

City of Mt. Vernon, Iowa

Meeting:	Mt. Vernon City Council Meeting
Place:	Mt. Vernon City Hall, 213 First Street NW, Mt. Vernon, Iowa 52314
Date/Time:	June 19, 2017 – 6:30 PM
Web Page:	www.cityofmtvernon-ia.gov
Posted:	June 16, 2017

Mayor:	Jamie Hampton	City Administrator:	Chris Nosbisch
Mayor Pro-Tem:	Marty Christensen	City Attorney:	Robert Hatala
Councilperson:	Paul Tuerler	Assis. Admin/City Clerk:	Sue Ripke
Councilperson:	Scott Rose	Deputy City Clerk:	Marsha Dewell
Councilperson:	Tom Wieseler	Chief of Police:	Doug Shannon
Councilperson:	Eric Roudabush		

A. Call to Order

B. Agenda Additions/Agenda Approval

C. Communications:

1. Unscheduled

If you wish to address the City Council on subjects pertaining to today's meeting agenda, please wait until that item on the agenda is reached. If you wish to address the City Council on an item **not** on the agenda, please approach the microphone and give your name and address for the public record before discussing your item. Each individual will be granted no more than five (5) minutes.

D. Consent Agenda

Note: These are routine items and will be enacted by one motion without separate discussion unless a Council Member requests separate consideration.

1. Approval of City Council Minutes – June 5, 2017 Regular Council Meeting
2. Approval of Letter of Resignation – Officer Rodney Kelley
3. Approval of Cigarette Licenses – Casey's General Store, PNP, Gary's Foods, Chameleons, & C&D Lounge

E. Public Hearing

1. None

F. Ordinance Approval/Amendment

1. Ordinance #5-1-2017A: An Ordinance Repealing Ordinance No. 12-6-2004A, and Granting to Interstate Power and Light Company, Its Successors and Assigns, a Non-Exclusive Twenty-Five Year Franchise to Acquire, Construct, Erect, Maintain and Operate an Electric System in the City of Mt. Vernon, Iowa and to Furnish and Sell Electric Energy to the City and its Inhabitants, and Requiring Said Company to Pay a Franchise Fee to the City
 - i. Motion to approve third and final reading
2. Ordinance #5-1-2017B: An Ordinance Repealing Ordinance No. 12-6-2004A, and Granting to Interstate Power and Light Company, Its Successors and Assigns, a Non-Exclusive Twenty-Five Year Franchise to Erect, Construct, Reconstruct, Maintain, and Operate Plan and Systems for the Distribution of Natural Gas in the City of Mt. Vernon, Iowa and to Sell, Distribute and Supply Natural Gas to the City and its Inhabitants, and Requiring Said Company to Pay a Franchise Fee to the City
 - i. Motion to approve third and final reading

G. Resolutions for Approval

1. Resolution #6-19-2017A: Approving the Lower Cedar Watershed Management Authority Articles of Agreement
2. Resolution #6-19-2017B: Accepting Engagement Letter from Clifton Larson Allen for Professional Auditing Services for FY 2017 and Additional Services to be Performed by Brad Hauge
3. Resolution #6-19-2017C: Approving the Amended 28E Contractual Agreement for Law Enforcement Services with the City of Lisbon, Iowa

H. Mayoral Proclamation

1. Proclamation Establishing June 23, 2017 as Olympic Day in the City of Mt. Vernon, Iowa

I. Old Business

1. None

J. Motions for Approval

1. Consideration of Claims List – Motion to Approve
2. Discussion and Consideration of Rescheduling the July 3, 2017 Council Meeting - Council Action as Needed
3. Discussion and Consideration of Setting Public Hearing Date – Alley Vacation – Council Action as Needed
4. Discussion and Consideration of Annual Street Maintenance – Crack Sealing – Council Action as Needed
5. Discussion and Consideration of Annual Street Maintenance – Crack Sealing – Council Action as Needed
6. Discussion and Consideration of Solar Power and Services Agreement with Red Lion Renewables, L.L.C. – Council Action as Needed
7. Discussion and Consideration of Lead Operator Job Description – Public Works – Council Action as Needed

K. Reports to be Received/Filed

1. Mt. Vernon Police Report
2. Mt. Vernon Public Works Report
3. Mt. Vernon Parks and Recreation Report

L. Discussion Items (No Action)

1. Annexation/Two Mile Subdivision Review (Subject to Change)
2. Interview Committee – Sub-Area Plan
3. Update of Current Project Status

M. Reports of Mayor/Council/Administrator

1. Mayor's Report
2. Council Reports
3. Committee Reports
4. City Administrator's Report

N. Adjournment

Pursuant to §21.4(2) of the Code of Iowa, the City has the right to amend this agenda up until 24 hours before the posted meeting time.

If anyone with a disability would like to attend the meeting, please call City Hall at 895-8742 to arrange for accommodations.

D. Consent Agenda

The Mount Vernon City Council met June 5, 2017 at the Mount Vernon City Hall Council Chambers with the following members present: Roudabush, Wieseler, Tuerler, Christensen and Rose.

Call to Order. Mayor Jamie Hampton called the meeting to order at 6:30 p.m.

Agenda Additions/Agenda Approval. Motion to approve the Agenda was made by Tuerler, seconded by Wieseler. Carried all.

Consent Agenda. Tuerler noted an agenda correction: The 1st paragraph lists the mayor Paul Tuerler as absent. Minutes should read "Absent: Mayor Jamie Hampton". Tuerler motioned to approve the amended Consent Agenda, seconded by Wieseler. Carried all.

1. Approval of City Council Minutes – May 15, 2017 Regular Council Meeting.
2. Approval of Liquor License – Si Señor
3. Approval of Liquor License – Heritage Days

Ordinance Approval/Amendment

Ordinance #5-1-2017A: An Ordinance Repealing Ordinance No. 12-6-2004A, and Granting to Interstate Power and Light Company, Its Successors and Assigns, a Non-Exclusive Twenty-Five Year Franchise to Acquire, Construct, Erect, Maintain and Operate an Electric System in the City of Mt. Vernon, Iowa and to Furnish and Sell Electric Energy to the City and its Inhabitants, and Requiring Said Company to Pay a Franchise Fee to the City. Motion to approve second reading and proceed with third and final reading- (Council may suspend rules and proceed to the final reading after a vote of first reading). Staff has not received any written or verbal communication on this ordinance. Tuerler moved to approve the second reading of Ordinance #5-1-2017A, an ordinance repealing Ordinance #12-6-2004A, seconded by Wieseler. Roll call vote. Motion carries with a 5-0 vote.

Ordinance #5-1-2017B: An Ordinance Repealing Ordinance No. 12-6-2004A, and Granting to Interstate Power and Light Company, Its Successors and Assigns, a Non-Exclusive Twenty-Five Year Franchise to Erect, Construct, Reconstruct, Maintain, and Operate Plan and Systems for the Distribution of Natural Gas in the City of Mt. Vernon, Iowa and to Sell, Distribute and Supply Natural Gas to the City and its Inhabitants, and Requiring Said Company to Pay a Franchise Fee to the City. Motion to approve second reading and proceed with third and final reading- (Council may suspend rules and proceed to the final reading after a vote of first reading) Staff has not received any written or verbal communication on this ordinance. Scott moved to approve the second reading of Ordinance #5-1-2017B, an ordinance repealing Ordinance #12-6-2004A, seconded by Christensen. Roll call vote. Motion carries with a 5-0 vote.

Resolutions for Approval

Resolution #6-5-2017: Approving Fiscal Year 2017 Year End Transfers. The transfers listed in the resolution are routine end of the year fund transfers. The City is allowed to make transfers from special revenue accounts to the General Fund to defray costs. Motion to approve fiscal year 2017 year end transfers made by Christensen, seconded by Wieseler. Roll call vote. Motion carries with a 5-0 vote.

Old Business

Motion to Appoint Brenda Langenberg, Trude Elliott, Kevin Driscoll, Scott Peterson, Loren Hartelt, Marty Christensen, Meridith Hoffman, Justin Dix, and Denise Brannaman – Housing Commission (*tabled at the*

May 15 Council meeting – Motion to remove from table will need to be made prior to discussion) Motion to remove the Housing Commission appointments from the table made by Tuerler, seconded by Scott. Carried all. At the previous council meeting Jerry Niederhauser voiced his distress regarding a committee member and the fact that he had submitted an application but was not interviewed. Mayor Hampton said that they met after the meeting and discussed his concerns. The following day Niederhauser asked that his name be withdrawn for consideration. Two others also voiced their regrets about not being appointed but did not, according to Mayor Hampton, reach out for a meeting. Roudabush asked why Justin Dix, who does not live within the City limits, would be on the committee. It was explained that he lives within a two mile radius of the City limits and that was the criteria for the position. Motion to approve the Housing Commission appointees made by Tuerler, seconded by Wieseler. Carried all. Christensen abstained.

Motions for Approval

Consideration of Claims List – Motion to Approve. Motion to approve the Claims List made by Tuerler, seconded by Rose. Carried all.

PAYROLL	CLAIMS	
		64,576.56
AAA PEST CONTROL	PEST CONTROL	30.00
ADALYN FRANCOIS	PRINCESS TEA TIME-P&REC	10.00
ALLIANT IES UTILITIES	ENERGY USAGE-WAT	1,011.71
ALLIANT IES UTILITIES	ENERGY USAGE-ALL DEPTS	194.65
ALLIANT IES UTILITIES	ENERGY USAGE-ST LIGHTS	3,600.55
ALTERATIONS BY MARY	UNIFORMS-PD	30.00
BANKERS TRUST COMPANY	DEBT SERVICE PAYMENTS	998,756.25
BARNYARD SCREEN PRINTER LLC	UNIFORMS-WAT,SEW	255.00
BARNYARD SCREEN PRINTER LLC	UNIFORMS-WAT,SEW	48.00
BAUER BUILT TIRE - CEDAR RAPIDS	TRAILER TIRES-RUT	455.48
BAUER BUILT TIRE - CEDAR RAPIDS	FRONT TIRE/BUCKET TRUCK-RUT	95.50
BAUMAN AND COMPANY	UNIFORMS--PW	725.75
BRADLEY HAUGE CPA	PROFESSIONAL SERVICES-ALL DEPTS	825.00
BRADY LANHAM ELECTRIC	OUTLET REPAIR/DAVIS PARK-P&REC	125.00
BRIDGE COMMUNITY BANK	2010B GO REFUNDING NOTE	30,271.49
BROWN SUPPLY COMPANY	SUPPLIES-RUT	119.25
BURROUGHS, RICHARD	CEMTERY MAINT	3,534.00
CAIDEN HAUSER	REFEREE PAY-P&REC	50.00
CAMPBELL SUPPLY CEDAR RAPIDS	4' LEVEL,BATTERY-RUT	364.00
CAMPBELL SUPPLY CEDAR RAPIDS	IMPACT WRENCH,CIRC SAW-RUT	358.00
CARQUEST OF LISBON	VEHICLE MAINT-PW	163.93
CARRICO AQUATIC RESOURCES INC	STRAINER BASKETS-POOL	218.30
CARRICO AQUATIC RESOURCES INC	CONSULTATION-POOL	115.00
CARRICO AQUATIC RESOURCES INC	FLOOR INLET-POOL	20.69
CARRICO AQUATIC RESOURCES INC	ACID-POOL	897.90
CARRICO AQUATIC RESOURCES INC	GRATING-POOL	771.06
CARRICO AQUATIC RESOURCES INC	LADDER REPAIR-POOL	51.31
CARRICO AQUATIC RESOURCES INC	DRAIN RELIEF VALVE-POOL	33.29
CARRICO AQUATIC RESOURCES INC	CHEMICALS-POOL	15.27
CEDAR VALLEY OUTFITTERS CORP	BATTERIES-PD	53.98
CENTRAL IOWA DISTRIBUTING	SUPPLES-ALL DEPTS	390.10
CENTURY LINK	PHONE CHGS-ALL DEPTS	928.86
CHARLES BLACK	CTW PHOTOGRAPHER-P&REC	100.00
CHRIS NOSBISCH	MILEAGE	183.51
CORNELL COLLEGE MEN'S SOCCER	SPRING SOCCER OFFICIALS-P&REC	570.00
COURTNEY BOLAND	TOBACCO COMPLIANCE CHECK-PD	50.00
CULVERS GARDEN CENTER	BEAUTIFICATION-RUT	377.80
CULVERS GARDEN CENTER	BEAUTIFICATION-RUT	278.84

DEREK BOREN	ASST FIRE CHIEF PAY-FD	302.50
DIESEL TURBO SERVICES INC	REAR BRAKES/FORD EXP-RUT	486.00
DIESEL TURBO SERVICES INC	DIESEL BATTERIES (2)-PW	315.90
DIESEL TURBO SERVICES INC	VEHICLE/EQUIP REPAIRS-RUT	992.17
ELECTRONIC ENGINEERING CORP	INFORMATION SYSTEMS-PW	319.60
EMSLRC	TRAINING-FD	10.00
EVELYN BROWN	PRINCESS TEA TIME-P&REC	18.00
EVELYN GUILLAUME	PRINCESS TEA TIME-P&REC	10.00
EVER-GREEN LANDSCAPE NURSERY	MULCH-RUT	192.00
EVER-GREEN LANDSCAPE NURSERY	TREES-RUT	360.00
FAT GUYS MOTOR SPORTS	EQUIP REPAIR-RUT	85.46
FRANCESCA LEE THOMPSON	CLEANING SERVICE-P&A	120.00
GALLS INC	UNIFORMS-PD	90.74
GARRETT HORMANN	REFEREE PAY-P&REC	50.00
GARY'S FOODS	CONC-POOL	582.81
GARY'S FOODS	MISC-PD	150.83
GLENN WOLFE	HVAC MAINT-P&A	479.88
GORDON LUMBER COMPANY	BLDG SUPPLIES-PW	50.75
GROUP SERVICES INC	INSURANCE-ALL DEPTS	28,942.97
HARRIET WATSON	PRINCESS TEA TIME-P&REC	10.00
HAWKEYE FIRE & SAFETY CORP	EXTINGUISHER MAINT-ALL DEPTS	262.00
HAWKEYE READY MIX	SIDEWALK REPAIR-RUT	281.44
HAWKEYE READY MIX	VC PARKING AREA-RUT	104.74
IACMA	MEMBERSHIP/C.NOSBISCH-ALL DEPTS	150.00
IACMA	MEMBERSHIP/S.RIPKE-P&A	150.00
IOWA DEPT OF NATURAL RESOURCES	OPERATOR CERTIFICATION-WAT	60.00
IOWA DEPT OF NATURAL RESOURCES	OPERATOR CERTIFICATION-SEW	60.00
IOWA PRISON INDUSTRIES	BEE CITY SIGN-RUT	64.00
IOWA SOLUTIONS INC	DBR BACKUP-ALL DEPTS	350.00
ISABEL STREFF	PRINCESS TEA TIME-P&REC	10.00
JACK RIEDY	DEPOSIT REFUND-WAT	5.61
JACOB BUSTER	SEC/TREAS-FD	2.50
JOAN BURGE	CLEANING SERVICE-P&A	120.00
KIECKS	UNIFORMS-FD	26.00
KIECKS	UNIFORMS-FD	23.97
KIEFER & ASSOCIATES	SUPPLIES-POOL	441.32
KONICA MINOLTA BUSINESS SOLUTIONS	MAINTENANCE PLAN/COPIES	433.91
LINN CO-OP OIL CO	FUEL-PW	1,267.45
LINN COUNTY SECONDARY ROAD DEPT	BLADE BRYANT RD-RUT	190.32
LOU'S GLOVES	GLOVES-SEW	86.00
MATT NIELSEN	DEPOSIT REFUND-WAT	30.12
MATT SIDERS	MILEAGE-P&REC	96.30
MENARDS	BEAUTIFICATION-RUT	134.64
MENARDS	BEAUTIFICATION-RUT	91.51
MIRACLE RECREATION	TUBE SLIDE-POOL	3,388.25
MOORE MEDICAL CORP	SUPPLIES-EMA	67.71
MOUNT VERNON BANK & TRUST CO	NSF CHECK-WAT	89.88
MOUNT VERNON BANK & TRUST CO	NSF CHECK-WAT	66.44
MOUNT VERNON BANK & TRUST CO	20% OF CEMETERY SALES	1,010.00
MOUNT VERNON LISBON SUN	ADS/PUBLICATIONS-P&REC	450.00
MOUNT VERNON LISBON SUN	CTW ADS/PUBLICATIONS-P&REC	300.00
MOUNT VERNON LISBON SUN	ADS/PUBLICATIONS-ALL DEPTS	1,720.88
MOUNT VERNON POLICE RESERVES	SPECIAL EVENTS PAY-PD	16.00
MOUNT VERNON, CITY OF	START UP CASH-CONCESSION-POOL	100.00
MOUNT VERNON, CITY OF	START UP CASH-ELLIOTT CONC-P&REC	50.00

MUNICIPAL SUPPLY INC	SNAP RINGS-WAT	10.50
NEAL'S WATER CONDITIONING SERVICE	WATER/SALT-RUT,P&A	61.65
PIPER LEWIS	PRINCESS TEA TIME-P&REC	10.00
PIZZA PALACE	CTW FOOD VENDOR-P&REC	10.00
POSTMASTER	UTIL BILL POSTAGE-WAT,SEW,SW	364.55
RHINO INDUSTRIES	SUPPLIES-SEW	1,679.56
RHOMAR INDUSTRIES INC	EQUIP REPAIR-RUT	1,329.88
RICKARD SIGN AND DESIGN CORP	DECALS/CHIPPER BOX-RUT	230.00
RICKARD SIGN AND DESIGN CORP	HATS-RUT	108.00
ROTO-ROOTER	PUMP/CLEAN LIFT STATIONS-SEW	1,500.00
ROTO-ROOTER	CLEAN OUT INTAKES-SEW	940.00
SAMANTHA SMITH	DEPOSIT REFUND-WAT	5.61
SAM'S CLUB #8162	SUPPLIES-POOL	487.69
SAM'S CLUB #8162	ELLIOTT CONC-P&REC	130.96
SIMMONS PERRINE MOYER BERGMAN	LEGAL FEES-P&A	2,040.00
SIMMONS PERRINE MOYER BERGMAN	LEGAL FEES-P&A	165.00
SIMMONS PERRINE MOYER BERGMAN	LEGAL FEES-P&A	90.00
SITE ONE LANDSCAPE SUPPLY	EAB INJECTION EQUIPMENT-RUT	137.30
SITE ONE LANDSCAPE SUPPLY	NEEDLE CLEANOUT TOOL-RUT	9.50
SITE ONE LANDSCAPE SUPPLY	ROUNDUP,TILE-RUT	95.94
STAPLES ADVANTAGE	SUPPLIES-P&A	114.68
SUE RIPKE	MILEAGE-P&A	20.33
TASC	COBRA PLAN DOCUMENTS-ALL DEPTS	360.00
TASC	ADMIN FEE-ALL DEPTS	92.49
TECHNICOM COMMUNICATIONS SYSTEMS	PLOTTER/PRINTER INSTALL-P&A	229.45
TREASURER STATE OF IOWA	SALES TAX	3,622.00
TYLER TECHNOLOGIES	SOFTWARE SUPPORT-ALL DEPTS	5,142.81
US CELLULAR	CELL PHONE-ALL DEPTS	322.92
USA BLUE BOOK	SUPPLIES-WAT	624.15
USA BLUE BOOK	SUPPLIES-WAT	23.10
USA BLUE BOOK	SUPPLIES-WAT	19.98
VEENSTRA & KIMM INC	WASTEWATER FACILITY PLAN	5,744.52
VEENSTRA & KIMM INC	STREET REPLACEMENT PROGRAM	969.25
VEENSTRA & KIMM INC	CITY ENGINEERING GENERAL	607.13
VEENSTRA & KIMM INC	ALLEY EVALUATION	357.00
WADE LUKE	UNPIRE PAY-P&REC	50.00
WAPSI WASTE SERVICE	GB,RECY,LEAF-SW	22,688.54
WAPSI WASTE SERVICE	RECY-SW	1,588.02
WAPSI WASTE SERVICE	RECY-SW	775.58
WATCH GUARD VIDEO	UPGRADE-PD	9,125.00
WATER SOLUTIONS UNLIMITED	CHEMICALS-POOL	3,228.00
	TOTAL	1,221,037.75

Discussion and Consideration of a Request by Biggs Barbeque to Close City Parking for a Special Event - Council Action as Needed. Biggs Barbeque owner, Aaron Gerbo, would like to hold a special event and asked Council if the alley and parking area east of the restaurant could be closed off and also install a permanent sign on Hwy 1. Tuerler explained that the sign request needs a permit and then approved by Planning and Zoning. He also asked if this request is a onetime request or was he asking for exclusive parking. Christensen asked if he wanted the parking lot for parking or service to which Gerbo said he wanted it for parking. When asked what his concern was he replied that he was worried that other people would always park there so his customers couldn't. Christensen said the City isn't easily in a position to say that others can't park there so that his customers can although Council could consider closing the parking

lot down if he was holding a one day event. The suggestion was made that he talk to the Presbyterian and Methodist churches for parking. Also parking could be at Davis Park or the City's south parking lot.

Discussion and Consideration of the Tree Removal Project –Council Action as Needed. Public Works has about \$10K left in their FY17 tree maintenance expense fund and would like Council's approval to remove some problem right of way and park trees. A bid from Total Tree Care of Iowa City came to \$8,925.00 and would take down five trees. Scott moved approval of the provided bid from Total Tree Care in the amount of \$8,925.00, seconded by Wieseler. Carried all.

Discussion and Consideration of Heritage Days Fireworks Application – Council Action as Needed. The Heritage Days Committee is recommending J&M Displays for fireworks again this year. J&M Displays has submitted proof of insurance and an itemized listing of the shells to be used. Motion made by Tuerler to approve the Heritage Days Fireworks application, seconded by Roudabush. Carried all.

Discussion and Consideration of Repair or Replacement of Twin Creeks Lift Station Fairbanks Morse 25 HP Pump – Council Action as Needed. Electric Pump submitted two quotes for the pump at the Twin Creek Lift station. For \$16,293.52 they will overhaul the current Fairbanks Morse pump. The second quote of \$17,897.00 is to purchase a replacement FLYGT pump. Because it is becoming increasingly difficult to find service people for the Fairbanks Morse pump staff is recommending the purchase of the FLYGT. Christensen moved approval of staffs' recommendation to purchase the FLYGT pump for the amount listed, seconded by Rose. Wieseler asked about the pump's capacity; does it have the capacity for future development. Rose asked if the piping would also sustain future development. Tuerler said he remembers that for the Stonebrook Development the City paid the additional cost between the size of the pipe required to a larger size in order to accommodate future growth. Carried all.

Discussion and Consideration of Electric Car Charging Station – Council Action as Needed. On behalf of the Sustainability Committee, Wieseler explained that in November Alliant offered a \$1,500.00 rebate for a two-part charging station, level 2. Since then Economic Development had a hearing at the CR Library about money from the VW settlement, about \$29 million and this is one of the items considered. The Economic Development money will not be available for a cause like this until the next calendar year. An installation location suggested was on the NE corner of the old fire station. Charging stations have also been offered to public libraries in the State although Cornell has indicated they are not interested at this point. The committee does not want to put a meter on it because that would involve tracking and involves more equipment. Roudabush asked if there was a way to meter usage. Even though there was not a set dollar amount Council supported the project and encouraged Wieseler to continue pursuing.

Discussion Items (No Action)

Annexation/Two Mile Subdivision Review. Tuerler said that this is something that has been talked about over the years and suggested that when the corridor plan is complete they look to amend the ordinance to include it. Christensen asked if there is any reason why they shouldn't consider modifying the current ordinance to include the reference to the State that allows the City the right to officially review sub-divisions within two miles. He explained this to be a two-step process. Step one would be to modify the City's own sub-division ordinance and the fringe area agreement would be step two. Christensen asked for a copy of the current ordinance and that this be placed on a future agenda or have a work session exclusively to discuss "the big picture", annexation, the City's intent and goals.

Reports of Mayor/Council/Administrator

City Administrator's Report. To date, five design firms have approached the City regarding the corridor RFQ. Initial paperwork is being completed for the sidewalk program. Letters notifying homeowners of inspections will be mailed out in early June. The City's workman's comp premium will again be high this

year due to our modification factor. The safety committee has met regarding the fireworks bill and is recommending that the City not introduce new legislation at this time.

Adjournment. As there was no further business to attend to the meeting adjourned, the time being 7:26 p.m., June 5, 2017.

Respectfully submitted,
Sue Ripke
City Clerk

June 9, 2017

Chief Douglas Shannon
Mount Vernon Police Department
213 1st Street West Mount Vernon, Iowa 52314

Dear Chief Shannon/Staff

This letter is to notify you that I'm resigning as a full time police officer with the Mount Vernon Police Department. July 1, 2017 will be my last day of employment.

This wasn't an easy decision as I have enjoyed my 12 years as a full time officer and worked with some of the finest people within the department. After a hard decision I have decided to take a position with another organization. I share interest as staying with Mount Vernon Police Department in the capacity of a part-time officer upon offer.

Please contact me if I can make the transition process proceed more smoothly.

Yours respectfully,

A handwritten signature in black ink, appearing to read 'Rodney Kelley', written in a cursive style.

Rodney Kelley

F. Ordinance Approval/Amendment

AGENDA ITEM # F – 1 & F - 2

**AGENDA INFORMATION
MT. VERNON CITY COUNCIL COMMUNICATION**

DATE:	June 19, 2017
AGENDA ITEM:	Ordinances – Franchise Fee
ACTION:	Motion

SYNOPSIS: Staff has not received any written or verbal communication regarding the franchise fee ordinances for gas and electric.

BUDGET ITEM: N/A

RESPONSIBLE DEPARTMENT: City Administrator

MAYOR/COUNCIL ACTION: Motion

ATTACHMENTS: Ordinances

PREPARED BY: Chris Nosbisch

DATE PREPARED: 6/15/17

**CITY OF MOUNT VERNON, IOWA
ELECTRIC FRANCHISE**

ORDINANCE NO. _____

AN ORDINANCE REPEALING ORDINANCE NO. 12-6-2004A, AND GRANTING TO INTERSTATE POWER AND LIGHT COMPANY, ITS SUCCESSORS AND ASSIGNS, A NON-EXCLUSIVE TWENTY-FIVE YEAR FRANCHISE TO ACQUIRE, CONSTRUCT, ERECT, MAINTAIN AND OPERATE AN ELECTRIC SYSTEM IN THE CITY OF MOUNT VERNON, IOWA AND TO FURNISH AND SELL ELECTRIC ENERGY TO THE CITY AND ITS INHABITANTS, AND REQUIRING SAID COMPANY TO PAY A FRANCHISE FEE TO THE CITY.

BE IT ORDAINED BY THE City Council of the City of Mount Vernon, Linn County, Iowa, hereinafter referred to as the "City":

Section 1. There is hereby granted to Interstate Power and Light Company, hereinafter referred to as the "Company," its successors and assigns, the right and non-exclusive franchise to acquire, construct, reconstruct, erect, maintain and operate in the City, works and plants for the manufacture and generation of electricity and a distribution system for electric light, heat and power and the right to erect and maintain the necessary poles, lines, wires, conduits and other appliances for the distribution of electric current along, under and upon the streets, alleys and public places in the said City to supply individuals, corporations, communities, and municipalities both inside and outside of said City with electric light, heat and power for the period of twenty-five (25) years with a limited right of cancellation as stipulated in Section 10 of this agreement; also the right of eminent domain as provided in Section 364.2 of the Code of Iowa.

Section 2. The poles, lines, wires, circuits, and other appliances shall be placed and maintained so as not to unnecessarily interfere with the travel on said streets, alleys, and public places in said City nor unnecessarily interfere with the proper use of the same, including ordinary drainage, or with the sewers, underground pipe and other property of the City. The said Company, its successors and assigns shall hold the City free and harmless from all damages to the extent arising from the negligent acts or omissions of the Company in the erection or maintenance of said system.

Section 3. In making any excavations in any street, alley, or public place, Company, its successors and assigns, shall protect the site while work is in progress by guards, barriers or signals, shall not unnecessarily obstruct the use of the streets, and shall back fill all openings in such manner as to prevent settling or

depressions in surface, pavement or sidewalk of such excavations with same materials, restoring the condition as nearly as practical. The Company shall not be required to restore or modify public right of way, sidewalks or other areas in or adjacent to the Company project to a condition superior to its immediate previously existing condition.

Section 4. The Company shall, at its cost, locate and relocate its existing facilities or equipment in, on, over or under any public street or alley in the City in such a manner as the City may at any time reasonably require for the purposes of facilitating the construction, reconstruction, maintenance or repair of the street or alley or any public improvement thereof, in or about any such street or alley or reasonably promoting the efficient operation of any such improvement. If the City requires the Company to relocate facilities in the public right of way that have been relocated at Company expense at the direction of the City during the previous ten years, the reasonable costs of such relocation will be paid by the City.

If the City orders or requests the Company to relocate its existing facilities or equipment for any reason other than as specified above, or as the result of the initial request for a commercial, private or other non-public development, the Company shall receive payment for the cost of such relocation as a precondition to relocating its existing facilities or equipment.

The City shall consider reasonable alternatives in designing its public works projects so as not arbitrarily to cause the Company unreasonable additional expense in exercising its authority under this section. The City shall also provide a reasonable alternative location for the Company's facilities as part of its relocation request.

Section 5. Prior to the City abandoning or vacating any street, avenue, alley or public ground where the Company has electric facilities, the City shall grant the Company a utility easement for said facilities. If the City does not grant the Company a utility easement for said facilities prior to abandoning or vacating a street, avenue, alley or public place, the City shall at its cost and expense obtain easements for existing Company facilities.

PROPOSED REVISED LANGUAGE

Section 5. Vacating a street, avenue, alley, public ground or public right-of-way shall not deprive the company of its right to

operate and maintain existing facilities and their replacements on, below, above or beneath the vacated property. Prior to the City abandoning or vacating any street, avenue, alley, right-of-way or other public ground where the Company has electric facilities, the City shall grant the Company a utility easement for said facilities.

Section 6. The Company is authorized and empowered to prune or remove at Company expense any tree extending into any street, alley or public grounds to maintain electric reliability, safety, to restore utility service and to prevent limbs, branches or trunks from interfering with the wires and facilities of the Company. The pruning and removal of trees shall be performed in accordance with Company's then current line clearance vegetation plan as filed and approved by the Iowa Utilities Board, as well as all applicable codes and standards referenced therein.

Section 7. During the term of this franchise, the Company shall furnish electric energy in accordance with the applicable regulations of the Iowa Utilities Board and the Company's tariffs. The Company will maintain compliance with Iowa Utilities Board regulatory standards for reliability.

City-requested added language

The company, its successors and assigns, shall furnish and install all meters at its own expense, and shall provide the service wire to buildings as set forth in the Company's tariff filed with the Iowa Utilities Board.

Section 8. Service to be rendered by the Company under this franchise shall be continuous unless prevented from doing so by fire, acts of God, unavoidable accidents or casualties, or reasonable interruptions necessary to properly service the Company's equipment, and in such event service shall be resumed as quickly as is reasonably possible.

Section 9. There is hereby imposed a franchise fee of one percent (1%) upon the gross revenue generated from sales of electricity by the Company within the corporate limits of the City. The franchise fee shall become effective October 1, 2017; provided, however, that such fee shall increase to three percent (3%) effective October 1, 2018; to five percent (5%) effective April 1, 2019. The Company shall begin collecting the franchise fee upon receipt of written approval of the required tax rider tariff from the Iowa Utilities Board.

The amount of the franchise fee shall be shown separately on the utility bill to each customer. The Company shall remit franchise fee receipts to the City no more frequently than on or before the last business day of the month following each calendar year quarter.

The Company shall not, under any circumstances be required to return or refund any franchise fees that have been collected from customers and remitted to the City. In the event the Company is required to provide data or information in defense of the City's imposition of franchise fees or the Company is required to assist the City in identifying customers or calculating any franchise fee refunds for groups of or individual customers the City shall reimburse the Company for the expenses incurred by the Company to provide such data or information.

Section 10. The term of the franchise granted by this Ordinance and the rights granted thereunder shall continue for the period of twenty-five (25) years from and after its acceptance by the said Company, as herein provided, except that the City may cancel this franchise on the fifth (5th), tenth (10th), fifteenth (15th) or twentieth (20th) anniversary of the Anniversary Date of this franchise by notifying Company in writing of its desire to do so, said notification to be given within thirty (30) days of the fifth (5th), tenth (10th), fifteenth (15th) or twentieth (20th) anniversary respectively of this franchise. If Company is not notified of the cancellation by the fifth (5th), tenth (10th), fifteenth (15th) or twentieth (20th) anniversary then this franchise shall continue without cancellation until the twenty-fifth (25th) year from and after its acceptance by the said Company, as herein provided. The acceptance shall be filed with the City Clerk within ninety (90) days from passage of this Ordinance.

Section 11. If any section or provision of this ordinance is held invalid by a court of competent jurisdiction, such holding shall not affect the validity of any other provisions of this ordinance which can be given effect without the invalid portion or portions and to this end each section and provision of this ordinance is severable.

Section 12. The expense of the publication of this Ordinance shall be paid by the Company.

Section 13. This Ordinance sets forth and constitutes the entire agreement between the Company and the City with respect to the rights contained herein, and may not be supplemented, superseded, modified or otherwise amended without the written approval and

acceptance of the Company. Notwithstanding the foregoing, in no event shall the City enact or maintain any Ordinance or place any limitations, either operationally or through the assessment of fees other than those approved and accepted by the Company within this Ordinance, that create additional burdens upon the Company, or which delay utility operations.

PASSED and ADOPTED by the Mount Vernon City Council on the _____ day of _____, 2017.

Jamie Hampton, Mayor

Attest:

Sue Ripke, City Clerk

(CITY SEAL)

**CITY OF MOUNT VERNON, IOWA
NATURAL GAS FRANCHISE**

ORDINANCE NO. _____

AN ORDINANCE REPEALING ORDINANCE NO. 12-6-2004B AND GRANTING TO INTERSTATE POWER AND LIGHT COMPANY, ITS SUCCESSORS AND ASSIGNS, A NON-EXCLUSIVE TWENTY-FIVE YEAR FRANCHISE TO ERECT, CONSTRUCT, RECONSTRUCT, MAINTAIN, AND OPERATE PLANT AND SYSTEMS FOR THE DISTRIBUTION OF NATURAL GAS IN THE CITY OF MOUNT VERNON, IOWA AND TO SELL, DISTRIBUTE, AND SUPPLY NATURAL GAS TO SAID CITY AND ITS INHABITANTS, AND REQUIRING SAID COMPANY TO PAY A FRANCHISE FEE TO THE CITY.

BE IT ORDAINED BY THE City Council of the City of Mount Vernon, Linn County, Iowa, hereinafter referred to as the "City":

Section 1. There is hereby granted to Interstate Power and Light Company, hereinafter referred to as the "Company," its successors and assigns, the right, privilege and non-exclusive franchise for the term of twenty-five (25) years with limited right of cancellation as stipulated in Section 8 from and after the passage, adoption, approval and acceptance of this Ordinance, to lay down, maintain and operate the necessary pipes, mains and other conductors and appliances in, along and under the streets, avenues, alleys and public places in the City as now or hereafter constituted, for the purpose of distributing, supplying and selling gas to said City and the residents thereof and to persons and corporations beyond the limits thereof; also the right of eminent domain as provided in Section 364.2 of the Code of Iowa. The term "gas" as used in this franchise shall be construed to mean natural gas only.

Section 2. The mains and pipes of the Company must be so placed as not to interfere unnecessarily with water pipes, drains, sewers and fire plugs which have been or may hereafter be placed in any street, alley and public places in said City nor unnecessarily interfere with the proper use of the same, including ordinary drainage, or with the sewers, underground pipe and other property of the City. The Company, its successors and assigns shall hold the City free and harmless from all damages arising from the negligent acts or omissions of the Company in the laying down, operation and maintenance of said natural gas distribution system.

Section 3. In making any excavations in any street, alley, or public place, Company, its successors and assigns, shall protect the site while work is in progress by guards, barriers or signals, shall not unnecessarily obstruct the use of the streets, and shall

back fill all openings in such manner as to prevent settling or depressions in surface, pavement or sidewalk of such excavations with same materials, restoring the condition as nearly as practical. The Company shall not be required to restore or modify public right of way, sidewalks or other areas in or adjacent to the Company project to a condition superior to its immediate previously existing condition.

Section 4. The Company shall, at its cost, locate and relocate its existing facilities or equipment in, on, over or under any public street or alley in the City in such a manner as the City may at any time reasonably require for the purposes of facilitating the construction, reconstruction, maintenance or repair of the street or alley or any public improvement thereof, in or about any such street or alley or reasonably promoting the efficient operation of any such improvement. If the City requires the Company to relocate facilities in the public right of way that have been relocated at Company expense at the direction of the City during the previous ten years, the reasonable costs of such relocation will be paid by the City.

If the City orders or requests the Company to relocate its existing facilities or equipment for any reason other than as specified above, or as the result of the initial request for a commercial, private or other non-public development, the Company shall receive payment for the cost of such relocation as a precondition to relocating its existing facilities or equipment.

The City shall consider reasonable alternatives in designing its public works projects so as not arbitrarily to cause the Company unreasonable additional expense in exercising its authority under this section. The City shall also provide a reasonable alternative location for the Company's facilities as part of its relocation request.

Section 5. Prior to the City abandoning or vacating any street, avenue, alley or public ground where the Company has gas facilities, the City shall grant the Company a utility easement for said facilities. If the City does not grant the Company a utility easement for said facilities prior to abandoning or vacating a street, avenue, alley or public place, the City shall at its cost and expense obtain easements for existing Company facilities.

Section 5. Vacating a street, avenue, alley, public ground or public right-of-way shall not deprive the Company of its right to operate and maintain existing facilities and their replacements

on, below, above or beneath the vacated property. Prior to the City abandoning or vacating any street, avenue, alley, right-of-way or other public ground where the Company has installed gas lines, mains or facilities, the City shall grant the Company a utility easement for said facilities.

Section 6. Said Company, its successors and assigns, shall throughout the term of the franchise distribute to all consumers gas of good quality and shall furnish uninterrupted service, except as interruptible service may be specifically contracted for with consumers; provided, however, that any prevention of service caused by fire, act of God or unavoidable event or accident shall not be a breach of this condition if the Company resumes service as quickly as is reasonably practical after the happening of the act causing the interruption.

Section 7. There is hereby imposed a franchise fee of one percent (1%) upon the gross revenue generated from sales of natural gas by the Company within the corporate limits of the City. The franchise fee shall become effective October 1, 2017; provided, however, that such fee shall increase to three percent (3%) effective October 1, 2018; to five percent (5%) effective October 1, 2019. The Company shall begin collecting the franchise fee upon receipt of written approval of the required tax rider tariff from the Iowa Utilities Board.

The amount of the franchise fee shall be shown separately on the utility bill to each customer. The Company shall remit franchise fee receipts to the City no more frequently than on or before the last business day of the month following each calendar year quarter.

The Company shall not, under any circumstances be required to return or refund any franchise fees that have been collected from customers and remitted to the City. In the event the Company is required to provide data or information in defense of the City's imposition of franchise fees or the Company is required to assist the City in identifying customers or calculating any franchise fee refunds for groups of or individual customers the City shall reimburse the Company for the expenses incurred by the Company to provide such data or information.

Section 8. The term of the franchise granted by this Ordinance and the rights granted thereunder shall continue for the period of twenty-five (25) years from and after its acceptance by the said Company, as herein provided, except that the City may cancel this franchise on the fifth (5th), tenth (10th), fifteenth (15th) or

twentieth (20th) anniversary of the Anniversary Date of this franchise by notifying Company in writing of its desire to do so, said notification to be given within thirty (30) days of the fifth (5th), tenth (10th), fifteenth (15th) or twentieth (20th) anniversary respectively of this franchise. If Company is not notified of the cancellation by the fifth (5th), tenth (10th), fifteenth (15th) or twentieth (20th) anniversary then this franchise shall continue without cancellation until the twenty-fifth (25th) year from and after its acceptance by the said Company, as herein provided. The acceptance shall be filed with the City Clerk within ninety (90) days from passage of this Ordinance.

Section 9. If any section or provision of this ordinance is held invalid by a court of competent jurisdiction, such holding shall not affect the validity of any other provisions of this ordinance which can be given effect without the invalid portion or portions and to this end each section and provision of this ordinance is severable.

Section 10. The expense of the publication of this Ordinance shall be paid by the Company.

Section 11. This Ordinance sets forth and constitutes the entire agreement between the Company and the City with respect to the rights contained herein, and may not be supplemented, superseded, modified or otherwise amended without the approval and acceptance of the Company. Notwithstanding the foregoing, in no event shall the City enact or maintain any ordinance or place any limitations, either operationally or through the assessment of fees, that create additional burdens upon the Company, or which delay utility operations.

PASSED and ADOPTED by the Mount Vernon City Council on the _____ day of _____, 2017.

Jamie Hampton, Mayor

Attest:

Sue Ripke, City Clerk

(CITY SEAL)

G. Resolutions for Approval

AGENDA ITEM # G – 1

**AGENDA INFORMATION
MT. VERNON CITY COUNCIL COMMUNICATION**

DATE: June 19, 2017

AGENDA ITEM: Resolution – Lower Cedar Watershed

ACTION: Motion

SYNOPSIS: Please see the memo of explanation from the Muscatine County Soil and Water Conservation District. The 28E does not require a monetary contribution, and the City will have the ability to leave should they choose to do so. By joining in the 28E, the City of Mt. Vernon would also be granted a Board member position within the Conservation District. Staff would recommend joining the conservation district as it may present grant opportunities for future storm water projects.

BUDGET ITEM: N/A

RESPONSIBLE DEPARTMENT: City Administrator

MAYOR/COUNCIL ACTION: Motion

ATTACHMENTS: Resolution, Memo and 28E

PREPARED BY: Chris Nosbisch

DATE PREPARED: 6/15/17

RESOLUTION #6-1-2017A

**RESOLUTION APPROVING THE ARTICLES OF AGREEMENT CREATING THE
LOWER CEDAR WATERSHED MANAGEMENT AUTHORITY**

WHEREAS, the State of Iowa in 2010 passed legislation that created watershed management authorities as a mechanism for cities, counties, and soil and water conservation districts to cooperatively engage in large scale planning and management of watersheds, and

WHEREAS, the City of Mt. Vernon desires to enter into an Agreement that would establish a Watershed Management Authority within the Lower Cedar Watershed (Hydrologic Unit Code #07080206) to enable cooperation in the watershed planning and improvements pursuant to Iowa Code Chapter 466B.23, and

WHEREAS, Chapter 28E of the Code of Iowa provides the authority for public agencies to enter into agreements for their mutual advantage, and

WHEREAS, this agreement is made and entered into by the eligible political subdivisions within the Lower Cedar Watershed that adopt these Articles of Agreement, and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MT. VERNON, IOWA, that the City of Mt. Vernon hereby authorizes the Mayor to execute said agreement, a copy of which is attached hereto and incorporated herein by this reference, and

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF MT. VERNON, IOWA, that said agreement is hereby approved as to form and content and is found to be in the best interest of the City of Mt. Vernon, Iowa and the eligible political subdivisions that adopt these Articles of Agreement, and

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF MT. VERNON, IOWA, that the City Clerk is hereby authorized to file a copy of the resolution and agreement with the Secretary of State, as required by Chapter 28E, Iowa Code.

APPROVED this 19th day of June, 2017.

Mayor

ATTEST: _____
City Clerk



MUSCATINE COUNTY SOIL & WATER CONSERVATION DISTRICT

3500 Oakview Drive Ste. A, Muscatine, IA 52761
563-263-7944 x3 fax 855-246-1552

Robert Axtell Robert Beatty Jared Deahr Scott Eichelberger Travis Glynn

To: Cities, Counties, and Soil & Water Conservation Districts in the Lower Cedar Watershed

From: Muscatine County Soil & Water Conservation District and other watershed partners

Date: May 5, 2017

Subject: Public Notice – Lower Cedar Watershed Management Authority to Form

BACKGROUND: In 2010, Iowa lawmakers passed legislation authorizing the creation of Watershed Management Authorities (Iowa Administrative Code Chapter 466B Subchapter II). A Watershed Management Authority (WMA) is a mechanism for cities, counties, Soil and Water Conservation Districts (SWCDs) and stakeholders to cooperatively engage in planning and management at the watershed scale. A WMA is being proposed for the Lower Cedar Watershed including parts of Cedar, Johnson, Jones, Linn, Louisa, Muscatine, and Scott Counties.

The WMA is formed by a Chapter 28E Agreement by two or more eligible political subdivisions within the watershed. A board of directors governs the WMA, which may undertake the following activities:

- Assess and reduce flood risk;
- Assess and improve water quality;
- Monitor federal flood risk planning and activities;
- Educate residents of the watershed regarding flood risks and water quality; and
- Allocate moneys made available to the Authority for purposes of water quality and flood mitigation.

A WMA does not have taxing authority and it may not acquire property through eminent domain.

There are several benefits to forming a WMA. First and foremost, the WMA provides a means for communication and cooperation to support on-the-ground water quality and flood damage reduction in both urban and rural areas. Partnering through a WMA allows cities and counties to pool resources and provides leverage for additional funding through state or federal sources. In addition, WMAs work directly through local watershed partners to identify priorities and collectively develop an action plan for addressing watershed concerns.

PUBLIC NOTICE OF WMA FORMATION: Cities, Counties, and SWCDs in the Lower Cedar Watershed have started the process of forming a WMA. Please post this notice in a public location and share widely with staff, elected officials, and other interested stakeholders. All eligible political subdivisions within the Lower Cedar Watershed are invited to adopt the Chapter 28E Agreement. Attached is a full list of invited cities, counties, and SWCDs as well as the complete Chapter 28E Agreement. The eligible political subdivisions will meet in the coming months to consider adoption of the Chapter 28E Agreement. An organizational subcommittee of watershed stakeholders is available to attend these meetings or answer questions. Please contact Josh Spies at jspies@tnc.org or 319-726-3041 for more information.

Lower Cedar WMA – Eligible Political Subdivisions

Counties & SWCDs	Cities
Cedar	Alburnett
Johnson	Atalissa
Jones	Bennett
Linn	Bertram
Louisa	Cedar Rapids
Muscatine	Conesville
Scott	Durant
	Fredonia
	Hiawatha
	Lisbon
	Lone Tree
	Marion
	Martelle
	Mechanicsville
	Mount Vernon
	Nichols
	Robins
	Springville
	Stanwood
	Stockton
	Tipton
	Walcott
	West Branch
	West Liberty
	Wilton

**Lower Cedar Watershed Management Authority
Articles of Agreement**

THIS AGREEMENT is entered into pursuant to Iowa Code chapter 28E by and between the eligible political subdivisions that adopt these Articles of Agreement (hereinafter the "Agreement"). Eligible political subdivisions include the cities of Alburnett, Atalissa, Bennett, Bertram, Cedar Rapids, Conesville, Durant, Fredonia, Hiawatha, Lisbon, Lone Tree, Marion, Martelle, Mechanicsville, Mount Vernon, Nichols, Robins, Springville, Stanwood, Stockton, Tipton, Walcott, West Branch, West Liberty, and Wilton; the counties of Cedar, Johnson, Jones, Linn, Louisa, Muscatine, and Scott; and the Soil & Water Conservation Districts from the counties of Cedar, Johnson, Jones, Linn, Louisa, Muscatine, and Scott (hereinafter the "Members").

WHEREAS, Iowa Code section 466B.22 authorizes two (2) or more political subdivisions, defined as including cities, counties, and soil and water conservation districts, all of which must be located within the same United States Geological Survey Hydrologic Unit Code 8 Watershed, to enter into agreement under Iowa Code Chapter 28E to establish a watershed management authority to enable cooperation in supporting watershed planning and improvements for the mutual advantage of the political subdivisions involved; and

WHEREAS, pursuant to Iowa Code Section 466B.23, a watershed management authority may perform all the following duties:

1. Assess the flood risks in the watershed.
2. Assess the water quality in the watershed.
3. Assess options for reducing flood risk and improving water quality in the watershed.
4. Monitor federal flood risk planning and activities.
5. Educate residents of the watershed area regarding water quality and flood risks.
6. Allocate moneys made available to the authority for purposes of water quality and flood mitigation.
7. Make and contract agreements that execute all instruments necessary or incidental to the performance of the duties of the Authority. A watershed management authority shall not acquire property by eminent domain; and

WHEREAS, the Members deem establishment of the Lower Cedar Watershed Management Authority (hereinafter the "Authority"), encompassing all the Lower Cedar Watershed (hereinafter the "Watershed"), Hydrologic Unit Code 8 ID #07080206, to be of mutual advantage; and

WHEREAS, it is mutually desired to enter this Agreement pursuant to Iowa Code Chapter 28E for the purpose of establishing the Authority to carry out planning and improvements in the Watershed; and NOW, THEREFORE, it is agreed by and between the Members as follows:

SECTION 1. IDENTITY OF THE MEMBERS.

- 1.1 The counties of Cedar, Johnson, Jones, Linn, Louisa, Muscatine, and Scott are each a political subdivision of the State of Iowa, organized and operating pursuant to Iowa Code Chapter 331. Their respective addresses are:**

Cedar County, 400 Cedar Street, Tipton, IA 52772

Johnson County, 913 South Dubuque Street, Iowa City, IA 52240

Jones County, 500 W. Main St., Anamosa, IA 52205

Linn County, 930 1st St. SW, Cedar Rapids, IA 52404

Louisa County, 117 South Main Street, Wapello, IA 52653

Muscatine County, 414 E. Third St. Suite 101, Muscatine, IA 52761

Scott County, 600 W. 4th St., Davenport, IA 52801

- 1.2 The cities of Alburnett, Atalissa, Bennett, Bertram, Cedar Rapids, Conesville, Durant, Fredonia, Hiawatha, Lisbon, Lone Tree, Marion, Martelle, Mechanicsville, Mount Vernon, Nichols, Robins, Springville, Stanwood, Stockton, Tipton, Walcott, West Branch, West Liberty, and Wilton are each a municipality of the State of Iowa, organized and operating pursuant to Iowa Code chapter 364. Their respective addresses are:**

City of Alburnett, 102 E 1st Street, Alburnett, IA 52202

City of Atalissa, 122 3rd St., Atalissa, IA 52720

City of Bennett, 201 Main Street, Bennett, IA 52721

City of Bertram, 50 Angle Street, Bertram, IA 52403

City of Cedar Rapids, 101 First Street SE, Cedar Rapids, IA 52401

City of Conesville, 102 3rd St., Conesville, IA 52739

City of Durant, 402 6th Street, Durant, IA 52747

City of Fredonia, PO Box 169, Columbus Junction, IA 52768

City of Hiawatha, 101 Emmons Street, Hiawatha, IA 52233

City of Lisbon, 115 N Washington, Lisbon, IA 52253

City of Lone Tree, PO Box 337, Lone Tree, IA 52755

City of Marion, 1225 6th Avenue Suite 170, Marion, IA 52302

City of Martelle, 210 Iowa Street, Martelle, IA 52305

City of Mechanicsville, 100 E First St., Mechanicsville, IA 52306

City of Mount Vernon, 213 First St. NW, Mount Vernon, IA 52314

City of Nichols, 429 Ijem Ave., Nichols, IA 52766

City of Robins, 265 South Second Street, Robins, IA 52328

City of Springville, PO Box 347, Springville, IA 52336

City of Stanwood, 209 E. Broadway, Stanwood, IA 52337

City of Stockton, 318 Commerce St., Stockton, IA 52769

City of Tipton, 407 Lynn St., Tipton, IA 52772

City of Walcott, 128 W. Lincoln St., Walcott, IA 52773

City of West Branch, 110 N Poplar St., West Branch, IA 52358

City of West Liberty, 409 N Calhoun St., West Liberty, IA 52776

City of Wilton, 104 East 4th Street, Wilton, IA 52778

- 1.3 The Soil and Water Conservation Districts of Cedar, Johnson, Jones, Linn, Louisa, Muscatine, and Scott counties are each a governmental subdivision of the State of Iowa as defined in Iowa Code Section 161A3(6) and a soil and water conservation district established pursuant to Iowa Code Section 161A5(1). Their respective addresses are:

Cedar County SWCD, 205 W South Ste. 2, Tipton, IA 52772

Johnson County SWCD, 51 Escort Lane, Iowa City, IA 52240

Jones County SWCD, 300 Chamber Drive, Anamosa, IA 52205

Linn County SWCD, 891 62nd Street, Marion, IA 52302

Louisa County SWCD, 260 Mulberry Street, Wapello, IA 52653

Muscatine County SWCD, 3500 Oakview Dr. Ste. A, Muscatine, IA 52761

Scott County SWCD, 8370 Hillandale Road, Davenport, IA 52806

SECTION 2. PURPOSE.

2.1 The purpose of this Agreement is to provide for the manner in which the Members shall cooperate with one another to successfully plan for and implement improvements within the Watershed, including but not limited to the following activities authorized pursuant to Iowa Code section 466B.22:

1. Assess the flood risks in the watershed.
2. Assess the water quality in the watershed.
3. Assess options for reducing flood risk and improving water quality in the watershed.
4. Monitor federal flood risk planning and activities.
5. Educate residents of the watershed area regarding water quality and flood risks.
6. Seek and allocate moneys made available to the authority for purposes of water quality and flood mitigation.
7. Make and contract agreements that execute all instruments necessary or incidental to the performance of the duties of the Authority. A watershed management authority shall not acquire property by eminent domain.

SECTION 3. CREATION OF THE AUTHORITY.

3.1 Upon the effective date stated in this Agreement there is hereby created a public agency to be known as the "LOWER CEDAR WATERSHED MANAGEMENT AUTHORITY" (the "Authority"). The Authority shall be a political subdivision of the State of Iowa and a legal entity separate and distinct from the corporate existence of any participating Members to this Agreement, and shall be subject to the control and supervision of the Members to this Agreement or their officers and directors, only to the extent provided for herein.

3.2 A joint board of the participating Members known as the Lower Cedar Watershed Management Authority Board (hereinafter the "Board") shall be responsible for fulfilling the purpose of the Authority. The Board shall be comprised of one appointee from each Member participating in this Agreement. The Board shall adopt bylaws governing the administration, development, operation and management of the Authority.

SECTION 4. DURATION. This Agreement shall be in effect perpetually until terminated pursuant to Section 10.

SECTION 5. POWERS AND DUTIES.

5.1 The Members shall retain all powers and duties conferred by law and shall assist each other in the exercise of such powers and the performance of such duties as are provided for in this Agreement. Each Member shall be jointly responsible for focusing attention on:

- a. Assessing the flood risks in the watershed.
- b. Assessing the water quality in the watershed.
- c. Assessing options for reducing flood risk and improving water quality in the watershed.
- d. Monitoring federal flood risk planning and activities.
- e. Educating residents of the watershed area regarding water quality and flood risks.
- f. Allocating moneys made available to the authority for purposes of water quality and flood mitigation.
- g. Making and contracting agreements that execute all instruments necessary or incidental to the performance of the duties of the authority. A watershed management authority shall not acquire property by eminent domain.

5.2 A Member may, but will not be required to, accept a specific responsibility to assist in achieving the goals of the Authority. Acceptance of such responsibilities shall only be by official action of the governing body of the Member. These responsibilities include but are not limited to:

- a. identifying opportunities for funding and in-kind support for the undertaking of watershed planning and improvements within the Watershed;
- b. serving as fiscal agent for the Authority when funds are received from any source;
- c. identifying opportunities for infrastructure development and planning capable of assessing and mitigating flood risks in the Watershed;
- d. identifying the most effective best management practices for improvements of water quantity and water quality improvements in the Watershed;
- e. participating in any educational/outreach programs regarding water quality and flood risks;
- f. identifying opportunities for infrastructure development and planning capable of assessing and improving water quality in the Watershed;
- g. providing support for the administration of any projects, including technical, financial and clerical, as agreed to by the Members;
- h. securing such financing, including grants, loans and the issuance of bonds or loan agreements, as determined to be necessary or desirable to achieve the objectives of the agreement;
- i. coordinating with local wastewater utilities;
- j. designing and bidding of projects;

- k. administering contracts; and
- l. observing construction.

SECTION 6. MANNER OF FINANCING. The Board may solicit, accept and receive donations, endowments, gifts, grants, reimbursements and other such funds as necessary to support work pursuant to this Agreement.

6.1 No action to contribute funds by the Board is binding on the Member that he or she represents without official approval by the governing body of that Member. No Member may be required to contribute funds to the Authority, except to fulfill any obligation previously made by official action by the governing body of the Member.

6.2 All funds received for use by the Authority shall be held as a special fund by the fiscal agent designated by the Board. When funds are provided as a grant or loan directed to a Member for a project administered by that Member, the funds shall be retained and administered by that Member.

SECTION 7. ENTIRE AGREEMENT.

7.1 This Agreement contains the entire agreement of and integrates all the terms and conditions contained in and incidental to such Agreement. No modifications or waiver of any provision in this Agreement shall be valid unless in writing and signed by all the parties. If, for any reason, any provisions of this Agreement shall be inoperative, the validity and effect of the other provisions shall not be affected thereby.

7.2 If any provision of this Agreement is found to be invalid by any court, administrative agency or tribunal or competent jurisdiction, the invalidity of any such provision shall not affect the validity of the remaining provisions hereof.

SECTION 8. GOVERNING LAW. This Agreement shall be governed by and interpreted under the laws of the State of Iowa and shall meet all the necessary legal requirements and publications as outlined in Iowa Code Chapter 28E and other applicable Iowa laws.

SECTION 9. AMENDMENTS.

9.1 This Agreement may be amended at any time by approval from the governing bodies of all Members. All amendments shall be in writing, executed by the authorized representative of each governing body of the Members, and filed in an electronic format with the Iowa Secretary of State as required by Iowa Code Section 28E.8.

9.2 Eligible political subdivisions that are not participating may later join the Authority by filing written notice with the Board and adopting this Agreement by resolution. The request to become a Member will be considered approved when the new Member has submitted the adopted resolution with the executed signature page and the updated Agreement has been filed in an electronic format with the Iowa Secretary of State as required by Iowa Code Section 28E.8.

SECTION 10. TERMINATION. This Agreement shall terminate upon the majority vote of the Board or agreement of the governing bodies of all Members. Upon termination, all property and money then owned by the Authority shall be distributed according to the Member's contribution levels among the Members after payment of all debts. Any funds donated under a stipulation limiting their use shall be disbursed consistent with the donor's direction.

SECTION 11. EFFECTIVE DATE AND EXECUTION OF DOCUMENTS. This Agreement shall take effect upon execution by the Members as required by law and filing in an electronic format with the Iowa Secretary of State as required by Iowa Code Section 28E.8. The Members agree to timely execute any documents necessary to carry out the terms of this Agreement. The Members further agree that this document may be executed outside the presence of the other Members and in separate counterparts.

SECTION 12. WITHDRAWAL FROM MEMBERSHIP. Any Member may withdraw from the Authority by the action of its governing body, unless the Authority then has unpaid debts or legal obligations, in which case the consent of the governing bodies of the remaining Members to the withdrawal is required. Such withdrawal will forfeit any right to a distribution in conjunction with a subsequent termination of this Agreement.

SECTION 13. WATERSHED BOUNDARY. The geographical area to which this agreement applies shall be known as the Lower Cedar Watershed. The Lower Cedar is a United States Geological Survey Hydrologic Unit Code (HUC 8 ID #07080206) Watershed. The boundary of the Watershed is graphically displayed in Attachment 1, which is hereby incorporated into this Agreement.

SECTION 14. INDEMNIFICATION. The Authority shall indemnify, defend, keep, save, and hold harmless the Members and their officers and employees from and against any and all losses, claims, damages, liability, costs, expenses, or deficiencies (including without limitation reasonable attorneys' fees and other costs and expenses reasonably incident to proceedings or investigations or the defense or settlement of any claim or claims) arising out of the Authority's activities, including without limitation challenges to the organization, creation or status of the Authority, whether based on tort, antitrust, non-competition, wage and hour violations, or any other claim of illegality, and whether based upon state, federal, local, or common law.

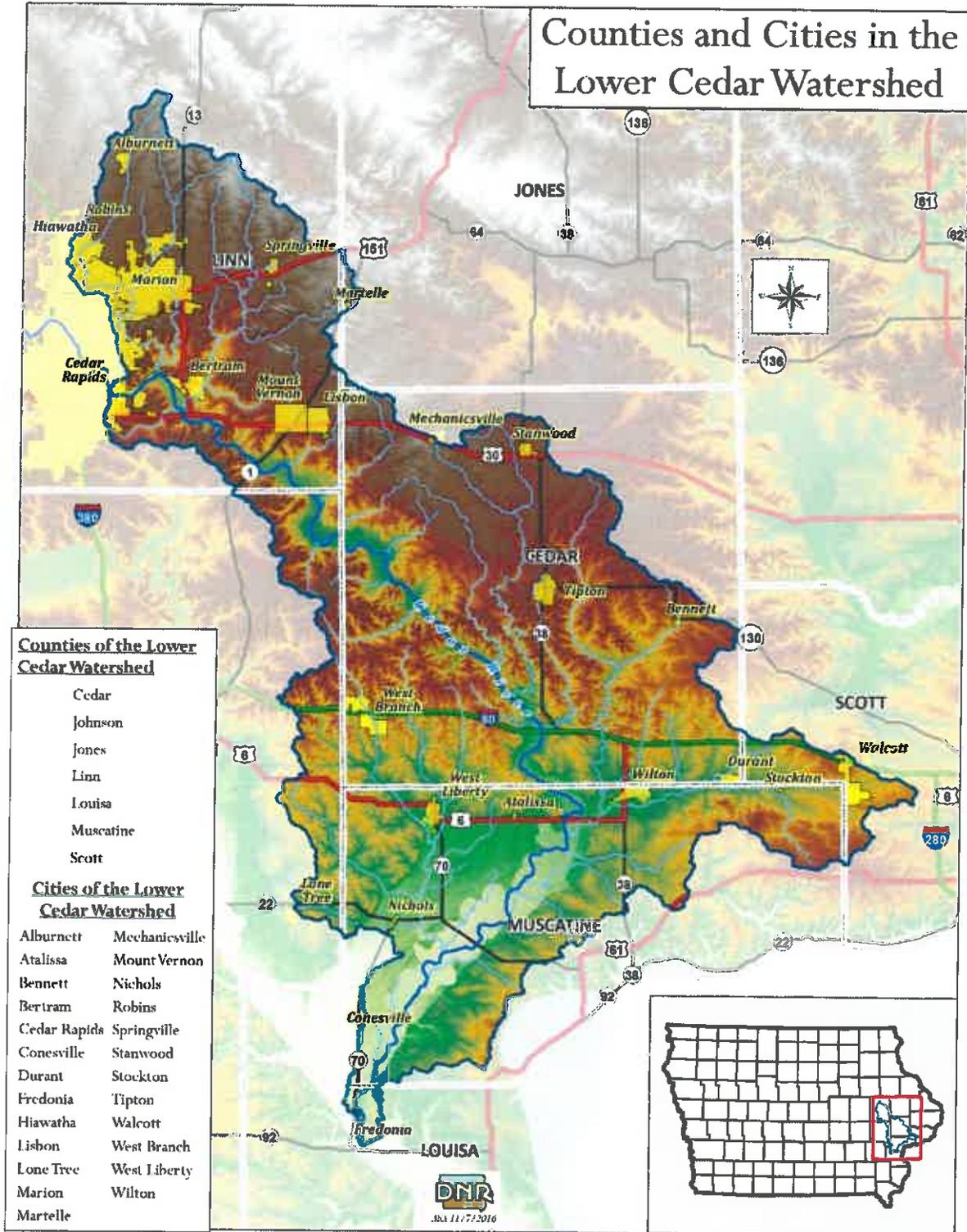
SECTION 15. AUTHORIZATION AND SIGNATURE PAGES.

15.1 Each Member to this Agreement shall supply to the Authority a copy of the resolution by which it adopted the Agreement. An example resolution template is shown in Attachment 3.

15.2 The Members agree that this Agreement has attached to it signature pages which shall be assembled and filed together with the Agreement and shall together constitute one and the same instrument. A completed copy of the Agreement with all executed signature pages shall be sent to each Member.

15.3 Each signature page will be specific to each potential member and will contain only their signature lines. Example signature lines are shown in Attachment 2.

Attachment 1
Boundary of the Lower Cedar Watershed



Attachment 2
Examples of Signature Lines

Dated this _____ day of _____, 2017

_____ County, Iowa

BY: _____
Chair, Board of Supervisors

ATTEST: _____
County Auditor

Dated this _____ day of _____, 2017

City of _____, Iowa

BY: _____
Mayor

ATTEST: _____
City Clerk

Dated this _____ day of _____, 2017

_____ County Soil & Water Conservation District

BY: _____
Chair, District Commissioners

ATTEST: _____
Commissioner

AGENDA ITEM # G - 2

**AGENDA INFORMATION
MT. VERNON CITY COUNCIL COMMUNICATION**

DATE:	June 19, 2017
AGENDA ITEM:	Resolution – Audit Engagement Letter
ACTION:	Motion

SYNOPSIS: The fees being proposed by Clifton Larson Allen have decreased by \$900 from the previous two years. The fees for Brad Hauge's services are remaining stable this year once again. Staff had a good working relationship with the Auditor's this past year and would recommend retaining their services. Brad provides an invaluable service to the City and we would recommend retaining his services once again as well. All total, the City will expend approximately \$22,000 for budgeting and auditing services.

BUDGET ITEM: N/A

RESPONSIBLE DEPARTMENT: Finance Director

MAYOR/COUNCIL ACTION: Motion

ATTACHMENTS: Resolution and Proposals

PREPARED BY: Chris Nosbisch

DATE PREPARED: 6/15/17

RESOLUTION #6-19-2017B

A Resolution accepting engagement letter from Clifton Larson Allen for professional auditing services for FY2017 and addition of other services to be performed by Brad Hauge, not included in Clifton Larson Allen base audit proposal.

Motion made by _____, seconded by _____ to _____
Resolution #6-19-2017B.

Resolution #6-19-2017B. _____ on June 19, 2017, by the following roll call vote:

YES:

NO:

ABSTAIN:

ABSENT:

MOUNT VERNON CITY COUNCIL
MOUNT VERNON, IOWA

Jamie A. Hampton, Mayor

ATTEST:

Sue Ripke
Asst. Administrator/City Clerk



CliftonLarsonAllen

CliftonLarsonAllen LLP
600 3rd Avenue SE, Suite 300
Cedar Rapids, IA 52401
319-363-2697 | fax 319-363-1746
CLAconnect.com

May 19, 2017

Chris Nosbisch, City Administrator and
City Council Members
City of Mount Vernon
213 First Street West
Mt. Vernon, IA 52314

Dear Chris:

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the audit and nonaudit services CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") will provide for City of Mount Vernon ("you," "your," or "the City") for the year ended June 30, 2017.

Craig Popenhagen is responsible for the services provided to you. He will be assisted by Adam Pulley, who is responsible for the performance of the audit engagement.

Audit services

We will audit the cash basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of City of Mount Vernon, as of and for the year ended June 30, 2017, and the related notes to the financial statements.

We will also evaluate and report on the presentation of the following supplementary information accompanying the financial statements in relation to the financial statements as a whole:

1. Schedule of cash receipts, disbursements and changes in cash balances – nonmajor governmental funds
2. Schedule of indebtedness
3. Bond and note maturities
4. Schedule of receipts by source and disbursements by function – all governmental funds

The following information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements and our auditors' report will not provide an opinion or any assurance on that information:

1. Management's discussion and analysis
2. Budgetary comparison schedule of receipts, disbursements and changes in balances – budget and actual (cash basis) – all government funds and proprietary funds
3. Notes to other information – budgetary reporting
4. Schedule of the City's Proportionate Share of the Net Pension Liability

5. Schedule of City Contributions

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements and related notes.
- Preparation of adjusting journal entries.

Audit objectives

The objective of our audit is the expression of opinions about whether your basic financial statements are fairly presented, in all material respects, in conformity with the cash basis of accounting (a special purpose framework), which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions.

We will issue a written report upon completion of our audit of your financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*. The report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We also perform procedures for testing compliance guidelines in the City compliance guide published by the Iowa Auditor of State.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error. An audit involves performing procedures to obtain sufficient appropriate audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City, may not be detected. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention.

In making our risk assessments, we consider internal control relevant to the City's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we identify during the audit that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of laws, regulations, contracts,

and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and compliance relevant information about any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that may have occurred that are required to be communicated under *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting. Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for including all informative disclosures that are appropriate for the cash basis of accounting. Those disclosures will include (a) a description of the cash basis of accounting, including a summary of significant accounting policies, and how the cash basis of accounting differs from U.S. GAAP; (b) informative disclosures similar to those required by U.S. GAAP; and (c) additional disclosures beyond those specifically required that may be necessary for the financial statements to achieve fair presentation.

You are responsible for the design, implementation, and maintenance of effective internal control, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the City involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the City complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered. You are responsible

for taking timely and appropriate steps to remedy any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report.

You are responsible for ensuring that management is reliable and for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and for the accuracy and completeness of that information, and for ensuring the information is reliable and properly reported; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence. You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for the preparation of the supplementary information in accordance with the cash basis of accounting. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements. During our engagement, we will request information and explanations from you regarding, among other matters, the City's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the City's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

The responsibilities and limitations related to the nonaudit services performed as part of this engagement are as follows:

- We will prepare a draft of your financial statements and related notes. Since the preparation and fair presentation of the financial statements is your responsibility, you will be required to acknowledge in the representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for those financial statements. You have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements.
- We will propose adjusting journal entries as needed. You will be required to review and approve those entries and to understand the nature of the changes and their impact on the financial statements.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Use of financial statements

The financial statements and our report thereon are for management's use. If you intend to reproduce and publish the financial statements and our report thereon, they must be reproduced in their entirety. Inclusion of the audited financial statements in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We expect to begin our final audit fieldwork on approximately August 14, 2017. The completion and issuance of the financial statements will be by October 31, 2017, based on the cooperation and assistance of personnel in providing all necessary information to complete the audit in a timely manner.

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a Regulator, Cognizant or Oversight Agency for Audit, or Pass-through Entity, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CLA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the Regulator, Cognizant or Oversight Agency for Audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Except as permitted by the "Consent" section of this agreement, CLA will not disclose any confidential, proprietary, or privileged information of the City to any persons without the authorization of City management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Our engagement and responsibility end on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Mediation

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you, including this engagement, shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Minnesota, without giving effect to choice of law principles.

Time limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute that may arise between the parties. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a Dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against us must be commenced within twenty-four (24) months ("Limitation Period") after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

Fees

Our fees for these services will be based on the time involved and the degree of responsibility and skills required, plus expenses including internal and administrative charges. Based on our preliminary estimates, the fee for the engagement should approximate \$15,250. The fee estimate is based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fee for services will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimate. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Unanticipated services

We do not anticipate encountering the need to perform additional services beyond those described in this letter. Below are listings of services considered to be outside the scope of our engagement. If any such service needs to be completed before the audit can proceed in an efficient manner, we will determine whether we can provide the service and maintain our independence. If appropriate, we will notify you and provide a fair and reasonable price for providing the service. We will bill you for the service at periodic dates after the additional service has been performed.

Bookkeeping services

Bookkeeping services are not audit services. Bookkeeping services include the following activities:

- Preparation of a trial balance
- Account reconciliations
- Bank statement reconciliations
- Capital asset accounting (e.g., calculating depreciation, identify capital assets for additions and deletions)
- Calculating accruals
- Analyzing transactions for proper recording
- Converting cash basis accounting records to accrual basis
- Preparation of financial statements and the related notes to the financial statements
- Processing immaterial adjustments through the financial statements
- Adjusting the financial statements for new activities and new disclosures

Additional work resulting from unanticipated changes in your organization or accounting records

If your organization undergoes significant changes in key personnel, accounting systems, and/or internal control, we are required to update our audit documentation and audit plan. The following are examples of situations that will require additional audit work:

- Revising documentation of your internal control for changes resulting from your implementation of new information systems
- Deterioration in the quality of the City's accounting records during the current-year engagement in comparison to the prior-year engagement
- Significant new accounting issues

- Significant changes in your volume of business
- Mergers, acquisitions, or other business combinations
- New or unusual transactions
- Changes in audit scope or requirements resulting from changes in your activities
- Erroneous or incomplete accounting records
- Evidence of material weaknesses or significant deficiencies in internal control
- Substantial increases in the number or significance of problem loans
- Regulatory examination matters
- Implementation or adoption of new or existing accounting, reporting, regulatory, or tax requirements
- New financial statement disclosures

Changes in engagement timing and assistance by your personnel

The fee estimate is based on anticipated cooperation from your personnel and their assistance with timely preparation of confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, we will advise management. Additional time and costs may be necessary because of such unanticipated delays. Examples of situations that may cause our estimated fee to increase include:

- Significant delays in responding to our requests for information such as reconciling variances or providing requested supporting documentation (e.g., invoices, contracts, and other documents)
- Rescheduling our fieldwork
- Schedule disruption caused by litigation, financial challenges (going concern), loan covenants (waivers), etc.
- Identifying a significant number of proposed audit adjustments
- Schedules prepared by your personnel that do not reconcile to the general ledger
- Numerous revisions to information and schedules provided by your personnel
- Restating financial statements for accounting errors in the prior year
- Lack of availability of City personnel during audit fieldwork

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the letter increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Other fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

Consent

Consent to use financial information

Annually, we assemble a variety of benchmarking analyses using client data obtained through our audit and other engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this engagement letter will serve as your consent to use of City of Mount Vernon's information in these cost comparison, performance indicator, and/or benchmarking reports.

Subcontractors

CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement.

Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. Please sign, date, and return the enclosed copy of this letter to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

CliftonLarsonAllen LLP



Craig Popenhagen, CPA
Principal
507-434-7041
Craig.popenhagen@CLAconnect.com

Response:

This letter correctly sets forth the understanding of City of Mount Vernon.

Authorized governance signature: _____

Title: Mayor/City Council _____

Date: _____

Authorized management signature: _____

Title: Management _____

Date: _____

**Bradley L. Hauge, CPA
4807 Marygreen Court NE
Cedar Rapids, Iowa 52411
319-560-5237**

May 1, 2017

Mr. Chris Nosbisch, City Administrator
City of Mt. Vernon
213 1st Street West
Mt. Vernon, Iowa 52314

Dear Chris:

I am pleased to provide accounting services for the City of Mt. Vernon, Iowa (the City) for the fiscal year ending June 30, 2017. The purpose of this engagement letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services to be provided.

Services to be provided:

- Review receipts and disbursements ledgers for the fiscal year ending June 30, 2017.
- Prepare adjusting journal entries as needed.
- Reconcile transfers made during the year.
- Prepare and/or update various workpapers for the auditor.
- Prepare the financial statement (excel) portion of the City's year-end financial report to be audited by the City's auditors.
- Reconcile the year-end Clerk's Report balances to the year-end financial report.
- Assist with the preparation of the Management's Discussion and Analysis.
- Review final draft of the year-end audited financial statements, along with the completed disclosure checklist, in order to eliminate the internal control letter deficiency comment received in the past.
- Preparation of the City Street Financial Report.
- Preparation of the State of Iowa City Annual Financial Report.

Fees and payment terms

The charges for this work are to be based upon the time involved. Bills for services are due when submitted. It is estimated that fees for the above services will be between \$6,225 and \$6,775.

I will not audit or review your financial statements, or any other accounting documents and information you provide, in accordance with generally accepted auditing standards. Accordingly, I ask that you do not in any manner refer to this as an audit or review.

You are responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, for retaining supporting documentation for those transactions, and for devising a system of internal controls that will, among other things, help assure the preparation of proper financial statements.

Furthermore, you are responsible for management decisions and functions, for designating a competent employee to oversee any of the services I provide, and for evaluating the adequacy and results of those services.

If, after full consideration, you agree that the foregoing terms shall govern this engagement, please sign this letter in the space provided and mail or email the signed letter back to me, keeping a fully-executed copy for your records.

I very much appreciate the opportunity to serve you and will be pleased to discuss any questions that you may have.

Very truly yours,



Bradley L. Hauge, CPA

ACCEPTED AND AGREED:

City of Mt. Vernon, Iowa

By _____

Date _____

Title

AGENDA ITEM # G - 3

**AGENDA INFORMATION
MT. VERNON CITY COUNCIL COMMUNICATION**

DATE:	June 19, 2017
AGENDA ITEM:	Resolution – 28E Law Enforcement Services
ACTION:	Motion

SYNOPSIS: The City of Lisbon had recently served the City of Mt. Vernon notice that they wished to discontinue the previous 28E arrangement. At the time the original 28E was approved, Lisbon was operating with one full time officer. They are no fully staffed with three full time officers and do not need as many contracted hours. The enclosed 28E agreement contains the same language that was previously approved by the City Council. It does, however, drop the number of weekly contracted hours to ten.

BUDGET ITEM: N/A

RESPONSIBLE DEPARTMENT: Police Chief

MAYOR/COUNCIL ACTION: Motion

ATTACHMENTS: Resolution and 28E

PREPARED BY: Chris Nosbisch

DATE PREPARED: 6/15/17

RESOLUTION #6-1-2017C

RESOLUTION APPROVING A 28E AGREEMENT BETWEEN THE CITY OF MT. VERNON AND THE CITY OF LISBON FOR LAW ENFORCEMENT SERVICES

WHEREAS, the City of Mt. Vernon operates a full time police department, and

WHEREAS, the City of Lisbon wishes to contract for law enforcement services with the City of Mt. Vernon for hours outside of their normal operating hours, and

WHEREAS, the 28E agreement, attached hereto and made a part thereof, outlines the terms and conditions of said arrangement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MT. VERNON, IOWA, that the City of Mt. Vernon hereby agrees to the 28E agreement for law enforcement services and authorizes the Mayor to execute said agreement.

APPROVED this 19th day of June, 2017.

Mayor

ATTEST: _____
City Clerk

**CITY OF LISBON, IOWA
RESOLUTION NO. 26-2017**

**RESOLUTION AUTHORIZING CITY OF LISBON TO ENTER INTO A 28E
AGREEMENT WITH THE CITY OF MT. VERNON**

WHEREAS, the City Council wishes to enter into an agreement with the City of Mt. Vernon, Linn County for law enforcement services;

BE IT RESOLVED by the Council of the City of Lisbon, Iowa, the following:

1. Approve entering into a 28E agreement with the City of Mt. Vernon, Linn County.
2. Allow the Mayor and City Clerk to sign the contract on behalf of the city
3. The above agreement to become affective when signed by both parties.

Motion Nelson, seconded by Bardsley.

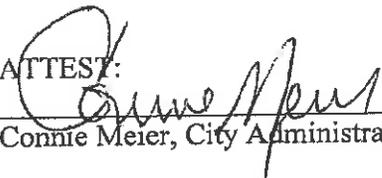
Roll Call Vote	Absent	Aye	Nay	Abstain
John Bardsley		X		
Travis Jubeck		X		
Joe Nelson		X		
Doug O'Connor		X		
Nate Smith	X			

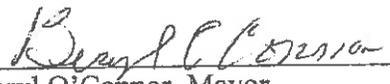
Motion carried 4-0.

WHEREUPON, the Mayor declared that RESOLUTION NO. 26-2017, be adopted and signified his approval of the same by affixing his signature thereto.

PASSED, by the Council on the 12th day of June 2017, and approved by the Mayor on the 12th day of June 2017.

ATTEST:


Connie Meier, City Administrator/Clerk


Beryl O'Connor, Mayor

28E CONTRACTUAL AGREEMENT FOR LAW ENFORCEMENT SERVICES

THIS CONTRACT (hereinafter, the "Agreement") made and entered into this 12th day of June, 2017 by and between the City of Mount Vernon, Iowa (hereinafter "Mount Vernon") and the City of Lisbon, Iowa (hereinafter "Lisbon"). This Contract revokes and replaces all previous Law Enforcement Assistance Agreements between the Cities of Mount Vernon and Lisbon. This agreement does not affect the Agreement Establishing Mutual Aid Law Enforcement Services (the "Mutual Aid Agreement") between Mount Vernon and Lisbon

WHEREAS, Lisbon is desirous of contracting law enforcement services with Mount Vernon, and WHEREAS, Mount Vernon is agreeable to rendering such service on the terms and conditions hereinafter set forth, and WHEREAS, Mount Vernon is agreeable to furnishing law enforcement services to Lisbon as hereinafter set forth.

NOW, THEREFORE, pursuant to Chapter 28E of the Code of Iowa, 2016, the parties agree as follows:

1. Duration of Agreement. The duration of this Agreement is July 1, 2017 through June 30, 2018. Thereafter this Agreement will be for a duration of one year, beginning July 1, and through June 30 of each year, unless terminated by either party according to this Agreement as defined in section 5 below.
2. No Entity Created. No separate legal or administrative entity is created by this Agreement.
3. Purpose of Agreement. The purpose of this Agreement is to provide supplemented law enforcement services to Lisbon.
4. Financing. Lisbon shall finance the operation from general revenue. Detailed budgets and costs shall be kept by both parties. Lisbon agrees to pay Mount Vernon a rate of \$40.00 per hour for police services, payable quarterly on the 15th day of the first month of each quarter.
5. Renewal. The Agreement will automatically extend for an additional one year period unless three months' written notice of intent not to extend is given by either party.
6. Services to be provided.
 - a. Mount Vernon agrees to provide law enforcement services within the corporate limits of Lisbon, which services shall include but not be limited to the enforcement of state statutes, where applicable, municipal ordinances, general patrol activities,

and the duties and functions of the type customarily rendered by professional law enforcement officers to enforce the ordinances of the municipal code of Lisbon and the statutes of the State of Iowa by duly sworn and certified officers of Mount Vernon. Law enforcement services do not include civil process, including but not limited to the service of legal process or civil ordinance enforcement, or criminal investigations beyond those incidental to responding to a request for service. The calculation of hours of law enforcement service is determined by the hours spent providing law enforcement services in Lisbon, as well as necessary followup work, wherever performed, including but not limited to transporting arrestees and completing paperwork associated with arrests and citations taking place in Lisbon.

- b. Mount Vernon agrees that it shall provide law enforcement services within the corporate limits of Lisbon for up to 10 hours per week when Lisbon does not have an officer on duty. If in a given week Mount Vernon has already provided 10 hours of law enforcement services and an emergency occurs in Lisbon while Lisbon has no officer on duty, Lisbon agrees to pay Mount Vernon according to the rate set forth in paragraph 4 for all law enforcement services provided on an emergency basis. Law enforcement services provided pursuant to the Mutual Aid Agreement do not count toward the up to 10 hours set forth in this paragraph. Lisbon may request, and Mount Vernon in its sole discretion may agree to provide, additional hours of law enforcement services pursuant to the terms and conditions of this Agreement at the rate set forth in paragraph 4.
- c. The parties agree that during peak policing hours Mount Vernon will only provide Lisbon mutual aid and shall respond to emergencies but will not provide any other law enforcement services. "Peak policing hours" are defined as 7:00 p.m. Friday to 3:00 a.m., Saturday, and 7:00 p.m. Saturday to 3:00 a.m. Sunday and such other hours as agreed upon by the Mount Vernon and Lisbon police chiefs
- d. Officers shall attend all law enforcement related court and administrative hearings upon the request of Lisbon City Attorney or Lisbon City Officials. Lisbon shall pay the attorney fees, court costs, and any other expenses associated with the prosecution of any case initiated by a Mount Vernon officer while providing law enforcement services to Lisbon under this Agreement. Lisbon shall pay Mount Vernon for any time spent by a Mount Vernon officer associated with attending any law enforcement related court and administrative hearings at the rate set forth in paragraph 4. This time shall not be included in the 5 hours of law enforcement services set forth in paragraph 6(b).

- e. Officers shall, where possible file charges under City Ordinance of Lisbon, but if Lisbon has no applicable ordinance, then the charge may be filed under applicable state statute.
 - f. Mount Vernon shall make monthly reports to the Lisbon Chief of Police and Lisbon City Administrator. These monthly reports shall include the enforcement activity, number of calls, and other matters which the parties deem important to be included in these reports.
 - g. The discipline of all officers in matters incident to performance of their services and control of all personnel shall remain with Mount Vernon. Mount Vernon shall also be responsible for training, hiring, firing, assignment and other discipline of their employees.
 - h. Mount Vernon shall hold Lisbon harmless for any liability arising out of Mount Vernon's performance of this contract. Lisbon shall, however, remain responsible for any intentional or negligent acts of Lisbon, its officers or employees, that result in liability and damages to Mount Vernon or third parties. Both Mount Vernon and Lisbon shall provide their liability insurance to cover the operation and performance of this contract.
7. Responsibility of the Mayor. The Mayor of Lisbon shall be responsible for setting law enforcement practices and standards for law enforcement services provided pursuant to this agreement, generally. Said guidelines will be communicated directly to the Mount Vernon Police Chief by the Mayor. Laws are to be enforced equally and without favor.
8. Specialty Personnel. If it becomes necessary for Mount Vernon to provide special investigative, enforcement, photographic, or other services to Lisbon for the investigation or prosecution of any crime committed in Lisbon, Mount Vernon shall bill Lisbon on a monthly basis for police services at the rate set forth in paragraph 4 and for expenses at the actual cost to Mount Vernon. Mount Vernon agrees that the above services shall only be necessary if the regular patrol officer is unable to perform the needed work due to the lack of experience, training, or availability. It is anticipated by the parties that the above services would only be required of the investigation of major felony matters. The billing for specialty services will be done by Mount Vernon. An itemized statement will be prepared and sent to Lisbon for the services and payment for the services will be sent to Mount Vernon and placed in general fund as revenue. Payments for services under this paragraph shall be due 30 days from the date of the invoice.
9. Lisbon Non-Liability. Lisbon shall not assume any liability for direct payment of any salaries, wages or other compensation to any Mount Vernon personnel performing services

herunder for Lisbon, or any liability other than provided in the contract. Lisbon shall not be liable for compensation or indemnity to any Mount Vernon employee for injury or sickness arising out of his or her employment and Mount Vernon hereby agrees to hold harmless Lisbon from any such claim.

10. Liability Insurance. Each of the parties hereto agrees that they shall maintain the same liability insurance coverage they now have in force to insure their respective interest in this contract. Each party may require proof of insurance and certification of insurance from the other, and compliance with such a request shall not be unreasonably withheld.
11. Consultation with Lisbon. The Mount Vernon Police Chief shall make him or herself available during normal working business hours to the City Council or Mayor of Lisbon to discuss law enforcement services being provided to Lisbon.
12. Access. All parties mutually agree to allow access to records, documents, and papers to auditors of Lisbon and of Mount Vernon as allowed by Chapter 692 of the Code of Iowa. Such access shall be allowed until three years after the expiration date of this contract.
13. Third Party Claims. Lisbon shall not be responsible for any act, injury, or damage arising out of the performance of this contract due solely to the fault or negligence of Mount Vernon. Lisbon shall, however, be responsible for any act including acts of negligence, that causes claims to be made by or against Mount Vernon or a third party. Each party to this agreement shall be required to defend any action as their interests appear.
14. Mount Vernon Non-Liability. Mount Vernon and its officers and employees shall not be deemed to assume any liability for intentional or negligent acts of Lisbon, its officers or employees. Lisbon shall hold Mount Vernon, its officer and employees harmless from, and shall defend Mount Vernon, its officers and employees against any claim for damages resulting therefrom.
15. Entire Agreement. All parties state that they have obtained the necessary approval and acceptance from their respective governing bodies to enter into this Agreement and that the above provisions constitute the entire and complete agreement between the parties on this subject matter.

THE ABOVE CONTRACT is hereby entered into by the following authorized agents of the parties.

CITY OF MOUNT VERNON

By: _____

Jamie Hampton, Mayor

ATTEST:

Chris Nosbisch, City Administrator

CITY OF LISBON

By: Beryl O'Connor

Beryl O'Connor, Mayor

ATTEST:

Connie Meier

Connie Meier, City Administrator

H. Mayoral Proclamation



**Olympic Day Proclamation
June 23, 2017**

- Whereas,** for over 100 years, the Olympic movement has built a more peaceful and better world by educating young people through amateur athletics, by bringing together athletes from many countries in friendly competition, and by forging new relationships bound by friendship, solidarity, and fair play;
- Whereas,** the United States Olympic Committee is dedicated to coordinating and developing amateur athletic activity in the United States to foster productive working relationships among sports-related organizations;
- Whereas,** the City of Mount Vernon promotes and supports amateur athletic activities involving Olympic and Paralympic sport;
- Whereas,** the City of Mount Vernon promotes and encourages physical fitness and public participation in amateur athletic activities;
- Whereas,** the City of Mount Vernon assists organizations and persons concerned with sports in the development of athletic programs for able-bodied and disabled athletes regardless of age, race, or gender;
- Whereas,** June 23 is the anniversary of the founding of the modern Olympic movement, representing the date on which the Congress of Paris approved the proposal of Pierre de Coubertin to found the modern Olympics:

Now, Therefore, I, _____, Mayor of the City of Mount Vernon, do hereby proclaim with much appreciation and admiration, June 23, 2017 as

Olympic Day

in the City of Mount Vernon and urge all citizens to observe such anniversary with appropriate ceremonies and activities.

In Witness Whereof, I have hereunto set my hand and caused the Great Seal of the City of Mount Vernon to be affixed this 23rd day of June 2017.

Mayor



J. Motions for Approval

CITY OF MOUNT VERNON
CLAIMS FOR APPROVAL, JUNE 19, 2017

MOUNT VERNON, CITY OF	EMPLOYEE BENEFIT TRANSFER	253,844.07
PAYROLL	CLAIMS	79,228.68
IMWCA	WORKER'S COMP INSURANCE	77,078.94
MOUNT VERNON, CITY OF	SEWER TRANSFER	32,053.70
MOUNT VERNON, CITY OF	LAW/EMERG LEVY TRANSFER	30,804.35
MOUNT VERNON, CITY OF	2014 STREET BOND TRANSFER	26,407.15
MOUNT VERNON, CITY OF	WATER TRANSFER	13,737.30
OPN ARCHITECTS	WELLNESS CENTER/STUDY PHASE III	5,460.00
US BANK	CREDIT CARD PURCHASES-ALL DEPTS	4,012.22
IOWA SOLUTIONS INC	WATCHGUARD SERVIER INSTALL-PD	2,995.00
ALLIANT IES UTILITIES	ENERGY USAGE-WAT	2,960.67
HEIMAN FIRE EQUIPMENT INC	TOOLS-FD	2,500.00
BARNYARD SCREEN PRINTER LLC	T-SHIRTS-P&REC	2,040.50
STATE HYGIENIC LAB	TESTING-SEW	2,027.50
MOUNT VERNON ACE HARDWARE	SUPPLIES-ALL DEPTS	1,523.38
GPM	RAW COMPOSITE SAMPLER REPAIR-SEW	1,470.44
WAPSI WASTE SERVICE	RECY-SW	1,428.58
MOUNT VERNON, CITY OF	LOST III TRAILS TRANSFER	1,208.75
WEX BANK	FUEL-PD,WAT,SEW	1,177.45
VESSCO INC	VACUUM REGULATOR-WAT	973.69
ELECTRIC PUMP	PUMP #2 INSPECTION-SEW	966.80
MOUNT VERNON LISBON SUN	ADS/PUBLICATIONS-P&REC	942.50
ALLIANT IES UTILITIES	ENERGY USAGE-P&A	885.06
ESCO ELECTRIC COMPANY	BLOWER #2 BUCKET POWER-SEW	850.00
CURTIS ENGLISH	PORTABLE RR RENTALS-P&REC	830.00
CAMPBELL SUPPLY CEDAR RAPIDS	FILE CABINET-RUT	785.00
WITMER PUBLIC SAFETY GROUP	RADIOS-FD	665.59
MARKET STREET TECHNOLOGIES INC	WEBSITE PROJECT-MVHPC	625.00
TRUENORTH COMPANIES	EMPLOYEE THEFT/FORGERY POLICY	531.00
THIRD GENERATION COTTON CANDY	CTW FOOD VENDOR-P&REC	530.00
MOUNT VERNON LISBON SUN	ADS/PUBLICATIONS-P&REC,POOL	483.76
CAMPBELL SUPPLY CEDAR RAPIDS	LEVEL,SHACKLES,SLINGS-RUT	462.43
BROWN SUPPLY COMPANY	LINK SEAL-SEW	456.00
ALLIANT IES UTILITIES	APPARATUS TESTING SERVICE-FD	441.00
SAM'S CLUB #8162	SUPPLIES-POOL	424.60
NATHAN GOODLOVE	FIRE CHIEF PAY-FD	416.67
IOWA SOLUTIONS INC	EMAIL ISSUES,INSTALL PLOTTER-P&A	405.00
ALLIANT IES UTILITIES	ENERGY USAGE-RUT	390.98
ALLIANT IES UTILITIES	ENERGY USAGE-P&REC	350.05
NATHAN GOODLOVE	CELL PHONE REIMB-FD	300.00
DEREK BOREN	CELL PHONE REIMB-FD	300.00
ALLIANT IES UTILITIES	ENERGY USAGE-FD	245.55
PACE SUPPLY	CHALK DIAMOND LINE-P&REC	240.00
EVER-GREEN LANDSCAPE NURSERY	MULCH-RUT	192.00
SAM'S CLUB #8162	SUPPLIES-POOL	175.38
RYDIN DECAL	PARKING TAGS-PD	170.87
KONE INC	ELEVATOR MAINT CONTRACT-P&A	166.23
IOWA LAW ENFORCEMENT ACADEMY	FIREARMS INSTRUCTOR RECERT-PD	150.00
MOUNT VERNON BANK & TRUST CO	NSF CHECK-POOL	150.00
PACE SUPPLY	BASES,PLUGS-P&REC	149.88
ALLIANT IES UTILITIES	ENERGY USAGE-PD	129.43
IOWA SOLUTIONS INC	INFRASTRUCTURE UPGRADE-PD	125.00
CAREPRO PHARMACY	SUPPLIES-P&A,POOL	124.74
ALL SECURE	ALARM SYSTEM REPAIR-POOL	120.00
US CELLULAR	CELL PHONE-PD	116.17
ALLIANT IES UTILITIES	ENERGY USAGE-ST LIGHTS	114.24
USA BLUE BOOK	SUPPLIES-WAT	113.88

CITY OF MOUNT VERNON
CLAIMS FOR APPROVAL, JUNE 19, 2017

STAPLES ADVANTAGE	SUPPLIES-POOL,P&A	112.55
IOWA ONE CALL	LOCATES-SEW	95.40
LEATHER PLUS & REPAIR	CELL PHONE CASES-FD	75.00
IOWA INSURANCE DIVISION	PERPETUAL CARE FILING FEE-CEM	65.00
IOWA DEPT OF NATURAL RESOURCES	OPERATOR CERTIFICATION-WAT	60.00
IOWA DEPT OF NATURAL RESOURCES	OPERATOR CERTIFICATION-SEW	60.00
MONTICELLO EXPRESS	SWIM CARDS-POOL	58.69
AIRGAS INC	CYLINDER RENTAL FEE-PW	57.32
ARAMARK	RUGS-FD	53.75
ARAMARK	RUGS-FD	53.75
MIDWEST SAFETY COUNSELOR	INSTRUMENT CALIBRATION-FD	50.00
MIDWEST SAFETY COUNSELOR	CHARGING STATION-FD	45.67
KROMMINGA MOTORS INC	VEHICLE MAINT-FD	40.99
KIECKS	UNIFORMS-FD	39.45
CENTURY LINK	PHONE CHGS-PD	36.86
SLED SHED INC	SWITCH/HUSTLER-RUT	35.49
KRISTI MEYER	SWIM LESSON REFUND-POOL	35.00
CADEN ESKELSEN	UMPIRE PAY-P&REC	30.00
KIECKS	UNIFORMS-FD	26.00
KIEFER & ASSOCIATES	FANNY PACKS-POOL	23.80
KINGS MATERIAL INC	ADHESIVE-RUT	19.38
LINN COUNTY FIREFIGHTERS ASSOC	DUES-FD	12.50
PIPER LEWIS	REFUND-P&REC	5.00
CR/LC SOLID WASTE AGENCY	RECY-S/W	1.49
	TOTAL	558,550.27

AGENDA ITEM # J – 2

**AGENDA INFORMATION
MT. VERNON CITY COUNCIL COMMUNICATION**

DATE: June 19, 2017

AGENDA ITEM: Council Meeting

ACTION: Motion

SYNOPSIS: The first Council meeting in July is scheduled for July 3, 2017. Council can choose to leave the meeting as scheduled, or move the meeting to a later date. Traditionally, should the Council choose to move the meeting, the new Council date would be Wednesday, July 5, 2017.

BUDGET ITEM: N/A

RESPONSIBLE DEPARTMENT: City Administrator

MAYOR/COUNCIL ACTION: Motion

ATTACHMENTS: None

PREPARED BY: Chris Nosbisch

DATE PREPARED: 6/15/17

AGENDA ITEM # J-3

**AGENDA INFORMATION
MT. VERNON CITY COUNCIL COMMUNICATION**

DATE: June 19, 2017

AGENDA ITEM: Alley Vacation

ACTION: Motion

SYNOPSIS: The City has received a request from Janet Ault to vacate and sell a portion of the alley adjacent to her property. The other half of the alley adjacent to her property has already been vacated and sold to her neighbor. Planning and Zoning has reviewed the request and found no issue with the vacation. Staff will be reaching out to the other two property owners on this section of alley to see if they too would like the portion of the alley adjacent to their property. This would be the time to set a public hearing date for July __, 2017 (to be determined in J-2) to vacate and sell the alley by ordinance. Staff has attached a map outlining the alley segment that is being requested for vacation.

BUDGET ITEM: N/A

RESPONSIBLE DEPARTMENT: City Administrator

MAYOR/COUNCIL ACTION: Motion

ATTACHMENTS: Map

PREPARED BY: Chris Nosbisch

DATE PREPARED: 6/15/17

AGENDA ITEM # J - 4 & 5

**AGENDA INFORMATION
MT. VERNON CITY COUNCIL COMMUNICATION**

DATE: June 19, 2017

AGENDA ITEM: Crack Sealing

ACTION: Motion

SYNOPSIS: In an effort to get the longest possible life from our streets, staff is asking to crack seal a number of streets in the community. The smaller of the two bids (estimate #15463) is crack sealing of asphalt streets at a total of \$2,872.63. The larger bid of \$30,225.45 is to crack seal certain concrete streets in the community. This money will come from existing road use tax funds.

BUDGET ITEM: N/A

RESPONSIBLE DEPARTMENT: City Administrator

MAYOR/COUNCIL ACTION: Motion

ATTACHMENTS: Supporting Documents

PREPARED BY: Chris Nosbisch

DATE PREPARED: 6/15/17



PROPOSAL

1007 1st Ave. NW * PO Box 355 * Farley, IA 52046
 (563) 744-3422 Fax (563) 744-3146
 Fed ID # 42-1463491
kluesnerconstruction.com

DATE	ESTIMATE #
2/6/2017	15463

NAME / ADDRESS	CELL NUMBER	FAX NUMBER	PHONE NUMBER
CITY OF MT VERNON 213 1ST ST NW MT VERNON, IA 52314			319-895-0880
LOCATION			

DESCRIPTION	UNIT	RATE	TOTAL
CRACK SEALING OF STREETS			
ROUT CRACKS AS NEEDED			
CLEAN CRACKS WITH COMPRESSED AIR			
SEAL CRACKS WITH D-3405 HOT APPLIED RUBBERIZED SEALANT			
THE PRICE WILL BE \$0.83/LINEAL FOOT			
STREETS TO BE DONE AND PRICES ARE AS FOLLOWS:			
15TH AVE S FROM PALISADES RD TO 8TH ST W	300	0.83	249.00
15TH AVE FROM 8TH ST W TO NORTH END	735	0.83	610.05
10TH AVE W FROM 15TH AVE S TO 9TH ST W	75	0.83	62.25
13TH AVE S FROM 9TH ST W TO 7TH ST W	480	0.83	398.40
13TH AVE SW FROM 6TH ST SW TO 3RD ST W	576	0.83	478.08
9TH ST W FROM 15TH AVE S TO 13TH AVE S	165	0.83	136.95
8TH ST W FROM 15TH AVE S TO 13TH AVE S	420	0.83	348.60
7TH ST W FROM 15TH AVE S TO 13TH AVE S	210	0.83	174.30
6TH ST SW FROM 13TH AVE SW TO 15TH AVE SW	210	0.83	174.30
3RD ST W FROM WEST END TO 10TH AVE SW	80	0.83	66.40
12TH AVE SW FROM 3RD ST W TO 3RD ST W	0	0.83	0.00
13TH AVE SW FROM 7TH ST SW TO 6TH ST SW	210	0.83	174.30
WE PROPOSE TO FURNISH MATERIAL AND LABOR - COMPLETE IN ACCORDANCE WITH ABOVE SPECIFICATIONS. SIGN:			TOTAL

SIGNATURE



PROPOSAL

1007 1st Ave. NW * PO Box 355 * Farley, IA 52046
 (563) 744-3422 Fax (563) 744-3146
 Fed ID # 42-1463491
 kluesnerconstruction.com

DATE	ESTIMATE #
2/6/2017	15463

NAME / ADDRESS	CELL NUMBER	FAX NUMBER	PHONE NUMBER
CITY OF MT VERNON 213 1ST ST NW MT VERNON, IA 52314			319-895-0880
LOCATION			

DESCRIPTION	UNIT	RATE	TOTAL
ALL MEASUREMENTS ARE APPROXIMATE - AN ACCURATE MEASUREMENT WILL BE MADE UPON COMPLETION OF THE WORK TO DETERMINE THE FINAL COST.			
WE PROPOSE TO FURNISH MATERIAL AND LABOR - COMPLETE IN ACCORDANCE WITH ABOVE SPECIFICATIONS. SIGN: <i>Frank A. Bennett</i>			TOTAL \$2,872.63

PAYMENT DUE UPON COMPLETION OF THE WORK. PROPOSAL MAY BE WITHDRAWN BY US IF NOT ACCEPTED WITHIN 90 DAYS.

SIGNATURE _____



PROPOSAL

1007 1st Ave. NW * PO Box 355 * Farley, IA 52046
 (563) 744-3422 Fax (563) 744-3146
 Fed ID # 42-1463491

kluesnerconstruction.com

DATE	ESTIMATE #
6/7/2017	15470

NAME / ADDRESS	CELL NUMBER	FAX NUMBER	PHONE NUMBER
CITY OF MT VERNON 213 1ST ST NW MT VERNON, IA 52314			319-895-0880
LOCATION			

DESCRIPTION	UNIT	RATE	TOTAL
ROUT CRACKS AS NEEDED			
CLEAN CRACKS AND JOINTS WITH COMPRESSED AIR			
SEAL CRACKS AND JOINTS WITH D-3405 HOT APPLIED RUBBERIZED SEALANT			
THE PRICE WILL BE 0.69 PER LINEAL FOOT			
STREETS AND PRICES ARE AS FOLLOWS:			
VIRGIL AVE FROM HWY 30 TO SOUTH DRIVEWAY OF HARDEES			
JOINTS	2,058	0.69	1,420.02
RANDOMS	1,050	0.69	724.50
CURB LINE	340	0.69	234.60
VIRGIL FROM SOUTH DRIVEWAY OF HARDEES TO RACHEAL ST SE			
JOINTS	1,620	0.69	1,117.80
RANDOMS	75	0.69	51.75
RACHEAL ST SE FROM HWY 1 TO VIRGIL AVE DO SHORT STUB ON EAST SIDE			
OF VIRGIL			
JOINTS	1,216	0.69	839.04
RANDOMS	75	0.69	51.75
GLENN ST FROM VIRGIL AVE TO EAST END			
JOINTS	1,264	0.69	872.16
RANDOMS	45	0.69	31.05
HILL VIEW DR SE FROM HWY 30 TO OAK RIDGE DR SE			
JOINTS	4,235	0.69	2,922.15
RANDOMS	720	0.69	496.80
OAK RIDGE DR FROM CUL-DE-SAC TO COUNTRY CLUB DR			
JOINTS	4,434	0.69	3,059.46
WE PROPOSE TO FURNISH MATERIAL AND LABOR - COMPLETE IN ACCORDANCE WITH ABOVE SPECIFICATIONS. SIGN:			TOTAL

SIGNATURE



PROPOSAL

1007 1st Ave. NW * PO Box 355 * Farley, IA 52046
 (563) 744-3422 Fax (563) 744-3146
 Fed ID # 42-1463491

kluesnerconstruction.com

DATE	ESTIMATE #
6/7/2017	15470

NAME / ADDRESS	CELL NUMBER	FAX NUMBER	PHONE NUMBER
CITY OF MT VERNON 213 1ST ST NW MT VERNON, IA 52314			319-895-0880
LOCATION			

DESCRIPTION	UNIT	RATE	TOTAL
RANDOMS	1,350	0.69	931.50
CURBLINE	500	0.69	345.00
COUNTRY CLUB DR FROM HWY 3 TO LISBON CITY LIMIT SIGN			
CRACKS	6,112	0.69	4,217.28
CURBLINE	1,120	0.69	772.80
6TH ST NE FROM 1ST AVE N TO EAST END			
JOINTS	3,316	0.69	2,288.04
RANDOMS	780	0.69	538.20
TURTLE DOVE LANE FROM 6TH ST NE TO 6TH ST NE			
JOINTS	1,400	0.69	966.00
RANDOMS	255	0.69	175.95
WOLFE LANE FROM 6TH ST NE TO WOLFE LANE			
JOINTS	6,105	0.69	4,212.45
RANDOMS	930	0.69	641.70
B AVE NE FROM WOLFE LANE TO 3RD ST NE			
JOINTS	3,652	0.69	2,519.88
RANDOMS	195	0.69	134.55
VIRGIL AVE FROM RACHEAL ST SE TO SOUTH END			
JOINTS	958	0.69	661.02
RANDOMS		0.00	0.00
**NOTE: ALL MEASUREMENTS ARE APPROXIMATED AN ACCURATE MEASUREMENT WILL BE MADE ON COMPLETED WORK FOR FINAL BILLING			
**WE WILL DO ANY AMOUNT THAT WORKS WITHIN YOUR BUDGET			
WE PROPOSE TO FURNISH MATERIAL AND LABOR - COMPLETE IN ACCORDANCE WITH ABOVE SPECIFICATIONS. SIGN:			TOTAL \$30,225.45

PAYMENT DUE UPON COMPLETION OF THE WORK. PROPOSAL MAY BE WITHDRAWN BY US IF NOT ACCEPTED WITHIN ____ DAYS.

SIGNATURE _____

AGENDA ITEM # J – 6

**AGENDA INFORMATION
MT. VERNON CITY COUNCIL COMMUNICATION**

DATE:	June 19, 2017
AGENDA ITEM:	Solar Agreement – Red Lion
ACTION:	Motion

SYNOPSIS: Legal Counsel has finished their review of the agreement. This agreement establishes a purchase power relationship between the City and Red Lion. In exchange for the tax credits, investors (through Red Lion) will construct and maintain the solar array on the City Hall roof. The roof will be inspected over the course of the next two weeks to assure there are no significant deficiencies prior to installation. If approved, the construction would likely take place in July/August.

BUDGET ITEM: N/A

RESPONSIBLE DEPARTMENT: City Administrator

MAYOR/COUNCIL ACTION: Motion

ATTACHMENTS: Agreement

PREPARED BY: Chris Nosbisch

DATE PREPARED: 6/15/17

SOLAR POWER AND SERVICES AGREEMENT

Cover Sheet

This Solar Power and Services Agreement is made as of: 04/12/17 (the "Effective Date"), and together with the Cover Sheet, General Terms and Conditions, Exhibits, and Schedules. The parties to this Agreement (the "Parties") are as follows:

Provider: <u>Red Lion Mt Vernon Solar, LLC</u>	Buyer: <u>City of Mt Vernon</u>
All Notices: Street: <u>2719 Georgetown Avenue</u> City: <u>Norwalk, IA</u> Zip: <u>50211</u> Attn: <u>Terry Dvorak</u> Phone: <u>515-991-4594</u> Fax: <u>NA</u>	All Notices: Street: <u>213 1st Street</u> City: <u>Mt Vernon, IA</u> Zip: <u>52314</u> Attn: <u>Chris Nosbisch</u> Phone: <u>319-895-8742</u> Fax: <u>319-895-6108</u>
With a copy to: Name: <u>Fredrikson & Byron</u> Street: <u>505 East Grand Ave, Suite 200</u> City: <u>Des Moines, IA</u> Zip: <u>50309</u> Attn: <u>J. Marc Ward</u> Phone: <u>515-242-8900</u> Fax: <u>515-242-8950</u>	With a copy to: Name: _____ Street: _____ City: _____ Zip: _____ Attn: _____ Phone: _____ Fax: _____
Emergency Contact Information: Name: <u>Red Lion Renewables, LLC</u> Street: <u>2719 Georgetown Avenue</u> City: <u>Norwalk, IA</u> Zip: <u>50211</u> Attn: <u>Terry Dvorak</u> Phone: <u>515-991-4594</u> Fax: <u>NA</u> E-mail: <u>Terry.dvorak@redlionrenewables.com</u>	Emergency Contact Information: Name: <u>City of Mt Vernon</u> Street: <u>213 1st Street</u> City: <u>Mt Vernon, IA</u> Zip: <u>52314</u> Attn: <u>Chris Nosbisch</u> Phone: <u>319-895-8742</u> Fax: <u>319-895-6108</u> E-mail: <u>cnosbisch@cityofmtvernon-ia.gov</u>

The Parties hereby agree that the General Terms and Conditions attached hereto are incorporated herein.

Project Site Name:	<u>City Hall</u>		
Description and Address of Project Site:	<u>26 kW-dc located on roof of City Hall</u>		
System Description and Nameplate Capacity:	<u>Solar photovoltaic (PV) electricity generating systems tied into facility electrical system</u>		
Project Documents:	<u>Project system layout and description included in Exhibit E.</u>		
Local Electric Utility:	<u>Alliant Energy</u>		
Interconnection Agreement:	<u>Alliant Energy standard interconnection agreements.</u>		
EPC Contractor:	<u>Atwood Electric</u>		
Required Rebate:	<u>NA</u>		
Estimated Commercial Operation Date:	<u>05/30/17</u>		
Installation Date:	<u>See Exhibit H</u>		
System Acceptance Testing Requirements:	<u>Utility acceptance and Red Lion Renewables meter reading</u>		
Governing Law:	<u>Iowa</u>	Venue:	<u>Polk-Lynn County</u>
kWh Rate:	<u>Initial rate of \$0.09 /kWh with 2.5% annual escalator. See Exhibit F for schedule</u>		
Additional Expenses:	<u>NA</u>		
Early Termination Value:	<u>See Exhibit F for schedule</u>		

IN WITNESS WHEREOF, the Parties have caused this Solar Power and Services Agreement to be duly executed as of the date first written above.

CITY OF MT VERNON, IOWA

RED LION MT VERNON SOLAR, LLC

Name: _____
Date: _____
Title: _____

Name: Terry Dvorak
Date: _____
Title: CEO

GENERAL TERMS & CONDITIONS

Article I. Provider Obligations.

Section 1.01 Installation.

(a) Construction Plans. From and after the Effective Date, Provider shall provide to Buyer construction plans and engineering evaluations regarding the Installation Work (the date of such submission, the "Construction Plans Submission Date").

(b) Installation Work. After receipt of the Notice to Proceed (provided pursuant to Section 2.01 below), but no later than the Installation Date, Provider shall commence the Installation Work. Provider shall perform the Installation Work at the Premises in a manner that minimizes inconvenience to and interference with Buyer's and Buyer's invitees' and customers' use of the Project Site to the extent commercially practicable.

(c) Installation Standards. The System shall be installed with due care by qualified employees, representatives, agents, contractors, subcontractors or advisors of Provider and shall conform to Prudent Electric Practices and Applicable Law. If Provider fails to meet any of the foregoing standards in any material respect, Provider shall perform at its own cost, and without additional charge to Buyer, the professional services necessary to correct errors and omissions, including any necessary replacement of any component of the System, that are caused by Provider's failure to comply with the above standards in all material respects.

Section 1.02 Utility and Government Approvals. Provider shall obtain and maintain all Approvals that are required for the performance of the Installation Work, System Acceptance Testing, System Operations and any other work required under this Agreement.

Section 1.03 Testing. Provider may, upon not less than three (3) Business Days' prior written notice to Buyer, conduct testing of the System ("System Acceptance Testing"). System Acceptance Testing shall be deemed successful upon the achievement of the tests set forth on the Cover Sheet. Buyer shall have the right, but not the obligation, to be present at and observe the System Acceptance Testing, at Buyer's sole cost.

Section 1.04 Operation and Maintenance.

(a) System Operations. Provider shall perform System Operations (either itself or through Maintenance Providers) for the System at its sole cost and expense.

(b) Metering.

(i) Installation and Maintenance. Provider shall install and maintain, at the Delivery Point, a utility grade kilowatt-hour (kWh) meter for the measurement of Solar Services delivered to the Delivery Point (the "Metering System").

(ii) Testing. No more than one (1) time in any twelve (12) month period, Buyer may request, in writing, that Provider test the Metering System for accuracy. Notwithstanding the foregoing, if Buyer reasonably believes the Metering System is inaccurate, it may request, in writing, that Provider test the Metering System for accuracy. Provider shall test the Metering System within twenty (20) days after delivery of Buyer's written request, and shall provide to Buyer a copy of all testing and accuracy calibrations for the Metering System to Buyer.

(iii) Adjustments. If testing of the Metering System indicates that it is in error by more than two percent (2%), then Provider shall promptly repair or replace the Metering System. Provider shall make a corresponding adjustment to the records of the amount of Solar Services delivered to the Delivery Point based on such test results for (A) the actual period of time when such error caused inaccurate meter recordings, if that period can be determined to the mutual satisfaction of the Parties, or (B) if such period cannot be so determined, then a period determined by a third party mutually agreed upon by the Parties, such period not to exceed the *shorter* of: (X) one-half (1/2) of the period from the later of the date of the last previous test confirming accurate metering or the date the Metering System was placed into service; and (Y) two (2) years.

(iv) Costs. If (A) testing of the Metering System is pursuant to Buyer's written request under Section 1.04(b)(ii), and (B) such testing indicates the Metering System is in error by two percent (2%) or less, then Buyer shall be responsible for the costs of such testing and no adjustments will be made to the records. Otherwise, Provider will be responsible for the costs of such testing.

(c) Malfunxions and Emergencies. Provider shall notify Buyer (i) immediately upon the discovery of an emergency condition in the System, and (ii) within twenty-four (24) hours following its discovery of any material malfunction in the operation of the System or of the discovery of an interruption in the supply of Solar Services. If an emergency condition exists, Provider shall dispatch the appropriate personnel to perform the necessary repairs or take corrective action in an expeditious and safe manner. If there exists an imminent risk of damage or injury to any Person or any Person's property, then in any such case, Provider may (but shall not be obligated to) take such action as Provider deems appropriate to prevent such damage or injury. Such action may include disconnecting and removing all or a portion of the System, in compliance with the provisions of Section 1.05, or suspending the supply of Solar Services to Buyer. If such emergency condition exists due to: (a) an event of Force Majeure, then the Parties shall equally bear the costs of such action, including any necessary repairs or replacements to the System; (b) the acts or omissions of Buyer or a third party (excluding the EPC Contractor or any Maintenance Provider), then Buyer shall bear the costs of such action, including any necessary repairs or replacements to the System; or (c) for any other reason, then Provider shall bear the costs of such action, including any necessary repairs or replacements to the System.

Section 1.05 Removal of the System. Upon the expiration of the Term or the occurrence of an Early Termination Date, Provider shall, at its expense, remove the System from the Premises on a mutually agreeable date but in no event later than ninety (90) calendar days after the expiration of the Term or the Early Termination Date (as applicable); provided, however, that Provider shall not remove the System from the Premises if Buyer purchases the System by exercising its Purchase Option; provided, further, that Provider shall not be required to remove System mounting pads or other support structures; provided, further, that under no circumstances shall Provider be required to remove the System prior to the fifth (5th) anniversary of the Commercial Operations Date, unless otherwise agreed by Provider. Buyer's covenants in Section 6.02 shall remain in effect until the date that the System is removed pursuant to this Section 1.05. If Provider is under an obligation to remove the System pursuant to this Section 1.05, and fails to remove or commence substantial efforts to remove the System by the date agreed upon pursuant to this Section 1.05, Buyer may remove the System to a public warehouse (other than System mounting pads or other support structures) at Provider's cost.

Article II. Buyer Obligations.

Section 2.01 Installation.

(a) Approval of Construction Plans. Following the Construction Plans Submission Date and prior to delivery of the Notice to Proceed, Buyer shall have the right to review and approve all construction plans and engineering evaluations. Upon approving the construction plans and satisfaction of Buyer's conditions precedent set forth in Section 4.02, and within thirty (30) calendar days following the Construction Plans Submission Date, Buyer shall deliver to Provider a written notice directing Provider to commence the Installation Work (the "Notice to Proceed"). Buyer agrees to expend commercially reasonable efforts to approve the construction plans and satisfy the conditions precedent.

(b) Solar Access and Load. Buyer shall not cause or permit any interference with the System's insolation and access to sunlight, as such insolation and access exists as of the Effective Date. Buyer grants to Provider the right to file and record an Easement in the real property records for the County specified on the Cover Sheet where the Project Site is located setting forth the solar access rights granted herein. Buyer acknowledges that materially altering the existing load configuration to the Metering System could adversely affect the System or its function; Buyer covenants that it shall not materially alter such load configuration to the Metering System.

Section 2.02 Government Approvals. Buyer shall generally assist Provider in obtaining and maintaining Approvals required for Provider to perform its obligations under this Agreement. Such assistance by Buyer shall include providing to Provider in a timely manner: (i) any authorizations needed for any Approvals; (ii)

signed applications for permits, Local Electric Utility grid interconnection applications and agreement(s) and rebate applications; and (iii) drawings of the existing electrical and structural components of the Premises. To the extent that only Buyer is authorized to obtain or issue any necessary consents, approvals, permits, rebates or other Financial Incentives for the Installation Work, System Acceptance Testing, System Operations, System removal or any other work required under this Agreement, Buyer shall deliver to Provider promptly, and shall assist Provider in maintaining and utilizing, copies of such consents, approvals, permits, rebates, Financial Incentives and authorizations.

Section 2.03 Purchase Requirement. Buyer agrees to purchase all of the Solar Services delivered to the Delivery Point during the Term.

Section 2.04 Rights of Access.

(a) Access to Premises. Buyer hereby grants to Provider, its employees, agents, contractors, subcontractors, invitees, advisors, the EPC Contractor and any Maintenance Providers a license, which shall include the rights (a) to use and access the Premises to perform the Installation Work, ongoing maintenance work, and observe system operations during the Term, to confirm compliance with the terms of this Agreement and for any such period required to remove the System, (b) of ingress and egress to the Premises, and (c) to access electrical panels and conduits to interconnect the System with, or disconnect the System from, the Premise's electrical wiring to the extent required by this Agreement. Buyer and its authorized representatives shall at all times have access to and the right to observe the Installation Work, System Operations or removal of the System, but shall not interfere or handle any Provider equipment or any component of the System without written authorization from Provider; provided, however, in the event of a material malfunction or emergency as specified in Section 1.04(c), Buyer shall be permitted to take those actions necessary to prevent injury as specified in Section 2.06. Buyer grants to Provider the right to file and record an Easement in the real property records for the County specified on the Cover Sheet where the Project Site is located setting forth the access rights granted herein.

(b) Internet Connection. Buyer hereby grants to Provider, from the commencement of the Installation Work until the end of the Term, the right to connect the System monitoring equipment to the necessary intranet and/or internet networks so that it is possible for Provider to remotely monitor energy production by the System. Buyer will provide Provider with a working continuous ethernet connection to its intranet and/or internet network, in the area of electrical equipment.

(c) Temporary Storage Space During Installation or Removal. Buyer shall use commercially reasonable efforts to provide Provider and its contractors with sufficient space for the temporary storage and staging of tools, materials and equipment and for the parking of construction crew vehicles and temporary construction trailers and facilities reasonably necessary during the Installation Work, System Operations and System removal, and access for rigging and material handling. Buyer shall provide Provider a reasonable area for construction lay-down.

Section 2.05 Buyer Repairs & Maintenance.

(a) Electrical Structure. Buyer, at its sole cost and expense, shall make necessary repairs or changes to the existing electrical structure of the Premises, at Provider's direction and with its approval, so that the Premises are eligible for state subsidy, rebate funding renewable energy credits, sale of electricity, and otherwise to fulfill the intent of this Agreement. Notwithstanding the foregoing, except as set forth in Exhibit G, Buyer shall not make any material changes to: (i) its electrical equipment at the Premises after the date on which the applicable utility interconnection application is submitted unless any such changes, individually or in the aggregate, would not adversely affect the approval by such utility of such interconnection; or (ii) the Premises at any time during the Term that would adversely affect System Operation or the delivery of Solar Services to Buyer.

(b) Maintenance. Buyer shall maintain the Premises so that: (i) there exist no other site conditions or conditions at the Premises that would materially impede or increase the cost of Provider's obligations under Article I or the cost to produce Solar Services; (ii) the structural integrity of the Premises is sufficient to accommodate the System as designed by Provider; and (iii) overshadowing of the System is reduced to the extent reasonably practicable.

Section 2.06 Emergencies. If there exists an imminent risk of damage or injury to any Person or any Person's property, then Buyer may (but shall not be obligated to) take such action as Buyer deems appropriate to prevent such damage or injury. Such action may include disconnecting and removing all or a portion of the System, with notice thereof to Provider as soon as reasonably practicable. The costs and losses from such emergency condition shall be allocated in accordance with the last sentence of Section 1.04(c).

Article III. Title.

Section 3.01 Title to Environmental Attributes and Financial Incentives. Throughout the duration of this Agreement, Provider or Provider's Affiliate shall retain ownership of all Environmental Attributes, including any RECs, produced by the System, as well as any rebate or other Financial Incentives. Buyer's purchase of Solar Services does not include Environmental Attributes, any rebate or other Financial Incentives, or any other attributes of ownership of the System, all of which shall be retained and may be otherwise sold or transferred by Provider in its sole discretion.

Section 3.02 Title to the System. Provider, or an Affiliate of Provider, shall retain Ownership of the System at all times.

Section 3.03 Personal Property; Not A Fixture. The System shall, at all times, retain the legal status of Provider's or Provider's Affiliate's personal property as defined under Governing Law. Buyer covenants that it will use reasonable commercial efforts to place all Persons having an interest in or lien upon the real property comprising the Premises on notice of the ownership of the System and the legal status or classification of the System as personal property. If there is any mortgage or fixture filing against the Premises which could be construed as prospectively attaching to the System as a fixture of the Premises, Buyer shall provide to Provider a disclaimer, release or other similar instrument reasonably acceptable to Provider from any such mortgagee or Person making a fixture filing on the Premises. If Buyer is the fee owner of the Premises, Buyer consents to the filing of a disclaimer of the System as a fixture of the Premises in the office where real estate records are customarily filed in the jurisdiction of the Premises. If Buyer is not the fee owner, Buyer will obtain such disclaimer from such owner.

Article IV. Conditions Precedent.

Section 4.01 Provider's Conditions. The obligation of Provider to commence the Installation Work is subject to the satisfaction, of each of the following conditions (any of which may be waived in writing by the Provider in whole or in part):

- (a) Buyer's representations and warranties in Sections 5.01 and 5.02 remain true, complete and correct, in all material respects;
- (b) A rebate or subsidy in an amount of the Required Rebate is available to Provider (directly or indirectly by assignment under the Rebate Assignment Agreement) from the state, Local Electric Utility, or other source for the acquisition, installation, operation and maintenance of the System and is reserved for the System as designed;
- (c) Provider shall have obtained financing from one or more investors, lenders, or other sources which in aggregate is in the amount which Provider determines in its sole reasonable judgement is necessary to commence the Installation Work;
- (d) There is no material adverse change in the rebate or subsidy program or federal tax code since the Effective Date that would adversely affect the economics of the acquisition, installation, operation and maintenance of the System for Provider and its investors (if any), as determined by Provider in its sole discretion;
- (e) Buyer has executed and returned to Provider the Acknowledgement and Confirmation Form, pursuant to Section 15.04(c);
- (f) Provider has received the Notice to Proceed;
- (g) Any condition set forth in Exhibit F and G shall have been satisfied; and

(h) All necessary Approvals that are required to be obtained by Buyer have been obtained (except for such Approvals that are reasonably expected to be obtained in the ordinary course or are otherwise to be obtained by Provider).

Section 4.02 Buyer's Conditions. The obligation of Buyer to issue a Notice to Proceed is subject to the satisfaction, of each of the following conditions (any of which may be waived in writing by Buyer in whole or in part):

(a) Provider's representations and warranties in Section 5.01 remain true, complete and correct, in all material respects; and

(b) All necessary Approvals that are required to be obtained by Provider have been obtained (except for such Approvals that are reasonably expected to be obtained in the ordinary course or are otherwise to be obtained by Buyer).

Article V. Representations & Warranties.

Section 5.01 Representations and Warranties of the Parties. Each Party represents and warrants to the other as of the Effective Date and any other date that such representations and warranties are required to be repeated that:

(a) it is duly organized and validly existing and in good standing in the jurisdiction of its organization or incorporation, as appropriate;

(b) it has the full right and authority to enter into, execute, deliver, and perform its obligations under this Agreement;

(c) it has taken all requisite corporate or other action to approve the execution, delivery, and performance of this Agreement;

(d) this Agreement constitutes its legal, valid and binding obligation enforceable against such Party in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other similar laws now or hereafter in effect relating to creditors' rights generally;

(e) there is no litigation, action, proceeding or investigation pending or, to the best of its knowledge, threatened before any court or other Governmental Authority by, against, affecting or involving any of its business or assets that would affect its ability to carry out the transactions contemplated herein; and

(f) its execution and performance of this Agreement and the transactions contemplated hereby do not constitute a breach of any term or provision of, or a default under, (i) any contract or agreement to which it is a party or by which it or its property is bound, (ii) its organizational documents, or (iii) any Applicable Laws.

Section 5.02 Buyer Additional Representations and Warranties. In addition to its representations and warranties in Section 5.01, Buyer represents and warrants to Provider as of the Effective Date and any other date that such representations and warranties are required to be repeated that:

(a) if the Premises are located on a roof, the roof of the Premises (i) has been weather-proofed against the weather conditions reasonably expected to exist at the location of the Premises, (ii) can reasonably be expected to exist in the same condition (except for ordinary wear and tear) for a period of [seven (7) years] from the date of such representation, and (iii) otherwise has the structural integrity sufficient to accommodate the System as designed by Provider;

if the Premises are located on the ground, (i) the Buyer has made necessary accommodations for site access, security, and safety as defined in the Exhibit E Project Specifications, and (ii) appropriate grounds maintenance have been agreed to either in Exhibit E or through a separate Operations and Maintenance Agreement.

(b) there is a suitable electrical interconnection point of sufficient capacity to accommodate the System as designed by Provider located within 500 feet of the planned location of the System as described on the Cover Sheet;

(c) for any underground placement of electrical cable or conduit, to the best knowledge and belief of Buyer, there are no rocks or other obstructions that would prevent ordinary trenching equipment to be used for the installation of underground electrical cable from providing a trench of sufficient depth to comply with the National Electrical Code;

(d) to the best knowledge and belief of Buyer, there exist no site conditions or conditions at the Premises or construction requirements for the System as designed by Provider that would materially impede or increase the cost of Provider's obligations under Article 1 or the cost to produce Solar Services;

(e) that there are no threatened condemnation or eminent domain proceedings, or contemplated sales in lieu therein, involving a partial or total taking of the Premises;

(f) to the best of its knowledge after due inquiry, no Hazardous Substances exist on the Premises; and

(g) during the period which it has occupied the Premises, the Premises have not been used for the unlawful storage or disposal of Hazardous Substances.

Section 5.03 Exclusion of warranties. Except as expressly set forth in Section 1.01(c) and this Article 5, the installation work and the solar services provided by Provider to Buyer, and the removal of the System (if applicable) shall be "as-is, where-is". No other warranty to buyer or any other person, whether express, implied or statutory, is made as to the installation, design, description, quality, merchantability, completeness, useful life, future economic viability, or fitness for any particular purpose of the System, the Solar Services or any other service provided hereunder or described herein, or as to any other matter, all of which are expressly disclaimed by provider.

Article VI. General Covenants.

Section 6.01 Provider's Covenants. As a material inducement to Buyer's execution and delivery of this Agreement, Provider covenants and agrees to the covenants set forth in Exhibit G and the following:

(a) System Condition. Except as provided in Section 1.04(a), Provider shall take all actions reasonably necessary to ensure that the System is capable of delivering Solar Services to the Delivery Point.

(b) Health and Safety. In performing its obligations under this Agreement, Provider shall take all necessary and reasonable safety precautions and comply with Applicable Laws pertaining to the health and safety of persons and real and personal property. Provider shall promptly report to Buyer any death, lost time injury, or property damage to the Premises that occurs on the Premises.

(c) Liens. Provider shall not, as a result of its actions or inactions under this Agreement, directly cause, create, incur, assume or suffer to exist any mortgage, pledge, lien (including mechanics', labor or materialman's lien), charge, security interest, encumbrance or claim of any nature ("Liens") on or with respect to the Premises or any interest therein. If Provider breaches its obligations under this Section 6.01(c), it shall (i) immediately notify Buyer in writing, and (ii) promptly cause such Lien to be discharged and released of record without cost to Buyer, as Provider will pay for the discharge.

(d) Approvals. Subject to Buyer's performance of its obligations under Section 2.02, Provider shall obtain and maintain all Approvals required to be obtained and maintained in order to perform its obligations under this Agreement. Upon Buyer's request, Provider shall deliver copies of all Approvals obtained and maintained pursuant to this Section 6.01(d) to Buyer.

Section 6.02 Buyer's Covenants. As a material inducement to Provider's execution and delivery of the Agreement, Buyer covenants and agrees to the covenants set for in Exhibit G and each of the following:

- (a) Security. Buyer shall provide for physical security of the System, ~~including commercially reasonable installation, maintenance and monitoring of security alarms on the Premises~~
- (b) Notice of Damage. Buyer shall promptly notify Provider of any damage to, or loss of the use of, the System or any matter or circumstance that could reasonably be expected to adversely affect the System or its operation.
- (c) Health and Safety. Buyer shall at all times maintain the Premises consistent with all Applicable Laws pertaining to the health and safety of Persons and real and personal property. Buyer shall at all times comply with Provider's instructions and safety guidelines when in the vicinity of the System.
- (d) Liens. Buyer shall not directly or indirectly cause, create, incur, assume or suffer to exist any Liens on or with respect to the System or any interest therein. If Buyer breaches its obligations under this Section 6.02(d), it shall (i) immediately notify Provider in writing, and (ii) promptly cause such Lien to be discharged and released of record without cost to Provider, as Buyer will pay for the discharge.
- (e) Approvals. Buyer shall obtain and maintain Approvals required to be obtained and maintained by it to perform its obligations under this Agreement, including such Approvals required to site, install and maintain the System on the Premises.
- (f) Assignment of Rebate. To the extent that all or a portion of the Required Rebate is collectable only by Buyer under Applicable Law, the Parties shall enter into a Rebate Assignment Agreement, substantially in the form of Exhibit C hereto, which will assign the right to receive such Required Rebate from Buyer to Provider.
- (g) No Action to Invalidate Required Rebate or RECs. Notwithstanding anything else to the contrary in this Agreement, including the rights and options of Buyer contained herein, Buyer shall take no action that may invalidate, terminate or cause the recapture any financial incentive with respect to the System or that may prevent the System from producing RECs; provided, however, that the foregoing covenant shall not prevent Buyer from terminating this Agreement under Article IX.

Article VII. Payments.

Section 7.01 Solar Services Payment. Provider shall invoice Buyer on the fifth (5th) Business Day of each month, commencing on the first calendar month to occur after the Commercial Operation Date, for the Solar Services Payment in respect of the previous month. Buyer shall pay the amounts specified in such invoice within ten (10) Business Days after receipt of the invoice, and except as provided in Section 7.04, below, shall not be entitled to set off any amount owing from Provider against such payments.

Section 7.02 Method of Payment. Buyer shall make all payments under this Agreement by electronic funds transfer in immediately available funds to the account designated by Provider or by check mailed to Provider. Payment by check shall be considered made as of the date of mailing by Buyer. All payments that are not paid when due may, at the discretion of Provider, bear interest accruing from the date becoming past due until paid in full at a rate equal to the Default Rate. Except as provided Article XIII, all payments made hereunder shall be made free and clear of any tax, levy, assessment, duties or other charges.

Section 7.03 Deemed Production. In the event that (a) Buyer shuts down or curtails energy production from the System, (b) Buyer's errors, acts or omissions result in the shut down of the System or the curtailment of the production or delivery of Solar Services, or (c) Buyer requests that the System be relocated pursuant to Section 10.01 and the System is shut down to effectuate such relocation, for a cumulative duration of more than five (5) calendar days in a calendar year, then Buyer shall pay the Deemed Production Payment for each calendar day any such event occurs after the occurrence of such first five (5) calendar days. The Deemed Production Payment shall be paid in accordance with Section 7.01 as if it were a Solar Services Payment.

Section 7.04 Disputes and Adjustment of Invoices. If either Party disputes in good faith the accuracy of any invoice under this Agreement, it shall nevertheless pay the full amount when due. Upon giving written notice of the basis for a Party's dispute, the Parties will promptly work to resolve the dispute. If it is later determined that

an excess amount was paid by a Party, the other Party shall refund the excess amount plus interest within two (2) Business Days of resolution at the Non-default Rate from the original due date to but not including the date paid. Any dispute with respect to an invoice is waived unless the other Party is notified in accordance with this Section 7.04 within six (6) months after the invoice is rendered or any specific adjustment to the invoice is made.

Article VIII. Term.

Section 8.01 Term. The term of this Agreement shall commence on the Effective Date and shall continue for a period of twenty (20) years from the Commercial Operation Date (the "Term"), unless terminated earlier pursuant to Article IX or extended pursuant to Section 8.02.

Section 8.02 Extension Option. In the event this Agreement remains in effect during the final year of the Term, Purchaser shall have the option to extend the Term for one (1) additional five (5) year period (the "Extension Option").

Article IX. Termination and Remedies.

Section 9.01 Termination Due to Default.

(a) Events of Default. An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

- (i) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within ten (10) Business Days after written notice;
- (ii) such party becomes Bankrupt;
- (iii) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed to be made or repeated;
- (iv) such party fails to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default) within thirty (30) calendar days after written notice;
- (v) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party;
- (vi) other than due to the failure of the other Party to satisfy the conditions precedent applicable to it under Article IV, Buyer fails to provide the Notice to Proceed within thirty (30) calendar days of the Construction Plans Submission Date or Provider fails to commence the Installation Work by the Installation Date (in each case, other than due to an event of Force Majeure); and
- (vii) subject to Article X, Buyer (A) ceases to conduct business operations at, (B) vacates, or (C) transfers title to, the Premises.

(b) Remedies Upon Default. Upon the occurrence of an Event of Default, the Non-Defaulting Party may: (i) suspend its obligations under the Agreement for not more than ten (10) Business Days; and/or (ii) terminate this Agreement by providing written notice to the Defaulting Party that designates a day, no earlier than the day such notice is effective, as the Early Termination Date.

Section 9.02 Termination Without Default.

(a) Termination Events.

(i) Provider may terminate this Agreement at its sole option: (a) at any time prior to the Commercial Operation Date; or (b) if Buyer fails to fulfill the conditions precedent that are applicable to it under Section 4.01 by the Installation Date.

(ii) The non-Claiming Party may terminate this Agreement at its sole option if a Force Majeure shall have occurred and be continuing for a period of one hundred twenty (120) consecutive days or two hundred forty (240) days in the aggregate.¹

(b) Remedies Upon Termination Event. Upon the occurrence of an event under Section 9.02(a) that gives the applicable Party the right to terminate this Agreement, such Party may terminate this Agreement by providing written notice to the other Party that designates a day, no earlier than the day such notice is effective, as the Early Termination Date; provided, however, that neither party shall be owed a Net Settlement Amount, Early Termination Value or any other damages in connection with the termination of this Agreement.

Section 9.03 Early Termination Date Remedies.

(a) Upon the occurrence of an Early Termination Date:

(i) this Agreement and the Parties' respective rights and obligations hereunder will terminate (except as set forth in Section 14.14);

(ii) either Party may exercise any remedy it may have at law or in equity; and

(iii) if: (A) Buyer has not exercised its Purchase Option; and (B) Buyer is the Defaulting Party for an Event of Default, then (X) Provider shall provide notice to Buyer of the Net Settlement Amount, and (Y) within two (2) Business Days of receipt of such notice, Buyer shall pay the Net Settlement Amount.

(b) For the avoidance of doubt, in no event will Provider owe an Early Termination Value, Net Settlement Amount or any other damages in connection with the termination of this Agreement to Buyer, regardless of whether it is a Defaulting Party or otherwise.

(c) To the extent any damages required to be paid hereunder are liquidated, the Parties acknowledge that the damages are difficult or impossible to determine, or otherwise obtaining an adequate remedy is inconvenient and the damages calculated hereunder constitute a reasonable approximation of the harm or loss.

Section 9.04 Buyer's Purchase Option.

(a) So long as no Event of Default with respect to Buyer shall have occurred and be continuing, Provider grants to Buyer an option to purchase the System (the "Purchase Option"), exercisable during the thirty (30) calendar day period following each anniversary of the Commercial Operation Date. Buyer shall give at least sixty (60) calendar days' prior written notice to Provider of its intent to exercise its Purchase Option, which notice shall set forth the Early Termination Date and the Option Price on the Early Termination Date designated by Buyer's notice given pursuant to Section 9.04(a): (i) the Parties shall execute and deliver to each other all documents necessary to (A) cause title to the System to pass to Buyer, free and clear of any Liens, and (B) assign all warranties for the System, if any, to Buyer, to the extent assignable; and (ii) Buyer will pay the Option Price to Provider.

(b) In the event that: (i) Buyer retracts its exercise of the Purchase Option after providing notice to Provider pursuant to Section 9.04(a); or (ii) fails to pay the Option Price when due, then Buyer's exercise of the Purchase Option will be void, and the provisions of this Agreement shall be applicable throughout the Term, unless ended earlier due to the declaration of an Early Termination Date. Any legal fees or expenses incurred by the Provider in preparation of the purchase would be paid by Buyer.

¹ Subject to applicable S-REC or Rebate Contracts allowance for termination due to Force Majeure under similar circumstances.

Article X. Credit Assurance.

Section 10.01 Request for Credit Assurance. Provider may, from time to time, request that Buyer provide Provider with Credit Assurance if at any time Provider has reasonable grounds for insecurity concerning Buyer's ability to perform any of its obligations under this Agreement.

Section 10.02 Reasonable Grounds for Insecurity. For purposes of Section 10.01 Provider shall be deemed to have "reasonable grounds for insecurity" only when: (i) Buyer's or its Guarantor's long-term unsecured, unsubordinated debt is rated by S&P or Moody's, and there has been a decrease in the rating of any of such long-term unsecured, unsubordinated debt below BBB- or Baa3 by S&P or Moody's, respectively; or (ii) Buyer's or its Guarantor's long-term unsecured, unsubordinated debt is unrated, and Provider has reasonable grounds to believe that Buyer's creditworthiness or performance under this Agreement has become unsatisfactory.

Article XI. Temporary Relocation of System.

Section 11.01 Provided that this Section 11.01 does not violate Buyer's obligations in Section 6.02(g), on and after the fifth (5th) anniversary of the Commercial Operation Date, Buyer may request that Provider temporarily relocate the System to a new location, which Provider may accept in its reasonable discretion. Any of the following reasons shall be a reasonable basis for Provider to reject Buyer's request to relocate the System: (a) the new location is not located within the same Local Electric Utility district as the Premises, (b) the new location is not in a location with similar insolation and Local Electric Utility rates; (c) at the new location, the REC value produced by the relocated System will be less than the REC Value produced by the System if it remained at the original Premises; or (d) Provider expects the duration of such relocation to exceed ninety (90) calendar days. All costs and expenses associated with relocating the System shall be paid by Buyer.

Article XII. Change of Law.

Section 12.01 Environmental Attributes. Buyer acknowledges and agrees that (a) several Governmental Authorities are in the process of promulgating regulations or enacting legislation requiring the monitoring and reporting of greenhouse gas emissions and the allocation of Environmental Attributes, and that such regulations or legislation may be enacted during the Term, (b) any such enacted regulations or legislation may allocate Environmental Attributes in a manner inconsistent with this Agreement, and (c) in the event that Environmental Attributes are allocated in a manner inconsistent with this Agreement pursuant to such enacted regulations or legislation, Buyer shall take such actions as are required to provide Provider with the legal and/or beneficial interests in and to the Environmental Attributes, including execution, delivery and registration of any document required therefor.

Section 12.02 Adjustments to Solar Services Payments.

~~(a) — Change in Law. In the event there is any change in Applicable Law (including with respect to the Parties' tax obligations) subsequent to the Effective Date that results in a material change in Provider's costs to provide the Solar Services (a "Change in Law"), Provider will promptly submit to Buyer a written notice setting forth (i) the citation of the Change in Law, (ii) the manner in which such Change in Law shall materially change Provider's costs to provide the Solar Services, including computations in connection therewith, and (iii) Provider's proposed adjustment to the then applicable and future kWh Rates to reflect such expected material changes in Provider's costs.~~

~~(b) — Notice. Within thirty (30) days after delivery of Provider's notice, Buyer may, by written notice to Provider, (i) accept Provider's notice, or (ii) reject Provider's notice, and demand that the Fair Market Value of the Solar Services be computed to determine any increase in Provider's costs due to a Change in Law. A failure of Buyer to accept or reject Provider's notice pursuant to this Section 12.02(b) shall be deemed acceptance of Provider's notice.~~

~~(c)(a) Adjustment to kWh Rate. From and after the date of (i) Buyer's acceptance of Provider's notice, the kWh Rate shall be adjusted to include Provider's total increased cost due to the Change in Law, or (ii) the determination of the Fair Market Value of the Solar Services, the kWh Rate shall be adjusted according to such~~

~~determination of the Fair Market Value of the Solar Services; as applicable. THIS SECTION INTENTIONALLY DELETED.~~

Article XIII. Force Majeure.

Section 13.01 To the extent either Party is prevented by Force Majeure from carrying out, in whole or in part, its obligations under this Agreement and such Party (the "Claiming Party") gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations prevented by the Force Majeure (other than the obligation to make payments). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. Until the Force Majeure is remedied, the non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

Article XIV. Taxes and Governmental Fees.

Section 14.01 Buyer's Obligations. Except as provided in Section 14.02, Buyer shall reimburse (or rebate as applicable) and pay for any documented taxes, fees or charges imposed or authorized by any Governmental Authority and paid by Provider due to Provider's sale of the Solar Services to Buyer (other than income taxes imposed upon Provider), including taxes levied with respect to the Premises or the System that are or could be characterized as "use taxes", "ad valorem taxes" or "personal property taxes", whether assessed on a one-time or annual basis.

Section 14.02 Provider's Obligations. Subject to Section 14.01, Provider shall be responsible for all income, gross receipts, ad valorem, personal property or real property or other similar taxes and any and all franchise fees or similar fees assessed against it due to its Ownership of the System.

Article XV. Miscellaneous.

Section 15.01 Liability.

(a) Limitation of Liability. Subject to any liability waiver and assumption agreement, neither Party nor any of its indemnified Parties shall be liable to the other Party or its indemnified Parties for any damages, whether direct, special, punitive, exemplary, indirect, or consequential damages, or losses or damages for lost revenue or lost profits, whether foreseeable or not, arising out of, or in connection with this Agreement, except as expressly set forth herein.

(b) Liability Waiver and Assumption Agreement. Buyer agrees to enter into separate Liability Waiver and Assumption Agreements, each in a form substantially identical to Exhibit B hereto, with Provider, the EPC Contractor and every Provider Contractor. Provider's obligation to remove the System pursuant to Section 1.05 is subject to the condition precedent that Buyer enter into a Liability Waiver and Assumption Agreement with each Provider Contractor that Provider designates to perform such actions, if applicable.

Section 15.02 Confidentiality.

(a) Confidentiality Obligation. If either Party obtains the Confidential Information of the other Party as a result of negotiating or performing under this Agreement, then the receiving Party shall (i) protect the Confidential Information from disclosure to third parties with the same degree of care accorded its own confidential and proprietary information, and (ii) refrain from using such Confidential Information, except in the negotiation and performance of this Agreement. Notwithstanding the above, a Party may provide such Confidential Information to its officers, directors, members, managers, employees, agents, contractors, advisors, attorneys, consultants, Affiliates, lenders, and potential assignees of this Agreement (provided and on condition that such potential assignees be bound by a written agreement restricting use and disclosure of Confidential Information), in each case whose access is reasonably necessary to the negotiation and performance of, and the exercise of rights under, this Agreement. Each such recipient of Confidential Information shall be informed by the Party disclosing Confidential Information of its confidential nature and shall be directed to treat such information confidentially and shall agree to abide by these provisions. All Confidential Information shall remain the property of the disclosing

Party and shall be returned to the disclosing Party or destroyed after the receiving Party's need for it has expired or upon the request of the disclosing Party.

(b) Permitted Disclosures. Notwithstanding any other provision herein, neither Party shall be required to hold confidential any information that: (i) becomes publicly available other than through the receiving Party; (ii) is requested by a Governmental Authority under Applicable Law; (iii) is independently developed by the receiving Party; or (iv) becomes available to the receiving Party without restriction from a third party under no obligation of confidentiality.

(c) Goodwill and Publicity. Buyer shall not use the name, trade name, service mark, or trademark of Provider in any promotional or advertising material without the prior written consent of Provider, and shall coordinate and cooperate with Provider when making public announcements related to the execution and existence of this Agreement and the installation and operation of the System. Provider shall have the right to promptly review, comment upon, and approve any publicity materials, press releases, or other public statements by Buyer that refer to, or that describe any aspect of, this Agreement or the System. At no time shall a Party acquire any rights whatsoever to any trademark, trade name, service mark, logo or other intellectual property right belonging to the other Party without an express written agreement with respect thereto.

(d) Enforcement of Confidentiality Obligation. Each Party agrees that the disclosing Party would be irreparably injured by a breach of this Section 15.02 and that the disclosing Party may be entitled to equitable relief, including injunctive relief and specific performance, in the event of any breach of the provisions of this Section 15.02. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 15.02, but shall be in addition to all other remedies available at law or in equity.

Section 15.03 Assignment. Except as provided in Section 15.04, neither Party may assign this Agreement without the written consent of the other Party, such consent not to be unreasonably withheld or delayed; provided, however, that Provider may transfer this Agreement without consent: (a) to an Affiliate; (b) to any Person or entity succeeding to all or substantial all of the assets of the transferor and whose creditworthiness is equal or higher than that of the transferor; or (c) as a collateral assignment in connection with any financing or other financial arrangements.

Section 15.04 Lender Accommodations. Buyer acknowledges that Provider may finance the development, installation, acquisition, operation and/or maintenance of the System with financing or other accommodations from one or more financial institutions (each, a "Lender") and that Provider's obligations to such Lender(s) may be secured by, *inter alia*, a pledge or collateral assignment of this Agreement and a first security interest in the System (collectively, the "Lender's Security Interest"). In order to facilitate such financing or other accommodations (or agent or trustee on behalf of such financial institutions), and with respect to any Lender, Buyer agrees as follows:

- (a) Consent to Lender's Security Interest. Buyer consents to Provider providing to Lender, the Lender's Security Interest. Buyer acknowledges and agrees that: (i) Buyer and all of Buyer's rights hereunder are and shall be in all respects subject and subordinate to the Lender's Security Interest and all renewals, modifications, supplement, amendments, consolidations, replacements, substitutions, additions and extensions thereof; and (ii) no amendments or modifications of this Agreement, are permitted without Lender's prior written consent.
- (b) Rights Upon Event of Default. Notwithstanding any contrary term of this Agreement, upon the occurrence of an event of default under Lender's financing documents:
 - (i) Lender, as holder of the Lender's Security Interest, shall be entitled to exercise, in the place and stead of Provider, any and all rights and remedies of Provider under this Agreement in accordance with the terms of this Agreement. Lender shall also be entitled to exercise all rights and remedies of secured parties generally with respect to this Agreement and the System.

- (ii) Lender shall have the right, but not the obligation, to pay all sums due from Provider under this Agreement and to perform any other act, duty or obligation required of Provider hereunder or cause to be cured any default of Provider hereunder in the time and manner provided by the terms of this Agreement. Nothing herein requires Lender to cure any Provider Default (unless Lender has succeeded to Provider's interests under this Agreement) or to perform any act, duty or obligation of Provider under this Agreement, but Buyer hereby gives it the option to do so.
 - (iii) Upon the exercise of remedies under the Lender's Security Interest in the System, including any sale thereof by Lender, whether by judicial proceeding or under any power of sale contained therein, or any conveyance from Provider to Lender (or any Assignee of Lender) in lieu thereof, Lender shall give notice to Buyer of the transferee or assignee of this Agreement. Any such exercise of remedies shall not constitute a default under this Agreement, nor require Buyer's consent.
 - (iv) Upon any rejection or other termination of this Agreement pursuant to any process undertaken with respect to Provider under the United States Bankruptcy Code, at the request of Lender made within ninety (90) days of such termination or rejection, Buyer shall enter into a new agreement with Lender or its Assignee having substantially the same terms and conditions as this Agreement.
- (c) Acknowledgement and Confirmation. Buyer shall deliver, or shall cause the owner or lessor of the Premises, if different from Buyer, to deliver, to Lender and Provider a fully executed Acknowledgement and Confirmation in the form of Exhibit D that the Ownership of the System remains in Provider and further acknowledging that the System is the personal property of Provider.
- (d) Right to Cure. Notwithstanding any contrary term of this Agreement:
- (i) Buyer will not exercise any right to terminate or suspend this Agreement as a result of a Provider default unless (to the extent Buyer has been given prior written notice of the manner in which to give Lender notice hereunder), it shall have given Lender prior written notice of its intent to terminate or suspend this Agreement, as required by this Agreement, specifying the Provider default giving rise to such right, and Lender shall not have caused to be cured the provider Default giving rise to the right of termination or suspension within thirty (30) days after such notice or (if longer) the periods provided for in this Agreement; provided that if such Provider default cannot be cured by Lender within such period and Lender commences and continuously pursues cure of such Provider default within such period, such period for cure will be extended for a reasonable period of time under the circumstances, such period not to exceed an additional one hundred twenty (120) days. The Parties' respective obligations will otherwise remain in effect during any cure period.
 - (ii) If Lender or its Qualified Assignee (including any Buyer or transferee), pursuant to an exercise of remedies by Lender, shall acquire title to or control of Provider's assets and shall, within the time periods described in Section 15.04(d)(i), cure all defaults under this Agreement existing as of the date of such change in title or control in the manner required by this Agreement and which are capable of cure by a third person or entity, then such Person shall no longer be in default under this Agreement, and this Agreement shall continue in full force and effect.
- (e) Further Assurances. At the request of Lender and/or its Assignee, Buyer agrees to execute and deliver any document, instrument or statement required by law or otherwise

as reasonably requested by Lender or its Assignee in order to create, perfect, continue or terminate the security interest in favor of Lender in all assets of Provider, and to secure the obligations evidenced by Lender's Security Interest.

Section 15.05 Notices. Unless otherwise provided herein, any notice provided for in this Agreement shall be sent to the address specified on the Cover Sheet by hand delivery, registered or certified U.S. mail, postage prepaid, commercial overnight delivery service, or transmitted by facsimile or e-mail. Notices shall be deemed delivered to the addressee or its office when received at the address for notice specified above when hand delivered, upon confirmation of sending when sent by facsimile or e-mail (if sent during normal business hours or the next Business Day if sent at any other time), on the Business Day after being sent when sent by overnight delivery service (Saturdays, Sundays and legal holidays excluded), or five (5) Business Days after deposit in the mail when sent by U.S. mail.

Section 15.06 Indemnification.

(a) Indemnification. ~~Subject to any Liability Waiver and Assumption Agreement, e~~Each Party shall indemnify, defend, reimburse and hold harmless the other Party and its directors, officers, members, shareholders, agents and employees (collectively the "Indemnified Parties") from and against all Losses in any way resulting from, relating to, or arising out of, directly or indirectly the acts or omissions in connection with this Agreement and which arise out of ~~such the Indemnifying Party's or its 's directors, officers, members, shareholders, agents, subcontractors, or employees' (or any subcontractor of such Party's)~~ breach of the Agreement, ~~gross negligence, or willful misconduct ("Claims"). Provider's indemnity obligation does not apply to liability or damages proximately~~ Claims do not include Losses that are not caused by the sole negligence, ~~breach of this Agreement, or willful of Buyer's misconduct of the Indemnifying Party or its directors, officers, members, shareholders, agents, subcontractors, or employees~~ officers, agents or employees. The foregoing obligations shall survive termination of this Agreement.

- (i) The duty of ~~each Party ("the Indemnifying Party")~~ to defend and indemnify the ~~other Party ("Indemnified Party")~~ shall arise at the time written notice of the Claim is first provided to the Indemnified Party regardless of whether the claimant has filed suit on the Claim.
- (ii) The Indemnifying Party will defend any and all Claims which may be brought or threatened against the Indemnified Party and will pay on behalf of the Indemnified Party any expenses incurred by reason of such Claims including, but not limited to, court costs and attorney fees incurred in defending and investigating such Claims or seeking to enforce this indemnity obligation. Such payments on behalf of the Indemnified Party shall be in addition to any other legal remedies available to the Indemnified Party and shall not be considered the Indemnified Party's exclusive remedy.
- (iii) ~~Each Party shall be obligated to pay its reasonable defense costs and expenses, which includes litigation fees and expenses, including court filing fees, court costs, arbitration fees or costs, witness fees, and all other fees and costs of investigating and defending or asserting any claim under the Agreement, including in each case, reasonable attorneys' fees, other professionals' fees and disbursements.~~

Commented [A1]: These two portions appear to be in conflict. The Indemnifying party agrees to pay the defense costs for the Indemnified party, then the following paragraph says each party shall be obligated to pay its reasonable defense costs and expenses.

(b) Buyer's Indemnification of the Required Rebate. Buyer shall indemnify Provider for the Required Rebate it receives in accordance with Section 4.01(b) to the extent that Provider must repay the Required Rebate to the Local Electric Utility or to any other party under Applicable Law or otherwise, unless such repayment is due to the negligence or willful misconduct of Provider.

(c) Buyer's Hazardous Substance Clean-up Obligation. To the extent permitted by Applicable Law, in the event that Hazardous Substances are discovered on the Premises or the groundwater thereunder, Buyer shall indemnify Provider and the Indemnified Parties for any and all Losses to the extent arising from or out of any claim for or arising out the discovery or release of Hazardous Substances on the Premises by Buyer (or to the extent Buyer may be otherwise responsible under other Applicable Law).

Section 15.07 Insurance.

(a) Each Party shall maintain the following insurance coverages in full force and effect throughout the Term either through insurance policies or acceptable self-insured retentions: (i) Workers' Compensation Insurance as may be from time to time required under applicable federal and state law, and (ii) Commercial General Liability Insurance with limits of not less than \$2,000,000 general aggregate, \$1,000,000 per occurrence. Additionally, Provider shall carry adequate property loss insurance on the System which may, at Provider's election, be covered by a rider to Buyer's property coverage with Provider being named as an additional insured party under such policy. The General Liability policy shall utilize form CG 20 10 (Additional Insured endorsement applicable to ongoing operations) and the current edition of form CG 20 37 or an equivalent form (Additional Insured endorsement applicable to completed operations). The added cost of which shall be paid for by Provider (either directly or by way of netting under Section 7.02). The amount and terms of insurance coverage will be determined at Provider's sole discretion.

(b) Each Party shall furnish current certificates evidencing that the insurance required under Section 15.07(a) is being maintained. Each Party's insurance policy provided hereunder shall contain a provision whereby the insurer agrees to give the other Party thirty (30) days' written notice before the insurance is cancelled or materially altered. Each Party's insurance policy shall be written on an occurrence basis and shall include the other Party as an additional insured as its interest may appear.

Section 15.08 Governing Law & Jury Trial Waiver. This agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with governing law (as specified on the cover sheet), without reference to any conflicts of law principles. Each party waives its respective rights to any jury trial with respect to any litigation arising under or in connection with this agreement.

Section 15.09 Venue. The Parties hereby irrevocably and unconditionally submit to the exclusive jurisdiction of the state and federal courts located in the Venue specified on the Cover Sheet for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement.

Section 15.10 Entire Agreement. This Agreement, together with the Exhibits and Schedules attached hereto, constitutes the entire agreement and understanding between Provider and Buyer with respect to the subject matter hereof and supersedes all prior agreements relating to the subject matter hereof, which are of no further force or effect. The Exhibits and Schedules attached hereto are integral parts hereof and are made a part of this Agreement by reference. In the event of a conflict between the provisions of this Agreement and those of any Exhibit or Schedule, the provisions of this Agreement shall prevail, and such Exhibit or Schedule shall be corrected accordingly.

Section 15.11 Amendments. This Agreement may only be amended, modified or supplemented by an instrument in writing executed by duly authorized representatives of Provider and Buyer.

Section 15.12 Industry Standards. Except as otherwise set forth herein, for the purpose of this Agreement the normal standards of performance within the solar photovoltaic power generation industry in the relevant market shall be the measure of whether a Party's performance is reasonable and timely. Unless expressly defined herein, words having well-known technical or trade meanings shall be so construed.

Section 15.13 Limited Effect of Waiver. The failure of Provider or Buyer to enforce any of the provisions of this Agreement, or the waiver thereof, shall not be construed as a general waiver or relinquishment on its part of any such provision, in any other instance or of any other provision in any instance.

Section 15.14 Survival. The obligations under Sections 1.05 (Removal of the System), 5.03 (Exclusion of Warranties), 6.01(c) (Provider's Covenants; Liens), 6.02(d) (Buyer's Covenants; Liens), 7.04 (Disputes and Adjustment of Invoices), 15.01(a) (Limitation of Liability), 15.02 (Confidentiality), 15.05 (Notices), 15.06(c) (Buyer's Hazardous Substance Indemnity Clean-up Obligation), 15.08 (Governing Law & Jury Trial Waiver) and 15.09 (Venue) and Article 14 (Taxes and Governmental Fees), or pursuant to other provisions of this Agreement that, by their sense and context, are intended to survive termination of this Agreement shall survive the expiration or termination of this Agreement for a period of two (2) years.

Section 15.15 Severability. If any term, covenant or condition in this Agreement shall, to any extent, be invalid or unenforceable in any respect under Applicable Law, the remainder of this Agreement shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by Applicable Law and, if appropriate, such invalid or unenforceable provision shall be modified or replaced to give effect to the underlying intent of the Parties and to the intended economic benefits of the Parties.

Section 15.16 Relationship of the Parties. The relationship between Provider and Buyer shall not be that of partners, agents, or joint ventures for one another, and nothing contained in this Agreement shall be deemed to constitute a partnership or agency agreement between them for any purposes, including federal income tax purposes. Provider and Buyer, in performing any of their obligations hereunder, shall be independent contractors or independent parties and shall discharge their contractual obligations at their own risk.

Section 15.17 Successors and Assigns. This Agreement and the rights and obligations under this Agreement shall be binding upon and shall inure to the benefit of Provider and Buyer and their respective permitted successors and assigns.

Section 15.18 Counterparts. This Agreement may be executed in one or more counterparts, including through facsimile signatures, each of which shall constitute an original and all of which constitute one and the same instrument.

Section 15.19 Early Termination Value Not Penalty. Provider acknowledges that Provider's actual damages may be impractical and difficult to accurately ascertain, and in accordance with Provider's rights and obligations under this Agreement, the Early Termination Value constitutes fair and reasonable damages, and not a penalty, to be borne by Buyer in lieu of Provider's actual damages.

EXHIBIT A: DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this Agreement shall have the respective meanings specified in this Exhibit A.

“Acknowledgement and Confirmation Form” means that form attached hereto as Exhibit D.

“Additional Expenses” shall have the meaning specified on the Cover Sheet.

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person.

“Agreement” has the meaning set forth on the Cover Sheet.

“Applicable Law” means, with respect to any Person, any constitutional provision, law, statute, rule, regulation, ordinance, treaty, order, decree, judgment, decision, holding, governmental Approval, or requirement of any Governmental Authority having jurisdiction over such Person or its property, enforceable at law or in equity, including the interpretation and administration thereof by such Governmental Authority.

“Approvals” means, collectively, any approval, consent, franchise, permit, resolution, concession, license, or authorization issued by or on behalf of the Local Electric Utility and any Governmental Authority.

“Bankrupt” means with respect to any entity, such entity (a) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (b) makes an assignment or general arrangement for the benefit of creditors, (c) otherwise becomes bankrupt or insolvent (however evidenced), (d) has a liquidator, administrator, receiver, trustee conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (e) is generally unable to pay its debts as they fall due.

“Business Day” means any day other than Saturday, Sunday or any other day on which banking institutions in New York City, New York are required or authorized by Applicable Law to be closed for business.

“Buyer” has the meaning set forth in the Cover Sheet.

“Change in Law” has the meaning set forth in Section 12.02(a).

“Claiming Party” has the meaning set forth in Section 13.01.

“Claims” has the meaning set forth in Section 15.06(a).

“Commercial Operation” means the condition existing when the System is (i) mechanically complete and operating, and (ii) energy is delivered through the System’s meter, to the Delivery Point and to the Project Site’s electrical system; provided, however, that Provider’s initial testing of the System shall not be deemed “Commercial Operation”.

“Commercial Operation Date” is the date upon which Commercial Operation has been achieved.

“Confidential Information” means the confidential or proprietary information of a Party to this Agreement, including such Party’s business plans, strategies, financial information, proprietary, patented, licensed, copyrighted or trademarked information, and/or technical information regarding the design, operation and maintenance of the System or of its business.

“Construction Plans Submission Date” has the meaning specified in Section 1.01(a).

“Deemed Production Payment” means a payment by Buyer to Provider in lieu of the Solar Services Payment and the value of the RECs that Provider would have received but for a curtailment of the Solar Services for the reasons specified in Sections 7.03(a) through (c). The Deemed Production Payment will equal the *sum* of: (a) the *product* of (i) Forecasted Production for the applicable period, and (ii) the applicable KWh Rate; plus (b) any Additional

Expenses; and plus (c) the REC Value of RECs that are equivalent in amount and type to those that would have been produced by the System during the applicable period.

“Default Rate” means the rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus one percent (1%) per annum.

“Defaulting Party” has the meaning set forth in Section 9.01(a).

“Delivery Point” means the energy delivery point within the Project Site’s electrical system on Buyer’s side of the Project Site’s Local Electric Utility meter.

“Discounted Cash Flow” means, for any period of determination: (i) the *product* of (A) the Forecasted Production for each remaining year of the Term (or pro rata portion thereof) *multiplied by* (B) kWh Rate for Solar Services for the year in which such Forecasted Production would be delivered to the Point of Delivery; *plus* (ii) the REC Value of RECs that are equivalent in amount and type to those that would have been produced by the System, *less* (ii) reasonably anticipated annual expenses of Provider for such period of determination, *discounted by* (iii) three percent (3%) per annum.

“Early Termination Date” a date that is designated by a Party in accordance with Article IX on which this Agreement, and all of the Parties rights and obligations thereunder (except as set forth in Section 15.14), will be terminated.

“Early Termination Value” means an amount equal to the *difference* between (a) (i) if the Early Termination Date occurs after the Commercial Operation Date, the Early Termination Value for the year in which termination occurs as set forth on the Cover Sheet, and (ii) if the Early Termination Date occurs before the Commercial Operation Date, all expenses incurred by Provider subsequent to the execution of this Agreement, including expenses for time and materials and any fees and expenses to outside consultants, advisors and attorneys; and (b) all amounts paid by Buyer for Solar Services pursuant to any invoice issued by Provider during the year in which such termination occurs.

“Easement” means a utility-like easement granted by the Buyer for the benefit of Provider, and its third-party contractors, applicable to the Premises and recorded in the real property records for the County specified on the Cover Sheet.

“Effective Date” has the meaning set forth in the Cover Sheet.

“Environmental Attributes” means any and all non-energy attributes, current or future credits, benefits, emissions reductions, offsets, and allowances, and/or renewable energy credits or certificates or reporting rights (“RECs”), howsoever entitled, in each case attributed or allocable to electricity produced by the System. Environmental Attributes include, but are not limited to: (i) any avoided emissions of pollutants to the air, soil or water, such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (ii) any avoided emissions of carbon dioxide (CO₂), methane (CH₄) and other greenhouse gases (GHGs); (iii) the reporting rights associated with avoided emissions or renewability, including green tags; (v) related subsidies or “tipping fees” that may be paid to other parties to accept certain fuels, or local subsidies received by other parties for the destruction of particular pre-existing pollutants or the promotion of local environmental benefits; and/or (vi) emissions allowances, renewable energy credits or similar benefits or credits. For avoidance of doubt, Financial Incentives shall not be included in the definition of Environmental Attributes.

“EPC Contractor” shall have the meaning specified on the Cover Sheet.

“Event of Default” has the meaning set forth in Section 9.01(a).

“Extension Option” means Buyer’s option to extend the Term of this Agreement for an additional five (5) years as set forth in Section 8.02.

“Fair Market Value” means the price that would be negotiated in an arm’s-length, free market transaction, for cash, between an informed, willing seller and an informed, willing buyer, neither of whom is under compulsion to

complete the transaction. Fair Market Value of the System or of Solar Services shall be determined by the mutual agreement of Buyer and Provider; provided, however, if Buyer and Provider cannot mutually agree to a Fair Market Value within ten (10) calendar days before the need to determine Fair Market Value pursuant to the applicable provisions of this Agreement, then the Parties shall select a nationally recognized independent appraiser with experience and expertise in the solar photovoltaic industry. Such appraiser shall act reasonably and in good faith to determine the Fair Market Value and shall set forth such determination in a written opinion delivered to the Parties. The valuation made by the appraiser shall be binding upon the Parties in the absence of fraud or manifest error. The costs of the appraisal shall be borne by Buyer; provided, however, the Fair Market Value of the System, whether determined by the mutual agreement of the Parties or by an independent appraiser, shall not be less than the *sum* of: [(a) the Discounted Cash Flow for the remainder of the Term; (b) the salvage value of the System at the end of the Term; and (c) Provider's closing costs.][Subject to Adjustment Based on Deal Terms]

"Financial Incentives" means all available (including, without limitation, utility) financial incentives relating to the installation or ownership of the System (including, without limitation, governmental and private party renewable energy credits, grants, and rebates), and all federal, state and local tax benefits (including, without limitation, deductions, credits, grants and other allowances), and tax attributes relating to the System.

"Forecasted Production" means: (a) if the System physically provided Solar Services during each calendar day of the applicable period of the previous year, the cumulative amount of such Solar Services; or (b) if the System did not physically provide Solar Services during each calendar day of the applicable period of the previous year, the amount of kWhs that the System would have produced during such period, as reasonably calculated by Provider based on the historical capacity of the system and insolation of the Premises, as adjusted for seasonal factors.

"Force Majeure" means an event or circumstance that prevents one Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the Effective Date, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided; provided, however that with respect to the System, Force Majeure means an event or circumstance that prevents all or any portion of the System from operating. Force Majeure shall not be based on: (a) the impossibility for one of the Parties to obtain any Approval necessary to enable the affected Party to fulfill its obligations in accordance with this Agreement; or (b) where Buyer is the Claiming Party, any action taken by Buyer in its governmental capacity.

"Governing Law" has the meaning specified on the Cover Sheet.

"Governmental Authority" means any federal, state, regional, county, town, city, or municipal government, whether domestic or foreign, or any department, agency, bureau, or other administrative, regulatory or judicial body of any such government

"Hazardous Substances" shall mean any flammable explosive or radioactive material, petroleum or petroleum product, or any "toxic substance", "pollutant", "contaminant", "hazardous material", "hazardous substance", "hazardous waste", or words of similar import, as defined under any Applicable Law.

"Indemnified Parties" has the meaning set forth in Section 15.06(a).

"Installation Date" shall mean the date by which the Installation Work must commence, as specified on the Cover Sheet.

"Installation Work" means the construction and installation of the System and the start-up, testing and acceptance (but not the operation and maintenance) thereof.

"Interconnection Agreement" means that certain agreement specified on the Cover Sheet between Buyer and Local Electric Utility, as amended, restated or revised.

"kWh Rate" has the meaning specified in the definition of "Solar Services Payment".

"Lender" has the meaning set forth in Section 15.04.

"Lender Security Interest" has the meaning set forth in Section 15.04.

“Liability Waiver and Assumption Agreement” means the form attached hereto as Exhibit B.

“Liens” has the meaning set forth in Section 6.01(c).

“Local Electric Utility” has the meaning set forth on the Cover Sheet, or such other local electric distribution owner and operator providing electric distribution and interconnection services to Buyer at the Premises as of the Effective Date, or any Person succeeding to such role after the Effective Date.

“Losses” means all losses, liabilities, claims, demands, suits, causes of action, judgments, awards, damages, cleanup and remedial obligations, interest, fines, fees, penalties, costs and expenses (including all reasonable attorneys’ fees and other costs and expenses incurred in defending any such claims or other matters or in asserting or enforcing any indemnity obligation).

“Maintenance Provider” means any third party, including, but not limited to, Provider’s representatives, agents, contractors, subcontractors and advisors, selected by Provider in its sole discretion, that performs System Operations on the System or removes the System from the Premises at the direction of Provider.

“Metering System” has the meaning set forth in Section 1.04(b)(i).

“Net Settlement Amount” means the net, aggregate or setoff, as appropriate, of any and all amounts owing between the Parties, as calculated by Provider, including, without limitation, the Early Termination Value, any unpaid amounts under Article VII, and any amounts owed to Buyer under any other agreement or arrangement between the Parties.

“Non-Defaulting Party” means the Party that is not the Defaulting Party.

“Non-default Rate” means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund the relevant amount.

“Notice to Proceed” has the meaning in Section 2.01(a).

“Option Price” means an amount equal to the *greater* of: (a) the Fair Market Value of the System, or (b) the Early Termination Value for the year in which the Purchase Option is exercised as specified on the Cover Sheet.

“Ownership” or “Own” refers to, with respect to Provider, ownership of the System either through a direct ownership interest or through a leasehold interest.

“Party” or “Parties” has the meaning set forth in the Cover Sheet.

“Person” means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, firm, or other entity, or a Governmental Authority.

“Premises” means the Project Site and all surrounding property to which Buyer holds title at the Address.

“Production” means, for any period of determination, the total kWh of Solar Services delivered to the Delivery Point during such period of determination, as recorded by the Metering System, including Production deemed to have occurred pursuant to Section 7.03.

“Project Documents” means: (a) the Liability Waiver and Assumption Agreement between the Parties and the EPC Contractor, in a form substantially similar to Exhibit B; (b) any Liability Waiver and Assumption Agreement between the Parties and a Provider Contractor, in a form substantially similar to Exhibit B; (c) those documents specified on the Cover Sheet as Project Documents; and (d) all other documents necessary or incidental thereto; all as permitted to be amended, modified or supplemented from time to time.

“Project Site” means the project site identified and described on the Cover Sheet.

“Provider” has the meaning set forth in the Cover Sheet.

“Provider Contractor” means any third party, including, but not limited to, Provider’s representatives, agents, contractors, subcontractors and advisors, selected by Provider in its sole discretion, that performs Work on the System or removes the System from the Premises at the direction of Provider.

“Prudent Electric Practices” means those practices, methods, standards, and equipment commonly used, from time to time, in electrical engineering and operations to operate electrical equipment with safety, dependability and efficiency and in accordance with the National Electrical Safety Code, the National Electrical Code and the standards of the Institute of Electrical and Electronic Engineers, the National Electrical Manufacturers Association, the North American Electric Reliability Council, and the American National Standards Institute and any other applicable statutes, codes, regulations and/or standards.

“Purchase Option” has the meaning set forth in Section 9.04(a).

“Rebate Assignment Agreement” means the form attached hereto as Exhibit C.

“REC Value” means: (a) where there is a liquid market for such RECs, the cost to Provider to purchase RECs (for the avoidance of doubt, Provider may use quotes from unaffiliated third-parties to prove the cost of such RECs and need not actually purchase equivalent RECs); (b) where the rate for such REC is fixed by Applicable Law, the Forecasted Production relating to such RECs *multiplied by* such rate; or (c) if neither of the above clauses (a) or (b) apply, then the value of the applicable RECs, as reasonably determined by Provider.

“Renewable Energy Certificate” or “REC” means a certificate, credit, allowance, green tag, or other transferable indicia, howsoever entitled, created by Applicable Law indicating generation of a particular quantity of energy, or product associated with the generation of a specified quantity of energy from the System. A REC may include some or all additional Environmental Attributes associated with the generation of Solar Services, and those Environmental Attributes may, but need not be, verified or certified, or disaggregated, retained or sold separately. A REC is separate from the Solar Services produced, and are retained by the Provider pursuant to Section 3.01.

“Required Rebate” has the meaning set forth in the Cover Sheet.

“Solar Services” means the supply of on-site electrical energy output Produced by the System.

“Solar Services Payment” means the *sum* of: (a) the *product* of (i) the Production delivered to the Delivery Point in the preceding month, and (ii) the price per kWh for Solar Services for the year in which such Production was delivered to the Delivery Point as specified on the Cover Sheet (the “kWh Rate”); and plus (b) any Additional Expenses.

“System” means the integrated assembly of photovoltaic panels, mounting assemblies, inverters, converters, metering, lighting fixtures, transformers, ballasts, disconnects, combiners, switches, wiring devices and wiring, more specifically described on the Cover Sheet and Exhibit B and interconnected with the Local Electric Utility, Owned by Provider and installed at the Premises as described in Exhibit E and Exhibit G.

“System Acceptance Testing” has the meaning set forth in Section 1.03.

“System Operations” means the operation and maintenance of the System, in accordance with Exhibit G and Exhibit H.

“Term” has the meaning set forth in Section 8.01.

“Venue” has the meaning specified on the Cover Sheet.

EXHIBIT B

Form of Liability Waiver and Assumption Agreement

(Not Used)

EXHIBIT C
[Form of Rebate Assignment Agreement]

Not Used.

EXHIBIT D

Acknowledgment and Confirmation

This Acknowledgement and Confirmation, dated as of April 12, 2017 (this "Acknowledgement"), is made by City of Mt Vernon ("Buyer") under that certain Solar Power and Services Agreement dated April 12, 2017 (as amended from time to time, the "SPSA") with Red Lion Mt Vernon Solar, LLC ("Provider"). This Acknowledgement is provided pursuant to Section 15.04 of the SPSA to _____ ("Lender"), which is providing financial accommodations to Provider.

The solar photovoltaic system (the "System") to be installed, operated and maintained by Provider pursuant to the SPSA is located at Buyer's facility at City Hall, 213 1st Street, Mount Vernon, IA (the "Premises").

1. Acknowledgement of Collateral Assignment.

- (a) Buyer acknowledges the collateral assignment by Provider to Lender, of Provider's right, title and interest in, to and under the SPSA, as consented to under Section 15.04 of the SPSA.
- (b) Lender as such collateral assignee shall be entitled to exercise any and all rights of lenders generally with respect to Provider's interests in the SPSA, including those rights provided to Lender in Section 15.04 of the SPSA.
- (c) Buyer acknowledges that it has been advised that Provider has granted a first priority security interest in the System to Lender and that Lender has relied upon the characterization of the System as personal property, as agreed in the SPSA in accepting such security interest as collateral for its financial accommodations to Provider.
- (d) Until further written notice, Buyer agrees to make all payments due Provider under the SPSA to Lender [at the following address:

[_____]
[_____]
[_____]
Attention: [_____]
Reference: [_____]]

[to the following account:]

- (e) [Provide Lender Address for Notices under the SPSA.]

2. Confirmation. Buyer confirms the following matters for the benefit of Lender:

- (a) To Buyer's knowledge, there exists no event or condition that constitutes a default, or that would, with the giving of notice or lapse of time, constitute an event of default, under the SPSA.
- (b) Buyer has approved the System as installed at the Premises.
- (c) Buyer is aware of no existing lease, mortgage, security interest or other interest in or lien upon the Premises which could attach to the System as an interest adverse to Lender's security interest therein.

BUYER

PROVIDER

By: _____
Name: _____

By: _____
Name: _____

EXHIBIT E

PROJECT SPECIFICATIONS

This project has an array located on the City Hall building owned by the City of Mt Vernon, IA. The addresses of such locations are listed below. Individual site description and layout are depicted in this Exhibit.

Sites Locations:

City Hall
213 1st Street
Mt. Vernon, IA 52314

Site Descriptions and Layouts:

The site is tied into the existing facility electrical systems on the facility side of the meter and to internet access at the facility. A revenue grade meter is included for monitoring and billing purposes. Module nameplate wattage may vary depending on availability at time of order. Individual site array size is as follows:

City Hall: 26 kW-DC (20 kW-AC)

Site layout including the intended equipment is detailed below.

City Hall
213 1st Street
Mt Vernon, IA 52314

Rooftop: 25.6 kW-dc ballasted system located on the rooftop consisting of (80) 320W modules with (2) 10.0kW string inverters as shown below.



EXHIBIT F

Power Purchase Agreement (PPA) Term Sheet

Project: City of Mt Vernon
 Location: Mt Vernon Offer Date: 04/17/17
 Option: City Hall
 Solar array size (AC): 22 kW-ac Offer Valid Until: 05/17/17
 Solar array size (DC): 26 kW-dc
 Anticipated year 1 energy 32,435 kWh
 Initial Rate: \$ 0.0900 cents/kWh
 PPA Term: 20 years
 Annual escalator: 2.50% escalator for all years on PPA rate and capacity.
 Other:

Rate & Buyout Schedule

Year	Electricity Rate	Buyout Price	Year	Electricity Rate	Buyout Price
1	\$0.0900	\$ 81,905	11	\$0.1152	\$ 39,200
2	\$0.0923	\$ 81,905	12	\$0.1181	\$ 35,200
3	\$0.0946	\$ 81,905	13	\$0.1210	\$ 32,000
4	\$0.0969	\$ 81,905	14	\$0.1241	\$ 27,200
5	\$0.0993	\$ 81,905	15	\$0.1272	\$ 24,000
6	\$0.1018	\$ 52,000	16	\$0.1303	\$ 21,600
7	\$0.1044	\$ 51,200	17	\$0.1336	\$ 19,200
8	\$0.1070	\$ 47,200	18	\$0.1369	\$ 16,800
9	\$0.1097	\$ 44,800	19	\$0.1404	\$ 15,200
10	\$0.1124	\$ 42,400	20	\$0.1439	\$ 13,600

*PPA contracting through Red Lion Renewables, LLC or its affiliates.
 Early termination is subject to additional costs if removal is required.
 **Purchase price subject to fair market value assessment per IRS.
 Subject to investor and credit approval.
 SRECs owned by Red Lion Renewables, LLC or its affiliates.

Agreed by:

City of Mt Vernon

By: _____
 Name: _____
 Title: _____
 Date: _____

Red Lion Renewables, LLC

By: _____
 Name: _____
 Title: _____
 Date: _____

EXHIBIT G

PROJECT-SPECIFIC CONTRACT TERMS AND MODIFICATIONS

The following modifications to the contract terms and conditions are:

1. Buyer shall maintain budget appropriations and approvals to perform its obligations under this Agreement including payments for energy throughout the term of the contract.
2. ~~Payments will be made within 30 days of invoice to account for approval of city council during regularly scheduled city council meetings. Payments may be made by check.~~
3. ~~No electrical upgrades are required for Article II, Section 2.05a with system as designed and previously approved by Alliant Energy.~~
4. ~~Roof to be inspected at Provider's cost prior to installation. Should any repairs and/or maintenance be required, Buyer has option to cancel contract, make such repairs, or renegotiate the contract.~~
5. ~~Section 12.02 deleted in its entirety.~~
6. ~~Governing Venue for this contract is Lynn County.~~

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Modifications

EXHIBIT H
PROJECT SCHEDULE

To be determined.

EXHIBIT I

OPERATIONS AND MAINTENANCE DUTIES

Annual Planned Maintenance Schedule – Solar Facilities

Operations and maintenance duties performed by Red Lion Renewables and/or its contractors.

AGENDA ITEM # J – 7

**AGENDA INFORMATION
MT. VERNON CITY COUNCIL COMMUNICATION**

DATE:	June 19, 2017
AGENDA ITEM:	Lead Operator Job Description
ACTION:	Motion

SYNOPSIS: Bill Kirk has resigned his position with the City, thereby leaving an open position on the public works staff. After discussing the possible replacement scenarios with Nick, we feel that hiring a lead person will be the City's best and most efficient option. The pros and cons of adding a lead person have been discussed with the personnel committee.

In short, this would give Nick the ability to spend more time on the administrative/inspection aspects of his position and/or split the small crew into two construction groups. Changes to the existing job description are necessary to match the position with management's new expectations.

BUDGET ITEM: N/A

RESPONSIBLE DEPARTMENT: Public Works Director & City Administrator

MAYOR/COUNCIL ACTION: Motion

ATTACHMENTS: Job Description

PREPARED BY: Chris Nosbisch

DATE PREPARED: 6/15/17

POSITION DESCRIPTION

Class Title: Lead Operator

Department: Public Works

Date: June, 2017

GENERAL PURPOSE

Performs work under general supervision to lead a crew in performing manual labor and skilled work involving the operation of light, medium, and heavy construction and maintenance equipment; and performs related duties as required.

SUPERVISION RECEIVED

Works under the immediate supervision of the Public Works director or designated representative. Works independently or with city staff.

SUPERVISION EXERCISED

Directs the work activities to be completed on a daily basis by assigning workers to specific projects and providing specific instructions for the work methods and quality of workmanship. Evaluates performance of personnel working under supervision of Lead Operator and communicates, in writing, strengths or deficiencies to Public Works director or designated representative.

ESSENTIAL DUTIES AND RESPONSIBILITIES

Works with Public Works Director or designated representative to prioritize projects.

Oversees maintenance of right-of-way and public lands within the City, including City parks and swimming pool (CPO Certification).

Assists in the placement of maintenance personnel and machinery to perform a definite program of work.

Leads crew in maintaining and repairing streets, alleys, roadways, landscape areas, right-of-way, signage and parking areas including patching, paving, replacing removing curbs and sidewalks, filling cracks, and debris removal.

Leads crew and participates in maintenance work such as pruning trees and brush, mowing, landscaping, snow plowing, ice control, brine application, brine mixing, chemical application and cleaning streets.

Constructs, repairs, and cleans intakes, grates, storm sewers and other drainage facilities.

Assures compliance with OSHA standards when excavating to desired or required depth for water, sewer or storm repair.

Assists in training equipment operators in proper work procedures and in the use and care of equipment and facilities.

Performs routine maintenance and minor repairs including welding, sandblasting, and painting on vehicles and equipment and makes necessary adjustments to ensure proper working order.

Drives trucks of various sizes and weights in the loading, hauling and unloading of various equipment, gravel and sand.

Loads and unloads heavy objects and materials, including rock, sand and dirt, used in division activities.

Operate salt brine mixing unit and pumping equipment used for snow removal.

Performs manual labor as required including digging, painting, erecting and removing snow fence, trash removal, carpentry, facility cleaning and repair.

Maintains, fabricates, repairs, and replaces street signs, post and traffic control devices and inventories materials.

Maintains and records inventory of signs and traffic signals.

Completes janitorial maintenance to keep building and grounds clean and neat.

Cleans tools and equipment after use and stores in appropriate locations.

Provides assistance and support in city emergencies.

Occasionally attends approved division related seminars and workshops to improve technical knowledge and abilities and evaluate new techniques. Attends safety training seminars.

May be required to assist as directed with other divisions' or other city departments' activities.

DESIRED MINIMUM QUALIFICATIONS

Education and Experience:

- A) Graduation from high school education or GED equivalent,
- B) Fifteen (15) years of experience relating to construction, maintenance, or repair,
- C) Considerable experience in street construction, repair and maintenance, including supervisory experience,
- D) Maintains Certified Pool Operator Certificate,
- E) Any equivalent combination of education and experience.

Necessary Knowledge, Skills and Abilities:

- A) Comprehensive knowledge of methods, practices, techniques, equipment, tools materials and supplies used in street construction, maintenance and repair;
- B) Comprehensive knowledge of safety regulations, protocols, principles, practices and procedures for street construction, maintenance and repair; ground maintenance and repair erosion control;
- C) Ability to read and interpret blueprints and construction specifications;
- D) Knowledge of MUTCD practices and guidelines;
- E) Thorough knowledge of the specifications and design characteristics of concrete sidewalks, ADA ramps, streets, curbs, and gutters;
- F) Ability to operate and instruct personnel in the operation of tools and machinery used in street construction, maintenance and repair activities.

SPECIAL REQUIREMENTS

Valid State Driver's license and CDL certification with air brakes, or ability to obtain one.

PHYSICAL DEMANDS

The physical demands described here representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to use hands to finger, handle, feel or operate objects, tools or controls and reach with hands and arms. The employee frequently is required to stand and talk or hear. The employee is occasionally required to walk; sit, climb or balance; stoop, kneel, crouch, or crawl; and smell.

The employee must frequently lift and/or move up to 25 pounds and occasionally lift and/or move up to 100 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

WORK ENVIRONMENT

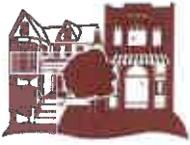
The work environment characteristics described here are representative of those an employee encounters while performing essential functions of this job. Reasonable accommodations may be made to individuals with disabilities to perform essential functions.

While performing the duties of this job, the employee regularly works in outside weather conditions. The employee frequently works near moving mechanical parts is frequently exposed to wet and/or humid conditions and vibration. The employee occasionally works in high, precarious places and is occasionally exposed to fumes or airborne particles, toxic or caustic chemicals, and risk of electric shock.

The noise level in the work environment is usually loud.

The above statements are intended to describe the general nature and level of work to be performed by the person with this classification. These are not to be construed as an exhaustive list of all job duties to be performed within the classification. This job description may be changed from time to time as deemed necessary.

K. Reports-Received/File



**Mount
Vernon**
IOWA

Chris Nosbisch, City Administrator
Doug Shannon, Chief of Police

Jamie Hampton, Mayor

Council:

Eric Roudabush
Paul Tuerler
Marty Christensen
Scott Rose
Tom Wieseler

May 2017
POLICE REPORT

Vehicle Collisions

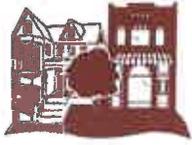
There were 7 reported collisions in May. The first collision occurred in the Subway Parking Lot when a vehicle entering the parking lot was struck by a vehicle backing out of a parking spot. Damage was estimated at \$200, no injuries were reported. The second collision occurred at 7th Ave & 7th St NW when a vehicle travelling westbound on 7th Street was struck by a vehicle that was northbound on 7th Avenue and failed to obey the stop sign. Damage was estimated at \$2,100 and no injuries were reported. The third collision occurred in the 100 block of 3rd St SW. This collision as the result of a vehicle travelling east on 3rd Street striking a legally parked vehicle. Damage was estimated at \$2,500 and no injuries were reported. The fourth collision occurred at the Hwy 1 & 30 roundabout. This collision occurred when a vehicle travelling east on Hwy 30 failed to yield upon entering the roundabout and collided with a vehicle in the traffic circle that was southbound on Hwy 1. Damage was estimated at \$2,000 and no injuries were reported. The fifth collision also occurred at Hwy 1 & 30 roundabout. This collision occurred when two vehicles were travelling north on Hwy 1 and approached the roundabout. The first vehicle yielded to traffic in the roundabout as required. Vehicle 2 failed to stop and collided with vehicle 1. Damage was estimated at \$3,500 and minor injuries were reported in this collision. The sixth collision occurred in the Hardee's parking lot. This collision occurred as a vehicle was entering the parking lot was struck by a vehicle exiting the driveway at Hwy 1. Damage was estimated at \$4,500 and no injuries were reported. The seventh collision occurred at the Colonial Estates Trailer court when a resident was backing out of their driveway and collided with a parked vehicle. Damage was estimated at \$1,100 and no injuries were reported.

Incidents/Arrest

There were 23 reported incidents in May, including arrest warrant, driving while revoked, possession of controlled substances, criminal mischief, theft of mail, credit card fraud, threats, welfare check, found property, counterfeit currency, suspicious activity, theft, theft from vehicles, domestic disturbance, stray animal, OWI, and harassment. The incidents resulted in 5 arrests for the month, charges include: driving while revoked, possession of controlled substance (x2), OWI, and unlawful possession of prescription drugs.

Community Service:

- Chief Shannon attend the Chiefs Meeting (meeting with Ambulance, MVFD, LFD, and LPD Chiefs)
- Assisted as needed with Chalk the Walk
- Two officers were contracted to assist Cornell College with Commencement activities



**Mount
Vernon**
IOWA

Chris Nosbisch, City Administrator
Doug Shannon, Chief of Police

Jamie Hampton, Mayor

Council:

Eric Roudabush
Paul Tuerler
Marty Christensen
Scott Rose
Tom Wieseler

-
- Officer Gehrke attended the funeral services for Pottawattamie County Sheriff's Deputy Mark Burbridge, who was killed in the line of duty.

Training

- The department conducted our Spring range firearms qualification on 5/1/2017.
- Chief Shannon attended "Elder Abuse Training" in Iowa City on 5/10/2017
- Chief Shannon attended the Iowa Police Chief Conference in Coralville 5/24-5/25
- Officer Moel participated in a webinar at the Federal Courthouse in Cedar Rapids, discussing armed intruders.
- Officer Gehrke attended training in Des Moines related to tactical medical response

GTSB

In May 2017 officers worked 28 hours of STEP resulting in 1 OWI arrest, 9 speed violations, 2 improper passing violations, 1 registration violation, 1 open container of alcohol violation, 4 equipment violations, 4 insurance violations, 2 other traffic violations, and 1 motorist assist.

LISBON

Mount Vernon Police Department has supplemented police coverage for the City of Lisbon since November 28, 2016. Per the 28E agreement our department provided the following service to Lisbon in May 2017:

- Patrol: 3,075 minutes
- Calls for service: 731 minutes (11 calls for service)
- Administrative time: 45 minutes

Total time for May: 64.18 hours

PERSONNEL

Officer Kelley has submitted his resignation as a full time police officer. Officer Kelley accepted a position with Lisbon Community Schools as the Maintenance & Transportation Director. Officer Kelley's resignation is effective July 1st, 2017. Officer Kelley is interested in remaining on the department as a part time police officer.

Respectfully Submitted,

Chief of Police



Public Works Report
June 19, 2017

Streets

City crews have finished a storm inlet near the School Bus Barn on 5th Avenue SW. The street had collapsed near the inlet. The only way to correct this was to remove the street and build a new storm inlet box. The goal this season would be to fix more inlets around the Elementary School 5th Avenue area and 4th Avenue area. We have a few more hazard areas to contend with. If we don't address them the street will fail in these areas as well.

Crews removed 2 inches of asphalt on 1st Street east of the 5th Avenue intersection. The road was down to 1 lane for half the day while crews were able to remove and replace the asphalt with a high grade cold patch. This is a new technique that we are trying in a high traffic area in hopes that this holds up for an extended period of time. The patch was needed because the road was failing in this area. If this holds up like staff would like to see, we have many other areas around town we would entertain repairing this way.

Crosswalks are being painted around town. Some of the widths of lines have been changed due to them growing wider and wider over the years. Crosswalks will be to painted to standards described in MUTCD (Manual on Uniform Traffic Control Devices).

Right of Way

Injection for EAB has been completed in the northwest quadrant. Staff has now started injecting on the northeast quadrant.

The retaining wall on 8th Avenue near Cornell College has been removed and replaced. The wall was leaning in such a matter that it became a safety concern. Crews were able to dig out behind the wall while also salvaging the block. It was determined that no tile was used in the previous installation of the wall. Crews installed tile this time along with used the proper backfill behind the wall. It is believed that the wall was failing due to water being trapped behind the wall because no tile was used.

Parks

Memorial Park has had numerous plantings added to it. Some old plantings have been salvaged and placed in other areas around town. Mulch is slowly being added in areas that new plantings have went in.



Chris Nosbisch, City Administrator
Douglas Shannon, Chief of Police

Jamie A. Hampton, Mayor

Council:

Eric Roudabush
Paul Tuerler
Marty Christensen
Scott Rose
Tom Wieseler

Parks and Recreation Department
Directors Report
May 15 2017 – June 15 2017

Parks

- ***A new Dog Park sign will be installed facing Highway 30 on the fence. This will help recognize we have a Dog Park.***
- ***Naming of parks (those without official names) will be discussed at the June Park and Rec Board Meeting and a recommendation will be brought to Council in July since the Board did not meet in May.***

Sports

- ***All T-ball, Coach Pitch, Player Pitch and Blastball programs are running smoothly and will end week of June 26th.***
- ***Fall Flag Football (Grades 1-6) and Fall Soccer (Ages 4 – 6th Grade) registration will begin July 25th.***
- ***We currently have four Adult Coed Softball teams ready to begin play on June 18th.***

Pool

- ***Pool attendance has been great. Warm temperatures are helping attract many people to the pool this summer so far. Might be best June attendance in a long time.***
- ***New slide was installed and ready before opening day.***

Misc

Events and Classes

- ***Summer Camps/Classes are currently being promoted. History Heros, Robot Basics Camp, Art Camp, and Lego Camp. A couple of these camps are already full. More camps coming soon.***

L. Discussion Items (No Action)

AGENDA ITEM # L – 1

**AGENDA INFORMATION
MT. VERNON CITY COUNCIL COMMUNICATION**

DATE:	June 19, 2017
AGENDA ITEM:	Two Mile Subdivision
ACTION:	None

SYNOPSIS: Additional information may be presented to the Council regarding the two mile extra territorial jurisdiction. Staff would like to identify action items the Council may have regarding this item.

BUDGET ITEM: N/A

RESPONSIBLE DEPARTMENT: City Administrator

MAYOR/COUNCIL ACTION: None

ATTACHMENTS: None

PREPARED BY: Chris Nosbisch

DATE PREPARED: 6/15/17

AGENDA ITEM # L – 2

**AGENDA INFORMATION
MT. VERNON CITY COUNCIL COMMUNICATION**

DATE:	June 19, 2017
AGENDA ITEM:	Interview Committee
ACTION:	None

SYNOPSIS: The City has received five submittals for the Corridor study. Staff is seeking direction as to the makeup of the Committee that will make a hiring recommendation to the City Council. Staff's recommendation is that the committee consist of the City Administrator, Public Works Director, Zoning Administrator, Council Representative, and one representative from Planning and Zoning Commission. This suggested group is only for the hiring of the consultant. A much larger sub-committee will be suggested to work with the consultants to complete the project.

BUDGET ITEM: N/A

RESPONSIBLE DEPARTMENT: City Administrator

MAYOR/COUNCIL ACTION: None

ATTACHMENTS: None

PREPARED BY: Chris Nosbisch

DATE PREPARED: 6/15/17

AGENDA ITEM # L – 3

**AGENDA INFORMATION
MT. VERNON CITY COUNCIL COMMUNICATION**

DATE:	June 19, 2017
AGENDA ITEM:	Current Project Status
ACTION:	None

SYNOPSIS: I have provided an updated memo from the beginning of the year. The original memo contained the accomplishments from the 2016 calendar year. The updates for each individual projects are shown in red. Staff has added some of the more recent projects to the end of the list and provided updates on their current status.

BUDGET ITEM: N/A

RESPONSIBLE DEPARTMENT: City Administrator

MAYOR/COUNCIL ACTION: None

ATTACHMENTS: Memo

PREPARED BY: Chris Nosbisch

DATE PREPARED: 6/15/17

Memorandum

To: Mayor and City Council
From: Chris Nosbisch, City Administrator
Date: 6/15/2017
Re: Updates as of May 2017

As a staff, we are constantly looking for ways to update the Council and citizenry about the state of affairs for the community. It has been suggested by Council that staff provide updates on current and future projects that have been discussed at previous meetings. If this format is suitable to Council, staff would look at completing by-monthly updates during the discussion period of the agenda.

Ordinances Adopted by Council 2016:

- Chapter 47.09: bans the smoking and the use of tobacco products in publically owned parks and recreation facilities. This included the use of electronic devices.
- Chapter 5: added three months' severance for listed department heads.
- Chapter 15: further defined duties as it relates to employees for the Mayor and deleted the attorney and treasurer from Mayoral appointments.
- Chapter 17: added treasurer and attorney to Council appointments.
- Chapter 21: clarified the duties of the Administrator as it relates to day to day operations.
- Chapter 92.02: increased water rates an additional 5%. This increase was due to the water plant upgrades that were made.
- Chapter 26: created the position of CDG Director for the City.
- Chapter 48: adopted the Social host ordinance.
- Chapter 5: defined the residency requirement for employees as the State of Iowa.
- Pending: Chapter 151 Trees, Chapter 135 Street Use, and Chapter 27 Housing Commission. **Now Adopted**
- **Chapter 117 Operating a Perpetual Care Cemetery**
- **Utility Franchise Fee Ordinances for Gas and Electric - pending**

Policies Adopted by Council 2016:

- Open Records Requests
- Website
- PTO
- Purchasing
- Return to Work/Light Duty

Policies Needing Review in 2017:

- At this time, staff would like to focus on the Personnel Policy. Although it has received some updates, the last policy was adopted in 2000.
 - o Staff assigned to this task: City Administrator and Police Chief.
 - o Expectation is to have a rough draft presented to the Personnel Committee by the start of the next fiscal year (July 2017).
 - o Full City Council review by August/September 2017
 - o **The rough draft is complete and forwarded to the Police Chief and Department Heads for review. Expectation is to complete rough draft and internal reviews in mid-June. Still on schedule to provide the rough draft copy to the personnel committee by the start of the 2018 fiscal year.**

Significant Accomplishments for 2016 (as viewed by the Administrator)

- Comprehensive Plan Adoption
- Parks and Recreation Master Plan Adoption
- Finalization of Verizon Lease Agreement
- Transitioned to Electronic Council Packets
- Joined the EIASSO thru IMMU – Comprehensive safety program
- Finalized Police Service Contract with Lisbon – Covers 20 hours a week
- Street Projects – 3rd Ave NW and 5th Ave NW, also completed a number of sealcoat projects throughout the City
- Gary’s Foods – Hwy 1 driveway entrance
- Staff training and cross training
- Completed an RFQ for Design Services – Community/recreation facility (this included a number of site visits completed by staff)
- Pool Heater Installation

Significant Accomplishments to date in 2017 are in red

Projects Expected to be Completed or See Significant Progress Made in 2017

- Zoning Ordinance Update
 - o Portions of the rough draft have been given to the Planning and Zoning Commission

- Full rough draft expected by the fall of 2017.
 - **We remain on schedule as stated above. The consultants have held initial meetings with planning and zoning commission members. As of May 2017, they are working to include and track suggested changes made by P&Z and staff.**
- Housing Commission Adoption
 - Expected that the ordinance adopting the housing commission will be complete in January - **Adopted**
 - Recommend appointments to the Commission should be available by the end of February (approximately half of the needed volunteers have been identified for the commission) – **This is behind schedule although members should be approved by Council in June.**
 - First meeting could be conducted as soon as March of 2017 – **June is more realistic at this point**
 - Identified issues: Demolition ordinance, rental ordinance, housing options, housing incentives, obstacles to development, etc.
 - Community/Recreation Facility
 - Architect chosen by February/March 2017 (Done)
 - Phase I to be completed by the summer of 2017 (expectation of May/June for phase I documents) – **Committee members have begun reviewing spaces. The expectation is to have a 3-D model completed prior to Heritage Days.**
 - Phase II consideration by the Council – Fall of 2017 – **still on schedule**
 - Possible CAT grant application to State by the end of summer 2017 – **still a possible expectation**
 - Continue working with fundraising committee – on-going throughout the year
 - It is conceivable that the Council could be looking at a potential boring at the end of the fiscal year or first part of the FY 18-19 – **remains feasible**
 - **Staff has met with the Finance Committee to discuss funding options. Alternative funding strategies have been identified and will be brought to the entire Council at the same time as the initial designs.**
 - Hwy 30 By-pass – Corridor Study
 - Currently in the CIP - \$80,000 budget
 - RFQ could be approved by Council by May 2017 – Consultant chosen by the end of August 2017 (should the money be maintained) – **Complete**
 - **RFQ is due back to the City by the middle of June. Currently have five firms that have submitted.**

- Sidewalk Program
 - o Internal loan notes to be prepared by Bond Counsel by May 2017 – **likely June**
 - o Required documents to be prepared by May 2017 – these include spreadsheet creation, assessment agreements completed, established implementation schedule completed – **on schedule**
 - o Inspections to begin May 2017
 - o Applicants volunteering into the program would be accepted starting May 2017
 - o First sub-area enforcement to begin in June 2017 – **currently on schedule, but could be closer to July.**
 - o **Summer intern has been hired. He is currently creating inspection forms for the NW quadrant of the City.**
 - o **Staff is meeting with V&K Engineering on May 25 to finalize the details of the program. In sections will begin in June after a public notification of the project is sent to all property owners in the NW quadrant.**
 - o **Once the final program details are complete, staff will work with the Sun News to release City ide information.**
- Solid Waste Contract – up for renewal in June 2017 – **It was decided to extend this contract for a year and review options.**
- Fringe Area Agreement
 - o Staff has spoken with Linn County Planning
 - o Staff is expecting an itemized list of requirements for completion of the fringe area agreement by March 2017
 - o Pending the complexity of the agreement – the expectation is a completion date of December 2017
 - o **The fringe area agreement will likely go hand in hand with the sub area study. Linn County is still planning on being a member of the review task force.**
- UV Disinfection
 - o SRF applications to be completed by July 2017 – funding mechanism – **still on schedule although the dollar amount could increase. V&K is currently working on the IUB notification for State Revolving Fund submittals..**
 - o Plans and specifications are to be submitted to IDNR by January 2018 (likely completed by V&K) – **on schedule**
 - o Improvements are to be completed by July 2019 – **on schedule**
 - o **The project has morphed slightly from original conversations. The nutrient reduction strategy that is required to be completed with this application is moving forward. The City is submitting a 2027 construction date for nutrient reduction to the IDNR. This date may have to be moved if IDNR declines our proposed timeline.**

- The grand total for all improvements between now and 2027 could be in the \$4 million range.
- Old Fire Station
 - Staff is awaiting proposal for redevelopment for Council to consider – A developer has been asked to complete a proposal with requested incentives to the City. We expect this before the end of July. Another citizen has inquired about the building since the beginning of the year and I have also asked them to submit a proposal.
 - Should the proposal not be submitted by March 2017, staff would request that it become a discussion item for Council – this would still be a request although the date would be closer to August
- Alleys
 - Plan is to have interns complete research on the existing alleys beginning in May/June
 - The expected product from the intern would be a comprehensive alley use report detailing use, utility location, and verification of surface materials
 - Throughout the remainder of the 2017 year, staff can work with property owners on the vacation and sale of non-used alleys
 - Staff would suggest the Council adopt an alley policy prior to negotiations with landowners occurring
 - This has changed slightly as we were able to take advantage of a couple of light duty situations. The schedule remains the same, although it may be less reliant on the summer intern.
- Street and Trail Construction
 - V&K is currently putting cost estimates together for consideration on the Nature Park Trail – On schedule
 - The intersection of Palisades and 10th is slated to begin at the conclusion of the school year – bids to be considered this spring by Council – On schedule – Staff expects contracts and bond approval during the first part of June.
 - Currently two pending grant applications
 - Wagon pass/culverts – funding scheduled for 2021 – grant application was not moved forward by Linn County – The City will have to continue looking at funding sources over the course of the next two years while we continue to monitor the deterioration.
 - Lights on 1st and 5th

Other items of discussion:

Future revenues

- Storm water – Staff was able to reduce the asking in the storm water fund for FY 18 to an amount that is less than the projected revenue. The reductions will not cover the current deficit which will need to be addressed at some point in the future.
- Franchise fee – See ordinances above.
- GIS – Staff is currently working with our original GIS (Midland GIS) contractor to determine what deliverables the City should have received previously.
- Joint Police Operations – If the new 28E agreement is approved at tonight's meeting, it is likely that it will be the extent of the arrangement. Although I believe there may be opportunities in the future, Lisbon has just hired two police officers and is currently fully staffed.

M. Reports Mayor/Council/Admin.

**CITY OF MT. VERNON
CITY ADMINISTRATOR
REPORT TO THE CITY COUNCIL
June 19, 2017**

- The personnel policy is currently be reviewed by the department heads. The manual will be sent to the personnel committee by the end of July.
- The City has received notice that FEMA, along with the Department of Homeland Security and the Iowa Department of Natural Resources, has initiated a flood hazard mapping project in Linn County. This will result in new FIRM (Flood Insurance Rate Maps) for the City.
- Jordon has completed the sidewalk inspection forms for the NW quadrant and we hope to initiate individual inspections by the first part of July.