

KASSON CITY COUNCIL REGULAR MEETING AGENDA
Wednesday, February 14, 2018

PLEDGE OF ALLIANCE

6:00 A. COUNCIL

1. Approve agenda - Make additions, deletions or corrections at this time.
2. Consent Agenda - All matters listed under Item 2, Consent Agenda, are considered to be routine and non-controversial by the City Council and will be enacted with one motion. There will not be separate discussion of these items unless a Council Member so requests, in which case the item will be removed from the Consent Agenda and will be considered separately.

a. Minutes from January 24, 2018 Regular Meeting

b. Claims processed after the January 24, 2018 regular meeting, as audited for payment

c. Conferences:

| | | | | |
|--|--------------------------|------------|-------------------|-------|
| Josh Hanson | Ethics & Integrity | 4/11-12 | St Paul, MN | \$250 |
| Josh Hanson | Burnout, Stress & trauma | 4/16-17 | Albert Lea, MN | \$250 |
| Charles Bradford | WW Conf | 3/21-23 | Brooklyn Park, MN | \$390 |
| Dan Trapp | WW Conf | 3/21-23 | Brooklyn Park, MN | \$390 |
| Jarrold Nelson | PCB Mgmt | 2/27-28 | Plymouth, MN | \$725 |
| Jeff Ulve | AWWA Wtr Oper | 3/14-16 | Rochester, MN | \$140 |
| Ron Unger, Mark Rappe, Corey Carstensen – Certified Pool Oper Course | | | | |
| March 21-22 | Rochester, MN | \$249 each | | |
| Linda Rappe | IIMC Annual Conf | 5/20-25 | Norfolk, VA | \$600 |
| David Vosen | MN Rural Water Conf | 3/6-8 | St. Cloud | \$230 |

d. Resolution Accepting Donation to Kasson Fire Department

e. Resolution Accepting Donation to Promote Positive Police/Community Interactions

B. VISITORS TO THE COUNCIL

C. PUBLIC FORUM

- May not be used to continue discussion on an agenda item that already had been held as a public hearing.
- This section is limited to 15 minutes and each speaker is limited to 4 minutes.
- Speakers not heard will be first to present at the next Council meeting.
- Speakers will only be recognized once.
- Matters under negotiation, litigation or related to personnel will not be discussed.
- Questions posed by a speaker will generally be responded to in writing.
- Speakers will be required to state their name and their address for the record.

D. PUBLIC HEARING

E. COMMITTEE REPORT

1. Arena Committee Report
2. Park Board minutes
 - a. Action on 2018 KAC Wages – Motion Required
 - b. Action on Hiring KAC Manager, Shift Supervisors & Head Lifeguards – Motion Required

3. Planning Commission
 - a. Resolution for Hack's 2nd Addition Final Plat – Motion Required
 - b. Resolution for Rezone of 105 S Mantorville Ave – Motion Required
 - c. Resolution for Conditional Use Permit for Church/School at 105 S Mantorville Ave. – Motion Required
 - d. Resolution for Conditional Use Permit for Daycare at 105 S Mantorville Ave. – Motion Required
4. Planning Commission Annual Report

F. OLD BUSINESS

1. PFA Bond Resolution – Motion Required
2. PFA Loan Agreement – Motion Required
3. Aspen Mills Invoice for Fire Department Class A Uniforms – Motion Required
4. Contribution for Zumbro River Water Trail – Motion Required
5. Water Tower Agreement – Motion Required

G. NEW BUSINESS

H. MAYOR'S REPORT

1. Proclamation of "Not for Sale" Day

I. ADMINISTRATORS REPORT

1. Clarification on Customer Classification in electric rates - FYI
2. Open Book Meeting - FYI

J. ENGINEER'S REPORT

1. Comprehensive Plan meeting/discussion with Local Developers and Business Community on February 22nd at 10:00AM at City Hall.

K. PERSONNEL

1. Letter of Resignation from Officer Mike Bodenheimer – Motion Required
2. Request from Police Department to hire a full time officer position – Motion Required
3. Letter from Chief Fitch regarding Firefighter Menchaca – Motion Required

L. ATTORNEY

1. Closed Meeting for Real Estate Offers and Counteroffers
2. Authorization to Amend Lease Agreement 16 1st Ave NW – Motion Required

M. CORRESPONDENCE

1. CMMPA Annual Report
2. CMMPA Cover Letter
3. Admin Summary
4. PD January Statistics
5. SMIF Letter
6. MnDOT TAP Grant Presentation

N. ADJOURN

Please go to www.cityofkasson.com for full video

**KASSON CITY COUNCIL REGULAR MEETING MINUTES
January 24, 2018**

Pursuant to due call and notice thereof, a regular City Council meeting was held at City Hall on the 24th day of January, 2018 at 6:00 P.M.

THE FOLLOWING MEMBERS WERE PRESENT: Borgstrom, Buck, Eggler, McKern and Zelinske

THE FOLLOWING MEMBERS WERE ABSENT: None

THE FOLLOWING WERE ALSO PRESENT: City Administrator Theresa Coleman, City Attorney Melanie Leth, City Clerk Linda Rappe, Finance Director Nancy Zaworski, Candy McKern, Don Westfall, Dave Dubbells, Melisa Ferris, Sarah Middleton, Ryland Eichhorst and Ron Carlson

COUNCIL

Approve agenda

Add: G.2 Notice to call bond

Motion to Approve the Amended Agenda made by Councilmember Eggler, second by Councilmember Borgstrom with all voting Aye

CONSENT AGENDA

Minutes from January 10, 2018 Regular Meeting

Claims processed after the January 10, 2017 regular meeting, as audited for payment in the amount of \$514,338.01

Conferences:

Jason Peck Ethics and Integrity April 11-12 St. Paul, MN \$250

Pay Requests:

DN Tanks Request #12 WWTP \$81,170.32

DN Tanks Request #13 WWTP \$91,599.24

Motion to Approve the Consent Agenda made by Councilmember Buck, second by Councilmember Borgstrom with all voting Aye.

VISITORS TO THE COUNCIL

Sarah Middleton – Zumbro Water Trail – This project is part of the Greater Minnesota Regional Park and Trails Commission. In their watershed district they are trying to create a waterway trail system and are in the process and talking to cities and communities to get support if you are interested in participating. First step would cost \$150. Ryland Eichhorst, Mayor of Oronoco, they would like to hire a consultant at \$2000 and that cost would be divided among the cities participating. They are still gaining support and meeting with city councils in the area. Mayor McKern asked if Mantorville is on board since Kasson has no access to the river. Mr. Eichhorst stated the intent of this water trail is to have motorized and non-motorized plans, such as bike trails that connect to the river. Councilmember Buck stated that for \$150 we should be in the preliminary plan and then we could decide once the plan is done whether we want to continue.

PUBLIC FORUM

Melisa Ferris – 204 4th Ave NW – The Water Tower Committee met last week and she wanted to clarify questions that were asked by Councilmember Borgstrom at that meeting. Ms. Ferris stated that she is a licensed attorney in the State of Minnesota and she is on retired status and no she has never been asked to represent the City of Kasson and nor has she has ever indicated she was representing the City of Kasson.

Ron Carlson – Has put in a proposal on the Shopko lot. Mayor McKern stated that the Shopko Lot Overview listed on the Agenda is not specific to Mr. Carlson's proposal. The City is contacting Shopko and the Administrator talked to a representative from Shopko yesterday. He was waiting for his supervisor to review the request. Mr. Carlson stated that he has a potential buyer and is under a time constraint. City Attorney Leth stated that this is not just as simple as a purchase agreement there is a development agreement. Mr. Carlson's attorney sent correspondence to Attorney Leth on January 2. Mr. Carlson requested a timeline. Mayor McKern stated that the City would like to have it done as soon as possible. City Administrator Coleman added that the City owns the lot and has asked for an access easement, additional land and trail access on Outlot A.

PUBLIC HEARING

COMMITTEE REPORT

EDA Annual Report

OLD BUSINESS

CEDA Contract – Councilperson Egger gave an overview of what he wrote in his evaluation. Administrator Coleman's evaluation was in the packet. Mayor McKern stated she is not an employee of the city she is an employee of CEDA and we need to evaluate on our own criteria. Councilperson Borgstrom stated he wasn't looking for evaluations but wanted to know if she is doing what we hired her to do. Mayor McKern stated that the EDA annual report stated what she has done for the City. **Motion to Approve the Contract with CEDA for 2018, made by Councilperson Egger, second by Councilperson Zelinske with all voting Aye.**

CEDA Billing – Councilperson Buck clarified that the City pays up front for this service. **Motion to Approve the CEDA billing for 1st Quarter 2018 made by Councilperson Egger, second by Councilperson Zelinske with all voting Aye**

Old Stone Water Tower – Councilperson Zelinske stated the committees had met and prepared an agreement. The Dodge County Historical Society Board has proposed changes. He believes that, if the Committees, meet one more time they can get it finished.

Attorney Comparison

Administrator Coleman stated that she will need more time since there was a large amount of litigation to be able to do a comparison. The Council agreed that doing this comparison is not necessary.

NEW BUSINESS

Sewer Connection Fee – Administrator Coleman stated that the terms “access” and “connection” fees are separate charges. In 2017, the connection fees were increased and a sewer access charge (SAC) was added to the fee schedule. There was no change to those fees in 2018. Following a 2005 Council decision, the sewer connection fee for developers who paid the \$4500 SAC fees at platting prior to December of 2005, were charged a reduced connection charge. Mayor McKern would like the total costs charged at the time of the building permit to be the same as 2017. **Motion that the subdivisions platted before 2005 that prepaid the SAC will pay \$750 connection fee, this will encompass the currently platted portions of Southfork, Prairie Willows and Blaine’s 11th and 12th and all other subdivisions will pay the \$2450 connection fee, made by Mayor McKern, second by Councilperson Egger with all voting Aye.**

Notice to Call – Finance Director Zaworski stated that PFA needs a 30 day notice and this is the notice to call the temporary loan we had with MN Rural Water Association. The City had anticipated 2% interest, the actual interest rate was 1.095%. **Motion to Approve the Notice made by Councilperson Buck, second by Councilperson Zelinske with all voting Aye**

MAYOR’S REPORT

The Mayor asked staff to post a notice that a possible quorum will be present at the Friends of the Library Annual Meeting on February 3 at 10:00AM. No business will be conducted.

Councilperson Egger and City Engineer Theobald are presenting at the MnDOT for the TAP grant on Feb 9.

Mayor McKern asked that anything Council Members want follow-up on at the next meeting; please take time to let him know at the end of the Council meeting.

Mayor McKern has asked staff for a cover sheet for agenda items.

Work session on March 17 – any requests please let the Administrator know.

Appointments – Mayor McKern proposed the following appointments:

EDA - Chamber appointee – Liza Larsen to EDA term ending 2020, and Janice Borgstrom-Durst to the term ending 2018

Planning and Zoning – Mayor McKern spoke with Joe Fitch and he is available. Mayor McKern believes that fire department should have a presence on planning and zoning.

Councilperson Borgstrom still has an issue with the Fire Chief being appointed, Councilperson Buck agreed.

Motion to Approve Janice Borgstrom-Durst to the EDA for the term ending 2018 made by Mayor McKern, second by Councilperson Egger with all voting Aye.

Motion to Approve Liza Larsen to EDA as the Chamber Appointee to the term ending 2020 made by Mayor McKern, second by Councilperson Zelinske with all voting Aye.

Motion to Appoint Joe Fitch to Planning Commission to fill the vacancy of Mark Sannes made by Mayor McKern, second by Councilperson Egger. Ayes: McKern, Egger and Zelinske Nays: Borgstrom and Buck

ADMINISTRATORS REPORT

Shopko Lot – Overview – Mayor McKern stated that he has received a lot of feedback and wants this on the record.

ENGINEER'S REPORT

WHKS Fee Schedule – Finance Director Zaworski stated that Engineer's rate went up just less than 10% (\$9). Director Zaworski stated there is no contract that needs to be renewed and they just review the costs. The rates for 2016 and 2017 didn't change.

PERSONNEL

ATTORNEY

Hack's Subdivision – City Attorney Leth stated that she had a number of conversations with people at the County and it was at their recommendation that their entire original plat be re-platted and the property owner is seeking re-platting a portion of the original. The County's concern is that it is messy and causes potential confusion for people examining title in the future. Attorney Leth also spoke to Lisa Haney, the Dodge County Surveyor, and they discourage the use of the term "replat" in the name and would prefer that it be called Hack's Second Addition. Administrator Coleman noted that the Planning Commission recommended only lots 1,3 and 4 pay wac and sac and parkland fees. Lot 2 has a connection and will not be charged a connection fee at the time of the building permit. Although the Planning Commission recommended no sidewalk on the north property line, the sidewalk is at the discretion of the Council. Administrator Coleman stated that when Hack's Addition was platted in 2007, the City did not charge WAC, SAC, or parkland fees.

Motion to Approve the Preliminary Plat with the Removal of the Sidewalk requirement for this addition made by Councilperson Buck, second by Councilperson Egler with all voting Ayes.

Resolution #1.4-18

***Resolution Approving the Preliminary Plat of Hacks Second Addition
(on file)***

- 1. Closed Meeting – Litigation Strategy – Library**
- 2. Closed Meeting – Litigation Strategy Related to Special Assessment Challenges**
- 3. Closed Meeting - Real Estate – Offer and counteroffer**

Attorney Leth stated there has been a request by the public to open and close each session. There is not a requirement that we open and close each session. The first two regarding litigation strategy would not be recorded and the last one would be recorded. Mayor McKern closed the meeting for litigation for Library and Special Assessment challenges and will not be recorded and the last one for real estate will be recorded.

Meeting Re-Opened at 8:06PM

Summary of Closed Meeting #1 - Recommendation to Attorney on how to proceed, that portion was closed and not recorded per statute.

Summary of Closed Meeting #2 – The Council discussed and updated, there is no new action, that portion was not recorded per statute

Summary of Closed Meeting #3 – offer and counteroffers on the Shopko Lots – the Attorney was given direction on counter offers, this portion was recorded per statute.

CORRESPONDENCE – Correspondence was reviewed

Follow-up Requests – Councilperson Zelinske would like Administrator Coleman to contact Dodge County Historical Society to set up a meeting.

Mayor McKern referred to the proposed shared access agreement that was mentioned in the email from the City Engineer.

ADJOURN 8:09PM

ATTEST:

Linda Rappe, City Clerk

Chris McKern, Mayor

SIGNATURE PAGE

THE ATTACHED LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.

THIS INCLUDES WARRANT NUMBERS:

#1 - #6

GRAND TOTAL SUBMITTED FOR PAYMENT \$ 469,330.39

DATE APPROVED: 02-14-2018

| | |
|----|--------------|
| #1 | \$183,473.40 |
| #2 | 19,604.53 |
| #3 | 4,037.92 |
| #4 | 39,398.06 |
| #5 | 9,632.57 |
| #6 | 213,573.01 |

| | |
|----|-------------------|
| \$ | 469,719.49 |
| - | 314.10 |
| - | 75.00 |
| | <u>469,330.39</u> |

(Fund 604) Void Check
(Fund 101) Void Check

01/25/18
08:51:12

CITY OF KASSON
Claim Approval List
For the Accounting Period: 1/18
For Pay Date: 01/25/18

Page: 1 of 3
Report ID: AP100V

For Pay Date = 01/25/18
* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|------------|--|-------------------------|---------|------------|---------------|-------------|-----------------|
| 27829 | | 5514 CEDA | 10,281.00 | | | | | |
| | 01/02/18 | 1st QTR-EDA SERVICES | 10,281.00* | | | 290 650 4650 | 444 | 1010 |
| | | Total for Vendor: | 10,281.00 | | | | | |
| 27824 | | 3999 CITY OF STEWARTVILLE | 50.00 | | | | | |
| | 01/11/18 | COLEMAN-SEMLM ANN'L MTG | 25.00* | | | 101 140 4140 | 332 | 1010 |
| | 01/11/18 | EGGLER-SEMLM ANN'L MTG | 25.00 | | | 101 111 4111 | 333 | 1010 |
| | | Total for Vendor: | 50.00 | | | | | |
| 27830 | | 5440 DN TANKS INC | 81,170.32 | | | | | |
| | 01/04/18 | REQ #12-WWTP IMPROVEMENTS | 81,170.32 | | | 602 1650 | | 1010 |
| 27831 | | 5440 DN TANKS INC | 91,599.24 | | | | | |
| | 01/11/18 | REQ #13-WWTP IMPROVEMENTS | 91,599.24 | | | 602 1650 | | 1010 |
| | | Total for Vendor: | 172,769.56 | | | | | |
| 27825 | | 187 DODGE COUNTY | 322.84 | | | | | |
| | 24.576.005 | 01/23/18 CLEAR UP UB/PROP TAX-2016 | 322.84 | | | 604 1151 | | 1010 |
| | | Total for Vendor: | 322.84 | | | | | |
| 27826 | | 2325 SE MN LEAGUE OF MUNICIPALITIES | 50.00 | | | | | |
| | 01/23/18 | COLEMAN-SEMLM TRAINING | 25.00* | | | 101 140 4140 | 332 | 1010 |
| | 01/23/18 | MCKERN-SEMLM TRAINING | 25.00 | | | 101 111 4111 | 333 | 1010 |
| | | Total for Vendor: | 50.00 | | | | | |
| | | # of Claims | 6 | Total: | 183,473.40 | | | |

01/25/18
08:51:13

CITY OF KASSON
Fund Summary for Claims
For the Accounting Period: 1/18

Page: 2 of 3
Report ID: AP110

| Fund/Account | Amount |
|--------------------------|--------------|
| 101 General Fund | |
| 1010 CASH-OPERATING | \$100.00 |
| 290 Economic Development | |
| 1010 CASH-OPERATING | \$10,281.00 |
| 602 Sewer Fund | |
| 1010 CASH-OPERATING | \$172,769.56 |
| 604 Electric Fund | |
| 1010 CASH-OPERATING | \$322.84 |
| Total: | \$183,473.40 |

01/25/18
08:51:14

CITY OF KASSON
Claim Approval Signature Page
For the Accounting Period: 1/18

Page: 3 of 3
Report ID: AP100A

CITY OF KASSON
401 5TH STREET SE
KASSON. MN 55944-2204

The claim batch dated See signature are approved for payment.

APPROVED See signature Council Member
See signature Council Member

02/01/18
08:12:57

CITY OF KASSON
Claim Approval List
For the Accounting Period: 1/18
For Pay Date: 01/30/18

Page: 1 of 3
Report ID: AP100V

#2

* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--|-------|--|-------------------------|---------|------|---------------|-------------|-----------------|
| *** Claim from another period (12/17) **** | | | | | | | | |
| 27864 | E | 34 CITY OF KASSON | 350.56 | | | | | |
| | | 12/27/17 CITY UTILITIES-P D | 350.56 | | | 101 210 4210 | 380 | 1010 |
| | | Total for Vendor: | 350.56 | | | | | |
| 27865 | | 4332 MN BCA | 500.00 | | | | | |
| | | 180416BST 01/05/18 HANSON-BURNOUT,STRESS & TRA | 250.00 | | | 101 210 4210 | 333 | 1010 |
| | | 180411EI 01/05/18 HANSON-ETHICS & INTEGRITY | 250.00 | | | 101 210 4210 | 333 | 1010 |
| | | Total for Vendor: | 500.00 | | | | | |
| *** Claim from another period (12/17) **** | | | | | | | | |
| 27867 | E | 108 MN DEPARTMENT OF REVENUE | 18,725.00 | | | | | |
| | | 01/19/18 DEC.-UTILITIES SALES TAX | 256.00 | | | 601 2025 | | 1010 |
| | | 01/19/18 DEC.-UTILITIES SALES TAX | 16,684.00 | | | 604 2025 | | 1010 |
| | | 01/19/18 DEC.-SALES TAX PAYABLE | 4.00 | | | 101 2025 | | 1010 |
| | | 01/19/18 DEC.-SALES TAX PAYABLE | 9.00 | | | 211 2025 | | 1010 |
| | | 01/19/18 DEC.-SALES TAX PAYABLE | 29.00 | | | 604 2025 | | 1010 |
| | | 01/19/18 DEC.-USE TAX PAYABLE | 385.00 | | | 101 2025 | | 1010 |
| | | 01/19/18 DEC.-USE TAX PAYABLE | 1,223.00 | | | 604 2025 | | 1010 |
| | | 01/19/18 DEC.-USE TAX PAYABLE | 135.00 | | | 609 2025 | | 1010 |
| | | Total for Vendor: | 18,725.00 | | | | | |
| 27869 | E | 2681 SELECT ACCOUNT-FSA | 28.97 | | | | | |
| | | 01/18/18 FLEX PAYMENTS | 28.97 | | | 211 2177 | | 1010 |
| | | Total for Vendor: | 28.97 | | | | | |
| | | # of Claims | 4 | Total: | | | | 19,604.53 |
| | | Total Electronic Claims | | | | | | 19,104.53 |
| | | Total Non-Electronic Claims | | | | | | 500.00 |

02/01/18
08:12:59

CITY OF KASSON
Fund Summary for Claims
For the Accounting Period: 1/18

Page: 2 of 3
Report ID: AP110

| Fund/Account | Amount |
|---------------------|-------------|
| 101 General Fund | |
| 1010 CASH-OPERATING | \$1,239.56 |
| 211 Library Fund | |
| 1010 CASH-OPERATING | \$37.97 |
| 601 Water Fund | |
| 1010 CASH-OPERATING | \$256.00 |
| 604 Electric Fund | |
| 1010 CASH-OPERATING | \$17,936.00 |
| 609 Liquor Fund | |
| 1010 CASH-OPERATING | \$135.00 |
| Total: | \$19,604.53 |

02/01/18
08:12:59

CITY OF KASSON
Claim Approval Signature Page
For the Accounting Period: 1/18

Page: 3 of 3
Report ID: AP100A

CITY OF KASSON
401 5TH STREET SE
KASSON, MN 55944-2204

The claim batch dated _____ are approved for payment.

APPROVED _____ Council Member

_____ Council Member

01/30/18
11:39:35

CITY OF KASSON
Claim Approval List
For the Accounting Period: 1/18
For Pay Date: 01/30/18

Page: 1 of 4
Report ID: AP100V

3

For Pay Date = 01/30/18
* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--|------------|--|-------------------------|---------|------|---------------|-------------|-----------------|
| *** Claim from another period (12/17) **** | | | | | | | | |
| 27833 | | 3194 AMERICAN LEGAL PUBLISHING | 1,450.00 | | | | | |
| | 0119937 | 12/29/17 2017 SUPPL PAGES-CITY CODE | 1,450.00 | | | 101 113 4113 | 430 | 1010 |
| | | Total for Vendor: | 1,450.00 | | | | | |
| 27834 | | 203 BAKER & TAYLOR INC | 227.96 | | | | | |
| | 2033407327 | 01/02/18 BOOKS | 174.02 | | | 211 550 4550 | 218 | 1010 |
| | 2033420407 | 01/05/18 BOOKS | 39.72 | | | 211 550 4550 | 218 | 1010 |
| | 2033427436 | 01/09/18 BOOK | 14.22 | | | 211 550 4550 | 218 | 1010 |
| | | Total for Vendor: | 227.96 | | | | | |
| 27835 | | 4293 FLEETPRIDE INC | 949.06 | | | | | |
| | 91546623 | 01/12/18 WING CYLINDER | 949.06 | | | 101 312 4312 | 220 | 1010 |
| | | Total for Vendor: | 949.06 | | | | | |
| *** Claim from another period (12/17) **** | | | | | | | | |
| 27837 | | 3825 JOHN DEERE FINANCIAL f.s.b. | 112.00 | | | | | |
| | B&WIK69448 | 12/20/17 COUPLERS | 112.00 | | | 101 312 4312 | 220 | 1010 |
| | | Total for Vendor: | 112.00 | | | | | |
| 27836 | | 2833 KEEPRS, INC. | 861.36 | | | | | |
| | 368336 | 01/09/18 PLEIN-UNIFORM & JACKET | 815.38 | | | 101 210 4210 | 214 | 1010 |
| | 368346 | 01/04/18 RESISTER/REFLECT. BEANIE | 45.98 | | | 101 210 4210 | 214 | 1010 |
| | | Total for Vendor: | 861.36 | | | | | |
| 27838 | | 978 MTI DISTRIBUTING INC | 184.83 | | | | | |
| | 1151379-00 | 01/10/18 V-BELT/FILTERS/WRENCH ASSM | 184.83 | | | 101 522 4522 | 220 | 1010 |
| | | Total for Vendor: | 184.83 | | | | | |
| 27839 | | 396 PROLINE DIST. INC. | 119.37 | | | | | |
| | 120209 | 01/09/18 MAXI DISC/DRILL BIT/BIT SHARPE | 17.05 | | | 101 310 4310 | 220 | 1010 |
| | 120209 | 01/09/18 MAXI DISC/DRILL BIT/BIT SHARPE | 17.05 | | | 101 312 4312 | 220 | 1010 |
| | 120209 | 01/09/18 MAXI DISC/DRILL BIT/BIT SHARPE | 17.05 | | | 101 517 4517 | 220 | 1010 |
| | 120209 | 01/09/18 MAXI DISC/DRILL BIT/BIT SHARPE | 17.05 | | | 601 943 4943 | 220 | 1010 |
| | 120209 | 01/09/18 MAXI DISC/DRILL BIT/BIT SHARPE | 17.05 | | | 602 948 4948 | 220 | 1010 |
| | 120209 | 01/09/18 MAXI DISC/DRILL BIT/BIT SHARPE | 17.06 | | | 604 957 4957 | 220 | 1010 |
| | 120209 | 01/09/18 MAXI DISC/DRILL BIT/BIT SHARPE | 17.06 | | | 605 963 4963 | 220 | 1010 |
| | 120209 | 01/09/18 SALES TAX | 1.17 | | | 604 957 4957 | 220 | 1010 |

01/30/18
11:39:35

CITY OF KASSON
Claim Approval List
For the Accounting Period: 1/18
For Pay Date: 01/30/18

Page: 2 of 4
Report ID: AP100V

For Pay Date = 01/30/18
* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|--------|--|-------------------------|---------|----------|---------------|-------------|-----------------|
| | 120209 | 01/09/18 SALES TAX | -1.17 | | | 604 2025 | | 1010 |
| | | Total for Vendor: | 119.37 | | | | | |
| 27840 | | 498 TEIGEN PAPER & SUPPLY INC | 133.34 | | | | | |
| | 331208 | 01/08/18 NITRILE GLV/ ROLL TOWELS | 67.67 | | | 211 550 4550 | 210 | 1010 |
| | 331207 | 01/08/18 NITRILE GLV/ ROLL TOWELS | 9.38 | | | 101 310 4310 | 220 | 1010 |
| | 331207 | 01/08/18 NITRILE GLV/ ROLL TOWELS | 9.38 | | | 101 312 4312 | 220 | 1010 |
| | 331207 | 01/08/18 NITRILE GLV/ ROLL TOWELS | 9.38 | | | 101 517 4517 | 220 | 1010 |
| | 331207 | 01/08/18 NITRILE GLV/ ROLL TOWELS | 9.38 | | | 601 943 4943 | 220 | 1010 |
| | 331207 | 01/08/18 NITRILE GLV/ ROLL TOWELS | 9.38 | | | 602 948 4948 | 220 | 1010 |
| | 331207 | 01/08/18 NITRILE GLV/ ROLL TOWELS | 9.38 | | | 604 957 4957 | 220 | 1010 |
| | 331207 | 01/08/18 NITRILE GLV/ ROLL TOWELS | 9.39 | | | 605 963 4963 | 220 | 1010 |
| | 331207 | 01/08/18 SALES TAX | 0.64 | | | 604 957 4957 | 220 | 1010 |
| | 331207 | 01/08/18 SALES TAX | -0.64 | | | 604 2025 | | 1010 |
| | | Total for Vendor: | 133.34 | | | | | |
| | | # of Claims | 8 | Total: | 4,037.92 | | | |

01/30/18
11:39:36

CITY OF KASSON
Fund Summary for Claims
For the Accounting Period: 1/18

Page: 3 of 4
Report ID: AP110

| Fund/Account | Amount |
|---------------------|------------|
| 101 General Fund | |
| 1010 CASH-OPERATING | \$3,636.54 |
| 211 Library Fund | |
| 1010 CASH-OPERATING | \$295.63 |
| 601 Water Fund | |
| 1010 CASH-OPERATING | \$26.43 |
| 602 Sewer Fund | |
| 1010 CASH-OPERATING | \$26.43 |
| 604 Electric Fund | |
| 1010 CASH-OPERATING | \$26.44 |
| 605 Storm Water | |
| 1010 CASH-OPERATING | \$26.45 |
| Total: | \$4,037.92 |

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CITY OF KASSON
Claim Approval Signature Page
For the Accounting Period: 1/18

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CITY OF KASSON
401 5TH STREET SE
KASSON, MN 55944-2204

The claim batch dated _____ are approved for payment.

APPROVED

See signature page

Council Member

Council Member

02/06/18
10:31:04

CITY OF KASSON
Claim Approval List
For the Accounting Period: 2/18
For Pay Date: 02/06/18

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Report ID: AP100V

#4

For Pay Date = 02/06/18

* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|------------|--|-------------------------|---------|------|---------------|-------------|-----------------|
| 27871 | | 4651 1ST AYD CORPORATION | 82.47 | | | | | |
| | PSI167419 | 01/18/18 BEARING/BUSHING/BRUSH PIN | 82.47 | | | 606 516 4516 | 220 | 1010 |
| | | Total for Vendor: | 82.47 | | | | | |
| | | *** Claim from another period (12/17) **** | | | | | | |
| 27877 | | 124 ABEL SIGNS INC | 48.09 | | | | | |
| | 8105 | 01/11/18 "DANGER" DECALS | 48.09 | | | 101 220 4220 | 210 | 1010 |
| | | Total for Vendor: | 48.09 | | | | | |
| | | *** Claim from another period (12/17) **** | | | | | | |
| 27878 | | 401 AMERICAN TEST CENTER INC | 1,085.00 | | | | | |
| | 2180190 | 01/15/18 ANN'L SAFETY TEST-LADDER TRUC | 1,085.00 | | | 101 220 4220 | 400 | 1010 |
| | | Total for Vendor: | 1,085.00 | | | | | |
| 27842 | | 2595 AMSOIL INC | 403.14 | | | | | |
| | 17605079RI | 01/11/18 SYNTH OIL/FUEL ADDITIVE | 403.14 | | | 101 522 4522 | 210 | 1010 |
| | | Total for Vendor: | 403.14 | | | | | |
| 27872 | | 4151 BLUE TARP FINANCIAL INC | 71.96 | | | | | |
| | 0071079065 | 01/17/18 DIGGING BAR/CLEVIS/WEB SLI | 71.96 | | | 602 947 4947 | 220 | 1010 |
| | | Total for Vendor: | 71.96 | | | | | |
| 27854 | | 5239 BREAKTHRU BEVERAGE MN WINE & | 3,351.32 | | | | | |
| | 1080747314 | 01/17/18 LIQUOR | 973.78 | | | 609 975 4975 | 251 | 1010 |
| | 1080747314 | 01/17/18 MIXES | 61.83 | | | 609 975 4975 | 254 | 1010 |
| | 1080747314 | 01/17/18 FREIGHT | 13.10 | | | 609 975 4975 | 335 | 1010 |
| | 1080750201 | 01/24/18 LIQUOR | 2,240.47 | | | 609 975 4975 | 251 | 1010 |
| | 1080750201 | 01/24/18 MIXES | 31.92 | | | 609 975 4975 | 254 | 1010 |
| | 1080750201 | 01/24/18 FREIGHT | 30.22 | | | 609 975 4975 | 335 | 1010 |
| | | Total for Vendor: | 3,351.32 | | | | | |
| 27843 | | 2632 G&K SERVICES | 63.59 | | | | | |
| | 6002874695 | 01/17/18 MATS-LIQUOR STORE | 63.59 | | | 609 979 4979 | 410 | 1010 |
| | | Total for Vendor: | 63.59 | | | | | |

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CITY OF KASSON
Claim Approval List
For the Accounting Period: 2/18
For Pay Date: 02/06/18

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For Pay Date = 02/06/18

* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ | Document \$/ | Disc \$ | | | | | | Cash |
|--------|------------|---------------------------------------|--------------|---------|------|---------------|-------------|--|--|---------|
| | | Invoice #/Inv Date/Description | Line \$ | | PO # | Fund Org Acct | Object Proj | | | Account |
| 27844 | | 28 GRAYBAR ELECTRIC | 344.70 | | | | | | | |
| | 9302028789 | 01/16/18 LED LIGHTING-2 PIN | 262.96 | | | 604 957 4957 | 220 | | | 1010 |
| | 9302097425 | 01/19/18 MULTI-VAPOR LAMP | 81.74 | | | 604 957 4957 | 220 | | | 1010 |
| | | Total for Vendor: | 344.70 | | | | | | | |
| 27845 | | 191 HACH COMPANY | 474.22 | | | | | | | |
| | 10797757 | 01/17/18 TOT. CHLORINE ACCUVAC | 180.70 | | | 601 943 4943 | 210 | | | 1010 |
| | 10800537 | 01/19/18 SPADNS FLUOR RGT-ARSENIC FRE | 293.52 | | | 601 943 4943 | 210 | | | 1010 |
| | | Total for Vendor: | 474.22 | | | | | | | |
| 27855 | | 3484 J. J. TAYLOR DIST. CO. OF MN | 239.60 | | | | | | | |
| | 2754230 | 01/16/18 BEER | 236.60 | | | 609 975 4975 | 252 | | | 1010 |
| | 2754230 | 01/16/18 FREIGHT | 3.00 | | | 609 975 4975 | 335 | | | 1010 |
| | | Total for Vendor: | 239.60 | | | | | | | |
| 27856 | | 25 JOHNSON BROTHERS LIQUOR CO | 1,157.79 | | | | | | | |
| | 5918019 | 01/16/18 LIQUOR | 704.34 | | | 609 975 4975 | 251 | | | 1010 |
| | 5918020 | 01/16/18 WINE | 409.47 | | | 609 975 4975 | 251 | | | 1010 |
| | 5918021 | 01/16/18 BEER | 43.98 | | | 609 975 4975 | 252 | | | 1010 |
| | | Total for Vendor: | 1,157.79 | | | | | | | |
| 27846 | | 5529 MANPOWER | 1,370.88 | | | | | | | |
| | 32347068 | 01/21/18 WAGES THRU 1/21-ADMIN ASSIST | 104.44* | | | 101 140 4140 | 444 | | | 1010 |
| | 32347068 | 01/21/18 WAGES THRU 1/21-ADMIN ASSIST | 78.34* | | | 101 191 4191 | 444 | | | 1010 |
| | 32347068 | 01/21/18 WAGES THRU 1/21-ADMIN ASSIST | 78.34* | | | 601 944 4944 | 444 | | | 1010 |
| | 32347068 | 01/21/18 WAGES THRU 1/21-ADMIN ASSIST | 78.34* | | | 602 949 4949 | 444 | | | 1010 |
| | 32347068 | 01/21/18 WAGES THRU 1/21-ADMIN ASSIST | 156.67* | | | 604 959 4959 | 444 | | | 1010 |
| | 32347068 | 01/21/18 WAGES THRU 1/21-ADMIN ASSIST | 26.11* | | | 605 964 4964 | 444 | | | 1010 |
| | 32373564 | 01/28/18 WAGES THRU 1/28-ADMIN ASSIST | 169.72* | | | 101 140 4140 | 444 | | | 1010 |
| | 32373564 | 01/28/18 WAGES THRU 1/28-ADMIN ASSIST | 127.30* | | | 101 191 4191 | 444 | | | 1010 |
| | 32373564 | 01/28/18 WAGES THRU 1/28-ADMIN ASSIST | 127.30* | | | 601 944 4944 | 444 | | | 1010 |
| | 32373564 | 01/28/18 WAGES THRU 1/28-ADMIN ASSIST | 127.30* | | | 602 949 4949 | 444 | | | 1010 |
| | 32373564 | 01/28/18 WAGES THRU 1/28-ADMIN ASSIST | 254.59* | | | 604 959 4959 | 444 | | | 1010 |
| | 32373564 | 01/28/18 WAGES THRU 1/28-ADMIN ASSIST | 42.43* | | | 605 964 4964 | 444 | | | 1010 |
| | | Total for Vendor: | 1,370.88 | | | | | | | |

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CITY OF KASSON
Claim Approval List
For the Accounting Period: 2/18
For Pay Date: 02/06/18

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For Pay Date = 02/06/18

* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--|------------|--|-------------------------|---------|------|------------------|-------------|-----------------|
| *** Claim from another period (12/17) **** | | | | | | | | |
| 27847 | | 2132 MANTORVILLE TOWNSHIP | 1,035.00 | | | | | |
| | RES9.3-17 | 10/11/18 TAX REIMB-FINGER ANNEX-3.5 | 615.00 | | | 101 111 4111 430 | | 1010 |
| | RES9.3-17 | 10/11/18 TAX REIMB-FINGER ANNEX-3.5 | 420.00 | | | 101 1151 | | 1010 |
| | | Total for Vendor: | 1,035.00 | | | | | |
| 27873 | | 729 MN DEPT OF PUBLIC SAFETY | 100.00 | | | | | |
| | 2017M90321 | 01/11/18 HAZ MAT RESP ACT-K.A.C. | 75.00 | | | 101 514 4514 430 | | 1010 |
| | 172017M902 | 01/11/18 HAZ CHEM INVENTORY-K.A.C. | 25.00 | | | 101 514 4514 430 | | 1010 |
| | | Total for Vendor: | 100.00 | | | | | |
| 27874 | | 2454 MN PUBLIC FACILITIES AUTHORITY | 2,447.47 | | | | | |
| | 01/26/18 | PFA CWRP/PSIG FEE | 2,447.47* | | | 602 710 4710 621 | | 1010 |
| | | Total for Vendor: | 2,447.47 | | | | | |
| 27857 | | 60 NORTHERN BEVERAGE DIST. CO. LL | 5,834.60 | | | | | |
| | 243482 | 01/18/16 BEER | 5,676.20 | | | 609 975 4975 252 | | 1010 |
| | 243482 | 01/18/16 NA BEVERAGE | 156.40 | | | 609 975 4975 254 | | 1010 |
| | 243482 | 01/18/16 FREIGHT | 2.00 | | | 609 975 4975 335 | | 1010 |
| | | Total for Vendor: | 5,834.60 | | | | | |
| 27858 | | 23 PHILLIPS WINE & SPIRITS | 2,643.75 | | | | | |
| | 284601 | 01/11/18 WINE CREDIT | -28.00 | | | 609 975 4975 251 | | 1010 |
| | 2295018 | 01/16/18 LIQUOR | 1,679.25 | | | 609 975 4975 251 | | 1010 |
| | 2295019 | 01/16/18 WINE | 992.50 | | | 609 975 4975 251 | | 1010 |
| | | Total for Vendor: | 2,643.75 | | | | | |
| 27848 | | 326 QUALITY OVERHEAD DOOR | 375.94 | | | | | |
| | 091638 | 01/16/18 DOOR REPAIR-ZAMBONI ROOM | 375.94 | | | 606 516 4516 400 | | 1010 |
| | | Total for Vendor: | 375.94 | | | | | |
| 27849 | | 2079 ROCHESTER OVERHEAD DOOR INC | 187.50 | | | | | |
| | 45735 | 01/17/18 SERV CALL-WEATHER STRIP BOTTOM | 187.50 | | | 101 210 4210 400 | | 1010 |
| | | Total for Vendor: | 187.50 | | | | | |

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CITY OF KASSON
Claim Approval List
For the Accounting Period: 2/18
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For Pay Date = 02/06/18

* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|------------|--|-------------------------|---------|-----------|---------------|-------------|-----------------|
| 27859 | | 63 SCHOTT DIST CO INC | 9,279.15 | | | | | |
| | 302541 | 01/18/18 BEER | 9,279.15 | | | 609 975 4975 | 252 | 1010 |
| | | Total for Vendor: | 9,279.15 | | | | | |
| 27850 | | 5183 SHOPKO STORES OPERATING CO LLC | 302.92 | | | | | |
| | 4211 | 01/16/18 ADVERTISING EXP-VIKING GEAR | 293.92 | | | 609 976 4976 | 343 | 1010 |
| | 4403 | 01/17/18 ADVERTISING EXP-VIKING GEAR | 9.00 | | | 609 976 4976 | 343 | 1010 |
| | | Total for Vendor: | 302.92 | | | | | |
| 27862 | | 3850 SOUTHERN GLAZER'S OF MN | 938.00 | | | | | |
| | 1638822 | 01/17/18 WINE | 252.00 | | | 609 975 4975 | 251 | 1010 |
| | 1638822 | 01/17/18 LIQUOR | 668.95 | | | 609 975 4975 | 251 | 1010 |
| | 1638822 | 01/17/18 FREIGHT | 17.05 | | | 609 975 4975 | 335 | 1010 |
| | | Total for Vendor: | 938.00 | | | | | |
| 27879 | | 5614 STAPLES ADVANTAGE | 49.56 | | | | | |
| | 8048244514 | 01/13/18 LIBRARY SUPPLIES | 49.56 | | | 211 550 4550 | 210 | 1010 |
| | | Total for Vendor: | 49.56 | | | | | |
| | | *** Claim from another period (12/17) **** | | | | | | |
| 27875 | | 4290 SWENKE IMS CONTRACTING LLC | 7,169.25 | | | | | |
| | 455 | 01/02/18 RPR MAIN @ 6 AV SW/MAIN ST | 2,876.75 | | | 601 943 4943 | 400 | 1010 |
| | 457 | 01/02/18 RPR MAIN @ MANTORVILLE AV | 4,292.50 | | | 601 943 4943 | 400 | 1010 |
| | | Total for Vendor: | 7,169.25 | | | | | |
| 27851 | | 939 USA BLUEBOOK | 180.40 | | | | | |
| | 462376 | 01/11/18 EVAP DISH/SAFETY GLASSES/REPL | 180.40 | | | 602 947 4947 | 210 | 1010 |
| | | Total for Vendor: | 180.40 | | | | | |
| | | *** Claim from another period (12/17) **** | | | | | | |
| 27852 | | 2427 XCEL ENERGY | 80.88 | | | | | |
| | 577181559 | 01/18/18 UTIL SERV-NW LIFT ST 12/13- | 80.88 | | | 602 948 4948 | 380 | 1010 |
| 27853 | | 2427 XCEL ENERGY | 80.88 | | | | | |
| | 577181559 | 01/18/18 UTIL SERV-NW LIFT ST 1/1-1/ | 80.88 | | | 602 948 4948 | 380 | 1010 |
| | | Total for Vendor: | 161.76 | | | | | |
| | | # of Claims | 27 | Total: | 39,398.06 | | | |

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CITY OF KASSON
Fund Summary for Claims
For the Accounting Period: 2/18

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| Fund/Account | Amount |
|---------------------|-------------|
| 101 General Fund | |
| 1010 CASH-OPERATING | \$3,338.53 |
| 211 Library Fund | |
| 1010 CASH-OPERATING | \$49.56 |
| 601 Water Fund | |
| 1010 CASH-OPERATING | \$7,849.11 |
| 602 Sewer Fund | |
| 1010 CASH-OPERATING | \$3,067.23 |
| 604 Electric Fund | |
| 1010 CASH-OPERATING | \$755.96 |
| 605 Storm Water | |
| 1010 CASH-OPERATING | \$68.54 |
| 606 ICE ARENA | |
| 1010 CASH-OPERATING | \$458.41 |
| 609 Liquor Fund | |
| 1010 CASH-OPERATING | \$23,810.72 |
| Total: | \$39,398.06 |

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CITY OF KASSON
Claim Approval Signature Page
For the Accounting Period: 2/18

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Report ID: AP100A

CITY OF KASSON
401 5TH STREET SE
KASSON, MN 55944-2204

The claim batch dated _____ are approved for payment.

APPROVED *See signature page* _____ Council Member
_____ Council Member

02/08/18
11:24:50

CITY OF KASSON
Claim Approval List
For the Accounting Period: 2/18
For Pay Date: 02/08/18

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Report ID: AP100V

For Pay Date = 02/08/18
* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|------------|--|-------------------------|---------|------|---------------|-------------|-----------------|
| 27963 | | 5658 MN DNR ECOLOGICAL & WATER | 1,041.61 | | | | | |
| | 1968-1609 | 02/06/18 ANN'L WATER PERMIT | 1,041.61 | | | 601 943 4943 | 430 | 1010 |
| | | Total for Vendor: | 1,041.61 | | | | | |
| 27936 | | 123 THRONDSOIL OIL & LP GAS CO | 5,763.70 | | | | | |
| | 334426 | 01/18/18 P. DIESEL/ #1 DIESEL | 805.47 | | | 101 310 4310 | 210 | 1010 |
| | 334426 | 01/18/18 P. DIESEL/ #1 DIESEL | 805.47 | | | 101 312 4312 | 210 | 1010 |
| | 334426 | 01/18/18 P. DIESEL/ #1 DIESEL | 100.69 | | | 601 943 4943 | 210 | 1010 |
| | 334426 | 01/18/18 P. DIESEL/ #1 DIESEL | 100.69 | | | 602 948 4948 | 210 | 1010 |
| | 334426 | 01/18/18 P. DIESEL/ #1 DIESEL | 100.69 | | | 604 957 4957 | 210 | 1010 |
| | 334426 | 01/18/18 P. DIESEL/ #1 DIESEL | 100.69 | | | 605 963 4963 | 210 | 1010 |
| | 334426 | 01/18/18 SALES TAX | 6.92 | | | 604 957 4957 | 210 | 1010 |
| | 334426 | 01/18/18 SALES TAX | -6.92 | | | 604 2025 | | 1010 |
| | 334512 | 01/23/18 P. DIESEL/ #1 DIESEL | 662.00 | | | 101 310 4310 | 210 | 1010 |
| | 334512 | 01/23/18 P. DIESEL/ #1 DIESEL | 662.00 | | | 101 312 4312 | 210 | 1010 |
| | 334512 | 01/23/18 P. DIESEL/ #1 DIESEL | 82.75 | | | 601 943 4943 | 210 | 1010 |
| | 334512 | 01/23/18 P. DIESEL/ #1 DIESEL | 82.75 | | | 602 948 4948 | 210 | 1010 |
| | 334512 | 01/23/18 P. DIESEL/ #1 DIESEL | 82.75 | | | 604 957 4957 | 210 | 1010 |
| | 334512 | 01/23/18 P. DIESEL/ #1 DIESEL | 82.75 | | | 605 963 4963 | 210 | 1010 |
| | 334512 | 01/23/18 SALES TAX | 5.69 | | | 604 957 4957 | 210 | 1010 |
| | 334512 | 01/23/18 SALES TAX | -5.69 | | | 604 2025 | | 1010 |
| | 334771 | 02/06/18 P. DIESEL/ #1 DIESEL | 838.00 | | | 101 310 4310 | 210 | 1010 |
| | 334771 | 02/06/18 P. DIESEL/ #1 DIESEL | 838.00 | | | 101 312 4312 | 210 | 1010 |
| | 334771 | 02/06/18 P. DIESEL/ #1 DIESEL | 104.75 | | | 601 943 4943 | 210 | 1010 |
| | 334771 | 02/06/18 P. DIESEL/ #1 DIESEL | 104.75 | | | 602 948 4948 | 210 | 1010 |
| | 334771 | 02/06/18 P. DIESEL/ #1 DIESEL | 104.75 | | | 604 957 4957 | 210 | 1010 |
| | 334771 | 02/06/18 P. DIESEL/ #1 DIESEL | 104.75 | | | 605 963 4963 | 210 | 1010 |
| | 334771 | 02/06/18 SALES TAX | 7.20 | | | 604 957 4957 | 210 | 1010 |
| | 334771 | 02/06/18 SALES TAX | -7.20 | | | 604 2025 | | 1010 |
| | | Total for Vendor: | 5,763.70 | | | | | |
| | | *** Claim from another period (12/17) **** | | | | | | |
| 27964 | | 3382 VERIZON WIRELESS | 515.87 | | | | | |
| | 9800212038 | 01/20/18 CELL PHONES-P D | 233.59 | | | 101 210 4210 | 321 | 1010 |
| | 9800212038 | 01/20/18 CELL PHONES-STREETS | 33.84 | | | 101 310 4310 | 321 | 1010 |
| | 9800212038 | 01/20/18 CELL PHONES-PARKS | 37.49 | | | 101 510 4510 | 321 | 1010 |
| | 9800212038 | 01/20/18 CELL PHONES-WATER | 20.56 | | | 601 944 4944 | 321 | 1010 |

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CITY OF KASSON
Claim Approval List
For the Accounting Period: 2/18
For Pay Date: 02/08/18

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Report ID: AP100V

For Pay Date = 02/08/18
* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|-------|--|-------------------------|---------|----------|---------------|-------------|-----------------|
| | | 9800212038 01/20/18 CELL PHONES-WW | 47.93 | | | 602 949 4949 | 321 | 1010 |
| | | 9800212038 01/20/18 CELL PHONE-P.W. DIRECTOR | 18.92 | | | 604 959 4959 | 321 | 1010 |
| | | 9800212038 01/20/18 CELL PHONES-ELECTRIC | 92.46 | | | 604 959 4959 | 321 | 1010 |
| | | 9800212038 01/20/18 CELL PHONES-ARENA | 31.08 | | | 606 516 4516 | 321 | 1010 |
| 27966 | | 3382 VERIZON WIRELESS | 2,311.39 | | | | | |
| | | 9800212038 01/20/18 CELL PHONES-P D | 467.19 | | | 101 210 4210 | 321 | 1010 |
| | | 9800212038 01/20/18 CELL PHONES-STREETS | 67.67 | | | 101 310 4310 | 321 | 1010 |
| | | 9800212038 01/20/18 CELL PHONES-PARKS | 74.97 | | | 101 510 4510 | 321 | 1010 |
| | | 9800212038 01/20/18 CELL PHONES-WATER | 41.11 | | | 601 944 4944 | 321 | 1010 |
| | | 9800212038 01/20/18 CELL PHONES-WW | 95.87 | | | 602 949 4949 | 321 | 1010 |
| | | 9800212038 01/20/18 CELL PHONE-P.W. DIRECTOR | 37.84 | | | 604 959 4959 | 321 | 1010 |
| | | 9800212038 01/20/18 CELL PHONES-ELECTRIC | 1,464.58 | | | 604 959 4959 | 321 | 1010 |
| | | 9800212038 01/20/18 CELL PHONES-ARENA | 62.16 | | | 606 516 4516 | 321 | 1010 |
| | | Total for Vendor: | 2,827.26 | | | | | |
| | | # of Claims | 4 | Total: | 9,632.57 | | | |

02/08/18
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CITY OF KASSON
Fund Summary for Claims
For the Accounting Period: 2/18

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Report ID: AP110

| Fund/Account | Amount |
|---------------------|------------|
| 101 General Fund | |
| 1010 CASH-OPERATING | \$5,525.69 |
| 601 Water Fund | |
| 1010 CASH-OPERATING | \$1,391.47 |
| 602 Sewer Fund | |
| 1010 CASH-OPERATING | \$431.99 |
| 604 Electric Fund | |
| 1010 CASH-OPERATING | \$1,901.99 |
| 605 Storm Water | |
| 1010 CASH-OPERATING | \$288.19 |
| 606 ICE ARENA | |
| 1010 CASH-OPERATING | \$93.24 |
| Total: | \$9,632.57 |

02/08/18
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CITY OF KASSON
Claim Approval Signature Page
For the Accounting Period: 2/18

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Report ID: AP100A

CITY OF KASSON
401 5TH STREET SE
KASSON, MN 55944-2204

The claim batch dated _____ are approved for payment.

APPROVED See signature page Council Member
_____ Council Member

02/09/18
10:06:44

CITY OF KASSON
Claim Approval List
For the Accounting Period: 2/18
For Pay Date: 02/15/18

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Report ID: AP100V

#6

For Pay Date = 02/15/18
* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|------------|--|-------------------------|---------|------|---------------|-------------|-----------------|
| 27881 | | 5653 A TO Z REPAIR INC | 1,004.46 | | | | | |
| | 2026 | 01/19/18 REPAIRS TO '79 BUCKET TRUCK | 1,004.46 | | | 101 524 4524 | 430 | 1010 |
| | | Total for Vendor: | 1,004.46 | | | | | |
| 27882 | | 203 BAKER & TAYLOR INC | 64.00 | | | | | |
| | 2033442310 | 01/16/18 BOOKS | 23.89 | | | 211 550 4550 | 218 | 1010 |
| | 2033455024 | 01/22/18 BOOKS | 40.11 | | | 211 550 4550 | 218 | 1010 |
| | | Total for Vendor: | 64.00 | | | | | |
| 27968 | | 2683 BECHER'S NAPA AUTO PARTS | 1,017.68 | | | | | |
| | 295691 | 01/03/18 OIL, AIR, FUEL FILTERS | 329.49 | | | 101 522 4522 | 220 | 1010 |
| | 295948 | 01/05/18 MOTOR TUNE-UP | 15.98 | | | 101 310 4310 | 220 | 1010 |
| | 296139 | 01/08/18 PTEX ULTRA BLUE | 7.69 | | | 101 522 4522 | 220 | 1010 |
| | 296162 | 01/08/18 FAB LOOM-SPLIT POLY/WIRE | 47.64 | | | 604 957 4957 | 220 | 1010 |
| | 296162 | 01/08/18 SALES TAX | 3.28 | | | 604 957 4957 | 220 | 1010 |
| | 296162 | 01/08/18 SALES TAX | -3.28 | | | 604 2025 | | 1010 |
| | 296535 | 01/11/18 OIL/PRIMARY WIRE | 115.56 | | | 604 957 4957 | 220 | 1010 |
| | 296535 | 01/11/18 SALES TAX | 7.94 | | | 604 957 4957 | 220 | 1010 |
| | 296535 | 01/11/18 SALES TAX | -7.94 | | | 604 2025 | | 1010 |
| | 296581 | 01/11/18 WIPER BLADES | 29.96 | | | 101 312 4312 | 220 | 1010 |
| | 296669 | 01/12/18 OIL FILTER/OIL STABL | 16.63 | | | 601 943 4943 | 220 | 1010 |
| | 296984 | 01/16/18 BLUE DEF | 189.99 | | | 101 312 4312 | 220 | 1010 |
| | 297176 | 01/18/18 GEAR OIL/HI TEMP RTV | 135.61 | | | 101 312 4312 | 220 | 1010 |
| | 297213 | 01/18/18 OIL | 7.18 | | | 602 947 4947 | 220 | 1010 |
| | 481590 | 01/18/18 SCOTSEAL HUBCAP | 75.98 | | | 101 312 4312 | 220 | 1010 |
| | 297511 | 01/22/18 RTU COOLANT | 15.98 | | | 101 310 4310 | 220 | 1010 |
| | 297793 | 01/25/18 WIPER | 29.99 | | | 101 312 4312 | 220 | 1010 |
| | | Total for Vendor: | 1,017.68 | | | | | |
| 27883 | | 1012 BELLBOY CORPORATION | 2,498.83 | | | | | |
| | 62520100 | 01/18/18 LIQUOR | 1,367.35 | | | 609 975 4975 | 251 | 1010 |
| | 62520100 | 01/18/18 FREIGHT | 20.00 | | | 609 975 4975 | 335 | 1010 |
| | 97071300 | 01/18/18 BAGS | 48.37 | | | 609 975 4975 | 210 | 1010 |
| | 97071300 | 01/18/18 SALES TAX | 3.33 | | | 609 975 4975 | 210 | 1010 |
| | 97071300 | 01/18/18 SALES TAX | -3.33 | | | 609 2025 | | 1010 |
| | 62639400 | 01/25/18 LIQUOR | 658.00 | | | 609 975 4975 | 251 | 1010 |

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| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|------------|--|-------------------------|---------|------|---------------|-------------|-----------------|
| | 62639400 | 01/25/18 WINE | 64.00 | | | 609 975 4975 | 251 | 1010 |
| | 62639400 | 01/25/18 FREIGHT | 10.00 | | | 609 975 4975 | 335 | 1010 |
| | 97113100 | 01/25/18 BAGS | 72.53 | | | 609 975 4975 | 210 | 1010 |
| | 97113100 | 01/25/18 SALES TAX | 4.99 | | | 609 975 4975 | 210 | 1010 |
| | 97113100 | 01/25/18 SALES TAX | -4.99 | | | 609 2025 | | 1010 |
| | 62735100 | 02/01/18 LIQUOR | 165.00 | | | 609 975 4975 | 251 | 1010 |
| | 62735100 | 02/01/18 FREIGHT | 4.00 | | | 609 975 4975 | 335 | 1010 |
| | 97141300 | 02/01/18 BAGS | 32.58 | | | 609 975 4975 | 210 | 1010 |
| | 97141300 | 02/01/18 BEER | 42.00 | | | 609 975 4975 | 252 | 1010 |
| | 97141300 | 02/01/18 DUM DUMS | 15.00 | | | 609 976 4976 | 343 | 1010 |
| | 97141300 | 02/01/18 SALES TAX | 2.24 | | | 609 975 4975 | 210 | 1010 |
| | 97141300 | 02/01/18 SALES TAX | -2.24 | | | 609 2025 | | 1010 |
| | | Total for Vendor: | 2,498.83 | | | | | |
| 27884 | | 4708 BOUND TREE MEDICAL LLC | 213.47 | | | | | |
| | 82751853 | 01/22/18 MEDICAL SUPPLIES | 213.47 | | | 101 220 4220 | 210 | 1010 |
| | | Total for Vendor: | 213.47 | | | | | |
| 27885 | | 5239 BREAKTHRU BEVERAGE MN WINE & | 905.40 | | | | | |
| | 1080753395 | 01/31/18 LIQUOR | 837.00 | | | 609 975 4975 | 251 | 1010 |
| | 1080753395 | 01/31/18 MIXES | 55.30 | | | 609 975 4975 | 254 | 1010 |
| | 1080753395 | 01/31/18 FREIGHT | 13.10 | | | 609 975 4975 | 335 | 1010 |
| | | Total for Vendor: | 905.40 | | | | | |
| 27982 | | 5098 CARDMEMBER SERVICE | 1,134.14 | | | | | |
| | 01/05/18 | 4 STABILICER OVERSHOES | 379.80 | | | 604 957 4957 | 210 | 1010 |
| | 01/22/18 | NAIG REG.-ANN'L MCFOA CONF | 278.50 | | | 101 140 4140 | 333 | 1010 |
| | 01/22/18 | RAPPE REG.-ANN'L MCFOA CONF | 325.00 | | | 101 140 4140 | 333 | 1010 |
| | 01/29/18 | POP FOR RESALE-L.S. | 150.84 | | | 609 975 4975 | 254 | 1010 |
| | | Total for Vendor: | 1,134.14 | | | | | |
| 27947 | | 82 CHS INC | 617.41 | | | | | |
| | 01/31/18 | 116.432 GAL UNLD-STREETS | 256.71 | | | 101 310 4310 | 212 | 1010 |
| | 01/31/18 | 18.062 GAL UNLD-ICE/SNOW | 39.60 | | | 101 312 4312 | 212 | 1010 |
| | 01/31/18 | 80.702 GAL UNLD-PARKS | 184.05 | | | 101 522 4522 | 212 | 1010 |
| | 01/31/18 | 63.380 GAL UNLD-ELECTRIC | 137.05 | | | 604 957 4957 | 212 | 1010 |
| | | Total for Vendor: | 617.41 | | | | | |

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| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|----------|--|-------------------------|---------|------|---------------|-------------|-----------------|
| 27886 | | 30 CMS OF ROCHESTER | 3,964.90 | | | | | |
| | 18-116 | 01/31/18 KA BLDG-INSPECTION FEES | 3,740.26 | | | 101 240 4240 | 444 | 1010 |
| | 18-116 | 01/31/18 KA BLDG-MILEAGE | 224.64 | | | 101 240 4240 | 331 | 1010 |
| | | Total for Vendor: | 3,964.90 | | | | | |
| 27948 | | 5627 CORE & MAIN LP | 284.86 | | | | | |
| | 0394390 | 01/25/18 REPAIR CLAMPS | 284.86 | | | 601 943 4943 | 220 | 1010 |
| | | Total for Vendor: | 284.86 | | | | | |
| 27887 | | 15 CULLIGAN OF KASSON | 28.95 | | | | | |
| | | 01/31/18 SOFTENER RENT-C H 2/1-2/28 | 28.95 | | | 101 194 4194 | 410 | 1010 |
| | | Total for Vendor: | 28.95 | | | | | |
| 27888 | | 110 DEMCO INC | 141.90 | | | | | |
| | 80260403 | 01/26/18 LIBRARY SUPPLIES | 141.90 | | | 211 550 4550 | 210 | 1010 |
| | | Total for Vendor: | 141.90 | | | | | |
| 27969 | | 69 DODGE COUNTY ENVIRONMENTAL | 28.00 | | | | | |
| | 02-45400 | 01/10/18 DISPOSAL-OLD LIBRARY SHELVES | 28.00 | | | 101 323 4323 | 430 | 1010 |
| | | Total for Vendor: | 28.00 | | | | | |
| | | *** Claim from another period (12/17) **** | | | | | | |
| 27950 | | 5156 DODGE COUNTY INDEPENDENT/DODGE | 69.00 | | | | | |
| | 3294 | 12/20/17 KPL CHRISTMAS AD | 69.00 | | | 211 550 4550 | 343 | 1010 |
| 27951 | | 5156 DODGE COUNTY INDEPENDENT/DODGE | 175.00 | | | | | |
| | 3387 | 01/17/18 ORD #864 | 40.00 | | | 101 113 4113 | 353 | 1010 |
| | 3418 | 01/03/18 LIQ STORE SHOP LOCAL AD | 35.00 | | | 609 976 4976 | 343 | 1010 |
| | 3429 | 02/06/18 P C HEARING NOTICE | 100.00 | | | 101 191 4191 | 351 | 1010 |
| | | Total for Vendor: | 244.00 | | | | | |
| 27889 | | 2070 EARL'S SMALL ENGINE REPAIR INC | 9.95 | | | | | |
| | #HELD | 01/30/18 LOCKING ARM | 9.95 | | | 601 943 4943 | 220 | 1010 |
| | | Total for Vendor: | 9.95 | | | | | |

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| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|-----------------------|--|-------------------------|---------|------|---------------|-------------|-----------------|
| 27890 | | 21 ERDMAN'S SUPERMARKETS INC | 111.85 | | | | | |
| | 01/19/18 | POP FOR RESALE | 58.65 | | | 609 975 4975 | 254 | 1010 |
| | 01/25/18 | POP FOR RESALE | 53.20 | | | 609 975 4975 | 254 | 1010 |
| | | Total for Vendor: | 111.85 | | | | | |
| | | *** Claim from another period (12/17) **** | | | | | | |
| 27891 | | 2618 FIRE SAFETY USA INC | 35.00 | | | | | |
| | 106993 12/29/17 | DERBY-SUSPENDERS | 35.00 | | | 101 220 4220 | 210 | 1010 |
| 27970 | | 2618 FIRE SAFETY USA INC | 325.29 | | | | | |
| | 107966 02/02/18 3 10# | EXTINGUISHERS | 40.75 | | | 101 310 4310 | 210 | 1010 |
| | 107966 02/02/18 3 10# | EXTINGUISHERS | 40.75 | | | 101 312 4312 | 210 | 1010 |
| | 107966 02/02/18 3 10# | EXTINGUISHERS | 40.76 | | | 101 517 4517 | 210 | 1010 |
| | 107966 02/02/18 3 10# | EXTINGUISHERS | 40.76 | | | 601 943 4943 | 210 | 1010 |
| | 107966 02/02/18 3 10# | EXTINGUISHERS | 40.76 | | | 602 948 4948 | 210 | 1010 |
| | 107966 02/02/18 3 10# | EXTINGUISHERS | 40.76 | | | 604 957 4957 | 210 | 1010 |
| | 107966 02/02/18 3 10# | EXTINGUISHERS | 40.75 | | | 605 963 4963 | 210 | 1010 |
| | 107966 02/02/18 | SALES TAX | 2.80 | | | 604 957 4957 | 210 | 1010 |
| | 107966 02/02/18 | SALES TAX | -2.80 | | | 604 2025 | | 1010 |
| | 107022 01/02/18 | C-CELL BATTERIES | 40.00 | | | 101 220 4220 | 210 | 1010 |
| | | Total for Vendor: | 360.29 | | | | | |
| | | *** Claim from another period (12/17) **** | | | | | | |
| 27893 | | 5654 FLIPPIN, MICHALA | 50.32 | | | | | |
| | 1314-05 01/25/18 | RL/WA MTR DEP REFUND AFT APPL | 50.32 | | | 604 2212 | | 1010 |
| | | Total for Vendor: | 50.32 | | | | | |
| 27894 | | 2632 G&K SERVICES | 72.20 | | | | | |
| | 6002897317 01/31/18 | MATS-LIQUOR STORE | 72.20 | | | 609 979 4979 | 410 | 1010 |
| | | Total for Vendor: | 72.20 | | | | | |
| 27895 | | 56 GILLETTE PEPSI ROCHESTER | 158.94 | | | | | |
| | 9356315 01/23/18 | REIMB'D POP-P.W.B. | 158.94 | | | 101 1151 | | 1010 |
| | 9356315 01/23/18 | SALES TAX | 10.93 | | | 101 1151 | | 1010 |
| | 9356315 01/23/18 | SALES TAX | -10.93 | | | 101 2025 | | 1010 |

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| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|------------|--|-------------------------|---------|------|---------------|-------------|-----------------|
| 27920 | | 56 GILLETTE PEPSI ROCHESTER | 347.02 | | | | | |
| | 9353243 | 01/09/18 POP FOR RESALE-ARENA | 158.94 | | | 606 516 4516 | 261 | 1010 |
| | 9356313 | 01/23/18 POP FOR RESALE-ARENA | 188.08 | | | 606 516 4516 | 261 | 1010 |
| | | Total for Vendor: | 505.96 | | | | | |
| 27971 | | 28 GRAYBAR ELECTRIC | 180.61 | | | | | |
| | 9302334627 | 02/02/18 LIGHTING-ARENA | 180.61 | | | 606 516 4516 | 220 | 1010 |
| | | Total for Vendor: | 180.61 | | | | | |
| 27896 | | 2396 H & L MESABI COMPANY | 1,515.94 | | | | | |
| | H99982 | 01/23/18 PLOW BLADES | 1,515.94 | | | 101 312 4312 | 220 | 1010 |
| | | Total for Vendor: | 1,515.94 | | | | | |
| 27959 | | 77 HAWKINS INC | 3,914.70 | | | | | |
| | 4220149RI | 01/26/18 CHLORINE/LPC-5 | 3,914.70 | | | 601 943 4943 | 210 | 1010 |
| | | Total for Vendor: | 3,914.70 | | | | | |
| 27897 | | 5036 HOHENSTEINS INC | 101.00 | | | | | |
| | 942631 | 01/25/18 BEER | 101.00 | | | 609 975 4975 | 252 | 1010 |
| | | Total for Vendor: | 101.00 | | | | | |
| 27898 | | 5064 HOMETOWN HAULERS LLC | 857.00 | | | | | |
| | 30772 | 02/01/18 JAN. GARBAGE-C H | 30.10 | | | 101 323 4323 | 430 | 1010 |
| | 30772 | 02/01/18 JAN. GARBAGE-LIBRARY | 50.88 | | | 101 323 4323 | 430 | 1010 |
| | 30772 | 02/01/18 JAN. GARBAGE-WWTP | 135.32 | | | 602 947 4947 | 430 | 1010 |
| | 30772 | 02/01/18 JAN. GARBAGE-SHOP | 178.78 | | | 101 323 4323 | 430 | 1010 |
| | 30772 | 02/01/18 JAN. GARBAGE-F D | 67.66 | | | 101 323 4323 | 430 | 1010 |
| | 30772 | 02/01/18 JAN. GARBAGE-L S | 58.35 | | | 101 323 4323 | 430 | 1010 |
| | 30772 | 02/01/18 JAN. GARBAGE-PARKS | 209.76 | | | 101 323 4323 | 430 | 1010 |
| | 30772 | 02/01/18 JAN. GARBAGE-P D | 31.50 | | | 101 323 4323 | 430 | 1010 |
| | 30772 | 02/01/18 JAN. GARBAGE-ARENA | 94.65 | | | 606 516 4516 | 430 | 1010 |
| | | Total for Vendor: | 857.00 | | | | | |

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|--------|-------|--|-------------------------|---------|------|---------------|-------------|-----------------|
| 27899 | | 5655 IACP | 150.00 | | | | | |
| | | 1001302457 12/29/17 BERGHUIS-2018 MEMBERSHIP | 150.00 | | | 101 210 4210 | 334 | 1010 |
| | | Total for Vendor: | 150.00 | | | | | |
| 27900 | | 231 IMAGES ON METAL INC | 113.35 | | | | | |
| | | 281526 01/19/18 WEIGEL-POLO | 36.75 | | | 101 210 4210 | 214 | 1010 |
| | | 281527 01/19/18 WEIGEL-SHIRT | 76.60 | | | 101 210 4210 | 214 | 1010 |
| | | Total for Vendor: | 113.35 | | | | | |
| 27901 | | 3484 J. J. TAYLOR DIST. CO. OF MN | 184.30 | | | | | |
| | | 2757589 01/30/18 BEER | 181.30 | | | 609 975 4975 | 252 | 1010 |
| | | 2757589 01/30/18 FREIGHT | 3.00 | | | 609 975 4975 | 335 | 1010 |
| | | Total for Vendor: | 184.30 | | | | | |
| 27902 | | 25 JOHNSON BROTHERS LIQUOR CO | 5,415.19 | | | | | |
| | | 5922909 01/23/18 LIQUOR | 435.50 | | | 609 975 4975 | 251 | 1010 |
| | | 5922910 01/23/18 WINE | 2,230.20 | | | 609 975 4975 | 251 | 1010 |
| | | 5922911 01/23/18 MIXES | 37.00 | | | 609 975 4975 | 254 | 1010 |
| | | 5922912 01/23/18 LIQUOR | 244.00 | | | 609 975 4975 | 251 | 1010 |
| | | 5922913 01/23/18 WINE | 783.80 | | | 609 975 4975 | 251 | 1010 |
| | | 5928163 01/30/18 LIQUOR | 710.05 | | | 609 975 4975 | 251 | 1010 |
| | | 5928164 01/30/18 WINE | 952.65 | | | 609 975 4975 | 251 | 1010 |
| | | 5928165 01/30/18 BEER | 21.99 | | | 609 975 4975 | 252 | 1010 |
| | | Total for Vendor: | 5,415.19 | | | | | |
| 27903 | | 2008 K-M REGIONAL VETERINARY HOSPITAL | 28.70 | | | | | |
| | | 108461 02/01/18 1 IMPOUND | 28.70 | | | 101 270 4270 | 430 | 1010 |
| | | Total for Vendor: | 28.70 | | | | | |
| 27904 | | 3454 KASSON CAR CARE | 1,622.19 | | | | | |
| | | 16322 01/16/18 VEH. TOW TO IMPD-ICR18-157 | 140.00 | | | 101 210 4210 | 430 | 1010 |
| | | 16289 01/10/18 BATTERY-'09 CHEV | 109.99 | | | 101 310 4310 | 220 | 1010 |
| | | 16354 01/18/18 4 TIRES | 326.38 | | | 101 310 4310 | 220 | 1010 |
| | | 16354 01/18/18 4 TIRES | 326.38 | | | 605 963 4963 | 220 | 1010 |
| | | 16354 01/18/18 MT./BAL. TIRES & DISPOSAL | 35.00 | | | 101 310 4310 | 400 | 1010 |
| | | 16354 01/18/18 MT./BAL. TIRES & DISPOSAL | 35.00 | | | 605 963 4963 | 400 | 1010 |

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| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|-------|--|-------------------------|---------|------|---------------|-------------|-----------------|
| | 16361 | 01/19/18 4 TIRES | 579.44 | | | 604 957 4957 | 220 | 1010 |
| | 16361 | 01/19/18 MT./BAL. TIRES | 70.00 | | | 604 957 4957 | 400 | 1010 |
| | 16361 | 01/19/18 SALES TAX | 44.65 | | | 604 957 4957 | 220 | 1010 |
| | 16361 | 01/19/18 SALES TAX | -44.65 | | | 604 2025 | | 1010 |
| | | Total for Vendor: | 1,622.19 | | | | | |
| 27905 | | 43 KASSON CHAMBER OF COMMERCE | 135.00 | | | | | |
| | | 01/16/18 '18 L.S. MEMBERSHIP DUES | 135.00 | | | 609 976 4976 | 334 | 1010 |
| | | Total for Vendor: | 135.00 | | | | | |
| 27972 | | 35 KASSON HARDWARE HANK | 678.60 | | | | | |
| | | 01/31/18 R&M SUPPLIES-ICE/SNOW | 34.96 | | | 101 312 4312 | 220 | 1010 |
| | | 01/31/18 R&M SUPPLIES-STREETS | 53.75 | | | 101 310 4310 | 220 | 1010 |
| | | 01/31/18 SMALL TOOLS-STREETS | 8.98 | | | 101 310 4310 | 240 | 1010 |
| | | 01/31/18 OPER SUPPLIES-P D | 11.98 | | | 101 210 4210 | 210 | 1010 |
| | | 01/31/18 R&M SUPPLIES-PARKS | 17.48 | | | 101 522 4522 | 220 | 1010 |
| | | 01/31/18 R&M SUPPLIES-F D | 32.65 | | | 101 220 4220 | 220 | 1010 |
| | | 01/31/18 SMALL TOOLS-ELECTRIC | 7.88 | | | 604 957 4957 | 240 | 1010 |
| | | 01/31/18 SALES TAX | 0.54 | | | 604 957 4957 | 240 | 1010 |
| | | 01/31/18 SALES TAX | -0.54 | | | 604 2025 | | 1010 |
| | | 01/31/18 SMALL TOOLS-WATER | 27.93 | | | 601 943 4943 | 240 | 1010 |
| | | 01/31/18 R&M SUPPLIES-ELECTRIC | 61.39 | | | 604 957 4957 | 220 | 1010 |
| | | 01/31/18 SALES TAX | 4.22 | | | 604 957 4957 | 220 | 1010 |
| | | 01/31/18 SALES TAX | -4.22 | | | 604 2025 | | 1010 |
| | | 01/31/18 R&M SUPPLIES-WATER | 13.88 | | | 601 943 4943 | 220 | 1010 |
| | | 01/31/18 OPER SUPPLIES-LIQUOR STORE | 60.77 | | | 609 978 4978 | 210 | 1010 |
| | | 01/31/18 SALES TAX | 4.18 | | | 609 978 4978 | 210 | 1010 |
| | | 01/31/18 SALES TAX | -4.18 | | | 609 2025 | | 1010 |
| | | 01/31/18 OPER SUPPLIES-WATER | 75.83 | | | 601 943 4943 | 210 | 1010 |
| | | 01/31/18 CITY HALL SUPPLIES | 6.99 | | | 101 140 4140 | 220 | 1010 |
| | | 01/31/18 R&M SUPPLIES-WWTP OPERATIONS | 8.17 | | | 602 947 4947 | 220 | 1010 |
| | | 01/31/18 OPER SUPPLIES-WWTP OPERATIONS | 22.97 | | | 602 947 4947 | 210 | 1010 |
| | | 01/31/18 SMALL TOOLS-ICE/SNOW | 109.98 | | | 101 312 4312 | 240 | 1010 |
| | | 01/31/18 SMALL TOOLS-ARENA | 37.46 | | | 606 516 4516 | 240 | 1010 |
| | | 01/31/18 R&M SUPPLIES-ARENA | 81.56 | | | 606 516 4516 | 220 | 1010 |
| | | 01/31/18 SMALL TOOLS-WWTP | 3.99 | | | 602 948 4948 | 240 | 1010 |
| | | Total for Vendor: | 678.60 | | | | | |

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| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|-----------------|--|-------------------------|---------|------|---------------|-------------|-----------------|
| 27906 | | 37 KMTTELECOM | 2,962.02 | | | | | |
| | 02/01/18 | PHONES-P D | 719.44 | | | 101 210 4210 | 321 | 1010 |
| | 02/01/18 | PHONES-F D | 175.75 | | | 101 220 4220 | 321 | 1010 |
| | 02/01/18 | PHONES-C H | 578.60 | | | 101 140 4140 | 321 | 1010 |
| | 02/01/18 | PHONES-PLANNING/ZONING | 20.54 | | | 101 191 4191 | 321 | 1010 |
| | 02/01/18 | PHONES-EDA | 31.28 | | | 290 650 4650 | 321 | 1010 |
| | 02/01/18 | PHONES-K.A.C. | 72.16 | | | 101 514 4514 | 321 | 1010 |
| | 02/01/18 | ADVERTISING-K.A.C. | 7.70 | | | 101 514 4514 | 343 | 1010 |
| | 02/01/18 | PHONES-LIBRARY | 137.34 | | | 211 550 4550 | 321 | 1010 |
| | 02/01/18 | PHONES-WATER | 110.52 | | | 601 944 4944 | 321 | 1010 |
| | 02/01/18 | PHONES-WWTP | 68.44 | | | 602 949 4949 | 321 | 1010 |
| | 02/01/18 | PHONES-WWTP OPERATIONS | 123.51 | | | 602 947 4947 | 321 | 1010 |
| | 02/01/18 | PHONES-PARK N REC | 226.67 | | | 101 510 4510 | 321 | 1010 |
| | 02/01/18 | PHONES-STREETS | 35.72 | | | 101 310 4310 | 321 | 1010 |
| | 02/01/18 | PHONES-SHOP | 303.49 | | | 604 959 4959 | 321 | 1010 |
| | 02/01/18 | PHONES-LIQUOR STORE | 150.55 | | | 609 976 4976 | 321 | 1010 |
| | 02/01/18 | PHONES-ARENA | 186.26 | | | 606 516 4516 | 321 | 1010 |
| | 02/01/18 | ADVERTISING-ARENA | 14.05 | | | 606 516 4516 | 343 | 1010 |
| | | Total for Vendor: | 2,962.02 | | | | | |
| 27953 | | 362 KWIK TRIP STORES | 2,660.57 | | | | | |
| | 02/01/18 | 621.353 GAL UNLD-P D | 1,366.69 | | | 101 210 4210 | 212 | 1010 |
| | 02/01/18 | 14.415 GAL UNLD-P D | 33.93 | | | 101 220 4220 | 212 | 1010 |
| | 02/01/18 | 24.593 GAL B5WTR-F D | 72.77 | | | 101 220 4220 | 212 | 1010 |
| | 02/01/18 | 117.605 GAL UNLD-PARKS | 235.65 | | | 101 522 4522 | 212 | 1010 |
| | 02/01/18 | 215.350 GAL UNLD-WW | 500.03 | | | 602 948 4948 | 212 | 1010 |
| | 02/01/18 | 103.160 GAL UNLD-ELECTRIC | 227.63 | | | 604 957 4957 | 212 | 1010 |
| | 02/01/18 | MDSE-P D | 4.06 | | | 101 210 4210 | 210 | 1010 |
| | 02/01/18 | MDSE-WWTP-LP FOR KNIPCO HTR | 219.81 | | | 602 948 4948 | 210 | 1010 |
| | | Total for Vendor: | 2,660.57 | | | | | |
| 27907 | | 157 LEAGUE OF MINNESOTA CITIES | 1,260.00 | | | | | |
| | 267608 01/17/18 | 14 PATROL SUBSCRIPTIONS | 1,260.00 | | | 101 210 4210 | 333 | 1010 |
| | | Total for Vendor: | 1,260.00 | | | | | |

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* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|------------|--|-------------------------|---------|------|---------------|-------------|-----------------|
| 27977 | | 5529 MANPOWER | 884.11 | | | | | |
| | 32404204 | 02/04/18 WAGES THRU 2/4-ADMIN ASSIST | 176.82* | | | 101 140 4140 | 444 | 1010 |
| | 32404204 | 02/04/18 WAGES THRU 2/4-ADMIN ASSIST | 132.62* | | | 101 191 4191 | 444 | 1010 |
| | 32404204 | 02/04/18 WAGES THRU 2/4-ADMIN ASSIST | 132.62* | | | 601 944 4944 | 444 | 1010 |
| | 32404204 | 02/04/18 WAGES THRU 2/4-ADMIN ASSIST | 132.62* | | | 602 949 4949 | 444 | 1010 |
| | 32404204 | 02/04/18 WAGES THRU 2/4-ADMIN ASSIST | 265.23* | | | 604 959 4959 | 444 | 1010 |
| | 32404204 | 02/04/18 WAGES THRU 2/4-ADMIN ASSIST | 44.20* | | | 605 964 4964 | 444 | 1010 |
| | | Total for Vendor: | 884.11 | | | | | |
| | | *** Claim from another period (12/17) **** | | | | | | |
| 27908 | | 1061 MED COMPASS | 595.00 | | | | | |
| | 32681 | 12/19/17 4 SCBA USER EXAMS | 260.00 | | | 101 220 4220 | 444 | 1010 |
| | 32681 | 12/19/17 4 QUANTITATIVE FIT TESTS | 112.00 | | | 101 220 4220 | 444 | 1010 |
| | 32681 | 12/19/17 MINIMUM CHARGE | 223.00 | | | 101 220 4220 | 444 | 1010 |
| | | Total for Vendor: | 595.00 | | | | | |
| 27909 | | 2617 MENARDS-ROCHESTER NORTH | 52.57 | | | | | |
| | 12470 | 02/02/18 5 TIER SHELF | 29.99 | | | 602 947 4947 | 240 | 1010 |
| | 12470 | 02/02/18 ELECTRIC FENCE | 22.58 | | | 101 310 4310 | 220 | 1010 |
| | | Total for Vendor: | 52.57 | | | | | |
| 27958 | | 4636 METERING & TECHNOLOGY SOLUTIONS | 3,032.97 | | | | | |
| | 10901 | 02/02/18 12 METERS W) ERTS | 1,516.49 | | | 601 943 4943 | 260 | 1010 |
| | 10901 | 02/02/18 12 METERS W) ERTS | 1,516.48 | | | 602 948 4948 | 260 | 1010 |
| | | Total for Vendor: | 3,032.97 | | | | | |
| | | *** Claim from another period (12/17) **** | | | | | | |
| 27910 | | 4224 MIDWEST FENCE & MFG. COMPANY | 9,029.00 | | | | | |
| | 174528 | 01/24/18 BALLFIELD FENCE-J HYDE KASSON | 4,829.00 | | | 101 680 4522 | 530 | 1010 |
| | 174529 | 01/24/18 BALLFIELD FENCE-FIELD N2-VETS | 3,976.00 | | | 101 680 4522 | 530 | 1010 |
| | 174530 | 01/24/18 BALLFIELD FENCE-E DIAMOND PARK | 224.00 | | | 101 680 4522 | 530 | 1010 |
| | | Total for Vendor: | 9,029.00 | | | | | |
| | | *** Claim from another period (12/17) **** | | | | | | |
| 27911 | | 729 MN DEPT OF PUBLIC SAFETY | 300.00 | | | | | |
| | 2017M91985 | 01/30/18 HAZ MAT RESP ACT-WELL 2 | 75.00 | | | 601 943 4943 | 430 | 1010 |
| | 2017M91985 | 01/30/18 HAZ CHEM INVENTORY-WELL 2 | 25.00 | | | 601 943 4943 | 430 | 1010 |
| | 2017M91987 | 01/30/18 HAZ MAT RESP ACT-WELL 4 | 75.00 | | | 601 943 4943 | 430 | 1010 |
| | 2017M91987 | 01/30/18 HAZ CHEM INVENTORY-WELL 4 | 25.00 | | | 601 943 4943 | 430 | 1010 |

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* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|-------|--|-------------------------|---------|------|---------------|-------------|-----------------|
| | | 2017M91989 01/30/18 HAZ MAT RESP ACT-WELL 5 | 75.00 | | | 601 943 4943 | 430 | 1010 |
| | | 2017M91989 01/30/18 HAZ CHEM INVENTORY-WELL 5 | 25.00 | | | 601 943 4943 | 430 | 1010 |
| | | Total for Vendor: | 300.00 | | | | | |
| 27912 | | 55 MN ENERGY RESOURCES CORP | 8,906.43 | | | | | |
| | | 01/31/18 NAT GAS-K.A.C. | 48.80 | | | 101 514 4514 | 380 | 1010 |
| | | 01/31/18 NAT GAS-L.S. | 211.13 | | | 609 979 4979 | 380 | 1010 |
| | | 01/31/18 NAT GAS-RENTAL (OLD LIBRARY) | 127.43 | | | 101 1151 | | 1010 |
| | | 01/31/18 SALES TAX | 8.76 | | | 101 1151 | | 1010 |
| | | 01/31/18 SALES TAX | -8.76 | | | 101 2025 | | 1010 |
| | | 01/26/18 NAT GAS-C H | 376.47 | | | 101 194 4194 | 380 | 1010 |
| | | 01/26/18 NAT GAS-P D | 326.74 | | | 101 210 4210 | 380 | 1010 |
| | | 01/29/18 NAT GAS-F D | 500.37 | | | 101 220 4220 | 380 | 1010 |
| | | 01/29/18 NAT GAS-F D | 412.87 | | | 101 220 4220 | 380 | 1010 |
| | | 01/31/18 NAT GAS-PARK MAINT SHED | 290.04 | | | 101 522 4522 | 380 | 1010 |
| | | 02/01/18 NAT GAS-P.W.B. 1/2 | 1,067.16 | | | 101 310 4310 | 380 | 1010 |
| | | 02/01/18 NAT GAS-P.W.B. 1/2 | 1,067.16 | | | 604 957 4957 | 380 | 1010 |
| | | 02/01/18 SALES TAX | 73.37 | | | 604 957 4957 | 380 | 1010 |
| | | 02/01/18 SALES TAX | -73.37 | | | 604 2025 | | 1010 |
| | | 02/01/18 NAT GAS-ARENA | 2,335.03 | | | 606 516 4516 | 380 | 1010 |
| | | 02/01/18 NAT GAS-WWTP | 1,676.34 | | | 602 947 4947 | 380 | 1010 |
| | | 01/30/18 NAT GAS-LIBRARY | 466.89 | | | 211 550 4550 | 380 | 1010 |
| | | Total for Vendor: | 8,906.43 | | | | | |
| 27913 | | 2454 MN PUBLIC FACILITIES AUTHORITY | 37,454.55 | | | | | |
| | | 01/04/18 2001A INTEREST | 30,485.10 | | | 602 710 4710 | 611 | 1010 |
| | | 01/04/18 2011A INTEREST | 6,969.45 | | | 602 710 4710 | 611 | 1010 |
| | | Total for Vendor: | 37,454.55 | | | | | |
| 27914 | | 264 MN RURAL WATER ASSN | 20.00 | | | | | |
| | | 01/18/18 2 ADD'L PUBLICATIONS | 20.00 | | | 601 944 4944 | 216 | 1010 |
| | | Total for Vendor: | 20.00 | | | | | |
| 27915 | | 2344 MN VALLEY TESTING LABORATORIES | 866.50 | | | | | |
| | | 902374 01/24/18 SUSP SOLIDS/MERC TESTING | 433.25 | | | 602 947 4947 | 440 | 1010 |
| | | 903033 01/30/18 SUSP SOLIDS/MERC TESTING | 433.25 | | | 602 947 4947 | 440 | 1010 |
| | | Total for Vendor: | 866.50 | | | | | |

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* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ | Document \$/ | Disc \$ | | | | | | Cash |
|--------|-----------|---|--------------|---------|------|----------|------|-------------|--|---------|
| | | Invoice #/Inv Date/Description | Line \$ | | PO # | Fund Org | Acct | Object Proj | | Account |
| 27916 | | 5652 MR. ROOTER PLUMBING OF THE TWIN | 1,219.95 | | | | | | | |
| | 506345066 | 01/31/18 JETTER-SERVICE LINE | 1,219.95 | | | 211 550 | 4550 | 400 | | 1010 |
| | | Total for Vendor: | 1,219.95 | | | | | | | |
| 27917 | | 4920 NATIONAL FLEET GRAPHICS LLC | 110.62 | | | | | | | |
| | 24943 | 01/25/18 K.P.D. LICENSE DECALS (6) | 110.62 | | | 101 210 | 4210 | 210 | | 1010 |
| | | Total for Vendor: | 110.62 | | | | | | | |
| 27918 | | 2696 NELSON ELECTRIC MOTOR REPAIR INC | 1,289.00 | | | | | | | |
| | 8405 | 01/19/18 REPAIRS-NW & MAIN LIFT STATION | 1,289.00 | | | 602 948 | 4948 | 400 | | 1010 |
| | | Total for Vendor: | 1,289.00 | | | | | | | |
| 27919 | | 60 NORTHERN BEVERAGE DIST. CO. LL | 7,923.30 | | | | | | | |
| | 243700 | 01/25/18 BEER | 3,226.05 | | | 609 975 | 4975 | 252 | | 1010 |
| | 243700 | 01/25/18 NA BEVERAGE | 46.00 | | | 609 975 | 4975 | 254 | | 1010 |
| | 243700 | 01/25/18 FREIGHT | 2.00 | | | 609 975 | 4975 | 335 | | 1010 |
| | 243908 | 02/01/18 BEER | 4,647.25 | | | 609 975 | 4975 | 252 | | 1010 |
| | 243908 | 02/01/18 FREIGHT | 2.00 | | | 609 975 | 4975 | 335 | | 1010 |
| | | Total for Vendor: | 7,923.30 | | | | | | | |
| 27983 | | 502 ON-SITE COMPUTERS INC | 75.00 | | | | | | | |
| | CW58196 | 02/02/18 AGRMNT-REMOTE ACCESS CONN | 75.00 | | | 101 192 | 4192 | 370 | | 1010 |
| | | Total for Vendor: | 75.00 | | | | | | | |
| 27984 | | 4919 PEOPLE'S ENERGY COOPERATIVE | 29.69 | | | | | | | |
| | 2289800 | 02/05/18 ELEC SERV-CEMETERY 12/31-1/31 | 29.69 | | | 610 984 | 4984 | 380 | | 1010 |
| | | Total for Vendor: | 29.69 | | | | | | | |
| 27921 | | 23 PHILLIPS WINE & SPIRITS | 3,552.97 | | | | | | | |
| | 2298348 | 01/23/18 LIQUOR | 836.50 | | | 609 975 | 4975 | 251 | | 1010 |
| | 2298349 | 01/23/18 WINE | 208.00 | | | 609 975 | 4975 | 251 | | 1010 |
| | 2301822 | 01/30/18 LIQUOR | 1,863.80 | | | 609 975 | 4975 | 251 | | 1010 |
| | 2301823 | 01/30/18 WINE | 644.67 | | | 609 975 | 4975 | 251 | | 1010 |
| | | Total for Vendor: | 3,552.97 | | | | | | | |

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* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ | Document \$/ | Disc \$ | | | | | | Cash |
|--------|------------|--------------------------------|--------------|---------|------|---------------|-------------|--|---------|------|
| | | Invoice #/Inv Date/Description | Line \$ | | PO # | Fund Org Acct | Object Proj | | Account | |
| 27973 | | 3936 POMP'S TIRE SERVICE INC | 1,188.00 | | | | | | | |
| | 230066252 | 02/07/18 TIRES | 1,188.00 | | | 604 957 4957 | 220 | | 1010 | |
| | 230066252 | 02/07/18 SALES TAX | 81.68 | | | 604 957 4957 | 220 | | 1010 | |
| | 230066252 | 02/07/18 SALES TAX | -81.68 | | | 604 2025 | | | 1010 | |
| | | Total for Vendor: | 1,188.00 | | | | | | | |
| 27922 | | 396 PROLINE DIST. INC. | 124.83 | | | | | | | |
| | 120641 | 01/26/18 DRILL BITS/HEX NUT | 17.83 | | | 101 310 4310 | 220 | | 1010 | |
| | 120641 | 01/26/18 DRILL BITS/HEX NUT | 17.83 | | | 101 312 4312 | 220 | | 1010 | |
| | 120641 | 01/26/18 DRILL BITS/HEX NUT | 17.83 | | | 101 517 4517 | 220 | | 1010 | |
| | 120641 | 01/26/18 DRILL BITS/HEX NUT | 17.83 | | | 601 943 4943 | 220 | | 1010 | |
| | 120641 | 01/26/18 DRILL BITS/HEX NUT | 17.83 | | | 602 948 4948 | 220 | | 1010 | |
| | 120641 | 01/26/18 DRILL BITS/HEX NUT | 17.84 | | | 604 957 4957 | 220 | | 1010 | |
| | 120641 | 01/26/18 DRILL BITS/HEX NUT | 17.84 | | | 605 963 4963 | 220 | | 1010 | |
| | 120641 | 01/26/18 SALES TAX | 1.23 | | | 604 957 4957 | 220 | | 1010 | |
| | 120641 | 01/26/18 SALES TAX | -1.23 | | | 604 2025 | | | 1010 | |
| | | Total for Vendor: | 124.83 | | | | | | | |
| 27974 | | 780 RAPPE, LINDA | 157.81 | | | | | | | |
| | 01/21/18 | MILES-SSC CENSUS MTG | 24.53 | | | 101 140 4140 | 333 | | 1010 | |
| | 01/21/18 | ROOM-IIMC MTG IN DECORAH | 133.28 | | | 101 140 4140 | 333 | | 1010 | |
| | | Total for Vendor: | 157.81 | | | | | | | |
| 27980 | | 2005 RESERVE ACCOUNT | 1,000.00 | | | | | | | |
| | 22870844-2 | 02/15/18 POSTAGE METER REFILL | 500.00 | | | 101 140 4140 | 325 | | 1010 | |
| | 22870844-2 | 02/15/18 POSTAGE METER REFILL | 20.00 | | | 101 210 4210 | 325 | | 1010 | |
| | 22870844-2 | 02/15/18 POSTAGE METER REFILL | 20.00 | | | 101 510 4510 | 325 | | 1010 | |
| | 22870844-2 | 02/15/18 POSTAGE METER REFILL | 20.00 | | | 290 650 4650 | 325 | | 1010 | |
| | 22870844-2 | 02/15/18 POSTAGE METER REFILL | 88.00 | | | 601 944 4944 | 325 | | 1010 | |
| | 22870844-2 | 02/15/18 POSTAGE METER REFILL | 88.00 | | | 602 949 4949 | 325 | | 1010 | |
| | 22870844-2 | 02/15/18 POSTAGE METER REFILL | 176.00 | | | 604 959 4959 | 325 | | 1010 | |
| | 22870844-2 | 02/15/18 POSTAGE METER REFILL | 88.00 | | | 605 963 4963 | 325 | | 1010 | |
| | | Total for Vendor: | 1,000.00 | | | | | | | |

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* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ | Document \$/ | Disc \$ | | | | | | Cash |
|--|-----------|---|--------------|---------|------|---------------|-------------|---------|--|------|
| | | Invoice #/Inv Date/Description | Line \$ | | PO # | Fund Org Acct | Object Proj | Account | | |
| *** Claim from another period (12/17) **** | | | | | | | | | | |
| 27923 | | 741 RIVERLAND COMMUNITY COLLEGE | 900.00 | | | | | | | |
| | 205238 | 12/14/17 LIFTING/CRIBBING TABLE & JENGA | 900.00 | | | 101 220 4220 | 330 | 1010 | | |
| | | Total for Vendor: | 900.00 | | | | | | | |
| 27924 | | 2079 ROCHESTER OVERHEAD DOOR INC | 387.00 | | | | | | | |
| | 02375 | 01/26/18 REPAIR DOOR TRACK | 387.00 | | | 604 957 4957 | 400 | 1010 | | |
| | | Total for Vendor: | 387.00 | | | | | | | |
| 27925 | | 5000 RUNNELLS, GERALD | 248.10 | | | | | | | |
| | 01/21/18 | BAGS-NARCOTICS TRAINING | 7.49 | | | 101 210 4210 | 210 | 1010 | | |
| | 01/21/18 | DOG GROOMING ITEMS | 36.79 | | | 101 210 4210 | 210 | 1010 | | |
| | 01/21/18 | K-9 TRAINING ITEMS | 203.82 | | | 101 210 4210 | 210 | 1010 | | |
| | | Total for Vendor: | 248.10 | | | | | | | |
| 27926 | | 63 SCHOTT DIST CO INC | 13,358.07 | | | | | | | |
| | 303170 | 01/25/18 BEER | 5,143.72 | | | 609 975 4975 | 252 | 1010 | | |
| | 303871 | 02/01/18 BEER | 8,174.35 | | | 609 975 4975 | 252 | 1010 | | |
| | 303871 | 02/01/18 NA BEVERAGE | 40.00 | | | 609 975 4975 | 254 | 1010 | | |
| | | Total for Vendor: | 13,358.07 | | | | | | | |
| 27927 | | 64 SELCO | 1,204.82 | | | | | | | |
| | 044548 | 01/17/18 FEB. AUTOMATION & PC SUPPORT | 1,352.67 | | | 211 550 4550 | 309 | 1010 | | |
| | 044548 | 01/17/18 SMS NOTICES | 8.90 | | | 211 550 4550 | 325 | 1010 | | |
| | 044548 | 01/17/18 PATRON FEES-PAID ON-LINE | -156.75 | | | 211 550 3513 | | 1010 | | |
| | | Total for Vendor: | 1,204.82 | | | | | | | |
| *** Claim from another period (12/17) **** | | | | | | | | | | |
| 27928 | | 5656 SHANKLAND, CANDACE | 56.46 | | | | | | | |
| | 0984-01 | 01/25/18 RL MTR DEP REFUND AFT APPL TO | 56.46 | | | 604 2212 | | 1010 | | |
| | | Total for Vendor: | 56.46 | | | | | | | |
| 27929 | | 438 SIREK HYDRAULIC SERVICE INC | 9,498.25 | | | | | | | |
| | 200556444 | 01/22/18 REPAIRS TO FRTLINER BUCKET | 9,498.25 | | | 604 957 4957 | 444 | 1010 | | |
| | 200556444 | 01/22/18 SALES TAX | 262.38 | | | 604 957 4957 | 444 | 1010 | | |
| | 200556444 | 01/22/18 SALES TAX | -262.38 | | | 604 2025 | | 1010 | | |
| | | Total for Vendor: | 9,498.25 | | | | | | | |

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* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|------------|--|-------------------------|---------|------|---------------|-------------|-----------------|
| 27960 | | 5027 SMITH SCHAFFER & ASSOCIATES, LTD. | 4,000.00 | | | | | |
| | 54282 | 01/27/18 2017 ANNUAL AUDIT | 4,000.00 | | | 101 153 4153 | 301 | 1010 |
| | | Total for Vendor: | 4,000.00 | | | | | |
| 27930 | | 5657 SMYTH COMPANIES LLC | 201.09 | | | | | |
| | 237721PB | 01/24/18 3 PART RECEIPT BOOKS | 100.55 | | | 101 140 4140 | 210 | 1010 |
| | 237721PB | 01/24/18 3 PART RECEIPT BOOKS | 25.13 | | | 601 944 4944 | 210 | 1010 |
| | 237721PB | 01/24/18 3 PART RECEIPT BOOKS | 25.13 | | | 602 949 4949 | 210 | 1010 |
| | 237721PB | 01/24/18 3 PART RECEIPT BOOKS | 25.14 | | | 604 959 4959 | 210 | 1010 |
| | 237721PB | 01/24/18 3 PART RECEIPT BOOKS | 25.14 | | | 605 963 4963 | 210 | 1010 |
| | 237721PB | 01/24/18 SALES TAX | 1.73 | | | 604 959 4959 | 210 | 1010 |
| | 237721PB | 01/24/18 SALES TAX | -1.73 | | | 604 2025 | | 1010 |
| | | Total for Vendor: | 201.09 | | | | | |
| 27931 | | 3850 SOUTHERN GLAZER'S OF MN | 1,891.27 | | | | | |
| | 1641367 | 01/24/18 WINE | 46.00 | | | 609 975 4975 | 251 | 1010 |
| | 1641367 | 01/24/18 LIQUOR | 111.95 | | | 609 975 4975 | 251 | 1010 |
| | 1641367 | 01/24/18 FREIGHT | 3.10 | | | 609 975 4975 | 335 | 1010 |
| | 1643952 | 01/31/18 WINE | 778.00 | | | 609 975 4975 | 251 | 1010 |
| | 1643952 | 01/31/18 LIQUOR | 922.25 | | | 609 975 4975 | 251 | 1010 |
| | 1643952 | 01/31/18 FREIGHT | 29.97 | | | 609 975 4975 | 335 | 1010 |
| | | Total for Vendor: | 1,891.27 | | | | | |
| 27954 | | 5614 STAPLES ADVANTAGE | 401.55 | | | | | |
| | 8048244510 | 01/13/18 DATA BINDERS | 24.12 | | | 101 140 4140 | 210 | 1010 |
| | 8048338837 | 01/20/18 HOLE PUNCH/SHARPIE/DRYLINE | 58.28 | | | 101 140 4140 | 210 | 1010 |
| | 8048338837 | 01/20/18 THERMAL PAPER | 15.20 | | | 101 140 4140 | 210 | 1010 |
| | 8048338837 | 01/20/18 THERMAL PAPER | 5.06 | | | 101 191 4191 | 210 | 1010 |
| | 8048338837 | 01/20/18 THERMAL PAPER | 4.05 | | | 601 944 4944 | 210 | 1010 |
| | 8048338837 | 01/20/18 THERMAL PAPER | 4.05 | | | 602 949 4949 | 210 | 1010 |
| | 8048338837 | 01/20/18 THERMAL PAPER | 8.10 | | | 604 959 4959 | 210 | 1010 |
| | 8048338837 | 01/20/18 THERMAL PAPER | 4.05 | | | 605 963 4963 | 210 | 1010 |
| | 8048338837 | 01/20/18 CASE OF PAPER | 27.86 | | | 101 210 4210 | 210 | 1010 |
| | 8048338837 | 01/20/18 2 CASES OF PAPER (ONE FROM | 55.72 | | | 211 550 4550 | 210 | 1010 |
| | 8048338837 | 01/20/18 CASE OF PAPER | 4.64 | | | 601 944 4944 | 210 | 1010 |
| | 8048338837 | 01/20/18 CASE OF PAPER | 4.64 | | | 602 949 4949 | 210 | 1010 |

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* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|------------|--|-------------------------|---------|------|---------------|-------------|-----------------|
| | | 8048338837 01/20/18 CASE OF PAPER | 4.66 | | | 604 959 4959 | 210 | 1010 |
| | | 8048338837 01/20/18 CASE OF PAPER | 4.64 | | | 605 963 4963 | 210 | 1010 |
| | | 8048338837 01/20/18 CASE OF PAPER | 4.64 | | | 101 510 4510 | 210 | 1010 |
| | | 8048338837 01/20/18 CASE OF PAPER | 4.64 | | | 101 310 4310 | 210 | 1010 |
| | | 8048338837 01/20/18 COPY PAPER | 18.58 | | | 101 140 4140 | 210 | 1010 |
| | | 8048338837 01/20/18 COPY PAPER | 18.58 | | | 101 191 4191 | 210 | 1010 |
| | | 8048338837 01/20/18 COPY PAPER | 18.58 | | | 101 510 4510 | 210 | 1010 |
| | | 8048338837 01/20/18 COPY PAPER | 18.58 | | | 290 650 4650 | 210 | 1010 |
| | | 8048338837 01/20/18 COPY PAPER | 18.58 | | | 601 944 4944 | 210 | 1010 |
| | | 8048338837 01/20/18 COPY PAPER | 18.58 | | | 602 949 4949 | 210 | 1010 |
| | | 8048338837 01/20/18 COPY PAPER | 18.56 | | | 604 959 4959 | 210 | 1010 |
| | | 8048338837 01/20/18 COPY PAPER | 18.58 | | | 605 963 4963 | 210 | 1010 |
| | | 8048338837 01/20/18 COPY PAPER | 18.58 | | | 609 976 4976 | 210 | 1010 |
| | | 8048338837 01/20/18 SALES TAX | 2.15 | | | 604 959 4959 | 210 | 1010 |
| | | 8048338837 01/20/18 SALES TAX | -2.15 | | | 604 2025 | | 1010 |
| | | 8048338837 01/20/18 SALES TAX | 1.28 | | | 609 976 4976 | 210 | 1010 |
| | | 8048338837 01/20/18 SALES TAX | -1.28 | | | 609 2025 | | 1010 |
| | | Total for Vendor: | 401.55 | | | | | |
| | | *** Claim from another period (12/17) **** | | | | | | |
| 27975 | | 4290 SWENKE IMS CONTRACTING LLC | 1,155.00 | | | | | |
| | 465 | 01/02/18 STORM SEWER REPAIR-KMHS | 1,155.00 | | | 605 963 4963 | 400 | 1010 |
| | | Total for Vendor: | 1,155.00 | | | | | |
| 27956 | | 407 TEAM LABORATORY CHEMICAL CORP | 1,746.00 | | | | | |
| | INV0009580 | 01/30/18 FLTG LIFT STATION DEGREASE | 1,746.00 | | | 602 948 4948 | 210 | 1010 |
| | | Total for Vendor: | 1,746.00 | | | | | |
| 27932 | | 498 TEIGEN PAPER & SUPPLY INC | 209.61 | | | | | |
| | 331948 | 01/24/18 WYPALL/CAN LINERS | 29.94 | | | 101 310 4310 | 220 | 1010 |
| | 331948 | 01/24/18 WYPALL/CAN LINERS | 29.94 | | | 101 312 4312 | 220 | 1010 |
| | 331948 | 01/24/18 WYPALL/CAN LINERS | 29.94 | | | 101 517 4517 | 220 | 1010 |
| | 331948 | 01/24/18 WYPALL/CAN LINERS | 29.94 | | | 601 943 4943 | 220 | 1010 |
| | 331948 | 01/24/18 WYPALL/CAN LINERS | 29.95 | | | 602 948 4948 | 220 | 1010 |
| | 331948 | 01/24/18 WYPALL/CAN LINERS | 29.95 | | | 604 957 4957 | 220 | 1010 |
| | 331948 | 01/24/18 WYPALL/CAN LINERS | 29.95 | | | 605 963 4963 | 220 | 1010 |
| | 331948 | 01/24/18 SALES TAX | 2.06 | | | 604 957 4957 | 220 | 1010 |
| | 331948 | 01/24/18 SALES TAX | -2.06 | | | 604 2025 | | 1010 |
| | | Total for Vendor: | 209.61 | | | | | |

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* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|---------------------|--|-------------------------|---------|------|---------------|-------------|-----------------|
| 27934 | | 204 THATCHER POOLS & SPAS INC | 747.00 | | | | | |
| | 01/30/18 | UNGER-CERT POOL OPER CLASS | 249.00* | | | 101 514 4514 | 333 | 1010 |
| | 01/30/18 | CARSTENSEN-CERT POOL OPER CLAS | 249.00* | | | 101 514 4514 | 333 | 1010 |
| | 01/30/18 | M RAPPE-CERT POOL OPER CLASS | 249.00* | | | 101 514 4514 | 333 | 1010 |
| | | Total for Vendor: | 747.00 | | | | | |
| 27935 | | 4693 THE PRINTERS | 51.51 | | | | | |
| | 52191 01/31/18 | BUSINESS CARD-PLAIN | 51.51 | | | 101 210 4210 | 210 | 1010 |
| | | Total for Vendor: | 51.51 | | | | | |
| 27937 | | 3895 TITAN MACHINERY | 513.36 | | | | | |
| | 10442546GP 01/30/18 | GLASS, FRONT & SPACER 721e | 513.36 | | | 101 312 4312 | 220 | 1010 |
| | | Total for Vendor: | 513.36 | | | | | |
| 27938 | | 4253 TRUCKIN' AMERICA OF ROCHESTER | 63.49 | | | | | |
| | 141858 01/23/18 | PARTS-SALT BOSS SPREADER | 63.49 | | | 101 312 4312 | 220 | 1010 |
| | | Total for Vendor: | 63.49 | | | | | |
| 27961 | | 939 USA BLUEBOOK | 1,084.88 | | | | | |
| | 477757 01/29/18 | SCHONSTEDT LOCATOR | 518.47 | | | 601 943 4943 | 240 | 1010 |
| | 477757 01/29/18 | SCHONSTEDT LOCATOR | 518.47 | | | 602 948 4948 | 240 | 1010 |
| | 477757 01/29/18 | "OUT OF SERV" HYDRANT MRKRS | 47.94 | | | 601 943 4943 | 210 | 1010 |
| | | Total for Vendor: | 1,084.88 | | | | | |
| 27957 | | 71 UTILITY CONSULTANTS INC | 3,443.00 | | | | | |
| | 97222 02/01/18 | CBOD/TSS/TOT PHOSPH/AMMONIA | 2,971.25 | | | 602 947 4947 | 440 | 1010 |
| | 97131 01/31/18 | MANTORVILLE TESTING | 471.75 | | | 602 947 4947 | 440 | 1010 |
| | | Total for Vendor: | 3,443.00 | | | | | |
| 27939 | | 4466 VINOCOPIA INC | 80.00 | | | | | |
| | 0199734-IN 01/31/18 | WINE | 80.00 | | | 609 975 4975 | 251 | 1010 |
| | | Total for Vendor: | 80.00 | | | | | |

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Claim Approval List
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* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ | Document \$/ | Disc \$ | | | | | | Cash |
|--------|------------------|--|--------------|---------|------|---------------|-------------|---------|------|------|
| | | Invoice #/Inv Date/Description | Line \$ | | PO # | Fund Org Acct | Object Proj | Account | | |
| 27940 | | 5047 WATERVILLE FOOD & ICE INC | 104.90 | | | | | | | |
| | 05-806381 | 01/18/18 ICE-LIQUOR STORE | 71.50 | | | 609 975 4975 | 257 | | 1010 | |
| | 05-806443 | 02/01/18 ICE-LIQUOR STORE | 33.40 | | | 609 975 4975 | 257 | | 1010 | |
| | | Total for Vendor: | 104.90 | | | | | | | |
| | | *** Claim from another period (12/17) **** | | | | | | | | |
| 27941 | | 637 WEBER, LETH & WOESSNER PLC | 279.50 | | | | | | | |
| | DEC '17 01/31/18 | 1.7 HRS LEGAL-OML/DATA | 246.50 | | | 101 111 4111 | 304 | | 1010 | |
| | DEC '17 01/31/18 | .3 HR LEGAL-DATA REQ | 33.00 | | | 101 111 4111 | 304 | | 1010 | |
| 27942 | | 637 WEBER, LETH & WOESSNER PLC | 2,491.00 | | | | | | | |
| | JAN '18 01/31/18 | .9 HR LEGAL-ADMINISTRATION | 123.50 | | | 101 160 4160 | 304 | | 1010 | |
| | JAN '18 01/31/18 | 1.8 HRS LEGAL-PLANNING/ZONING | 261.00 | | | 101 191 4191 | 304 | | 1010 | |
| | JAN '18 01/31/18 | 4.9 HRS LEGAL-HACK'S ADDN | 707.00 | | | 101 191 4191 | 304 | | 1010 | |
| | JAN '18 01/31/18 | .2 HR LEGAL-UTIL BILL DISPUTE | 14.50 | | | 601 944 4944 | 304 | | 1010 | |
| | JAN '18 01/31/18 | .2 HR LEGAL-UTIL BILL DISPUTE | 14.50 | | | 604 959 4959 | 304 | | 1010 | |
| | JAN '18 01/31/18 | 1.0 HR LEGAL-LIBRARY CONSTR | 145.00 | | | 211 550 4550 | 430 | | 1010 | |
| | JAN '18 01/31/18 | 4.8 HRS LEGAL-CC PACKET & MTG | 696.00 | | | 101 111 4111 | 304 | | 1010 | |
| | JAN '18 01/31/18 | 2.1 HRS LEGAL-COUNCIL | 301.00 | | | 101 111 4111 | 304 | | 1010 | |
| | JAN '18 01/31/18 | .1 HR LEGAL-'17 STR ASSMNT PR | 11.00* | | | 423 311 4311 | 430 41602 | | 1010 | |
| | JAN '18 01/31/18 | 1.5 HRS LEGAL-LOT SALE | 217.50 | | | 290 650 4650 | 304 | | 1010 | |
| | | Total for Vendor: | 2,770.50 | | | | | | | |
| | | *** Claim from another period (12/17) **** | | | | | | | | |
| 27943 | | 4086 WEIGEL, KRISTA | 5.46 | | | | | | | |
| | 12/31/17 | 2017 MILEAGE | 5.46 | | | 101 210 4210 | 430 | | 1010 | |
| 27944 | | 4086 WEIGEL, KRISTA | 5.28 | | | | | | | |
| | 01/31/18 | JAN. 2018 MILEAGE | 5.28 | | | 101 210 4210 | 430 | | 1010 | |
| | | Total for Vendor: | 10.74 | | | | | | | |
| | | *** Claim from another period (12/17) **** | | | | | | | | |
| 27945 | | 5182 WHKS & CO. | 56,578.75 | | | | | | | |
| | 37119 01/25/18 | GEN'L ENGINEERING | -240.00 | | | 101 196 4196 | 303 | | 1010 | |
| | 37119 01/25/18 | SAFE ROUTES TO SCHOOL | 5,704.00 | | | 101 196 4196 | 303 | | 1010 | |
| | 37119 01/25/18 | GIS BASEMAP UPDATES | 88.00 | | | 101 196 4196 | 303 | | 1010 | |
| | 37119 01/25/18 | 2017 STREET MAINT PROJECT | 372.00 | | | 101 311 4311 | 303 | | 1010 | |
| | 37119 01/25/18 | SOUTH BEND COMM'L PARK CONST | 96.00 | | | 101 1151 | | | 1010 | |
| | 37123 01/25/18 | FEMA MAP UPDATE | 2,009.00 | | | 101 191 4191 | 440 | | 1010 | |

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CITY OF KASSON
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For Pay Date = 02/15/18
* ... Over spent expenditure

| Claim/ | Check | Vendor #/Name/ Invoice #/Inv Date/Description | Document \$/ Line \$ | Disc \$ | PO # | Fund Org Acct | Object Proj | Cash Account |
|--------|-----------|--|-------------------------|---------|------------|---------------|-------------|-----------------|
| | 37121 | 01/25/18 '17 STREET ASSMNT PROJ | 4,000.00 | | | 423 311 4311 | 303 41602 | 1010 |
| | 37165 | 01/30/18 '17 S MANT AVE PROJECT | 30,889.00 | | | 401 311 4311 | 303 41604 | 1010 |
| | 37122 | 01/25/18 '17 STORM WATER PROJ-MAIN STR | 6,590.00 | | | 605 1650 | 41605 | 1010 |
| | 37119 | 01/25/18 HWY 57 IMPROVEMENTS | 3,304.00 | | | 424 196 4196 | 303 | 1010 |
| | 37119 | 01/25/18 HACK'S 2ND ADDN-PLANNING & REV | 288.00 | | | 101 196 4196 | 303 | 1010 |
| | 37119 | 01/25/18 HOUSTON'S 1ST-ENG. REV. & CONS | 3,412.75 | | | 101 1151 | | 1010 |
| | 37119 | 01/25/18 BIGELOW VOIGT-ENG. REV. & CONS | 66.00 | | | 101 191 4191 | 303 | 1010 |
| | | Total for Vendor: | 56,578.75 | | | | | |
| 27985 | | 50 XCEL ENERGY | 17.62 | | | | | |
| | 579293146 | 02/05/18 UTIL SERV-STR LT 1/3-2/2 | 17.62 | | | 101 316 4316 | 380 | 1010 |
| | | Total for Vendor: | 17.62 | | | | | |
| | | # of Claims | 88 | Total: | 213,573.01 | | | |

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CITY OF KASSON
Fund Summary for Claims
For the Accounting Period: 2/18

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| Fund/Account | Amount |
|---|--------------|
| 101 General Fund | |
| 1010 CASH-OPERATING | \$50,927.65 |
| 211 Library Fund | |
| 1010 CASH-OPERATING | \$3,504.62 |
| 290 Economic Development | |
| 1010 CASH-OPERATING | \$287.36 |
| 401 Permanent Revolving Impr Fund | |
| 1010 CASH-OPERATING | \$30,889.00 |
| 423 3rd,4th 5th Av 2017 Street Assessment | |
| 1010 CASH-OPERATING | \$4,011.00 |
| 424 Hwy 57 | |
| 1010 CASH-OPERATING | \$3,304.00 |
| 601 Water Fund | |
| 1010 CASH-OPERATING | \$7,233.25 |
| 602 Sewer Fund | |
| 1010 CASH-OPERATING | \$49,991.31 |
| 604 Electric Fund | |
| 1010 CASH-OPERATING | \$14,777.81 |
| 605 Storm Water | |
| 1010 CASH-OPERATING | \$8,379.53 |
| 606 ICE ARENA | |
| 1010 CASH-OPERATING | \$3,276.64 |
| 609 Liquor Fund | |
| 1010 CASH-OPERATING | \$36,961.15 |
| 610 Maple Grove Cemetery | |
| 1010 CASH-OPERATING | \$29.69 |
| Total: | \$213,573.01 |

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CITY OF KASSON
Claim Approval Signature Page
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CITY OF KASSON
401 5TH STREET SE
KASSON, MN 55944-2204

The claim batch dated _____ are approved for payment.

APPROVED _____ Council Member
_____ Council Member

See signature page

**CITY OF KASSON
RESOLUTION #2.x-18**

**RESOLUTION ACCEPTING DONATIONS FOR THE KASSON FIRE
DEPARTMENT**

WHEREAS, The Dover Firefighters Relief Association has made a donation to the City of Kasson in the amount of \$6,333.26 to be allocated to lawful purposes to the Fire Department.

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KASSON, MINNESOTA:

These donations to the City of Kasson Fire Department are hereby accepted.

ADOPTED this 14th day of February, 2018.

ATTEST:

Chris McKern, Mayor

Linda Rappe, City Clerk

The motion for the adoption of the foregoing resolution was made by Council Member -- and duly seconded by Council Member --. Upon a vote being taken, the following members voted in favor thereof: -- and --. Those against same: --.

**CITY OF KASSON
RESOLUTION #2.x-18**

**RESOLUTION ACCEPTING DONATIONS TO PROMOTE POSITIVE
POLICE/COMMUNITY INTERACTIONS**

WHEREAS, Dodge County Wind LLC has made a donation to the City of Kasson in the amount of \$500.00 to be allocated to promote positive Police/Community Interactions initiatives.

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KASSON, MINNESOTA:

These donations to the City of Kasson are hereby accepted.

ADOPTED this 14th day of February, 2018.

ATTEST:

Chris McKern, Mayor

Linda Rappe, City Clerk

The motion for the adoption of the foregoing resolution was made by Council Member -- and duly seconded by Council Member --. Upon a vote being taken, the following members voted in favor thereof: -- and --. Those against same: --.

MEMORANDUM

DATE: February 14, 2018

TO: Mayor and City Council

FROM: Ron Unger, Park and Recreation Supervisor
Theresa Coleman, City Administrator

RE: Kasson Aquatic Center Wages 2018 and Hiring

Background:

The Minnesota Minimum Wage increased to \$9.65 on August 1, 2017 at which time the concession stand workers received an increase. All other staff remained at their current wage.

Supervisor Ron Unger received 77 applications. He and Josh Mitchell interviewed 45 new applicants. They expect to hire 70 Aquatic Center Staff.

Wage Recommendations:

Approve increases for Kasson Aquatic Center employees in relation to their level of responsibility and the increases in minimum wage.

| | |
|---------------------------------------|---------|
| Start 2018 Season | |
| Concessions/Admissions/Crossing Guard | \$ 9.65 |
| Lifeguards | \$10.40 |
| WSI's | \$11.40 |
| Supervisors | \$13.15 |
| Manager | \$17.90 |

Hiring Recommendations:

Manager - Josh Mitchell
Shift Supervisors – Brianna Knutson, Tanner Dufault, Abigail Tjosaas
Head Lifeguards – Marisa Alvarado, Jared Johnson, Brayden Tjosaas

**CITY OF KASSON
RESOLUTION # 2.x-18**

**RESOLUTION APPROVING THE FINAL PLAT OF
HACKS SECOND ADDITION**

WHEREAS, Massey Properties LLC, the owner of the property in question have submitted a request for a Final Plat, and;

WHEREAS, at a public hearing duly held on the 12th day of February 2018, the Planning Commission heard testimony of all persons wishing to comment on the proposed Final Plat; and

WHEREAS, the appropriate City Staff and consultants have performed a technical review of the proposed Final Plat; and

WHEREAS, following the public testimony and report of the technical review, the Planning Commission reviewed all relevant information regarding the proposed Final Plat; and

WHEREAS, it is the finding of the Planning Commission that conditions established for the approval of the Final Plat have been addressed; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KASSON, MINNESOTA:

That the said Final Plat of Hacks Second Addition is hereby approved by the City Council of the City of Kasson with the following conditions:

- Developer to Obtain Right of Way Permit
- Engineer to Approve Service Locations
- Engineer to Approve Roadway Restoration
- Restore Pavement/Chip Seal after Hookup
- Engineer to Approve Bituminous Trail Restoration
- Bituminous Trail must Meet ADA Requirements
- Water and Sewer Access Charges at Final Plat
- Parkland Fees at Final Plat
- Proof of Sealed Well
- “Insertatee” Sewer Connection
- Provide Drainage Easement

Adopted this 14th day of February 2018.

ATTEST:

Linda Rappe, City Clerk

Chris McKern, Mayor

The motion for the adoption of the foregoing resolution was made by Council Member ----- and duly seconded by Council Member ----- . Upon a vote being taken, the following members voted in favor thereof: -----, -----, -----, ----- and ----- . Those against same: None.

Planning Commission Annual Report

| | |
|--------------------------|---|
| Final Plat Approval: | Prairie Willows Estates 4 Leth Subdivision Houston's First Subdivision Meadowbrook II |
| Conditional Use Permits: | Prairie Willows Estates 4: PUD Davidson Development: Auto Sales Kwik Trip: Sign Stannard: Rental Storage Units Czaplewski: Funeral Home |
| Variance: | Images: Setbacks |
| Zoning Ordinance: | Rental Storage Units Conditional Use in C-3 |
| Review: | Ordinance Sections 150, 151, 152-152.54 Combined Definitions |
| Resolutions: | Adoption of Safe Routes to School Plan |
| Not Approved: | Radel GDP and Rezone Request |

EXTRACT OF MINUTES OF A MEETING
CITY COUNCIL OF THE
CITY OF KASSON, MINNESOTA

HELD: February 14, 2018

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Kasson, Dodge County, Minnesota, was duly held at the City Hall on February 14, 2018, at 6:00 P.M., for the purpose in part of awarding the sale of a \$2,875,500 General Obligation Sewer Revenue Note of 2018.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION ACCEPTING THE OFFER OF THE MINNESOTA PUBLIC FACILITIES
AUTHORITY TO PURCHASE A \$2,875,500 GENERAL OBLIGATION SEWER REVENUE
NOTE OF 2018, PROVIDING FOR ITS ISSUANCE AND AUTHORIZING EXECUTION OF
A BOND PURCHASE AND PROJECT LOAN AGREEMENT
WITH POINT SOURCE IMPLEMENTATION GRANT

A. WHEREAS, the City owns and operates a municipal water utility system (the "Water System"), a municipal sanitary sewer utility system (the "Sanitary Sewer System"), and a municipal storm sewer utility system (the "Storm Sewer System" and, together with the Water System and the Sanitary Sewer System, the "System"), as separate revenue producing public utilities; and

B. WHEREAS, the net revenues of the Sanitary Sewer System are pledged to the payment of the City's outstanding (i) \$2,500,000 General Obligation Temporary Utility Revenue Note, Series 2016A, dated November 16, 2016 (the "Temporary Note"), (ii) \$1,107,904 original principal amount General Obligation Sewer Revenue Note of 2011, dated August 31, 2011, and (iii) \$7,820,000 original principal amount General Obligation Sewer Revenue Note of 2001, dated August 23, 2001 (together the "Outstanding Sewer Bonds"); and

C. WHEREAS, the net revenues of the Water System and the Sanitary Sewer System are pledged to the payment of the "2002 PIR Refunding Portion" and the "System Refunding Portion" of the City's outstanding \$1,775,000 original principal amount General Obligation Refunding Bonds, Series 2011A, dated November 1, 2011 (the "Outstanding Water and Sewer Bonds"); and

D. WHEREAS, the net revenues of the System are pledged to (i) the "System Improvements Portion" of the City's outstanding \$1,430,000 original principal amount General Obligation Street Reconstruction and Utility Revenue Bonds, Series 2012A, dated July 1, 2012 (the "Outstanding 2012A Utility Bonds") and (ii) the "Utility Portion" of the City's outstanding \$6,780,000 General Obligation Improvement and Utility Revenue Bonds, Series 2017A, dated

July 5, 2017 (the "Outstanding 2017A Bonds" and together with the Outstanding 2012A Utility Bonds, the "Outstanding Utility Bonds") ; and

E. WHEREAS, the City has heretofore issued the Temporary Note" pursuant to Minnesota Statutes, Chapter 475 and Section 444.075, particularly Section 475.61(5), for the purpose of providing money to temporarily finance costs relating to improvements to the Sanitary Sewer System in anticipation of financing from the Minnesota Public Facilities Authority (the "PFA"); and

F. WHEREAS, the Temporary Note matures on December 1, 2019 and is subject to redemption and prepayment in whole at the option of the Issuer on any date at a price of par plus accrued interest, as provided in the resolution of the City Council adopted on October 12, 2016, authorizing the issuance of the Temporary Note (the "Prior Resolution") and under the terms of the Temporary Note and as part of the underlying security for the payment thereof, the City has covenanted to issue bonds for delivery and payment on or before the maturity date of the Temporary Note for the purpose of refunding the Temporary Note to the extent necessary to pay the principal and interest thereon, the payment of which has not otherwise been provided for; and

G. WHEREAS, the City Council deems it desirable and in the best interests of the City to call the Temporary Note for redemption and prepayment on February 27, 2018 (the "Call Date"), all in accordance with the Prior Resolution, to provide moneys from the proceeds of the Note, as hereinafter defined, and the Point Source Implementation Grant funds to be received from the PFA, for the prompt and full payment of the principal and interest on the Temporary Note (the "Refunding"); and

H. WHEREAS, the City has heretofore applied for a loan from the PFA to provide financing pursuant to Minnesota Statutes, Chapters 475 and 444.075, to (a) pay the costs of the Refunding and (b) to provide funds for wastewater treatment plant improvements to reduce phosphorus discharge and accommodate flows from nearby Mantorville, all as further described and detailed in the Minnesota Pollution Control Agency's certification dated December 21, 2017 (the "Project"); and

I. WHEREAS, the PFA is authorized pursuant to Minnesota Statutes, Chapter 446A, as amended, to issue its bonds (the "PFA Bonds") and to use the proceeds thereof, together with certain other funds, to provide loans and other assistance to municipalities to fund eligible costs of construction of publicly owned clean water systems in accordance with the federal Clean Water Act and federal Safe Drinking Water Act; and

J. WHEREAS, the City has applied for a loan from the PFA pursuant to such program and the PFA has committed to make a loan to the City in the principal amount of \$2,875,500, to be disbursed and repaid in accordance with the terms of a Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement with Point Source Implementation Grant dated January 18, 2018 (the "Agreement"), a copy of which has been presented to the Council and is on file with the Clerk; and

K. WHEREAS, the \$2,875,500 General Obligation Sewer Revenue Note of 2018 (the "Note") of the City to be issued pursuant to this resolution is tax-exempt, and in addition the City will need to assure the tax-exemption of the PFA Bonds; and

L. WHEREAS, in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(4), the City is authorized to issue obligations to a board, department or agency of the State of Minnesota by negotiation and without advertisement for bids and the PFA is, and has represented that it is, a board, department or agency of the State of Minnesota; and

M. WHEREAS, a contract or contracts for the Project have been made by the City with the approval of the PFA and all other state and federal agencies of which approval is required:

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kasson, Dodge County, Minnesota, as follows:

1. Acceptance of Offer; Payment. The offer of the PFA to purchase the Note, at the rate of interest hereinafter set forth, and to pay therefor the sum of \$2,875,500 as provided below, is hereby accepted, and the sale of the Note is hereby awarded to the PFA. Payment for the Note shall be disbursed in installments as eligible costs of the Refunding and the Project are reimbursed or paid, all as provided in the Agreement.

2. Title; Date; Denomination; Interest Rates; Maturities. The Note shall be a fully registered negotiable obligation, shall be titled "General Obligation Sewer Revenue Note of 2018," shall be dated as of the date of delivery and shall be issued forthwith. The Note shall be in the principal amount of \$2,875,500, or so much thereof as shall be disbursed pursuant to the Agreement, shall bear interest on so much of the principal amount of the Note as may be disbursed and remains unpaid until the principal amount of the Note has been paid or has been provided for, at the rate of 1.095% per annum (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Note is payable semi-annually on February 20 and August 20, commencing August 20, 2018. Interest starts accruing as of the date of the initial disbursement. Principal on the Note shall mature on August 20 of the years and in the installments as follows:

| <u>Year</u> | <u>Amount</u> | <u>Year</u> | <u>Amount</u> |
|-------------|---------------|-------------|---------------|
| 2018 | \$ 65,500 | 2028 | \$148,000 |
| 2019 | 134,000 | 2029 | 149,000 |
| 2020 | 135,000 | 2030 | 151,000 |
| 2021 | 137,000 | 2031 | 153,000 |
| 2022 | 138,000 | 2032 | 154,000 |
| 2023 | 140,000 | 2033 | 156,000 |
| 2024 | 141,000 | 2034 | 158,000 |
| 2025 | 143,000 | 2035 | 159,000 |
| 2026 | 144,000 | 2036 | 161,000 |
| 2027 | 146,000 | 2037 | 163,000 |

Interest shall accrue only on the aggregate amount of the Note which has been disbursed and is unpaid under the Agreement. The principal installments shall be paid in the amounts scheduled above even if at the time of payment the full principal amount of the Note has not been disbursed; provided that if the full principal amount of the Note is never disbursed, the amount of the principal not disbursed shall be applied to reduce each unpaid principal installment in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be reamortized to provide similarly level annual installments of total debt service payments). Principal, interest and any premium due under the Note will be paid on each payment date by wire payment, or by check or draft mailed at least five business days prior to the payment date to the person in whose name the Note is registered, in any coin or currency of the United States which at the time of payment is legal tender for public and private debts.

Interest on the Note includes amounts treated by the PFA as service fees.

3. Purpose; Cost. The proceeds of the Note shall provide funds to pay the costs of the Refunding and finance construction of the Project. The total cost of the construction of the Project, including legal and other professional charges, publication and printing costs, interest accruing on money borrowed for the Project before the collection of net revenues pledged and appropriated therefor, and all other costs necessarily incurred and to be incurred from the inception to the completion of the Project, is estimated to be at least equal to the amount of the Note. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

4. Redemption. The Note shall be subject to redemption and prepayment in whole or in part at the option of the City, subject to the consent of the PFA, or mandatorily as provided in the Agreement. If redemption is in part, installments of principal payable last under the Note shall be prepaid first, unless the City and the holder of the Note agree to a different result.

5. Registration of Note. At the time of issuance and delivery of the Note, the officer of the City performing the functions of the treasurer (the "Treasurer") shall register the Note in the name of the payee in a note register which the Treasurer and the officer's successors in office shall maintain for the purpose of registering the ownership of the Note. The Note shall be prepared for execution with an appropriate text and spaces for notation of registration. The force and effect of such registration shall be as stated in the form of Note hereinafter set forth. Payment of principal installments and interest, whether upon redemption or otherwise, made with respect to the Note, may be made to the registered holder thereof or to the registered holder's legal representative, without presentation or surrender of the Note.

6. Form of Note. The Note, together with the Certificate of Registration attached thereto, shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF DODGE
CITY OF KASSON

\$2,875,500 GENERAL OBLIGATION SEWER REVENUE NOTE OF 2018

The City of Kasson, Dodge County, Minnesota (the "City"), certifies that it is indebted and for value received promises to pay to the Minnesota Public Facilities Authority or the registered assign, the principal sum of TWO MILLION EIGHT HUNDRED SEVENTY FIVE THOUSAND FIVE HUNDRED DOLLARS, or so much thereof as may have been disbursed, on August 20 of the years and in the installments as follows:

| <u>Year</u> | <u>Amount</u> | <u>Year</u> | <u>Amount</u> |
|-------------|---------------|-------------|---------------|
| 2018 | \$ 65,500 | 2028 | \$148,000 |
| 2019 | 134,000 | 2029 | 149,000 |
| 2020 | 135,000 | 2030 | 151,000 |
| 2021 | 137,000 | 2031 | 153,000 |
| 2022 | 138,000 | 2032 | 154,000 |
| 2023 | 140,000 | 2033 | 156,000 |
| 2024 | 141,000 | 2034 | 158,000 |
| 2025 | 143,000 | 2035 | 159,000 |
| 2026 | 144,000 | 2036 | 161,000 |
| 2027 | 146,000 | 2037 | 163,000 |

and to pay interest on so much of the principal amount of the debt as may be disbursed and remains unpaid until the principal amount hereof is paid or has been provided for, at the rate of 1.095% per annum (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Note is payable semi-annually on February 20 and August 20, commencing August 20, 2018. Interest starts accruing as of the date of the initial disbursement.

Principal and Interest Payments. Interest shall accrue only on the aggregate amount of this Note which has been disbursed under the Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement with Point Source Implementation Grant dated as of January 18, 2018, by and between the City and the Minnesota Public Facilities Authority (the "Agreement"). The principal installments shall be paid in the amounts scheduled above even if at the time of payment the full principal amount of this Note has not been disbursed; provided that if the full principal amount of this Note is never disbursed, the amount of the principal not disbursed shall be applied to reduce each unpaid principal installment in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be reamortized to provide similarly level annual installments of total debt service payments). Interest on this Note includes amounts treated by the Minnesota Public Facilities Authority as service fees. Principal, interest and any premium due under this Note will be paid on each payment date by wire payment, or by check or draft mailed at least five business days prior to the payment date to the person in whose name this Note is registered, in any coin or

currency of the United States of America which at the time of payment is legal tender for public and private debts.

Redemption. This Note is subject to redemption and prepayment in whole or in part at the option of the City, subject to the consent of the Minnesota Public Facilities Authority, or mandatorily as provided in the Agreement. If redemption is in part, installments of principal payable last under this Note shall be prepaid first, unless the City and the holder of this Note agree to a different result.

Purpose; General Obligation. This Note has been issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota for the purpose of providing money to construct improvements to the municipal sanitary sewer system (the "Sanitary Sewer System"), and for wastewater treatment plant improvements to reduce phosphorus discharge and accommodate flows from nearby Mantorville, all as further described and detailed in the Minnesota Pollution Control Agency's certification dated December 21, 2017 (the "Project") and is payable out of the PFA Debt Service Account of the Sewer Fund of the City, to which account have been pledged net revenues of the Sanitary Sewer System. This Note constitutes a general obligation of the City, and to provide moneys for the prompt and full payment of said principal installments and interest when the same become due, the full faith, credit and taxing powers of the City have been and are hereby irrevocably pledged.

Registration; Transfer. This Note shall be registered in the name of the payee on the books of the City by presenting this Note for registration to the Treasurer, who will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration attached hereto. Thereafter this Note may be transferred to a bona fide purchaser only by delivery with an assignment duly executed by the registered owner or the registered owner's legal representative, and the City may treat the registered owner as the person exclusively entitled to exercise all the rights and powers of an owner until this Note is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Treasurer.

Fees Upon Transfer or Loss. The Treasurer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer of this Note and any legal or unusual costs regarding transfers and lost notes.

Bond Purchase and Project Loan Agreement with Point Source Implementation Grant. The terms and conditions of the Agreement are incorporated herein by reference and made a part hereof. The Agreement may be attached to this Note, and shall be attached to this Note if the holder of this Note is any person other than the Minnesota Public Facilities Authority.

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

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

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Note, have been done, have happened and have been performed, in regular and due form, time and manner as required by law; that the City has covenanted and agreed with the holder of this Note that it will impose and collect charges for the service, use and availability of and connection to the Sanitary Sewer System at the times and in amounts necessary to produce net revenues adequate to pay all principal and interest when due on this Note; and that the City will levy a direct, annual, irrevocable ad valorem tax upon all of the taxable property in the City, without limitation as to rate or amount, for the years and in amounts sufficient to pay, along with other pledged revenues, the installments of principal and interest on this Note as they respectively become due; and that this Note, together with all other debts of the City outstanding on the date hereof, being the date of its actual issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Kasson, Dodge County, Minnesota, by its City Council has caused this Note to be executed on its behalf by the signatures of its Mayor and of its Clerk, and the corporate seal of the City having been intentionally omitted as permitted by law, all as of (do not date), 2018.

CITY OF KASSON, DODGE COUNTY,
MINNESOTA

(do not sign)
Mayor

(do not sign)
Clerk

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Note may be made only by the registered owner or his, her or its legal representative last noted below.

| <u>DATE OF REGISTRATION</u> | <u>REGISTERED OWNER</u> | <u>SIGNATURE OF TREASURER</u> |
|---------------------------------|---|-----------------------------------|
| (do not date) | Minnesota Public Facilities Authority Saint Paul, Minnesota Federal Employer Identification No. 41-6007162 | (do not sign) |
| | | |
| | | |
| | | |
| | | |
| | | |

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

8. Delivery; Application of Proceeds. The Note when so prepared and executed shall be delivered by the Treasurer to the purchaser thereof prior to disbursements pursuant to the Agreement, and the purchaser shall not be obliged to see to the proper application thereof.

9. Fund and Accounts. There has heretofore been created a separate fund in the City treasury designated the Sewer Fund (the "Fund"). The Clerk and all municipal officials and employees concerned therewith shall maintain financial records of the receipts and disbursements of the Sanitary Sewer System in accordance with the resolutions establishing the Fund. The Operation and Maintenance Account heretofore established by the City for the Sanitary Sewer System shall continue to be maintained in the manner heretofore provided by the City. All moneys remaining after paying or providing for the items set forth in the resolution establishing the Operation and Maintenance Account shall constitute and are referred to as "net revenues" until the Note has have been paid. There shall be maintained in the Fund the following accounts:

(a) A "PFA Construction Account", to which shall be credited all proceeds received from the sale of the Note. The Note shall be the only source of moneys credited to the PFA Construction Account. It is recognized that the sale proceeds of the Note are received (i) in reimbursement for costs expended on the Project or in direct payment of such costs and (ii) for the refunding of the Temporary Note on the Call Date; and that accordingly the moneys need not be placed in the PFA Construction Account upon receipt but may be applied immediately to reimburse the source from which the expenditure was made. The moneys in the PFA Construction Account shall be used solely for the purpose of paying for the cost of the Refunding and the Project, including all costs enumerated in Minnesota Statutes, Section 475.65, provided that such moneys shall only be expended for costs and expenses which are permitted under the Agreement. The PFA prohibits the use of proceeds of the Note to reimburse costs initially paid from proceeds of other obligations of the City unless otherwise specifically approved, which have been approved by the PFA for the Refunding. Upon completion of the Project and the payment of the costs thereof, any surplus shall be transferred to the PFA Debt Service Account.

(b) A "PFA Debt Service Account", to which shall be irrevocably appropriated, pledged and credited: (i) net revenues of the Sanitary Sewer System in an amount sufficient to pay the principal of, and interest on, the Note when due; (ii) any balance remaining after the Call Date, in the Temporary Note Debt Service Account created by the Prior Resolution; (iii) any collections of all taxes which may hereafter be levied for the payment of the Note in the event that the net revenues of the Sanitary Sewer System and other funds herein pledged to the payment of the principal and interest

on the Note are insufficient therefor; (iv) all investment earnings on moneys held in the PFA Debt Service Account; (v) any amounts transferred from the PFA Construction Account; and (vi) any other moneys which are properly available and are appropriated by the City Council to the PFA Debt Service Account. The moneys in the PFA Debt Service Account shall be used only to pay or prepay the principal of, and interest on, the Note and any other general obligation bonds hereafter issued and made payable from the PFA Debt Service Account, and to pay any rebate due to the United States with respect to the PFA Bonds in connection with the Note.

No portion of the proceeds of the Note shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Note was issued, and (2) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Note or \$100,000. To this effect, any proceeds of the Note or any sums from time to time held in the PFA Construction Account, Operation and Maintenance Account or PFA Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the Note) in excess of amounts which under then applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. In addition, moneys in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Note to be "federally guaranteed" within the meaning of Section 149(b) of the federal Internal Revenue Code of 1986, as amended (the "Code").

The City shall observe the covenants of paragraphs 18, 19 and 20 of this resolution and of Article III of the Agreement with regard to the Fund.

10. Coverage Test; Pledge of Net Revenues; Excess Revenues. It is hereby found, determined and declared that the net revenues of the Sanitary Sewer System are sufficient in amount to pay when due the principal of and interest on the Note and a sum at least five percent in excess thereof. It is hereby found, determined and declared that the net revenues of the Sanitary Sewer System are sufficient in amount to pay when due the principal of interest on the Outstanding Sewer Bonds and a sum at least five percent in excess thereof. It is hereby found, determined and declared that the net revenues of the System are sufficient in amount to pay when due the principal of interest on the Outstanding Utility Bonds and a sum at least five percent in excess thereof. It is hereby found, determined and declared that the net revenues of the Water System and the Sanitary Sewer System are sufficient in amount to pay when due the principal of interest on the Outstanding Sewer and Water Bonds and a sum at least five percent in excess thereof. The net revenues of the Sanitary Sewer System are hereby pledged for the payment of the Note on a parity lien with the Outstanding Sewer Bonds, the Outstanding Utility Bonds and the Outstanding Sewer and Water Bonds and shall be applied for that purpose, but solely to the extent required to meet the principal and interest requirements of the Note as the same become due. Excess net revenues may be used for any proper purpose. Nothing contained herein shall be deemed to preclude the City from making further pledges and appropriations of the net

revenues of the Sanitary Sewer System for the payment of other or additional obligations of the City, provided that it has first been determined by the City Council that estimated net revenues of the Sanitary Sewer System will be sufficient, in addition to all other sources, for the payment of the Note and such additional obligations, and any such pledge and appropriation of net revenues may be made superior or subordinate to, or on a parity with, the pledge and appropriation herein. Net revenues in excess of those required for the foregoing may be used for any proper purpose.

11. Pledge to Produce Revenues. In accordance with Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the holder of the Note that it will impose and collect charges for the service, use and availability of and connection to the Sanitary Sewer System at the times and in the amounts required to produce net revenues adequate to pay, together with other pledged sums, all principal and interest when due on the Note. However, nothing herein shall preclude the City from levying taxes for the payment of the Note as permitted by Minnesota Statutes, Section 115.46.

12. General Obligation Pledge. The full faith, credit and taxing powers of the City shall be, and are hereby, irrevocably pledged for the prompt and full payment of the principal and interest on the Note as the same respectively become due. If the net revenues of the Sanitary Sewer System appropriated and pledged to the payment of principal and interest on the Note, together with other funds irrevocably appropriated to the PFA Debt Service Account, shall at any time be insufficient to pay such principal and interest when due, the City covenants and agrees to levy, without limitation as to rate or amount, an ad valorem tax upon all taxable property in the City sufficient to pay such principal and interest as they become due. If the balance in the PFA Debt Service Account is ever insufficient to pay all principal and interest then due on the Note and any other obligations payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed, with or without interest, from the PFA Debt Service Account when a sufficient balance is available therein.

13. Certificate of Registration. The Clerk is hereby directed to file a certified copy of this resolution with the County Auditor of Dodge County, Minnesota, together with such other information as such County Auditor shall require, and to obtain from such County Auditor a County Auditor's certificate that the Note has been entered in the County Auditor's Bond Register for the County.

14. Agreement. The Agreement is hereby approved in substantially the form presented to the City Council, and in the form executed is hereby incorporated by reference and made a part of this resolution. Each and all of the provisions of this resolution relating to the Note are intended to be consistent with the provisions of the Agreement, and to the extent that any provision in the Agreement is in conflict with this resolution as it relates to the Note, that provision shall control and this resolution shall be deemed accordingly modified. The Mayor and Clerk are hereby authorized and directed to execute the Agreement. The execution of the Agreement by the appropriate officers shall be conclusive evidence of the approval of the Agreement in accordance with the terms hereof. The Agreement may be attached to the Note, and shall be attached to the Note if the holder of the Note is any person other than the PFA.

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

16. Payment of the Temporary Note; Notice of Call for Redemption. The Temporary Note will be paid on the Call Date. The City Council hereby ratifies and affirms the actions of the City Clerk in causing a Notice of Call for Redemption of the Temporary Note to be delivered to the paying agent and the owner of the Temporary Note to call the Temporary Note for redemption on the Call Date as required by the Prior Resolution.

17. Temporary Note; Security. Until retirement of the Temporary Note, all provisions theretofore made for the security thereof shall be observed by the City and all of its officers and agents.

18. Negative Covenants as to Use of Proceeds and Project. The City hereby covenants not to use the proceeds of the Note or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Project, in such a manner as to cause the Note to be a "private activity bond" within the meaning of Sections 103 and 141 through 150 of the Code. The City reasonably expects that no actions will be taken over the term of the Note that would cause it to be a private activity bond, and the average term of the Note is not longer than reasonably necessary for the governmental purpose of the issue. The City hereby covenants not to use the proceeds of the Note in such a manner as to cause the Note to be a "hedge bond" within the meaning of Section 149(g) of the Code.

The City hereby covenants not to use the proceeds of the Note or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangement for the cost of the Project, in such a manner as to cause the PFA Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code. The City reasonably expects that it will take no actions over the term of the Note that would cause the PFA Bonds to be private activity bonds, and the average term of the Note is not longer than reasonably necessary for its governmental purpose.

19. Tax-Exempt Status of the Note; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Note, including without limitation (a) requirements relating to temporary periods for investments, (b) limitations on amounts invested at a yield greater than the yield on the Note, and (c) the rebate of excess investment earnings to the United States if the Note (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceeds the small-issuer exception amount of \$5,000,000.

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

- (a) the Note is issued by a governmental unit with general taxing powers;
- (b) the Note is not a private activity bond;
- (c) ninety-five percent or more of the net proceeds of the Note are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City);and
- (d) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities thereof, and all entities treated as one issuer with the City) during the calendar year in which the Note is issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

Furthermore:

- (e) there shall not be taken into account for purposes of said \$5,000,000 limit any bond issued to refund (other than to advance refund) any bond to the extent the amount of the refunding bond does not exceed the outstanding amount of the refunded bond;
- (f) the aggregate face amount of the Note does not exceed \$5,000,000;
- (g) the Temporary Note was issued as part of an issue which was treated as meeting the rebate requirements by reason of the exception for governmental units issuing \$5,000,000 or less of bonds; and
- (h) no part of the Note has a maturity date which is later than the date which is thirty years after the date the Temporary Note was issued.

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

thereunder. The Mayor and Clerk shall furnish a certificate to the PFA embracing or based on the foregoing certification at the time of delivery of the Note to the PFA. The proceeds of the Note will likewise be used in such manner that the Note is not a private activity bond under Section 103(b) of the Code.

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

- (a) the Note is issued after August 7, 1986;
- (b) the Note is not a "private activity bond" as defined in Section 141 of the Code;
- (c) the City hereby designates the Note as a "qualified tax-exempt obligation" 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 2018 will not exceed \$10,000,000;
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2018 have been designated for purposes of Section 265(b)(3) of the Code; and
- (f) the aggregate face amount of the Note does not exceed \$10,000,000;

Furthermore:

- (g) the Temporary Note was designated as a "qualified tax exempt obligation" for purposes of Section 265(b)(3) of the Code;
- (h) no part of the Note has a maturity date which is later than the date which is thirty years after the date the Temporary Note was issued; and
- (i) the refunding proceeds of the Note is issued to refund, and not to "advance refund" the Temporary Note within the meaning of Section 149(d)(5) of the Code, and shall not be taken into account under the \$10,000,000 issuance limit to the extent the Note does not exceed the outstanding amount of the Temporary Note.

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.

22. 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.

23. 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 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 DODGE
CITY OF KASSON

I, the undersigned, being the duly qualified and acting Clerk of the City of Kasson, Minnesota do hereby certify that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council, duly called and held on the date therein indicated, insofar as such minutes relate to the \$2,875,500 General Obligation Sewer Revenue Note of 2018.

WITNESS my hand and City's seal on February 14, 2018.

Clerk

(SEAL)

**MINNESOTA PUBLIC FACILITIES AUTHORITY
BOND PURCHASE AND PROJECT LOAN AGREEMENT with
POINT SOURCE IMPLEMENTATION GRANT**

This BOND PURCHASE AND PROJECT LOAN AGREEMENT with POINT SOURCE IMPLEMENTATION GRANT (the "Agreement"), is between the Minnesota Public Facilities Authority (the "Authority") and the City of Kasson (the "Recipient") and is dated January 18, 2018.

The project consists of wastewater treatment plant improvements to reduce phosphorus discharge and accommodate flows from nearby Mantorville ("the Project"). The project is further described and detailed in the The MN Pollution Control Agency's certifications dated December 21, 2017 and June 26, 2017, and in the Recipient's Project application which is incorporated herein.

| Program Funding for the Project | | Legal citations | Funding IDs | Amounts |
|---|--------------------|---|----------------------|--------------------|
| Point Source Implementation Grant Program | ("the PSIG Grant") | MS 446A.073 | MPFA-PSIG-G-030-FY18 | \$489,494 |
| Clean Water State Revolving Fund Loan | ("the Loan") | MS 446A.07; MN Rules 7380 .0400-.0480 | MPFA-CWRF-L-030-FY18 | \$2,875,500 |
| Total Authority project financing | | | | \$3,364,994 |

ARTICLE 1 – TERMS AND CONDITIONS

Section 1.1. Terms. The Authority hereby commits, subject to the availability of funds and the conditions and legal citations herein set forth, to provide THREE MILLION THREE HUNDRED SIXTY FOUR THOUSAND NINE HUNDRED NINETY FOUR DOLLARS (\$3,364,994) to the Recipient for the purpose of financing eligible costs of the Project.

The Loan shall be evidenced by the Note described in Section 1.3 of this Agreement (the "Note"). The final maturity date of the Loan will be August 20, 2037. The aggregate principal amount of the Loan disbursed and outstanding will bear interest and servicing fees collectively at the rate of 1.095% per annum accruing from and after the date of the Note described in Section 1.3 through the date on which no principal of the Loan remains unpaid and all accrued interest and servicing fees thereon have been paid.

The PSIG Grant is granted and is not required to be repaid except as otherwise provided in Section 2.4 and Article 6 of this Agreement.

Section 1.2. Authority Sources of Funds. The Recipient acknowledges that the Authority may use the proceeds of one or more series of the Authority's revenue bonds (the "Bonds"), federal capitalization grants, proceeds of state general obligation bonds or other funds of the Authority, or a combination thereof, to fund the Loan and that the Authority may, at any time, pledge the Loan as security for its Bonds. The Authority in its sole discretion may allocate the Loan to one or more of those sources of funds and may from time to time reallocate the Loan to one or more different sources of funds, including one or more different series of Bonds (whether or not that series of Bonds refunded the series of Bonds

to which the Loan was originally allocated), or may sell the Loan if permitted by the documents relating to its Bonds.

At the written request of the Recipient, the Authority will provide information with respect to the funding of the Loan, from time to time, in such detail as may be reasonably required for the purpose of assisting the Recipient in complying with any provision of Article 3 of this Agreement.

Section 1.3. Security. (a) The Recipient must issue to the Authority its General Obligation Revenue Note to evidence its obligation to repay the Loan. The Authority will not disburse funds to the Recipient under this Agreement until the Recipient delivers to the Authority the executed Note, a certified copy of resolutions or other authority by the appropriate governing body or bodies as have authorized the execution and performance of this Agreement and the Note in accordance with applicable law, and all opinions, certificates and documents requested by, and in a form acceptable to, the Authority.

(b) The Recipient represents and agrees that the Note is a general obligation debt of the Recipient and will be shown as such on its financial statements and be treated in all respects as a general obligation debt of the Recipient. For purposes of permitting sale of the Note to the Authority, the Authority represents that it is a "board, department or agency" of the State of Minnesota within the meaning of Minnesota Statutes, Section 475.60, subdivision 2, clause (4), as amended.

(c) The obligations of the Recipient under the Note evidence amounts payable under the Loan. Each payment made pursuant to the Note will be deemed to be a credit against the corresponding obligation of the Recipient under the Loan and any such payment will fulfill the Recipient's obligation to pay that amount hereunder.

Section 1.4. Disbursements. (a) No funds will be disbursed by the Authority to the Recipient until the Recipient has delivered its Note to the Authority as set forth in Section 1.3.

(b) All Recipient disbursement requests will be subject to Authority approval and will be disbursed on a cost reimbursement basis, consistent with the budget presented in the Recipient's application. The Authority may withhold or disallow all or part of the amount requested if the Authority determines the request is not in compliance with this Agreement, applicable federal and state laws, regulations or rules as then in effect.

(c) The Authority will disburse funds pursuant to approved disbursement requests complying with the provisions of this Agreement. Each disbursement request must be for eligible costs for completed work on the Project and must be submitted on or before the deadlines established by the Authority and on a form prescribed by the Authority. Each disbursement request must include supporting invoices and billing statements and be signed by an employee or elected official of the Recipient.

(d) The Authority will reimburse the Recipient for eligible Project costs incurred prior to the execution of this Agreement only to the extent approved in connection with the Authority's approval of the Recipient's application.

(e) The Authority will make disbursements to the Recipient within 30 days of receipt of the Recipient's request, unless the Authority determines to withhold disbursement in accordance with the provisions of

this Agreement. The Authority will endeavor to pay disbursement requests submitted by the Recipient not later than the 15th day of the month by the last day of the same month.

(f) If the entire amount specified in Section 1.1 is not fully disbursed by June 30, 2021, the Authority will not make any further disbursements. In that event or if final eligible Project costs are less than the total financing amount specified in Section 1.1, the undisbursed balance of the PSIG Grant will be cancelled and the undisbursed balance of the Loan will be applied to the outstanding principal installments of the Loan on a pro rata basis or as otherwise determined by the Authority. The Authority will revise Exhibit A to this Agreement to reflect the reduction in principal amount and promptly deliver a copy to the Recipient.

Section 1.5. Mandatory Payments. (a) The Recipient must repay the principal amount of the Loan, together with accrued interest and servicing fees, in the amounts and on the dates set forth in Exhibit A attached hereto (notwithstanding the rate of disbursement of the proceeds of the Loan), subject to adjustment as set forth in Section 1.4 or 1.6. The interest payment shown on Exhibit A is for informational purposes only; the actual interest payment will be the amount of interest which has accrued to the date of payment. The Authority will be entitled to retain for its own purposes any interest earnings on Loan proceeds that are not disbursed and will not be obligated to credit any such interest earnings against any required repayment of principal or payment of interest and servicing fees. Any payment of principal or interest received by the Authority in excess of the amounts set forth in Exhibit A, as then in effect, which is not a mandatory payment as designated in paragraph (b), or not expressly designated by the Recipient to be treated as an optional prepayment may, in the sole discretion of the Authority, be (i) held without interest payable by the Authority and applied to a future payment due on the Loan in a manner determined by the Authority, (ii) treated as a prepayment of principal on the Loan, or (iii) returned to the Recipient as an overpayment. Other than prepayments, the Authority will apply any payments received under the Note as follows: first, to the payment of any costs or expenses incurred by the Authority in enforcing any provision of the Note or this Agreement; second, to the payment of accrued and unpaid interest and servicing fees on the Note; and third, to the payment of principal of the Note then due.

(b) If the Recipient has pledged to the repayment of the Loan revenues subject to prepayment or lump-sum payments by a third party, such as special assessments or connection charges from another municipality, the Recipient will notify the Authority immediately upon receipt of any such payment. The Authority, in its sole discretion, may direct the Recipient to use the funds for the payment of eligible construction costs of the Project, or to transmit the funds to the Authority for payment on the Loan, immediately or at a later date. Any such payment received by the Authority may be applied to reduce each unpaid annual principal installment of the Loan in the proportion that such installment bears to the total of all unpaid principal installments, or, in the sole discretion of the Authority, may be applied to one or more future principal payments on the Loan in a manner determined by the Authority.

Section 1.6. Optional Prepayments. (a) The Recipient may not prepay the Loan except upon written consent of the Authority. If the Authority has consented, then upon 45 days' prior written notice to the Authority (or such lesser period as the Authority may accept), the Recipient may prepay the Loan and the Note, in whole or in part, on any February 20 or August 20 at a redemption price equal to the principal amount to be prepaid, together with accrued interest and servicing fees thereon to the redemption date and a premium equal to all fees and expenses of the Authority, if any, in connection with the

prepayment, including any fees, expenses or other costs relating to the payment and redemption of the Bonds as determined by the Authority.

(b) The Authority may require that the Recipient, at its sole cost and expense, deliver to the Authority an opinion from a law firm, selected by the Authority, having a national reputation in the field of municipal finance law whose legal opinions are generally accepted by purchasers of municipal bonds ("Bond Counsel") to the effect that such prepayment will not cause the interest on the Note to be included in the gross income of the recipient thereof for federal income tax purposes.

(c) The Authority will apply any amount paid by the Recipient to prepay all or a portion of the Note as follows: first, to the payment of fees, expenses and other costs of the Authority as provided in subsection (a); second, to the payment of interest and servicing fees on the principal amount of the Note to be prepaid; and, third, to the principal of the Note. The principal amount of a partial prepayment will, in the sole discretion of the Authority, (i) be applied to one or more future principal payments of the Loan in a manner determined by the Authority, or (ii) be applied to reduce each unpaid annual principal installment of the Loan in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be re-amortized to provide proportionately reduced principal payments in each year).

ARTICLE 2 – RECIPIENT RESPONSIBILITIES AND PROJECT COMPLIANCE

Section 2.1. Recipient Responsibilities with Respect to the Project. (a) The Recipient must meet all requirements in the project application submitted to the Authority as to compliance with federal and state laws, rules and regulations and include in any contract or subcontract related to the Project provisions requiring contractor and subcontractor compliance with applicable state and federal laws. The requirements in that application are hereby incorporated by reference.

(b) The Recipient agrees to commence construction and complete the Project with reasonable diligence, regardless of the sufficiency of loans or grants therefor from the Authority to pay eligible project costs.

(c) The Recipient will not enter into a sale, lease, transfer or other use agreement of any part of the Project, or change the use of the Project, without the prior written approval of the Authority if that sale, lease, transfer, agreement or change in use would (i) violate the covenants set forth in Article 3 or Article 4, or (ii) violate the conditions under which any capitalization grants were furnished by the United States Environmental Protection Agency (the "EPA"), or (iii) otherwise violate any terms or conditions of this Agreement.

(d) The Recipient must maintain adequate property insurance coverage for the Project in those amounts and with those limits as it determines in good faith to be reasonable or in those amounts and with those limits as the Authority may require from time to time. The Recipient may substitute adequate, actuarially sound self-insurance or risk retention program(s) for property insurance coverage, so long as such program(s) are consistent with applicable laws and state and federal regulations.

(e) The Recipient must complete the Project in accordance with all applicable federal, state and local statutes, rules, regulations, ordinances, reporting requirements, approvals, and state agency

certifications governing the design and construction of the Project, and operate the Project's system in compliance with all applicable federal and state laws and regulations and permit requirements.

(f) The Recipient agrees to exert all reasonable efforts to investigate claims that the Recipient may have against third parties with respect to the construction of the Project and, in appropriate circumstances, take whatever action, including legal action, the Recipient reasonably determines to be appropriate.

(g) The Recipient must display a sign with the Clean Water Legacy logo at the project site or other public location identifying that the project was built with assistance from the Clean Water, Land & Legacy Amendment.

Section 2.2. Construction Compliance. (a) The Recipient must comply with the provisions of prevailing wage requirements set forth in Minnesota Statutes, Sections 177.41 to 177.44, as then in effect.

(b) In addition to the prevailing wage requirements under subsection (a), the Recipient must comply with, and require that all laborers and mechanics employed by contractors and subcontractors on the Project be paid wages at rates not less than those prevailing on projects of a similar character in the locality as determined by the Secretary of Labor in accordance with, the Davis-Bacon Act (40 U.S.C., sec. 276a through 276a-5), as amended.

(c) The Recipient will comply with the American Iron and Steel requirements of Section 608 of the Federal Water Pollution Control Act, unless the Project is granted a waiver from the EPA.

Section 2.3. Revenue Sufficiency Covenant. The Recipient agrees to impose and collect rates and charges in compliance with Minnesota Statutes and in accordance with the Recipient's service charge system, so that sufficient gross revenues are available, together with other sources as may be applicable, for the payment of system costs, including operation and maintenance expenses and principal, interest and servicing fees due on any outstanding debt payable from those revenues. The Recipient agrees to annually review and ensure that the gross revenues are sufficient for the payment of all system costs.

Section 2.4 Repayment of Grant(s) If the Recipient fails to comply with Sections 2.1 (a), (b), (e) and Sections 2.2 (a), (b) and (c) of this Agreement, and such failure continues for 90 days after written notification thereof from the Authority, then the Recipient, upon demand by the Authority, must repay the PSIG Grant.

ARTICLE 3 – TAX COMPLIANCE

Section 3.1. Covenants. The Recipient acknowledges that the Note is intended to bear interest that is excluded from gross income of the owner thereof for federal and State of Minnesota income tax purposes (a "Tax-exempt Note") and may be funded by the Authority from the proceeds of the Authority's Bonds that are intended to bear interest that is excluded from gross income of the owner thereof for federal and State of Minnesota income tax purposes ("Tax-exempt Bonds"). The Recipient also acknowledges that, regardless of the source of funding, the Authority may pledge the Loan and the related Note as security for, and as a source of, the payment of debt service on any or all of its Tax-exempt Bonds. In consideration of these facts, the Recipient covenants and agrees with the Authority,

whether or not strict compliance with those agreements is required to maintain the Note as a Tax-exempt Note or the Authority's Bonds as Tax-exempt Bonds, as follows:

(a) The Recipient will not take, or, to the extent under its control, permit to be taken, any action that would cause the Note not to be a Tax-exempt Note or any Authority Bonds not to be Tax-exempt Bonds and will not omit from taking, or cause to be taken, any action required to maintain the Note as a Tax-exempt Note or the Authority's Bonds as Tax-exempt Bonds.

(b) The Recipient will take all actions with respect to the Note necessary to comply with all instructions and requests of the Authority relating to maintaining the Authority's Bonds as Tax-exempt Bonds and the Note as a Tax-exempt Note or compliance with the agreements set forth in this section or in any Tax Compliance Certificate (hereinafter defined).

(c) The Recipient will comply with all requirements of any certificate or agreement ("Tax Compliance Certificate") executed and delivered by it in connection with the issuance of the Note.

(d) The Recipient will promptly notify the Executive Director of the Authority in writing of any action or event which adversely affects the status of the Note as a Tax-exempt Note or any of the Authority's Bonds as Tax-exempt Bonds.

(e) The Recipient will not use any of the proceeds of the Loan to pay the costs of any facility used or to be used during the term of the Loan for any private business use or to make a private loan within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code").

(f) The Recipient will not repay the Loan from, or secure repayment of the Loan by, property used or to be used for a private business use or payments in respect of such property within the meaning of Section 141 of the Code, except as specifically permitted in writing by the Authority.

(g) The Recipient will not establish any fund or account, other than a bona fide debt service fund, securing the payment of the Tax-exempt Note or Tax-exempt Bonds or from which the Recipient reasonably expects to pay debt service on the Loan, or in any other respect create "gross proceeds," within the meaning of the Code, of the Tax-exempt Note or Tax-exempt Bonds, except as specifically permitted in writing by the Authority. In addition, the Recipient will not invest any gross proceeds 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 investment would cause the Tax-Exempt Note or Tax-exempt Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(h) The Recipient will not invest any moneys constituting "gross proceeds" of the Tax-exempt Note or Tax-exempt Bonds other than in a fair market, arms' length transaction and at a yield, within the meaning of the Code, in excess of the lesser of the yield on the Tax-exempt Note or the Tax-exempt Bonds applicable to the Loan and will apply all Loan proceeds within five days of the receipt thereof by the Recipient consistent with the terms of the Recipient's disbursement request.

(i) Except as permitted under Treasury Regulations, Section 1.150-2, and Section 1.4(d) hereof, the Recipient will not use Loan proceeds to reimburse itself for any payments of project costs that the Recipient made from other funds, if the original payment was made prior to the earlier of the issuance

of the Authority Bonds used to fund the Loan or the execution and delivery of this Agreement or if the original payment was made from the proceeds of other debt of the Recipient.

(j) Other than as provided in Section 4.1 hereof, the allocation by the Authority of funds it uses to purchase the Loan, including different series of Tax-exempt Bonds, is at the sole discretion of the Authority and that allocation is binding on the Recipient.

(k) With respect to any gross proceeds of the Tax-exempt Bonds created by the Recipient, the Recipient will be liable to the Authority for any amount the Authority is required to rebate to the United States as excess investment earnings pursuant to Section 148 of the Code.

The Authority may, in its sole discretion and only upon receipt of an opinion of counsel to the Authority, waive any of the agreements set forth in this Article 3.

ARTICLE 4 – COMPLIANCE WITH STATE BOND REQUIREMENTS

Section 4.1. State Bond Financed Property. The Recipient and the Authority acknowledge and agree that the Recipient's ownership interest in the Project, consisting of real property, and, if applicable, all facilities located, or that will be constructed and located, on that real property, and all equipment that is a part thereof, that was purchased with the proceeds of state general obligation bond proceeds constitutes "State Bond Financed Property", as that term is used in Minnesota Statutes, Section 16A.695 and the "Fourth Order Amending Order of the Commissioner of Finance Relating to Use and Sale of State Bond Financed Property" dated July 30, 2012 (the "Order"), as such may be amended, modified, supplemented, or replaced from time to time, and therefore the provisions contained in that statute and order apply to the Recipient's ownership interest in the Project and any Use contracts relating thereto. The Recipient agrees that the proceeds of the Loan must be used, and the Project must be operated, in a manner that complies with Minnesota Statutes, Section 16A.695 and the Order. The Recipient must file the required state bond financed property declaration as provided in the Order and provide a copy of the filed declaration to the Authority, unless the filing requirement is waived in writing by the Commissioner of Minnesota Management and Budget.

Section 4.2. Lease or Management Contract. The Recipient agrees that any lease or management or similar contract (each a "Use Agreement") it enters into with respect to property constituting all or a part of the State Bond Financed Property must comply with the following requirements:

(a) It must be for the express purpose of carrying out a governmental program established or authorized by law and established by official action of the Recipient.

(b) It must be approved, in writing, by the Commissioner of Minnesota Management and Budget.

(c) It must be for a term, including any renewals that are solely at the option of the lessee or manager, that is substantially less than the useful life of the property subject to that lease or management contract, but may allow renewal beyond that term upon determination by the Recipient that the use continues to carry out the governmental program.

(d) It must be terminable by the Recipient if the other contracting party defaults under the contract, or if the governmental program is terminated or changed.

(e) It must provide for oversight by the Recipient of the operation of the property that is the subject of the Use Agreement.

(f) It must specifically identify the statute that provides the Recipient authority to enter into the Use Agreement.

(g) It must contain a provision stating that the Use Agreement is being entered into in order to carry out a governmental program and must specifically identify the governmental program.

Section 4.3. Sale. The Recipient must not sell any property constituting all or a part of the State Bond Financed Property unless the sale complies with the following requirements:

(a) The Recipient determines by official action that the property is no longer usable or needed by the Recipient to carry out the governmental program for which it was acquired or constructed.

(b) The sale must be made as authorized by law.

(c) The sale must be for fair market value as defined in Minnesota Statutes, Section 16A.695 as then in effect.

(d) The Recipient obtains the prior written consent of the Commissioner of Minnesota Management and Budget.

Section 4.4. Changes to Minnesota Statute 16A.695 or the Order. In the event that Minnesota Statutes Section 16A.695 or the Order is amended in a manner that reduces any requirement imposed upon the Recipient, or if the Recipient's interest in the State Bond Financed Property is exempt from Minnesota Statutes, Section 16A.695 or the Order, then upon written request by the Recipient, the Authority will enter into and execute an amendment to this Agreement to implement that amendment to, or exempt the interest in the Project from, Minnesota Statutes, Section 16A.695 and the Order.

Section 4.5. Waiver. The Authority may waive the requirements of Article 4 at any time upon determination by the Authority, and after notifying the Commissioner of Minnesota Management and Budget, that the Project has not been and will not be funded from the proceeds of state general obligation bonds.

ARTICLE 5 - DISCLOSURE

Section 5.1. Information for Disclosure Documents. (a) The Recipient agrees to provide to the Authority such information with respect to the Recipient, its duties, operations and functions as may be reasonably requested by the Authority, and hereby consents to its inclusion in the Authority's official statement(s) used in connection with issuance and sale or the re-marketing of its Bonds or continuing disclosure with respect to its Bonds (collectively, the "Disclosure Documents"), whether or not all or a portion of the proceeds of Bonds were or will be loaned to the Recipient.

(b) At the request of the Authority, the Recipient will certify and represent that the information with respect to the Recipient in any Disclosure Document does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading; provided, however, that in no event will the Authority require the Recipient to make any representation about any other information in the Disclosure Documents or as to any Disclosure Document in its entirety. If for any reason the Recipient determines that it is not able to make that certification and representation, it will provide to the Authority the information for inclusion in the Disclosure Documents necessary for the Recipient to make the certification and representation.

(c) If at any time during the period ending 90 days after the date the Recipient provides information to Authority for inclusion in a Disclosure Document any event occurs that the Recipient believes would cause the information with respect to the Recipient in the Disclosure Document to omit a material fact or make the statements therein misleading, the Recipient agrees to promptly notify the Authority in writing of that event and provide information for inclusion in the Disclosure Document or an amendment thereof or a supplement thereto. At the request of the Authority, the Recipient will also provide the certification and representation required in (b) above with respect to that information.

(d) The Recipient agrees to provide such information as may be reasonably requested by any rating agency in connection with rating the Bonds of the Authority.

Section 5.2. Continuing Disclosure. If the Authority, in its sole discretion, determines, at any time prior to payment of the Loan in full, (i) that the Recipient is a material "obligated person," as the term "obligated person" is defined in Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto ("Rule 15c2-12") or (ii) that an event has occurred with respect to the Recipient or the Loan that must be disclosed under Rule 15c2-12, or (iii) that any other action of the Recipient has occurred which the Authority determines in its sole discretion is material to an investor in the Bonds, the Recipient covenants that it will authorize and provide to the Authority, for inclusion in a Disclosure Document, all statements and information relating to the Recipient deemed material by the Authority for the purpose of satisfying Rule 15c2-12 as well as Rule 10b-5 promulgated pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto ("Rule 10b-5"), including certificates and written representations of the Recipient evidencing satisfaction of the requirements of Rule 15c2-12 and Rule 10b-5. The Authority, in its sole discretion and as set forth in a resolution or official statement of the Authority, will determine materiality under each of clause (i) and clause (iii) pursuant to criteria established from time to time. The Recipient further covenants that, if determined to be such a material obligated person, it will execute and deliver a continuing disclosure agreement, in that form as the Authority determines to be necessary, desirable or convenient, in its sole discretion, for the purpose of meeting the requirements of Rule 15c2-12. Pursuant to the terms and provisions of that continuing disclosure agreement, the Recipient will thereafter provide ongoing disclosure with respect to all annual and event information and financial statements relating to the Recipient required by a continuing disclosure undertaking under Rule 15c2-12. The Recipient further agrees that the Authority will have the right to disclose any information about the Recipient or the Loan, whether or not received from the Recipient, determined by the Authority in its sole discretion, to be material with respect to any of its Bonds.

ARTICLE 6 - DEFAULT AND REMEDIES

Section 6.1. Events of Default. Any of the following is an event of default under this Agreement:

(a) The Recipient does not make a payment when due;

(b) The Recipient does not comply with any other provision of this Agreement or the Note after written notice from the Authority, and for a three-month period the Recipient does not cure that default or provide a written plan acceptable to the Authority providing for that cure or, if the Authority accepts a plan for cure, the Recipient does not cure that default within the time period specified therein.

Section 6.2. Remedies. (a) If an event of default described in Section 6.1(a) of this Agreement occurs, the Authority will impose an interest penalty as provided in Minn. Rules Part 7380.0475, Subpart 1. The Authority may also exercise one or more of the following remedies: (1) withhold approval of any disbursement request, (2) reject any pending application by the Recipient for financial assistance, (3) to the extent permitted by law, demand immediate payment of the Loan and the Note in full and, upon such demand, the outstanding principal amount of the Loan and Note will be immediately due and payable, with interest accrued thereon to the date of payment, or (4) exercise any other remedy available to the Authority at law or in equity, including under Minnesota Rules, Chapter 7380, as amended.

(b) If an event of default described in Section 6.1(b) of this Agreement occurs, the Authority will impose an immediate increase in the interest rate on the Loan by eliminating all interest rate discounts that were applied in determining the interest rate under Minnesota Rules, Part 7380.0442. The Authority may also exercise one or more of the following remedies: (1) withhold approval of any disbursement request, (2) reject any pending application by the Recipient for financial assistance, (3) to the extent permitted by law, demand immediate payment of the Loan and the Note in full and, upon such demand, the outstanding principal amount of the Loan and Note will be immediately due and payable, with interest accrued thereon to the date of payment, or (4) exercise any other remedy available to the Authority at law or in equity, including under Minnesota Rules, Chapter 7380, as amended. If the Authority subsequently determines that the Recipient has cured all events of default, the interest rate on any unpaid Loan principal will revert back to the original interest rate.

ARTICLE 7 - FINANCIAL RECORDS, AUDITS, REPORTS AND INSPECTIONS

Section 7.1. Financial Recordkeeping. For all expenditures of funds made pursuant to this Agreement, the Recipient must keep financial accounts and records in accordance with generally accepted accounting principles including invoices, contracts, receipts, vouchers and other documents sufficient to evidence in proper detail the nature and propriety of the expenditures and any investments made with proceeds of the Loan or other "gross proceeds" of the Note or the tax-exempt Bonds of the Authority. Such accounts and records must be accessible and available for a minimum of six years from the date of initiation of operation of the Project and for so long as the Note is outstanding for examination by authorized representatives of the Authority, the Office of the Legislative Auditor, the Office of the State Auditor and the EPA Office of Inspector General.

Section 7.2. Annual Audit Requirements. (a) The Recipient must annually provide to the Authority for the term of the Loan a copy of an independent audit of its financial statements. All audit reports must be submitted within 30 days after the completion of the audit but no later than one year after the end of the fiscal year to be audited. The audits must be conducted in accordance with generally accepted government auditing standards and in compliance with Subpart F (Audit Requirements) of Title 2 U.S. Code of Federal Regulations Part 200.

(b) The Recipient must describe the Note as general obligation debt of the Recipient in its annual audited financial statements for the term of the Loan.

Section 7.3 Annual Minority and Women Business Enterprise Report. If requested, the Recipient will submit to the Authority, within 20 days of the end of the annual reporting period, EPA Form 5700-52A to report on the award of prime contracts or subcontracts to any certified Minority and Women Business Enterprise (MBE/WBE) firms until the Project is complete.

Section 7.4. General. The Recipient must submit the project reports required by the Authority on forms prescribed by the Authority.

Section 7.5. Inspections. The Recipient, upon reasonable request by the Authority, must allow the Authority and its agents to inspect the Project.

ARTICLE 8 – SYSTEM REPLACEMENT FUND

This section intentionally left blank.

ARTICLE 9 – GOVERNMENT DATA PRACTICES

Section 9.1. General. The Recipient agrees, with respect to any data that it possesses regarding the Project, to comply with all of the provisions and restrictions contained in the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, that exist as of the date of this Agreement and as such may subsequently be amended, modified or replaced from time to time.

ARTICLE 10 – ADMINISTRATION

Section 10.1. Amendments. Any amendments to this Agreement must be in writing and must be executed by the Recipient by the same officials who signed the Agreement, or their successors.

Section 10.2. Notices. In addition to any notice required under applicable law to be given in another manner, any notices required hereunder must be in writing, and will be sufficient if delivered by courier or overnight delivery service or sent by certified mail (return receipt requested), postage prepaid, to the

address of the party to whom it is directed. That address must be the address specified below or a different address as may hereafter be specified by either party by written notice to the other:

In the case of the Authority:

Minnesota Public Facilities Authority
Attention: Executive Director
1st National Bank Building
332 Minnesota Street, Suite W820
Saint Paul, MN 55101-1378

In the case of the Recipient:

City of Kasson
Attention: Mayor
401 5th Street SE
Kasson, MN 55944-2204

Section 10.3. Fees. (a) The Recipient acknowledges that the Authority may apply up to 2 percent of any loan repayment as a servicing fee and that such fee will not increase the amount of any repayments or extend the period of repayment.

Section 10.4. Termination of Loan. The obligations of the Recipient under this Agreement (except the obligations set forth in Section 2.1 (c), (d) and (e) and Article 4 hereof) will terminate when the Loan is fully paid.

The remainder of this page is left blank intentionally.

Recipient name: City of Kasson
Project Funding IDs: MPFA-PSIG-G-030-FY18, MPFA-CWRF-L-030-FY18

The Authority and the Recipient have caused this Agreement to be duly executed by their duly authorized undersigned representatives. Statutory Cities must execute this Agreement as provided in Minnesota Statutes, Section 412.201, as amended. Home Rule Charter Cities must execute this Agreement as provided in Minnesota Statutes, Chapter 410, as amended.

RECIPIENT: We have read and we agree to all of the above provisions of this Agreement.

By _____

Title Christopher McKern
Mayor

Date _____

By _____

Title Theresa Coleman
Administrator

Date _____

MINNESOTA PUBLIC FACILITIES AUTHORITY:

By  _____

Title Shawntera Hardy, or delegate
Chair

Date 1.22.18 _____

ENCUMBERED: Individual signing certifies that funds have been encumbered as required by Minnesota Statute 16A

By _____

PO date 01/18/18

PO ID(s) B2401-3000002086-2087

Kasson - cw03

Loan Amortization Schedule
MPFA-CWRF-L-030-FY18

funding dates:

2,875,500.00

Rate: 1.095%

Date:

Maturity: 08/20/37

private activity:

final loan amount: 2,875,500.00

| Date | Effective | Source | Disbursement | Repayment | Interest | Principal | Loan Balance | Ann'l Debt Srv |
|-----------|-----------|--------|--------------|--------------|------------|--------------|--------------|----------------|
| projected | 12/26/17 | Op Res | 2,875,500.00 | | | | 2,875,500.00 | |
| | 08/20/18 | | | 85,966.38 | 20,466.38 | 65,500.00 | 2,810,000.00 | 85,966.38 |
| | 02/20/19 | | | 15,384.75 | 15,384.75 | | 2,810,000.00 | |
| | 08/20/19 | | | 149,384.75 | 15,384.75 | 134,000.00 | 2,676,000.00 | 164,769.50 |
| | 02/20/20 | | | 14,651.10 | 14,651.10 | | 2,676,000.00 | |
| | 08/20/20 | | | 149,651.10 | 14,651.10 | 135,000.00 | 2,541,000.00 | 164,302.20 |
| | 02/20/21 | | | 13,911.98 | 13,911.98 | | 2,541,000.00 | |
| | 08/20/21 | | | 150,911.98 | 13,911.98 | 137,000.00 | 2,404,000.00 | 164,823.96 |
| | 02/20/22 | | | 13,161.90 | 13,161.90 | | 2,404,000.00 | |
| | 08/20/22 | | | 151,161.90 | 13,161.90 | 138,000.00 | 2,266,000.00 | 164,323.80 |
| | 02/20/23 | | | 12,406.35 | 12,406.35 | | 2,266,000.00 | |
| | 08/20/23 | | | 152,406.35 | 12,406.35 | 140,000.00 | 2,126,000.00 | 164,812.70 |
| | 02/20/24 | | | 11,639.85 | 11,639.85 | | 2,126,000.00 | |
| | 08/20/24 | | | 152,639.85 | 11,639.85 | 141,000.00 | 1,985,000.00 | 164,279.70 |
| | 02/20/25 | | | 10,867.88 | 10,867.88 | | 1,985,000.00 | |
| | 08/20/25 | | | 153,867.88 | 10,867.88 | 143,000.00 | 1,842,000.00 | 164,735.76 |
| | 02/20/26 | | | 10,084.95 | 10,084.95 | | 1,842,000.00 | |
| | 08/20/26 | | | 154,084.95 | 10,084.95 | 144,000.00 | 1,698,000.00 | 164,169.90 |
| | 02/20/27 | | | 9,296.55 | 9,296.55 | | 1,698,000.00 | |
| | 08/20/27 | | | 155,296.55 | 9,296.55 | 146,000.00 | 1,552,000.00 | 164,593.10 |
| | 02/20/28 | | | 8,497.20 | 8,497.20 | | 1,552,000.00 | |
| | 08/20/28 | | | 156,497.20 | 8,497.20 | 148,000.00 | 1,404,000.00 | 164,994.40 |
| | 02/20/29 | | | 7,686.90 | 7,686.90 | | 1,404,000.00 | |
| | 08/20/29 | | | 156,686.90 | 7,686.90 | 149,000.00 | 1,255,000.00 | 164,373.80 |
| | 02/20/30 | | | 6,871.13 | 6,871.13 | | 1,255,000.00 | |
| | 08/20/30 | | | 157,871.13 | 6,871.13 | 151,000.00 | 1,104,000.00 | 164,742.26 |
| | 02/20/31 | | | 6,044.40 | 6,044.40 | | 1,104,000.00 | |
| | 08/20/31 | | | 159,044.40 | 6,044.40 | 153,000.00 | 951,000.00 | 165,088.80 |
| | 02/20/32 | | | 5,206.73 | 5,206.73 | | 951,000.00 | |
| | 08/20/32 | | | 159,206.73 | 5,206.73 | 154,000.00 | 797,000.00 | 164,413.46 |
| | 02/20/33 | | | 4,363.58 | 4,363.58 | | 797,000.00 | |
| | 08/20/33 | | | 160,363.58 | 4,363.58 | 156,000.00 | 641,000.00 | 164,727.16 |
| | 02/20/34 | | | 3,509.48 | 3,509.48 | | 641,000.00 | |
| | 08/20/34 | | | 161,509.48 | 3,509.48 | 158,000.00 | 483,000.00 | 165,018.96 |
| | 02/20/35 | | | 2,644.43 | 2,644.43 | | 483,000.00 | |
| | 08/20/35 | | | 161,644.43 | 2,644.43 | 159,000.00 | 324,000.00 | 164,288.86 |
| | 02/20/36 | | | 1,773.90 | 1,773.90 | | 324,000.00 | |
| | 08/20/36 | | | 162,773.90 | 1,773.90 | 161,000.00 | 163,000.00 | 164,547.80 |
| | 02/20/37 | | | 892.43 | 892.43 | | 163,000.00 | |
| | 08/20/37 | | | 163,892.43 | 892.43 | 163,000.00 | - | 164,784.86 |
| totals | | | 2,875,500.00 | 3,213,757.36 | 338,257.36 | 2,875,500.00 | | 3,213,757.36 |

Aspen Mills

8201-C CENTRAL AVE. NE
SPRING LAKE PARK, MN 55432

(763) 785-1055
FAX (763) 785-1395
email: ems@aspenmills.com

INVOICE

Invoice Number: **210402**

Invoice Date: December 30, 2017

Page: 1

Sold to:

KASSON FIRE DEPARTMENT
401 5TH ST SE
KASSON, MN 55944

Ship to:

KASSON FIRE DEPARTMENT
401 5TH ST SE
KASSON, MN 55944

a/p email: jurrens@mayo.edu

| Customer ID | Customer PO | Payment Terms | |
|-------------|-----------------|---------------|----------|
| 55944KF | CLASS A | Net 20 Days | |
| Sales Order | Shipping Method | Ship Date | Due Date |
| 49662 | Customer Pickup | 12/30/17 | 1/19/18 |

| Quantity | BO | Item | Description | Unit Price | Amount |
|----------|----|---------------|---|------------|----------|
| 15.00 | | NH211 | NH CLASS A COAT DOUBLE BREASTED NAVY 36-46 SEE SPREADSHEET FOR SIZING | 158.50 | 2,377.50 |
| 7.00 | | NH211x | NH CLASS A COAT DOUBLE BREASTED NAVY OVERSIZE 48-54 SEE SPREADSHEET FOR SIZING | 168.50 | 1,179.50 |
| 2.00 | | NH211xx | NH CLASS A COAT DOUBLE BREASTED NAVY 56-60 | 229.50 | 459.00 |
| 13.00 | | ALT-JKTca | ALTERATION - CLASS A JACKET - TAPER FOR CLASS A JACKETS - SEE SPREADSHEET FOR SIZING | 18.65 | 242.45 |
| 4.00 | | ALT-JKTcaSLVs | ALTERATION - CLASS A JACKET SHORTEN SLEEVES SEE SPREADSHEET FOR SIZING | 16.85 | 67.40 |
| 2.00 | | TRIM-SR2 | TRIM SILVER MET RANK STRIPE 2 per sleeve | 38.85 | 77.70 |
| 14.00 | | LH-MCsb | LH MALTESE CROSS MET SILVER ON BLACK | 5.00 | 70.00 |
| 56.00 | | PSSJ | PATCHES SEWN ON JACKET - INCLUDES 8 JACKETS WITH YOS | 3.00 | 168.00 |
| 23.00 | | NH230 | NH CLASS A TROUSER NAVY 28-44 SEE SPREADSHEET FOR SIZING | 48.85 | 1,123.55 |
| 1.00 | | NH230x | NH CLASS A TROUSER OVERSIZE 46-54 SEE SPREADSHEET FOR SIZING | 54.85 | 54.85 |
| 18.00 | | EB310-14.5x32 | EB 100% POLY WHITE SHIRT LS SEE SPREADSHEET FOR SIZING | 43.95 | 791.10 |
| 5.00 | | EB310-18x32 | EB 100% POLY WHITE SHIRT LS OVERSIZE SEE SPREADSHEET FOR SIZING | 47.95 | 239.75 |
| 1.00 | | EB310-20x37 | EB 100% POLY WHITE SHIRT LS 20x36/37 | 53.95 | 53.95 |
| 2.00 | | ALT-xtp | ALTERATION - EXTRA TAPER ON SHIRT SEE SPREADSHEET FOR SIZING | 12.85 | 25.70 |
| 48.00 | | PSS | PATCHES SEWN ON SHIRT | 2.00 | 96.00 |
| 24.00 | | MC-BCNV | MC BELL CROWN CAP DK.NAVY/BLACK WB/BLACK STRAP FD - | 48.95 | 1,174.80 |

Thank you for your order

To ensure proper credit include your account number with your payment

| | |
|--------------|------------------|
| Subtotal | Continued |
| Sales Tax | Continued |
| Freight | |
| TOTAL | Continued |

Aspen Mills

8201-C CENTRAL AVE. NE
SPRING LAKE PARK, MN 55432

(763) 785-1055
Fax (763) 785-1395
email: ems@aspenmills.com

INVOICE

Invoice Number: **210402**

Invoice Date: December 30, 2017

Page: 2

Sold to:


KASSON FIRE DEPARTMENT
401 5TH ST SE
KASSON, MN 55944

Ship to:

KASSON FIRE DEPARTMENT
401 5TH ST SE
KASSON, MN 55944

a/p email: jurrens@mayo.edu

| Customer ID | Customer PO | Payment Terms | |
|-------------|-----------------|---------------|----------|
| 55944KF | CLASS A | Net 20 Days | |
| Sales Order | Shipping Method | Ship Date | Due Date |
| 49662 | Customer Pickup | 12/30/17 | 1/19/18 |

| Quantity | BO | Item | Description | Unit Price | Amount |
|--|----|------------|--|------------|----------|
| | | | SEE SPREADSHEET FOR SIZING | | |
| 24.00 | | TIE-N20 | TIE NAVY CLIP ON | 7.00 | 168.00 |
| 22.00 | | BL6582C | LEATHER BELT 1.5" BLACK CLARINO | 32.00 | 704.00 |
| | | | SEE SPREADSHEET FOR SIZING | | |
| 2.00 | | BL6582C-XX | LEATHER BELT 1.5" BLACK CLARINO OVERSIZE 48-54 | 38.00 | 76.00 |
| | | | SEE SPREADSHEET FOR SIZING | | |
| | | | . | | |
| 22.00 | | RK510-10 M | RK PATENT OXFORD SHOE BLK | 72.95 | 1,604.90 |
| | | | SEE SPREADSHEET FOR SIZING | | |
| 2.00 | | RK510-14 M | RK PATENT OXFORD SHOE BLK OVERSIZE | 77.95 | 155.90 |
| | | | SEE SPREADSHEET FOR SIZING | | |
| | | | . | | |
| 24.00 | | MH-SWG | GLOVE SURE GRIP WHITE- VELCRO | 6.85 | 164.40 |
| | | | SEE SPREADSHEET FOR SIZING | | |
| 22.00 | | CB-CDSCs | COLLAR BRASS CAP DEVICE ROUND SCRAMBLE SILVER | 19.85 | 436.70 |
| 2.00 | | CB-CD2sp | COLLAR BRASS CAP DEVICE ROUND 2 PAR BUGLE SILVER | 19.85 | 39.70 |
| <div>APPROVED BY:  DATE: _____ ACCOUNT # _____ AMOUNT _____ _____ _____ <u>2017 Billing</u> _____</div> | | | | | |

Thank you for your order

To ensure proper credit include your account number with your payment

| | |
|--------------|------------------|
| Subtotal | 11,550.85 |
| Sales Tax | |
| Freight | |
| TOTAL | 11,550.85 |

Regional Designation of the Zumbro Water Trail (ZWT): A path to state funding for recreation in the Zumbro Watershed

24 Jan 18

What is the ZWT?

The Zumbro River and its main branches (Figure 1) would be the “trail” that connects existing and proposed recreational assets of our communities into a network of parks for citizens and visitors to canoe, kayak, fish, camp, or simply enjoy our natural resources. A network of parks would enhance access to the Zumbro and its branches in an area where public access is rare, and infrastructure is lacking. A network of parks would allow citizens and visitors to plan multi-day trips to our area, encouraging patronage to businesses in our community. Each community that joins will decide the future of the trail and how to share funding.

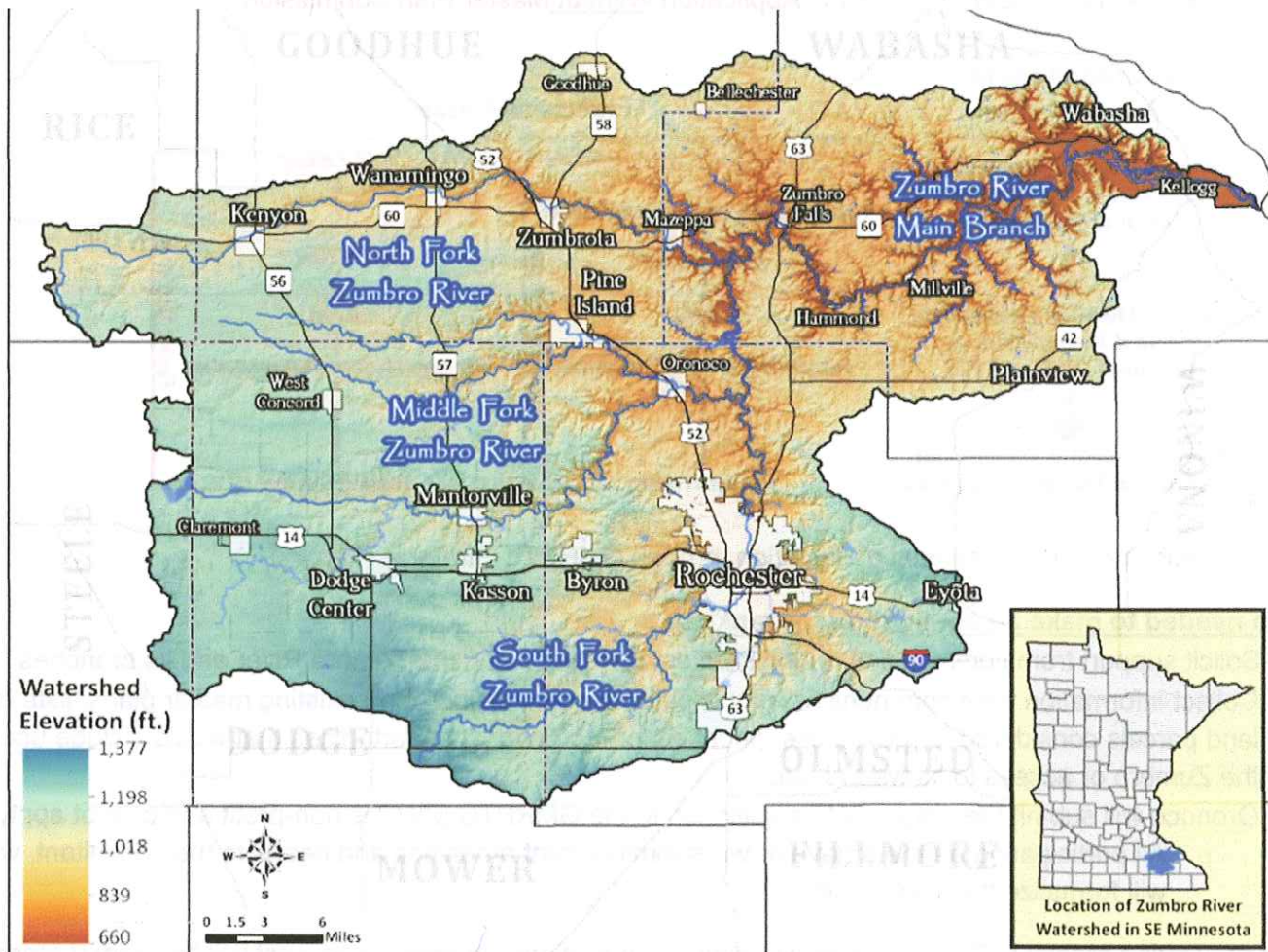


Figure 1. The Zumbro Watershed with its main branches labeled.

What is the regional designation and why would that bring money to my community?

The Greater Minnesota Regional Parks and Trails Commission (GMRPTC) www.gmrptccommission.org was established in 2013 to facilitate the development of parks and trails of regional significance and provide recommendations to the legislature for grants provided by the Legacy Parks and Trails Fund. Monies and resources of GMRPTC are dedicated to local governments **outside the seven-county metropolitan area**.

To obtaining funding, the ZWT would need to be designated as a regional park or trail by GMRPTC. Several area parks have gained that designation and had received funding, including Quarry Hill and Gamehaven (both in Rochester). Designation would allow local government units to obtain state funding to implement park master plans already in place or provide funding for local governments to develop new amenities.

How did we get here?

- On July 12th, 2017 representatives from the GMRPTC, the Zumbro Watershed Partnership (ZWP), 12 cities and 3 counties met in Oronoco to gage interested in developing the ZWT and better understand GMRPTC designation and funding process.
- With the positive reception of the ZWT concept, we held additional meetings last fall to determine roles, formulate an approach to designation and further our outreach to potential partner counties and municipalities in the Zumbro Watershed.
- The City of Oronoco is leading this effort with support from ZWP.
- After lengthy discussions with the GMRPTC, we have decided to pursue ranking without developing a master plan for the ZWT (Figure 2), "Application Without Master Plan Submission"

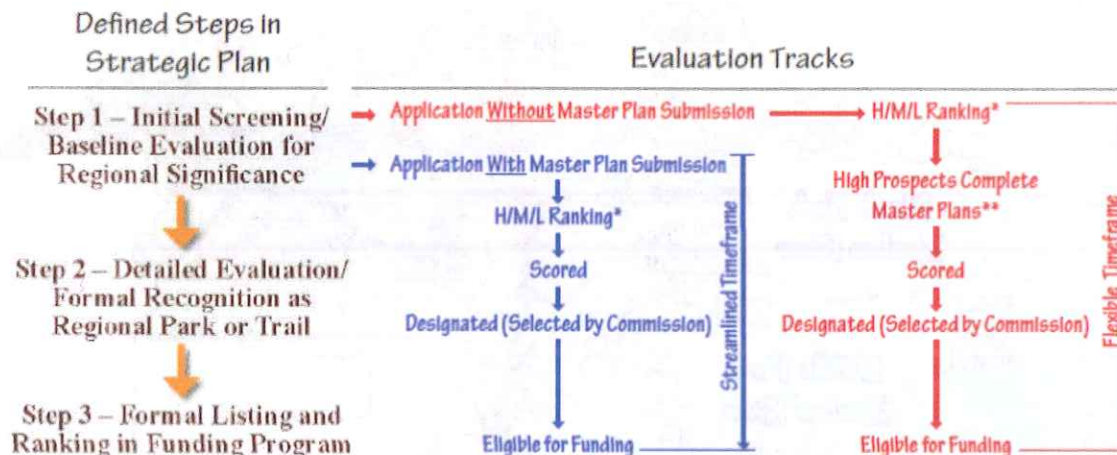


Figure 2. Steps in obtaining regional designation through GMRPTC Strategic Plan.

What is needed to make an application for ranking:

- Solicit support from communities, municipalities, counties along the Zumbro River and its branches.
- Collect information from communities, municipalities, counties including existing master plans, lists of land parcels considered for public use, priorities for recreational opportunities that would include use of the Zumbro or access to its waters, etc.
- Oronoco will submit the single ZWT application to the GMRPTC (ZWP is non-profit and cannot apply)
 - All participating partners have or will submit current amenities and needs to the consultant, who will formalize the application.

We are requesting at total of \$2,000 to hire a consultant to prepare the application; cost will be divided among partners.

If we receive a High Ranking:

- A "**High Ranking**" by the GMRPTC evaluation team will allow the ZWT to continue with the next step.
- A Master Plan for the ZWT will need to be developed and a governance structure determined.
 - Consultant's fee per city would be ~\$3,000.00. However, a plan needs to be developed by the ZWT team on how best to make it fair for the different populated cities
- The consultant would work with the individual cities to help identify their individual Master Plan and to input that information into the overall ZWT Master Plan
- The ZWT Master Plan would be submitted by the city of Oronoco to GMRPTC
- The GMRPTC will score it and determine if the ZWT can be designated as a Regional Trail.
- The Regional Trail designation would make the ZWT eligible for Legacy Parks & Trails funding

- The ZWT team will determine how best to allocate funding to the participant cities

Future: Branding, marketing and promotion of the ZWT for recreational and economic development!

This is an exciting time for the communities in the ZWP to obtain a Regional Designation!

Contact information: Ryland Eichhorst, email: oronocomayor@gmail.com , Cell: 507-993-9045

AGREEMENT RELATING TO THE OLD STONE WATER TOWER

THIS AGREEMENT is made this ____ day of _____, 2018, between the City of Kasson, a Minnesota municipal corporation, (hereinafter referred to as the "City"), and the Dodge County Historical Society, a Minnesota non-profit corporation, (hereinafter referred to as the "DCHS").

WHEREAS, on June 1, 1997, the above parties entered into an Agreement relating to the Old Stone Water Tower; and

WHEREAS, the Old Stone Water Tower is located on City-owned property located at the southeast corner of 2nd Street NW and 4th Avenue NW, a legal description of which property is described on the attached Exhibit #1; and

WHEREAS, the parties agree to terminate the 1997 Agreement with the signing of this Agreement;

THE PARTIES HEREBY AGREE TO THE FOLLOWING:

1. To safeguard the Old Stone Water Tower's status on the National Register of Historic Places, the City agrees to consult with the Minnesota State Historic Preservation Office before beginning any preservation, rehabilitation, restoration, or reconstruction work on the Old Stone Water Tower.

2. As of January 17, 2018, the DCHS holds in trust for the restoration and future upkeep of the Old Stone Water Tower funds in the approximate amount of \$11,000.00. Those funds shall be earmarked SOLELY a) for the use of the restoration and upkeep of the Old Stone Water Tower by the City, and b) for the creation and installation of a historic marker for the Old Stone Water Tower. Upon execution of this Agreement, the DCHS shall provide the City a copy of the January 2018 bank statement showing the actual remaining amount of funds it holds in trust for the benefit of the Old Stone Water Tower. For each subsequent quarter that there remains a balance in that account, the DCHS shall provide the City a copy of the bank statements and all documentation of how any such remaining funds were spent during that quarter. Upon the City's presentation to the DCHS of a plan for restoration of the Old Stone Water Tower, the DCHS agrees to reimburse the City for 100% from the remaining funds.

3. A historic marker for the Old Stone Water Tower will be paid for from the funds held in trust by the DCHS and installed on the Old Stone Water Tower property by August 1, 2018. (The Kasson City Council may grant DCHS an extension to accommodate the manufacturer's schedule.) The historic marker shall be created by one of the companies specializing in historical marker design and creation listed in the Minnesota Historical Society Preservation Specialist Directory. The Kasson City Council retains the final right of approval of the size, appearance and language of the historic marker prior to its creation, and retains the final right of approval over the location and placement of the marker.

4. The DCHS states that the only structural artifact of the Old Stone Water Tower in its possession is a shutter. The shutter shall remain the property of the DCHS.

5. The DCHS may, upon approval of the Kasson City Council, provide interpretive programs for the Old Stone Water Tower. The DCHS shall assume all risks associated with providing such programs and each party shall provide proof of insurance to the other prior to the event. Should the City ask the DCHS to provide programming at the Old Stone Water Tower, each party shall provide proof of its own insurance to the other party prior to the event. DCHS shall provide a certificate of insurance to the City of Kasson on an annual basis.

6. Neither the DCHS nor its members or agents shall make any improvements to or perform any landscaping on the Old Stone Water Tower property without the prior written consent of the Kasson City Council.

7. This Agreement relating to the Old Stone Water Tower constitutes the entire agreement between the parties and shall be governed by the laws of the State of Minnesota.

8. All notices required herein shall be in writing and delivered personally or mailed to the addresses shown below and if mailed, are effective as of the date of mailing;

Kasson City Administrator
Kasson City Hall
401 5th Street SE
Kasson, MN 55944

Dodge County Historical Society
P.O. Box 456
615 N. Main
Mantorville, MN 55955

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement relating to the Old Stone Water Tower on the day and year first above written.

CITY OF KASSON

Chris McKern, Mayor

Theresa Coleman, City Administrator

STATE OF MINNESOTA)
)ss.
COUNTY OF DODGE)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by Chris McKern and Theresa Coleman, the Mayor and City Administrator of the City of Kasson, a municipal corporation under the laws of the State of Minnesota on behalf of the City.

Notary Public

DODGE COUNTY HISTORICAL SOCIETY

Coy Borgstrom, President

Donald Westfall, Executive Director

STATE OF MINNESOTA)
)ss.
COUNTY OF DODGE)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by _____ and _____, as agents and officers of the Dodge County Historical Society, a Minnesota Non-Profit Corporation.

Notary Public

PROCLAMATION TO DECLARE FEBRUARY 15, 2018 "NOT FOR SALE DAY" TO RAISE AWARENESS ABOUT SEXUAL EXPLOITATION

WHEREAS, sexual exploitation is defined as the sexual abuse of someone who engages in commercial sexual activity. Commercial sexual activity occurs when anything of value or a promise of anything of value, such as money, drugs, food, shelter, protection, and other basics of life, is provided to a person by any means in exchange for any type of sexual activity. A third person may or may not be involved; and

WHEREAS, sexual trafficking and commercial sexual exploitation is a market built on exploitation, violence, and brutality. Sex buyers use money and power to exploit victims. Traffickers profit by linking buyers to victims for sale. Facilitators of trafficking recruit a supply of victims and prepare them for sale through systematic exploitation of specific needs and vulnerabilities; and

WHEREAS, victims of sexual exploitation come from every background, race, gender, sexual orientation, age and economic status. The average age of entry for a minor who is exploited is 12 to 14 years of age. These youth often go unidentified or misidentified and unreported;

WHEREAS, a comprehensive Minnesota study released in August 2017, found that buyers typically are white middle-aged males who travel 30 to 60 miles for sex, often before or after work, while on their lunch break, on business trips or male-focused vacations like hunting trips. Based on a national study, 26,000 Minnesota men may have bought sex in the past year; and

WHEREAS, the perpetrators of sexual exploitation cause great harm and trauma to their victims, violating their rights, they also traumatize families, and undermine the stability, safety and well-being of our communities; and

WHEREAS, law enforcement officials and nonprofits across Minnesota are taking aggressive and new action to crack down on buyers of commercial sex and boosting programs aimed at prevention measures for keeping persons from being exploited and sex-trafficked; and

WHEREAS, survivors of sexual exploitation have bravely confronted this issue by telling their stories and leading multidisciplinary coalitions of advocates to support victims of this crime and to educate communities; and

WHEREAS, the Minnesota Department of Health and Minnesota Department of Human Services as well as other state and nonprofit agencies along with local municipalities and law enforcement agencies are working together towards providing supportive victim-centered services such as trauma-informed services and safe housing, as well as Regional Navigators who are responsible for connecting victims with services and serving as experts for their communities; and

WHEREAS, “Not for Sale Day” is an opportunity to educate, promote safety for all, accountability and justice, and underscore the commitments made by organizations and communities to end sexual exploitation in our communities.

NOW, THEREFORE WE, Mayor McKern and the Kasson City Council, call upon all citizens of Kasson to join the Kasson Police Department in declaring **February 15, 2018**, as “**Not for Sale Day.**”

FURTHER, LET IT BE KNOWN THAT, WE, Mayor McKern and the Kasson City Council, do hereby proclaim **February 15, 2018**, as “**Not for Sale Day.**”

Administrator Coleman

Mayor Chris McKern

2018 FEE SCHEDULE

ELECTRIC

| ELECTRIC | | | Oct-May | June-Sept |
|------------|---------------|----------------------------|---------|-----------|
| Base Rate: | \$14.00/month | Residential Energy | 0.105 | 0.12 |
| | \$14.00/month | All Electric Resid. Energy | 0.09 | 0.108 |
| | \$22.00/month | Small Commercial Energy | 0.109 | 0.125 |
| | \$50.00/month | Large Commercial Energy | 0.062 | 0.068 |
| | | Large Commercial Demand | \$11.60 | \$14.00 |

Customers with a demand reading between 25 kW and 50 kW monthly have the annual option to select their commercial rate class.

| | |
|--------------------------------------|--|
| Bi-Directional Meter | \$22.44 per month |
| Street Security Light | \$10 per month |
| Conservation Improvement Program Fee | 3.00% |
| Wind Power: | 1 unit: \$2.69; 2 units: \$5.39; 3 units: \$8.08 |

| | |
|----------|-------------------------------------|
| Deposits | \$115.00 – residential (non-owners) |
| | \$180.00 – commercial (non-owners) |

| | | |
|-------------|---|-----------------|
| Service Fee | \$50.00 | 7:00 AM-5:00 PM |
| | (No reconnections after business hours) | |

| | |
|-----------------------|--|
| Electrical Meter | Actual cost of the meter |
| Electric Installation | \$220.00 per lot in residential subdivisions |

*In commercial and industrial areas, the owner shall assume and be solely responsible for 50% of the total cost of the materials for the installation of the electric service including transformer. The owner shall provide the current transformer cabinet and access to the meter. The City shall supply current transformers and meter socket at the City's expense. The owner shall be responsible for supplying and installing service conductors to the transformer in accordance with the state electrical code. The owner shall provide the material for service connections. The City of Kasson shall make all connections.

| | |
|-------------------------|--|
| Estimated Meter Reading | \$110.00 per month after two consecutive estimates |
|-------------------------|--|

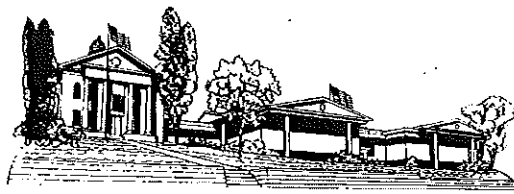
Miscellaneous

| | | |
|--------|----------------|--------------------|
| 110.0* | Pole Rental | \$10.00 per pole |
| | Antenna Rental | Per contract basis |

Rates adjusted per outcome of electric rate study. For publication August 3, 2017.

DODGE COUNTY ASSESSOR'S OFFICE

Ryan DeCook, SAMA
County Assessor
721 Main St N
Mantorville, MN 55955-2207



Kim Walstad
McKenzie Hundorf
Matt Naatz, SAMA
Mike Stupka, SAMA
Wendy Iverson, CMA

Phone: (507) 635-6245

Fax: (507) 635-6265

Toll-Free: (888) 600-5169

January 30, 2018

TO: Theresa Coleman, City of Kasson

FROM: Ryan DeCook, Dodge County Assessor

RE: 2018 OPEN BOOK MEETING

The 2018 Open Book for _____ City of Kasson _____ will be held on
_____ Thursday, April 12, 2018 _____ at _____ 3:00 pm _____ to _____ 4:00 pm _____ located at the
Dodge County Government Services Building located at 721 Main St N, Mantorville.

Please call the assessor's office to schedule an appointment.



Phone: 507-634-3881
Fax: 507-634-4698

19 East Main Street
Kasson, MN 55944

Chief Kent Berghuis
Kasson Police Department
19 E Main St
Kasson, Mn.

January 26th, 2018

This is an open letter notifying you and the administration of the City of Kasson of my intent to retire. My last scheduled shift will end at 6:00 A.M. on March 2nd, 2018, and my last day of employ will be on March 4th, 2018, at 11:59 P.M.

In brief, I started working for the Dodge County Sheriff's Department on August 4th, 1988, as a dispatcher. Later I became a part-time deputy and then moved up to a full-time deputy position. Several years later I became a part-time officer for the City of Kasson and then a full-time officer. Now, after almost 30 years of service to the citizens of Dodge County and the City of Kasson, I find I must move on.

When I first started at the Sheriff's Department, Kasson had less than 3,000 residents but now has a population of over 6,000. The Police Department at the time had a Chief, a Sergeant and two full time officers. As the town has grown, so has the department, with many additions and accomplishments along the way.

In a survey conducted several years ago, the people of Kasson said that they were satisfied with the department and service it was delivering. Our department had done drug stings, internet crime stings, prostitution stings and other such operations, all of which made it known that Kasson was a safe city that did not tolerate such activities.

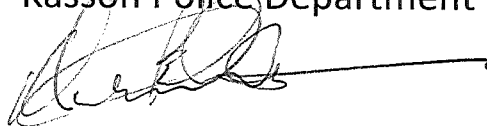
There were notices posted all over the internet referencing our goals and achievements and advising others involved in such illicit activities to stay away.

I was proud to have been a part of this department and it's legacy, and hope that you will continue to recruit officers that are willing to take on the challenge and carry forward what the Kasson Police Department has stood for.

I also hope that the city's administration continues to support the department in it's service to the community. It took the dedication of many fine men and women of this department to help make the city what it has become, and to think that because this is considered one of the safest cities in Minnesota it will naturally continue to be so is short sighted. The city sees many benefits from this status, insurance premiums, economic ratings, and etcetera. It's like an automobile, if you do no maintenance it will start to fail and eventually break down. At that point it is too late as the cost to repair or replace is more than if it had been done correctly from the beginning.

In closing, I wish to thank the officers in all the law enforcement agencies that have assisted us, or we assisted over these years. Even though we wear different uniforms, we are one in service to our communities. I also wish to thank the staff of all the departments of the City of Kasson whom I have enjoyed working with as we assisted each other to make this a better community to work and live in. You do make Kasson a better place to be.

Officer Michael Bodenheimer
Kasson Police Department

A handwritten signature in black ink, appearing to read "Michael Bodenheimer", with a long horizontal flourish extending to the right.

M E M O

DATE: 1/19/2018
TO: Mayor and Council
FROM: Chief Berghuis
RE: Replacement of Retiring Full Time Patrol Officer

To Mayor and City Council Representatives:

I am requesting that the city fill a full-time position left by Officer Michael Bodenheimer, who will be retiring effective March 3, 2018, after serving the city and its citizens for 15 years. This position will be a starting Patrol Officer position Grade 10 Step 1. Upon approval by the council, we will post the opening internally and externally through the Minnesota Post Board web site.

Respectfully Submitted,

Kent Berghuis
Chief of Police



KASSON FIRE DEPARTMENT

FIRE - RESCUE - EMS - 101 E. MAIN STREET - KASSON, MN 55944

02/09/2018
0900 HRS

Kasson Fire Department
101 E Main St
Kasson, MN 55944

Subject: Staffing reinstatement (Probationary Firefighter)

Staff: Juan Menchaca

City of Kasson
401 5th ST SE
Kasson, MN 55944
Attn: City Administrator & Mayor

Ms. Coleman (Theresa) & Mr. McKern (Chris)

As Fire Chief of the Kasson Fire Dept it is my duty and charge to establish and maintain a volunteer / paid-on-call workforce of well educated, proficient, and engaged individuals, so-as-to enable timely response to "calls for assistance" within the City of Kasson, our Fire District, and our surrounding communities.

As you may recall one of our probationary staff member – Mr. Menchaca (Juan), had to step away from Kasson Fire Department for a period of time – do to challenges associated in securing MN firefighter certifications.

Recently Mr. Menchaca (Juan), engaged me as to the possibility of re-joining the team. In the time he has been away from Kasson Fire Department, he has of his own accord, time, and at personal financial expense successfully secured MN credentialing of Firefighter I & II.

I am quite pleased with the personal efforts of Mr. Menchaca (Juan) and of the opinion that with his certifications in place, he would most certainly pick-up where he left off – being a strong team player and valued asset of Kasson Fire Department and the community we serve – if given the opportunity to do so.

Additionally I would offer feedback from the Officers of Kasson Fire Department. When asked to offer comment on Mr. Menchaca (Juan) and the matter of proposed reinstatement as a probationary firefighter – they shared the following.

- Pride while knowing the limits of your abilities, dedication, perseverance, coping with adversity, and the willingness to put yourself in harm's way in the service of others. These are personal characteristics which I hold is the highest esteem. These characteristics have been demonstrated by Juan.
- I'm confident that bringing Juan back to the fire department - he will be an asset.
- Juan has much to offer to our Department and Community, and can be a role model for those within our community.
- In some sense he has more desire to be a Fire Fighter than individuals that are on the department right now.

The mission of Kasson Fire Department is to provide life safety and hazard response to the citizens and visitors of the community we serve, in a safe, professional and ethical manner. Our focus will be to actively engage in prevention, public education, risk management, emergency response, code enforcement, fire investigation and professional development.



KASSON FIRE DEPARTMENT

FIRE - RESCUE - EMS - 101 E. MAIN STREET - KASSON, MN 55944

Based on the above provided information - I am respectfully asking the Kasson City Council to reinstate Mr. Juan Menchaca, as a probationary firefighter with Kasson Fire Department.

((Note - Mr. Menchaca (Juan) to serve a probation period unit JAN 2019, assessment that that time as to his future status))

Should you have any questions – please feel free to contact me @ 507-421-0040

Respectfully

Joe Fitch - Fire Chief

LEASE FOR 16 FIRST AVENUE NW, KASSON, MINNESOTA

This Lease is made on 4-3-2017 ^{JC} (date), between the City of Kasson, a municipal corporation organized under the laws of the State of Minnesota, having its principal office at 401 5th Street SE, City of Kasson, County of Dodge, State of Minnesota, herein referred to as Lessor, and MANNY GUJARDO of the City of ROCHESTER, County of OLMSTED, State of Minnesota, herein referred to as Lessee. ^{JC} [✓]

RECITALS

1. Lessor is the sole owner of the Premises described below, and desires to lease the Premises to a suitable Lessee for business purposes.

2. Lessee desires to lease the "Premises" for the purpose of conducting a business of

THRIFT STORE & CLOTHING BANK ^{JC} [✓]

3. The parties desire to enter a Lease Agreement defining their rights, duties, and liabilities relating to the premises.

In consideration of the mutual covenants contained herein, the parties agree as follows:

SECTION ONE
PREMISES AND PURPOSE

Lessor hereby leases to the Lessee the following described property ("Premises") as illustrated by the attached Exhibit "A", located at 16 First Avenue NW, Kasson, Minnesota, namely:

consisting of approximately 2400 ^{JC} [✓] square feet of space for Lessee's use as follows:

SECTION TWO

TERM

The term of this Lease shall commence on 05-10, 2017 ("Commencement Date") and terminate 12 months thereafter on 05-10, 2018, unless sooner terminated as hereinafter provided. *JC*

SECTION THREE

BASE RENT

Lessee shall pay to Lessor as base rent the sum of ~~\$1,400.00~~ \$16,800 Dollars per annum, payable in twelve equal monthly installments of 1,400.00 Dollars each payable in advance on the first day of each month commencing MAY 1, 2017, without any set-offs or deductions and without any prior demand being required therefor. *JC*

SECTION FOUR

ADDITIONAL RENT

Lessee shall pay as additional rent all other sums due under this Lease.

A. Operating Expenses. Lessee shall pay as additional rent the operating expenses of Lessor for the Building. Lessor shall invoice Lessee monthly for Lessee's pro rata share of the operating expenses, which amount shall be paid by Lessee within ten (10) calendar days of the invoice date. Within six (6) months following the close of each calendar year, Lessor shall provide Lessee an accounting showing in reasonable detail the computations of additional rent due under this Section. In the event shows that the total of the monthly payments made by Lessee exceeds the amount of additional rent due by Lessee under this Section, Lessor shall apply the amount of such excess payments against future operating expenses. In the event the accounting shows that the total of the monthly payments made by Lessee is less than the amount of additional rent due by Lessee under this Section, the accounting shall be accompanied by an invoice for the additional rent, which additional rent shall be payable within ten (10) calendar days from the date thereof.

Operating expenses include all expenses incurred by the Lessor with respect to the maintenance and operation of the Building and land upon the described Exhibit "A", including but not limited to the following: maintenance, repair and replacement costs; electricity, fuel, water, sewer, gas, and other common building utility charges; equipment use for maintenance and operation of the Building; operational expenses; exterior window washing and janitorial services; trash and snow removal, landscaping and pest control; an administrative fee equal to five (5%) percent of Base Rent, as from time to time adjusted, for administrative expenses associated with the operation and maintenance of the Building ("Management Fees"); all services, supplies, repairs, replacements or other expenses for

*per
verbal
agreement
rent due
on 7th
of each
month.
J.*

maintaining and operating the Building or project including parking and common areas; improvements made to the Building which are required under any governmental law or regulation that was not applicable to the Building at the time it was constructed; installation of any device or other equipment which improves the operating efficiency of any system within the Premises and thereby reduces operating expenses; all other expenses would generally be regarded as operating, repair, replacement and maintenance expenses; all real property taxes and installments of special assessments, including dues and assessments by means of deed restrictions and/or owners' associations against the Building during the term of this Lease and legal fees incurred in connection with actions to reduce the same; and all insurance premiums Lessor is required to pay or deems necessary to pay, including fire and extended coverage, rent loss and public liability insurance, with respect to the Building. Expressly excluded from operating costs is any new construction expenditures of Lessor. Real estate taxes for any calendar year shall be deemed to be the taxes due and payable in the respective calendar year, even though the levy or assessment thereof may be for a different fiscal year, and shall include general real estate taxes, special assessments and any other taxes that may be imposed in lieu of or partially in lieu of general real estate taxes. Such costs as hereinbefore described shall be pro-rated for the first year and the last year of this Lease based upon the number of days during said year that Lessee has a right to occupy the demised Premises.

B. Increase in Insurance Premiums. If any increase in any insurance premiums paid by Lessor for the Building is caused by Lessee's use of the Premises, or if Lessee vacates the Premises and causes an increase in such premiums, then Lessee shall pay as additional rent the amount of such increase to Lessor.

C. Security Deposit. Lessee shall pay to Lessor the sum of \$1,400.00 Dollars as a security deposit to be held by Lessor for the performance of Lessee's covenants and obligations under this Lease.

SECTION FIVE

AS IS

It is specifically understood and agreed that the lessee has inspected said Premises and is leasing said Premises "AS IS" without any responsibility of the lessor to make repairs or improvements.

SECTION SIX

RESTRICTIONS ON USE

Lessee shall not use the premises in any manner that will increase risks covered by insurance on the Premises and result in an increase in the rate of insurance or a cancellation of any insurance policy, even if such use may be in furtherance of Lessee's business purposes. Lessee shall not keep, use, or sell anything prohibited by any policy of fire insurance covering the Premises, and shall

comply with all requirements of the insurers applicable to the premises necessary to keep in force the fire and liability insurance.

SECTION SEVEN
WASTE, NUISANCE, OR UNLAWFUL ACTIVITY

Lessee shall not allow any waste or nuisance on the Premises, or use or allow the Premises to be used for any unlawful purpose.

SECTION EIGHT
UTILITIES AND TAXES

Lessee shall arrange and pay for all utilities furnished to the Premises for the term of this Lease, including electricity, gas, water, sewer, telephone service, real estate taxes and all other taxes, if any.

SECTION NINE
REPAIRS AND MAINTENANCE

Lessee shall, at his own expense, maintain in good condition and keep clean all portions of the leased Premises. In the event that any of the structures on the leased Premises are destroyed by cause other than Lessee's negligence, this lease, at Lessor's option, shall be terminated. Lessor shall not be required to rebuild, repair or replace any improvements or alterations. Title to all fixtures and improvements remain with Lessor.

SECTION TEN
SIGNS

No sign of any type or description shall be erected, placed or painted in or about the Premises or Building, which are visible from the exterior of the Premises, except those signs submitted to Lessor in writing and approved by Lessor in writing and which signs are in conformance with Lessor's sign criteria established for the Building. Lessor shall have the right to remove any nonconforming sign, and Lessee shall be liable for any and all expenses incurred by Lessor by said removal.

SECTION ELEVEN
COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Lessee, at Lessee's sole cost and expense, shall comply with all laws, ordinances, orders, rules and regulations of state, federal, municipal or other agencies or bodies having jurisdiction over the use, condition or occupancy of the Premises. Lessee will comply with the reasonable rules and regulations of the Building adopted by Lessor. Lessor shall have the right at all times to change and amend the rules and regulations in any reasonable manner as may be deemed advisable for the safety, care, cleanliness, preservation of good order and operation or use of the Building or the Premises. All rules and regulations of the Building will be sent by Lessor to Lessee in writing within thirty (30) days prior notice to their effective date (except where the change is due to an emergency or public safety) and shall thereafter be carried out and observed by Lessee.

SECTION TWELVE
DELIVERY, ACCEPTANCE, AND SURRENDER OF PREMISES

Lessor represents that the Premises are in fit condition for use by Lessee. Acceptance of the Premises by Lessee shall be construed as recognition that the Premises are in a good state of repair and in sanitary condition. Lessee shall surrender the Premises at the end of the Lease term, or any renewal thereof, in the same condition as when Lessee took possession, allowing for reasonable use and wear, and damage by acts of God, including fires and storms together with all improvements thereon. All improvements made on the Premises shall be forfeited to Lessor without compensation therefore to Lessee. Before delivery, Lessee shall remove all business signs placed on the Premises by Lessee and restore the portion of the Premises on which they were placed in the same condition as when received.

SECTION THIRTEEN
ENTRY ON PREMISES BY LESSOR

Lessor reserves the right to enter on the Premises at reasonable times to inspect them, perform required maintenance and repairs, or make additions, alterations, or modifications to any part of the Building in which the Premises are located, and Lessee shall permit Lessor to do so. Lessor may erect scaffolding, fences, and similar structures, post relevant notices, and place moveable equipment in connection with making alterations, additions, or repairs, all without incurring liability to Lessee for disturbance of quiet enjoyment of the Premises, or loss of occupation thereof.

SECTION FOURTEEN
NONLIABILITY OF LESSOR FOR DAMAGES

Lessor shall not be liable for liability or damage claims for injury to persons or property from any cause relating to the occupancy of the Premises by Lessee, including those arising out of damages or losses occurring on sidewalks and other areas adjacent to the leased Premises during the term of this Lease or any extension thereof. Lessee shall indemnify Lessor from all liability, loss, or other damage claims or obligations including attorney's fees, resulting from any injuries or losses of this nature.

SECTION FIFTEEN
LIABILITY INSURANCE

Lessee shall procure and maintain in force at his expense during the term of this Lease and any extension thereof public liability insurance with insurers and through brokers approved by Lessor. Such coverage shall be adequate to protect against liability for damage claims through public use of or arising out of accidents occurring in or around the leased Premises, in a minimum amount of One Million Dollars - (\$1,000,000.00) for each person injured, One Million Dollars - (\$1,000,000.00) for any one accident, and One Million Dollars - (\$1,000,000.00) for property damage. The insurance policies shall provide coverage for contingent liability of Lessor on any claims or losses. The policies shall be delivered to Lessor for keeping. Lessee shall obtain a written obligation from the insurers to notify Lessor in writing at least thirty (30) days prior to cancellation

or refusal to renew any policy. If the insurance policies are not kept in force during the entire term of this lease or any extension thereof, Lessor may procure the necessary insurance and pay the premium therefor, and the premium shall be repaid to Lessor as an additional rent installment for the month following the date on which the premiums were paid by Lessor.

SECTION SIXTEEN **LESSOR'S INSURANCE**

Lessor agrees to purchase in advance, and to carry in full force and effect, the following insurance:

- A. "All risk" property insurance coverage, or its current equivalent, on the Building, exclusive of Lessor's leasehold improvements, in such amounts as Lessor deems prudent.
- B. Comprehensive general public liability insurance covering the Building, in a combined single limit amount of not less than One Million Dollars - (\$1,000,000.00), and written on an "occurrence" basis.
- C. Plate glass insurance.

SECTION SEVENTEEN **ASSIGNMENT, SUBLEASE, OR LICENSE**

Lessee shall not assign or sublease the Premises, or any right or privilege connected therewith, or allow any other person except agents and employees of Lessee to occupy the Premises or any part thereof without first obtaining the written consent of Lessor. A consent by Lessor shall not be a consent to a subsequent assignment, sublease, or occupation by other persons. An unauthorized assignment, sublease, or license to occupy by Lessee shall be void and shall terminate the Lease at the option of Lessor. The interest of Lessee in this Lease is not assignable by operation of law without the written consent of Lessor.

SECTION EIGHTEEN **BREACH**

The appointment of a receiver to take possession of the assets of Lessee, a general assignment for the benefit of the creditors of Lessee, any action taken or allowed to be taken by Lessee under any bankruptcy act, or the failure of Lessee to comply with each and every term and condition of this Lease shall constitute a breach of this Lease. Lessee shall have ten (10) days after receipt of written notice from Lessor of any breach to correct the conditions specified in the notice, or if the corrections cannot be made within the ten (10) day period, Lessee shall have a reasonable time to correct the default if action is commenced by Lessee within ten (10) days after receipt of notice.

SECTION NINETEEN **REMEDIES OF LESSOR FOR BREACH OF LESSEE**

Lessor shall have the following remedies in addition to its other rights and remedies in the

event Lessee breaches this Lease Agreement and fails to make corrections as set forth in Section Seventeen:

1. Lessor may re-enter the Premises immediately and remove the property and personnel of Lessee, store the property in a public warehouse or at a place selected by Lessor, at the expense of Lessee. All improvements made on the Premises shall be forfeited to Lessor without compensation therefore to Lessee.

2. After re-entry Lessor may terminate the Lease on giving thirty (30) days' written notice of termination to Lessee. Without such notice, re-entry will not terminate the Lease. On termination Lessor may recover from Lessee all damages proximately resulting from the breach, including the cost of recovering the Premises and the worth of the balance of this Lease over the reasonable rental value of the Premises for the remainder of the Lease term, which sum shall be immediately due Lessor from Lessee.

3. After re-entering, Lessor may relet the premises or any part thereof for any term without terminating the Lease, at such rent and on such terms as it may choose. Lessor may make alterations and repairs to the premises. The duties and liabilities of the parties if the Premises are relet as provided herein shall be as follows:

a. In addition to Lessee's liability to Lessor for breach of the Lease, Lessee shall be liable for all expenses of the reletting, for the alterations and repairs made, and for the difference between the rent received by Lessor under the new Lease Agreement and the rent installments that are due for the same period under this Lease.

b. Lessor at its option shall have the right to apply the rent received from reletting the Premises (1) to reduce Lessee's indebtedness to Lessor under the Lease, not including indebtedness for rent, (2) to expenses of the reletting and alterations and repairs made, (3) to rent due under this Lease, or (4) to payment of future rent under this Lease as it becomes due.

If the new Lessee does not pay a rent installment promptly to Lessor, and the rent installment has been credited in advance of payment to the indebtedness of Lessee other than rent, or if rentals from the new Lessee have been otherwise applied by Lessor as provided for herein, and during any rent installment period, are less than the rent payable for the corresponding installment period under this Lease, Lessee shall pay Lessor the deficiency, separately for each rent installment deficiency period, and before the end of that period. Lessor may at any time after such reletting terminate the Lease for the breach on which Lessor based the re-entry and relet the premises.

4. After re-entry, Lessor may procure the appointment of a receiver to take possession and collect rents and profits of the business of Lessee, and if necessary, to collect the rents and profits the receiver may carry on the business of Lessee and take possession of the personal property used in the business of Lessee, including inventory, trade fixtures, and furnishings and use them in the business without compensating Lessee. Proceedings for appointment of a receiver by Lessor, or the appointment of a receiver and the conduct of the business of Lessee by the receiver, shall not terminate and forfeit this Lease unless Lessor has given written notice of termination to Lessee as provided herein.

SECTION TWENTY
ATTORNEY'S FEES

If Lessor files an action to enforce any agreement contained in this Lease, or for breach of any covenant or condition, Lessee shall pay Lessor reasonable attorney's fees for the services of Lessor's attorney in the action, all fees to be fixed by the Court.

SECTION TWENTY ONE
CONDEMNATION

Eminent domain proceedings resulting in the condemnation of a part of the Premises leased herein, but leaving the remaining Premises usable by Lessee for the purposes of its business, will not terminate this Lease unless Lessor, at its option, terminates the Lease by giving written notice of termination to Lessee. The effect of any condemnation, where the option to terminate is not exercised, will be to terminate the Lease as to the portion of the premises condemned, and the Lease of the remainder of the demised premises shall remain intact. The rental for the remainder of the Lease term shall be reduced by the amount that the usefulness of the Premises has been reduced for the business purposes of Lessee. Lessee hereby assigns and transfer to Lessor any claim he may have to compensation for damages as a result of any condemnation.

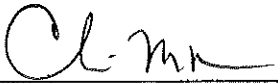

SECTION TWENTY TWO
TOTAL AGREEMENT: APPLICABLE TO SUCCESSORS


This Lease contains the entire agreement between the parties and cannot be changed or terminated except by a written instrument subsequently executed by the parties hereto. This Lease and the terms and conditions hereof apply to and are binding on the heirs, legal representatives, successors, and assigns of both parties.

IN WITNESS WHEREOF, the parties have executed this Lease at Kasson, Minnesota, the day and year first above written.

LESSOR


THE CITY OF KASSON

By: 
Its: Mayor 

By: 
Its: City Administrator, Theresa Coleman

LESSEE



By: 
Its: _____

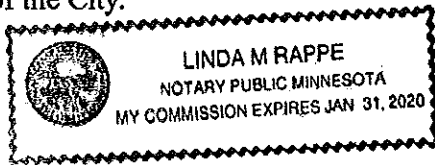
By: _____
Its: (507) 271 4021

STATE OF MINNESOTA

COUNTY OF DODGE

The foregoing instrument was acknowledged before me this 1st day of May

20 17, by Chris Nelson the Mayor of the City of Kasson, and Theresa Coleman, the City Administrator of the City of Kasson, a municipal corporation under the laws of Minnesota, on behalf of the City.

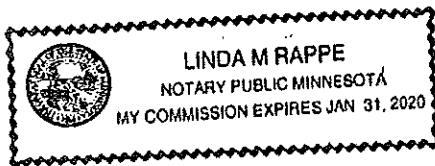


Linda M Rappe
Notary Public

STATE OF MINNESOTA

COUNTY OF DODGE

The foregoing instrument was acknowledged before me this 1st day of May, 2017, by Manny Guajardo, the owner of Sopma's, a thrift store under the laws of Minnesota, on behalf of the _____.




Linda M Rappe
Notary Public

This instrument was drafted by
Weber, Leth & Woessner, PLC
Melanie J. Leth
202 West Main Street
Kasson, MN 55944
(507) 634-2281



April 5, 2017

 Parcels

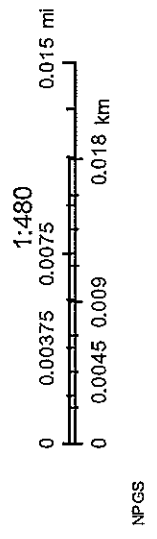
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— CITY — PVT — TWP

— CARG — CSAHG — RR — USHWY

— CARP — CSAHP — SHWY





ANNUAL REPORT
2016



“OUR GREATEST
CHALLENGES ARE
DEALING WITH
COMPLEXITY IN THE
ELECTRIC INDUSTRY AND
MAKING IT AFFORDABLE.
IF WE HAD TO HIRE
THIS EXPERTISE ALONE,
IT WOULD BE COST
PROHIBITIVE.”

-WENDY MEYER, CHAIR
OF THE BOARD 2015-16

**ON AGENCY
MEMBERSHIP:**

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LETTER FROM OUR CEO



If you watch a plant grow, you'll hardly notice its transformation as time goes by. However, if you check on it once and don't return for quite a while, you'll notice it has undergone a remarkable change.

The same can be said about CMMPA. We, along with our members, have changed substantially over the past year, but it is not until we look back and reflect on those changes that it becomes apparent how far we have come.

2016 was a great year for CMMPA, its members and the communities they serve. Some of the many things we accomplished together include:

- Maintaining a competitive edge by actively reducing costs for CMMPA members, who experience the lowest quartile of costs when compared to other municipal power agencies in a five-state region.
- Posting a 1.72 percent energy savings for members who participate in CMMPA's Conservation and Energy Efficiency program.
- Launching a Retail Community Solar Program, which is set to bring cost-efficient and scalable solar energy to multiple communities.

With the strategies undertaken by our team and the hard work of our members, 2016 was a year of success and notable achievements. We want to thank our employees, members, and all the communities we serve together.

In 2003, when a neighboring investor-owned utility reduced its long-term contractual obligation with many municipal utilities, CMMPA began the long, rigorous process of developing long-term power supply portfolios for each of its members. Every year since, we have succeeded in working with members to minimize their wholesale power costs and manage future risks to best serve their municipal customers.

We look forward to what we can make happen in 2017 as we roll-out a community solar project and continue exploring better energy investments and growth opportunities for both CMMPA and its members.

Sincerely,

A handwritten signature in dark ink that reads "Steve Thompson". The signature is written in a cursive, flowing style.

Steve Thompson
Chief Executive Officer
CMMPA



ABOUT OUR COMPANY

Central Minnesota Municipal Power Agency (CMMPA) serves as a municipal, non-profit, project-based, partial or full-requirements joint power agency. CMMPA formed a utility services agent, Central Municipal Power Agency and Services (CMPAS), to provide energy management and consulting services to public power members and affiliates.

CMPAS provides a wide range of services including strategic management, long-term power supply planning and procurement, project development and administration, accounting and finance. The Agency also offers Midcontinent Independent System Operator (MISO) market-related services, including daily energy scheduling and transmission services. CMPAS's specialized expertise in long-term power supply planning and energy markets is important for CMMPA's long-term success.

MISSION

Identify strategies that minimize wholesale power costs, manage future risks, and maintain stable and competitive rates while allowing utility boards flexibility and autonomy to customize their own electricity portfolio.

VISION

Serve in a consultative role as a municipal electricity portfolio adviser by offering specialized planning and procurement services for power supply and transmission.

COMMITMENT

Deliver unbiased, independent portfolio system solutions as a municipal utility's fiduciary and strategic adviser to best serve their municipal customers.

MUNICIPAL COMPASS TO POWER

MEET OUR BOARD

CMPAS currently manages the portfolios of 12 member municipals and provides power supply related services to non-member affiliates in Minnesota and Iowa. With headquarters in Blue Earth, Minnesota, the Agency is governed by a 12-member board comprised of a representative from each member city.

Richard A. Heinemann
CMPAS General Counsel



Bob Elston
Sleepy Eye, MN



Brent Brown
Windom, MN



Crystal Johnson
Granite Falls, MN



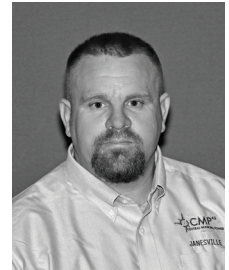
David Meyer
Glencoe, MN



Joel Grejtak
Fairfax, MN



Nate Zimmerman
Janesville, MN



Paul Twite
Delano, MN



Randy Eggert
Kenyon, MN



Scott Johnson
Springfield, MN



Theresa Coleman
Kasson, MN



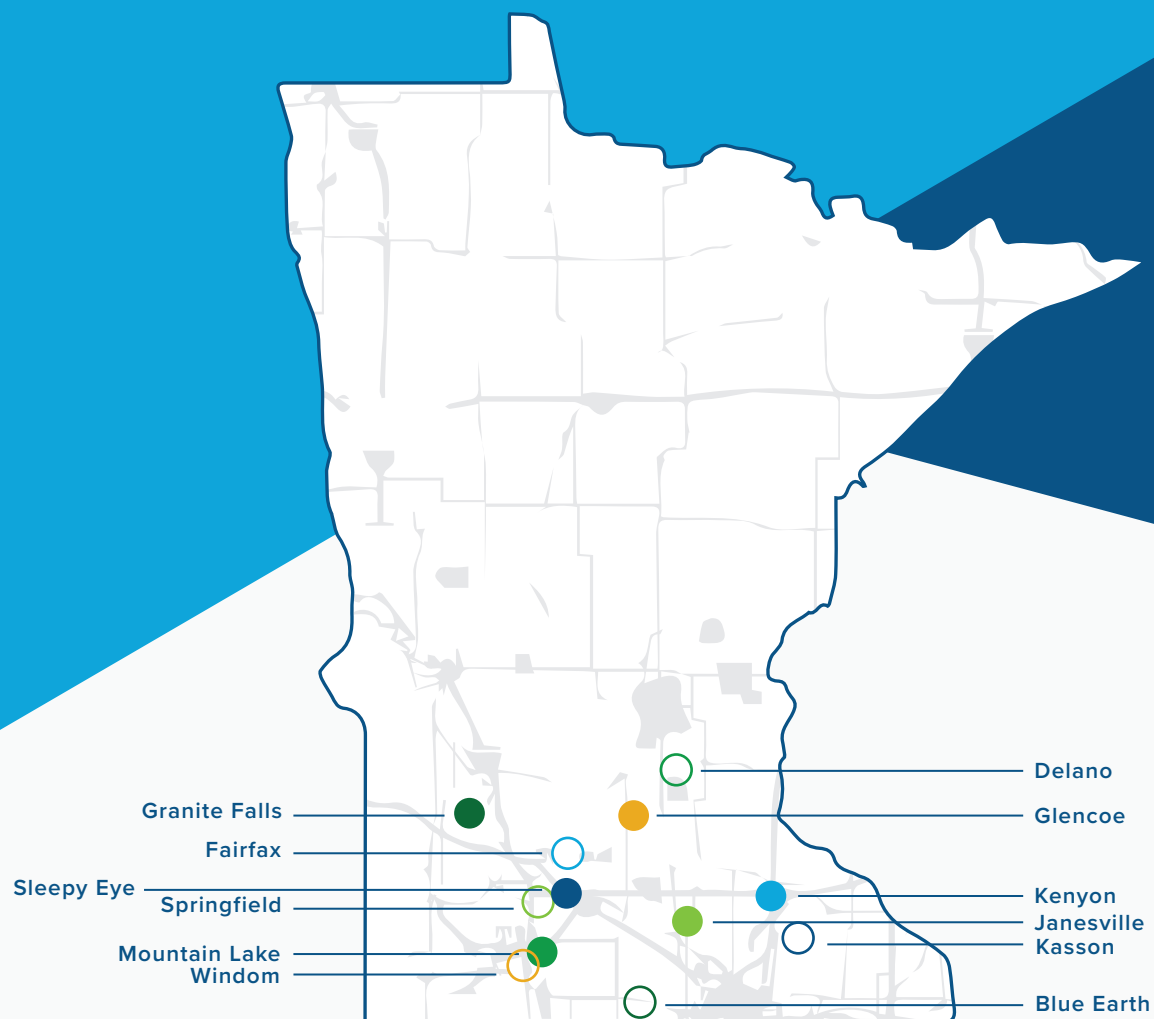
Tim Stoner
Blue Earth, MN



Wendy Meyer
Mountain Lake, MN



OUR MEMBERS



Our Affiliates:

| | | | | |
|-----------------|---------------|---------------|-------------|------------------|
| Cedar Falls, IA | Montezuma, IA | Indianola, IA | Waverly, IA | Independence, IA |
| | Eldridge, IA | Elk River, MN | Willmar, MN | |

2016 CMMPA HIGHLIGHTS

THE YEAR IN REVIEW

A year of success and notable achievements

CASH POSITION

CMMPA reached its unrestricted working cash goal by utilizing non-traditional revenue sources:

- Excess energy sales that are the result of exercising rights from our contract with Xcel Energy.
- MISO recovery from our CAPX Brookings Regulatory Asset for recovery of pre-commercial, transmission, and Administrative and General (A&G).
- Utilities Plus Energy Services (UPES) management fees.

This represented a \$3 million-dollar increase in the agency's cash position over the years 2015 & 2016.

COMPETITIVE EDGE

CMMPA's A&G costs remain competitive when compared to other regional municipal power agencies in the five state area, despite being one of the smaller municipal power agencies. CMMPA stays competitive by partially offsetting a portion of its current year A&G costs using non-traditional revenue streams:

- Non-member scheduling fees and services.
- MISO current year recovery of transmission related A & G.

ENERGY SAVINGS

Members participating in the CMMPA Conservation and Energy Efficiency program helped commercial and residential retail customers achieve 1.18 percent in energy savings (3,736,871 kWh). In addition, participating members saved an additional .54 percent energy savings (1,717,113 kWh) through improvements on the utility side of the meter. In total, participating members achieved 1.72 percent in energy savings (5,453,984 kWh).

ENVIRONMENTAL

Twenty percent of CMMPA members' energy needs were provided by either agency-sponsored renewable resources or member locally sourced renewables. Additionally, another 17 percent of members' energy needs were provided from Western Area Power Administration (WAPA) hydropower contracts.



In 2016 CMMPA progressed in the development of a community solar program that went into operation June of 2017.

FINANCE

CMMPA sold its 50 percent ownership interest in Utilities Plus Energy Services for \$2 million. Over 16 years, CMMPA and its members received \$2.6 million in management fees and member rebates. In total, CMPAS received \$4.6 million in return for its \$400 thousand start-up loan it invested in the partnership.

SOLAR PROGRAM

CMMPA made significant progress developing a retail community solar project in partnership with Southern Minnesota Municipal Power Agency (SMMPA). The project has a scheduled in-service date and rollout of June 2017.

COSTS

CMMPA members' average wholesale costs continue to be in the lowest quartile when compared to the costs of other regional municipal power agencies in Minnesota, Wisconsin, Iowa, North Dakota, and South Dakota.



INDUSTRY CHALLENGES + FORCES AT PLAY

OUR CHALLENGES

When planning for CMMPA members' future power supply, CMPAS continuously monitors issues that could have an impact on our members' needs and power costs. **Some of these forces and industry challenges include:**

The Economy

We are seeing stagnant or declining load growth resulting from a slow economic recovery and an increase in energy efficiency improvements.

Public Energy Policy

Numerous changes in public policy could have substantial impacts in the future:

- Carbon regulation
- Renewable mandates
- Renewable tax incentives

New Technologies

New disruptive technologies, such as distributed solar generation, have the potential to significantly impact the future.

- As solar installations increase, stranded fixed costs will place more pressure on how utilities recover costs in retail rate designs.

Natural Gas Market

The recent oversupply of natural gas caused by fracking technology has reduced the cost of natural gas to historic lows. The future of natural gas appears optimistic; however, there are reasons to use caution over the mid to long-term.

Changing Economics

The economics of traditional and renewable generation resources is changing the composition of tomorrow's generation fleet. This has the potential to affect future power supply costs and portfolio decisions.

Reliability

Changes in the generation fleet raise reliability and cost concerns that include:

- Increasing reliance on natural gas generation.
- Integrating large amounts of renewables onto the grid that creates potential operational challenges.
- Implementing economic and environmental regulations that force the premature retirement of baseload plants that jeopardize regional reserve and capacity resource margins.



Electric Infrastructure Build Out

As utilities change their generation portfolios and build the necessary transmission to comply with state and federal mandates, energy capacity market and transmission tariff costs are increasing. As new facilities continue to go into operation, the related costs will go into the rate base.

Market Reform Industry Challenge

Public policy is having unintended consequences. Tax incentives for renewables are depressing market energy prices, resulting in inadequate margins to incent new generation to be built or retain existing nuclear generation from retiring.

Current capacity market constructs do not provide adequate market signals to incent or retain needed baseload generation. If adjustments are not made to public policies, the sustainability of the traditional utility business model may be challenged, and the utility sector may face future capacity shortages that result in reliability challenges and high capacity market prices.

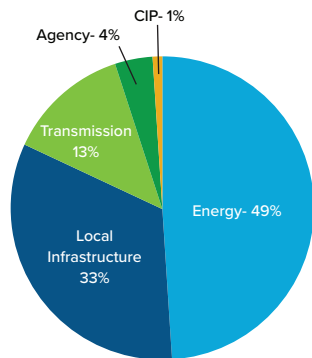
Structural changes are needed to the electric capacity markets. Current capacity constructs do not reflect all intrinsic values:

- Capacity/energy markets do not value the reliability value of fuel diversity (coal, gas, and nuclear).
- The capacity market does not adequately compensate generation for the reliability value of:
 - Providing back-up for intermittent renewables.
 - Deferring retirement until replacement generation can be placed into service.

As part of our strategic planning, CMPAS continually monitors these issues and considers their potential impacts on CMMPA's future power supply decisions. In an increasingly uncertain world, CMPAS finds itself placing extra emphasis on identifying portfolios that minimize cost and performing risk analysis to determine strategies that balance low cost and portfolio risks. Portfolio diversification and risk hedging strategies are becoming an increasingly more important factor in our planning.

WHOLESALE POWER & RESOURCE MIX

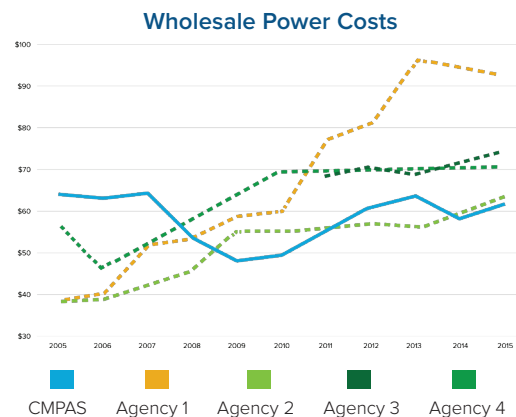
Wholesale power and transmission costs represent about 65 percent of our members' total costs. Planning for a diversified, hedged, and long-term power supply with reasonable costs and manageable risks is our core responsibility to members.



CMPAS is a relatively young agency, and our members' portfolios have evolved dramatically. Over the course of 10 years, CMPAS evolved from an all-requirements customer of NSP/Xcel Energy to a utility with a diverse portfolio that is well hedged against market, gas price, and possible carbon risks.

As a result of CMPAS Resource Planning efforts, we have reduced member wholesale costs at a time when other utilities' costs have increased.

CMPAS is looking to fix or hedge substantial shares of our member portfolios from 2020 to 2040, with a goal of having nearly 75 percent of energy needs addressed with long-term contracts.

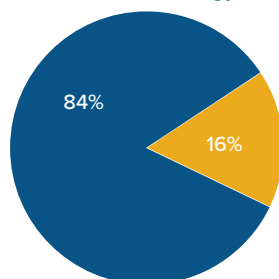


The CMPAS portfolio is well positioned against continued regulatory risk. Since our diversified portfolio of resources does not have a dominant generation resource, we have limited exposure to potential "sunk" cost issues. The Nebraska City Unit 2 Coal Station is the only resource with exposure to carbon regulations. The portfolio is also conducive to hedging long-term risks related to fuel, transmission congestion, capacity prices, and regulation.

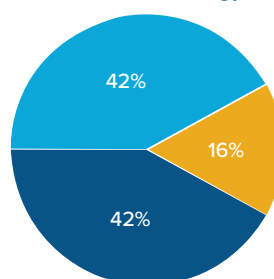
Energy Information

- WAPA Hydropower
- Coal
- Market
- Nuclear
- Short-term Fixed Price 5x16 PPA
- Renewable

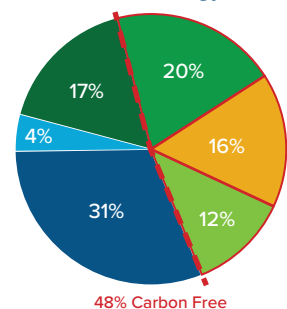
Pre 2003 Energy



Post 2003 Energy



2016 Energy



THE STRATEGIC
WHOLESALE
MARKET PLANNING
CMPAS CONDUCTS
FOR EACH MEMBER
PRODUCES
SAVINGS THAT
POSITIONS CMMPA
IN THE

LOWEST QUARTILE

OF POWER AGENCY
COSTS IN THE FIVE-
STATE REGION.

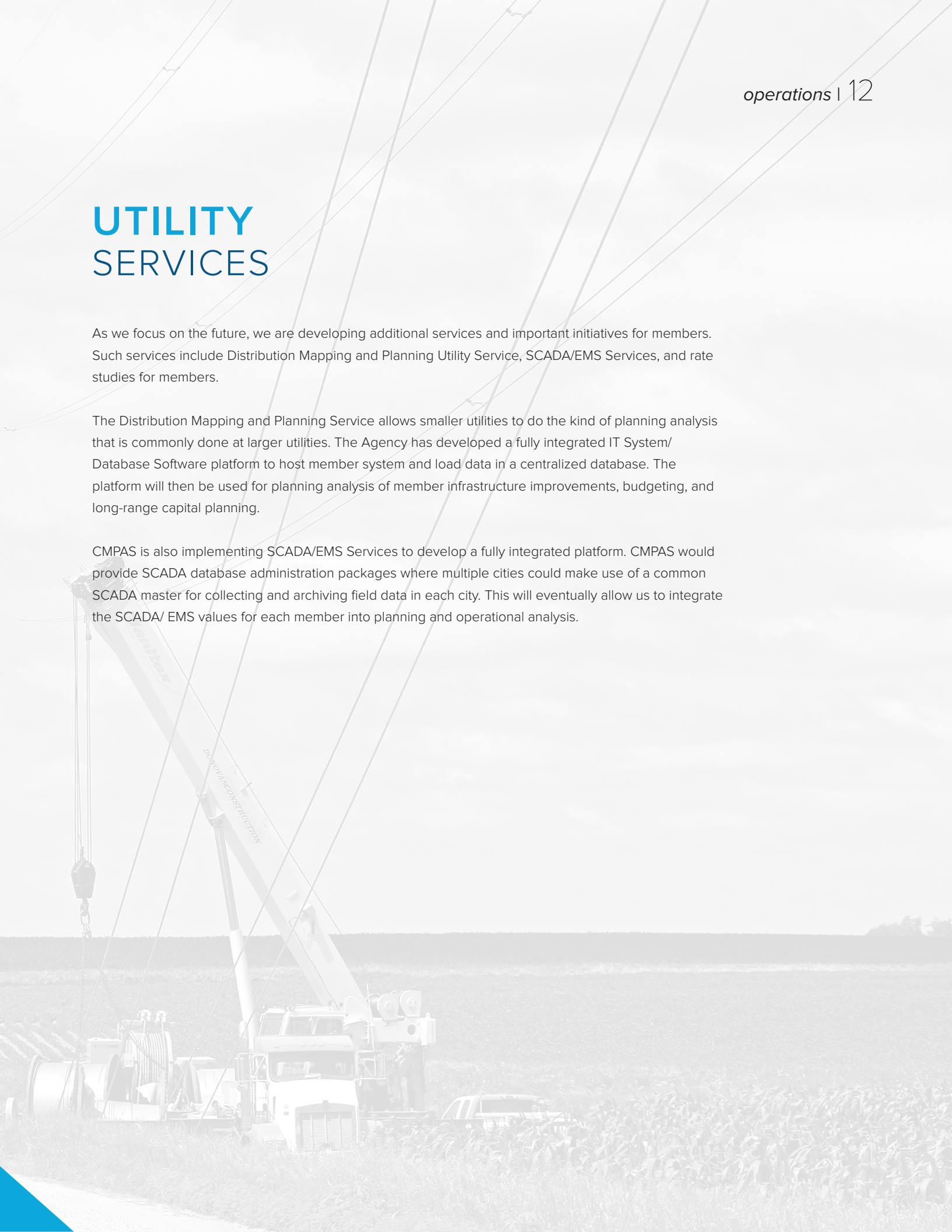


UTILITY SERVICES

As we focus on the future, we are developing additional services and important initiatives for members. Such services include Distribution Mapping and Planning Utility Service, SCADA/EMS Services, and rate studies for members.

The Distribution Mapping and Planning Service allows smaller utilities to do the kind of planning analysis that is commonly done at larger utilities. The Agency has developed a fully integrated IT System/ Database Software platform to host member system and load data in a centralized database. The platform will then be used for planning analysis of member infrastructure improvements, budgeting, and long-range capital planning.

CMPAS is also implementing SCADA/EMS Services to develop a fully integrated platform. CMPAS would provide SCADA database administration packages where multiple cities could make use of a common SCADA master for collecting and archiving field data in each city. This will eventually allow us to integrate the SCADA/ EMS values for each member into planning and operational analysis.



INTRODUCING **R4** SOLAR

RENEW » REDUCE » RESPECT » REPEAT
POWERED BY CMP™

A COST-EFFECTIVE COMPETITOR TO ROOFTOP SOLAR PANELS

Solar prices have fallen significantly over recent years. Even though prices continue to drop, the economics do not support putting solar into CMMPA members wholesale portfolios. With prices declining 10 percent per year, it is advantageous to wait.

Despite unfavorable wholesale economics, it is still a good strategy to offer a **community solar** option to retail customers. Some retail customers are showing interest in solar for reasons that are not always driven by economics. This interest is only going to increase as solar prices drop and retail electric rates increase.

For these reasons, we created a sustainable community solar program, R4 Solar, that allows residential and commercial utility customers to purchase subscriptions in a shared, community-based solar resource.

Finance

Minnesota law requires electric utilities to compensate owners of rooftop solar panels under 40 kW for solar generation at the full retail electric rate. The practice results in the under-recovery of the fixed costs for the energy that a rooftop installation displaces and overcompensates for the excess energy produced. It also results in “stranded fixed costs” that lead to rate cross-subsidization. As a result, non-solar customers subsidize solar customers. **With R4 Solar, customers can sign up for a paid subscription that covers their proportional share of the fixed costs associated with installing an R4 Solar project in the community.** In exchange, customers receive a credit on their utility bill for the production of their panel subscription(s).

R4 Solar subscription costs are more competitive than those associated with rooftop panels. The program also eliminates installation and maintenance hassles.

A Solar Solution

If retail customers are demanding solar, we need to be part of the solution. Utility-scale solar is much more cost effective than rooftop solar. As a proactive and defensive strategy, we should be offering retail customers a more economical alternative to installing rooftop solar by making utility-scale cost advantages available to retail customers. By doing so, we will be able to avoid the potential negative consequences of net metering, rate cross-subsidization, and erosion of our retail revenues.

R4 Solar accomplishes all of this by allowing municipal utilities to sponsor small to medium sized utility-scale solar projects for the purpose of selling solar subscriptions to their retail customers. The subscriptions cover the fixed cost of the installed panel(s), and the cost benefits to customers appear in the form of credits on their monthly bill, accounting for the output of the entire solar project

R4 Solar gives municipal utilities the flexibility to compensate the retail customer for the true value or wholesale value of the solar output (versus compensating at full retail value). **Due to the significant cost advantages of utility-scale solar, the retail customer can realize a similar economic payback even when being compensated at the lower wholesale value.**

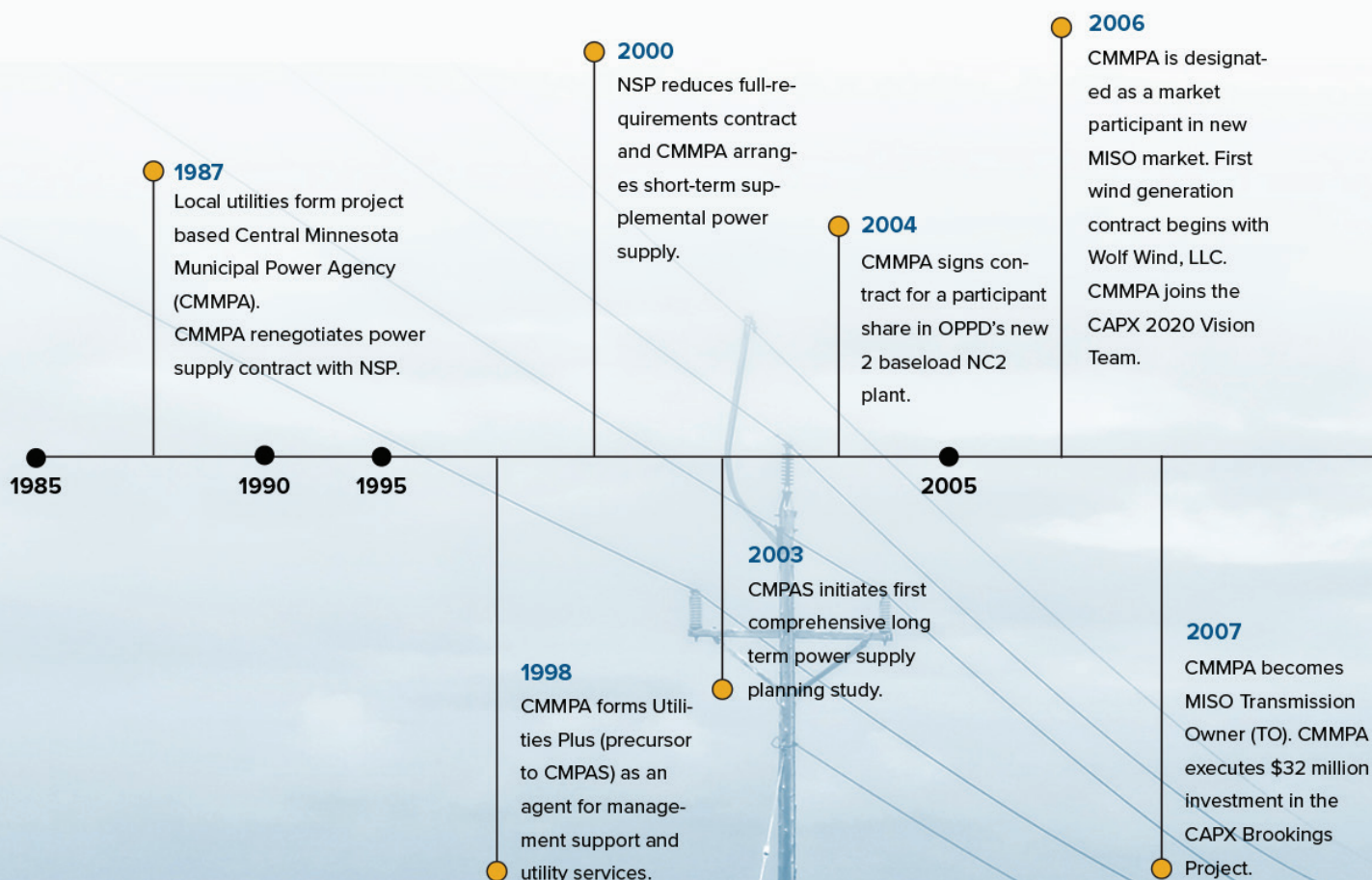
R4 Solar is a win for the solar subscriber and a win for non-participating rate payers because they do not pay the “green” premium.

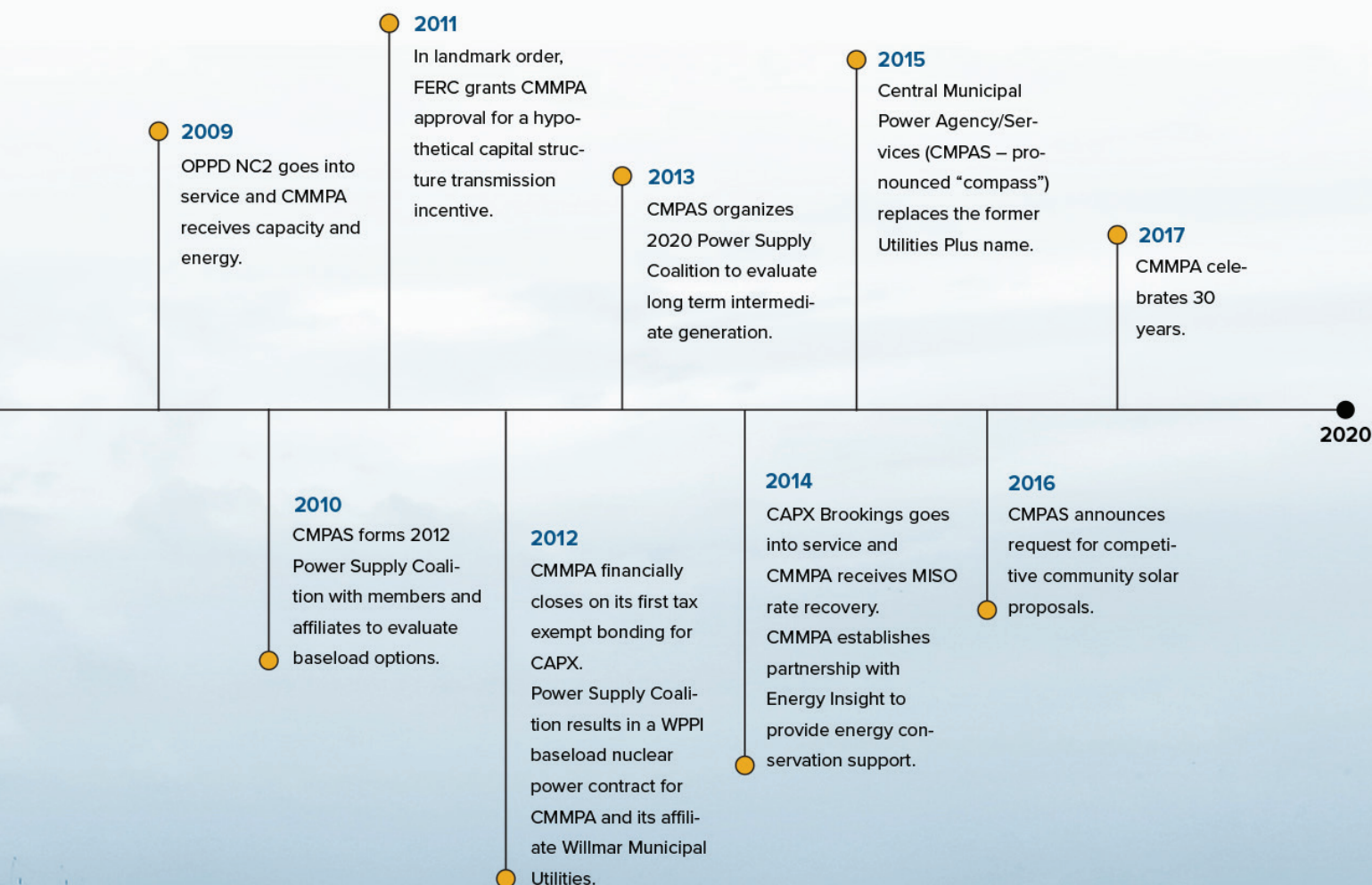
In an effort to gain economy of scale advantages, CMPAS partnered with SMMPA in a utility-scale solar project. The project entails CMMPA signing a one year power purchase agreement with SMMPA for solar energy from Owatonna, which is scheduled to go into operation in June of 2017.

Six out of CMMPA's 12 members are participating in this CMPAS-sponsored project.

The project also includes the added flexibility to install a 4 kW “Billboard” project locally. This partnership with SMMPA has enabled CMMPA to jumpstart a community solar program and gain economies of scale without prematurely locking into a 25-year contract before test marketing with our retail customers. It also allows us to defer settling on a long-term price when prices are declining.

30-YEAR LEGACY OF CMMPA/CMPAS







POWERING A BRIGHTER FUTURE

FINANCIAL STRENGTH

CMMPA enjoys a strong financial position, long-term member contracts, member unity, business partnerships, and a high-performing team. The joint-action, project-oriented agency structure provides the solid foundation for our financial strength and performance.

As of year-end 2016, CMMPA's net position was \$12.5 million, which is \$66 thousand (+0.535 percent) higher than the \$12.4 million net position for year-end 2015. For year-end December 31, 2016, CMMPA also restated the CAPX receivable amounts. These pronouncements require the restatement of the December 31, 2015 and December 31, 2014 net position. Restated at year-end 2015, the agency's net position was \$12.4 million, which is \$2.96 million (+31.4 percent) higher than the \$9.4 million net position for 2014. The increase was mostly attributed to transmission revenue from the CAPX project.

The average long-term wholesale power rate was approximately 6.05 cents per kilowatt-hour (kWh) in 2016 compared to 6.28 cents per kWh in 2015. The decrease is attributed to the management of our individual member portfolios. The focus is on resource adequacy risk management at the lowest sustainable cost.

UTILITIES PLUS ENERGY SERVICES

In 2016, CMMPA sold its 50 percent ownership interest in UPES for \$2 million. Since the year 2000, CMMPA and its members received \$2.6 million in management fees and member rebates. In total, CMMPA received \$4.2 million in return for its \$400 thousand investment in the partnership.

RATE STABILIZATION FUND

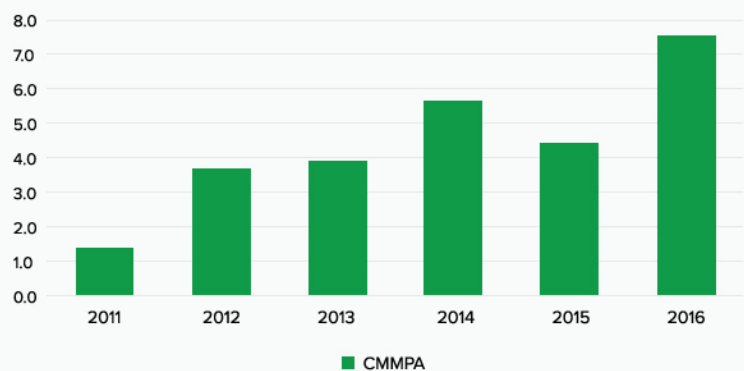
In 2016, CMMPA Board of Directors approved the establishment of a rate stabilization account. This fund allows the Agency to stabilize rates. The goal of CMMPA's rate stabilization account is to mitigate volatile price changes to members.



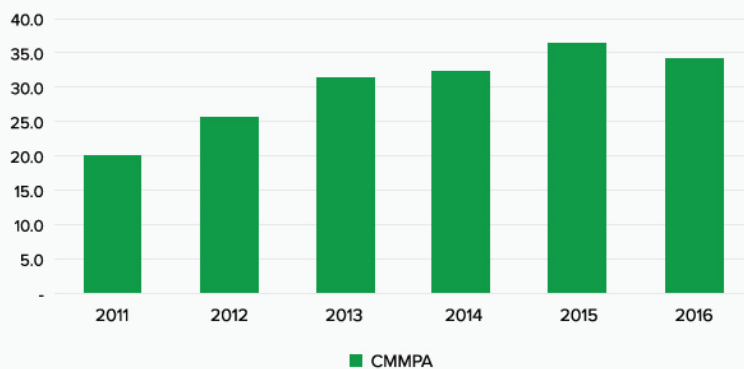
STRONG CASH POSITION

At the end of 2016, CMMPA exceeded a 2014 board policy of two months working cash and a \$1 million project development/emergency fund with more than \$7.5 million in cash and cash equivalents. CMMPA increased working cash through non-traditional sources of revenue that included exercising contract rights with Xcel Energy, CAPX Brookings Regulatory Asset Recovery, and UPES.

CMMPA Working Cash
in millions of dollars



CMMPA Operating Revenue
in millions of dollars



OPERATING REVENUE

Power sales revenue for 2016 approximately was \$34.3 million, compared to \$35.6 million in 2015. The decrease in revenue is primarily attributed to the establishment of a new rate stabilization reserve in 2016 of \$1.37 million.

LOOKING AHEAD TO 2017

CMPMPA TRANSMISSION OWNERSHIP

CMPMPA invested \$35 million in the CAPX Brookings Project that was energized in 2015. The 250-mile, 345-kilovolt (kV) transmission line delivers power between the Brookings County Substation near Brookings, S.D. and the Hampton Substation south of the Twin Cities in Minnesota. The Brookings line is one of six projects constructed under the CapX banner, the largest transmission expansion in the Upper Midwest in more than 40 years. In all, CapX encompasses six major projects that will develop more than 800 miles of new transmission facilities at the cost of approximately \$2.2 billion.

CMPMPA participated with 11 other regional utilities in CAPX projects that have been in the works for more than a decade. Transmission investment brings significant benefits to both the Agency and the participants. The Agency recovers all direct transmission-related costs and a portion of our Agency overhead costs through the MISO tariff. Our member and non-member participants earn regulated return on investment to protect against future transmission cost increases. Transmission ownership is the only long-term hedge against rising transmission rates.

OUR SERVICES

CMPAS will continue to focus on strategically planning for CMPMPA members future generation and transmission needs. Top priorities include:

- Introduce a Community Solar Program.
- Continue contract negotiations and development for our members.
- Explore future transmission investment opportunities and long-term partnerships to further hedge potential price increases in the MISO transmission network.
- Look for future growth opportunities in new member or nonmember services.
- Expand member services in the areas of:
 - GIS Mapping and Distribution Electrical Modeling and Planning
 - SCADA support services



**“Transmission ownership
is the only *long-term*
hedge against increasing
transmission rates.”**

-STEVE THOMPSON, CEO

CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
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YEARS ENDED DECEMBER 31, 2016 AND 2015**

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Central Minnesota Municipal Power Agency
Blue Earth, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of Central Minnesota Municipal Power Agency (CMMPA), as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise CMMPA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to CMMPA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CMMPA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of CMMPA as of December 31, 2016 and 2015, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter Regarding a Correction of an Error

As discussed in Note 15 to the financial statements, certain errors resulting in an understatement of amounts previously reported for net position as of December 31, 2014, were discovered by management of CMMPA during the current year. Accordingly, amounts reported for net position have been restated to correct the error. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, schedule of proportionate share of the net pension liability and schedule of contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CMMPA's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Austin, Minnesota
May 30, 2017

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

Corporate Structure. The Central Minnesota Municipal Power Agency (the "Agency" or "CMMPA") is a municipal power agency created in 1987 pursuant to Minnesota Statutes, Sections 453.51 to 453.62. The Agency was established to serve the mutual needs of its members and has the power and authority to finance and acquire facilities for the generation and transmission of electric energy. The Agency is governed by a twelve-member board of directors. Each member city is entitled to have representation on the board of directors and all current officers were elected at the annual meeting in January 2016.

Agency Members. In 2016, there were twelve Agency members, comprised of municipal utilities located in Minnesota that own and operate electric distribution systems. Some systems are governed by statutory utility commissions appointed by the respective city councils. With statutory commissions, the city councils retain the ultimate authority for utility decisions. Some systems are governed by a utility board or commission under a home rule charter or other authorization that gives the board or commission separate or exclusive authority for utility decisions. In 2016, the Agency's members included Blue Earth, Delano, Fairfax, Glencoe, Granite Falls, Janesville, Kasson, Kenyon, Mountain Lake, Sleepy Eye, Springfield, and Windom.

Legal Authority. The enabling statutes permit the Agency to undertake projects for the generation, production, transmission, purchase, sale, exchange, or interchange of electric energy. The Agency has authority to issue bonds to finance projects. Bonds issued by the Agency may be taxable or tax exempt, and constitute an obligation of the Agency secured by a pledge of project revenues.

Related Entity. Central Municipal Power Agency Services ("CMPAS") is a municipal services company that was created in 1998 through the joint powers agreement of CMMPA and Midwest Municipal Gas Agency. CMPAS assists the Agency's members with the purchase and sale of capacity and energy on a short term or other basis, as requested, and arranges for transmission of such purchases and sales. CMMPA and CMPAS currently share management and staffing, and a common board of commissioners.

Overview of Financial Statements. This section provides a basic introduction to the Agency's financial statements which consist of the statement of net position, statements of revenues, expenses and changes in net position, and statements of cash flows. The notes provide information that is necessary to understand the data in the financial statements.

The statements of net position include all restricted and unrestricted assets and all liabilities of the Agency, with the difference reported as net position. The statements of revenues, expenses and changes in net position are reported on an accrual accounting basis. All the current year's revenues and expenses are taken into account, regardless of when cash is received or paid. As a result, certain items reported as revenues and expenses in this statement will not be included in current cash flow. The statement of cash flows provides cash flow activities during the current year, cash and cash equivalents as of the beginning of the year and the end of the year, and a reconciliation of net cash.

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**TABLE 1
CONDENSED STATEMENT OF NET POSITION**

| | 2016 | 2015 | Change |
|----------------------------------|----------------------|----------------------|------------------|
| Deferred Debits | \$ 1,987,734 | \$ 2,849,748 | \$ (862,014) |
| Other Current Assets | 25,152,206 | 22,165,293 | 2,986,913 |
| Other Capital Assets, Net | 30,880,778 | 31,696,835 | (816,057) |
| Total Assets | <u>58,020,718</u> | <u>56,711,876</u> | <u>1,308,842</u> |
| Deferred Outflow of Resources | 615,959 | 134,657 | 481,302 |
| Current and Other Liabilities | 4,517,499 | 4,448,059 | 69,440 |
| Noncurrent Liabilities | 36,537,013 | 37,101,518 | (564,505) |
| Total Liabilities | <u>41,054,512</u> | <u>41,549,577</u> | <u>(495,065)</u> |
| Deferred Credits | 4,985,049 | 2,865,049 | 2,120,000 |
| Deferred Inflow of Resources | 152,113 | 53,168 | 98,945 |
| Net Position: | | | |
| Net Investment in Capital Assets | 395,365 | (290,906) | 686,271 |
| Restricted | 1,987,734 | 2,974,833 | (987,099) |
| Unrestricted | 10,061,904 | 9,694,812 | 367,092 |
| Total Net Position | <u>\$ 12,445,003</u> | <u>\$ 12,378,739</u> | <u>\$ 66,264</u> |

**TABLE 2
CONDENSED STATEMENT OF NET POSITION**

| | 2015 | 2014 | Change |
|----------------------------------|----------------------|---------------------|---------------------|
| Construction in Progress | \$ - | \$ 9,627,389 | \$ (9,627,389) |
| Other Capital Assets, Net | 31,696,835 | 21,187,038 | 10,509,797 |
| Deferred Debits | 2,849,748 | 2,974,678 | (124,930) |
| Other Current Assets | 22,165,293 | 18,719,285 | 3,446,008 |
| Total Assets | <u>56,711,876</u> | <u>52,508,390</u> | <u>4,203,486</u> |
| Deferred Outflow of Resources | 134,657 | - | 134,657 |
| Current and Other Liabilities | 4,448,059 | 4,499,145 | (51,086) |
| Noncurrent Liabilities | 37,101,518 | 36,249,415 | 852,103 |
| Total Liabilities | <u>41,549,577</u> | <u>40,748,560</u> | <u>801,017</u> |
| Deferred Credits | 2,865,049 | 2,342,126 | 522,923 |
| Deferred Inflow of Resources | 53,168 | - | 53,168 |
| Net Position: | | | |
| Net Investment in Capital Assets | (290,906) | 5,292,069 | (5,582,975) |
| Restricted | 2,974,833 | 3,099,763 | (124,930) |
| Unrestricted | 9,694,812 | 1,025,872 | 8,668,940 |
| Total Net Position | <u>\$ 12,378,739</u> | <u>\$ 9,417,704</u> | <u>\$ 2,961,035</u> |

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

The 2014 amounts in Table 2 were not changed for the restatement described in Note 15 of the financial statements.

Project activity undertaken by CMMPA is summarized below:

- The Agency entered into a participation power agreement with the Omaha Public Power District (OPPD), pursuant to which the Agency has acquired rights to receive and obligations to pay for 2.17% of Nebraska City Power Station No. 2 (NC2). OPPD completed construction of NC2 and the power plant went on-line May 1, 2009. The Agency estimates that its share of the 630 MW coal-fired unit is approximately 14.4 MW. The Agency and ten members of CMMPA entered into power sales agreements pursuant to which such members are entitled to receive and obligated to pay for their respective pro rata shares of CMMPA's participation share in NC2. To finance a portion of development costs associated with its participation in NC2, the Agency received a loan in the amount of \$460,000 in 2005 from the Midwest Consortium of Municipal Utilities loan program, which has since been paid off.
- The Agency, in 2011, acquired a 3.6% ownership interest (increased to a 4.1% interest in 2013) in the Capx Brookings Transmission Line, connecting Brookings, SD to the southeastern section of the Minneapolis/St. Paul metropolis. CMMPA is one of five parties owning an interest in the project. The other parties include Great River Energy, Xcel Energy, Missouri River Energy Services, and Otter Tail Power Company. Financing in the form of tax-exempt long-term bonds were issued in June of 2012 to finance CMMPA's portion of the construction of this line. Total bonds issued were \$32,670,000, to be paid back from the proceeds of the tariff revenue associated with the project that will be collected beginning in 2013 and extending for the life of the project. It is anticipated that the tariff revenue will more than offset the ongoing debt service and operational costs of this project. However, during any period in which tariff revenues do not offset total costs (net of reserve adjustments), the participants are committed to pay for and charge rates supporting any shortfalls. The participants in this project include members Blue Earth, Fairfax, Granite Falls, Janesville, Kenyon, Mountain Lake, Sleepy Eye, Springfield, and Windom. Also, participating in this project are Willmar, MN, Elk River, MN and the cities of Independence, Indianola, Montezuma and Waverly in Iowa. Construction of the project began in May of 2012 and was completed in 2015.

The Agency must comply with Minnesota regulations that require CMMPA, as well as other electric companies, to include renewable resources in their portfolio of power resources. To meet initial renewable energy requirements, the Agency has entered into the following arrangements:

- CMMPA is purchasing 6.25 MW of wind power for a 15-year period beginning in December 2005 from Wolf Wind LLC.
- CMMPA is purchasing 4.25 MW of wind power from Rugby Wind LLC for 15-year period beginning December 15, 2010.
- CMMPA is purchasing 13.1 MW of wind power for a 15-year period ending in February 2027 from Rugby Wind LLC.

The Agency has contracts with its members to take and pay for the contracted wind power resources.

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

Net Position. As of year-end 2016, the amount of the Agency's net position was \$12,445,003, which is \$66,264 or 0.535% higher than the amount of net position for year-end 2015 of \$12,378,739. As of year-end 2015, the amount of the Agency's net position was \$12,378,739, which is \$2,961,035 or 31.4% higher than the amount of net position for year-end 2014 of \$9,417,704. The increase was mostly attributable to transmission revenue from the CapX project, and the restatement further described in Note 15.

The Agency's unrestricted assets for the years ending 2016 and 2015 were comprised of cash, cash equivalents, and accounts receivable associated with sales of electricity to members and non-members as well as certain other member services. The Agency's unrestricted liabilities for the years ended 2016 and 2015 were associated with accounts payable, accrued liabilities, and other payables, also associated with sales of electricity to both members and non-members and other member services.

**TABLE 3
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

| | 2016 | 2015 | Change |
|--|----------------------|----------------------|------------------|
| Total Operating Revenues | \$ 34,268,635 | \$ 35,619,598 | \$ (1,350,963) |
| Operating Expenses | | | |
| Purchased Power and Transmission | 31,059,885 | 31,265,335 | (205,450) |
| General and Administrative | 3,206,123 | 2,284,585 | 921,538 |
| Depreciation and Amortization | 1,813,019 | 1,694,059 | 118,960 |
| Total Operating Expenses | <u>36,079,027</u> | <u>35,243,979</u> | <u>835,048</u> |
| Nonoperating Income | <u>1,876,656</u> | <u>1,441,504</u> | <u>435,152</u> |
| Change in Net Position | 66,264 | 1,817,123 | (1,750,859) |
| Net Position, Beginning of Year, As Previously Stated | 12,378,739 | 8,561,944 | 3,816,795 |
| Prior Period Adjustment | - | 1,999,672 | (1,999,672) |
| Net Position - Beginning of Year, as Restated | <u>12,378,739</u> | <u>10,561,616</u> | <u>1,817,123</u> |
| Net Position, End of Year | <u>\$ 12,445,003</u> | <u>\$ 12,378,739</u> | <u>\$ 66,264</u> |

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**TABLE 4
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

| | 2015 | 2014 | Change |
|---|---------------|---------------|--------------|
| Total Operating Revenues | \$ 35,619,598 | \$ 32,347,947 | \$ 3,271,651 |
| Operating Expenses | | | |
| Purchased Power and Transmission | 31,265,335 | 31,325,427 | (60,092) |
| General and Administrative | 2,284,585 | 1,570,260 | 714,325 |
| Depreciation | 1,694,059 | 500,700 | 1,193,359 |
| Total Operating Expenses | 35,243,979 | 33,396,387 | 1,847,592 |
| Nonoperating Income | 1,441,504 | 1,494,347 | (52,843) |
| Change in Net Position | 1,817,123 | 445,907 | 1,371,216 |
| Net Position, Beginning of Year | | | |
| As Previously Stated | 8,561,944 | 8,971,797 | (409,853) |
| Prior Period Adjustment | 1,999,672 | - | 1,999,672 |
| Net Position - Beginning of Year, as Restated | 10,561,616 | 8,971,797 | 1,589,819 |
| Net Position, End of Year | \$ 12,378,739 | \$ 9,417,704 | \$ 2,961,035 |

The 2014 amounts in Table 4 were not changed for the restatement described in Note 15 of the financial statements. Also included in net position at 1/1/2015, as previously stated, is \$855,760 from the adoption of GASB Statement No. 68 and No. 71 in 2015.

Revenues and Expenses. The Agency's operating revenues from power sales to members and nonmembers totaled \$34,268,635 and \$35,619,598 at December 31, 2016 and 2015, respectively. Revenues from the Agency's operation decreased \$1,350,963 from fiscal year 2016 to 2015. The decrease is primarily attributed to the establishment of a new rate stabilization reserve in 2016 of \$1,370,000. Operating expenses for the years ending 2016 and 2015 were \$36,079,027 and \$35,243,979 respectively. The expenses increased \$835,048 or 2.31% from 2016 to 2015 due to increased depreciation and A&G expenses.

As of year-end 2015, the amount of the Agency's net position was \$12,378,739, which is \$2,961,035 or 31.4% higher than the amount of net position for year-end 2014 of \$9,417,704. The increase was mostly attributable to transmission revenue from the CapX project, and the restatement further described in Note 15. Operating expenses for the years ending 2015 and 2014 were \$35,243,979 and \$33,396,387 respectively. The expenses increased \$1,847,597 or 5.24% from 2014 to 2015 due to increased depreciation, amortization and A&G expenses.

Contact Information

This annual report is designed to provide a general overview of CMMPA finances for citizens, customers and others. Questions concerning any of the information contained in this report and requests for additional information should be directed to the Agency by mail at 459 So. Grove, Blue Earth, MN 56013, or by phone at (763) 710-3960.

CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
STATEMENT OF NET POSITION
DECEMBER 31, 2016

| | CMPA Operations | Nebraska City Power | CapX Initiative | Total | Eliminations | Entity-Wide Total |
|---|--------------------|------------------------|--------------------|---------------|--------------|----------------------|
| ASSETS | | | | | | |
| CURRENT ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 7,510,408 | \$ - | \$ - | \$ 7,510,408 | \$ - | \$ 7,510,408 |
| Restricted Cash and Cash Equivalents | 1,557,955 | 534,595 | 10,412,713 | 12,505,263 | - | 12,505,263 |
| Accounts Receivable | 4,533,732 | - | 403,385 | 4,937,117 | - | 4,937,117 |
| Due from Other Funds | - | 309,316 | 4,016,653 | 4,325,969 | (4,325,969) | - |
| Interest Receivable | 1,885 | - | - | 1,885 | - | 1,885 |
| Prepaid Expenses and Other Current Assets | 53,814 | - | - | 53,814 | - | 53,814 |
| Total Current Assets | 13,657,794 | 843,911 | 14,832,751 | 29,334,456 | (4,325,969) | 25,008,487 |
| OTHER ASSETS | | | | | | |
| Investments - Certificate of Deposit | 143,719 | - | - | 143,719 | - | 143,719 |
| Total Other Assets | 143,719 | - | - | 143,719 | - | 143,719 |
| DEFERRED DEBIT | - | 281,101 | 1,706,633 | 1,987,734 | - | 1,987,734 |
| CAPITAL ASSETS | | | | | | |
| Non-Depreciable: | | | | | | |
| Land | 15,622 | - | - | 15,622 | - | 15,622 |
| Construction in Progress: | | | | | | |
| Website | - | - | - | - | - | - |
| Power Projects | - | - | - | - | - | - |
| Depreciable, Net | 679,223 | - | 30,185,933 | 30,865,156 | - | 30,865,156 |
| Total Capital Assets | 694,845 | - | 30,185,933 | 30,880,778 | - | 30,880,778 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Pension Related | 615,959 | - | - | 615,959 | - | 615,959 |
| LIABILITIES AND NET POSITION | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Accounts Payable | 2,275,327 | - | 15,200 | 2,290,527 | - | 2,290,527 |
| Due to Other Funds | 4,325,969 | - | - | 4,325,969 | (4,325,969) | - |
| Accrued Liabilities and Other Payables | 1,374,301 | - | 59,046 | 1,433,347 | - | 1,433,347 |
| Interest Payable | - | - | 793,625 | 793,625 | - | 793,625 |
| Total Current Liabilities | 7,975,597 | - | 867,871 | 8,843,468 | (4,325,969) | 4,517,499 |
| LONG-TERM LIABILITIES | | | | | | |
| Net Pension Liability | 1,477,750 | - | - | 1,477,750 | - | 1,477,750 |
| Bonds Payable - Current and Noncurrent | - | - | 35,059,263 | 35,059,263 | - | 35,059,263 |
| Total Liabilities | 9,453,347 | - | 35,927,134 | 45,380,481 | (4,325,969) | 41,054,512 |
| DEFERRED CREDIT | 1,370,000 | 534,595 | 3,080,454 | 4,985,049 | - | 4,985,049 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Pension Related | 152,113 | - | - | 152,113 | - | 152,113 |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | 694,845 | - | (299,480) | 395,365 | - | 395,365 |
| Restricted for Participation in Power Projects | - | 281,101 | 1,706,633 | 1,987,734 | - | 1,987,734 |
| Unrestricted | 3,442,012 | 309,316 | 6,310,576 | 10,061,904 | - | 10,061,904 |
| Total Net Position | \$ 4,136,857 | \$ 590,417 | \$ 7,717,729 | \$ 12,445,003 | \$ - | \$ 12,445,003 |

See accompanying Notes to Financial Statements.

CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
STATEMENT OF NET POSITION
DECEMBER 31, 2015

| | CMMPA Operations | Nebraska City Power | CapX Initiative | Total | Eliminations | Entity-Wide Total |
|---|---------------------|------------------------|--------------------|---------------|--------------|----------------------|
| ASSETS | | | | | | |
| CURRENT ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 4,402,847 | \$ - | \$ - | \$ 4,402,847 | \$ - | \$ 4,402,847 |
| Restricted Cash and Cash Equivalents | - | 534,595 | 11,532,444 | 12,067,039 | - | 12,067,039 |
| Accounts Receivable | 3,482,492 | - | 1,426,124 | 4,908,616 | - | 4,908,616 |
| Due from Other Funds | - | 309,315 | 675,554 | 984,869 | (984,869) | - |
| Interest Receivable | - | - | 1,885 | 1,885 | - | 1,885 |
| Prepaid Expenses and Other | - | - | - | - | - | - |
| Current Assets | 9,375 | - | - | 9,375 | - | 9,375 |
| Total Current Assets | 7,894,714 | 843,910 | 13,636,007 | 22,374,631 | (984,869) | 21,389,762 |
| OTHER ASSETS | | | | | | |
| Investment in Utilities Plus Energy Services | 775,531 | - | - | 775,531 | - | 775,531 |
| Total Other Assets | 775,531 | - | - | 775,531 | - | 775,531 |
| DEFERRED DEBIT | - | 289,795 | 2,559,953 | 2,849,748 | - | 2,849,748 |
| CAPITAL ASSETS | | | | | | |
| Non-Depreciable: | | | | | | |
| Land | 15,622 | - | - | 15,622 | - | 15,622 |
| Construction in Progress: | | | | | | |
| Website | - | - | - | - | - | - |
| Power Projects | - | - | - | - | - | - |
| Depreciable, Net | 673,652 | - | 31,007,561 | 31,681,213 | - | 31,681,213 |
| Total Capital Assets | 689,274 | - | 31,007,561 | 31,696,835 | - | 31,696,835 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Pension Related | 134,657 | - | - | 134,657 | - | 134,657 |
| LIABILITIES AND NET POSITION | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Accounts Payable | 2,402,331 | - | 366,772 | 2,769,103 | - | 2,769,103 |
| Due to Other Funds | 984,869 | - | - | 984,869 | (984,869) | - |
| Accrued Liabilities and Other Payables | 862,030 | - | - | 862,030 | - | 862,030 |
| Interest Payable | - | - | 816,926 | 816,926 | - | 816,926 |
| Total Current Liabilities | 4,249,230 | - | 1,183,698 | 5,432,928 | (984,869) | 4,448,059 |
| LONG-TERM LIABILITIES | | | | | | |
| Net Pension Liability | 984,679 | - | - | 984,679 | - | 984,679 |
| Bonds Payable - Current and Noncurrent | - | - | 36,116,839 | 36,116,839 | - | 36,116,839 |
| Total Liabilities | 5,233,909 | - | 37,300,537 | 42,534,446 | (984,869) | 41,549,577 |
| DEFERRED CREDIT | - | 534,595 | 2,330,454 | 2,865,049 | - | 2,865,049 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Pension Related | 53,168 | - | - | 53,168 | - | 53,168 |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | 689,274 | - | (980,180) | (290,906) | - | (290,906) |
| Restricted for Member Rebates | 125,085 | - | - | 125,085 | - | 125,085 |
| Restricted for Participation in Power Projects | - | 289,795 | 2,559,953 | 2,849,748 | - | 2,849,748 |
| Unrestricted | 3,392,740 | 309,315 | 5,992,757 | 9,694,812 | - | 9,694,812 |
| Total Net Position | \$ 4,207,099 | \$ 599,110 | \$ 7,572,530 | \$ 12,378,739 | \$ - | \$ 12,378,739 |

See accompanying Notes to Financial Statements.

CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2016

| | CMMPA Operations | Nebraska City Power | CapX Initiative | Total | Eliminations | Entity-Wide Total |
|--|---------------------|------------------------|---------------------|----------------------|--------------|----------------------|
| OPERATING REVENUES | | | | | | |
| Power Sales | \$ 26,324,569 | \$ 4,346,386 | \$ - | \$ 30,670,955 | \$ - | \$ 30,670,955 |
| Transmission Sales | - | - | 3,597,680 | 3,597,680 | - | 3,597,680 |
| Total Operating Revenues | 26,324,569 | 4,346,386 | 3,597,680 | 34,268,635 | - | 34,268,635 |
| OPERATING EXPENSES | | | | | | |
| Purchased Power | 19,363,306 | 4,346,386 | - | 23,709,692 | - | 23,709,692 |
| O&M Assessments | - | - | 68,084 | 68,084 | - | 68,084 |
| Tariff Distributions | - | - | 272,516 | 272,516 | - | 272,516 |
| Transmission | 7,009,593 | - | - | 7,009,593 | - | 7,009,593 |
| General and Administrative | 3,206,123 | - | - | 3,206,123 | - | 3,206,123 |
| Depreciation | 147,085 | - | 803,923 | 951,008 | - | 951,008 |
| Amortization | - | 8,693 | 853,318 | 862,011 | - | 862,011 |
| Total Operating Expenses | 29,726,107 | 4,355,079 | 1,997,841 | 36,079,027 | - | 36,079,027 |
| OPERATING INCOME (LOSS) | (3,401,538) | (8,693) | 1,599,839 | (1,810,392) | - | (1,810,392) |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Investment Income and Other | 1,341,051 | - | - | 1,341,051 | - | 1,341,051 |
| Membership Dues and Assessments | 2,149,723 | - | - | 2,149,723 | - | 2,149,723 |
| Member Distribution of Funds | (159,478) | - | - | (159,478) | - | (159,478) |
| Interest Expense | - | - | (1,454,640) | (1,454,640) | - | (1,454,640) |
| Total Nonoperating Revenues (Expenses), Net | 3,331,296 | - | (1,454,640) | 1,876,656 | - | 1,876,656 |
| CHANGES IN NET POSITION | (70,242) | (8,693) | 145,199 | 66,264 | - | 66,264 |
| Net Position - Beginning of Year | 4,207,099 | 599,110 | 7,572,530 | 12,378,739 | - | 12,378,739 |
| NET POSITION - END OF YEAR | <u>\$ 4,136,857</u> | <u>\$ 590,417</u> | <u>\$ 7,717,729</u> | <u>\$ 12,445,003</u> | <u>\$ -</u> | <u>\$ 12,445,003</u> |

See accompanying Notes to Financial Statements.

CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2015

| | CMPMA Operations | Nebraska City Power | CapX Initiative | Total | Eliminations | Entity-Wide Total |
|--|---------------------|------------------------|---------------------|----------------------|--------------|----------------------|
| OPERATING REVENUES | | | | | | |
| Power Sales | \$ 27,065,603 | \$ 4,030,954 | \$ - | \$ 31,096,557 | \$ - | \$ 31,096,557 |
| Transmission Sales | - | - | 4,523,041 | 4,523,041 | - | 4,523,041 |
| Total Operating Revenues | 27,065,603 | 4,030,954 | 4,523,041 | 35,619,598 | - | 35,619,598 |
| OPERATING EXPENSES | | | | | | |
| Purchased Power | 20,404,156 | 4,030,954 | 320,428 | 24,755,538 | - | 24,755,538 |
| Transmission | 6,509,797 | - | - | 6,509,797 | - | 6,509,797 |
| General and Administrative | 2,284,585 | - | - | 2,284,585 | - | 2,284,585 |
| Depreciation | 105,540 | - | 720,968 | 826,508 | - | 826,508 |
| Amortization | - | 8,692 | 858,859 | 867,551 | - | 867,551 |
| Total Operating Expenses | 29,304,078 | 4,039,646 | 1,900,255 | 35,243,979 | - | 35,243,979 |
| OPERATING INCOME (LOSS) | (2,238,475) | (8,692) | 2,622,786 | 375,619 | - | 375,619 |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Investment Income and Other | 295,350 | - | 1,886 | 297,236 | - | 297,236 |
| Equity in Earnings of UPES | 20,963 | - | - | 20,963 | - | 20,963 |
| Membership Dues and Assessments | 2,500,663 | - | - | 2,500,663 | - | 2,500,663 |
| Return of Equity | - | - | - | - | - | - |
| Interest Expense | - | - | (1,377,358) | (1,377,358) | - | (1,377,358) |
| Total Nonoperating Revenues (Expenses), Net | 2,816,976 | - | (1,375,472) | 1,441,504 | - | 1,441,504 |
| CHANGES IN NET POSITION | 578,501 | (8,692) | 1,247,314 | 1,817,123 | - | 1,817,123 |
| Net Position - Beginning of Year | | | | | | |
| As Previously Stated | 3,436,018 | 607,802 | 4,518,124 | 8,561,944 | - | 8,561,944 |
| Prior Period Adjustment | 192,580 | - | 1,807,092 | 1,999,672 | - | 1,999,672 |
| Net Position - Beginning of Year, As Restated | 3,628,598 | 607,802 | 6,325,216 | 10,561,616 | - | 10,561,616 |
| NET POSITION - END OF YEAR | <u>\$ 4,207,099</u> | <u>\$ 599,110</u> | <u>\$ 7,572,530</u> | <u>\$ 12,378,739</u> | <u>\$ -</u> | <u>\$ 12,378,739</u> |

See accompanying Notes to Financial Statements.

CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016

| | CMMPA Operations | Nebraska City Power | CapX Initiative | Entity-Wide Total |
|---|-----------------------|------------------------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from Customers | \$ 26,643,329 | \$ 4,346,386 | \$ 4,329,778 | \$ 35,319,493 |
| Payments to Suppliers | (27,773,651) | (4,346,386) | (340,600) | (32,460,637) |
| Payments to Employees | (1,353,827) | - | - | (1,353,827) |
| Net Cash Provided (Used) by Operating Activities | (2,484,149) | - | 3,989,178 | 1,505,029 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Member Distribution | (159,478) | - | - | (159,478) |
| Membership Dues and Assessments Received | 2,149,723 | - | - | 2,149,723 |
| Interfund Balances | 3,341,098 | - | (3,341,099) | (1) |
| Net Cash Provided (Used) by Noncapital Financing Activities | 5,331,343 | - | (3,341,099) | 1,990,244 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Purchase of Capital Assets | (152,656) | - | 17,707 | (134,949) |
| Principal Paid on Long-Term Debt | - | - | (925,000) | (925,000) |
| Interest Paid on Long-Term Debt | - | - | (1,610,517) | (1,610,517) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (152,656) | - | (2,517,810) | (2,670,466) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Investment Income Received | 1,970,978 | - | - | 1,970,978 |
| Deferred Project Costs | - | - | 750,000 | 750,000 |
| Net Cash Provided by Investing Activities | 1,970,978 | - | 750,000 | 2,720,978 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 4,665,516 | - | (1,119,731) | 3,545,785 |
| Cash and Cash Equivalents - Beginning of Year | 4,402,847 | 534,595 | 11,532,444 | 16,469,886 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 9,068,363</u> | <u>\$ 534,595</u> | <u>\$ 10,412,713</u> | <u>\$ 20,015,671</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES | | | | |
| Operating Income (Loss) | \$ (3,401,538) | \$ (8,693) | \$ 1,599,839 | \$ (1,810,392) |
| Depreciation and Amortization | 147,085 | 8,693 | 1,657,241 | 1,813,019 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | |
| Accounts Receivable | (1,051,240) | - | 1,024,624 | (26,616) |
| Prepaid Expenses and Other Current Assets | (44,439) | - | - | (44,439) |
| Accounts Payable | (127,004) | - | (292,526) | (419,530) |
| Pension Adjustments | 110,714 | - | - | 110,714 |
| Accrued Liabilities and Other Payables | 1,882,273 | - | - | 1,882,273 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (2,484,149)</u> | <u>\$ -</u> | <u>\$ 3,989,178</u> | <u>\$ 1,505,029</u> |
| NONCASH ACTIVITIES | | | | |
| Amortization of Bond Premium | \$ 585,999 | \$ - | \$ 132,571 | \$ 718,570 |
| Capitalized Interest | - | - | 135,567 | 135,567 |

See accompanying Notes to Financial Statements.

CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

| | CMMPA Operations | Nebraska City Power | CapX Initiative | Entity-Wide Total |
|--|-----------------------|------------------------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from Customers | \$ 26,318,049 | \$ 4,030,954 | \$ 4,533,703 | \$ 34,882,706 |
| Payments to Suppliers | (28,275,290) | (4,030,954) | (320,428) | (32,626,672) |
| Payments to Employees | (1,138,233) | - | - | (1,138,233) |
| Net Cash Provided (Used) by Operating Activities | (3,095,474) | - | 4,213,275 | 1,117,801 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Membership Dues and Assessments Received | 2,500,663 | - | - | 2,500,663 |
| Interfund Balances | (793,284) | 284,731 | 508,553 | - |
| Net Cash Provided by Noncapital Financing Activities | 1,707,379 | 284,731 | 508,553 | 2,500,663 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Purchase of Capital Assets | (159,204) | - | (1,690,821) | (1,850,025) |
| Interest Paid on Long-Term Debt | - | - | (1,376,723) | (1,376,723) |
| Net Cash Used by Capital and Related Financing Activities | (159,204) | - | (3,067,544) | (3,226,748) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Investment Income Received | 297,578 | - | - | 297,578 |
| Deferred Project Costs | - | - | 522,923 | 522,923 |
| Net Cash Provided by Investing Activities | 297,578 | - | 522,923 | 820,501 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (1,249,721) | 284,731 | 2,177,207 | 1,212,217 |
| Cash and Cash Equivalents - Beginning of Year | 5,652,568 | 249,864 | 9,355,237 | 15,257,669 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 4,402,847</u> | <u>\$ 534,595</u> | <u>\$ 11,532,444</u> | <u>\$ 16,469,886</u> |
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES | | | | |
| Operating Income (Loss) | \$ (2,238,475) | \$ (8,692) | \$ 2,622,786 | \$ 375,619 |
| Depreciation and Amortization | 105,540 | 8,692 | 1,579,827 | 1,694,059 |
| Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities: | | | | |
| Accounts Receivable | (747,554) | - | (356,110) | (1,103,664) |
| Prepaid Expenses and Other Current Assets | 153,087 | - | - | 153,087 |
| Accounts Payable | (243,337) | - | 366,772 | 123,435 |
| Pension Adjustments | 47,430 | - | - | 47,430 |
| Accrued Liabilities and Other Payables | (172,165) | - | - | (172,165) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (3,095,474)</u> | <u>\$ -</u> | <u>\$ 4,213,275</u> | <u>\$ 1,117,801</u> |
| NONCASH ACTIVITIES | | | | |
| Equity in Earnings of UPES | \$ 20,963 | \$ - | \$ - | \$ 20,963 |
| Amortization of Bond Premium | - | - | 132,571 | 132,571 |
| Capitalized Interest | - | - | 135,567 | 135,567 |

See accompanying Notes to Financial Statements.

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business

The Central Minnesota Municipal Power Agency (CMMPA) is a municipal power agency created in 1987 pursuant to Minnesota Statutes, Sections 453.51 to 453.62. CMMPA was established to serve the mutual needs of its members and has the power and authority to finance and acquire facilities for the generation and transmission of electric energy. CMMPA is governed by a 12-member board of commissioners elected by the members.

CMPAS was originally formed from the joint powers of CMMPA and the Midwest Municipal Gas Agency (MMGA). Utilities Plus operates as a municipal utilities service company for its members and non-member municipal utilities whether located in Minnesota or other states. Services include utility management services, monitoring and control services, capacity purchases and sales, metering services and dispatching of electric energy or gas.

CMPAS shared a common board of commissioners with CMMPA. The operations of MMGA are minimal. Therefore, CMMPA, MMGA and CMPAS are presented in the "CMMPA operations" columns of the basic financial statements. Hereafter, CMMPA, MMGA and CMPAS are collectively referred to as "CMMPA". In December 2016, the Utilities Plus Energy Services, Inc. company was sold.

Reporting Entity

CMMPA is a special-purpose entity, as specified by governmental accounting standards, and provided wholesale electrical power to member and non-member municipal utilities. As required by U.S. generally accepted accounting principles, the financial statements of the reporting entity include those of CMMPA. There are no component units reported.

CMMPA Members

As of December 31, 2016 and 2015, CMMPA had twelve agency members, which were comprised of municipal utilities located in Minnesota that own and operate electric distribution systems. In 2016, CMMPA's members included Blue Earth, Delano, Fairfax, Glencoe, Granite Falls, Janesville, Kasson, Kenyon, Mountain Lake, Sleepy Eye, Springfield, and Windom. The membership agreements require members to provide a minimum notice of five years before they can effectively terminate their membership in the Agency.

Measurement Focus and Basis of Accounting

This financial report has been prepared in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statements

CMMPA reports the following major funds:

CMMPA Operations – This fund accounts for the general operations within the Agency.

Nebraska City Power – This fund accounts for activities relating to the Nebraska City Power project which began operations on May 2010.

CapX Initiative – This fund accounts for activities relating to the CapX Initiative project.

Revenue Recognition

CMMPA recognizes revenues on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows.

Power sales revenue receivables, representing power sales for the period between the last billing date and the end of the period, are accrued in the period sold.

Operating Revenues and Expenses

Operating revenues result from exchange transactions associated with the principal activity of CMMPA, which is the sale of electricity. Operating expenses are defined as expenses directly related to, or incurred in support of, the production and transmission of electricity to the participating members and non-members. Revenues from membership dues and assessments, interest income, regulatory income (FERC related), and other equity transactions are reported as non-operating revenues.

Cash and Cash Equivalents

For purposes of the statements of cash flows, CMMPA considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Capital Assets

Capital assets are recorded at historical cost and are being depreciated over the estimated useful lives of the respective assets. CMMPA generally records capital assets having an individual cost in excess \$2,500.

Capital assets are depreciated using the straight-line method over their estimated useful lives. Depreciation has been provided over the estimated useful lives using the straight-line method. The useful lives of various classes of depreciable fixed assets are:

| | |
|----------------------------|---------------|
| Buildings and Improvements | 5 to 40 Years |
| All Other Capital Assets | 3 to 15 Years |

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Construction in progress, Power Projects includes all costs associated with the development of the CapX Initiative project (see Note 4). Included in the construction in progress amount is interest expense capitalized of \$-0- and \$135,567, for the years ending December 31, 2016 and 2015, respectively. The interest was incurred on the CAPX Revenue Note 2012.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows of Resources

The Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period. CMMPA will not recognize the related outflow until a future event occurs. More detailed information about pension related deferred outflows of resources can be found in Note 11 to the financial statements.

Deferred Inflows of Resources

CMMPA's financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an acquisition of net position that applies to a future period. CMMPA will not recognize the related revenue until a future event occurs. CMMPA's deferred inflow of resources relates to pension activity as described in Note 11.

Deferred Debits/Credits

CMMPA applies the provisions of GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This statement recognizes the effects of operating in a regulatory environment creating future economic benefits/obligations affecting CMMPA's operations. Accordingly, CMMPA records these future economic benefits/obligations as deferred debits and deferred credits, respectively, which are accounted for as regulatory assets and regulatory liabilities, respectively. CMMPA expects these debits and credits to be recovered through future rates on electrical power.

Personnel Costs

CMMPA records a liability for PTO as the benefits accrue to employees. CMMPA compensates all employees upon termination for unused vacation. The financial statements reflect a liability of \$143,301 and \$139,205 for unused vacation as of December 31, 2016 and 2015, respectively. Employees earn PTO based on the personnel policies of CMMPA, however, accrued PTO is not paid to employees when they leave employment.

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between assets, deferred inflows of resources, and deferred debits, and liabilities, deferred inflows of resources and deferred credits in the financial statements.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets, net of unspent debt proceeds.

Net position restricted for member rebates are amounts approved by the board of commissioners that may be returned to members upon the request of the member. Members may also use these amounts to satisfy future project costs or other funding requirements required by CMMPA.

Unrestricted net position have no external restrictions imposed, but may be designated for specific purposes by CMMPA's board of commissioners. There were no designations of unrestricted net position as of December 31, 2016 or 2015.

Intercompany Activity

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The resulting receivables (liabilities) are classified as Due From (To) Other Funds on the statement of net position.

Quasi-external transactions are accounted for as revenues or expenses. Transactions that constitute reimbursements to a fund for expenses made on behalf of another fund are recorded as expenses in the reimbursing fund and as reductions of expenses in the fund that is reimbursed.

All other interfund transactions are eliminated in the "entity-wide totals" on the statement of net position and statement of revenues, expenses, and changes in net position.

Income Taxes

CMMPA is exempt from federal and state income taxes, as it is a political subdivision of the State of Minnesota.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassification

Certain 2015 amounts were reclassified to conform to 2016 presentation. The reclassifications did not affect net position or changes in net position.

CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the bank deposits may not be returned to it in full. CMMPA does not have a policy for managing deposits other than following Minnesota Statutes.

In accordance with Minnesota statutes, CMMPA maintains deposits at depository banks authorized by its board of commissioners.

Minnesota statutes require that all deposits be protected by insurance, surety bond or collateral. The market value of the collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

Authorized collateral includes certain U.S. Government Securities, state or local government obligations, and other securities authorized by Minn. Stat. 118.A.03. Minnesota statutes require that securities pledged as collateral be held in safekeeping a financial institution other than that furnishing the collateral.

CMMPA's bank balance of deposits totaled \$8,269,636 as of December 31, 2016 were collateralized up to \$7,289,934, whereas Minnesota Statutes required collateral of \$8,821,600. CMMPA's deposits as of December 31, 2015 were also not covered by Federal depository insurance or pledged collateral of U.S. Government Securities held by the depositories.

B. Investments

CMMPA may also invest idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less
- General obligations rated "A" or better; revenue obligations rated "AA" or better
- General obligations of the Minnesota Housing Finance Agency rated "A" or better
- Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less
- Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (continued)

- Repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. Government Securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers
- Any security which is an obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to section 126C.55.

CMMPA's investments consisted of the following as of December 31:

| | 2016 | | |
|---|----------|---------------|------------|
| | Maturity | Fair Value | % of Total |
| Investments | | | |
| Central Minnesota Municipal Power Agency: | | | |
| Capx Initiative - Wells Fargo Advantage | | | |
| 100% Treasury Money Market Fund | 51 days | \$ 10,412,713 | 100.0% |
| Total | | \$ 10,412,713 | |
| | | | |
| | Maturity | Fair Value | % of Total |
| Investments | | | |
| Central Minnesota Municipal Power Agency: | | | |
| CMMPA Operations - Prime Money | | | |
| Market Fund - Capital | 7 days | \$ 1,250,500 | 9.8% |
| Capx Initiative - Wells Fargo Advantage | | | |
| 100% Treasury Money Market Fund | 51 days | 11,532,444 | 90.2% |
| Total | | \$ 12,782,944 | |

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. While investments in money market funds are fairly liquid, a major change in interest rates could cause the value of these investments to decline. CMMPA does not have an investment policy that limits maturities of debt securities as a means of managing exposure to fair value.

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Minnesota Statutes restrict the types of investments that CMMPA may hold; however, CMMPA does not have an investment policy that would further limit its investment choices. Both investments are rated AAA by Moody's and AAA by Standard & Poor's.

Concentration of Credit Risk

CMMPA does not place a limit on the amount of the total portfolio that may be invested in any one depository or issuer. The term *issuer* should be understood as referring to the underlying investments themselves rather than the pool sponsor in the case of money market funds.

NOTE 3 COMMITMENTS

Long-Term Contracts

CMMPA has contracts with various agencies and local government units to purchase or sell energy in the normal course of its business operations.

NOTE 4 DEVELOPMENT PROJECTS

During 2005, CMMPA acquired rights to the output of future base-load generation projects. As a project-oriented agency, each CMMPA member individually decides in which projects it wishes to participate. CMMPA may allow non-members to participate in projects. The participants are entitled to receive and are obligated to pay for their respective pro rata shares of CMMPA's interest in each individual project. Each project is financially independent of other projects.

CapX Initiative

CMMPA entered into a Transmission Project Memorandum of Understanding dated August 24, 2006, along with five other energy companies to construct power transmission lines in the state of Minnesota, the largest portion of which consists of 220 miles of new power transmission lines between Brookings, South Dakota, and the Twin Cities. The CapX Initiative is one of several transmission projects arising from the CapX 2020 Initiative, the purpose of which is to enhance the reliability of electrical power transmission for customers in Minnesota and the surrounding region.

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 4 DEVELOPMENT PROJECTS (CONTINUED)

CapX Initiative (Continued)

Great River Energy (GRE) and Northern States Power Company (NSP) are the development managers for the CapX Initiative. CMMPA is obligated to pay for 4.1% of the total cost of the CapX Initiative, which was completed in 2015. CMMPA and nine CMMPA members and six non-members entered into participation agreements pursuant to which such members and non-members will be obligated to pay for their respective pro rata shares of CMMPA's participation share in the CapX Initiative.

NOTE 5 PROJECT IN OPERATION

Nebraska City Power Station No. 2

CMMPA entered into a participation power agreement dated January 15, 2004 with the Omaha Public Power District (OPPD), pursuant to which CMMPA has acquired rights to receive and obligations to pay for 2.17% of Nebraska City Power Station No. 2 (NC2). OPPD completed construction of NC2 and the project began commercial operation in 2009. CMMPA estimates that its share of the 663 mw coal-fired units will be approximately 14.4 mw. CMMPA and ten members of CMMPA entered into power sales agreements pursuant to which such members will be entitled to receive and obligated to pay for their respective pro rata shares of CMMPA's participation share in NC2.

NOTE 6 DEFERRED DEBITS

CMMPA has the following deferred debits which are considered regulatory assets at December 31:

| | <u>2016</u> | <u>2015</u> |
|--|---------------------|---------------------|
| Unamortized Power Participation Costs in NC2 | \$ 281,101 | \$ 289,795 |
| Pre-Development Costs for CAPX | 1,706,633 | 2,559,953 |
| Total | <u>\$ 1,987,734</u> | <u>\$ 2,849,748</u> |

In 2012, the Federal Energy Regulatory Commission requested that certain pre-development costs incurred for the CAPX project that were expensed in prior years be capitalized in 2012 and be amortized over a five year period. This resulted in the Pre-Development Costs for CAPX being \$1,706,633 and \$1,828,773, which is net of \$2,559,952 and \$1,706,635 in accumulated amortization as of December 31, 2016 and 2015, respectively. Amortization expense totaled \$853,318 and \$858,859, in the years ended December 31, 2016 and 2015, respectively.

CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 7 CAPITAL ASSETS

Capital asset activity was as follows:

| | Balance 12/31/15 | Additions | Deletions | Balance 12/31/16 |
|---------------------------------|---------------------|---------------|-----------------|---------------------|
| Nondepreciable Capital Assets: | | | | |
| Land | \$ 15,622 | \$ - | \$ - | \$ 15,622 |
| Construction in Progress: | | | | |
| Power Projects | - | - | - | - |
| Website | - | - | - | - |
| Total Nondepreciable Assets | 15,622 | - | - | 15,622 |
| Depreciable Capital Assets: | | | | |
| Transmission Lines | 32,156,913 | - | - | 32,156,913 |
| Land Improvements | 9,365 | - | - | 9,365 |
| Buildings | 604,754 | - | - | 604,754 |
| Furniture and Equipment | 845,058 | 134,951 | (109,344) | 870,665 |
| Vehicles | 55,532 | - | - | 55,532 |
| Total Depreciable Assets | 33,671,622 | 134,951 | (109,344) | 33,697,229 |
| Accumulated Depreciation | (1,990,409) | (951,008) | 109,344 | (2,832,073) |
| Depreciable Capital Assets, Net | 31,681,213 | (816,057) | - | 30,865,156 |
| Total Capital Assets | \$ 31,696,835 | \$ (816,057) | \$ - | \$ 30,880,778 |
| | Balance 12/31/14 | Additions | Deletions | Balance 12/31/15 |
| Nondepreciable Capital Assets: | | | | |
| Land | \$ 15,622 | \$ - | \$ - | \$ 15,622 |
| Construction in Progress: | | | | |
| Power Projects | 9,474,271 | 1,549,711 | (11,023,982) | - |
| Website | 153,118 | - | (153,118) | - |
| Total Nondepreciable Assets | 9,643,011 | 1,549,711 | (11,177,100) | 15,622 |
| Depreciable Capital Assets: | | | | |
| Transmission Lines | 21,132,931 | 11,023,982 | - | 32,156,913 |
| Land Improvements | 9,365 | - | - | 9,365 |
| Buildings | 604,754 | - | - | 604,754 |
| Furniture and Equipment | 727,384 | 214,999 | (97,325) | 845,058 |
| Vehicles | 68,928 | 97,324 | (110,720) | 55,532 |
| Total Depreciable Assets | 22,543,362 | 11,336,305 | (208,045) | 33,671,622 |
| Accumulated Depreciation | (1,371,946) | (826,508) | 208,045 | (1,990,409) |
| Depreciable Capital Assets, Net | 21,171,416 | 10,509,797 | - | 31,681,213 |
| Total Capital Assets | \$ 30,814,427 | \$ 12,059,508 | \$ (11,177,100) | \$ 31,696,835 |

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 8 LONG-TERM DEBT

In 2012, CMMPA issued \$32,670,000 CAPX Revenue Note, Series 2012 which bears interest at 5% per annum. The debt service on these bonds is payable solely from and secured solely by a pledge and assignment of and security interest in the bond proceeds; all right, title and interest of CMMPA in the transmission project agreements, the transmission asset assignment agreements (but only to the extent related to the CAPX Brookings Project), and upstream project agreements; and certain funds established by the Brookings Transmission Bond Resolution. Under the Brookings Transmission Bond Resolution, operating and maintenance expenses relating to the CAPX Brookings Project and budgeted CMMPA working capital amounts will be paid or provided for from the transmission revenues prior to the application of the remaining transmission revenues to the payment of debt service on the bonds.

As of December 31, 2016 and 2015, respectively, there was \$3,861,301 and \$4,129,098 of unspent proceeds of the CAPX Revenue Note that were restricted for use on construction activities, debt service and working capital requirements related to CMMPA's share of the CAPX Brookings Project.

The following is a schedule of changes in CMMPA's long-term debt:

| | Balance 12/31/15 | Additions | Retirements | Balance 12/31/16 | Due Within One Year |
|----------------------|---------------------|-----------|--------------|---------------------|------------------------|
| CAPX Brookings, 2012 | \$ 32,670,000 | \$ - | \$ (925,000) | \$ 31,745,000 | \$ 1,215,000 |
| Premium on Bonds | 3,446,839 | - | (132,576) | 3,314,263 | - |

| | Balance 12/31/14 | Additions | Retirements | Balance 12/31/15 | Due Within One Year |
|----------------------|---------------------|-----------|-------------|---------------------|------------------------|
| CAPX Brookings, 2012 | \$ 32,670,000 | \$ - | \$ - | \$ 32,670,000 | \$ 925,000 |
| Premium on Bonds | 3,579,415 | - | (132,576) | 3,446,839 | - |

The following schedule shows the future payments required on the CAPX Revenue Note:

| Year | Principal | Interest | Total |
|----------------|----------------------|----------------------|----------------------|
| 2017 | \$ 1,215,000 | \$ 1,587,250 | \$ 2,802,250 |
| 2018 | 1,905,000 | 1,526,500 | 3,431,500 |
| 2019 | 1,925,000 | 1,431,250 | 3,356,250 |
| 2020 | 1,975,000 | 1,335,000 | 3,310,000 |
| 2021-2025 | 5,502,000 | 5,632,250 | 11,134,250 |
| 2026-2030 | 5,590,000 | 4,249,250 | 9,839,250 |
| 2031-2035 | 5,718,000 | 2,839,750 | 8,557,750 |
| 2036-2040 | 5,885,000 | 1,393,500 | 7,278,500 |
| 2041-2042 | 2,030,000 | 143,000 | 2,173,000 |
| Total Payments | <u>\$ 31,745,000</u> | <u>\$ 20,137,750</u> | <u>\$ 51,882,750</u> |

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 9 DEFERRED CREDITS

In 2016 CMMPA has set up a reserve which will be used to provide rate stabilization for CMMPA Operations. As of December 31, 2016 and 2015 there was \$1,370,000 and \$-0- of deferred credits, respectively.

CMMPA has set up an operating reserve which will be used to fund any future major repairs and replacements and provide rate stabilization for participants relating to the Nebraska City Project. As of December 31, 2016 and 2015, there were \$534,595 and \$535,595, respectively of deferred credits.

In 2014 CMMPA has set up a reserve which will be used to fund any future costs and provide rate stabilization for participants in the CAPX Brookings Project. As of December 31, 2016 and 2015 there was \$3,080,454 and \$2,330,454 of deferred credits, respectively.

NOTE 10 INTERFUND BALANCES AND TRANSFERS

Interfund due to/due from are as follows for the year ending December 31:

| | 2016 | | Purpose |
|---------------------|-------------------------|-----------------------|---|
| | Due from Other Funds | Due to Other Funds | |
| Nebraska City Power | \$ 309,316 | \$ - | Provide short-term funding for projects |
| CapX Initiative | 4,016,653 | - | Provide short-term funding for projects |
| CMMPA Operations | - | 4,325,969 | Provide short-term funding for projects |
| | <u>\$ 4,325,969</u> | <u>\$ 4,325,969</u> | |
| | | | |
| | 2015 | | Purpose |
| | Due from Other Funds | Due to Other Funds | |
| Nebraska City Power | \$ 309,315 | \$ - | Provide short-term funding for projects |
| CMMPA Operations | - | 984,869 | Provide short-term funding for projects |
| CapX Initiative | 675,554 | - | Provide short-term funding for projects |
| | <u>\$ 984,869</u> | <u>\$ 984,869</u> | |

See Note 8 for more information on the long-term financing.

NOTE 11 RETIREMENT PLAN

Defined Benefit Pension Plan

Plan Description

CMMPA participates in the following cost-sharing multiple-employer defined benefit pension plans administered by PERA. PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 11 RETIREMENT PLAN (CONTINUED)

Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

All full-time and certain part-time employees of the Agency are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90% funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first ten years of service, and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first ten years, and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members, and 1.7% for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.50%, respectively, of their annual covered salary in calendar year 2016. CMMPA was required to contribute 11.78% of pay for Basic Plan members and 7.50% for Coordinated Plan members in calendar year 2016. CMMPA contributions to the GERF for the year ended December 31, 2016, were \$84,569. The contributions were equal to the required contributions as set by state statute.

CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 11 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

Pension Costs

At December 31, 2016, CMMPA reported a liability of \$1,477,750 for its proportionate share of the GERF's net pension liability. The Agency net pension liability reflected a reduction due to the state of Minnesota's contribution of \$6 million to the fund in 2016. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with CMMPA totaled \$19,261. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. CMMPA's proportion of the net pension liability was based on CMMPA contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, CMMPA's proportion was 0.0182%, which was a decrease of 0.0008% from its proportion measured as of June 30, 2015.

For the years ended December 31, 2016 and 2015, CMMPA recognized pension expense of \$200,212 and \$130,081, respectively, for its proportionate share of the GERF's pension expense. In addition, CMMPA recognized an additional \$5,743 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$6 million to the GERF.

At December 31, 2016, CMMPA reported its proportionate share of GERF's deferred outflows of resources and deferred inflows of resources from the following sources:

| <u>Description</u> | 2016 | | 2015 | |
|---|-----------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences Between Expected and Actual Economic Experience | \$ - | \$ 120,045 | \$ - | \$ 49,645 |
| Changes in Actuarial Assumptions | 289,345 | - | - | - |
| Net Difference Between Projected and Actual Earnings on Pension Plan | | | | |
| Investments | 280,483 | - | 93,215 | - |
| Changes in Proportion | - | 32,068 | - | 3,523 |
| Contributions Paid to PERA Subsequent to the Measurement Date | 46,131 | - | 41,442 | - |
| Total | <u>\$ 615,959</u> | <u>\$ 152,113</u> | <u>\$ 134,657</u> | <u>\$ 53,168</u> |

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 11 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

Pension Costs (Continued)

\$46,131 reported as deferred outflows of resources related to pensions resulting from CMMPA contributions to GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

| Year Ended December 31, | CMMPA Pension Expense Amount |
|-------------------------|---------------------------------------|
| 2017 | \$ 115,770 |
| 2018 | 115,770 |
| 2019 | 132,796 |
| 2020 | 53,379 |

Actuarial Assumptions

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions:

| | |
|---------------------------|---|
| Inflation | 2.50% per year |
| Salary Increases | 3.25%, Average, Including Inflation |
| Investment Rate of Return | 7.50%, Net of Pension Plan Investment Expense |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1% per year for all future years for the General Employees Retirement Fund Plan.

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of actuarial experience studies. The most recent four year experience study in the General Employees Plan was completed in 2015.

The following changes in actuarial assumptions occurred in 2016. The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter, to 1.0% per year for all future years. The assumed investment rate of return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 11 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|----------------------|--|
| Domestic Equity | 45% | 5.50% |
| International Equity | 15% | 6.00% |
| Bonds | 18% | 1.45% |
| Alternative Assets | 20% | 6.40% |
| Cash | 2% | 0.50% |
| Total | 100% | |

Discount Rate

The discount rate used to measure the total pension liability in 2016 was 7.50%, a reduction from the 7.90% used in 2015. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates set in Minnesota Statutes. Based on that assumption, the fiduciary net position of the GERS was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents the Agency's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate at December 31, 2016:

| Description | 1% Decrease (6.5%) | Current Discount Rate (7.5%) | 1% Increase (8.5%) |
|--|-----------------------|------------------------------------|-----------------------|
| CMMPA Proportionate Share of the GERS Net Pension Liability | \$ 2,098,843 | \$ 1,477,750 | \$ 966,138 |

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 11 RETIREMENT PLANS (CONTINUED)

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

NOTE 12 RISK MANAGEMENT

CMMPA is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; error or omissions; or natural disasters.

CMMPA has purchased commercial coverage through Insurance Agency of Blue Earth. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CMMPA has joined together with other municipalities and cities in the League of Minnesota Cities General Property and Casualty Insurance Plan. These are public entity risk pools currently operating as a common risk management and insurance program for member municipalities and cities. The municipality pays annual premiums for these plans. Premiums are used to purchase reinsurance through commercial companies. The administrators of these plans believe assessment to participating utilities and cities for future losses sustained is remote. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

CMMPA is self-insured for unemployment compensation.

NOTE 13 ACCRUED DISTRIBUTION

On May 24, 2006, the board of commissioners of CMMPA adopted a policy to make distributions to the Agencies from time to time, based upon a plan of distribution which is formally adopted by a 2/3 majority vote. The Board of commissioners approved a distribution to members of \$159,478 and \$-0- in 2016 and 2015, respectively.

CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 14 RELATED PARTY TRANSACTIONS

CMMPA had a 50% ownership interest in Utilities Plus Energy Services, Inc. (UPES) a for-profit entity that services and installs electrical equipment for small utilities and large commercial energy users throughout the United States. CMMPA accounted for its investment in UPES using the equity method of accounting. However CMMPA sold their ownership in UPES in December 2016. Condensed financial information for UPES for the years ended December 31, 2016 and 2015 is summarized as follows:

| | 2016 | 2015 |
|-------------------|------|--------------|
| Total Assets | \$ - | \$ 3,220,309 |
| Total Liabilities | - | 1,668,105 |
| Total Equity | - | 1,552,204 |
| Sales | - | 11,200,947 |
| Net Income | - | 41,926 |

NOTE 15 RESTATEMENT

During the year ended December 31, 2016, CMMPA restated the CAPX receivable amounts. These pronouncements require the restatement of the December 31, 2015 & December 31, 2014, net position as shown below.

| | CMMPA Operations | Nebraska City Power | CapX Initiative | Entity-Wide Total |
|---|---------------------|------------------------|---------------------|----------------------|
| 2015 Net Position Beginning of Year As Previously Stated | \$ 3,436,018 | \$ 607,802 | \$ 4,518,124 | \$ 8,561,944 |
| Change in CapX Receivable | - | - | 1,070,013 | 1,070,013 |
| Change in Deferred Debit | - | - | 737,079 | 737,079 |
| Change in Member Transmission Receivable | 192,580 | - | - | 192,580 |
| Net Position - Beginning of Year as Restated | <u>\$ 3,628,598</u> | <u>\$ 607,802</u> | <u>\$ 6,325,216</u> | <u>\$ 10,561,616</u> |

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
DECEMBER 31, 2016**

| | Meaurement Date | |
|--|-----------------|---------------|
| | June 30, 2016 | June 30, 2015 |
| PERA - GERP | | |
| CMMPA's Proportion of the Net Pension Liability (Asset) | 0.0182% | 0.0190% |
| CMMPA's Proportionate Share of the Net Pension Liability (Asset) | \$ 1,477,750 | \$ 984,679 |
| CMMPA's Covered-Employee Payroll | \$ 1,285,252 | \$ 1,115,904 |
| CMMPA's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll | 114.98% | 88.24% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 68.90% | 78.20% |

Additional information will be added as it becomes available.

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
DECEMBER 31, 2016**

| | <u>2016</u> | <u>2015</u> |
|--|--------------------|-----------------|
| PERA - GERP | | |
| Contractually Required Contribution | \$ 1,477,750 | \$ 82,263 |
| Contributions in Relation to the Contractually Required Contribution | <u>(1,477,750)</u> | <u>(82,263)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> |
| CMMPA's Covered-Employee Payroll | \$ 1,145,224 | \$ 1,003,211 |
| Contributions as a Percentage of Covered | 129.04% | 8.20% |

Additional information will be added as it becomes available.

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
SUPPLEMENTARY INFORMATION
STATEMENT OF NET POSITION – CAPX INITIATIVE
DECEMBER 31, 2016**

| | CMMPA Agency | CMMPA Project | Eliminations | 2016 Total CapX Initiative |
|---|---------------------|---------------------|-----------------------|----------------------------------|
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Restricted Cash and Cash Equivalents | \$ - | \$ 10,412,713 | \$ - | \$ 10,412,713 |
| Accounts Receivable | 403,385 | - | - | 403,385 |
| Due from Other Funds | 4,016,653 | - | - | 4,016,653 |
| Total Current Assets | <u>4,420,038</u> | <u>10,412,713</u> | <u>-</u> | <u>14,832,751</u> |
| DEFERRED DEBIT | 1,706,633 | 1,523,365 | (1,523,365) | 1,706,633 |
| CAPITAL ASSETS | | | | |
| Depreciable, Net | - | 30,185,933 | - | 30,185,933 |
| LIABILITIES AND NET POSITION | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts Payable | - | 15,200 | - | 15,200 |
| Accrued Liabilities and Other Payables | - | 59,046 | - | 59,046 |
| Interest Payable | - | 793,625 | - | 793,625 |
| Total Current Liabilities | <u>-</u> | <u>867,871</u> | <u>-</u> | <u>867,871</u> |
| LONG-TERM LIABILITIES | | | | |
| Bonds Payable - Current and Noncurrent | <u>-</u> | <u>35,059,263</u> | <u>-</u> | <u>35,059,263</u> |
| Total Long-Term Liabilities | <u>-</u> | <u>35,059,263</u> | <u>-</u> | <u>35,059,263</u> |
| Total Liabilities | - | 35,927,134 | - | 35,927,134 |
| DEFERRED CREDIT | - | 3,080,454 | - | 3,080,454 |
| NET POSITION | | | | |
| Net Investment in Capital Assets Restricted for Participation in Power Projects | - | (299,480) | - | (299,480) |
| Unrestricted | 4,420,038 | 1,890,538 | - | 6,310,576 |
| Total Net Position | <u>\$ 6,126,671</u> | <u>\$ 3,114,423</u> | <u>\$ (1,523,365)</u> | <u>\$ 7,717,729</u> |

**CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – CAPX INITIATIVE
YEAR ENDED DECEMBER 31, 2016**

| | CMMPA Agency | CMMPA Project | Eliminations | 2016 CapX Initiative |
|---|--------------------|---------------------|--------------------|----------------------------|
| OPERATING REVENUES | | | | |
| Transmission Sales | \$ 2,167,304 | \$ 2,765,257 | \$ (1,334,881) | \$ 3,597,680 |
| OPERATING EXPENSES | | | | |
| O&M Assessments | - | 68,084 | - | 68,084 |
| Tariff Distributions | - | 272,516 | - | 272,516 |
| Distribution of Member Owned Assets | 1,334,881 | - | (1,334,881) | - |
| Depreciation | - | 803,923 | - | 803,923 |
| Amortization | 853,318 | 761,682 | (761,682) | 853,318 |
| Total Operating Expenses | <u>2,188,199</u> | <u>1,906,205</u> | <u>(2,096,563)</u> | <u>1,997,841</u> |
| OPERATING INCOME (LOSS) | (20,895) | 859,052 | 761,682 | 1,599,839 |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Interest Expense | - | (1,454,640) | - | (1,454,640) |
| (Expenses), Net | <u>-</u> | <u>(1,454,640)</u> | <u>-</u> | <u>(1,454,640)</u> |
| CHANGES IN NET POSITION | <u>\$ (20,895)</u> | <u>\$ (595,588)</u> | <u>\$ 761,682</u> | <u>\$ 145,199</u> |

CMPA's Contact Information

Main Office

459 South Grove Street
Blue Earth, Minnesota 56013

Twin Cities Location

6870 Washington Ave S
Eden Prairie, MN 55344

Phone

888-970-8267

Website

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January 2018

Dear Friend,

Happy 2018! As we move forward with plans for the new year and complete reviews of 2017, we are pleased to share our 2016 accomplishments with you. The Central Minnesota Municipal Power Agency/Central Municipal Power Agency Services (CMMPA/CMPAS) Annual Report outlines our successful 2016, and we continue on track to offer innovative and affordable projects to our public power communities.

Every year brings change, and for CMMPA/CMPAS, we welcome Chris Kopel as Interim-Chief Executive Officer. Although new in this role, Chris is very familiar with CMPAS's short-term and long-term goals serving as the Agency's Chief Operating Officer since 2013. Chris continues to lead a number of key strategic initiatives in power supply, transmission, distribution mapping, and financial and human resource planning for the Agency and its members.

As much as we are glad to welcome Chris to this new role, we will miss Steve Thompson, who decided to retire from the Agency in January 2018. CMMPA/CMPAS expresses its deep appreciation for the valuable leadership and significant contributions that Steve has provided to CMMPA/CMPAS over the years.

Steve's many accomplishments include leading the Agency and its members in the planning and procurement of their first wholesale power portfolios to replace their legacy full requirements contracts with Xcel Energy; diversifying their power supply portfolios with long-term nuclear and wind purchases; spearheading our entry into transmission ownership with precedent-setting FERC approval; launching an array of innovative member services, such as R4 Solar; and enhancing CMMPA/CMPAS's reputation as a low cost, reliable and member-oriented joint action agency. We thank Steve Thompson for his 18 years of service.

We hope you enjoy reviewing the enclosed 2016 Annual report that reflects the hard work of Steve, Chris, and the entire CMMPA/CMPAS staff. Thanks to their efforts, we are well-positioned to continue providing reliable, competitively-priced, and environmentally-sound electricity for our cities.

We look forward to our continued working relationship with our public power partners and others in the electric utility industry!

Sincerely,

Tim Stoner,
CMMPA/CMPAS Board President

January 18, 2018
Administrator's Summary

CMPAS

Anticipated Personnel Changes
Official Announcement to Follow
Attended Meeting with Representative Quam and Senator Senjem

Arena Committee Meeting

Next Meeting January 25, 2018

Old Stone Water Tower

Reviewed Information on File; Talked With Kelly Gragg-Johnson
Wednesday, January 17, 2018 Meeting with DCHS Representatives
Referred to Natascha Wiener for Assistance
Preserve Minnesota Annual Conference September 12, 13, 14 at Winona

Prairie Willows Townhomes

Reviewed Request to Combine Lots with City Attorney
Provided Documentation for Review

Fairgrounds Electric Utility

Inactivating Five Accounts on a Seasonal Basis

Electric Service by Exception Acquisition

Multiple Requests for Clarification on Costs; May Proceed to MPUC.

Images Expansion

Working through Grant Opportunities with Rebecca Charles, EDA Coordinator

Comprehensive Plan

Work Group Meeting on Wednesday, February 5, 2018 at 5:30 at Kasson Public Utilities
(The kickoff meeting was on May 15, 2017)

Date 02/01/2018

INCIDENT ANALYSIS - DAY

Time 9:07:33AM

Agency Kasson Police

Report CFS03

Dates 01/01/2018

Thru 01/31/2018

| Activity | Sun | Mon | Tue | Wed | Thur | Fri | Sat | Total |
|-----------------------------|-----|-----|-----|-----|------|-----|-----|-------|
| Agency Kasson Police | | | | | | | | |
| | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| 00036 Stolen Prop/recovered | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 2 |
| 00059 Miscellaneous Info | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 2 |
| 00064 Juvenile Complaint | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| 00098 Mv/personal Injury | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| 00100 Mv/fixed Object | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| 00102 Mv/ran Off Road | 0 | 0 | 2 | 0 | 2 | 0 | 0 | 4 |
| 00104 Mv/roll Over | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| 00128 Vulnerable Adult | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| 00141 Dar/revoked DI | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 3 |
| 00148 Speed | 0 | 0 | 2 | 0 | 1 | 1 | 2 | 6 |
| 00180 Illegal Use Of Plates | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 00196 Marijuana/poss In Veh | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 2 |
| 00220 Barking Dog | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| 00223 Animal Comp/neglect | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| 00450 Evacuation/gas Leak | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| 00911 9-1-1 Hang Up Call | 0 | 1 | 1 | 0 | 0 | 0 | 1 | 3 |
| ALARM Alarm | 3 | 0 | 1 | 1 | 1 | 2 | 1 | 9 |
| ANIBI Animal Bites | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| ANICO Animal Comp | 1 | 0 | 0 | 2 | 0 | 0 | 0 | 3 |
| ANIFO Found Animals | 1 | 1 | 0 | 0 | 1 | 0 | 0 | 3 |
| ANILO Lost Animals | 1 | 1 | 0 | 0 | 1 | 0 | 0 | 3 |
| ASSAU Assaults | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| ASSIS Assist Other Agency | 1 | 0 | 3 | 1 | 6 | 4 | 6 | 21 |
| BURG Burglary | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| CELLO Cell Call Open Line | 0 | 0 | 0 | 0 | 2 | 0 | 1 | 3 |
| CHIAB Child Abuse/neglect | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| CIVIL Civil | 2 | 0 | 0 | 1 | 1 | 1 | 1 | 6 |
| CPROT CHILD PROTECTION INTA | 0 | 0 | 1 | 2 | 0 | 0 | 1 | 4 |
| D38 Minor Consump/driving | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| DEAD Sudden Death/body Fnd | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| DISTU Disturbance | 0 | 3 | 1 | 1 | 1 | 2 | 0 | 8 |
| DOMES Domestic | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 2 |
| DRICO Other Driving Complai | 0 | 1 | 2 | 1 | 1 | 1 | 0 | 6 |
| DWI/4 4th Degree Dwi | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| EMS Ambulance Run | 4 | 4 | 5 | 4 | 6 | 5 | 6 | 34 |
| FIRES Fires | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| HARAS Harassment | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| HISCK Agency History Check | 0 | 0 | 8 | 1 | 0 | 0 | 0 | 9 |
| HITRU Mv/hit & Run | 1 | 0 | 0 | 0 | 0 | 2 | 0 | 3 |
| LARCE Larceny | 0 | 3 | 1 | 3 | 1 | 0 | 0 | 8 |
| MEDIC Medical Assist | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| MENTA Mental Case | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| MISC Miscellaneous | 2 | 1 | 3 | 4 | 2 | 3 | 2 | 17 |
| MOTOR Motorist Assist | 3 | 4 | 4 | 2 | 2 | 0 | 2 | 17 |
| MVACC Mv. Accident | 0 | 2 | 2 | 1 | 3 | 2 | 0 | 10 |
| MVTAM Tampering With MV | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 3 |
| NARCO Narcotics | 0 | 1 | 2 | 1 | 0 | 0 | 0 | 4 |
| NOISE Noise Complaint | 0 | 0 | 0 | 1 | 0 | 2 | 0 | 3 |
| OPEND Open Door | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| PAMGP Admin. Stats Only | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |

Date 02/01/2018

INCIDENT ANALYSIS - DAY

Time 9:07:33AM

Agency Kasson Police

Report CFS03

Dates 01/01/2018

Thru 01/31/2018

| Activity | Sun | Mon | Tue | Wed | Thur | Fri | Sat | Total |
|-----------------------------|-----|-----|-----|-----|------|-----|-----|-------|
| PARKV Parking Violations | 0 | 1 | 3 | 0 | 0 | 0 | 0 | 4 |
| PERMI Missing Person | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| PRMPU Permit To Purchase | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 2 |
| PROBA Probation Check | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 2 |
| PROFO Found Property | 0 | 1 | 0 | 1 | 0 | 0 | 1 | 3 |
| PROPD Property Damage | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| RESCK Residence/business Ck | 0 | 2 | 1 | 1 | 1 | 3 | 0 | 8 |
| SCHOO School Bus Violations | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| SNOCO Snowmobile Complaints | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| SNOWF Snow Removal | 0 | 5 | 2 | 0 | 0 | 18 | 0 | 25 |
| SUSPI Suspicious Activity | 0 | 0 | 0 | 1 | 2 | 2 | 1 | 6 |
| THREA Threats | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| TRAFF Traffic | 14 | 8 | 10 | 6 | 5 | 5 | 4 | 52 |
| TRAHZ Traffic Hazard | 0 | 2 | 1 | 0 | 1 | 1 | 0 | 5 |
| TRESO Trespass Order | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| WELCK Welfare Check | 0 | 2 | 1 | 0 | 2 | 0 | 2 | 7 |
| XFRAU Fraud | 0 | 1 | 0 | 0 | 0 | 1 | 0 | 2 |
| XTRAP Req for Extra Patrol | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| Kasson Police Agency Total | 43 | 55 | 63 | 38 | 49 | 62 | 36 | 346 |
| Total | 43 | 55 | 63 | 38 | 49 | 62 | 36 | 346 |



SOUTHERN MINNESOTA
INITIATIVE FOUNDATION

525 Florence Avenue • PO Box 695 • Owatonna, MN 55060-0695
PH 507.455.3215 • FAX 507.455.2098 • smifoundation.org

January 29, 2018

Theresa Coleman
City of Kasson
401 5th St SE
Kasson, MN 55944-2204

Dear Ms. Coleman and City Council;

Because of your generous support of Southern Minnesota Initiative Foundation (SMIF), lives were transformed.



Meet Paula, an entrepreneur who received support for her growing handcrafted candy business, Curly Girlz Candy, based in Owatonna. Through SMIF, she received financial support, valuable networking opportunities through one of our local foods peer groups and additional technical assistance. More than 1,500 local food entrepreneurs in the region receive support for their business through SMIF's varied programs: lending, peer groups, grantmaking, Grow a Farmer Fund, Feast! Local Foods Network, Feast! Local Foods Marketplace event and Feast! Smart Start Initiative, all focused on helping local producers thrive throughout the region.

Meet Aaron, a dedicated volunteer who moved back to his hometown of Harmony after completing his education. Aaron knew he wanted to impact his community and became a leader by volunteering for the Harmony Area Community Foundation (HACF) board of directors. SMIF provides investment, technical assistance and resources to HACF which has granted more than \$100,000 to community projects since 2012. Community foundations are considered an essential pillar to keeping small towns vital. SMIF is host to more than 60 volunteer groups throughout the region. This program keeps dollars working locally and captures needed resources for our smallest communities.





Meet Renee, co-coordinator of the Owatonna Early Childhood Initiative (ECI) started in 2015. With SMIF's guidance and funding, the local volunteers determined priorities for children from birth to age five in their community. One of their priority projects was preschool transportation. Today, 160 preschoolers have access to transportation that didn't before. They now receive the schooling needed to be ready for kindergarten. SMIF has

supported 25 Early Childhood Initiatives throughout our 20 counties. Each ECI addresses needs and opportunities to help our youngest residents become successful members of our future workforce.

In total, more than 12,000 people were supported through these three programs in the past year. With your contribution we are able to provide these programs to keep southern Minnesota prosperous and vital.

On behalf of SMIF's board, staff and partners, **THANK YOU** for your contribution of **\$1,000**. Together we can achieve our mission.

Sincerely,

Tim Penny
President & CEO

Kasson Safe Routes to School

MnDOT Transportation Alternatives Solicitation February 9, 2018

Presenters:

Dan Egger, City Council Member

Brandon Theobald, P.E., Consulting City Engineer



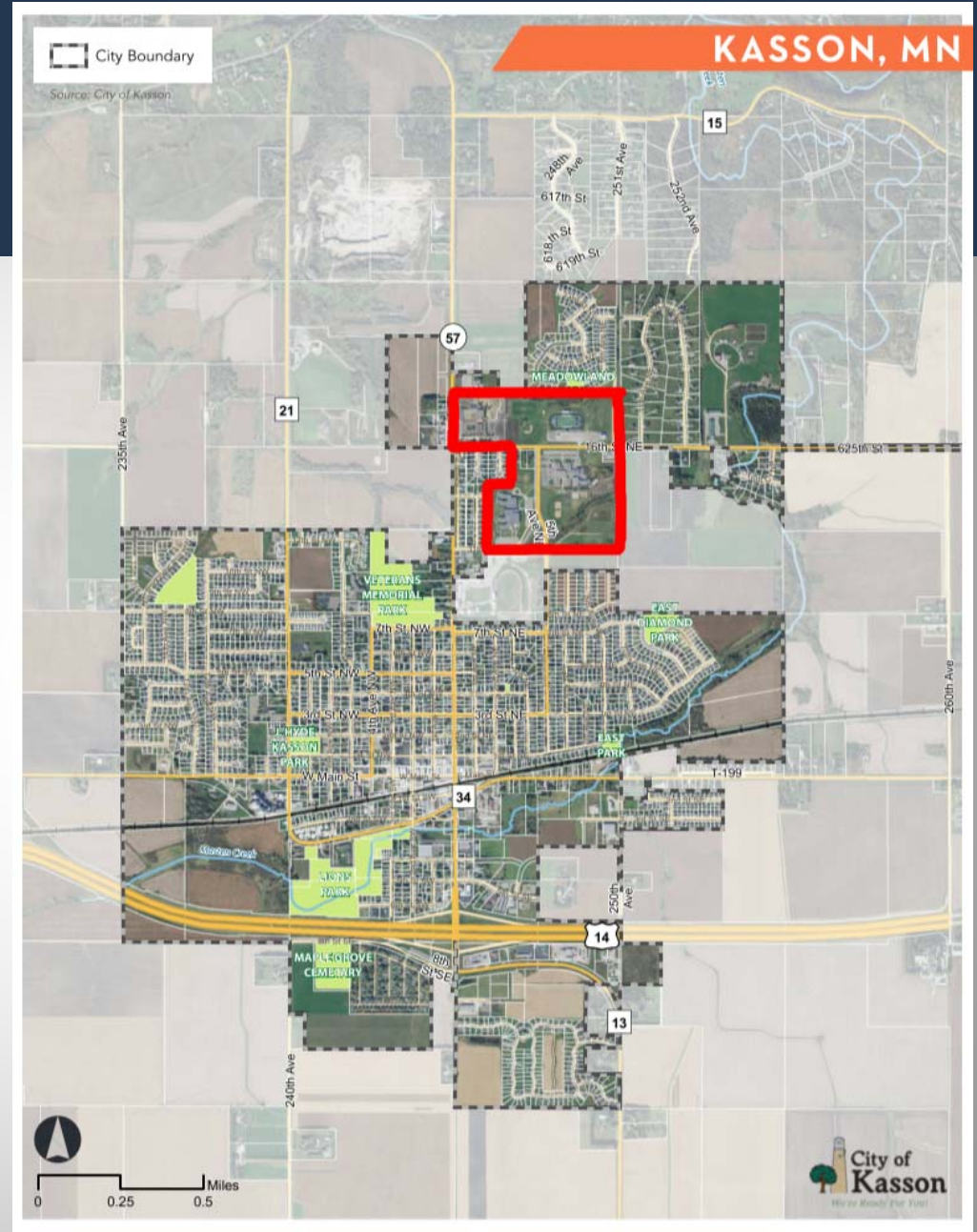
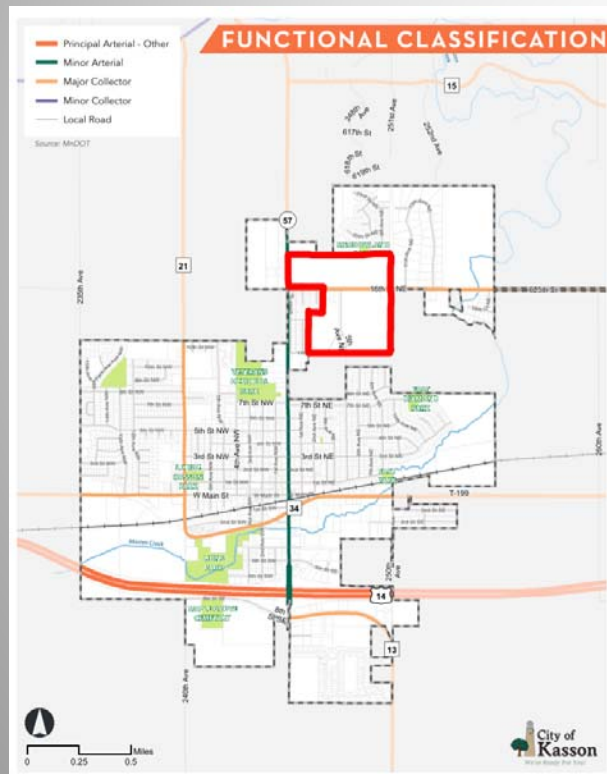
Outline

- Overview
- SRTS Planning
- Community Support
- Proposed Improvements
- Costs
- Questions



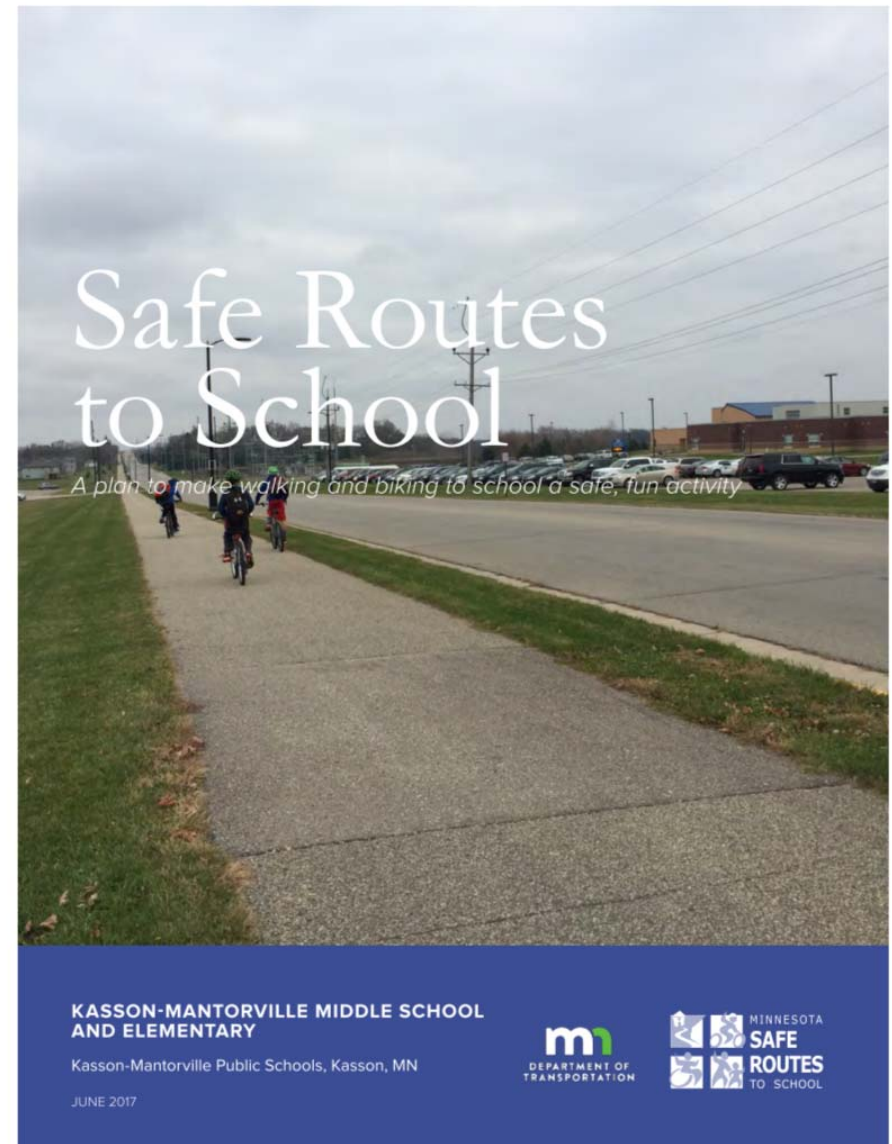
Overview

- Fast Growing Community/Area
- K-M Campus
- Minor Arterial/Major Collector



SRTS Planning

- Planning completed in 2016-2017
- Participation
 - MnDOT Planning
 - Dodge County Public Health
 - Dodge County Engineer
 - Dodge County EDA
 - K-M School District
 - K-M Community Education
 - City of Mantorville (Mayor/Staff)
 - City of Mantorville Engineer
 - City of Kasson (Council/Staff)
 - City of Kasson Engineer
 - Kasson Police Department
 - Kasson Public Library
 - Planning and Zoning Commission
 - Citizens
 - Local Daycare




SRTS Planning

- Proposed Improvements from plan




Community Support


- Comprehensive plan
 - Online comments
 - Public Meetings
 - Many comments in support of proposed project
- ADA Transition Plan



 K-M Campus / School system - - - great asset to our community. . . and enticement for families to move to the K-M area...


 Like (3) | Dislike 

 People drive way too fast going down this stretch of newer road.

 Like (3) | Dislike 

 Western side of this crossing needs better lighting and would like to see pedestrian crossing signs with flashers linked to the signs on the east side crosswalk. Since the bike path and the middle school are on the west side of the street, kids are crossing the western side in the dark in wintertime, and during the low-sun blinding hours in spring/fall.

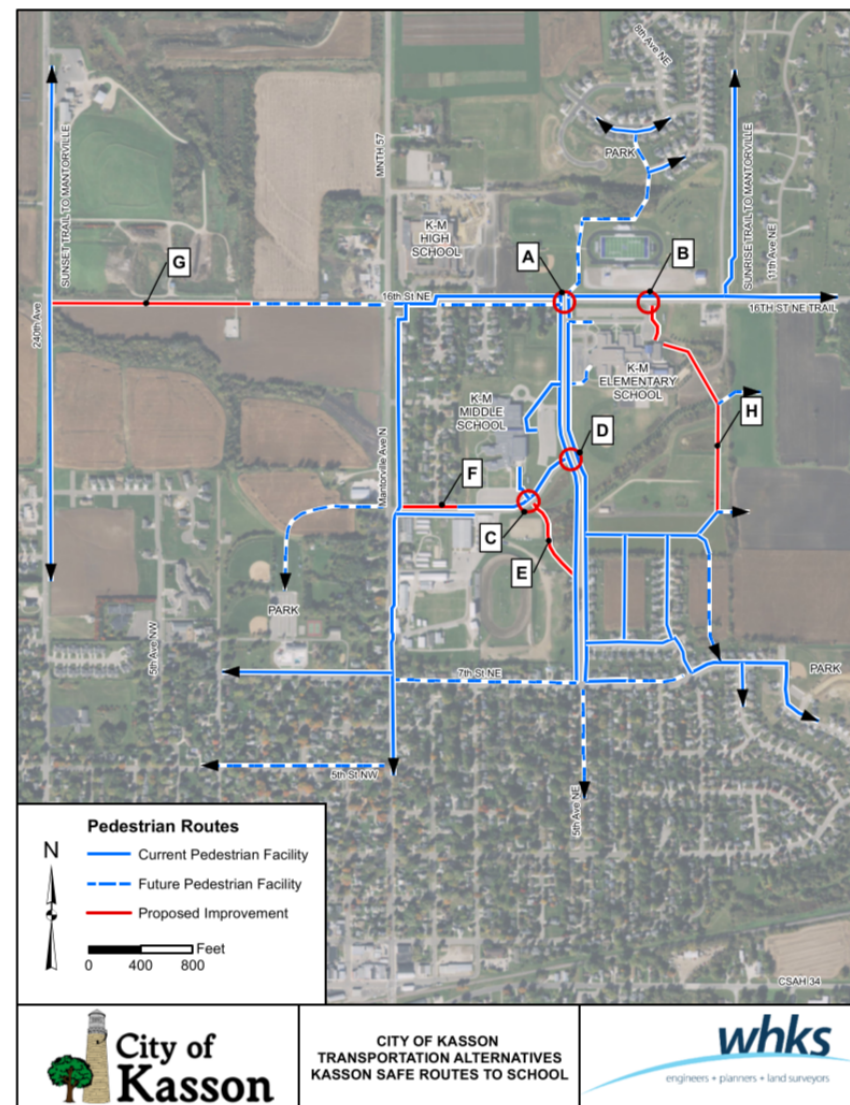
 Like (3) | Dislike 

 Drivers speed past our neighborhood at 50mph or more, yet it's only 30mph. There's no police presence for speeders. Add a stop sign or speed bump before a child is hurt or killed.

 Like (4) | Dislike (1) 

Proposed Improvements

- Safer Intersections/Crosswalks
 - Bump outs / Pedestrian flasher system
 - Striping
 - Defined Cross walks
 - At locations currently used
- Connectivity to Existing Facilities
 - Dodge County Trail System
 - City of Mantorville
- Public/Private Partnerships
 - Recent Trails by Developers
 - Future Trails by Developers
 - Committed to provide connectivity



Proposed Improvements

KASSON SAFE ROUTES TO SCHOOL

Kasson, Minnesota

PROPOSED IMPROVEMENTS

Phase A

Painted curb extensions and a MUTCD compliant pedestrian flasher system at uncomfortable crossing with high pedestrian and vehicle traffic. Future improvements are planned to extend 16th Street which will increase traffic levels and the need for pedestrian improvements at this location.



Phase B and C

High visibility cross walk and a MUTCD compliant pedestrian flasher system at locations frequently used as crosswalk but not designated as a cross walk.

Phase D

High visibility cross walk at existing crossing with high pedestrian and vehicle traffic.



Phase E

Trail construction on a turfed walking route established by use from students. Trail will improve accessibility and connectivity.

Phase F

Trail construction to complete pedestrian facility network and facilitate future trail to west.



Phase G

Trail construction to extend pedestrian facility network from Dodge County Sunset Trail. Future development to east will include construction of a trail to complete pedestrian network to 16th Street Trail.

Phase H

Trail construction to complete pedestrian facility network from Elementary School to newly constructed trail in residential development to the south. Additional planned residential development to the east will provide additional trails and pedestrian connectivity.



Costs

- Eligible Construction
 - \$375k
- Non-eligible
 - \$75K
- Total Project
 - \$450K
 - \$300K TA
 - \$150K Local
- Local Participation
 - \$150K
 - \$60K K-M School
 - \$90K City of Kasson
- Local Project Delivery
 - MSAS City

Project Budget

Notes: Please identify what costs will be incurred to carry out the proposed project, using the following budget categories as a guideline. Where appropriate, break down your costs by units purchased. For example: number of acres, cubic yards of fill, etc. Attach additional sheet(s) if necessary.

Cost estimates are to be submitted in *year of construction dollars (FY 2022)*.

Table A – Eligible Items

| Eligible work / construction item | Estimated quantity | Unit cost | Total cost |
|-----------------------------------|--------------------|-----------|------------|
| SEE ATTACHED | | | \$375,000 |
| | | | |
| | | | |
| | | | |
| | | | |

Table B – Non-Eligible Items¹

| Non-eligible work / construction item | Estimated quantity | Unit cost | Total cost |
|---------------------------------------|--------------------|-----------|------------|
| Engineering | | | \$75,000 |
| | | | |
| | | | |
| | | | |
| | | | |

Total Project Budget

1. Total cost of proposed project (Total Table A + Total Table B): \$450,000
2. Items not eligible for Alternative funding (Total Table B): \$75,000
3. Total eligible costs (minimum \$250,000)² (Total Table A): \$375,000
4. Applicant's contribution toward the eligible alternative project costs (20% minimum)³: \$75,000
5. Total amount requested in transportation alternatives funds (#3 minus #4): \$300,000

Questions?

Thank You

