

WABASHA UTILITIES COMMISSION

October 2, 2023 4:00 PM

MEETING AGENDA

- 1) Call to Order and Roll Call
- 2) Changes or Additions to Agenda
- 3) Approval:
 - 1) October Warrants
 - 2) 9/5/23 UT Comm Minutes
 - 3) September Financials
- 4) Adjustment Requests
- 5) General Business
 - 1) Approve Resolutions to bond for Downtown Street Projects
- 6) Old Business
- 7) Other Business
 - 1) Lead/Copper Tap Water Monitoring Report
- 8) Adjourn

Utilities Commission

3) 1)

Meeting Date: 10/02/2023

ITEM TITLE: October Warrants

DEPARTMENT: Administration

REQUESTED BY:

PURPOSE:

ITEM SUMMARY:

Attachments

October UT Warrants

CITY OF WABASHA

Receipts

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Current Period: October 2023

Payments Batch 100223UTWARRANTS					\$7,574.36
Refer	11150 <i>FIRST LEASE LLC</i>				
Cash Payment	E 810-500-49449-615	Lease Principal	JETTER TRUCK LEASE		\$1,297.62
	Invoice NOV 2023				
Cash Payment	E 810-500-49449-616	Lease Interest	JETTER TRUCK LEASE		\$300.51
	Invoice NOV 2023				
Transaction Date	9/26/2023	First State Bank	10100	Total	\$1,598.13
Refer	11151 <i>HBC</i>				
Cash Payment	E 810-500-49449-321	Telephone	UT SERVICES		\$45.49
Transaction Date	9/26/2023	First State Bank	10100	Total	\$45.49
Refer	11152 <i>DICK S AUTO PARTS</i>				
Cash Payment	E 810-500-49449-214	Shop Materials	THREAD LOCK, OXY-ACETY CLEANER		\$36.88
	Invoice 8/31/23 STMT				
Transaction Date	9/26/2023	First State Bank	10100	Total	\$36.88
Refer	11153 <i>USA BLUE BOOK</i>				
Cash Payment	E 810-500-49449-214	Shop Materials	PARTS & EQUIP		\$610.53
	Invoice 00114817				
Cash Payment	E 810-500-49449-214	Shop Materials	PARTS & EQUIP		\$282.77
	Invoice 114797				
Transaction Date	9/26/2023	First State Bank	10100	Total	\$893.30
Refer	11154 <i>WABASHA COUNTY</i>				
Cash Payment	E 810-500-49449-212	Motor Fuels	PUBLIC WORKS		\$384.26
	Invoice 2023-811				
Cash Payment	E 800-500-49000-212	Motor Fuels	PUBLIC WORKS		\$384.26
	Invoice 2023-811				
Transaction Date	9/26/2023	First State Bank	10100	Total	\$768.52
Refer	11155 <i>PAT MUELLER</i>				
Cash Payment	E 800-500-49000-430	Miscellaneous	WORK BOOTS		\$50.00
Cash Payment	E 810-500-49449-430	Miscellaneous	WORK BOOTS		\$50.00
Transaction Date	9/26/2023	First State Bank	10100	Total	\$100.00
Refer	11156 <i>HAWKINS, INC</i>				
Cash Payment	E 800-500-49000-216	Chemical and Che	CHLORINE CYLINDER		\$20.00
	Invoice 6578934				
Transaction Date	9/26/2023	First State Bank	10100	Total	\$20.00
Refer	11186 <i>HAWKINS, INC</i>				
Cash Payment	E 800-500-49000-216	Chemical and Che	CHEMICALS		\$1,570.72
	Invoice 6580881				
Transaction Date	9/26/2023	First State Bank	10100	Total	\$1,570.72
Refer	11187 <i>FERGUSON WATERWORKS</i>				
Cash Payment	E 800-500-49000-219	General Supplies	MAINCASE GSKT		\$20.57
	Invoice 519267				
Transaction Date	9/26/2023	First State Bank	10100	Total	\$20.57

CITY OF WABASHA
Receipts

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Current Period: October 2023

Refer	11188	VISA				
Cash Payment	E 810-500-49449-221	Equipment Mainten	SPRAYER TANK			\$475.66
	Invoice UTILLITES					
Cash Payment	E 810-500-49449-200	Office Supplies	UTILITIES PAPER			\$183.92
	Invoice UTILLITES					
Cash Payment	E 800-500-49000-200	Office Supplies	UTILITIES PAPER			\$183.92
	Invoice UTILLITES					
Cash Payment	E 810-500-49449-219	General Supplies	SPOT LIGHT AND SUPPLIES			\$153.36
	Invoice UTILLITES					
Cash Payment	E 810-500-49449-433	Dues and Subscripti	ANNUAL FEE			\$25.00
	Invoice UTILLITES					
Transaction Date	9/26/2023	First State Bank	10100	Total		\$1,021.86
Refer	11207	GOPHER STATE ONE CALL				
Cash Payment	E 800-500-49000-407	Gopher State One-	May invoice under payment			\$61.42
	Invoice 3050812					
Transaction Date	9/27/2023	First State Bank	10100	Total		\$61.42
Refer	11208	UTILITY CONSULTANTS INC.				
Cash Payment	E 810-500-49449-405	Water/Sewer/Sludg	SLUDGE TESTING			\$1,437.47
	Invoice 1417698					
Transaction Date	9/28/2023	First State Bank	10100	Total		\$1,437.47

Fund Summary

	10100	First State Bank	
800 Water Department			\$2,290.89
810 Sewer Department			\$5,283.47
			<hr/>
			\$7,574.36

Utilities Commission

3) 2)

Meeting Date: 10/02/2023

ITEM TITLE: 9/5/23 UT Comm Minutes

DEPARTMENT: Administration

REQUESTED BY:

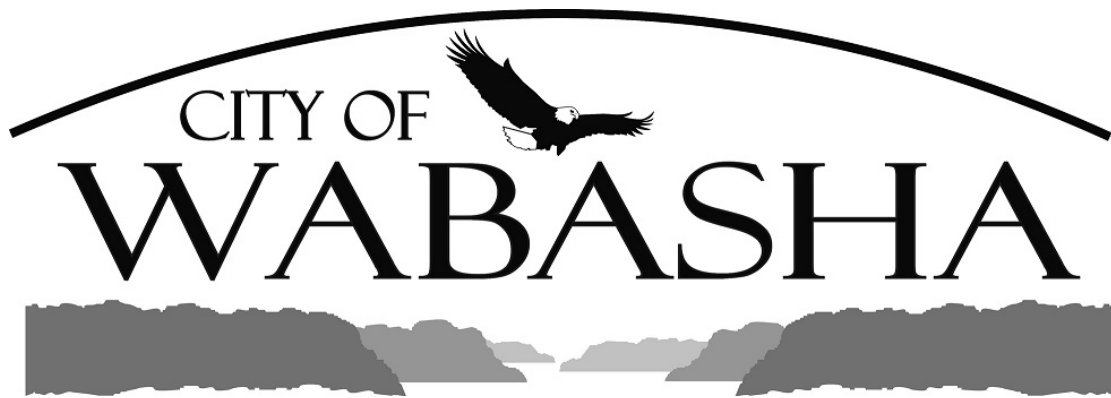
PURPOSE:

ITEM SUMMARY:

Attachments

9-5-23 UT Comm Minutes

DRAFT



Utilities Commission

Commissioners:

Brian Wodele (President)

Steve Schmidt

John Kreye
Josh Wendt

Mike Wallerich

Present: Mike Wallerich, Commissioner; John Kreye, Commissioner; Brian Wodele, Chair

Absent: Steve Schmidt, Commissioner; Josh Wendt, Commissioner

Also Present: Jessica Leonhardt, Deputy Clerk; Pat Mueller, Water & Sewer Supervisor

1. Call to Order and Roll Call

Wodele called the meeting to order at 4:07.

2. Changes or Additions to Agenda

Leonhardt mentioned that 2 more warrants would be added. One for Ferguson and one for Thompson Garage doors.

Moved by Commissioner Mike Wallerich, seconded by Chair Brian Wodele to approve the agenda with the addition of the two new warrants. AYE: 3 NAY: None. ABSENT: Commissioner Steve Schmidt (ABSENT) Commissioner Josh Wendt (ABSENT) Motion: Adopted

3. Approval:

1. September Warrants

Moved by Commissioner John Kreye, seconded by Chair Brian Wodele to approve the September Warrants. AYE: 3 NAY: None. ABSENT: Commissioner Steve Schmidt (ABSENT) Commissioner Josh Wendt (ABSENT) Motion: Adopted

2. 8-7-23 UT Comm Minutes

Moved by Chair Brian Wodele, seconded by Commissioner John Kreye to approve the 8-7-23 UT Comm Minutes. AYE: 3 NAY: None. ABSENT: Commissioner Steve Schmidt (ABSENT) Commissioner Josh Wendt (ABSENT) Motion: Adopted

3. August Financials

Moved by Commissioner John Kreye, seconded by Chair Brian Wodele to approve the August Financials with the correction of relocating the \$2960 to the proper account. AYE: 3 NAY: None. ABSENT: Commissioner Steve Schmidt (ABSENT) Commissioner Josh Wendt (ABSENT) Motion: Adopted

4. Adjustment Requests

5. General Business

6. Old Business

Mueller gave an update on the rehab of Well #1, which is 26 years old. There was a difficulty getting it apart. The current grant will cover up to \$10,000. Due to the timing of the project he is also applying for a second grant to help cover costs of the project,

7. Other Business

8. Adjourn

Moved by Chair Brian Wodele, seconded by Commissioner John Kreye to adjourn at 4:33. AYE: 3 NAY: None. ABSENT: Commissioner Steve Schmidt (ABSENT) Commissioner Josh Wendt (ABSENT) Motion: Adopted

Jessica Leonhardt, Deputy Clerk

Utilities Commission

3) 3)

Meeting Date: 10/02/2023

ITEM TITLE: September Financials

DEPARTMENT: Administration

REQUESTED BY:

PURPOSE:

ITEM SUMMARY:

Attachments

September Financials

Utility Dept. Monthly Expense Summary

Current Period: September 2023

Account Descr	September 2023 Amt	2023 YTD Amt	Balance	2023 Budget	2023 % of Budget
PROG 49449 Sewer Department					
E 810-500-49449-101 Full-time Employees-Re	\$4,938.62	\$82,976.57	(\$82,976.57)	\$0.00	0.00%
E 810-500-49449-121 PERA Contributions	\$370.39	\$6,295.90	(\$6,295.90)	\$0.00	0.00%
E 810-500-49449-122 FICA Contributions	\$279.06	\$4,711.05	(\$4,711.05)	\$0.00	0.00%
E 810-500-49449-124 Medicare Contributions	\$65.27	\$1,101.85	(\$1,101.85)	\$0.00	0.00%
E 810-500-49449-131 Health Insurance	\$1,775.04	\$29,762.05	(\$29,762.05)	\$0.00	0.00%
E 810-500-49449-133 Dental Insurance	\$0.00	\$776.10	(\$776.10)	\$0.00	0.00%
E 810-500-49449-134 Life Insurance	\$14.16	\$427.19	(\$427.19)	\$0.00	0.00%
E 810-500-49449-151 WC Ins. Premium	\$0.00	\$4,217.79	(\$4,217.79)	\$0.00	0.00%
E 810-500-49449-200 Office Supplies	\$0.00	\$35.25	(\$35.25)	\$0.00	0.00%
E 810-500-49449-212 Motor Fuels	\$0.00	\$1,748.40	(\$1,748.40)	\$0.00	0.00%
E 810-500-49449-214 Shop Materials	\$258.61	\$3,183.94	(\$3,183.94)	\$0.00	0.00%
E 810-500-49449-216 Chemical and Chemical	\$0.00	\$12,335.25	(\$12,335.25)	\$0.00	0.00%
E 810-500-49449-219 General Supplies	\$0.00	\$2,011.16	(\$2,011.16)	\$0.00	0.00%
E 810-500-49449-221 Equipment Maintenanc	\$567.67	\$20,633.68	(\$20,633.68)	\$0.00	0.00%
E 810-500-49449-223 Building Maint/Repair S	\$803.00	\$1,095.56	(\$1,095.56)	\$0.00	0.00%
E 810-500-49449-228 Manhole/Storm Sewer	\$0.00	\$49.90	(\$49.90)	\$0.00	0.00%
E 810-500-49449-240 Small Tools and Minor	\$215.17	\$215.17	(\$215.17)	\$0.00	0.00%
E 810-500-49449-303 Engineering Fees	\$0.00	(\$31,788.00)	\$31,788.00	\$0.00	0.00%
E 810-500-49449-305 Medical/physical fees	\$0.00	\$105.00	(\$105.00)	\$0.00	0.00%
E 810-500-49449-308 Continuing Ed	\$0.00	\$1,605.51	(\$1,605.51)	\$0.00	0.00%
E 810-500-49449-311 Contractor Fees	\$0.00	\$725.00	(\$725.00)	\$0.00	0.00%
E 810-500-49449-316 Recorder Fees	\$0.00	\$115.00	(\$115.00)	\$0.00	0.00%
E 810-500-49449-321 Telephone	\$84.12	\$1,128.27	(\$1,128.27)	\$0.00	0.00%
E 810-500-49449-322 Postage	\$0.00	\$2,119.20	(\$2,119.20)	\$0.00	0.00%
E 810-500-49449-350 Printing and Binding	\$78.85	\$569.18	(\$569.18)	\$0.00	0.00%
E 810-500-49449-351 Legal Notice Publishing	\$0.00	\$2.42	(\$2.42)	\$0.00	0.00%
E 810-500-49449-361 General Liability/Proper	\$0.00	\$7,130.00	(\$7,130.00)	\$0.00	0.00%
E 810-500-49449-381 Electric/Gas Utility	\$7,717.61	\$54,997.21	(\$54,997.21)	\$0.00	0.00%
E 810-500-49449-384 Refuse Disposal	\$0.00	\$231.08	(\$231.08)	\$0.00	0.00%
E 810-500-49449-404 Mach & Equip Maint. A	\$0.00	\$75.00	(\$75.00)	\$0.00	0.00%
E 810-500-49449-405 Water/Sewer/Sludge T	\$881.31	\$7,891.64	(\$7,891.64)	\$0.00	0.00%
E 810-500-49449-419 Misc. Maintenance	\$0.00	\$1,453.08	(\$1,453.08)	\$0.00	0.00%
E 810-500-49449-433 Dues and Subscriptions	\$0.00	\$3,752.53	(\$3,752.53)	\$0.00	0.00%
E 810-500-49449-438 Vehicle License	\$0.00	\$435.75	(\$435.75)	\$0.00	0.00%
E 810-500-49449-500 CAPITAL OUTLAY	\$0.00	\$5,887.58	(\$5,887.58)	\$0.00	0.00%
E 810-500-49449-530 Improvements other th	\$0.00	\$822.89	(\$822.89)	\$0.00	0.00%
E 810-500-49449-550 Motor Vehicles	\$0.00	\$5,653.00	(\$5,653.00)	\$0.00	0.00%
E 810-500-49449-570 Office Equipment & Fur	\$0.00	\$200.00	(\$200.00)	\$0.00	0.00%
E 810-500-49449-580 Other Equipment	\$0.00	\$1,084.26	(\$1,084.26)	\$0.00	0.00%
E 810-500-49449-581 Uniforms	\$0.00	\$100.00	(\$100.00)	\$0.00	0.00%
E 810-500-49449-585 Water/Sewer Improve	\$0.00	\$383.25	(\$383.25)	\$0.00	0.00%
E 810-500-49449-611 Bond Interest	\$0.00	\$2,371.00	(\$2,371.00)	\$0.00	0.00%
E 810-500-49449-615 Lease Principal	\$1,295.65	\$11,546.86	(\$11,546.86)	\$0.00	0.00%
E 810-500-49449-616 Lease Interest	\$303.48	\$2,837.31	(\$2,837.31)	\$0.00	0.00%
PROG 49449 Sewer Department	\$19,648.01	\$253,010.83	(\$253,010.83)	\$0.00	0.00%
PROG 49000 Water Department					
E 800-500-49000-101 Full-time Employees-Re	\$3,547.76	\$67,494.13	(\$67,494.13)	\$0.00	0.00%
E 800-500-49000-121 PERA Contributions	\$266.08	\$4,882.29	(\$4,882.29)	\$0.00	0.00%
E 800-500-49000-122 FICA Contributions	\$196.50	\$3,645.52	(\$3,645.52)	\$0.00	0.00%
E 800-500-49000-124 Medicare Contributions	\$45.95	\$852.58	(\$852.58)	\$0.00	0.00%
E 800-500-49000-131 Health Insurance	\$1,775.05	\$22,770.04	(\$22,770.04)	\$0.00	0.00%
E 800-500-49000-133 Dental Insurance	\$0.00	\$646.83	(\$646.83)	\$0.00	0.00%
E 800-500-49000-134 Life Insurance	\$14.13	\$309.50	(\$309.50)	\$0.00	0.00%
E 800-500-49000-151 WC Ins. Premium	\$0.00	\$2,846.33	(\$2,846.33)	\$0.00	0.00%

Account Descr	September 2023 Amt	2023 YTD Amt	Balance	2023 Budget	2023 % of Budget
E 800-500-49000-200 Office Supplies	\$0.00	\$0.41	(\$0.41)	\$0.00	0.00%
E 800-500-49000-212 Motor Fuels	\$0.00	\$2,042.60	(\$2,042.60)	\$0.00	0.00%
E 800-500-49000-216 Chemical and Chemical	\$20.00	\$1,866.44	(\$1,866.44)	\$0.00	0.00%
E 800-500-49000-219 General Supplies	\$0.00	\$548.71	(\$548.71)	\$0.00	0.00%
E 800-500-49000-221 Equipment Maintenanc	\$0.00	\$9,824.70	(\$9,824.70)	\$0.00	0.00%
E 800-500-49000-305 Medical/physical fees	\$0.00	\$251.00	(\$251.00)	\$0.00	0.00%
E 800-500-49000-308 Continuing Ed	\$0.00	(\$463.74)	\$463.74	\$0.00	0.00%
E 800-500-49000-316 Recorder Fees	\$0.00	\$115.00	(\$115.00)	\$0.00	0.00%
E 800-500-49000-321 Telephone	\$27.49	\$347.32	(\$347.32)	\$0.00	0.00%
E 800-500-49000-322 Postage	\$137.45	\$2,232.59	(\$2,232.59)	\$0.00	0.00%
E 800-500-49000-331 Travel Expense	\$0.00	(\$18.00)	\$18.00	\$0.00	0.00%
E 800-500-49000-350 Printing and Binding	\$78.86	\$569.09	(\$569.09)	\$0.00	0.00%
E 800-500-49000-351 Legal Notice Publishing	\$0.00	\$43.14	(\$43.14)	\$0.00	0.00%
E 800-500-49000-361 General Liability/Proper	\$0.00	\$7,130.00	(\$7,130.00)	\$0.00	0.00%
E 800-500-49000-381 Electric/Gas Utility	\$3,270.50	\$26,439.85	(\$26,439.85)	\$0.00	0.00%
E 800-500-49000-407 Gopher State One-Call	\$136.35	\$606.68	(\$606.68)	\$0.00	0.00%
E 800-500-49000-433 Dues and Subscriptions	\$0.00	\$2,200.43	(\$2,200.43)	\$0.00	0.00%
E 800-500-49000-570 Office Equipment & Fur	\$0.00	\$200.00	(\$200.00)	\$0.00	0.00%
E 800-500-49000-580 Other Equipment	\$0.00	\$1,707.81	(\$1,707.81)	\$0.00	0.00%
E 800-500-49000-585 Water/Sewer Improve	\$2,626.86	\$2,626.86	(\$2,626.86)	\$0.00	0.00%
E 800-500-49000-588 Water/Sewer Line Main	\$3,200.00	\$14,025.23	(\$14,025.23)	\$0.00	0.00%
E 800-500-49000-720 Transfers Out	\$0.00	\$510,830.35	(\$510,830.35)	\$0.00	0.00%
E 831-500-49000-601 Bond Principal	\$0.00	\$44,390.00	(\$44,390.00)	\$0.00	0.00%
E 831-500-49000-610 DEBT SERVICE - INTER	\$0.00	\$1,822.50	(\$1,822.50)	\$0.00	0.00%
PROG 49000 Water Department	\$15,342.98	\$732,786.19	(\$732,786.19)	\$0.00	0.00%
PROG 42500 Ambulance					
E 501-420-42500-500 CAPITAL OUTLAY	\$28,734.16	\$51,709.24	(\$51,709.24)	\$0.00	0.00%
E 502-420-42500-472 Grants/Donations	\$0.00	\$13,727.22	(\$13,727.22)	\$0.00	0.00%
PROG 42500 Ambulance	\$28,734.16	\$65,436.46	(\$65,436.46)	\$0.00	0.00%
PROG 42300 Planning & Community Developme					
E 350-410-42300-311 Contractor Fees	\$565,155.73	\$1,109,851.45	(\$1,109,851.45)	\$0.00	0.00%
E 350-410-42300-351 Legal Notice Publishing	\$0.00	\$406.00	(\$406.00)	\$0.00	0.00%
E 350-410-42300-621 Bond-Fiscal Agent Fee	\$0.00	\$13,374.35	(\$13,374.35)	\$0.00	0.00%
E 350-410-42300-720 Transfers Out	(\$875,332.65)	\$851,479.91	(\$851,479.91)	\$0.00	0.00%
PROG 42300 Planning & Community Developm	(\$310,176.92)	\$1,975,111.71	(\$1,975,111.71)	\$0.00	0.00%
PROG 42200 Fire Protection					
E 501-420-42200-500 CAPITAL OUTLAY	\$0.00	\$3,491.25	(\$3,491.25)	\$0.00	0.00%
PROG 42200 Fire Protection	\$0.00	\$3,491.25	(\$3,491.25)	\$0.00	0.00%
PROG 41500 Administration					
E 315-410-41500-311 Contractor Fees	\$0.00	\$28,901.00	(\$28,901.00)	\$0.00	0.00%
E 501-410-41500-500 CAPITAL OUTLAY	\$0.00	\$1,049.00	(\$1,049.00)	\$0.00	0.00%
E 502-410-41500-472 Grants/Donations	\$0.00	\$6,266.24	(\$6,266.24)	\$0.00	0.00%
E 502-410-41500-476 HVAC Grant	\$0.00	\$59,034.25	(\$59,034.25)	\$0.00	0.00%
E 502-410-41500-477 Childcare Grant	\$0.00	\$3,435.62	(\$3,435.62)	\$0.00	0.00%
E 502-410-41500-479 Blandin Grants	\$0.00	\$11,000.00	(\$11,000.00)	\$0.00	0.00%
PROG 41500 Administration	\$0.00	\$109,686.11	(\$109,686.11)	\$0.00	0.00%
	(\$246,451.77)	\$3,139,522.55	(\$3,139,522.55)	\$0.00	0.00%

Utilities Commission**5) 1)****Meeting Date:** 10/02/2023**ITEM TITLE:** Approve Resolutions to bond for Downtown Street Projects**DEPARTMENT:** Administration

PURPOSE:**ITEM SUMMARY:**

Approval for a water note and a sewer note for the Street and Utility project. The Clean Water SRF-LOan is for \$2,005,565 for 20 years at 2.244%. It is estimated the PFA loan will save local taxpayers approximately \$234,274 in interest costs compared to market rate financing. The City is also taking out a \$2,779,811 loan that is at the same rate and will save \$324,492 in interest costs compared to market rate financing. The total annual debt service on both the loans for the Utilities is approximately \$305,000 per year. The City retired debt or will retire debt to allow us to afford these payments. In 2026, \$177,000 in an annual water payment comes off line. We also recently retired a payment of \$371,000 for the wastewater treatment plant.

Attachments

Resolution 33-2023 Revenue Note 2023B

Resolution 34-2023 Revenue Note 2023C

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

HELD: OCTOBER 3, 2023

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Wabasha, Wabasha County, Minnesota, was duly held at the city hall on October 3, 2023, at 6:00 P.M., for the purpose in part of awarding the sale of a \$2,005,565 Taxable General Obligation Sewer Revenue Note of 2023B.

The following members were present: _____

and the following were absent: _____

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 33-2023

RESOLUTION ACCEPTING THE OFFER OF THE MINNESOTA PUBLIC FACILITIES
AUTHORITY TO PURCHASE A \$2,005,565 TAXABLE GENERAL OBLIGATION SEWER
REVENUE NOTE OF 2023B, PROVIDING FOR ITS ISSUANCE AND AUTHORIZING
EXECUTION OF A BOND PURCHASE AND PROJECT LOAN AGREEMENT

A. WHEREAS, the City Council (the "City Council") of the City of Wabasha, Minnesota (the "City"), has heretofore applied for a loan from the Minnesota Public Facilities Authority (the "PFA") to provide financing pursuant to Minnesota Statutes, Chapters 475 and Sections 115.46 and 444.075, for the replacement of nine blocks of sanitary sewer in the downtown area, as part of the City's Street and Utility Project, as detailed in the Minnesota Pollution Control Agency's certification dated, June 20, 2023 (the "Project"); and

B. 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 Safe Drinking Water Act and the federal Clean Water Act; and

C. 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 \$2,005,565, to be disbursed and repaid in accordance with the terms of a Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement, dated August 17, 2023 (the "PFA Loan Agreement"), a copy of which has been presented to the City Council and is on file with the City Administrator; and

D. 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

E. WHEREAS, the City owns and operates a municipal sanitary sewer system (the "Sewer System"), as a separate revenue producing public utility there are no outstanding obligations of the City which constitute a prior lien upon the net revenues of the Sewer System; and

F. 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 City Council of the City of Wabasha, Wabasha County, Minnesota, as follows:

1. Acceptance of Offer; Payment. The offer of the PFA to purchase a \$2,005,565 Taxable General Obligation Sewer Revenue Note of 2023B (the "Note") of the City, at the rate of interest hereinafter set forth, and to pay therefor the sum of \$2,005,565 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 Project are reimbursed or paid, all as provided in the PFA Loan Agreement.

2. Title; Date; Denomination; Interest Rates; Maturities. The Note shall be a fully registered negotiable obligation, shall be titled "Taxable General Obligation Sewer Revenue Note of 2023B," shall be dated as of the date of delivery and shall be issued forthwith. The Note shall be in the principal amount of \$2,005,565, or so much thereof as shall be disbursed pursuant to the PFA Loan 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 2.244% 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, 2024. 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>
2024	\$40,565	2034	\$103,000
2025	84,000	2035	105,000
2026	86,000	2036	107,000
2027	88,000	2037	110,000
2028	90,000	2038	112,000
2029	92,000	2039	115,000
2030	94,000	2040	117,000
2031	96,000	2041	120,000
2032	98,000	2042	123,000
2033	100,000	2043	125,000

Interest shall accrue only on the aggregate amount of the Note which has been disbursed and is unpaid under the PFA Loan 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 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 written consent of the PFA, or mandatorily as provided in the PFA Loan Agreement.

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 "City Administrator") shall register the Note in the name of the payee in a note register which the City Administrator 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 WABASHA
CITY OF WABASHA

\$2,005,565 TAXABLE GENERAL OBLIGATION SEWER REVENUE NOTE OF 2023B

THE CITY OF WABASHA, WABASHA 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 FIVE THOUSAND FIVE HUNDRED SIXTY FIVE 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>
2024	\$40,565	2034	\$103,000
2025	84,000	2035	105,000
2026	86,000	2036	107,000
2027	88,000	2037	110,000
2028	90,000	2038	112,000
2029	92,000	2039	115,000
2030	94,000	2040	117,000
2031	96,000	2041	120,000
2032	98,000	2042	123,000
2033	100,000	2043	125,000

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 2.244% 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, 2024. 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, dated as of August 17, 2023, by and between the City and the Minnesota Public Facilities Authority (the "PFA Loan 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 shall be subject to redemption and prepayment in whole or in part at the option of the City, subject to the written consent of the Minnesota Public Facilities Authority, or mandatorily as provided in the PFA Loan Agreement.

Purpose; General Obligation. This Note has been issued pursuant to and in full conformity with the Constitution, City Charter and laws of the State of Minnesota for the purpose of providing money to finance the construction of improvements to the municipal sanitary sewer system (the "Sewer System") specifically for the replacement of nine blocks of sanitary sewer in the downtown area, as part of the City's Street and Utility Project, as detailed in the Minnesota Pollution Control Agency's certification dated, June 20, 2023 (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 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 City Administrator, 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 City Administrator.

Fees Upon Transfer or Loss. The City Administrator 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. The terms and conditions of the PFA Loan Agreement are incorporated herein by reference and made a part hereof. The PFA Loan 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.

Taxable Interest. The interest on this Note is included in the gross income of the owner hereof for purposes of United States income tax and to the same extent in both gross income and taxable net income for State of Minnesota income tax purposes.

Not Qualified Tax-Exempt Obligation. This Note has not 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, City Charter 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 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; 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 the installments of principal and interest on this Note as they respectively become due, if the net revenues from the Sewer System and any other revenues irrevocably appropriated to said PFA Debt Service Account are insufficient therefor; 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, city charter or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Wabasha, Wabasha County, Minnesota, by its City Council has caused this Note to be executed on its behalf by the manual signatures of its Mayor and of its City Administrator, and the corporate seal of the City having been intentionally omitted as permitted by law, all as of (DO NOT DATE), 2023.

CITY OF WABASHA, WABASHA COUNTY,
MINNESOTA

(DO NOT SIGN)
Mayor

(DO NOT SIGN)
City Administrator

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.

DATE OF REGISTRATION	REGISTERED OWNER	SIGNATURE OF CITY ADMINISTRATOR
(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 electronic signatures or manual signatures of its Mayor and City Administrator; the seal of the City has been intentionally omitted as permitted by law. The electronic signature of the Mayor and/or the City Administrator to this resolution and to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) "electronic signature" means (a) a manually signed original signature that is then transmitted by electronic means or (b) a signature obtained through DocuSign or a similarly digitally auditable signature gathering process; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message. In the event of disability or resignation or other absence of either such officer, the Note may be signed by electronic signature or 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 City Administrator to the purchaser thereof prior to disbursements pursuant to the PFA Loan 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 City Administrator and all municipal officials and employees concerned therewith shall maintain financial records of the receipts and disbursements of the Sewer System in accordance with the resolutions establishing the Fund. The Operation and Maintenance Account heretofore established by the City for the Sewer System shall continue to be maintained in the manner heretofore and herein 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 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 in reimbursement for costs expended on the Project or in direct payment of such costs, 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 constructing 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 PFA Loan 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. 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: (1) net revenues of the Sewer System in an amount sufficient to pay the principal of, and interest on, the Note when due; (2) any collection of taxes which may hereafter be levied in the event the net revenues of the Sewer System herein pledged for the payment of the Note are insufficient therefor; (3) all investment earnings on moneys held in the PFA Debt Service Account; (4) any amounts transferred from the PFA Construction Account; and (5) 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.

The City shall observe the covenants of paragraphs 16 and 17 of this resolution and of Article 3 of the PFA Loan 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 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. The net revenues of the Sewer System are hereby pledged for the payment of the Note, but solely to the extent required to meet, together with other pledged sums, the principal and interest requirements of the Note. 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 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 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 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 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 City Administrator is hereby directed to file a certified copy of this resolution with the County Auditor of Wabasha County, Minnesota, together with such other information as the County Auditor shall require, and to obtain the County Auditor's certificate that the Note has been entered in the County Auditor's Bond Register.

14. Bond Purchase and Project Loan Agreement. The PFA Loan Agreement is hereby approved in substantially the form presented to the City Council, and in the form executed by electronic signatures or manual signatures is hereby incorporated by reference and made a part of this resolution. The electronic signature of the Mayor and/or the City Administrator to this PFA Loan Agreement and to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) "electronic signature" means (a) a manually signed original signature that is then transmitted by electronic means or (b) a signature obtained through DocuSign or a similarly digitally auditable signature gathering process; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message. Each and all of the provisions of this resolution relating to the Note are intended to be consistent with the provisions of the PFA Loan Agreement, and to the extent that any provision in the PFA Loan 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 City's execution and delivery of the PFA Loan Agreement by the Mayor and City Administrator is hereby approved, ratified and authorized. The execution of the PFA Loan Agreement by the appropriate officers shall be conclusive evidence of the approval of the PFA Loan Agreement in accordance with the terms hereof. The PFA Loan 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. 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 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.

17. 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 City Administrator 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.

18. Not Designated as a Qualified Tax-Exempt Obligation. The City will not designate the Note as a "qualified tax exempt obligation" for purposes of Section 265(b)(3) of the Code.

19. 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.

20. 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 WABASHA
CITY OF WABASHA

I, the undersigned, being the duly qualified and acting City Administrator of the City of Wabasha, 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 \$2,005,565 Taxable General Obligation Sewer Revenue Note of 2023B.

WITNESS my hand and the City's seal on October 3, 2023.

City Administrator

(SEAL)

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

HELD: OCTOBER 3, 2023

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Wabasha, Wabasha County, Minnesota, was duly held at the city hall on October 3, 2023, at 6:00 P.M, for the purpose in part of awarding the sale of a \$2,779,811 Taxable General Obligation Water Revenue Note of 2023C.

The following members were present: _____

and the following were absent: _____

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 34-2023

RESOLUTION ACCEPTING THE OFFER OF THE MINNESOTA PUBLIC FACILITIES
AUTHORITY TO PURCHASE A \$2,779,811 GENERAL OBLIGATION WATER REVENUE
NOTE OF 2023C, PROVIDING FOR ITS ISSUANCE AND AUTHORIZING EXECUTION
OF A BOND PURCHASE AND PROJECT LOAN AGREEMENT

A. WHEREAS, the City Council (the "City Council") of the City of Wabasha, Minnesota (the "City"), has heretofore applied for a loan from the Minnesota Public Facilities Authority (the "PFA") to provide financing pursuant to Minnesota Statutes, Chapters 444 and 475, for watermain installation and replacement, hydrants and gate valves in the downtown area, as part of the City's Street and Utility Project, all as detailed in the Minnesota Department of Health's certification, dated June 29, 2023 (the "Project"); and

B. 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 drinking water systems in accordance with the federal Safe Drinking Water Act and the federal Clean Water Act; and

C. 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 \$2,779,811 to be disbursed and repaid in accordance with the terms of a Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement, dated August 17, 2023 (the "PFA Loan Agreement"), a copy of which has been presented to the City Council and is on file with the City Administrator; and

D. 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

E. WHEREAS, the City owns and operates a municipal water system (the "Water System") as a separate revenue producing public utility; and

F. WHEREAS, the net revenues of the Water System are pledged to the payment of the City's outstanding General Obligation Water Revenue Bonds, Series 2015A, in the original principal amount of \$405,000, dated October 30, 2015 (the "Outstanding Water Bonds"); and

G. 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 City Council of the City of Wabasha, Wabasha County, Minnesota, as follows:

1. Acceptance of Offer; Payment. The offer of the PFA to purchase a \$2,779,811 General Obligation Water Revenue Note of 2023C (the "Note") of the City, at the rate of interest hereinafter set forth, and to pay therefor the sum of \$2,779,811 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 Project are reimbursed or paid, all as provided in the PFA Loan Agreement.

2. Title; Date; Denomination; Interest Rates; Maturities. The Note shall be a fully registered negotiable obligation, shall be titled "General Obligation Water Revenue Note of 2023C", shall be dated as of the date of delivery and shall be issued forthwith. The Note shall be in the principal amount of \$2,779,811, or so much thereof as shall be disbursed pursuant to the PFA Loan 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 2.244% 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, 2024. 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>
2024	\$59,811	2034	\$142,000
2025	116,000	2035	145,000
2026	119,000	2036	149,000
2027	122,000	2037	152,000
2028	124,000	2038	155,000
2029	127,000	2039	159,000
2030	130,000	2040	162,000
2031	133,000	2041	166,000
2032	136,000	2042	170,000
2033	139,000	2043	174,000

Interest shall accrue only on the aggregate amount of the Note which has been disbursed and is unpaid under the PFA Loan 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 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 written consent of the PFA, or mandatorily as provided in the PFA Loan Agreement.

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 "City Administrator") shall register the Note in the name of the payee in a note register which the City Administrator 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 WABASHA
CITY OF WABASHA

\$2,779,811 GENERAL OBLIGATION WATER REVENUE NOTE OF 2023C

THE CITY OF WABASHA, WABASHA 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 SEVEN HUNDRED SEVENTY NINE THOUSAND EIGHT HUNDRED ELEVEN 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>
2024	\$59,811	2034	\$142,000
2025	116,000	2035	145,000
2026	119,000	2036	149,000
2027	122,000	2037	152,000
2028	124,000	2038	155,000
2029	127,000	2039	159,000
2030	130,000	2040	162,000
2031	133,000	2041	166,000
2032	136,000	2042	170,000
2033	139,000	2043	174,000

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 2.244% 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, 2024. 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, dated as of August 17, 2023, by and between the City and the Minnesota Public Facilities Authority (the "PFA Loan 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 shall be subject to redemption and prepayment in whole or in part at the option of the City, subject to the written consent of the Minnesota Public Facilities Authority, or mandatorily as provided in the PFA Loan Agreement.

Purpose; General Obligation. This Note has been issued pursuant to and in full conformity with the Constitution, City Charter and laws of the State of Minnesota for the purpose of providing money to finance the construction of improvements to the municipal water system (the "Water System"), specifically for watermain installation and replacement, hydrants and gate valves in the downtown area, as part of the City's Street and Utility Project, all as detailed in the Minnesota Department of Health's certification, dated June 29, 2023 (the "Project"); and is payable out of the PFA Debt Service Account of the Water Fund of the City, to which account have been pledged net revenues of the Water 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 City Administrator, 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 City Administrator.

Fees Upon Transfer or Loss. The City Administrator 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. The terms and conditions of the PFA Loan Agreement are incorporated herein by reference and made a part hereof. The PFA Loan 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.

Taxable Interest. The interest on this Note is included in the gross income of the owner hereof for purposes of United States income tax and to the same extent in both gross income and taxable net income for State of Minnesota income tax purposes.

Not Qualified Tax-Exempt Obligation. This Note has not 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, City Charter 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 Water System at the times and in amounts necessary to produce net revenues adequate to pay all principal and interest when due on this Note; that the City will levy a direct, annual, irrepealable 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 the installments of principal and interest on this Note as they respectively become due, if the net revenues from the Water System and any other revenues irrevocably appropriated to said PFA Debt Service Account are insufficient therefor; 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, city charter or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Wabasha, Wabasha County, Minnesota, by its City Council has caused this Note to be executed on its behalf by the manual signatures of its Mayor and of its City Administrator, and the corporate seal of the City having been intentionally omitted as permitted by law, all as of (DO NOT DATE), 2023.

CITY OF WABASHA, WABASHA COUNTY,
MINNESOTA

(DO NOT SIGN)

Mayor

(DO NOT SIGN)

City Administrator

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.

DATE OF REGISTRATION	REGISTERED OWNER	SIGNATURE OF CITY ADMINISTRATOR
(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 electronic signatures or manual signatures of its Mayor and City Administrator; the seal of the City has been intentionally omitted as permitted by law. The electronic signature of the Mayor and/or the City Administrator to this resolution and to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) "electronic signature" means (a) a manually signed original signature that is then transmitted by electronic means or (b) a signature obtained through DocuSign or a similarly digitally auditable signature gathering process; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message. In the event of disability or resignation or other absence of either such officer, the Note may be signed by electronic signature or 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 City Administrator to the purchaser thereof prior to disbursements pursuant to the PFA Loan 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 Water Fund (the "Fund"). The City Administrator and all municipal officials and employees concerned therewith shall maintain financial records of the receipts and disbursements of the Water System in accordance with the resolutions establishing the Fund. The Operation and Maintenance Account heretofore established by the City for the Water System shall continue to be maintained in the manner heretofore and herein 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 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 in reimbursement for costs expended on the Project or in direct payment of such costs, 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 constructing 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 PFA Loan 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. 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: (1) net revenues of the Water System in an amount sufficient to pay the principal of, and interest on, the Note when due; (2) any collection of taxes which may hereafter be levied in the event the net revenues of the Water System herein pledged for the payment of the Note are insufficient therefor; (3) all investment earnings on moneys held in the PFA Debt Service Account; (4) any amounts transferred from the PFA Construction Account; and (5) 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.

The City shall observe the covenants of paragraphs 16 and 17 of this resolution and of Article 3 of the PFA Loan 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 Water System are sufficient in amount to pay when due the principal of and interest on the Note and the Outstanding Water Bonds and a sum at least five percent in excess thereof. The net revenues of the Water System are hereby pledged on a parity lien with the Outstanding Water Bonds and shall be applied for that purpose, but solely to the extent required to meet, together with other pledged sums, the principal and interest requirements of the Note. 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 Water 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 Water 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 Water System at the times and in the amounts required to produce net revenues adequate to pay all principal and interest when due on the Note. Minnesota Statutes, Section 444.075, Subdivision 2, provides as follows: "Real estate tax revenues should be used only, and then on a temporary basis, to pay general or special obligations when the other revenues are insufficient to meet the obligations".

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 Water 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 City Administrator is hereby directed to file a certified copy of this resolution with the County Auditor of Wabasha County, Minnesota, together with such other information as the County Auditor shall require, and to obtain the County Auditor's certificate that the Note has been entered in the County Auditor's Bond Register.

14. Bond Purchase and Project Loan Agreement. The PFA Loan Agreement is hereby approved in substantially the form presented to the City Council, and in the form executed by electronic signatures or manual signatures is hereby incorporated by reference and made a part of this resolution. The electronic signature of the Mayor and/or the City Administrator to this PFA Loan Agreement and to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) "electronic signature" means (a) a manually signed original signature that is then transmitted by electronic means or (b) a signature obtained through DocuSign or a similarly digitally auditable signature gathering process; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message. Each and all of the provisions of this resolution relating to the Note are intended to be consistent with the provisions of the PFA Loan Agreement, and to the extent that any provision in the PFA Loan 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 City's execution and delivery of the PFA Loan Agreement by the Mayor and City Administrator is hereby approved, ratified and authorized. The execution of the PFA Loan Agreement by the appropriate officers shall be conclusive evidence of the approval of the PFA Loan Agreement in accordance with the terms hereof. The PFA Loan 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. 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 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.

17. 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 City Administrator 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.

18. Not Designated as a Qualified Tax-Exempt Obligation. The City will not designate the Note as a "qualified tax exempt obligation" for purposes of Section 265(b)(3) of the Code.

19. 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.

20. 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 WABASHA
CITY OF WABASHA

I, the undersigned, being the duly qualified and acting City Administrator of the City of Wabasha, 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 \$2,779,811 General Obligation Water Revenue Note of 2023C.

WITNESS my hand and the City's seal on October 3, 2023.

City Administrator

(SEAL)

Utilities Commission

7) 1)

Meeting Date: 10/02/2023

ITEM TITLE: Lead/Copper Tap Water Monitoring Report

DEPARTMENT: Administration

REQUESTED BY:

PURPOSE:

ITEM SUMMARY:

Just letting the commission know that the Lead/Copper Tap Water Monitoring report has been completed and all the testing locations came back at great levels.
