



The City Council of the City of St. Charles welcomes you to its  
 Regular Meeting of Tuesday, August 28, 2018 at 6:00 p.m.  
 at 830 Whitewater Avenue, City Council Chambers, St. Charles, Minnesota.

| ITEM  | ACTION REQUESTED |
|---|------------------|
| 1. Call to Order  |                  |
| 2. Pledge of Allegiance   |                  |
| 3. Approval of the Agenda   |                  |
| 4. Notices and Communications –   |                  |
| 5. Review of Financials   |                  |
| 6. Mi-Energy Electric Service Agreement Consideration                     | APPROVE          |
| 7. 2019 Preliminary Governmental Budget                                   | INFORMATION      |
| 8. Staff Recommendation   | APPROVE          |
| 9. Ordinance #603 Mediacom Franchise Extension (1 <sup>st</sup> Reading)  | APPROVE          |
| 10. Resolution #27-2018 Approve Election Judges                           | APPROVE          |
| 11. Closed Session.<br>Real Estate Strategy Minn. Stat. 13D.05 Subd. 3(c) | HOLD             |

**UNSCHEDULED PUBLIC APPEARANCES:** Members of the audience may address any item not on the agenda. State Statute prohibits the City Council from discussing an item that is not on the agenda, but the City Council does listen to your concerns and has staff follow up on any questions you raise.

**ADJOURNMENT**



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**MEMORANDUM for the CITY COUNCIL of St. Charles for  
Tuesday, August 28, 2018**

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**6. Mi-Energy Electric Service Agreement Consideration.** A proposed Service Agreement is included in the packet for consideration between the City of St. Charles and Mi-Energy. The 20-year contract includes an initial 10 year initial term with two 5 year successive options. A service territory map displays that area the city will be receiving as part of the partnership in addition to the other services mentioned in previous meetings of the City Council. It would be staff recommendation to entertain the contract for adoption.

**7. 2019 Preliminary Governmental Budget.** The preliminary budget will be provided to Council for review along with a memo highlighting some of the proposed 2019 Capital Improvement Plans (CIP) and general changes within the governmental budget structure. A proposed preliminary levy is \$1,123,315 which is roughly a 10.49 percent levy increase.

**8. Staff Recommendation.** Please see the enclosed Request For Council Action.

**9. Ordinance #603 Mediacom Franchise Extension (1<sup>st</sup> Reading).** Enclosed is a proposed franchise extension request from Mediacom. In discussion with the Mediacom representative, the franchise fee that the company was paying was not comparable to other franchisees in the City of St. Charles and thus an adjustment was made to reflect that change. The ordinance is recommended for approval.

**10. Resolution #27-2018 Approve Election Judges.** A resolution to approve two additional election judges for the General Election is included in the packet for consideration.

**11. Closed Session. Real Estate Strategy Minn. Stat. 13D. 05 Subd. 3(c)**



## **Tools and Resources to Help Businesses, Churches, Schools Plan, Prepare, and Protect from an Attack**

The U.S. Department of Homeland Security (DHS) closely monitors attacks on public gatherings and public places to constantly enhance the Nation's security. During both steady state and times of heightened awareness, DHS engages closely with our private sector and community partners to provide expert counsel and recommendations about protective measures they can implement to protect facilities and venues. DHS provides free tools and resources to communities because the Department recognizes that communities are the first line of defense in keeping the public safe and secure.

The Department encourages businesses to Connect, Plan, Train, and Report. Applying these four steps in advance of an incident or attack can help better prepare businesses and their employees to proactively think about the role they play in the safety and security of their businesses and communities.

- **CONNECT:** Reach out and develop relationships in your community, including local law enforcement. Having these relationships established before an incident occurs can help speed up the response when something happens.
- **PLAN:** Take the time now to plan on how you will handle a security event should one occur. Learn from other events to inform your plans.
- **TRAIN:** Provide your employees with training resources and exercise your plans often. The best laid plans must be exercised in order to be effective.
- **REPORT:** "If You See Something, Say Something™" is more than just a slogan. Call local law enforcement.

**September 24 – 7:00 – 9:00 PM**

**St Charles Elementary Auditorium**

**Michael Christianson, Protective Security Advisor, Department of Homeland Security, will present to the community how to think proactively about the role we play in the safety and security of our churches, businesses, schools and communities.**

**Please plan to attend and invite others to join you.**

(Direct any questions to Heather E. Klason, [pastor.scdumcs@hbc.com](mailto:pastor.scdumcs@hbc.com))



County Administrator  
Kenneth J. Fritz

*Providing Effective and Efficient Government*

177 Main Street

Winona, Minnesota 55987

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August 23, 2018

## Public Review and Feedback Invited for Winona County's Multi-Hazard Mitigation Plan

Winona County has completed an updated draft of the County's Multi-Hazard Mitigation Plan (MHMP) as required by the Federal Disaster Mitigation Act of 2000 (DMA 2000). Local jurisdictions are required to update the plan every five years to remain eligible for pre-disaster and post-disaster mitigation grant programs.

Community involvement and feedback are vital to the success of the plan. Winona County invites public review and feedback of the draft plan prior to submitting it to the State of Minnesota and the Federal Emergency Management Agency (FEMA) for review. A copy of the draft MHMP and a survey for public feedback is available online at <https://scse.d.umn.edu/winona-county-mhmp>. The plan review and comment period will be open until Friday, September 14<sup>th</sup>.

### About the Plan

The Winona County MHMP is a multi-jurisdictional plan that covers Winona County, including the cities of Altura, Dakota, Elba, Goodview, Lewiston, Minnesota City, Rollingstone, St. Charles, Stockton, Utica, and Winona. The Winona County MHMP also incorporates the concerns and needs of townships, school districts, and other stakeholders participating in the plan.

Winona County is vulnerable to a variety of potential natural disasters, which threaten the loss of life and property in the county. The plan addresses how to mitigate against hazards such as tornadoes, flooding, wildfires, blizzards, straight-line winds, ice storms, and droughts which have the potential for inflicting vast economic loss and personal hardship.

Update of the plan has been under direction of Winona County Emergency Management in cooperation with the University of Minnesota Duluth – Geospatial Analysis Center and representatives from County departments, local municipalities (city and township), school districts, and other key stakeholders such as utility providers. Together, the planning team worked to identify cost-effective and sustainable actions to reduce or eliminate the long-term risk to human life or property from natural hazards. Some examples include improvement of roads and culverts that experience repetitive flooding; construction of safe rooms at campgrounds, public parks, mobile

### County Board of Commissioners

First District  
James G. Pomeroy

Second District  
Marie H. Kovecsi

Third District  
Steven E. Jacob

Fourth District  
Greg D. Olson

Fifth District  
Marcia L. Ward

home parks or schools to protect lives in the event of tornados or severe wind events; burying powerlines that may fail due to heavy snow, ice or wind storms; ensuring timely emergency communication to the public through warning sirens and mass notification systems, and conducting public awareness and education campaigns to help people be prepared to take safe action before, during, or following a hazard event.

### **The Benefits of Hazard Mitigation Planning**

Hazard mitigation planning ultimately helps us protect Winona County residents. By working with local communities we can identify vulnerabilities and develop strategies to reduce or eliminate the effects of a potential hazard. In addition, increasing public awareness of local hazards and disaster preparedness helps to create a community that is resilient to disaster, and breaks the cycle of response and recovery. Update of the plan will further allow the county and its jurisdictions to apply for eligible projects under future Hazard Mitigation Assistance (HMA) grant funding from FEMA for projects that are cost-effective and will help to reduce or eliminate impacts of future natural disaster events.

### **Contact:**

ANNE MORSE  
WINONA COUNTY SUSTAINABILITY COORDINATOR  
PHONE: (507) 457-6468  
EMAIL: [AMORSE@CO.WINONA.MN.US](mailto:AMORSE@CO.WINONA.MN.US)

### ***County Board of Commissioners***

|                  |                  |                 |                 |                |
|------------------|------------------|-----------------|-----------------|----------------|
| First District   | Second District  | Third District  | Fourth District | Fifth District |
| James G. Pomeroy | Marie H. Kovecsi | Steven E. Jacob | Greg D. Olson   | Marcia L. Ward |

**ELECTRIC SERVICE AGREEMENT  
BETWEEN  
MIENERGY COOPERATIVE  
AND  
THE CITY OF ST. CHARLES, MINNESOTA**

AGREEMENT (the “Agreement”) made as of September 1, 2018 (“Effective Date”) by and between:

**MiEnergy Cooperative** (formerly **Tri-County Electric Cooperative**), a distribution electric cooperative organized under the laws of the State of Minnesota with headquarters in Rushford, Minnesota, (hereinafter called “MiEnergy”), and

The **City of St. Charles**, Minnesota, a municipal corporation existing under the laws of the State of Minnesota (hereinafter called the “City”) (MiEnergy and City are each a “Party” and together comprise the “Parties” to this Agreement).

WITNESSETH:

WHEREAS, MiEnergy is an electric utility that is, among other things, engaged in the business of distributing and selling electric capacity and energy at wholesale for resale to its member municipal corporations in the State of Minnesota; and

WHEREAS, the City owns and operates an electric utility which is engaged in the business of furnishing electric capacity and energy at retail to its customers; and

WHEREAS, the City and Dairyland Power Cooperative (“Dairyland” or “DPC”) have and will continue to have an agreement pursuant to which Dairyland accredits the City’s generation in the Midcontinent Independent Transmission System Operator, Inc. (“MISO”) and such generation may be dispatched by MISO or Dairyland as Local Balancing Authority in response to energy or transmission emergencies; and

WHEREAS, the City, Upper Midwest Municipal Energy Group and Dairyland have entered into a restated wholesale power agreement which, absent this Agreement, would govern the wholesale supply of the City’s energy requirements.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained herein, MiEnergy and the City agree as follows:

1.0 DEFINITIONS

1.1 CAPACITY

Capacity is the ability of an electric system to provide and deliver electric power expressed in kilowatts (kW). Municipal-owned capacity is further defined as that existing diesel generation owned by the City.

## 1.2 ENERGY

Energy is a quantity of energy being delivered from one party to the other quantified for electric utility purposes in kilowatt hours (kWh).

## 1.3 DEMAND

Demand is the rate at which electric energy is delivered to or by a system expressed in kilowatts (kW) averaged over a 60-minute period.

## 1.4 METERING POINT

The metering point for energy deliveries shall be on the load side of the substation transformer with adjustments made for transformer losses.

## 1.5 POINT OF CONNECTION

The point in the substation or interconnection at which the transfer of energy and responsibility takes place from MiEnergy to the City shall be on the high side of the City transformer.

## 1.6 RATE

“Rate” means any price, rate, charge, or classification made, demanded, observed or received with respect to the sale or purchase of electric energy or capacity, or any rule, regulation, or practice respecting any such rate, charge, or classification, and any contract pertaining to the sale or purchase of electric energy or capacity.

## 2.0 SERVICE ARRANGEMENTS

### 2.1 AGREEMENT TO SELL AND PURCHASE

MiEnergy will supply and sell and the City agrees to take and purchase all electric energy required by the City for its own use and for resale to its retail customers during the term of this Agreement. The Parties contemplate that MiEnergy will serve the City utilizing Dairyland’s A-9 wholesale rate or its equivalent. The City will utilize its existing diesel generation, including future replacements of and additions to such generation, for emergency usage as called upon by MISO or successor organization.

Any annual shortfall in Renewable Energy Credits (REC’s) required to meet the Renewable Energy Standard (RES) obligation arising from or relating to the City’s load shall be the responsibility of the City.

The City’s capacity obligation and diesel generation accreditation and use are addressed in a separate agreement with Dairyland. This Agreement contemplates

that the City will maintain adequate accredited capability to cover its capacity obligation and that MiEnergy will incur no demand charges from Dairyland attributable to the City's load or its capacity obligation, all as defined in the separate agreement with Dairyland. It is contemplated that the separate agreement with Dairyland will address the City's capacity obligation and provide for charges in the event there is a deficit in the City's accredited capability as compared to its capacity obligation.

In the event the City agrees to take capacity from MiEnergy at a future date within the term of this Agreement, or MiEnergy otherwise incurs demand charges from Dairyland attributable to the City's load or its capacity obligation, in addition to the rates provided in Article 4 of this Agreement the City shall be liable for a charge for that capacity at a cost determined by MiEnergy based upon the cost MiEnergy incurs on the City's behalf.

## 2.2 INTERCONNECTION

Exhibit A One Line Diagram, attached hereto and made a part of this Agreement, shows the substation facilities required solely for delivery of capacity and energy to the City by MiEnergy as provided in Section 2.1. Also shown are the voltage and ownership responsibility thereof. Exhibit A shall be amended as necessary to reflect any substation or distribution facilities constructed by MiEnergy after the Effective Date of this Agreement for the purpose of serving the City, and the Parties shall enter into a separate agreement or an amendment or supplement hereto to govern the price and terms of any such addition.

## 2.3 LAND OWNERSHIP AND PERMITS

The City shall furnish easement and other property rights to MiEnergy for facilities at locations reasonably deemed necessary by MiEnergy for the sole purpose of enabling MiEnergy to supply capacity and energy to the City under this Agreement. The City shall grant to MiEnergy such permits as are required for the placing of poles, wires and other appurtenances upon or along public highways, bridges and grounds within City's corporate limits and along routes and at places reasonably selected and designated by MiEnergy for the sole purpose of enabling MiEnergy to supply capacity and energy to the City under this Agreement. It is understood and acknowledged by both Parties that City's furnishing of property rights and permits under this paragraph is subject to City's consent and to such restrictions as may be required under applicable City rules and regulations.

## 2.4 SERVICE CHARACTERISTICS

The service voltage at the metering point in Exhibit A shall be 12,470Y/7200 volts three-phase or such other voltage mutually agreed upon by both Parties.

## 2.5 COGENERATION AND SMALL POWER PRODUCTION

The City shall not be deemed to have violated the requirement that it purchase its full energy requirements under this Agreement from MiEnergy if the City purchases capacity and/or energy from a co-generation facility, as required and specified by Federal law (PURPA 18 CFR Part 292) or Minnesota Statute 216B.164 and Minnesota Administrative Rules Chapter 7835, as these laws and regulations may be amended from time-to-time (“Qualified Facility”).

The interconnecting and installation required as a result of City’s purchase of capacity and/or energy from such Qualified Facility shall be coordinated with MiEnergy to ensure that it does not affect the operation of MiEnergy’s electric system or the safety of MiEnergy personnel and shall meet the requirements of the IEEE standards and rules of the Minnesota Public Utilities Commission and any and all other applicable requirements. As of January 1, 2019, the City’s responsibility for the fixed cost contribution as may be provided in the Dairyland A-9 wholesale rate schedule, pursuant to which MiEnergy will supply City’s load shall not be reduced for energy delivered to the City from any source, including the City’s own generating resource, renewable resource or any other provider or resource which the City has the right to the output from or of.

### 3.0 METERING

#### 3.1 EQUIPMENT RESPONSIBILITY

All substation interconnection meters shall be furnished, installed and maintained by Dairyland. City serving load to the MiEnergy distribution system shall be metered by MiEnergy with the monthly meter readings being supplied by MiEnergy to Dairyland for monthly billing purposes. In the event City becomes an A-8 wholesale municipal customer of MiEnergy, MiEnergy shall assume sole responsibility for metering.

#### 3.2 METER TESTING

Either Party shall have the right to request that a special test of metering equipment be made any time. If any test, made at a Party’s request, discloses that the metering equipment tested is registering within two percent (2%) of normal, the party requesting the test shall bear the expense thereof. The expense of all other tests shall be borne by the owner of installed metering. The meters owned by MiEnergy shall be tested at least once every two years by MiEnergy. The City shall be notified of the results of any test. City retains right to request and obtain, at its own expense, additional testing to confirm initial test results.

#### 3.3 TESTING PROCEDURE

If any test discloses the inaccuracy of said meters to the extent of more than two percent (2%) fast or slow, an adjustment in billing according to the percentage of

inaccuracy found shall be made for all the capacity and energy delivered in the period elapsed subsequent to the date of the last preceding test.

#### 3.4 METER FAILURE

Should the metering equipment at any time fail to register proper amounts or should the registration thereof be so erratic as to be meaningless, the capacity and energy delivered shall be determined from the best information available and agreed to by both parties.

#### 4.0 RATES AND PAYMENT

4.1 The City shall pay MiEnergy for service rendered hereunder at the rates and upon the terms and conditions as set forth in Exhibit B (Schedule WST - St. Charles) attached to and made part of this Agreement and any revisions thereto adopted by MiEnergy's Board of Directors and approved by any regulatory agency having jurisdiction (not including the City or its agencies or instrumentalities).

4.2 The energy rates through December 31, 2018, are based off the rates for the same period in Dairyland's agreements with its municipal customer group. Dairyland has developed an A-9 rate schedule to facilitate the provision of wholesale service by its member distribution cooperatives to municipal utilities with generation, including the City. For rate changes effective January 1, 2019, and thereafter, the rates to the City for the term of this Agreement shall be established by MiEnergy utilizing Dairyland's rate schedule A-9 or its equivalent. It is understood and acknowledged that such rate schedule shall comprise rates developed in the same manner as the energy rates for the initial year of this Agreement, except as otherwise provided by the restated wholesale power agreement with Dairyland negotiated by the Upper Midwest Municipal Energy Group ("UMMEG Wholesale Power Agreement").

Exhibit B (Schedule WST –St. Charles) provides a fixed energy rate for the period from the Effective Date of this Agreement through December 31, 2018, and an estimated energy rate subject to change for the calendar year 2019. The rates are subject to the "Risk Mitigation Mechanism" provision included in the A-9 rate, which provides charges or credits to the City based on a load-weighted LMP calculation. The charges or credits will be billed to the City by Dairyland.

It is understood and acknowledged by both parties that, for the term of this Agreement, service under the A-9 rate, or its equivalent, shall not exceed the rate that would be applied to City under the UMMEG Wholesale Power Agreement.

4.3 Transmission and MISO costs associated with delivering capacity and energy to the City shall be included in the Transmission Charge calculated and billed to the City by Dairyland, unless and until service is provided to City under Dairyland's

A-8 rate schedule, whereby the City's capacity as well as energy requirements are furnished by MiEnergy.

- 4.4 The distribution demand charge included on Exhibit B is designed to recover any costs associated with the operation, maintenance and capital recovery of substations and distribution facilities constructed, owned and operated by MiEnergy after the Effective Date of this Agreement and used to provide service to City of St. Charles and its customers. The cost is the rate multiplied by the 15-minute peak monthly demand for the load served from MiEnergy owned substations and distribution. Such cost shall not include any costs associated with any substation and/or distribution facility upgrades mutually agreed upon by the Parties to provide reliability benefits to the City; the Parties agree and acknowledge that any such costs shall be addressed in a separate common facilities agreement to be developed by the Parties at the appropriate time.

4.4.1 If at the expiration of this Agreement: (a) the City elects to purchase electric energy from a provider other than MiEnergy; (b) the City requests that MiEnergy deliver such energy to the City over MiEnergy distribution facilities; and (c) MiEnergy determines in its reasonable judgment that it may lawfully deliver such energy, then the parties shall agree to negotiate reasonable terms for such delivery of energy, including appropriate wheeling charges determined by MiEnergy.

#### 4.5 MONTHLY FACILITY CHARGE

4.5.1 The City owns its own distribution substation. Therefore only a monthly consumer charge will be billed to cover metering, billing and miscellaneous inspection charges that may apply.

#### 4.6 ADDITIONAL UNANTICIPATED COSTS

Upon provision of reasonable written notice to City, MiEnergy may pass through to the City its pro rata share of any increase in costs incurred by MiEnergy due to changes in tax laws, changes in assessments or fees charged by the MISO or any successor or assign or organization serving similar transmission-related functions. Those costs include, but are not limited to, taxes, fees, charges or assessments including applicable federal, Indian, provincial, state, local, gross receipts, sales, use, excise, value-added, public benefit fees, transmission fees or other similar taxes, fees, charges or assessments, incurred by Dairyland and passed through to MiEnergy. MiEnergy shall not bill the City for additional costs as provided in this section unless the aggregate increase, since the date of first service hereunder, is greater than \$0.0005/kWh on an annual basis.

#### 4.7 LATE PAYMENT CHARGE

The late payment charge payable in any month shall be that provided in Exhibit B (Schedule WST - St. Charles).

4.8 Bills for service hereunder shall be paid to the office of MiEnergy Cooperative in Rushford, Minnesota.

## 5.0 TERM OF AGREEMENT

5.1 This Agreement shall become effective as of the Effective Date designated above and shall remain in effect through December 31, 2038 (“Initial Term”), and for successive five (5) year terms thereafter unless terminated by either Party by written notice given to the other at least eighteen (18) months prior to the expiration of the Initial Term or any subsequent five (5) year term thereafter. MiEnergy shall provide written notice to the City no less than twenty-four (24) months prior to the expiration of the Initial Term in 2038, at which point City shall have up to six (6) months to provide MiEnergy notice of City’s desire to either terminate the Agreement or extend the Agreement for a successive five (5) year term.

5.2 Notwithstanding anything to the contrary in Section 5.1, City shall have the right, in its discretion, to terminate this Agreement and return to service under the wholesale power agreement by and among City, Upper Midwest Municipal Energy Group and Dairyland, effective as of January 1, 2029, or January 1, 2034. Such early termination shall be conditioned on City giving written notice to MiEnergy not less than twelve (12) months and not more than eighteen (18) months prior to the effective date of the early termination, or any date where it is determined that the rate that is charged for service to City under the A-9 rate schedule exceeds the rate that would be charged to City under the UMMEG Wholesale Power Agreement.

5.3 This Agreement may be amended by a written agreement executed by MiEnergy and the City. No amendment hereto shall be effective unless approved by the Rural Utilities Service, Dairyland and any governing body or regulatory agency having jurisdiction over either party or the subject matter of this Agreement.

## 6.0 PATRONAGE CAPITAL CREDITS

MiEnergy, through its Board of Directors, has made classification of its patrons and business and allocates the total excess, if any, of receipts over expenses in any year to its patrons within these classifications. Future allocation of capital credits made pursuant thereto shall give effect to relevant factors such as the cost of rendering service, the margins produced, the length of terms of agreement with patrons, and to the guarantees and obligations of the respective parties involved. MiEnergy has created a separate classification of business applicable to patrons receiving service under Exhibit B (Schedule WST - St. Charles). As a result, in any year the class of business receiving service under Exhibit B may receive capital credit allocations at a rate that differs from that received by other customer classes or may receive no allocation at all. In the event MiEnergy were in the future to provide all of the City’s capacity and energy requirements, and qualify for wholesale service under Dairyland Power Cooperative’s A-

8 rate schedule to supply those requirements, the City may qualify under a different classification of business thereafter for purposes of calculating and allocating capital credits.

## 7.0 SUPPORT SERVICES

The City, and its customers, shall have the assistance of MiEnergy support services. These services include the programs and services provided by MiEnergy to its membership and include, but are not limited to: conservation and energy management programs, energy assessments, energy efficiency rebates, commercial lighting incentives, load management receivers, access to economic development resources, power quality assessments, and after-hours Emergency call response.

## 8.0 CONTINUITY OF SERVICE, DISCLAIMER OF WARRANTY, LIMITATION OF LIABILITY, INSURANCE AND INDEMNIFICATION

### 8.1 CONTINUITY OF SERVICE

MiEnergy shall exercise reasonable diligence in providing a constant and uninterrupted supply of electric energy hereunder. If the supply of electric energy shall fail or be interrupted or become defective through acts of God, governmental authority, war, action of the elements, public unrest, public enemy, accident, strikes, labor trouble, failure to receive timely ordered equipment and supplies, operation of protective devices or any other cause beyond the reasonable control of MiEnergy, MiEnergy shall not be liable therefor or for any damages caused thereby.

### 8.2 DISCLAIMER OF WARRANTY

IN PROVIDING ELECTRIC SERVICE UNDER THIS AGREEMENT, MIENERGY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE ELECTRIC POWER AND ENERGY SUPPLIED HEREUNDER.

### 8.3 LIMITATION OF LIABILITY, INSURANCE AND INDEMNIFICATION

MiEnergy and the City respectively assume full responsibility in connection with their respective services and for their respective facilities and personnel used in connection with such service. MiEnergy and the City agree that each shall be responsible for the distribution and sale of the electricity on its respective side of the point of connection. Each of the Parties hereto shall indemnify, save harmless and defend the other against all claims, demands, costs or expenses for loss, damage or injury to persons or property in any manner whatsoever, directly or indirectly arising from, connected with or growing out of the indemnifying Party's operations saving only such loss, damage or injury as may be caused by the willful misconduct or the sole negligence of the Party otherwise seeking to be indemnified. Each of the Parties hereto shall maintain, during the term of this

Agreement, such liability insurance as it determines necessary to properly insure themselves against all claims for property damage and for personal injury or death arising out of, resulting from or in any manner connected with the installation, operation and maintenance of any facilities contemplated by this Agreement and for the indemnification undertakings herein.

This Agreement is solely for the benefit of the Parties hereto. Nothing in this Agreement shall be construed to or shall in fact create any third party benefits or rights of any character whatsoever in any customers, members or other persons dealing with either Party (excepting only those provisions relating to Dairyland). Further, neither Party shall be liable to any person for indirect, special, consequential, loss of revenue or other such damages of any type from any cause arising from service under this Agreement, and all such damage claims are expressly disclaimed by the Parties, except for damages caused by their willful misconduct.

Notwithstanding the foregoing, City asserts any and all exclusions and limitations of liability to which it is entitled under Minnesota Statutes, Chapter 466 and nothing in this section shall be construed as a waiver of any such exclusions and limitations.

## 9.0 MISCELLANEOUS

### 9.1 APPROVAL

This Agreement shall not be binding upon the Parties until approved by Dairyland. To the extent required by applicable law, this Agreement shall also be subject to the approval of any governing body or regulatory agency having jurisdiction over either party or the subject matter of this Agreement. Each Party shall notify the other Party in writing upon failure to secure any approval required by this paragraph.

### 9.2 GOVERNING LAW

The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of Minnesota.

### 9.3 SEVERABILITY

If any provision of this Agreement is held invalid under any applicable laws, that invalidity shall not affect any other provision of this Agreement that can be given an effect without the invalid provision, and, to this end, the provisions are severable. If any term or condition of this Agreement is unenforceable under applicable law, such term or condition shall nevertheless be deemed enforceable to the fullest extent permissible and the tribunal with jurisdiction over the matter is requested to reform the offending term or condition.

9.4 MEMBERSHIP

The City shall be a member of MiEnergy and shall be bound by the provisions of the Articles of Incorporation and By-Laws of MiEnergy and classified as a Class 'B' Member.

9.5 OWNERSHIP

Electric service equipment furnished, installed, operated and maintained by MiEnergy on the property of the City shall remain the property of MiEnergy and may be removed upon termination of this Agreement, or, if requested by City, purchased by City at net book value.

9.6 [RESERVED]

9.7 SERVICE TERRITORY

MiEnergy agrees to allow the City to expand its current service territory in the southeast corner and northwest corner of City limits as depicted on Exhibit C to this Agreement. As further inducement to entering into this Agreement, such expansion shall be in perpetuity, without regard to whether MiEnergy, or its successor in interest, continues to serve City, and shall be without compensation in territory or otherwise, for expansion within that defined area.

For as long as City is served by MiEnergy under the terms of this Agreement, in the event the City should annex or consolidate any territory outside its city limits as constituted as of the Effective Date of this Agreement wherein MiEnergy is lawfully rendering electric service, and absent objection by the affected member-consumers, the City shall be allowed to render service in the annexed area without compensation to MiEnergy for the lost energy sales, contingent on City receiving wholesale service from MiEnergy for the annexed area under the terms of this Agreement. The Parties agree to consult with each other on the content of any communications with consumers who would be affected. The City will reimburse MiEnergy for the value of the distribution equipment required to be transferred to the City or removed due to the transfer of service to the newly annexed or consolidated territory acquired by the City, at replacement cost depreciated, and for reasonable reintegration costs MiEnergy incurs. For future transfers beyond those depicted on Exhibit C, this shall not affect MiEnergy's right to compensation for lost sales as may be provided under Minnesota law to the extent the period for which such law allows compensation extends beyond the period the City receives wholesale service from MiEnergy under this Agreement. The Parties acknowledge that this provision reflects their unique circumstances and relationship, and are not suggesting that this Agreement is an appropriate template for others.

It is understood and acknowledged that this Agreement does not impact any prior service territory agreements that have been executed by the Parties to this

Agreement or their predecessors in interest. Both Parties reserve their rights under such agreements to construct such facilities as may be required to ensure their ability to serve retail customers located in the respective service territories reflected in those agreements (e.g., in the case of St. Charles, the area associated with the Amish Market Truck Stop).

#### 9.8 SUCCESSORS AND ASSIGNS

9.8.1 This Agreement shall be prepared in triplicate, all of which when executed by the legally authorized representatives of the Parties hereto shall have full force and effect and shall be binding upon and inure to the benefit of successors, legal representatives and assigns of the respective Parties.

9.8.2 Any assignment of this Agreement shall not relieve either Party of any of its obligations hereunder, and provided further that such assignment shall not result in any power and energy usage in excess of that required by the City for its own use and for resale to its retail customers.

#### 9.9 NON-DISCLOSURE

The City agrees not to share the pricing-related terms of this Agreement with any other person or entity, other than with Dairyland's express written consent or as is mandated by state or federal law. If disclosure is requested, the Parties agree to cooperate in an effort to generate a version of the document that may be disclosed. In the event any disclosure of pricing terms is mandated by law, the City shall give MiEnergy prior notice of the nature and content of the disclosure that is proposed to be made at least five (5) business days prior to the disclosure.

#### 9.10 NOTICES AND REPRESENTATIVES OF THE PARTIES

Any payment, notice, demand or request required or authorized by this Agreement to be given by one Party to the other Party shall be in writing. It shall either be personally delivered or mailed, postage prepaid, to the representative of the other Party designated in this Section. Any such notice, demand or request so delivered shall be deemed to be given when so delivered or mailed.

Notices and other communications by the City to MiEnergy shall be addressed to:

President/CEO  
MiEnergy Cooperative  
31110 Cooperative Way  
P.O. Box 626  
Rushford, MN 55971

Notices and other communications by MiEnergy to the City shall be addressed to:

City Administrator  
City of St. Charles  
830 Whitewater Avenue  
St. Charles, MN 55972

Either Party may change its representative by written notice to the other. The Parties' representative designated above shall have full authority to act for their respective principals in all technical matters relating to the performance of this Agreement. However, they shall not have authority to amend, modify or waive any provision of this Agreement.

#### 9.11 AUTHORITY

The Parties executing this Agreement hereby represent to each other that they have all proper authority to execute this Agreement and bind their respective entity to the terms and conditions herein. MiEnergy hereby states that it has legal authority to enter into this Agreement, and that its Board of Directors has reviewed and approved this Agreement at a duly called meeting. The City hereby states that it has the authority to enter into this Agreement, and this Agreement has been approved by the City Council at a duly noticed meeting. Each of the Parties hereto states to the other that they are relying on the representations in this paragraph and each Party represents that it has conducted its affairs in a manner that will comply with all applicable legal requirements.

#### 9.12 WHITEWATER FEEDER

The Parties agree that within twenty-four (24) months from the Effective Date, MiEnergy will remove its facilities from City's Whitewater substation and City will reimburse MiEnergy for the \$50,000.00 agreed cost of the infrastructure plus reasonable reintegration expenses but without a mil charge.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed.

**MIENERGY COOPERATIVE (formerly  
TRI-COUNTY ELECTRIC COOPERATIVE)**

BY \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

DATE \_\_\_\_\_

**THE CITY OF ST. CHARLES,  
MINNESOTA**

BY \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Clerk

DATE \_\_\_\_\_

**APPROVED FOR A-9 RATE:**

**DAIRYLAND POWER COOPERATIVE**

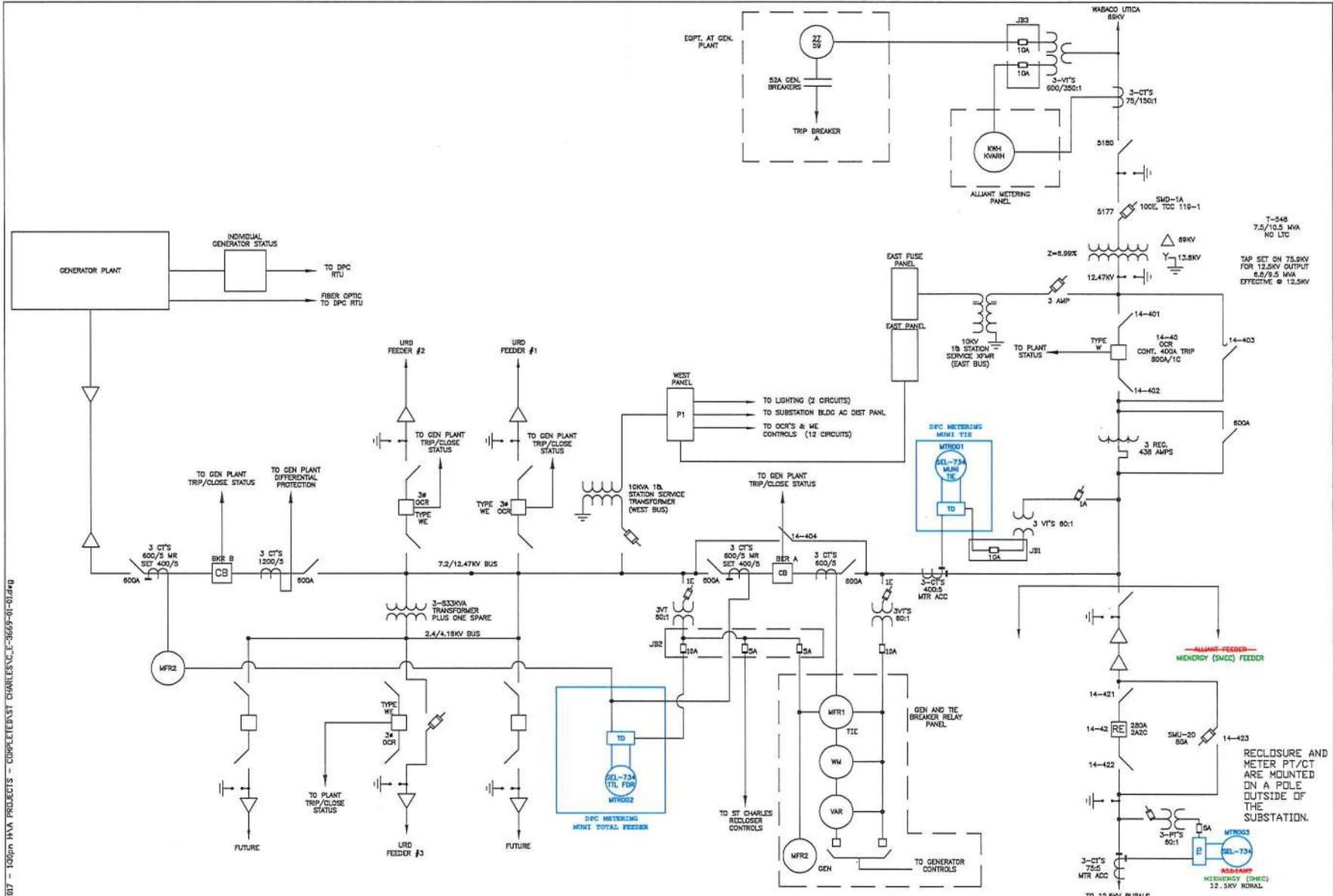
BY \_\_\_\_\_  
President and CEO

ATTEST:

\_\_\_\_\_

DATE \_\_\_\_\_

EXHIBIT A – One Line Diagram



Aug 15, 2017 - 10:00pm INVA PROJECTS - COMPLETEVST CHARLES.C\_E-36669-01.dwg

|    |          |  |     |    |     |     |      |             |
|----|----------|--|-----|----|-----|-----|------|-------------|
| NO | DATE     | REVISION                               | BY  | DR | APP | CHK | DATE | DESCRIPTION |
| 1  | 08/15/17 | CONNECT TTL FOR CT POLARITY            | SJS |    |     |     |      |             |
| 2  | 10-03-18 | ADDED METERING TO 12.5KV RURAL FEED    | SJS |    |     |     |      |             |
| 3  | 06/29    | ADDED 30A-73A METERING AND 3A LEADWIRE | SJS |    |     |     |      |             |

|               |            |            |                 |
|---------------|------------|------------|-----------------|
| DATE APPROVED | 08/09/2019 | WORK ORDER | W10011          |
| LOCATION CODE | D3889      | PROJECT    | DAIRYLAND POWER |

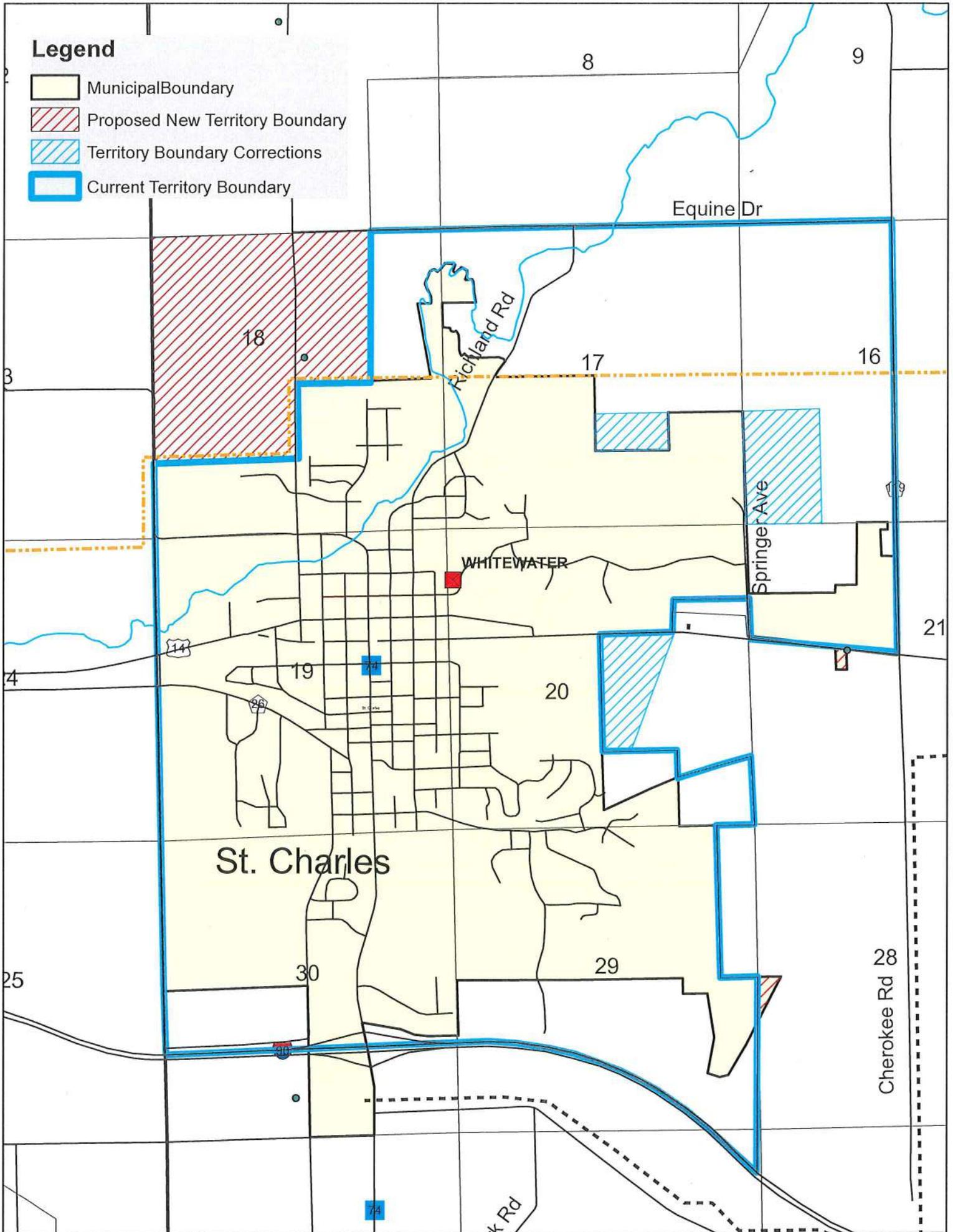
  

|                      |  |                 |   |
|----------------------|--|-----------------|---|
| ST CHARLES MUNICIPAL |  | SHEET 1 OF 1    | 1 |
| ONE LINE DIAGRAM     |  | C_E-03669-01-01 |   |

EXHIBIT C – Proposed New Territorial Boundaries

# Legend

-  Municipal Boundary
-  Proposed New Territory Boundary
-  Territory Boundary Corrections
-  Current Territory Boundary



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INTEROFFICE MEMORANDUM

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TO: MAYOR AND COUNCIL MEMBERS  
FROM: KRISTINE  
SUBJECT: 2018 GOVERNMENTAL BUDGETS  
DATE: 8/23/2018  
CC: NICK KOVERMAN

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Enclosed is the preliminary 2019 budget for governmental funds. The proposed preliminary levy is \$1,123,315— an increase of 10.49%. Most of this increase is due to the actual implementation of the Flaherty & Hood study. In addition, the first payment (interest only) on the new street bond is included.

10 General Fund –The General Fund levy increased \$81,168 due to the new salary structure, health and workman’s comp/general insurance, and a proposed administrative position. In addition, part time salaries were adjusted in City Hall janitorial, pool, and park/rec.

20 Advertising Fund: no change.

21 Fire Fund- the levy was reduced approximately \$3,000 after a review of expenditures.

24 Celebration Fund – slight increase of \$500 after a review of expenditures.

25 Capital Improvement Fund – included in the budget packet is a list of the planned capital expenditures totaling \$252,339 in 2019.

26 Library Fund – levy increased \$3,900 due to increasing Selco fees and salary adjustments.

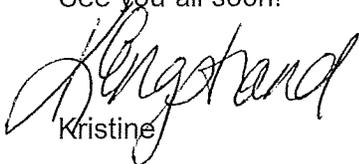
60 2011A GO Imp & Ref Bond – the required levy for the bond is \$203,538.

55 2015A EMS Bond – the required levy for the bond is \$141,411; after contributions from Ambulance, Fire, and Electric Departments, the levy amount will be \$96,411.

57 2018A Street Bond – interest only payments of \$22,858 are included in the levy.

Please let me know if you have any questions regarding the 2019 budget.

See you all soon!

  
Kristine

City of St. Charles  
 2019 Budget Summary (Preliminary)

| <u>Governmental Funds</u> | <u>REVENUE</u>      | <u>EXPENSE</u>        | <u>DIFFERENCE</u>  |
|---------------------------|---------------------|-----------------------|--------------------|
| 10 GENERAL                | 1,651,915.00        | (1,651,915.00)        | -                  |
| 20 ADVERTISING            | 21,850.00           | (21,850.00)           | -                  |
| 21 FIRE                   | 156,285.00          | (156,285.00)          | -                  |
| 24 CELEBRATION            | 20,700.00           | (20,500.00)           | 200.00             |
| 25 CIP                    | 257,449.00          | (254,340.00)          | 3,109.00           |
| 26 LIBRARY                | 169,795.00          | (169,795.00)          | -                  |
| 34 EDA                    |                     | (44,928.00)           | (44,928.00)        |
| 41 TIF 7 - NRB            | 23,000.00           | (20,000.00)           | 3,000.00           |
| 42 TIF 8 - ACTIVE TOOL    | 8,000.00            | (200.00)              | 7,800.00           |
| 47 TIF 6 - MFC            | 20,000.00           | (13,970.00)           | 6,030.00           |
| 55 2015A EMS BOND         | 141,411.00          | (141,411.00)          | -                  |
| 58 2018A STREET BOND      | 22,858.00           | (22,858.00)           | -                  |
| 60 2011A G.O. & REF BONDS | 203,538.00          | (203,538.00)          | -                  |
| TOTALS                    | <u>2,696,801.00</u> | <u>(2,721,590.00)</u> | <u>(24,789.00)</u> |

City of St. Charles  
Levy Summaries

**Special**

| <b>Fund</b>       | <b>2013</b>       | <b>2014</b>    | <b>2014</b>    | <b>2015</b>    | <b>2016</b>    | <b>2017</b>    | <b>2018</b>      | <b>2019</b>      |
|-------------------|-------------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
| General           | \$ 171,843        | 125,530        | -              | 103,507        | 121,200        | 172,837        | 251,639          | 332,537          |
| Tax Abatement     | \$ 8,906          | -              | 8,906          | 10,085         | 10,085         | 10,085         | 10,085           | 3,960            |
| CIP               | \$ 273,000        | 282,000        | -              | 290,000        | 275,600        | 280,600        | 255,000          | 255,000          |
| Fire              | \$ 55,200         | 65,736         | -              | 67,600         | 64,600         | 66,036         | 69,036           | 66,171           |
| Advertising       | \$ 17,950         | 20,275         | -              | 20,275         | 21,275         | 21,275         | 21,275           | 21,275           |
| Celebration       | \$ 7,500          | 6,500          | -              | 6,500          | 6,500          | 6,500          | 6,500            | 7,000            |
| Bonded Debt 2011A | \$ 204,343        | -              | 214,588        | 219,965        | 216,877        | 217,565        | 197,565          | 203,538          |
| Bonded Debt 2015A | \$ -              | -              | -              | -              | 76,736         | 94,891         | 94,891           | 96,411           |
| Bonded Debt 2018A | \$ -              | -              | -              | -              | -              | -              | -                | 22,858           |
| Emergency Mgmt    | \$ -              | 10,500         | -              | 10,500         | -              | -              | -                | -                |
| Library           | \$ 92,128         | 96,835         | -              | 102,638        | 106,000        | 101,640        | 110,652          | 114,565          |
| <b>Total Levy</b> | <b>\$ 830,870</b> | <b>607,376</b> | <b>223,494</b> | <b>831,070</b> | <b>898,873</b> | <b>971,429</b> | <b>1,016,643</b> | <b>1,123,315</b> |
|                   | \$ 37,241         |                | 830,870        | 200            | 67,803         | 72,556         | 45,214           | 151,886          |
|                   | <b>4.69%</b>      |                | <b>0.00%</b>   | <b>0.02%</b>   | <b>8.16%</b>   | <b>8.07%</b>   | <b>4.65%</b>     | <b>10.49%</b>    |

**CITY OF ST. CHARLES**  
**Capital Improvement Schedule**

| 2019       |                            |                   |                             |
|------------|----------------------------|-------------------|-----------------------------|
| Department | Description                | Amount            | Fund                        |
| Parks      | Whispering Hills pavillion | \$ 25,000         | 25 Capital Improvement Fund |
|            | Trail Extensions           | \$ 40,000         | 25 Capital Improvement Fund |
|            | Jessens Park bathrooms     | \$ 40,000         | 25 Capital Improvement Fund |
| Street     | Road Maintenance           | \$ 20,000         | 25 Capital Improvement Fund |
|            | Elgin Sweeper Lease (5/5)  | \$ 33,861         | 25 Capital Improvement Fund |
|            | Plow Truck Lease (1/6)     | \$ 36,136         | 25 Capital Improvement Fund |
| Admin      | Election equipment         | \$ 10,000         | 25 Capital Improvement Fund |
| Sidewalks  | Annual Improvements        | \$ 25,000         | 25 Capital Improvement Fund |
| Police     | Squad leases               | \$ 22,342         | 25 Capital Improvement Fund |
|            |                            | <u>\$ 252,339</u> |                             |

**Request for City Council Action**

Date: August 24, 2018      Requested Council Date: August 28, 2018

Originating Department: Administration

Council Action Requested: Advertise for Administrative Assistant

Background Information: Over the last several weeks, staff have proposed and discussed various scenarios and situations as how best to staff the front office that provides service to the 3,735 residents and serves as the primary information center and clearing house for most of the daily operational activities of the City.

Kristine Engstrand has accepted another position, but has offered and is willing to continue with the City for the foreseeable future for approximately 20 hours/week. As staff we looked and considered the next 12-17 months and the probable changes to our front office and the long-term ramifications. At this time, the recommendation would be to advertise for an administrative assistant which will allow us to train this entry level position to assist in day-to-day tasks, while alleviating some of the pressure and time for Cassie and Janell to complete project tasks that are increasingly challenging because of the traffic and ever-changing environment. Moreover, it would allow for a more stable front office as additional training for Cassie will be necessary and will require both Janell and Cassie to work together. In January of 2019, the advertisement for the full-time accountant would begin. Kristine would be able to help train the position and take part in the 2018 audit.

Staff is certainly open to suggestions as we work through this complex matter.

Financing: Through 2018, the savings realized by the part-time position will pay for wages of the administrative assistant. Moving forward, only 25 percent of the position is accountable to the general fund levy or approximately \$9,000.



**CITY OF ST. CHARLES, MINNESOTA  
ORDINANCE NO. 603**

**AN ORDINANCE EXTENDING THE EXPIRATION DATE OF THE CABLE  
TELEVISION FRANCHISE AGREEMENT AUTHORIZING THE CONSTRUCTION  
AND OPERATION OF A CABLE COMMUNICATION SYSTEM**

WHEREAS, the City of St. Charles ("Grantor") has an agreement with Mediacom Minnesota LLC ("Mediacom") for the construction and operation of a cable communications system within the City of St. Charles (the "Agreement"); and

WHEREAS, the Agreement expired by its terms on or about March of 2018; and,

WHEREAS, Grantor and Mediacom mutually agree to extend the term of the Agreement; and,

WHEREAS, Mediacom has agreed to pay the franchise fee of five percent (5%) of annual Gross Revenues (as defined in subsection 1.1 of the Franchise) to the Grantor; and

WHEREAS, Mediacom has submitted a request to Grantor for an extension of the expiration date of the Agreement until October 1, 2033,

NOW THEREFORE, the City Council of the City of St. Charles hereby ordains:

1. Except as modified by Paragraph 1, all other terms, conditions, provisions and requirements of the Agreement shall remain in full force and effect. Neither party waives any rights it may have pursuant to the Agreement, State or Federal law.
2. This Ordinance shall be effective upon its passage and publication in accordance with law.

PASSED AND ADOPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_.

**City of St. Charles, Minnesota**

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

Its: \_\_\_\_\_

ACCEPTANCE BY COMPANY

This Ordinance is accepted, and we agree to be bound by all its terms and conditions.

**MEDIACOM MINNESOTA LLC**

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

Its: \_\_\_\_\_

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

**City of St. Charles  
Resolution #27-2018**

**A RESOLUTION APPOINTING ELECTION JUDGES FOR THE  
GENERAL ELECTION ON NOVEMBER 6, 2018**

The Council of the City of St. Charles hereby resolves that:

1. The persons below named are hereby appointed Judges for the General Election on November 6, 2018. The judges appointed, the precinct and hours of voting are as follows:

|                     |   |
|---------------------|---|
| City-wide Precinct: | Ward 1, Precinct 1                                    |
| Voting Place:       | St. Charles Community Center<br>830 Whitewater Avenue |
| Voting Time:        | 7:00 a.m. to 8:00 p.m.                                |

| <u>Name</u>   | <u>Address</u>     |
|---------------|--------------------|
| Kris Slavin   | 926 East 15th      |
| Alicia Crouch | 1554 Church Avenue |

Adopted this 28th day of August, 2018 by the Council of the City of St. Charles, Minnesota.

\_\_\_\_\_  
**John Schaber, Mayor**

Attest: \_\_\_\_\_  
**Nick Koverman, Administrator**