on an assumed bearing of North 89 degrees 54 minutes 48 seconds East, along the easterly extension of the north line of

Lot 12 of said Block 4, a distance of 120.00 feet to the east line of Lot 12 of said Auditor's Subdivision where said line terminates. Subject to the extension of Plum Street on, over and across the Southerly sixty (60) feet of said Auditor's Lot (12), and said Auditor's Lot No. Twenty-five (25), Redwood County, Minnesota.

now classified as "R-M, Manufactured Home Park," be changed to "B-2, Limited Community Retail Business."

**SECTION 5.** That the following described real estate lying and being in the City of Redwood Falls, Redwood County, Minnesota, to-wit:

That part of Lot Twelve (12), of the record Plat entitled "Auditor's Subdivision No. One (1) of the Southwest Quarter (SW<sup>1</sup>/<sub>4</sub>) of the Southeast Quarter (SE<sup>1</sup>/<sub>4</sub>) of Section Thirty-one (31), Township One Hundred Thirteen (113) North, Range Thirty-five (35) West of the Fifth Principal Meridian, Redwood County Minnesota," and of Auditor's Lot No. Twenty-five (25) of Auditor's Subdivision No. One (1) of Section Thirty-one (31), Township One Hundred Thirteen (113) North, Range Thirty-five (35) West of the Fifth Principal Meridian, Redwood County, Minnesota, on file in the office of the Redwood County Recorder, described as follows: Beginning at the northeast corner of Lot 12 of Block 4 of the record plat entitled Watson's 3rd Addition, on file in the office of the Redwood County Recorder; thence on an assumed bearing of North 89 degrees 54 minutes 48 seconds East, along the easterly extension of the north line of Lot 12 of said Block 4, a distance of 120.00 feet to the east line of Lot 12 of said Auditor's Subdivision; thence on a bearing of North 0 degrees 02 minutes 40 seconds East, along the east line of Lot 12 of said Auditor's Subdivision, a distance of 140.00 feet to the northeast corner of Lot 12 of said Auditor's Subdivision; thence on a bearing of South 89 degrees 54 minutes 48 seconds West, along the north line of Lot 12 of said Auditor's Subdivision, a distance of 120.00 feet to the northeast corner of Lot 1 of said Block 4; thence on a bearing of South 0 degrees 02 minutes 40 seconds West, along the east line of Lot 1 of said Block 4, a distance of 140.00 feet to the point of beginning.

now classified as "R-M, Manufacture Home Park," be changed to "R-2, Single and Two Family Residential."

**SECTION 6.** That the Zoning Administrator is hereby directed to change the zoning map referred to in Section 6.03 of Chapter 6 of the Unified Development Ordinance in accordance herewith.

**SECTION 7.** This Ordinance becomes effective from and after its passage and publication.

**PASSED AND ADOPTED** by the City Council of the City of Redwood Falls, Minnesota this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

*ATTEST:*

\_\_\_\_\_  
Keith Muetzel  
City Administrator

(City Seal)

\_\_\_\_\_  
Tom Quackenbush  
Mayor

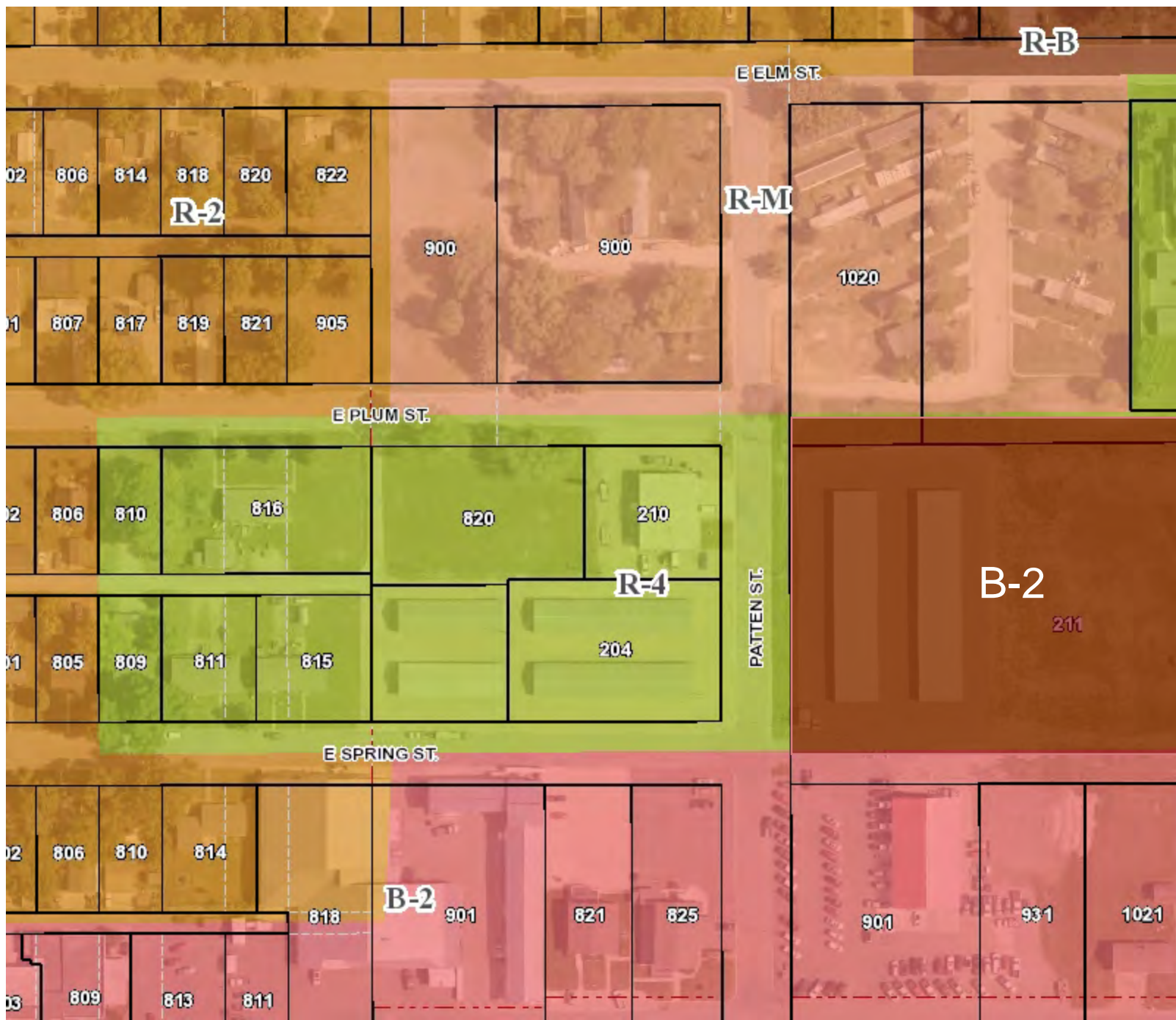
Subscribed and sworn to before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public

Introduced: November 21, 2023  
10 Day Notice:  
Approved:  
Publication:

**This instrument was drafted by:**

Trenton Dammann  
Redwood Falls City Attorney  
P.O. Box 526  
Redwood Falls, MN 56283  
Phone: (507) 616-7400  
Atty. Reg. #0396869



**Legend**

- City Limits
- Parcels (10/28/2022)
- Road ROW
- Lot Lines
- Shoreland Overlay
- Airport Surface**
  - Approach Zone 'A'
  - Approach Zone 'B'
- Zoning**
  - Airport District
  - B-2
  - B-3
  - B-4
  - I-1
  - I-2
  - Lake Redwood
  - PUD
  - R-2
  - R-3
  - R-4
  - R-B
  - R-M
  - R-R
  - Redwood Valley School District
- Redw\_cty20.sid**
  - Red: Band\_1
  - Green: Band\_2
  - Blue: Band\_3

**Zoning Site Map**



**Disclaimer:**

This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information, and data located in various city, county, and state offices, and other sources affecting the area shown, and is to be used for reference purposes only. The City of Redwood Falls is not responsible for any inaccuracies herein contained.

0 132 Feet