

Lac qui Parle-Yellow Bank Watershed District

Meeting Minutes #632

October 4, 2022

Call to Order

The meeting was held in the Lac qui Parle County Annex, 422 5th Avenue, Madison, MN, with a virtual ZOOM login option. The meeting was officially called to order by Chairman Darrel Ellefson at 4:30 p.m. **Managers Present:** Chairman Darrel Ellefson, Vice Chairman John Cornell, Secretary David Craigmile, Treasurer Andrew Weber and Publicity Michael Frank. **Managers absent:** none. **Staff present:** Administrator Trudy Hastad, Environmental/Feedlot Specialist Abby Van Kempen, Environmental/HHW Specialist Jennifer Schuelke, Ditch Specialist Cindy Brehmer, Ditch Inspector Jared Roiland, and Coordinator Mitch Enderson. **Staff Absent:** Park Manager Ron Fjerkenstad. **Others present:** None.

Approval of the Agenda

Chairman Ellefson asked for additions to the agenda. Hastad asked to add a bill for postage in the amount of \$48.57. Manager David Craigmile motioned to approve the amended agenda, seconded by Manager Andrew Weber. Upon roll call vote, motion passed 5-0.

Staff Reports:

PARK: Administrator Hastad reported that Park Manager Ron Fjerkenstad was not able to attend the meeting, but shared the following:

- Park crew are busy shutting things down for the season.
- Water was being shut off today in the campgrounds for the season.

Environmental/Feedlot Specialist: Abby VanKempen gave her monthly report.

- Attended MCIT training along with Manager Craigmile and felt I learned a lot.
- Finished 13 feedlot inspections and reminded them to maintain their manure records.
- Had a booth at the LQP County fair and held a drawing to give away a compost bin. Approximately 193 people entered.
- The last electronic collection will be held at the demo landfill on Saturday, October 8, 2022 for the season.
- Will be attending the Planning & Zoning annual meeting with Marg next week, Oct 12-14th.
- Working with a landowner on a CUP for conversion of a barn to hold small dance events.
- Passports have been busy the last couple days, so has kept us busy at the counter.

Ditch Specialist: Cindy Brehmer

- Working on the "group 2" redetermination ditch uploads into the LQP County system and have them almost completed.
- Entered the special assessments into the system and working on multi-year assessments for CD #54 and JD #21 with letters going out this week.
- Working with EMCIS (County system) to fix a couple things.
- Did the passport training and passed the exam.
- Attended my first drainage meeting and found it interesting.

Environmental/HHW Specialist: Jennifer Schuelke

- Started on September 1st and helped with the fair booth which was interesting. Handed out pamphlets.
- Held the HHW collection in Dawson on September 14th. We had 48 vehicles with 56 households that brought to the collection.

- Marg and I attended the SWA conference the 21-23 in Baxter, MN. They had good speakers, got to see a landfill, and habitat for humanity restore store.
- Went with Abby on two feedlot inspections.
- Completed passport training and passed the exam so have been observing and doing some passports.
- Will attend the last electronic waste collection on October 8, 2022 to learn more about the program.

Ditch Inspector: Jared Roiland

- We held a landowner meeting for CD #42 on September 21st, 2022 where Attorney Kolb updated the landowners on the status of the improvement project.
- Attended the drainage committee meeting on September 28th, 2022.
- Met on site with contractor Nate Heinrich on the CD #24 cleanout/culvert repair. Hopefully this project will get completed this fall as it is currently dry.
- Finished spraying the County Ditches scheduled for 2022.
- The contractor has completed the CD #4 crossings project.
- I recorded a radio ad with KLQPFM-92 to remind farmers to leave their buffer strips when doing fall tillage, and reminded they are routinely inspected to make sure they are compliant.
- Did not have a lot to update regarding spraying for weeds on Lazarus and R-6. Left a message with YM County weed inspector Mike Mammale to find out final costs and time-frame.

COORDINATOR REPORT: Mitch Enderson gave his monthly report:

- Steering team met on September 7th, 2022 to address the final comments for the 1W1P. The final draft was brought to the policy committee on the 21st to request permission to put the plan out for the 60-day final review period. The policy committee also motioned to move forward with the Joint Powers Collaboration governance structure. Trudy & I took the JPC agreement to the LQP County Commissioner for approval at their board meeting this morning and they approved. This agreement will be taken to the three Counties, SWCD's, Area II, & Watershed for approval.
- Asked for Board approval for the Joint Powers Collaboration agreement (attached Exhibit A) for 1W1P.

Manager Michael Frank motioned to enter into the Lac qui Parle-Yellow Bank River Watershed Joint Powers Collaboration Agreement (as attached), seconded by Manager David Craigmile. Upon vote, motion passed 5-0.

- The steering team for 1W1P will meet in the morning to begin discussing necessary steps to stay on track for a 2023 implementation funding grant. These steps will include developing By-Laws, cost share policy, grant workplan, public hearing for the draft plan, and the hearing with the BWSR board.
- The contractor has completed the Kamrath dam repair. Once bills are finalized and reporting done, we will be able to close out the grant.
- We have a general obligation bond resolution and note (Exhibit B) for the board to approve for our new septic loan. We worked with Dorsey & Whitney LLP to develop the necessary documents for an estimate of \$2000. The new loan is for \$750,000 with 1.5% interest payable in seven years instead of ten.

Manager David Craigmile motioned to approve the General Obligation Note with MPCA for the Lac qui Parle-Yellow Bank SSTS Loan Phase III, (attached Exhibit B) seconded by Manager Andrew Weber. Upon vote, motion passed 5-0.

- Helped Jared with the LQP County ditch spraying and we completed that last week.
- Advertising for the photo contest. We have had 4 people submit photos to this point.
- The State Lidar acquisition team is working on getting funding for our region to update the Lidar. Discussed with Administrator Sieg and we didn't feel necessary at this time.

WCA REPORT: Mitch Enderson gave the WCA monthly report:

- Sent letter to landowner and instructions for options going forward with a Joint application for WCA after his permit was denied last month. I have not heard back from the landowner.
- We will be going out to re-survey a branch on CD #5 on Thursday morning.

- LQP SWCD and I will be meeting with Ron Kreise on site to make sure he followed his permit requirements for ditch excavation.
- The Moen bank site final delineation was corrected by the consultant, and after another TEP site visit, the final delineation and credit release were approved. We should be done with our obligations for the site at this point.
- Had some discrepancies with NRCS setbacks vs. state setbacks. After talking with Susan Hult with NRCS, I will need to make sure when I attach setbacks to a permit that I send them directly to contractors as landowners often don't show them their permits and NRCS shapefiles only show the wetland boundaries and not the setback boundaries.

OTHERS: None.

TREASURER'S REPORT: The Treasurer's report was read by Manager Andrew Weber.

Manager David Craigmile motioned to approve a transfer of \$100,000 from the First Security Bank park deposit account to the United Prairie Bank general account and also to approve the secretary report as read, seconded by Manager John Cornell. Upon vote, motion passed 5-0.

The following warrants were presented for approval:

		Number	Vendor	Details	9/06/2022 to 10/04/2022
General Klein Account:					
6212	Amy Lindmeier/Wollschlager		SSTS Loan		\$3,593.90
6213	Nick & Marcia Golden/Hillman Brothers		SSTS Loan		\$15,921.20
6214	Houston Engineering, Inc.		1WIP consulting work		\$9,660.50
6215	Randy Kamrath/Ground Works		cost-share Kamrath Dam Repair		\$45,949.56
6216	Area II		engineering/public waters permit		\$2,680.00
6217	Amy Lindmeier/Greg Thole Electric		SSTS loan		<u>\$311.33</u>
TOTAL					\$78,116.46
Park Expense Account:					
Transfer	to General UPB Account		September park payroll		\$5,421.59
1546	Kockelman Construction LLC		class 2 base		\$566.80
1547	LQP County Environmental Office		park cell phone		\$41.27
1548	Running's Supply, Inc.		lawn food, bar oil, bleach, 12" chain		\$108.20
1549	NB Golf, LLC		cart repair		\$546.84
1550	Ag Plus Cooperative		E-85		\$42.91
1551	Frontier Communications		park phone, fax, internet		\$305.77
1552	C.A.S. Plumbing & Heating		quarterly softner rent		\$43.28
1553	Lincoln Pipestone Rural Water		September water		\$1,324.41
1554	Canby True Value	7	Dust, Mr. clean, bleach, garbage bags		\$146.83
1555	Olson Sanitation Inc.		September trash		\$602.55
1556	Lyon-Lincoln Electric Cooperative		September park electricity		\$2,131.21
1557	Linde Gas & Equipment, Inc.		Pkg Cyl maintenance – 5 year		<u>\$100.00</u>
TOTAL					\$11,381.66
UPB GENERAL ACCT:					
22136-22141	semi-monthly payroll		September 1-15, 22 payroll		\$9,452.53
22142	Darrel Ellefson		per diem, mileage		\$895.82
22143	David Craigmile		per diem, mileage, expenses		\$1,148.18
22144	Andrew Weber		per diem, mileage		\$258.37
22145	Michael Frank		per diem, mileage		\$280.87
22146	John Cornell		per diem, mileage		\$158.57
4354	LQP-YB Liability acct		semi-monthly PERA 9/20/22		\$1,861.18
4355	LQP-YB Liability acct		semi-monthly Federal withholding		\$3,145.56
DC	Dell		four wireless keyboards/w mouse		\$170.96
DC	Quill		pen holders, pens, staplers,tape		\$107.30
22147-22152	semi-monthly payroll		September 16-30, 22 payroll		\$9,452.56
22153-22157	park payroll		September park payroll		\$5,421.59
4356	Jared Roiland		MADI conference meal reimb		\$10.73
4357	Rinke Noonan Attorney @ Law		monthly retainer, legal work		\$2,930.00
4358	Western Guard		2 week budget hearing ad		\$49.50
4359	Houston Engineering, Inc.		engineering work		\$12,177.48

4360	BWSR	BWSR academy registration – Mitch	\$165.00
4361	Clifton Larson Allen	2021 final audit billing	\$892.50
4362	City of Madison	shop electricity, sewer, garbage	\$146.50
4363	LQP-YB Liability	Federal withholding	\$4,327.22
4364	LQP-YB Liability	State withholding	\$1,036.00
4365	LQP County Auditor/Treasurer	Health insurance	\$8,776.19
4366	LQP County	September postage	\$48.57
4367	LQP-YB Liability	10-5-22 PERA	\$2,483.39
4368	Minnesota Revenue	September sales & use tax	\$473.00
4369	Fieldcrest Fertilizer	Grazon P & D	<u>\$154.06</u>
		TOTAL	\$66,023.63

DITCH ACCT

TOTAL \$-0-

Manager David Craigmile motioned to approve the warrants as presented, seconded by Andrew Weber. Upon roll call vote, motion passed 5-0.

Secretary's Report: Trudy Hastad reviewed Secretary report #631 and special minutes #631.1 as mailed.

Manager Andrew Weber motioned to approve meeting minutes #630 and special meeting minutes #631.1 as mailed, seconded by Manager David Craigmile. Upon roll call vote, motion passed 5-0.

Administrator Report/Old & New Business: Trudy Hastad gave the Administrator report.

- The office remodel is complete except some minor wiring and we found out the desks are backordered until December 1, 2022. We plan to move back into the office on tables October 17-18, 2022 so all staff can be together.
- Stoks final payment was received so we can have Attorney Haugen finalize his confession of judgement.
- We received the second -year shop payment from Dean Broin. He has been a good renter and helped with snow removal in 2021 year.
- Reported on the status of the combination of Environmental service office with the Watershed office.
- Discussed the Br 3 CD #4 and CD #42 improvement projects and financials of these projects.
- Discussed the Corey Hoffman pasture lease and read an email received from Mr. Hoffman. The managers instructed Hastad to forward to Attorney Kubescheck and have him respond. Discussion followed.
- Safety training for staff will be held on October 10, 2022 along with LQP County.

PERMITS- The following permit applications were applied for:

13752 Renew	Matt Bormann	Arena, 26	seepage, main tile	10/04/22 DE
13753 Renew	Matt Bormann	Arena, 24	seepage lines, intakes	10/04/22 DE
13754	Francis Brandenburger	Augusta, 8	seepage, main tile, intakes	10/04/22 DE
13755	Francis Brandenburger	Augusta, 8	main tile	10/04/22 DE
13756	Lyle Breberg	Providence, 1	cleaning ditch	10/04/22 DC
13757	John Cornell	Norman, 33	seepage lines	10/04/22 MF
13758	Kevin Doom	Norman, 4	seepage lines	10/04/22 MF
13759	Kevin Doom	Norman, 4	seepage, main tile	10/04/22 MF
13760	Kevin Doom	Norman, 9	seepage tile	10/04/22 MF
13761	Steven Doom	Fortier, 29	seepage, main tile	10/04/22 MF
13762	Keith Erickson	Camp Release, 7	main tile, intakes	10/04/22 DC
13763	K & R Farms	Fortier, 27/28/33	seepage lines	10/04/22 MF
13764	Joe Karels	Walter, 8	seepage, main tile, intakes	10/04/22 AW
13765	Dale Kemen	Hamlin, 13	seepage lines	10/04/22 DE
13766	Justin Koenig	Hammer, 3	seepage, main tile	10/04/22 MF
13767	Justin Koenig	Freeland, 14	seepage, main tile, pump	10/04/22 DE
13768	Justin Koenig	Freeland, 14	seepage, main tile	10/04/22 DE
13769	Gary Larson	Freeland, 25	seepage, main tile	10/04/22 DE
13770	Jason Lund	Lake Shore, 1	seepage, main tile	10/04/22 DE
13771	Dean Matthies	Perry, 28	cleaning ditches	10/04/22 DE
13772	Dean Matthies	Arena, 9	cleaning ditches	10/04/22 DE
13773	Jennifer Onken	Hendricks, 16	seepage, main tile	10/04/22 JC

13774	Paul Radermacher	Walter, 1	seepage tile, intakes	10/04/22 AW
13775	Dean Sather	Garfield, 26	seepage, main tile	10/04/22 DE
13776	Andy Schmidt	Omro, 6	seepage, main tile	10/04/22 MF
13777	Steve Schmidt	Mehurin, 29	cleaning ditch	10/04/22 DE
13778	Roger Schuelke	Augusta, 5/8	close ditch, main tile, intakes	10/04/22 DE
13779 Renew	Aaron Tasto	Arena, 23	seepage, main tile	10/04/22 DE
13780	Warren Trygestad	Agassiz, 36	seepage lines	10/04/22 AW
13781 Renew	Betty VanDeVeire	Marble, 30	main tile	10/04/22 JC
13782	Gary VanHyfte	Marble, 8	main tile	10/04/22 JC
13783	Tyson Weber	Hamlin, 19	seepage, main tile	10/04/22 DE
13784	Scott Wittnebel	Walter, 33	seepage lines	10/04/22 AW
13785	H & R Farms	Fortier, 8 & 17	seepage lines	10/04/22 DE

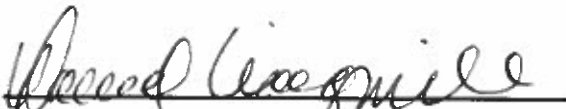
Permits Denied: Gordon Ferguson and H & R Farms.

Manager Andrew Weber motioned to approve the permits except those denied, seconded by Manager John Cornell. Upon roll call vote, motion passed 5-0.

Meeting adjourned at 6:17 p.m.


 Darrel Ellefson, Chairman

Attest:


 David Craigmile, Secretary

Minutes prepared by Hast

The next regularly scheduled meeting of the Lac qui Parle-Yellow Bank Watershed District is Tuesday, November 1, 2022 at 4:30 p.m. in the LQP County Annex.

**LAC QUI PARLE-YELLOW BANK RIVER WATERSHED
JOINT POWERS COLLABORATION**

THIS AGREEMENT is made and entered into this 4th day of October, 2022 (the "Effective Date"), by and between Lac qui Parle, Lincoln, and Yellow Medicine Counties (the "Counties"); and Lac qui Parle, Lincoln, and Yellow Medicine County Soil and Water Conservation Districts (the "Conservation Districts"); Area II Minnesota River Basin Projects (Area II) and the Lac qui Parle-Yellow Bank River Watershed District (the "Watershed District"), all Minnesota political subdivisions, collectively referred to herein as the Parties.

RECITALS

WHEREAS, the Counties have the statutory authority to carry out environmental programs and land use controls pursuant to Minn. Stat. Ch. 375, and as otherwise provided by law; and

WHEREAS, the Conservation Districts have the statutory authority to carry out erosion control and other soil and water conservation programs pursuant to Minn. Stat. Ch. 103C, and as otherwise provided by law; and

WHEREAS, the Watershed District has the statutory authority to carry out conservation of the natural resources of the state by land use controls, flood control, and other conservation projects for the protection of the public health and welfare and the provident use of the natural resources pursuant to Minn. Stat. Chs. 103B, 103D, and 103F and as otherwise provided by law; and

WHEREAS, Area II Minnesota River Basin Projects is a political subdivision of the State of Minnesota, with statutory authority to carry out conservation of natural resources with floodwater retention and retardation, pursuant to Minnesota Statutes Chapter 103F.171-103F.187 and as otherwise provided by law; and

WHEREAS, the Parties have a common interest and/or statutory authority to implement the Lac qui Parle – Yellow Bank Comprehensive Watershed Management Plan (the "Plan") to conserve soil and water resources through the implementation of practices, programs, and regulatory controls that effectively control or prevent erosion, sedimentation, and siltation in order to reduce damages cause by floods, protect the tax base, protect water quality, preserve and conserve natural resources, and ensure continued soil productivity; and

WHEREAS, the Parties adopted the Plan and intend on working together to implement the priorities and goals of the Plan; and

WHEREAS, with matters that relate to coordination of water management authorities pursuant to Minn. Stat. Chs. 103B, 103C, and 103D, and public drainage systems pursuant to Minn. Stat. Ch. 103E, this Agreement does not change the rights or obligations of public drainage system authorities; and

WHEREAS, pursuant to Minn. Stat. § 103B.101, subd. 14, the Minnesota Board of Water and Soil Resources (BWSR) "may adopt resolutions, policies, or orders that allow a comprehensive plan, local water management plan, or watershed management plan, developed or amended, approved and adopted, according to Chapter 103B, 103C, or 103D to serve as substitutes for one another or be replaced with a comprehensive watershed management plan;" and

WHEREAS, it is understood by the Parties that the Plan does not replace or supplant local land use, planning, and/or zoning authorities – but, instead, provides a framework to provide increased opportunities for cooperation and consistency on a watershed basis, and to allow local governments units (LGUs) to cooperatively work together to implement projects and practices consistent with the Plan with the highest return

on investment for improving water quality/quantity issues on a watershed basis; and

WHEREAS, the Parties have formed this Agreement for the specific purpose of implementing the Plan pursuant to authority granted under Minn. Stat. § 103B.801.

NOW, THEREFORE, the Parties agree that the above recitals are true and correct, and in consideration of the foregoing recitals and mutual covenants, promises, and agreements under this Agreement, the Parties hereby agree as follows:

AGREEMENT

1. **Purpose.** The purpose of this Agreement is to collectively implement, as local government units (LGUs), the Plan while providing assurances that decision-making, spanning political boundaries, is supported by a written commitment from participants. The Parties are authorized to enter into this Agreement pursuant to Minn. Stat. § 471.59 and recognize the importance of partnerships to implement protection and restoration efforts for the Lac qui Parle-Yellow Bank River Watershed Planning Areas on a cooperative and collaborative basis.
2. **Relationship of the Parties.** This Agreement does not establish a joint powers entity; rather it sets the terms and provisions by which the Parties “may jointly or cooperatively exercise any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised.” Minn. Stat. § 471.59. This Agreement does not include a financial obligation, but rather an ability to share resources and grant funds.
3. **Term.** This Agreement commences on the Effective Date and expires upon expiration of the Plan, which has an initial term of ten (10) years, unless terminated sooner as provided under this Agreement. If the term of the Plan is extended by the Parties, this Agreement shall extend equivalent to any subsequent term of the Plan, unless terminated sooner as provided under this Agreement.
4. **Adding Parties.** A qualifying party within the Lac qui Parle and Yellow Bank Watersheds, that is responsible for water planning and resource management according to state law, desiring to become a member of this Agreement shall indicate its intent to join by having its governing body adopt a resolution of intent and filing it with the Policy Committee for consideration. The signed resolution shall be mailed to the existing Policy Committee to initiate consideration by the Policy Committee to join the Plan. Upon approval, the joining party automatically agrees to abide by the terms and conditions of this Agreement; including, but not limited to, the rules, policies, and operating guidelines adopted by the Policy Committee.
5. **Withdrawal of Parties.** A party desiring to withdraw membership from the Plan shall indicate its intent, in writing, to the Policy Committee in the form of a resolution adopted by its governing body. Written notice must be made at least thirty (30) days in advance of withdrawing from the Plan. Any party that withdraws from the Plan remains obligated to comply with the terms of any grants that party has at the time of the party’s notice to withdraw, and is obligated to participate until the grant expires or closes-out.
6. **Committees.** Committees are established to carry out the coordinated implementation of the Plan. The Parties agree to establish a Policy Committee and a Steering Committee in accordance with this Agreement and the Plan.
 - a. **Policy Committee.** The Parties agree to establish the Policy Committee for the purpose of implementing the priorities and goals of the Plan. The Policy Committee will operate cooperatively and collaboratively, but not as a separate entity or governing body. The Parties agree to appoint one (1) representative, either an elected official or an appointed official (e.g. manager of the Watershed District) of the respective party, to serve on the Policy Committee. Each party’s

governing body may choose to appoint an alternate, either an elected or appointed official of the respective party, to serve on the Policy Committee in the event the appointed representative is unavailable. Each party will have one (1) vote regardless of whether they choose to appoint an alternate.

- i. **Authority.** The Policy Committee will make recommendations to the Fiscal Agent and to individual governing bodies with respect to grant agreements and amendments, interim reports, project related payments, professional contracts, work plans, budgets, and activities. Each representative is responsible for providing timely and accurate information to their respective governing bodies when actions are required by individual governing bodies of the Parties, and shall act only as directed by their respective governing bodies. The Policy Committee will meet as needed, but no less than annually, to decide on the implementation of the Plan.
 - ii. **Operating Guidelines.** The Policy Committee will establish operating guidelines to describe the functions and operations of the committees. Once established, the committees will follow the adopted operating guidelines. The Policy Committee may amend the operating guidelines as desired.
 - iii. **Work Plan and Budget.** The Policy Committee shall review and approve an annual work plan and budget consisting of an itemized statement of the revenues and expenses of the Plan for the ensuing calendar year which shall be presented to the respective governing bodies that are represented on the Policy Committee.
 - iv. **Liaison.** Representatives of the Policy Committee serve as liaisons to their respective governing bodies.
 - v. **Primary Roles and Functions.** The Policy Committee has the following primary roles and functions as provided in the Plan:
 1. Receive information regarding Plan implementation funds.
 2. Approve work plans, annually.
 3. Approve fiscal reports, annually.
 4. Review and confirm Steering Committee priority issue recommendations, annually.
 5. Direct the Steering Committee on addressing emerging issues.
 6. Approve Plan amendments for amendments not initiated and approved through statutory proceedings.
 7. Approve joint grant applications, if needed.
 8. Inform the Parties on Plan progress.
 9. Any additional roles and functions deemed appropriate by a majority of the Parties' governing bodies.
- b. **Steering Committee.** The Steering Committee will consist of one (1) staff member from each of the Parties or their alternate. The Steering Committee will provide support and make recommendations on implementing the Plan, including identification of priorities.
- i. **Primary Roles and Functions.** The Steering Committee has the following primary roles and functions as provided in the Plan:
 1. Review the status of available implementation funds determined by individual Plan participants.

2. Recommend the use of watershed-based implementation funds to the Policy Committee.
3. Research opportunities for collaborative grants.
4. Review and recommend annual fiscal reports.
5. Review and recommend annual reports submitted to BWSR.
6. Review and confirm priority issues, annually.
7. Evaluate and recommend response to emerging issues.
8. Prepare Plan amendments as directed by the Policy Committee.
9. Implement the Action Tables provided under the Plan.
10. Develop work plans, annually.
11. Convene implementation meetings with Plan review authorities, as needed.
12. Form subcommittees, as needed.
13. Compile results for assessments, annually.
14. Inform the Parties on Plan progress.
15. Any additional roles and functions deemed appropriate by a majority of the Parties' governing bodies.

c. **The Advisory Committee.** The Advisory Committee may consist of the Steering Team, stakeholders, the state's main water agencies, and/or plan review agencies. The Advisory Committee shall continue to provide technical support on the plan implementation to the Policy Committee, including identification of priorities. The Advisory Committee will meet as needed.

7. **Fiscal Agent.** The Policy Committee shall appoint one (1) Fiscal Agent. The appointed party may accept or reject the appointment. If the Policy Committee is not satisfied with the current Fiscal Agent, it may remove that Fiscal Agent and appoint a different Fiscal Agent.

The Fiscal Agent will provide direct time tracking and expenses for grant reimbursement. Local grant administration, management, and reporting that is directly related to and necessary for implementation are considered grant eligible activities. The Fiscal Agent agrees to:

- a. Accept fiscal responsibilities associated with grant agreements and execute the grant agreement in conjunction with the respective party receiving grant funds.
- b. Execute subcontracts with grant recipients describing how funds will be disbursed for the respective projects.
- c. Perform financial transactions as part of Plan implementation, including reporting requirements.
- d. Pursuant to Minn. Stat. § 471.59, subd. 3, be strictly accountable for all funds and regularly report all receipts and disbursements and annually provide interim/final reports and a full and complete audit report to the Policy Committee and the Parties' respective governing bodies.
- e. Provide the Policy Committee with such records as are necessary to describe the financial condition of the various grant agreements.
- f. Be responsible for fiscal records retention consistent with the Fiscal Agent's records retention schedule.
- g. Meet website grant reporting requirements.

8. **Plan Administrator.** The Policy Committee shall appoint one (1) Plan Administrator. Local grant administration, management, and reporting that is directly related to and necessary for implementation

are considered grant eligible activities. The Plan Administrator will provide direct time tracking for grant reimbursement to the Fiscal Agent. These duties may also be appointed to the Steering Committee. The Plan Administrator agrees to provide the following services under this Agreement:

- a. Handle administrative responsibilities associated with the implementation of the Plan and any subsequent grant(s), if any, the Parties apply for and receive.
- b. Be the main contact for the Plan and grant agreements, if any, the Parties apply for and receive.
- c. Be responsible for BWSR and other grant reporting requirements.
- d. Provide for proper public notice of all meetings.
- e. Ensure the minutes of Policy Committee meetings are recorded and made available in a timely manner to the Policy Committee and maintain a file of all approved minutes including corrections and changes.
- f. Assist the Policy Committee and the Steering Committee with the administrative details to oversee implementation of the Plan.
- g. Perform other duties to keep the Policy Committee and the Steering Committee informed regarding the implementation of the Plan.

9. Authorized Representatives. The following persons will be the primary contacts for all matters concerning this Agreement:

Lac qui Parle County

County Water Planner
122 8th Ave South, Suite 1
Madison, MN 56256
Telephone: (320) 598-7321

Lincoln County

Dale Sterzinger or successor
County Water Planner
200 S. Co Hwy 5, Suite 2
Ivanhoe, MN 56142
Telephone: (507)694-1630

Yellow Medicine County

Jolene Johnson or successor
County Water Planner
1000 10th Ave, Suite 2
Clarkfield, MN 56223
Telephone: (320) 669-7524

Lac qui Parle-Yellow Bank WD

Trudy Hastad or successor
600 6th Street, Suite 7
Madison, MN 56256
Telephone: (320)598-3117

Lac qui Parle SWCD

District Manager
122 8th Ave South, Suite 1
Madison, MN 56256
Telephone: (320) 598-7321

Lincoln SWCD

Dale Sterzinger or successor
District Manager
200 S. Co Hwy 5, Suite 2
Ivanhoe, MN 56142
Telephone: (507)694-1630

Yellow Medicine SWCD

Tyler Knutson or successor
Director
1000 10th Ave, Suite 3
Clarkfield, MN 56223
Telephone: (320) 669-4442

Area II Minnesota River Basin Projects

Kerry Netzke or successor
1424 E. College Drive, Suite 300
Marshall, MN 56258
Telephone: (507)537-6369

10. **Plan Implementation.** The Parties agree to begin implementation of the Plan within one hundred twenty (120) days of state approval and to provide notice of Plan adoption pursuant to the respective governing bodies' resolution adopting the Plan.
11. **Additional Documents.** The Policy Committee will create and implement operating guidelines, subcontracts, and cost share agreements. The operating guidelines describe the functions and operations of the committees. Subcontracts will be entered into between the Fiscal Agent and the respective party acting as project operator describing how funds will be disbursed for the project. Cost share agreements will be entered into between project operators and landowners describing how the project operator will disburse funds to participating landowners.
12. **Compliance with Laws.** The Parties agree to abide by all federal, state, and local laws, statutes, ordinances, rules, and regulations now in effect, or hereafter adopted, pertaining to this Agreement or to the Plan.
13. **Indemnification.** Each party to this Agreement shall be liable for the acts of its officers, employees, contractors, subcontractors, or agents and the results thereof to the extent authorized or limited by law and shall not be responsible for the acts of any other party, its officers, employees, contractors, subcontractors, or agents. The provisions of the Municipal Tort Claims Act found under Minn. Stat. Ch. 466, and other applicable laws, govern liability of the Parties. To the fullest extent permitted by law, actions by the Parties, and their respective officers, employees, contractors, subcontractors, and agents pursuant to this Agreement, are intended to be and shall be construed as a "cooperative activity." It is the intent of the Parties that they shall be deemed a "single governmental unit" for the purpose of liability, as set forth in Minn. Stat. § 471.59, subd. 1a(a) and does not create any liability or exposure of one party for the acts or omissions of any other party.
14. **Employee Status.** The Parties agree that the respective employees or agents of each party shall remain the employees or agents of each individual respective party.
15. **Records Retention and Data Practices.** The Parties agree that each respective party will be responsible for any records prepared or maintained by that party, and all parties shall be subject to the Minnesota Government Data Practices Act. Record retention will follow the Fiscal Agent's retention schedule in accordance with Minn. Stat. § 138.17. If this Agreement is terminated, all records will be turned over to the Fiscal Agent for continued retention.
16. **Timeliness.** The Parties agree to perform obligations under this Agreement in a timely manner and keep each other informed about any delays that may occur.
17. **Termination.** This Agreement may be terminated at any time before expiration upon written consent of a majority of the Parties hereto. The parties acknowledge their respective and applicable obligations, if any, under Minn. Stat. § 471.59, subd. 5 after the purpose of this Agreement has been terminated.
18. **Amendment.** Any amendment, addition, alteration, or deletion of any part of this Agreement can be introduced by the Policy Committee at any meeting. Upon thirty (30) days' advance written notice of the proposed amendment given to each party to this Agreement, the Policy Committee may enact the amendment, addition, alteration, or deletion of this Agreement upon ratification by each party to this Agreement.
19. **Severability.** In the event that any term, part, or provision of this Agreement is held to be invalid or unenforceable, all other terms, parts, and provisions will nevertheless continue to be valid and enforceable with the invalid or unenforceable term, part, or provision severed from the remainder of this Agreement.

20. **Entire Agreement.** This Agreement, the Plan, the operating guidelines, and any exhibits and amendments thereto, contains the entire and exclusive understanding of the Parties with respect to implementation of the Plan and supersedes all prior agreements, understandings, statements, representations, and negotiations, in each case oral or written, between the Parties with respect to their subject matter, except as otherwise provided herein.
21. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Minnesota.
22. **Assignment.** The terms of this Agreement are hereby made binding upon the Parties hereto, their successors and assigns, and no party under this Agreement may assign their interest in this Agreement to any other person or entity without the written consent of the other Parties.
23. **Rules of Construction.** The Parties acknowledge that they have had the opportunity to review this Agreement, and that they have an equal bargaining position in this transaction. No rule of construction that would cause any ambiguity in any provision to be construed against the drafter of this document will be operative against any party to this Agreement.
24. **Representation.** The Parties, having been represented by counsel or having waived the right to counsel, have carefully read and understand the contents of this Agreement, and agree they have not been influenced by any representations or statements made by any other Parties.
25. **Counterparts.** This Agreement may be executed in counterparts, meaning that the Agreement is valid if signed by each party even if the signatures of the Parties appear on separate copies of the same Agreement rather than on a single document.
26. **Effective Date.** The Effective Date of this Agreement is the date of the last signature appearing below.

IN TESTIMONY WHEREOF, the Parties have executed this Agreement on the dates written below.

[Signatures appear on the following pages.]

IN TESTIMONY WHEREOF the parties have duly executed this agreement by their duly authorized officers.

PARTNER: LAC QUI PARLE-YELLOW BANK WATERSHED DISTRICT

APPROVED:

BY: Jan Willem 10/4/22
Board Chair Date

ATTEST: Alfred L. Lavoie 10/4/22
(Name) (Title) Date

APPROVED AS TO FORM *(use if necessary)*

BY: _____
Attorney Date

GENERAL OBLIGATION NOTE (MPCA)
(Lac qui Parle-Yellow Bank SSTS Loans Phase III)

FOR VALUE RECEIVED, the undersigned, Lac qui Parle-Yellow Bank Watershed District, Minnesota (the "Sponsor"), promises to pay to the order of the Minnesota Pollution Control Agency (the "MPCA"), or its successors and assigns, the principal sum equal to the sum of the amounts entered on Schedule A hereto under "Total Amount Advanced," with interest on each such amount from the date such amount is advanced hereunder at the rate of 1.5% per annum on the unpaid principal balance until paid, unless any Note Payment provided for in Schedule B hereto is not paid when due, in which case the principal balance of this Note shall bear interest at the rate of 4% per annum, calculated on the basis of a 360-day year made up of 12 months of 30 days each, commencing on the day following the date on which such Note Payment was due and continuing until the date on which payment in full thereof is actually received by the MPCA. The principal balance of the Note and interest thereon at the rate of 1.5% per annum shall be payable in semiannual installments of \$58,332.61 each, payable on June 15 and December 15 in each year, commencing June 15, 2026 (the "Note Payment Dates"), all subject to revision as required by that certain Project Implementation Loan Agreement No. SRF0349 (the "MPCA Agreement"), and any replacement thereof or amendment thereto between the Sponsor and the MPCA. Interest, if any, which has accrued on the Note at a rate in excess of 1.5% per annum shall be payable on each Note Payment Date in addition to the regularly scheduled payment of principal and interest on the Note. Each installment shall be in the amount set forth opposite its due date in Schedule B hereto under "Total Note Payment." Upon each disbursement of Loan amounts to the Sponsor pursuant to the MPCA Agreement, the MPCA shall enter (or cause to be entered) the amount advanced on Schedule A under "Advances" and the total amount advanced under the MPCA Agreement, including such disbursement, under "Total Amount Advanced." The principal balance of this Note from time to time shall be equal to the Total Amount Advanced, less the total of all Note Payments then and theretofore made by the Sponsor, and less the amount of any redemptions of principal then or theretofore made as provided below. The MPCA shall prepare Schedule B and revised Schedules B, or cause Schedule B and revised Schedules B to be prepared, as provided in the MPCA Agreement. The maximum principal amount of the Note is \$2,000,000, but no more than \$750,000 may be advanced hereunder unless and until such additional advances are authorized by the MPCA Agreement.

All payments under this Note shall be payable at MPCA, 520 Lafayette Road, in St. Paul, Minnesota, or such other place as the MPCA may designate in writing.

This Note is issued pursuant to a resolution adopted by the Board of Managers of the Sponsor on October 4, 2022 (the "Resolution"), by authority of and in strict conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 103D and Sections 103F.701 to 103F.761, as amended, and pursuant to the MPCA Agreement, the terms and provisions of which are incorporated herein by reference.

The principal balance of this 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, and the MPCA shall revise Schedule B to reflect such partial redemptions and prepayments.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Note in order to make it a valid and binding general obligation of the Sponsor in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof the Sponsor has, in and by the Resolution and the MPCA Agreement, covenanted and agreed that it may enter into Project Loan Agreements, by which the proceeds of this Note may be lent to Eligible Participants or to Eligible Lenders to be reloaned to Eligible Participants for the purposes set forth in the MPCA Agreement; the repayments of principal and interest on the Loans would be anticipated to be received at the times and in the amounts required to produce amounts adequate to pay all principal and interest, if any, when due on the Note, but this Note is a general obligation of the Sponsor and the full faith, credit and taxing powers of the Sponsor have been pledged to the payment of principal and interest when due, and ad valorem taxes, if necessary for such purpose, will be levied upon all taxable property in the Sponsor, without limitation as to rate or amount; that all proceedings relative to the improvements financed by this Note have been or will be taken according to law; that the issuance of this Note, together with all other indebtedness of the Sponsor outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the Sponsor to exceed any constitutional or statutory limitation of indebtedness.

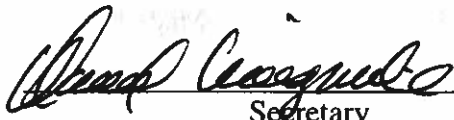
In the event of default in the payment of this Note and if the same is collected by an attorney at law, the Sponsor agrees to pay all costs of collection, including a reasonable attorney's fee.

The Sponsor hereby waives presentment for payment, demand, protest, notice of protest and notice of dishonor.

This Note and all instruments securing the same are to be construed according to the laws of the State of Minnesota. Signed this 4th day of October, 2022.

Attest:

LAC QUI PARLE-YELLOW BANK
WATERSHED DISTRICT, MINNESOTA


Secretary

By:


Chairperson

SCHEDULE A

SCHEDULE OF AMOUNTS ADVANCED

<u>Date</u>	<u>Advances</u>	Total Amount <u>Advanced</u>	Notation <u>Made By</u>
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SCHEDULE B

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Loan Payment</u>
6/15/26	\$52,538.86	\$5,793.75	\$58,332.61
12/15/26	52,932.90	5,399.71	58,332.61
6/15/27	53,329.89	5,002.71	58,332.61
12/15/27	53,729.87	4,602.74	58,332.61
6/15/28	54,132.84	4,199.76	58,332.61
12/15/28	54,538.84	3,793.77	58,332.61
6/15/29	54,947.88	3,384.73	58,332.61
12/15/29	55,359.99	2,972.62	58,332.61
6/15/30	55,775.19	2,557.42	58,332.61
12/15/30	56,193.50	2,139.10	58,332.61
6/15/31	56,614.95	1,717.65	58,332.61
12/15/31	57,039.57	1,293.04	58,332.61
6/15/32	57,467.36	865.24	58,332.61
12/15/32	57,898.37	434.24	58,332.61

[Lac qui Parle-Yellow Bank SSTS Loans Phase III]

LAC QUI PARLE-YELLOW BANK WATERSHED DISTRICT, MINNESOTA

RESOLUTION RELATING TO THE MINNESOTA POLLUTION CONTROL AGENCY CLEAN WATER PARTNERSHIP; AUTHORIZING THE LAC QUI PARLE-YELLOW BANK WATERSHED DISTRICT 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 Board of Managers of Lac qui Parle-Yellow Bank Watershed District, 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 Secretary 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 \$2,000,000, but recognizes that

the MPCA Agreement referred to in Section 1.01 hereof permits the Sponsor to draw up to \$750,000 on the Note at this time. The remaining \$1,250,000 (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 Secretary 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 Secretary 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 Secretary are hereby authorized and directed to execute and deliver, from time to time, the Project Loan Agreements in such form and content as the District's Attorney deems appropriate and approves, for and on behalf of the Sponsor. The Chairperson and Secretary 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) (Lac qui Parle-Yellow Bank SSTS Loans Phase III), Series 2022" (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 \$2,000,000; provided that only \$750,000 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 June 15, 2026, 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 1.5% 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 1.5% per annum shall be payable in semiannual installments of \$58,332.61 each, payable on June 15 and December 15 in each year, commencing June 15, 2026 (the "Note Payment Dates"). If the Sponsor satisfies the conditions specified in Sections 1.03 and 2.01, and draws amounts in excess of \$750,000 on the MPCA Loan, the schedule and amounts of the semiannual 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 1.5% 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 Secretary 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 of each County in which the Sponsor is located and obtain from each County Auditor a certificate that the Note has been duly entered upon the County Auditor'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.

Adopted: October 4, 2022.



Chairperson

Attest: 
Secretary

**CERTIFICATE OF SECRETARY
AS TO ADOPTION OF RESOLUTION**

The undersigned, being the duly qualified and acting Secretary of the Lac Qui Parle-Yellow Bank Watershed District, hereby certifies that the attached and foregoing is a true and correct copy of a resolution duly adopted on _____, 2022, by the Board of Managers of Lac Qui Parle-Yellow Bank Watershed District, Minnesota, setting forth the form and details of the Watershed District's \$2,000,000 General Obligation Note (MPCA) (Lac qui Parle-Yellow Bank SSTS Loans Phase III), Series 2022, and that said resolution has been filed in my office.

WITNESS my hand _____, 2022.


Secretary

**CERTIFICATE OF COUNTY AUDITOR
AS TO REGISTRATION OF NOTE**

The undersigned, being the duly qualified and acting County Auditor of Lac qui Parle County, hereby certifies that there has been filed with me a copy of a resolution duly adopted on _____, 2022, by the Board of Managers of Lac qui Parle-Yellow Bank Watershed District, Minnesota, setting forth the form and details of the County's \$2,000,000 General Obligation Note (MPCA) (Lac qui Parle-Yellow Bank SSTS Loans Phase III), Series 2022.

I further certify that the issue has been entered on my bond register as required by Minnesota Statutes, Sections 475.62 and 475.63.

WITNESS my hand and official seal on _____, 2022.

(SEAL)

County Auditor

**CERTIFICATE OF COUNTY AUDITOR
AS TO REGISTRATION OF NOTE**

The undersigned, being the duly qualified and acting County Auditor of Lincoln County, hereby certifies that there has been filed with me a copy of a resolution duly adopted on _____, 2022, by the Board of Managers of Lac qui Parle-Yellow Bank Watershed District, Minnesota, setting forth the form and details of the County's \$2,000,000 General Obligation Note (MPCA) (Lac qui Parle-Yellow Bank SSTS Loans Phase III), Series 2022.

I further certify that the issue has been entered on my bond register as required by Minnesota Statutes, Sections 475.62 and 475.63.

WITNESS my hand and official seal on _____, 2022.

(SEAL)

County Auditor

**CERTIFICATE OF COUNTY AUDITOR
AS TO REGISTRATION OF NOTE**

The undersigned, being the duly qualified and acting County Auditor of Yellow Medicine County, hereby certifies that there has been filed with me a copy of a resolution duly adopted on _____, 2022, by the Board of Managers of Lac qui Parle-Yellow Bank Watershed District, Minnesota, setting forth the form and details of the County's \$2,000,000 General Obligation Note (MPCA) (Lac qui Parle-Yellow Bank SSTS Loans Phase III), Series 2022.

I further certify that the issue has been entered on my bond register as required by Minnesota Statutes, Sections 475.62 and 475.63.

WITNESS my hand and official seal on _____, 2022.

(SEAL)

County Auditor