

**REGULAR ROSEAU CITY COUNCIL MEETING  
MONDAY – JUNE 1, 2009 @ 5:00 P.M.  
ROSEAU CITY CENTER COUNCIL CHAMBERS  
121 Center Street East Suite 201  
Roseau, MN 56751**

A Regular monthly meeting of the Roseau City Council was held on the above date, time and place. Members present were Mayor Jeff Pelowski, Council members Curt Ireland, Pat Novacek, Gerry Schiltz and Linda Vatsndal. Absent none. Others present were Clerk-Treasurer Michelle Slater, Community Development Coordinator Todd Peterson, Superintendent David Drown, Police Chief Ward Anderson, Liquor Store Manager Brad Wiberg, City Attorney Pat Moren, Jack Swanson-Roseau County Commission and Wild102, Lyle Grindy-Roseau Promotions and Roy Lunde-Brady Martz.

Mayor Pelowski called the meeting to order and the Pledge of Allegiance was said.

The following corrections(s)/additions(s) were noted in the May 4, 2009 minutes;

Page 3 – The Beautification ~~me~~ met and had initial discussion about the Polaris/Welcome to Roseau signs and are not planning any new projects this summer.

Council member Schiltz motioned, Council member Vatsndal seconded and it was carried by unanimous vote to approve the May 4, 2009 minutes with the correction.

Council member Ireland motioned, Council member Novacek seconded and it was carried by unanimous vote to approve the following Consent Agenda items:

- a. Approval was given to pay the accounts payable claims from May 5, 2009 through June 4, 2009 as presented, with a batch number of AP053109 and filed in edit books in the City Clerk's Office.
- b. Daily Batch checks written from May 1, 2009 through May 31, 2009 were audited, approved and filed in edit books in the City Clerk's Office.
- c. Receipt entries April 1, 2009 to April 30, 2009 were audited, approved and filed in edit books in the City Clerk's Office.
- d. Journal entries April 1, 2009 through April 30, 2009 were audited, approved and filed in edit book in the City Clerk's Office.
- e. A review of March 2009 General Ledger checks written compared with check images on the bank statements found no irregularities.
- f. Upcoming meetings –
  - a. July 6, 2009 Regular Council meeting.
  - b. August 3, 2009 Regular Council meeting.
- g. Approve the use of alcohol in the Community Center –
  - a. September 5, 2009 Haaby/DeMars wedding dance.
  - b. September 18, 19 and 20, 2009 ATVAM Annual Convention.
- h. October 17, 2009 Welcome to Roseau "Ladies Day Out" information.
- i. May 7, 2009 Beautification Committee meeting minutes.
- j. Northern Municipal Power Agency 2008 Annual Report.
- k. League of Minnesota Cities State of the Cities Report 2009.
- l. Investment – Roseau EDA Hi Fi as of 05/26/09 is \$85,139.32.
- m. Cash in bank – Regular checking as of 05/26/09 is \$881,866.58.
- n. Investment – Regular Hi Fi as of 05/26/09 is \$3,497,253.73.
- o. Cash in bank – Liquor Credit Card as of 05/26/09 is \$3,644.66.
- p. Cash in bank – Airport Fuel Sales Credit Card as of 05/26/09 is \$807.82.
- q. Investment – Roseau EDA Money Market as of 05/26/09 is \$110,332.44.
- r. Cash in bank – Pine to Prairie Birding Trail as of 05/26/09 is \$4,722.30.
- s. Cash in bank – Scandinavian Festival as of 05/26/09 is \$2,673.49.
- t. Cash in bank – Roseau Community Youth Project as of 05/26/09 is \$3,324.24.
- u. Cash in bank – Welcome to Roseau as of 05/26/09 is \$1,137.17.
- v. Cash in bank – Roseau EDA as of 05/26/09 is \$4,534.52.

Roseau Promotions Director Lyle Grindy reported;

- a. He met with Linda Vatnsdal, Deland Broten and Janet Hetteen to continue discussion on Welcome to Roseau sign replacement. He reported Polaris has agreed to maintain the sign sites.
- b. He attended a tourism conference in Thief River Falls.
- c. He attended a ribbon cutting ceremony at the International Border and get together at the Roseau City Center to commemorate the joining of the Minnesota (200 mi) Pine to Prairie Birding Trail with Canadian (300 mi) Birding Trails.

There was discussion on whether an electronic sign to be placed at the liquor should be considered in conjunction with the Welcome to Roseau signs.

The Planning Commission met on May 18, 2009 for their annual tour of the City. A draft list of properties that need attention was compiled, however, overall it was reported the City looks good.

Roseau County Commissioner Jack Swanson reported;

- Roseau County is administering the construction of bridges on County Road 24 and Highway 11 ahead of excavation for the East Diversion Flood Control Project.
- Ag, recreation and hunting land values continue to rise due to past sales, which consequently causes a rise in values. Residential values have been flat.

Community Development Coordinator Peterson reported the EDA met last week and;

- Work on the Gasification Project continues.
- They continue to look for new legitimate business start-ups to fund.

Police Chief Anderson reportedly received a request from Pam Hetteen to allow the street to be blocked off just north of the City Center for Scandinavian Festival. The Council directed Chief Anderson to work with Hetteen to close off the street, however, accommodate the businesses in the area at the same time.

Chief Anderson gave an update on the new laws regarding administrative fines. Attorney Moren will present an updated administrative fines ordinance at the July 6, 2009 meeting.

Chief Anderson reported the City is receiving extra income due to State Mental Health Crisis grant monies funneled through counties, which reimburses cities for time spent on mental health crisis issues.

Chief Anderson revisited his request to hire Keith Nelson as a part-time police officer. A possible conflict of interest question arose since Nelson has been doing business with the City. Assistant Attorney Shelly Moren reiterated to Anderson that hiring Nelson would not be a conflict of interest as long as he does not make any decisions about equipment purchases that would pertain to his business. The matter was tabled pending the Council receiving a memo from Shelly Moren regarding the matter.

Council member Novacek motioned, Council member Ireland seconded and it was carried by unanimous vote to approve the following Conservation Improvement Program Agreement;

**MINNKOTA POWER COOPERATIVE, INC. NORTHERN MUNICIPAL  
POWER AGENCY CONSERVATION IMPROVEMENT  
PROGRAMD PARTICIPATION AGREEMENT'**

THIS AGREEMENT, to be effective this \_\_\_\_ day of \_\_\_\_, 2009, by and between Minnkota Power Cooperative, Inc., a Minnesota cooperative corporation ("Minnkota"), with its principal place of business located at 1822 Mill Road, Grand Forks, North Dakota, City of Roseau a municipal corporation and political subdivision of the State of Minnesota ("Municipal"), with its principal place of business located at 121 Center Street East, Roseau, Minnesota, and Northern Municipal Power Agency, a political subdivision and municipal corporation under the laws of the State of Minnesota ("Agency"), with its principal place of business located at 123 Second Street West, Thief River Falls, Minnesota. Minnkota, Municipal, and the Agency are each individually referred to herein as a "Party" and collectively as the "Parties".

WITNESSETH:

WHEREAS, Minnkota is an electric generation and transmission cooperative that provides wholesale electricity to eleven member/owner distribution cooperatives (Cooperatives") and the Agency provides wholesale electricity to municipal utilities comprising the Agency in the States of North Dakota and Minnesota ("Participants"); and

WHEREAS, Municipal provides retail electricity to residents of the City of Roseau, Minnesota; and

WHEREAS, The Agency includes ten Minnesota municipalities and two North Dakota municipalities and is organized and exists under Sections 453.51 through 453.62 of the Minnesota Statutes, as amended, for the purpose of providing retail electric service to its Participants; and

WHEREAS, Pursuant to a Power Supply Coordination Agreement dated as of March 1, 1981, the Agency's generation and the Participant's WAPA allocation are operated together with Minnkota's various power supply resources collectively as a combined system ("Joint System"); and

WHEREAS, Agency did appoint Minnkota as its agent in the scheduling and dispatching of power and energy associated with the Coyote Plant and with regard to operation of the Coyote Plant; and

WHEREAS, Since 1992, Minnesota electric utilities have been required to spend approximately 1.5 percent of their gross annual revenues in compliance with Minnesota's Conservation Improvement Programs ("CIP"); and

WHEREAS, The Minnesota Legislature's Next Generation Energy Act of 2007 made a number of significant changes to Minnesota's CIP requirements, including the setting of an aggressive annual energy savings goal; and

WHEREAS, The Minnesota Legislature's Next Generation Energy Act of 2007, codified at M.S.A. Section 216B.241 subd. 1c. (b) states that "each utility and association shall have an annual energy-savings goal equivalent to 1.5 percent of gross annual retail energy sales...calculated based on the most recent three-year weather normalized average" by the year 2010; and

WHEREAS, Minnkota together with Agency, acting on behalf of the Cooperatives and Participants that execute this Agreement (a "Participating Utility" and collectively "Participating Utilities"), will provide certain assistance through trained personnel, administrative support, training, software support, program design and refinement, supervision of consultants, and will ultimately submit appropriate and timely filings with the Commissioner of Commerce of the Minnesota Department of Commerce, documenting efforts by the Participating Utility to comply with the statutory requirements concerning CIP; and

WHEREAS, Minnkota, together with Agency, in a good faith effort to assist the utilities in the Joint System, has previously engaged the services of a third-party consultant, Franklin Energy Services, and has assisted in the development and implementation of various conservation and energy efficiency programs and policies intended to reduce the consumption of electricity (collectively the "Program"); and

WHEREAS, It is the goal of the Participating Utilities that the Program be sufficient to satisfy CIP requirements of the Participating Utilities; and

WHEREAS, The Program includes one or more customer rebate components and other financial incentives and direct expenditures that require immediate cash payment to the retail customers of a Participating Utility; and

WHEREAS, The Program has a positive impact on the Joint System as a whole by preserving limited generation resources and the Joint System has therefore agreed to bear certain administrative costs; and

WHEREAS, Recognizing that some Participating Utilities may implement the Program under different timelines and/or with different degrees of success, there could be a disproportionate contribution of energy savings to the Joint System;

NOW, THEREFORE, The Parties, for good and sufficient consideration, the receipt of which is hereby acknowledged, intending to be legally bound, do hereby agree as follows:

1. REIMBURSEMENT. A Participating Utility shall periodically furnish Minnkota a written request for reimbursement for rebates identified in the Program ("Qualified Rebates") by directing such request to Minnkota as follows: Energy Conservation Coordinator, Minnkota Power Cooperative, 1822 Mill Road, Grand Forks, ND 58208-3200. Qualified Rebates shall include those rebates that are: 1) given by the Participating Utility to its customers who are receiving retail electrical service from the Participating Utility; 2) for equipment that meets or exceeds the recognized energy efficiency standards and other requirements that may be prescribed or recognized by the Program; 3) are issued by the Participating Utility to its customers in a timeframe that is sufficient to qualify the rebate as part of the Program; and 4) meet such other requirements as the Parties may mutually agree upon.

The request for Qualified Rebates shall be on a form provided by Minnkota. The request shall be submitted on a schedule established by Minnkota and Agency. All requests for Qualified Rebates for any calendar year must be submitted by March 31<sup>st</sup> of the following year.

2. DOCUMENTATION. Minnkota, in the exercise of reasonable diligence in administering the Program and making the reimbursements contemplated herein, may request necessary documentation to verify that a rebate is a Qualified Rebate, by being provided: copies of invoice(s) and/or purchase order(s) or other sales documentation; and the identity of rebate recipients.

Should any information requested by Minnkota not be available due to the Minnesota Data Privacy Act, Minnkota, Agency, and Participating Utility shall devise a method to produce such information without violating the Minnesota Data Privacy Act.

3. REIMBURSEMENT DATE. Reimbursement for Qualified Rebates properly submitted to Minnkota shall be made by Minnkota to the Participating Utilities within thirty (30) days of receipt by Minnkota. The aggregate total for Qualified Rebates shall be accounted for and maintained by Minnkota in a separate fashion ("Rebate Reimbursement") and will be reasonably available to Participating Utilities upon their request.

4. PAYMENT. Minnkota, on not less than on a quarterly basis, shall, in turn, bill all Participating Utilities for a share of the total Rebate Reimbursement with the individual amounts of such bills being based upon the proportion that the kWh purchased by a Participating Utility from Minnkota or Agency over the past three (3) calendar years bears in relationship to the total of kWh sales by Minnkota and Agency to all the Participating Utilities over the previous past three (3) calendar years ("Proportionate Share"). Minnkota agrees to furnish reasonable documentation to support the calculation of the Proportionate Share of Participating Utilities. Participating Utilities shall submit payment to Minnkota within thirty (30) days of their receipt of a bill for their Proportionate Share.

5. TERM. This Agreement, unless otherwise terminated by mutual agreement, shall remain in full force and effect through the applicable statutory timeframe assigned for CIP in the State of Minnesota. Minnkota reserves the right to terminate the Program and this Agreement after reasonable notice to the Participating Utility. In the event of such Program or Agreement termination, Minnkota agrees to pay any amounts owing to the Participating Utility as of the termination date and the Participating Utility shall, in turn, pay its Proportionate Share of the Rebate Reimbursement through the end of the quarter.

A Participating Utility reserves the right to terminate this Agreement by giving notice to Minnkota and Agency prior to the start of the next reporting term to be effective at the end of the current reporting term. At the end of the reporting term, payments by Minnkota and Participating Utility shall be made as stated above.

6. GUARANTY OF SUFFICIENCY. Reimbursement of a Qualified Rebate does not guaranty sufficiency of a particular appliance or its performance in meeting any specific energy savings objectives of the Program nor does Minnkota or Agency make any warranties or representations about the Program.

7. REIMBURSEMENT MONITORING. The Energy Conservation Coordinator shall monitor the Qualified Rebates in an effort to minimize excess payment by Participating Utilities in the utilization of each Program.

8. CONFIDENTIALITY. Minnkota and Agency will do their best to maintain the confidentiality of the data received by it in connection with the Program and the Qualified Rebates contemplated in this Agreement, however, Minnkota and Agency do not guarantee that they can keep any data confidential as the Program is subject to oversight by the Minnesota Department of Commerce and the Minnesota Public Utilities Commission, which may wish to review any Program data that Minnkota receives. Minnkota and Agency will have no liability to a Participant or other party as result of any public disclosure of any data or other documentation. Participants shall not be required to disclose any information that cannot be released according to Minnesota Data Privacy Act. Should any information requested by Minnkota not be available due to Minnesota Data Privacy Act, Minnkota, Agency, and Participating Utility shall devise a method to produce such information without violating the Minnesota Data Privacy Act.

9. REPRESENTATIONS. Each Party represents and warrants that (a) it is an entity duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is organized; (b) it has the necessary power and authority to enter into and perform its obligations under this Agreement; (c) it has duly authorized the person(s) signing this Agreement to execute this Agreement on its behalf; (d) this agreement is the legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms; and (e) the execution and delivery of this Agreement and its performance will not violate, result in a breach of, or conflict with any law, rule, or its organizational documents.

10. GOVERNING LAW. This Agreement shall be interpreted in accordance with and governed by the laws of Minnesota.

11. NON-AGENCY. This Agreement shall not create or constitute a partnership, joint venture, agency, or any other form of business organization or arrangement between the parties.

12. ENTIRE AGREEMENT INVALIDITY. This Agreement sets forth the entire arrangement between the Parties and there are not representations or warranties except as expressly set forth herein. No amendment or modification of this Agreement shall be valid unless in writing and signed by the Parties hereto. Should any clause or provision of the Agreement become invalid for any reason, such invalidity shall not result in the invalidity or unenforceability of any other clause or provision of the Agreement.

13. ASSIGNMENT. This Agreement shall be binding upon each Party, and its respective successors and assigns. This Agreement may not be assigned, in whole or in part, by any Party without the prior written consent of the other Parties. Any assignment that is made without such consent shall be void and of no force and effect; provided that nothing contained herein shall in any way prevent a Party from assigning all or part of its rights hereunder to an affiliate of such Party; and further provided that the assigning Party shall in all events remain liable to the other Parties with respect to the assigning Party's obligations hereunder.

14. NOTICES. All communications and notices required herein shall be in writing, mailed by certified mail, return receipt requested, to the last known address of the other Parties, to be effective on the date of mailing. The address of each Party, unless otherwise notified as required herein, is as follows:

Minnkota: Minnkota Power Cooperative, Inc.  
ATTN: President and CEO  
1822 Mill Road  
P.O. Box 13200  
Grand Forks, ND 58208

Municipal: \_\_\_\_\_

Agency: Northern Municipal Power Agency  
ATTN: General Manager  
123 2<sup>nd</sup> Street W  
Thief River Falls, MN 56701

15 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

IN WITNESS WHEREOF, The Parties have caused this Agreement to be effective the day year first above written.

MINNKOTA POWER COOPERATIVE, INC.

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

Its: President and CEO

CITY OF \_\_\_\_\_

By: \_\_\_\_\_  
Its: Mayor  
By: \_\_\_\_\_  
Its: Clerk

NORTHERN MUNICIPAL POWER AGENCY

By: \_\_\_\_\_  
Its: President  
By: \_\_\_\_\_  
Its: Secretary

Council member Vatnsdal introduced the following Resolution and moved for its adoption;

**#R 24-09**  
**RESOLUTION**

**WHEREAS**, the City of Roseau (City) and Roseau School District No. 682 (School) have a Cooperative Agreement and the purpose of this Agreement is to implement cooperative delivery systems for the athletic, cultural, educational, and recreational well-being of the youth and adult residents of the School and the City and;

**WHEREAS**, both parties believe that political subdivisions should, whenever possible, cooperative to provide services to improve the quality of life for the people of the City and the greater School Community and;

**WHEREAS**, the teachers in the Roseau School have had students participate in outdoor activities in the form of field trips to observe and identify vegetation and the school had a desire to create an outdoor classroom for its Life Sciences classes and;

**WHEREAS**, the school has planted trees in River View Park (see attachment) after making a coordinated effort with the Park Board and City Beautification Committee to work together to make this outdoor classroom a reality for the purpose of;

1. City beautification and,
2. Allowing the school to use the River View Park as an outdoor classroom for its Life Sciences classes.

**WHEREAS**, the City Council is appreciative of the cooperative effort and commends the Roseau School for their civic efforts,

] **NOW, THEREFORE BE IT RESOLVED**, by the City Council of the City of Roseau, Minnesota;

1. that the planting of trees for an outdoor classroom is accepted and acknowledged with gratitude,
2. that the effort will benefit both the City and School District.

Adopted this 1<sup>st</sup> day of June, 2009.

By: s/s Jeff Pelowski  
Mayor

Attest:

s/s Michelle Slater  
City Clerk

The motion for the adoption of the foregoing was duly seconded by Council member Ireland and upon vote being taken, the following vote in favor thereof: Vatnsdal, Ireland, Schiltz, Novacek, and Pelowski

and the following voted against the same: None

and the following abstained: None

and the following were absent: None

whereupon said motion was declared duly passed and adopted.

Roy Lunde-Brady Martz presented the 12/31/08 audit to the Council, reporting that Roseau has so far come out of the 2002 flood recovery process in good financial shape.

Council member Schiltz motioned, Council member Novacek seconded and it was carried by unanimous vote to make the Tenant User Liability Insurance Program (TULIP) available to persons renting City owned facilities as an alternative to meet certificate of insurance requirements. The City of Roseau would be automatically named as an additional insured on the TULIP policy.

Council member Novacek motioned, Council member Vatnsdal seconded and it was carried by unanimous vote that due to the Labor Day holiday, the September Regular Council meeting be rescheduled from September 7, 2009 to September 14, 2009.

Council consensus was the Operations Committee meet to discuss and make a recommendation on a funeral leave clarification (in employee handbook) request by the Roseau City Employees Association.

Community Development Coordinator Peterson reported FEMA is in Roseau and he will be submitting all costs incurred in fighting the 2009 flood.

Community Development Coordinator Peterson reported that the final work is being done to close out the City Center Project, which has about \$190,000 left in the grant. Items remaining to final out the contract include resolving a pressure leak in the heating system, final adjustments to the humidification units in the museum, replacement of the failed metal halide light fixtures the lights above the solarium. Krause-Anderson is still working on a resolution for the water leakage around the windows of the Community Center. Also, discussion was held on how the Council would like to address the acoustics issue in the Council Chambers. A sound system was again discussed. Simplex, the company who installed the wireless microphone system in the City Center has given an estimate of \$23,000 to provide a sound system to elevate voice volume in the space. Community Development Coordinator Peterson agreed to ask Simplex to meet with the Council to demonstrate their system.

Community Development Coordinator Peterson reported the East Diversion Project cooperation agreement with the Corps of Engineers is expected at any time and it is imperative the City signs and returns it promptly and therefore, Council member Novacek motioned, Council member Ireland seconded and it was carried by unanimous vote to authorize the Mayor and City Attorney to sign the East Diversion Project agreement when it is received.

Peterson gave an East Diversion project update. The Phase I appraisal process is underway. In addition the Roseau County Highway Department has advertised for bids the two highway bridges on MN T.H. 11 and CSAH 24. TKDA Engineering is responsible for the construction of the railroad bridge. MN Northern Railroad is undecided as to whether a bridge actually needs to be constructed since they are in discussions about the possibility of abandoning the rail line from Roseau River east to Warroad.

A letter received from the City of Badger noted their building official recently resigned his position and requested the Roseau City Council consider sharing building official services. Building Official Kevin Wiskow will be asked to contact Badger to get a clarification on what they are expecting.

Council member Schiltz motioned, Council member Vatnsdal seconded and it was carried by unanimous vote to accept the 12/31/08 Roseau Court Townhomes financial audit as completed by Brady Martz.

Mayor Pelowski, Council member Novacek, Superintendent Drown and Community Development Coordinator Peterson met with the Watershed representatives to discuss an assessment certified onto the City of Roseau tax statement to pay for maintenance of the West Interceptor ditch. Roseau Watershed District Administrator Rob Sando and Community Development Coordinator Peterson agreed to research the options related to wetland component of the project, which is the largest cost issue with the project.

Council member Schiltz reported Outdoor Life magazine named their top 200 affordable, thriving and perfectly wild towns in America for hunting and fishing, where Roseau was tied for 20<sup>th</sup> place.

Council member Vatnsdal reported the Beautification Committee is researching several options for a gazebo at River View Park and \$700 has been raised so far for a gazebo.

A Comprehensive Plan work session is schedule for Monday, July 13, 2009 at 5:00 p.m.

Council member Novacek motioned, Council member Schiltz seconded and it was carried by unanimous vote that there was no further business, therefore the meeting be adjourned.

ATTEST:

\_\_\_\_\_  
Clerk-Treasurer

\_\_\_\_\_  
Mayor