

PROCEEDINGS OF THE MURRAY COUNTY BOARD OF COMMISSIONERS
MURRAY COUNTY GOVERNMENT CENTER – SLAYTON, MINNESOTA
August 6, 2013 8:30 a.m.

Pursuant to notice, the Murray County Board of Commissioners convened with the following members present: Commissioners Gerald Magnus, Robert Moline, John Giese, James Jens and David Thiner. Also present Aurora Heard, County Coordinator, Heidi Winter, Auditor-Treasurer, Paul Malone, County Attorney.

The meeting opened by reciting the Pledge of Allegiance to the Flag.

No conflict of interest identified.

The Chairman asked if there were any additions to the agenda. Several items were added.

Consent Agenda

1. Approval of the Minutes from July 23, 2013
2. Approval of the Minutes from July 29, 2013

It was moved by Giese, seconded by Moline and passed to approve the agenda as modified and consent agenda items number one and two.

Warrants

A motion was duly made by Jens, seconded by Thiner and carried that all claims as presented were approved for payment. The Chairman was authorized to sign the Audit List dated August 6, 2013 with fund totals as follows and warrants numbered 140077-140160:

County Revenue Fund	52,485.39
County Road & Bridge Fund	94,628.75
Hospital Maintenance Fund	5,287.00
Sunrise Terrace	6,156.59
SAWSD	19.18
Total	158,576.91

Heidi Winter presented the following petitions for repair:

- 2013- 033 (JD 20A, 3-Shetek Township, Jens) *An estimate is to be obtained and the ditch authority is going to verify a public lateral is involved*
- 2013-034 (CD 66, 2-Leeds, Moline)

A motion was made by Moline, seconded by Magnus and carried that the Commissioners appointed as Inspectors in and for the County of Murray, are hereby instructed to examine and inspect that portion of the foregoing described County and Judicial Ditches, lying within the County of Murray, for the purpose of determining what repairs are necessary, and if deemed

necessary, to prepare either a cost estimate of said repair, or order said repairs to be made, with a report to be given thereon at a Murray County Board of Commissioner's meeting, held in the Commissioners Room of the Murray County Government Center, Slayton, Minnesota.

Murray County Judicial Ditch No. 6

Commissioner Moline offered the following resolution and moved its adoption:

Resolution 2013-08-06-01
Resolution Accepting Petition and Appointing an Engineer for the
Improvement to Portions of Judicial Ditch No. 6

WHEREAS, a Petition for the Improvement of the Main Tile, Branch A, Branch B and Branch C of Judicial Ditch No. 6 has been submitted to the Murray County Drainage Authority Board; and WHEREAS, the Murray County Attorney has made a preliminary review of the Petition pursuant to Minnesota Statutes 103E.215, determining that the requirements of the Petition and Bond have been met.

NOW THEREFORE BE IT RESOLVED, by the Murray County Drainage Authority Board for Judicial Ditch No. 6, that the Petition for the Improvement of Main Tile, Branch A, Branch B and Branch C of Judicial Ditch No. 6 are hereby accepted.

BE IT FURTHER RESOLVED, that Duane Hansel is appointed as the qualified engineer on this Improvement to Judicial Ditch No. 6.

The foregoing resolution was duly seconded by Commissioner Jens and thereupon being put to a vote all members voted unanimously for its adoption.

County Ditch 82 Bid Letting Date

It was moved by Moline, seconded by Thiner and passed to set the bid letting date for the County Ditch 82 Improvement Project for September 5, 2013 at 10:15 a.m. and to allow the bid to be awarded on September 10, 2013 at 9:15 a.m.

Jon Bloemendaal gave an update on the MACAI course attended.

Final Payment Contract No. 20131

It was moved by Giese, seconded by Thiner and passed to approve to pay the remaining 5% for overlay project (Contract No. 20131) in the amount of \$58,056.67 and authorize Coordinator Heard to sign the Certificate of Final Acceptance and County Board Acknowledgement form.

Randy Groves gave a project update.

Joseph Miranowski the new building maintenance employee was introduced to the County Board.

10:00 a.m. Open Forum – No members of the public were present for open forum.

End O Line Park Incoming Loan Agreement

It was moved by Thiner, seconded by Jens and passed to approve an End O Line incoming loan agreement form.

Commissioner Giese presented the following resolution and moved for its adoption:

Redwood-Cottonwood River Septic Loan Program 2013/Murray County

**MURRAY COUNTY, MINNESOTA
Resolution 2013-08-06-02**

RESOLUTION RELATING TO THE MINNESOTA
POLLUTION CONTROL AGENCY CLEAN WATER
PARTNERSHIP; AUTHORIZING THE COUNTY TO BORROW
MONEY FROM THE MINNESOTA POLLUTION CONTROL
AGENCY AND TO LEND MONEY TO ELIGIBLE
PARTICIPANTS AND ELIGIBLE LENDERS TO FUND
PROJECTS FOR THE CONTROL AND ABATEMENT OF
WATER POLLUTION

BE IT RESOLVED by the County Board of Commissioners of Murray County, Minnesota (the “Sponsor”), as follows:

Section 1. Authorization and Findings.

1.01. The Sponsor, a political subdivision of the State of Minnesota is authorized and empowered by the provisions of Minnesota Statutes, Sections 103F.701 to 103F.761, as amended (the “Act”), to borrow money from the Minnesota Pollution Control Agency (the “MPCA”) for the purpose of funding a revolving loan program under the Minnesota Clean Water Partnership, as provided in the Act. The Sponsor proposes to enter into a financing agreement (the “MPCA Agreement”) with the MPCA pursuant to which the Sponsor shall borrow money from the MPCA (the “MPCA Loan”) from time to time and lend the proceeds thereof to persons entitled to receive such loans under the MPCA Agreement (“Eligible Participants”), or may agree that loans to the Eligible Participants will be made by local lending institutions (“Eligible Lenders”), such loans to be documented by loan agreements between the Sponsor and each Eligible Participant or Eligible Lender (the “Project Loan Agreements”), in furtherance of the “Project Work Plan” as provided in the MPCA Agreement. The Sponsor may at any time determine to make project loans directly to Eligible Participants, rather than through Eligible Lenders, and in such case the references herein to Eligible Lenders and Project Loan Agreements shall be deemed to refer to Eligible Participants and the loan agreements between the Sponsor and the Eligible Participant.

1.02. The Sponsor is authorized to borrow money and issue its general obligation note (the “Note”) to the MPCA under the Act, in evidence of the MPCA Loan. Under the Act, no

election is required to authorize the issuance of the Note, and the Note shall not constitute an indebtedness of the Sponsor within the meaning of any constitutional or statutory provisions or limitations. The Chairperson and County Auditor/Treasurer are hereby authorized to approve the final terms of the Note, and their execution and delivery of the Note shall evidence such approval. The terms of the Note, as so executed and delivered, shall be deemed to be incorporated herein by reference.

1.03. The Sponsor intends to make loans in amounts which will require the Sponsor to issue the Note in an aggregate principal amount not exceeding \$100,000, but recognizes that the MPCA Agreement referred to in Section 1.02 hereof permits the Sponsor to draw up to \$50,000 on the Note at this time. The remaining \$50,000 (or so much thereof as may be required) principal amount of the Note may be drawn only when the Sponsor and the MPCA have executed a new or amended MPCA Agreement permitting additional amounts to be drawn on the Note.

1.04. The execution and delivery of the MPCA Agreement, the form of which is attached hereto as Exhibit A, is, in all respects, hereby authorized, approved and confirmed, and the Chairperson and County Auditor/Treasurer are hereby authorized and directed to execute and deliver the MPCA Agreement in the form and content attached hereto as Exhibit A, with such changes as the Sponsor's Attorney deems appropriate and approves, for and on behalf of the Sponsor. The Chairperson and County Auditor/Treasurer are hereby further authorized and directed to implement and perform the covenants and obligations of the Sponsor as set forth in or required by the MPCA Agreement.

1.05. The execution and delivery of the Project Loan Agreements and the pledging of the loan payments thereunder for the security of the Note and the interest thereon shall be, and they are, in all respects, hereby authorized, approved and confirmed, and the Chairperson and County Auditor/Treasurer are hereby authorized and directed to execute and deliver, from time to time, the Project Loan Agreements in such form and content as the County Attorney deems appropriate and approves, for and on behalf of the Sponsor. The Chairperson and County Auditor/Treasurer are hereby authorized to approve the final terms of each Project Loan Agreement, and their execution and delivery of such Project Loan Agreement shall evidence such approval.

1.06. Capitalized terms used but not defined herein shall have the meanings given thereto in the MPCA Agreement.

Section 2. The Note.

2.01. The Sponsor has determined that it is necessary and expedient that the Sponsor issue at this time a Note to be designated "General Obligation Note (MPCA) (Redwood-Cottonwood River Septic Loan Program 2013/Murray County), Series 2013" (the "Note") to provide moneys to lend to Eligible Participants or Eligible Lenders through the Project Loan Agreements from time to time as the Sponsor shall determine. Pursuant to the Project Loan Agreements, Eligible Participants are required to use the proceeds of the Loan for costs of projects permitted under the MPCA Agreement, and the Eligible Lenders are obligated to use the proceeds of the Lender Loans to make loans to Eligible Participants, as defined in the Project

Loan Agreements. The Note shall be substantially in the form attached hereto as Exhibit B; the aggregate principal amount of the Note shall not exceed \$100,000; provided that only \$50,000 may be drawn under the Note until authorized by a new or amended MPCA Agreement. The principal balance of the Note from time to time shall be an amount equal to the aggregate of all MPCA Loan advances theretofore made under the MPCA Agreement, less the amount of any principal repayments or redemptions theretofore made under Sections 2.02 or 2.03 hereof. If the full amount of the MPCA Loan has not been advanced under the MPCA Agreement by December 15, 2016, or such later date as may be provided in a new or amended MPCA Agreement, the MPCA shall, under the provisions of the MPCA Agreement, reduce the principal amount of the MPCA Loan to an amount equal to the total loan amount then and theretofore advanced, and shall prepare and provide to the Sponsor revised Repayment Schedules for the MPCA Loan. Upon such action by the MPCA, the aggregate principal amount of the Note shall be limited to the principal amount of the corresponding MPCA Loan, and the revised Repayment Schedules shall be deemed to have replaced and superseded the payment schedule of the Note set forth in Section 2.02(c).

2.02. (a) The Note shall bear a date of original issue as of the date of its execution and delivery to the MPCA.

(b) The Note shall bear interest from its date of original issue at an interest rate of 2% per annum, unless any payment provided for in paragraph (c) below is not paid when due, in which case the principal balance of the Note shall bear interest at the rate of 4% per annum, commencing on the day following the date on which such payment was due and continuing until the date on which payment in full thereof is actually received by the MPCA.

(c) The principal balance of the Note, plus the interest which has accrued on the Note at an interest rate of 2% per annum shall be payable in semiannual installments of \$2,881.60 each, payable on June 15 and December 15 in each year, commencing December 15, 2016 (the "Note Payment Dates"). If the Sponsor satisfies the conditions specified in Sections 1.03 and 2.01, and draws amounts in excess of \$50,000 on the MPCA Loan, the schedule and amounts of the semi-annual installments shall be amended as provided in the new or amended MPCA Agreement. Interest, if any, which has accrued on the Note at a rate in excess of 2% per annum shall be payable on each Note Payment Date in addition to the regularly scheduled payment of principal and interest on the Note.

2.03. The principal balance of the Note is subject to redemption and prior payment at the option of the Sponsor on any date, upon not less than thirty (30) days written notice to the MPCA, in whole or in part in such amounts as the Sponsor may determine at a redemption price equal to the principal amount being redeemed, together with any accrued interest to the redemption date. If less than all of the principal balance is to be redeemed and prepaid, the Sponsor may elect, in the notice of redemption, to reduce the amount of or eliminate specified semiannual payments; if the Sponsor does not specify otherwise, any partial prepayment will be applied to reduce the amount of the semiannual payments in inverse order of their due dates. Partial redemptions and prepayments shall be made in increments of \$1,000 principal amounts and in minimum amounts of \$1,000.

Section 3. Granting Clauses. The Sponsor, in order to secure the payment of the principal of and interest (if any) on the Note and the performance and observance of each and all of the covenants and conditions herein and therein contained, and for and in consideration of the premises and of the purchase and acceptance of the Note by the MPCA, and for other good and valuable considerations, the receipt whereof is hereby acknowledged, by these presents does hereby grant, bargain, sell, assign, transfer, convey, warrant, pledge and set over, unto the MPCA and to its successors a lien on, security interest in and pledge of the interests of the Sponsor in all Project Loan Agreements hereafter entered into between the Sponsor and Eligible Participants or Eligible Lenders in connection with Loans authorized hereby, and all payments of principal, premium (if any) and interest thereon, and all proceeds thereof. If the Sponsor shall well and truly pay or cause to be paid the principal of the Note and the interest, if any, due or to become due thereon, at the times and in the manner mentioned in this Resolution and the Note, or shall provide for the payment thereof by depositing with the MPCA sums sufficient to pay the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the MPCA Agreement and this Resolution, to be kept, performed and observed by it and shall pay to the MPCA all sums of money due or to become due to it in accordance with the terms and provisions hereof; then upon such final payment the lien, security interest and other rights hereby granted shall cease, determine and be void.

Section 4. Application of Note Proceeds and Other Moneys; Loan Fund; and Loans.

4.01. The proceeds of the Note shall be equal to, and deemed to be received by the Sponsor at the same time as, the advances of the corresponding MPCA Loan under the corresponding MPCA Agreement. Such proceeds shall be deposited, as received, in the Loan Fund, which is hereby established as a separate bookkeeping account on the books of the Sponsor. Once each month, the Sponsor will determine the amount necessary to fund Loans to Eligible Participants or Eligible Lenders based on Project Loan Agreements entered into subsequent to the last request by the Sponsor for an MPCA Loan advance under the MPCA Agreement, and shall submit a request, in accordance with the MPCA Agreement, for an MPCA Loan advance in the amount necessary to fund such Loans.

4.02. Amounts on deposit in the Loan Fund shall be used to make Loans to Eligible Participants or Eligible Lenders in accordance with Project Loan Agreements, or to pay the principal and interest on the Note. No amounts in the Loan Fund which are required to be disbursed to an Eligible Participant or Eligible Lender under a Project Loan Agreement may be used to pay principal or interest on the Note.

Each Loan shall be made in accordance with the terms of a Project Loan Agreement and the MPCA Agreement. The interest rate and repayment terms of the Loans shall be determined by the Sponsor in accordance with the MPCA Agreement and applicable rules of the MPCA. The proceeds of each Loan must be expended for eligible costs under the Program (including any applicable federal law) and the MPCA Agreement.

Amounts on deposit in the Loan Fund shall be disbursed by the Sponsor pursuant to Participant or Lender Request. The Sponsor shall have no obligation to see to the proper application of the proceeds of the Loans.

Section 5. Funds and Accounts.

5.01. There are hereby established the following Funds and Accounts:

- (a) Loan Fund, as described in Section 4.02 hereof; and
- (b) Note Fund, as described in Section 5.02 hereof.

The Sponsor may also establish by resolution or otherwise within each Fund one or more separate Accounts or Subaccounts relating to a particular Loan or for other purposes.

5.02. Upon receipt of a payment of principal or interest on a Loan, the Sponsor shall deposit such principal and interest in the Note Fund. On or prior to each Note Payment Date, the Sponsor shall withdraw from the Note Fund and pay to the holder of the Note amounts sufficient to pay the principal and interest (if any) on the Note due on such Note Payment Date, including any principal of the Note which has been called for prior redemption.

5.03. For the prompt and full payment of the principal of and interest, if any, on the Note as such payments respectively become due, the full faith, credit and unlimited taxing powers of the Sponsor shall be and are hereby irrevocably pledged. It is, however, presently estimated that the revenues appropriated pursuant to Section 5.02 hereof will provide sums not less than 5% in excess of principal and interest on the Note when due, and therefore no tax levy is presently required.

Section 6. Particular Covenants of the Sponsor. The Sponsor covenants and agrees, so long as the Note shall be Outstanding and subject to the limitations on its obligations herein set forth, that:

(a) It will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Resolution and in the Note; and will promptly pay the principal of and interest, if any, on the Note on the dates, at the places and in the manner prescribed in the Note.

(b) All Loans to Eligible Participants or Eligible Lenders with the proceeds of the Note or from other funds in the Loan Fund shall be evidenced by Project Loan Agreements. The principal of and interest on the Loans shall be due and mature at the times and in the amounts and bear interest at the rates sufficient, with other available funds hereunder, to provide for payments, when due, of principal of and interest on the Note issued hereunder. The Sponsor shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms, covenants and conditions of all Loans and all Project Loan Agreements with Eligible Participants or Eligible Lenders relating thereto.

(c) The Sponsor shall keep proper books of record and account in which complete and correct entries shall be made of its transactions relating to all Loans and payments and all Funds and Accounts and subaccounts established by this Resolution, which shall at all reasonable times be subject to inspection by the MPCA or their representatives duly authorized in writing.

(d) The Sponsor shall annually, on or before February 1 in each year, prepare and place on file a copy of an annual report for the preceding twelve-month period ended as of the preceding December 31, setting forth in reasonable detail:

(i) a schedule of Loans, Loan payments and the status of the Funds and Accounts established by this Resolution; and

(ii) a schedule of remaining payments and the principal balance of the Note outstanding at the end of such year, together with a statement of the amounts paid, redeemed and advanced during such year.

The report shall also include statements as to a description of the nature of any defaults with respect to any of the Loans.

(e) The Sponsor shall not cause or permit any funds received under the Project Loan Agreements or held in any of the Funds or Accounts established hereunder to be applied in a manner which is in violation of any provisions of the Clean Water Act.

(f) The Sponsor will faithfully keep and observe all the terms, provisions and covenants contained in the MPCA Agreement, this Resolution and the Project Loan Agreements.

Section 7. Certification of Proceedings.

7.01. The County Auditor/Treasurer is hereby authorized and directed to file a certified copy of this resolution in the records of the Sponsor, together with such additional information as required, and to file a certified copy of this resolution with the County Auditor/Treasurer of the County in which the Sponsor is located and obtain from the County Auditor/Treasurer a certificate that the Note has been duly entered upon the County Auditor/Treasurer's bond register.

7.02. The officers of the Sponsor are hereby authorized and directed to prepare and furnish to the MPCA and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records of the Sponsor relating to the Note and to the financial condition and affairs of the Sponsor, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Note as they 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 Sponsor to the facts recited herein.

The foregoing resolution was duly seconded by Commissioner Magnus and was approved.

Approval of LG 220 for Lake Shetek Sportsmen Association.

It was moved by Giese, seconded by Jens and passed to approve an LG220 Application for Exempt Permit for the Lake Shetek Sportsmen Association for a raffle to take place on November 1, 2013 at the Currie American Legion, further authorizing the Board Chair to sign the permit on behalf of the County.

10:21 a.m. Commissioner Magnus opened the meeting for public comment. Staff members present: Jolene Johnson and Diane Clercx. Members of the public: Rick Clercx, Linda Wing, Margaret Kluis, Don Erickson, Jolene Johnson, Chris Hansen, Char Larson, Caryl Busman.

11:11 a.m. Commissioner Magnus closed the public comment period.

Museum Coordinator

It was moved by Thiner, seconded by Magnus to approve the regular part time Museum Coordinator job description and to advertise for the position.

Voting in Favor: Thiner, Giese and Magnus

Opposed: Moline and Jens

Motion carried 3 to 2.

Part Time Deputy

It was moved by Moline, seconded by Jens and passed to approve the recruitment of a part time deputy up to 20 hours per week.

Sunrise Terrace Flooring

It was moved by Moline, seconded by Magnus and passed to approve the low quote for flooring for apartment 102 at Sunrise Terrace from Randy's Floor Covering in the amount of \$1,215.90 from account code 55-890-6304.

It was moved by Jens, seconded by Moline and passed to approve opening the agenda to put the Escape Center lease on the agenda.

Discussion on Escape Center lease.

It was moved by Moline, seconded by Thiner and passed to approve any Commissioner attend a ditch meeting at the Kandi Event Center in Willmar, MN on September 9, 2013.

The Commissioners gave their committee reports for the period of July 21, 2013 to August 3, 2013.

John Giese reported on Hospital Finance Committee – July 22, Commissioner Board Meeting – July 23, RSVP Meeting - July 25, Fair Board Meeting (No Per Diem Claimed) – July 25, Strategic Planning – July 29, Early Childhood Meeting – July 30, Sunrise Terrace Meeting – August 1, Personnel Meeting – August 2.

Gerald Magnus reported on Hospital Finance Committee and Hospital Personnel – July 22, Commissioner Board Meeting and Hospital Board Meeting – July 23, Ditch Inspection (CD#68) (Partial Per Diem Claimed) – July 24, RSVP and Fair Board Meeting (Partial Per Diem Claimed) – July 25, Strategic Planning – July 29, Sunrise Terrace Meeting and Rural Minnesota Energy Board – August 1, Personnel Meeting – August 2.

Robert Moline reported on Hospital Finance Committee and Hospital Personnel – July 22, Commissioner Board Meeting and Hospital Board – July 23, SAWS Meeting (Partial Per Diem Claimed) – July 24, Fair Board Meeting (No Per Diem Claimed) – July 25, Southern Prairie Health Purchasing Alliance and Ditch Inspection – July 26, Commissioner Board Meeting and Strategic Planning – July 29, Parks Meeting and Area II and RCRCA – August 1.

David Thiner reported on SMOC Meeting – July 22, Commissioner Board Meeting and Hospital Board – July 23, Fair Board Meeting (No Per Diem Claimed) – July 25, Strategic Planning – July 29, Manure Workshop – July 31.

James Jens reported on Commissioner Board Meeting and Hospital Board and Belfast Township Meeting – July 23, Fair Board Meeting (No Per Diem Claimed) – July 25, Southern Prairie Health Purchasing Alliance – July 26, Strategic Planning – July 29, Parks Meeting – August 1.

It was moved by Moline, seconded by Jens and passed to approve the Commissioner Vouchers for the period of July 21, 2013 to August 3, 2013.

The meeting adjourned at 11:59 a.m.

ATTEST:

Aurora Heard, Murray County Coordinator

Gerald Magnus, Chairman of the Board

