



# PRIOR LAKE SPRING LAKE WATERSHED DISTRICT

## AGENDA

Tuesday, February 15, 2022

**6:00 PM**

Council Chambers  
Prior Lake City Hall

### BOARD OF MANAGERS:

**Mike Myser, President; Curt Hennes, Vice President; Bruce Loney, Treasurer;  
Steve Pany, Secretary; and Frank Boyles, Manager**

Note: Individuals with items on the agenda or who wish to speak to the Board are encouraged to be in attendance when the meeting is called to order.

### Board Workshop 4:00 PM – Parkview Conference Room

- 4:00 – 4:30 PM Joni Giese Performance Review (Closed Meeting)
- 4:30 – 5:00 PM Carl Almer Performance Review (Closed Meeting)
- 5:00 – 5:10 PM Rules Revision Update (Joni Giese)
- 5:10 – 5:25 PM Moen Drainage Swale Stabilization Project (Jaime Rockney)
- 5:25 – 5:35 PM Potential Grant Opportunities – Draft (Joni Giese)
- 5:35 – 5:40 PM CAC presentations to the Board of Managers (Steve Pany)
- 5:40 – 5:50 PM Liaison Updates
  - Establish liaisons to Spring Lake Association and Prior Lake Association? (Steve Pany)

6:00 – 6:02 PM 1.0 **BOARD MEETING CALL TO ORDER & PLEDGE OF ALLEGIANCE**

6:02 – 6:07 PM 2.0 **PUBLIC COMMENT**

If anyone wishes to address the Board of Managers on an item not on the agenda or on the consent agenda, please come forward at this time. Go up to the podium, turn on the microphone and state your name and address. (The Chair may limit your time for commenting.)

6:07 - 6:10 PM 3.0 **APPROVAL OF AGENDA** (Additions/Corrections/Deletions)

6:10 - 7:10 PM 4.0 **OTHER OLD/NEW BUSINESS**

- 4.1 Programs & Projects Update (Discussion Only)
  - Carp Management Update and Approach for 2022
  - Upper Watershed Updates
  - Conservation Easements Status Update
  - Development Agreement and Conservation Easement Approach
- 4.2 I-LIDS Pilot Project Renewal for 2022 (Vote)
- 4.3 2022 Education and Outreach Plan (Vote)
- 4.4 Resolution 22-354: Authorizing Membership in the 4M Fund (Vote)
- 4.5 Resolution 22-355: Adopting Alum Internal Loading Reserve Fund Budget Amendment (Vote)
- 4.6 COVID-19 Safety Plan Update (Vote)
- 4.7 Manager Recognition (Discussion Only)

- 7:10 – 7:20 PM    5.0    **CONSENT AGENDA**  
 The consent agenda is considered as one item of business. It consists of routine administrative items or items not requiring discussion. Items can be removed from the consent agenda at the request of the Board member, staff member, or a member of the audience. Please state which item or items you wish to remove for separate discussion.
- 5.1    Meeting Minutes—January 11, 2022, Board Workshop
  - 5.2    Meeting Minutes— January 11, 2022, Board Meeting
  - 5.3    Meeting Minutes – December 9, 2021, CAC Meeting
  - 5.4    Claims List & Visa Expenditures Summary
- 7:20 - 7:25 PM    6.0    **TREASURER’S REPORT**  
 6.1    Monthly Financial Reports (Discussion Only)
- Financial Report
  - Treasurers Report
  - Cash Flow Projections
- 7:25 - 7:30 PM    7.0    **UPCOMING MEETING/EVENT SCHEDULE:**
- CAC Meeting, Thursday, February 27, 2022, 6:30 – 8:00 pm (Prior Lake City Hall – Wagon Bridge Conference Room)
  - Board of Managers Meeting, Tuesday, March 8, 2022, 6:00 pm (Prior Lake City Hall – Council Chambers)
  - Farmer-led Council – Growing Healthy Soils Event – Part 2, March 16, 2022, 11:00 am – 3:00 pm, Ridges of Sand Creek, Jordan, MN



# PRIOR LAKE SPRING LAKE WATERSHED DISTRICT

## FEBRUARY 2022 PROGRAMS AND PROJECTS UPDATE

PROGRAM OR PROJECT	LAST MONTH'S STAFF ACTIVITIES	NEXT STEPS
<b>Sutton Lake Outlet and Lake Management Plan</b> <i>Project Lead: Joni/Jaime</i>	<ul style="list-style-type: none"> <li>Reviewed draft lake management plan</li> <li>Met with EOR staff to discuss lake mgmt plan and planning for landowner meeting</li> <li>Met w/EOR and DNR to discuss Lake Management Plan</li> </ul>	<ul style="list-style-type: none"> <li>Plan for Landowner meeting</li> <li>Make revisions to Management Plan</li> <li>Meet with landowners to discuss lake management options on March 1</li> <li>Final vegetation establishment on outlet project in spring</li> </ul>
<b>Carp Management</b> <i>Rough Fish Management (Class 611)</i> <i>Carp Management Project (Class 750 &amp; 751)</i> <i>Project Lead: Jeff</i>	<ul style="list-style-type: none"> <li><b>Tracking:</b> Continued to track radio-tagged carp across Spring and Prior Lakes. <ul style="list-style-type: none"> <li>Upper Prior Radio tags have been near Knotty Oar Marina and in the eastern basin on the move.</li> <li>Spring Lake tags have been on the northern side of the lake and close to the seining grounds in the NW.</li> </ul> </li> <li><b>Removals:</b> Removed large log from Spring Lake seining grounds.</li> <li><b>Other:</b> Completed 319 final reporting and closeout requirements. Completed BWSR reporting. Submitted 2021 Fisheries Research Permit annual report.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to track the tagged carp</li> <li>Remove fish under ice as permit allows.</li> <li>Submit Midwest Glacial Lakes Partnership grant for fish habitat</li> <li>Acquire necessary 2022 carp management permits.</li> </ul>
<b>Ferric Chloride System Operations</b> <i>Project Lead: Jeff</i>	<ul style="list-style-type: none"> <li>Provided property tour for insurance</li> <li>Finalize annual reporting data</li> <li>Submit DMR</li> </ul>	<ul style="list-style-type: none"> <li>Solicit proposals for Ferric Treatment system analysis</li> </ul>
<b>Farmer-Led Council</b> <i>Project Lead: Jaime</i>	<ul style="list-style-type: none"> <li>Healthy Soils Event occurred on January 13 – 60 attendees</li> </ul>	<ul style="list-style-type: none"> <li>Healthy Soils Part 2 will be held March 16</li> </ul>
<b>Cost Share Incentives</b> <i>Project Lead: Jaime</i>	<ul style="list-style-type: none"> <li>Reviewed potential erosion control project in the Upper Watershed (Moen)</li> </ul>	<ul style="list-style-type: none"> <li>SWCD will present suggested changes to cost-share docket at future board meeting</li> </ul>

## FEBRUARY 2022 PROGRAMS AND PROJECTS UPDATE

PROGRAM OR PROJECT	LAST MONTH'S STAFF ACTIVITIES	NEXT STEPS
<b><i>Fish Lake Shoreline &amp; Prairie Restoration Project</i></b> <i>Project Lead: Shauna</i>	<ul style="list-style-type: none"> <li>• Contacted Kathy (DNR) about grant funds</li> <li>• Contacted MNL about potential enhancement options and invoicing</li> <li>• Reviewed overall progress and budget of the project in 2021</li> </ul>	<ul style="list-style-type: none"> <li>• Work on interpretive panel design, order &amp; install interpretative signs for project.</li> <li>• Select and implement final site enhancement to fully expend grant funds available.</li> <li>• Continue to review progress for potential project handoff to Spring Lake Township.</li> </ul>
<b><i>Upper Watershed Projects</i></b> <i>Buck East Wetland, Sutton IESF, Swamp IESF, Buck Chemical Treatment, Ditch 13 Chemical Treatment</i> <i>Project Lead: Jaime</i>	<ul style="list-style-type: none"> <li>• Finalizing Sutton IESF Feasibility Report</li> <li>• Completed Annual Reports for grant-based feasibility reports</li> <li>• Started grant opportunities summary</li> <li>• Revisions/review on the Spring Lake West feasibility study</li> </ul>	<ul style="list-style-type: none"> <li>• Finalize Sutton IESF feasibility report</li> <li>• Schedule meeting with landowners to gauge interest and explore mutual goals for a future Buck East project</li> <li>• Solicit proposals for Ditch 13 Chemical, Buck Chemical, and Swamp IESF feasibility studies</li> <li>• Fine-tune the grant opportunities summary</li> </ul>
<b><i>Website and Media</i></b> <i>Project Lead: Elizabeth</i>	<ul style="list-style-type: none"> <li>• <b>Website articles posted:</b> none</li> <li>• <b>Social Media</b> – posted on all social channels about: Scott SWCD Growing Healthy Soils event, obstruction checks on Spring Lake, shared information from MPCA's Get the Lead Out program, New Year's post with summary of 2021 highlights</li> </ul>	<ul style="list-style-type: none"> <li>• Continue writing posts and updates about projects.</li> <li>• Continue updating Facebook, and Instagram about projects &amp; news.</li> <li>• SCENE article(goldfish) will be posted in next edition. Work on idea for next article for PLA or website</li> </ul>
<b><i>Citizen Advisory Committee</i></b> <i>Project Lead: Joni</i>	<ul style="list-style-type: none"> <li>• Coordination with CAC subcommittee regarding I-LIDS renewal for 2022.</li> <li>• Prepared for and presented at January 27<sup>th</sup> CAC meeting.</li> <li>• Coordinated with Pete Young on city's shoreland ordinances and provided info to CAC subcommittee.</li> <li>• Provided other resource reports to CAC subcommittees.</li> <li>• Updated CAC application and posted on website and shared with Chamber of commerce to post.</li> </ul>	<ul style="list-style-type: none"> <li>• Plan &amp; coordinate February 24<sup>th</sup> CAC meeting.</li> </ul>
<b><i>Education Program</i></b> <i>Project Lead: Jaime</i>	<ul style="list-style-type: none"> <li>• Create 2022 Education Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Present at Spring Lake Township annual meeting March 8</li> <li>• Present at Spring Lake Association annual meeting in April</li> </ul>

## FEBRUARY 2022 PROGRAMS AND PROJECTS UPDATE

PROGRAM OR PROJECT	LAST MONTH'S STAFF ACTIVITIES	NEXT STEPS
<b>Monitoring Program</b>  <i>Project Lead: Jeff</i>	<ul style="list-style-type: none"> <li>Data management</li> <li>Updating Tier 2 lake report cards</li> <li>Worked on lake level graphs and stream hydrographs</li> <li>Updating website with current data</li> <li>Water quality database maintenance</li> <li>Discussed WISKI database technical requirements with KISTERS</li> </ul>	<ul style="list-style-type: none"> <li>Data management</li> <li>Continue creating hydrographs</li> <li>Updating Tier 2 &amp; 3 lake report cards</li> <li>Continue updating website with 2021 monitoring results</li> </ul>
<b>Aquatic Vegetation Management and Surveys</b>  <i>Project Lead: Jeff</i>	<ul style="list-style-type: none"> <li>Worked with lake associations on new AIS control grant for aquatic invasive plants</li> <li>Submit Lake Vegetation Management Plans for Spring and Upper Prior Lakes to DNR</li> </ul>	<ul style="list-style-type: none"> <li>Create vegetation management policy</li> <li>Contracts for 2022 services</li> </ul>
<b>AIS</b>  <i>Project Lead: Shauna</i>	<ul style="list-style-type: none"> <li>Begin contract process with Waterfront Restorations 2022</li> <li>Completed first draft of AIS Rapid Response Plan</li> </ul>	<ul style="list-style-type: none"> <li>Edit and finalize AIS Rapid Response Plan</li> <li>Finalize Waterfront Restoration 2022 contract</li> <li>Renew contract with I-LIDS</li> </ul>
<b>Rules Revisions</b>  <i>Project Lead: Joni</i>	<ul style="list-style-type: none"> <li>Held meeting with Scott County to discuss review comments.</li> </ul>	<ul style="list-style-type: none"> <li>Prepare comments to review comments received</li> <li>Consider additional edits to rule revisions</li> <li>Present final proposed revisions to board</li> <li>Board approval</li> </ul>
<b>BMPs &amp; Easements</b>  <i>Project Lead: Joni/Shana</i>	<ul style="list-style-type: none"> <li>Coordinate with landowners to develop new conservation easements on their properties as needed.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to work with landowners to resolve existing violation issues on their properties.</li> <li>Order more easement signs and assemble them.</li> </ul>
<b>Permitting</b>  <i>Project Lead: Joni/ Shauna</i>	<ul style="list-style-type: none"> <li>Follow up with permittees to work on closing out permits.</li> <li>Worked with developers/landowners on new development agreements and conservation easements, including: Marxen Farm, Mesenbrink, Ebenhoh Acres, Vergus Estates, and Big Sky.</li> <li>Provided permit #21.02 to MnDOT.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to follow up with Permittees to close remaining open permits.</li> <li>Work with developers/landowners on Development Agreements and Conservation Easements.</li> <li>Perform Parkhaven Holdings development review.</li> <li>Review City of Prior Lake Downtown South Street Reconstruction project permit.</li> <li>Start discussing permitting needs with Scott County Parks associated with park development activities at Spring Lake Regional Park.</li> <li>Start orientation of new Permit Coordinator.</li> </ul>

## FEBRUARY 2022 PROGRAMS AND PROJECTS UPDATE

PROGRAM OR PROJECT	LAST MONTH'S STAFF ACTIVITIES	NEXT STEPS
<b>Outlet Channel Projects and Administration</b> Project Lead: Jaime/Jeff	<ul style="list-style-type: none"> <li>• Meet w/landowner about bank stabilization project</li> <li>• Start obtaining information for bank stabilization projects – right of entry</li> </ul>	<ul style="list-style-type: none"> <li>• Annual report</li> <li>• Conduct outlet pipe televising</li> <li>• Work with legal counsel to obtain easement from landowner</li> <li>• Sediment Removal project to begin</li> <li>• Prepare for bank repair projects</li> <li>• Cooperator's meeting March 17</li> </ul>
<b>General Administration</b> Project Lead: Joni	<ul style="list-style-type: none"> <li>• Watershed Management Study: Started work with PMT on improvement options</li> <li>• Start annual audit preparation</li> <li>• Hired Permit Coordinator</li> <li>• Updated expense and timesheet coding for better alignment between the two</li> <li>• Prepared draft update of COVID-19 Preparedness Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Watershed Management Study               <ul style="list-style-type: none"> <li>○ Continue work with PMT to prepare improvement options</li> </ul> </li> <li>• Annual audit preparation (audit scheduled for March 17 – 18)</li> <li>• Orient new Permit Coordinator</li> <li>• Staff reviews</li> <li>• Prepare benefits policy</li> </ul>



# PRIOR LAKE SPRING LAKE WATERSHED DISTRICT

## **Regulations Review Summary**

### *New Easements – Active*

- Vergus Estates 1 (Scott County) Garant
- Vergus Estates 2 (Scott County) Anderson
- 4B Estates (Scott County)
- Schieffer Property 195<sup>th</sup> St (Scott County)
- Schieffer Property Hwy 13 parcel (Scott County)
- Villas at Crest Woods (City of Prior Lake)
- Eagleview 1st Addition (Savage)
- County Public Works Building (City of Prior Lake)
- Marxen Farm (Scott County)
- Springview Meadows (Prior Lake)
- Big Sky 2<sup>nd</sup>/3<sup>rd</sup> Additions (Savage)
- Ebenhoh Acres (Scott County)

### *New Easements – On Hold*

- Parkhaven (City of Prior Lake)
- Vierling Property (City of Prior Lake)
- South Vergus Estates (Scott County)

### *Easement Amendments*

- Living Hope Church (Shakopee)
- Timber Crest (City of Prior Lake)
- Tyler Chambers (City of Prior Lake)
- Didi & Kit Tran, and Vladimir Dudin (Savage)
- Stemmer Ridge Spring Lake Estates (Prior Lake)

### *Open Permits*

- Living Hope Church (Shakopee)
- TH-13 (City of Prior Lake)
- TH-13 CSAH 12 (City of Prior Lake)
- County Public Works Building (City of Prior Lake)
- Pickleball Facility (City of Prior Lake)
- Pike Lake Culvert (City of Prior Lake)
- Strauss Driveway (City of Prior Lake)
- Fish Point Road (City of Prior Lake)

### *Equivalency Agreements: Development Reviews*

- Parkhaven Holdings (City of Prior Lake)

### *District Permit Applications*

- 21.02 MnDOT Hwy 13
- 22.01 Downtown South Roadway Reconstruction (City of Prior Lake)

**PLSLWD Board Staff Report**  
February 8, 2022



<b>Subject  </b>	I-LIDS Pilot Project Renewal for 2022	
<b>Board Meeting Date  </b>	February 15, 2022	<b>Item No: 4.2</b>
<b>Prepared By  </b>	Joni Giese, District Administrator	
<b>Attachments  </b>	CAC I-LIDS Recommendation for 2022 Memorandum	
<b>Proposed Action  </b>	Vote to renew the I-LIDS pilot project for 2022 consistent with the CAC recommendations.	

**Background & Discussion**

See attached memorandum.

**Recommendation**

Staff recommends that the Board of Managers vote to renew the I-LIDS pilot project for 2022 consistent with the CAC recommendations.



## CAC Recommendation

January 27, 2022



Subject | CAC I-LIDS Recommendation for 2022

CAC Meeting Date | January 27, 2022

Prepared By | Ben Burnett, CAC Secretary, AIS committee member

### **Background**

In 2020, the Board approved the purchase and installation of an Internet Landing Installed Device Sensor (I-LIDS) unit at the Spring Lake boat launch as recommended by the CAC. This automated boat inspecting device was designed to help improve water quality by slowing the spread of aquatic invasive species using video capture and audio messaging. PLSLWD purchased and installed a unit at the Spring Lake boat launch in May of 2021. At the end of the inspection season, ESP presented an annual report.

The PLSLWD Staff submitted their recommendation at the 12-21-21 Board meeting. Eric Lindberg, Environmental Sentry Protection (ESP), presented the ESP I-LIDS report at the 12-21-21 PLSLWD Board meeting. Two CAC members were present, several reviewed the meeting video later.

### **CAC Discussion**

Based on the CAC member reports from Eric Lindberg's presentation, the CAC discussed the I-LIDS project at the 1-27-22 meeting. We discussed some of the shortcomings of the system and installation issues, then discussed future plans. There was interest in expanding the project to the Upper and Lower Prior Lake boat launches in an attempt to start gathering data (any data) to establish a baseline sooner. Based on the types of data I-LIDS collects and the incomplete nature of it, we decided the data (although better than nothing), was not good enough to warrant an expansion yet.

### **CAC Recommendation**

The CAC voted to formally agree with the PLSLWD Staff and ESP recommendation to continue the I-LIDS pilot project through the 2022 season, with these specific sub-recommendations:

- Should add the concrete footing (needs DNR approval, start this ASAP).
- Should add a QR code on the sign to link to an education webpage.
  - CAC can help Staff with webpage. SLA may also be interested in helping, maybe providing "prize" incentives.
- Should increase the amount of video review by ESP, recommend they review every video.
  - This does include an additional expense, but CAC feels this would be valuable for the next pilot year to make future plans and compare to 2021.

**PLSLWD Board Staff Report**  
February 8, 2022



<b>Subject  </b>	2022 Education & Outreach Plan	
<b>Board Meeting Date  </b>	February 15, 2022	<b>Item No 4.3</b>
<b>Prepared By  </b>	Elizabeth Frödén	
<b>Attachments  </b>	Prior Lake-Spring Lake Watershed District 2022 Education & Outreach Plan	
<b>Proposed Action  </b>	Motion to accept the 2022 Education & Outreach Plan	

### **Background**

The education and outreach program follows the goals laid out in the 2020 Water Resources Management Plan and fulfills the requirements of the Municipal Separate Storm Sewer System (MS4) permit for the Prior Lake Outlet Channel (PLOC). The purpose of the Prior Lake-Spring Lake Watershed District's (PLSLWD) education and outreach program is to improve understanding of local water resources and practices among all stakeholders in the District. The best advocate for water resources is an engaged and informed citizenry.

In 2022 the education and outreach program will include coordinated efforts with the Scott Soil and Water Conservation District (SWCD), the Scott County Clean Water Education Program (SCWEP), and other local partners to continue a community-wide approach to develop an understanding of local water resource issues and the impact each citizen has upon them, with special emphasis on flooding, phosphorus reduction, water quality, stormwater runoff, water conservation, aquatic invasive species (AIS), landowner best conservation practices, and illicit discharge.

### **Discussion**

The District's outreach program fulfills the District's MS4 requirements and supports many of the District's other programs including projects, monitoring, and carp management. This year the District plans to continue much of the outreach and communications work it has done in the past including project outreach, submitting articles to the Prior Lake American and SCENE newspapers, updating the website and social media, conducting District tours, working with the lake associations, coordinating volunteers and creating permanent interpretative signs to highlight District projects. The District will continue to work with the Scott SWCD to host education sessions (e.g., Growing Healthy Soils event), promote our cost share program, and host the annual Outdoor Education Days for local students. Further details can be found in the attached 2022 Education & Outreach Plan which includes a schedule of 2022 planned activities.

### **Recommendation**

Staff recommends that the Board of Managers accept the 2022 Education & Outreach Plan.

# PLSLWD Education & Outreach Plan

# 2022

*“Our mission is to manage and preserve the water resources of the Prior Lake-Spring Lake Watershed District to the best of our ability using input from our communities, sound engineering practices, and our ability to efficiently fund beneficial projects which transcend political jurisdictions.”*

## Prepared By:

**Jaime Rockney**  
*Water Resources Project Manager*

**&  
Elizabeth Frödén**  
*Water Resources Assistant*

**&  
Joni Giese**  
*District Administrator*

*February 15, 2022*



*PLOC Tour 2021*



## Executive Summary

The purpose of the Prior Lake-Spring Lake Watershed District's (PLSLWD) education and outreach program is to improve understanding of local water resources for all stakeholders in the District. The best advocate for water resources is an engaged and informed citizenry. The education and outreach program fulfills the goals laid out in the 2020 Water Resources Management Plan, requirements of the Municipal Separate Storm Sewer System (MS4) permit for the Prior Lake Outlet Channel (PLOC), and when applicable, requirements of current grants. This Education and Outreach Plan will lay out specific activities that will be completed in 2022 to meet the aforementioned goals and requirements.

To the extent feasible, the education and outreach program will coordinate efforts with partners and the Scott County Clean Water Education Program (SCWEP) to promote a community-wide understanding of local water resource issues and the impact each citizen has upon them, with special emphasis on flooding, stormwater runoff, phosphorus reduction, water quality, water conservation, aquatic invasive species (AIS), landowner best conservation practices and illicit discharge. Partners that share the District's goals include:

- Prior Lake Association
- Spring Lake Association
- City of Prior Lake
- City of Savage
- City of Shakopee
- Shakopee Mdewakanton Sioux Community (SMSC)
- Scott County
- Spring Lake Township
- Sand Creek Township
- Scott Soil and Water Conservation District
- Scott County Watershed Management Organization
- Prior Lake-Savage School District

Target audiences of the District's education and outreach program include agriculture/rural landowners, urban and lakeshore residents, District partners, community groups, faith communities, schools, and government.



## Communications & Marketing

Communications and marketing form an important part of the District's education and outreach program. The District anticipates a variety of passive and active marketing techniques to reach out to various stakeholders in the watershed. Anticipated activities include:

- Submit news articles and press releases to the Prior Lake American newspaper, and the Scott County SCENE. Pitch story ideas to local reporters, as applicable
- Write and post articles and information on the District's website and social media
- Present at the Prior Lake and Spring Lake Associations' annual meetings
- Present to the City of Prior Lake's Citizen Engagement Committee (CEC), as requested
- Annual update presentations to the Cities of Prior Lake, Shakopee, Savage; Sand Creek and Spring Lake Townships; Scott County; and others as requested
- Participation at Chamber Fest or local farmers markets, including interactive displays
- Targeted mailings, especially regarding project updates and cost-share programs
- Publish and disperse fact sheets for new projects and Water Quality Report Cards for lakes
- Solicit input from the public, CAC members, PLOC Technical Advisory Committee (TAC) and PLOC Cooperators
- Keep website current with respect to water quality conditions and trends

## General Outreach and Education

### Scott Clean Water Education Program (SCWEP)

The District will continue to partner with the Scott Clean Water Education Program (SCWEP) to extend its education and outreach efforts. This program is run by the Scott Soil and Water Conservation District (SWCD) and includes the following partners: Scott Watershed Management Organization, Lower Minnesota River Watershed District, Vermillion River Watershed Joint Powers Board, Spring Lake Township, Credit River Township, Jackson Township, Louisville Township, Vermillion River Watershed Joint Powers Board, and Scott County.

SCWEP's vision is that making clean water choices becomes "second nature" for people who live and work in Scott County. The key message SCWEP is promoting is, "Clean Water Starts with Me!" and will focus upon illicit discharge, stormwater runoff and how individuals can make a difference. Audiences include agriculture/rural landowners, urban and lakeshore residents, community groups, faith communities, schools, and government.

SCWEP will:

- Conduct workshops, such as prairie restorations, shoreline restoration, cover crops, and winter maintenance
- Promote cost-share programs, such as cover crops, agricultural nutrient or residue management and shoreline restorations





- Participate in community events
- Develop targeted outreach activities
- Publish rack cards, fact sheets, brochures, and newsletters
- Submit news articles and press releases
- Rotate the Clean Water Display at the Scott County Conservation Center
- Utilize social media to get its messages out
- Further SCWEP plans will be outlined in the SCWEP 2022 work plan that is currently under development.

### Local Schools Partnership

The District will seek to continue collaborating with local area schools. District staff will work with staff from local schools, including the Prior Lake-Savage (PLS) schools to identify opportunities for the District to provide programming and support for teachers. This may include giving classroom presentations as requested or providing teachers with lesson plan ideas relating to water resources.

The District will also participate in SCWEP's Scott County Outdoor Education Days. Staff will help run the stations highlighting water and SWCD staff will run stations highlighting other important natural resources for 1,500 students from local schools.

### Volunteers

Volunteering provides local residents with an opportunity to help further the District's work, learn more about the District's efforts and learn how to improve our local water resources. The District offers the following opportunities for volunteers to get involved with District programs and projects:

- Volunteer observers report the status of ice on and off conditions of District lakes to staff.
- Precipitation volunteers record precipitation data at their property and send staff their data monthly.
- CAMP (Citizen Assisted Monitoring Program) volunteers (*see photo*) monitor water quality on several District lakes bi-weekly throughout the monitoring season.
- Volunteers assist with the carp management program through tracking carp, baiting carp and reporting areas of carp activity.
- Volunteers participate in clean-up events hosted by the District.
- Volunteers can join one of the District's advisory groups: the Citizen Advisory Committee (CAC) and the Farmer-Led Council (FLC).



The District will also continue to partner to with volunteers on other projects as needs arise.



## **Events**

The District will continue to partner with the City of Prior Lake to host Clean Water Clean-Up events. The clean-ups are a great way to engage volunteers and increase awareness of the District and our work. Past events included leaf raking, buckthorn removals, and storm drain stenciling. The District is planning another storm drain stenciling event for 2022. Volunteers will be recruited through emails to past volunteers and notices on the District's and City's websites, and the District's Facebook and Instagram pages. The events will be publicized in the Prior Lake American, and the Scott County SCENE.

The District is required as part of the MS4 permit to host public involvement activities each calendar year which includes a pollution prevention or water quality theme. The Clean Water Clean-Up helps the District meet this requirement.

Additionally, the District will have a booth at local events, such as Prior Lake's Chamber Fest or farmers markets, with information and interactive activities for the public. The District will also present at the Spring Lake Association, Prior Lake Association, and Spring Lake Township annual meetings.

The District has two new events planned for 2022. In July, the District will partner with the City of Prior Lake for its Fishing Clinic by running a booth geared towards educating youth about aquatic invasive species. The District will also partner with Spring Lake Association to co-host a plant identification workshop, the purpose of which is to help lakeshore owners identify which plants are native or invasive.

## **Citizen Advisory Committee (CAC)**

The District's Citizen Advisory Committee meets monthly and provides the District with feedback and recommendations on District programs, projects, and plans. The committee will be invited to help implement the District's education and outreach activities, as well as research new topics that may assist PLSLWD in improving natural and water resources in the District.

The CAC formed subcommittees in 2021 to focus committee efforts on select topics. Current subcommittees include: AIS/Signage; Shoreline Restoration; Lake Life and Water Quality; Fish Stocking; and Storage Assessment, Plans and Wetland Banking.

## **Farmer-Led Council (FLC)**

Agricultural lands make up most of the landscape in the Spring Lake and Upper Prior Lake watersheds. The District will partner with the Scott SWCD to continue its staff support of the Farmer-Led Council (FLC). The FLC meets 3-4 times per year and consists of local farmers within the PLSLWD. The role of the FLC is to develop and guide the implementation of



strategies that the District will use to accomplish agriculture's share of nutrient reduction goals. It will:

- Inform decision-makers and the public about soil and water conservation opportunities
- Identify base level and site-tailored practices that are available and needed
- Define the best approach for engaging with and assisting farmers to implement practices
- Identify potential barriers to implementation, along with tools and resources needed to overcome them

The District and the FLC originally planned to host a Growing Healthy Soils event with invited speakers in Spring 2021, however the event was postponed until 2022 because of Covid-19 to allow fuller participation. Part 1 of the event was held on January 13, 2022, with a total of 64 participants, and part 2 will take place on March 16, 2022.

In addition to special events and workshops, the FLC sponsors the Lake-Friendly Farm Program, which was created to recognize the farmers that are doing an outstanding job of managing their farms in a way that protects the water resources in the District. Once a farm meets the program criteria, the farm is certified as a Lake-Friendly Farm and the farmer receives a sign (*see right*) which they can post at their farm. The program both identifies and publicly recognizes existing best management practices in the watershed and assists farmers in identifying areas for improvement to help protect our water resources.



### Residential and Agricultural Cost-Share

In addition to SCWEP, the District will continue to contract with the SWCD to meet with landowners to promote rural and urban incentive and cost-share programs and encourage their participation. For residential incentive programs, PLSLWD will promote citizen participation in the SCWEP workshops as well as District cost-share programs.



Part of the goal of the District's cost-share program is to create a "culture of conservation" which inspires residents and results in residents pursuing conservation projects beyond the cost-share program and as a natural extension of their everyday activities.

In rural areas, the District will provide incentive payments for filter strips, wetland restoration, well decommissioning, water and sediment control basins (WASCOB) and other best management practices (BMP). The District annually approves the SWCD Conservation Practice Payment Docket, which defines practices, payments, and evaluation tools. A scoring system is used to select cost share projects for funding. The scoring system prioritizes projects that will have the highest benefit to reducing phosphorus and runoff volume to priority waterbodies.





## Project Outreach

The District will continue to promote District projects and efforts to improve local water quality, reduce flooding and prevent the spread of AIS. The District will provide information on these projects through project factsheets, social media, the District website, meetings/articles for lake associations and press releases to the Prior Lake American, and the Scott County SCENE.

Staff will conduct literature drops to residents residing near PLSLWD construction projects. If necessary, letters may be sent to the residents and neighborhood meetings may be scheduled.



## Carp Management Outreach

The District will continue to communicate carp management activities with the public, including information about removals, barriers, fish stocking and other carp management activity. Carp management continues to be an area of high interest to the public. Communication methods includes emails to the carp email notification list inviting the public to some removal events, website updates, posts on social media and news releases.

## District Tours

District staff will organize at least one District tour in 2022 to highlight current or past projects. Past tours include the Prior Lake Outlet Channel (PLOC), Ferric Chloride Treatment Facility, and the Sutton Lake Outlet Modification Project.

*Right: Sutton Lake project tour*



## Dive the Lake Cleanup

The District will be partnering with Prior Lake Association and Free-Daptive Divers for an event during the summer. The purpose of the Dive the Lake Cleanup event is to pull litter from the lake bottom. The District will contribute to the event by transporting the divers and hauling the litter back to shore using the Watershed District boat as well as informing the public about the event on our social media pages.



### **Fish Lake Restoration Project**

The District partnered with Spring Lake Township to complete a restoration and demonstration project at the Spring Lake Town Hall. The town hall hosts conservation workshops for residents and has many visitors visiting the town hall and grounds for other events; this visibility makes the site a great location for a demonstration project. The site already had a large rain garden and this project added both an enhanced shoreline and a restored prairie which allows visitors to see demonstrations of several different types of beneficial projects at one site. Interpretative signs highlighting the restorations and how residents can complete their own projects will be installed in 2022.

### **Spring Lake Parcel**

The District owns a stretch of shoreline along the north side of Spring Lake. The District restored the property's 350 feet of shoreline in 2016, removing buckthorn and seeding the site with native plants. Two interpretive signs highlighting the restoration were installed in 2017. This site continues to function as a shoreline restoration demonstration site for residents.

### **Stormwater & Storage Projects**

To approach stormwater management more comprehensively, the District completed the Upper Watershed Blueprint study in 2021. Water quality projects within the upper watershed will improve stream and lake water quality downstream. It will be necessary to partner with landowners to achieve these goals. Outreach will be targeted towards landowners living near potential projects, such as the Sutton Lake Management Plan and Buck Lake East wetland restoration. The District will hold informational meetings while looking for feedback from landowners regarding these potential projects. Should these projects move towards implementation, staff will write relevant website articles and press releases.

### **Conservation Easements**

The District has 42 conservation easements with over 250 landowners, which are inspected annually. In the spring, landowners receive an annual newsletter and reminder letters to remedy any issues if violations were present. Landowners also receive a pre-inspection letter prior to the annual site visit and a post-inspection letter noting the inspection findings, including any violations. Landowners are encouraged to join staff on site visits if they are interested. In 2022, staff will continue to follow-up and work with landowners to correct previously identified violations along with any newly identified violations.



## Budget

In 2021, \$7,610 was expended on education and outreach activities. Therefore, the 2022 budget for Education and Outreach activities decreased from \$19,000 in 2021 to \$10,000 in 2022 (see table below). The budget includes \$3,500 for SCWEP, \$3,500 for the CAC, \$500 for the Prior Lake-Savage schools partnership, and \$2,500 for MS4 activities.

Project	2021 Budget	2022 Budget
MS4 Education	\$ 5,500	\$2,500
SCWEP (SWCD)	3,500	3,500
Schools Partnership	750	500
CAC	4,100	3,500
Educational Signs	1,500	0
50 <sup>th</sup> Anniversary	4,000	0
<b>Total</b>	<b>\$19, 350</b>	<b>\$10,000</b>

In addition, the District budgeted \$12,000 of the \$61,000 Farmer-Led Council budget to include funds for FLC meetings, speakers, and the 2022 Growing Healthy Soils events.

It should be noted that the budget does not include staff time.

## Outcomes & Evaluation

The desired outcome for education and outreach in 2022 is to improve District stakeholders' understanding of local water resources; this strategic goal will be evaluated primarily by the District's compliance with the MS4 permit, following our 2020 Water Resources Management Plan, and completion of grant requirements. A large part of the Storm Water Pollution Prevention Program (SWPPP), a component of the MS4 permit, requires identification and documentation of BMPs undertaken to reduce the discharge of pollutants from the MS4 to the maximum extent practicable. Metrics used to measure the impact of marketing strategies include:

- Number of participants at a specific District hosted event or workshop
- Number of direct mailings, brochures, and newsletters distributed
- Number of submitted press releases and published articles

To maintain compliance with the MS4 permit, District staff will continue to record and quantify the above metrics, which help document the success or benefit of each event, project, and program.



## 2021 Completed Activities\*

2021 Activities & Events	Schedule	Partners	People Reached (if applicable)
Sutton Lake project tour	March		20
Raymond Park project interpretative signage installed	March	City of Prior Lake	N/A
Write Sutton Lake project articles for website & newspaper	20-Mar		Prior Lake American circulation
Contribute to PLA & SLA annual newsletters, as requested	March/April	PLA, SLA	PLA/SLA membership
Mailer to lakeshore owners highlighting aquatic plant benefits	April	Carp grant funding	All Prior/Spring Lake shoreline owners
Conservation easement newsletter (mailing)	April		150
SLA Annual Meeting Video Presentation	April	SLA	36
Annual update on education program at PLSLWD board meeting	May		N/A
Present to City of Prior Lake Citizen Engagement Committee (CEC)	20-May		15
Coordinate CAMP program volunteers	May - October	Met Council	10
Coordinate carp volunteers	Spring/Summer		44
Mailing to farmers highlighting available cost share & services	June	SWCD	250
Presentation to Rotary Club	2-Jun	Rotary Club	40
Shoreline workshop	9-Jun	SWCD	5
Native Prairie workshop	14-Jul	SWCD	17
Hike the Watershed guided hikes	16-Jun, 14-Jul, and 18-Aug		27
Youth Event at Kici Yapi camp	July	SMSC, YMCA	40 - 60 students
Lakefront Days booth	August		1000
Elementary School Event	Summer	Twin Oaks Middle School (biology dept)	250
Send inspection letters to easement landowners	Summer/Fall		50
Clean Water Clean-Up Stenciling event	Fall	City of Prior Lake	40



<b>2021 Activities &amp; Events</b>	<b>Schedule</b>	<b>Partners</b>	<b>People Reached (if applicable)</b>
Lake Friendly Farm Event	26-Aug	SWCD	40
PLOC District tour - Outlet Channel	4-Oct	City of Shakopee	20
Presentation to Prior Lake Association Annual Meeting	28-Oct	Prior Lake Association	350
Coordinate volunteer ice observer reports	Winter		30
Winter maintenance workshop for homeowners (online webinar)	December	SWCD	4
Citizen Advisory Committee (CAC) meetings	Monthly		10
Farmer-Led Council (FLC) Meetings and Presentations	Quarterly		30
Website Updates	Ongoing		~350/month***
Social Media Updates	Ongoing		~500/month**
Coordinate precipitation volunteers	Ongoing		1
Carp management outreach	Ongoing		130
Write articles (12 minimum) for website, Prior Lake American and Scott County SCENE	Ongoing		12 Articles Published

\* Please note that this is not a comprehensive list of SCWEP Education and Outreach activities, only those with which we were involved.

\*\* Based on monthly average from Facebook analytics

\*\*\* Based on monthly average from YouTube and website analytics





## 2022 Planned Activities

2022 Activities & Events	Schedule	Partners
Growing Healthy Soils (FLC event) Part 1	13-Jan	SWCD
Annual Update of District Education and Outreach Plan	February	
Growing Healthy Soils (FLC event) Part 2	16-Mar	SWCD
Spring Lake Township Annual Meeting Presentation	March	
Spring Lake Association Annual Meeting Presentations	April	
Conservation easement newsletter (mailing)	Spring	
Clean Water Clean-Up Stenciling Event	Spring	City of Prior Lake
Design & install Fish Lake restoration project signs	Spring	Spring Lake Township
Coordinate CAMP program volunteers	Spring-Fall	Met Council
<i>Shoreline workshop (tentative)</i>	<i>June</i>	<i>SWCD</i>
Dive the Lake Cleanup	June	PLA, Free-Daptive Divers
City of Prior Lake Fishing Clinic	July 15	City of Prior Lake
Chamber Fest Booth (and/or Farmers Market)	Summer	
Vegetation Identification	Summer	Spring Lake Association
<i>Mailing to new lakeshore residents about technical assistance, cost-share, and workshops (tentative)</i>	<i>Summer</i>	<i>SWCD</i>
Send inspection letters to easement landowners	Summer/Fall	
Outdoor Education Days	Fall	SWCD
District Tour (TBD)	Fall	
Prior Lake Association Annual Meeting Presentations	Fall	
<i>Winter maintenance workshop for homeowners (tentative)</i>	<i>December</i>	<i>SWCD</i>
Coordinate volunteer ice observer reports	Winter	
Contribute to PLA & SLA annual newsletters, as requested	Winter	PLA, SLA
Mailing to farmers highlighting available cost share & services	TBD	SWCD
Native Prairie workshop (tentative)	TBD	SWCD
Citizen Advisory Committee (CAC) meetings	Monthly	
Farmer-Led Council (FLC) Meetings	Quarterly	
Present to partner city councils, township boards, and advisory committees (as requested)	Annually	



<b>2022 Activities &amp; Events</b>	<b>Schedule</b>	<b>Partners</b>
Coordinate carp volunteers	Ongoing	
Website Updates	Ongoing	
Social Media Updates (weekly)	Ongoing	
Create project factsheets	Ongoing	
Coordinate precipitation volunteers	Ongoing	
Carp management outreach	Ongoing	
Write articles (6 minimum) for website, Prior Lake American, and/or Scott County SCENE	Ongoing	
Present to school classrooms	As requested	

**PLSLWD Board Staff Report**  
February 9, 2022



<b>Subject  </b>	Resolution 22-354: Authorizing Membership in the 4M Fund	
<b>Board Meeting Date  </b>	February 15, 2022	<b>Item No: 4.4</b>
<b>Prepared By  </b>	Joni Giese, District Administrator	
<b>Attachments  </b>	1) Resolution 22-354: Authorizing Membership in the 4M Fund 2) 4M Fund Declaration of Trust 3) 4M Fund Information Statement	
<b>Proposed Action  </b>	Approval of Resolution 22-354: Authorizing Membership in the 4M Fund	

### **Background**

PLSLWD is currently investigating options for a depository for district funds that:

- Meets state statutes and the District's investment policies
- Provide opportunities for short-term investment of District funds until they are needed to fund District budgeted projects and programs.

### **Discussion**

Corey Boyer, a representative of the 4M Fund, made a presentation to the Board of Manager at the January 2022 workshop. After discussion the managers voted to move forward with the preparation of a resolution authorizing membership in the 4M Fund. Documents attached to support the resolution include the 4M Declaration of Trust referenced in the resolution. This is the original trust document filed at the State of Minnesota when the Fund was established. There have been no updates to the original document. The 4M Information Statement is used to update the operations of the Fund as it evolves.

### **Recommendation**

Staff recommends Board of Managers approval of Resolution 22-354: Authorizing Membership in the 4M Fund.





## **Resolution 22-354**

### **Resolution Authorizing Membership in the 4M Fund**

**WHEREAS**, Minnesota Statutes (the Joint Powers Act) provides that governmental units may jointly exercise any power common to the contracting parties; and

**WHEREAS**, the Minnesota Municipal Money Market Fund (the 4M Fund) was formed in 1987, pursuant to the Joint Powers Act and in accordance with Minnesota Investment Statutes, by the adoption of a joint powers agreement in the form of a Declaration of Trust; and

**WHEREAS**, the Declaration of Trust, which has been presented to this Board, authorizes municipalities of the State of Minnesota to become Participants of the Fund and make use from time to time including the 4M Liquid Asset Fund, the 4M Plus Fund, the Term Series, the 4M Limited Term Duration Fund, the Fixed Rate Programs, and other Fund services offered by the Fund; and

**WHEREAS**, this Board deems it to be in the best interest for the municipality to make use of, from time to time, the approved services provided by the 4M Fund's service providers including the Investment Advisor (PMA Asset Management, LLC), the Administrator (PMA Financial Network, LLC) the Distributor (PMA Securities, LLC) or the Fixed Rate Program Providers, PMA Financial Network, LLC and PMA Securities, LLC and the Custodian, U.S. Bank National Association, ("Service Providers") and/or their successors.

**WHEREAS**, this Board deems it advisable for this municipality to enter into the Declaration of Trust and become a Participant of the Fund for the purpose of joint investment with other municipalities so as to enhance the investment earnings accruing to each; now, therefore **BE IT RESOLVED AS FOLLOWS:**

**Section 1.** This municipality shall become a Participant of the Fund and adopt and enter into the Declaration of Trust, a copy of which shall be filed in the minutes of this meeting. The appropriate officials are hereby authorized to execute those documents necessary to effectuate entry into the Declaration of Trust and the participation of all Fund programs.

**Section 2.** This municipality is authorized to invest monies from time to time and to withdraw such monies from time to time in accordance with the provisions of the Declaration of Trust.

The following officers of the municipality or their successors are designated as “Authorized Officials” with authority to effectuate investments and withdrawals in accordance with the Declaration of Trust:

Mike Myser	President	
Print Name	Title	Signature
<hr/>		
Bruce Loney	Treasurer	
Print Name	Title	Signature
<hr/>		
Curt Hennes	Vice President	
Print Name	Title	Signature
<hr/>		
Steve Pany	Secretary	
Print Name	Title	Signature
<hr/>		
Frank Boyles	Manager	
Print Name	Title	Signature
<hr/>		
Joni Giese	District Administrator	
Print Name	Title	Signature
<hr/>		

**Section 3.** The Trustees of the Fund are designated as having official custody of those monies invested in accordance with the Declaration of Trust.

**Section 4.** That the municipality may open depository and other accounts, enter into wire transfer agreements, safekeeping agreements, third party surety agreements securing deposits, collateral agreements, letters of credit, lockbox agreements, or other applicable or related documents with institutions participating in Fund programs including U.S. Bank National Association, or its successor, or programs of PMA Financial Network, LLC or PMA Securities, LLC for the purpose of transaction clearing and safekeeping, or the purchase of certificates of deposit (“CDs”) or other deposit products and that these institutions shall be deemed eligible depositories for the municipality. PMA Financial Network, LLC and PMA Securities, LLC and their successors are authorized to act on behalf of this municipality as its agent with respect to such accounts and agreements. Monies of this entity may be deposited in such depositories, from time to time in the discretion of the Authorized Officials, pursuant to the Fund’s Programs available through its Services Providers.

The question was called on the adoption of the Resolution and there were \_\_ yeas and \_\_ nays as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>
Boyles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hennes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Loney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myser	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pany	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Upon vote, the chair declared the resolution adopted.

It is hereby certified that the Board of the Prior Lake-Spring Lake Watershed District adopted this Resolution at a duly convened meeting of the Board held on the 15th day of February, 2022, and that such Resolution is in full force and effect on this date, and that such Resolution has not been modified, amended, or rescinded since its adoption.

\_\_\_\_\_  
Steve Pany, Secretary

Dated: \_\_\_\_\_, 2022

## State of Minnesota

**SECRETARY OF STATE**

## Certificate of Business Trust

I, Joan Anderson Grove, Secretary of State of Minnesota, do certify that: A copy of the Declaration of Trust of the trust listed below was filed with this office on this date, by a member of the board of trustees of that trust, who swore that the copy filed was a true and correct copy of the declaration of trust. The trustee also set forth the name and address of the agent of the trust for service of process, and met all the filing requirements of Minnesota Statutes, Chapter 318.

Name of Business Trust:

Minnesota Municipal Money Market Fund

File Number: BT-406

Name and Address of Agent for Service of Process:

League of Minnesota Cities  
%The League of MN Cities 183 Univ Ave E  
St Paul MN 55101-

This certificate has been issued on 04/23/87.



*Joan Anderson Grove*  
Secretary of State.

EXHIBIT C

BT 406

MINNESOTA MUNICIPAL

MONEY MARKET FUND

(A Minnesota entity formed  
pursuant to the  
Minnesota Joint Powers Act)

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DECLARATION OF TRUST  
(As adopted in January, 1987)

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034869

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## Execution

WITNESETH:

WHEREAS, Minnesota Statutes, Section 471.59 (the "Joint Powers Act") provides, among other things, that governmental units (as such term is defined therein), by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any power common to the contracting parties; and

WHEREAS, the term "governmental unit" is defined in the Joint Powers Act to include municipality as defined herein; and

WHEREAS, all of the Initial Participants are Municipalities of the State of Minnesota that desire to enter into an agreement and thereby establish an entity for joint investment, under the provisions of the aforementioned Joint Powers Act, pursuant to this Declaration of Trust for the purpose of combining their respective available investment funds not currently needed by such Municipalities so as to enhance the investment opportunities available to them and increase the investment earnings accruing to them respectively; and

WHEREAS, this Declaration of Trust is intended to be an agreement entered into pursuant to the Joint Powers Act for the purpose of better exercising the Participants' power to invest their respective funds in accordance with the Laws of the State of Minnesota; and

WHEREAS, the Board or Council of each of the Initial Participants has duly adopted a resolution authorizing the applicable Initial Participant to become a party to, and has approved, this Declaration of Trust pursuant to the Joint Powers Act; and

WHEREAS, the Board or Council of each of the Initial Participants, by its aforementioned approval of this Declaration of Trust, has authorized the investment of funds of such Initial Participant in investments of the nature permitted by Minnesota Law, as applicable, and in the manner contemplated by this Declaration of Trust; and

WHEREAS, it is proposed that the beneficial interest in the 4M Fund's assets shall be divided into non-transferable shares of beneficial interest, which shall be evidenced by a share register maintained by the 4M Fund or its agent; and

WHEREAS, the Initial Participants anticipate the other Municipalities of the State of Minnesota may wish to become Participants by adopting this Declaration of Trust and thus becoming parties to it;

NOW, THEREFORE, the Initial Participants hereby declare that all moneys, assets, securities, funds and property now or hereafter acquired pursuant to this agreement shall be held and managed in trust for the equal and proportionate benefit of the holders of record from time to time of shares beneficial interest herein, without privilege, priority or distinction among such holders, and subject to the terms, covenants, conditions, purposes and provisions hereof.

## ARTICLE I

The 4M Fund

1.01 Name. The name of the common law trust created by this Declaration of Trust shall be "Minnesota Municipal Money Market Fund" (the 4M Fund) and, so far as may be practicable, the Trustees shall conduct the 4M Fund's activities, execute all documents and sue or be sued under that name, which name (and the word "4M Fund" wherever used in this Declaration of Trust, except where the context otherwise requires) shall refer to the Trustees in their capacity as Trustees, and not individually or personally, and shall not refer to the officers, agents, employees, counsel, advisers, consultants, accountants, or Participants of the 4M Fund or of such Trustees. Should the Trustees determine that the use of such name is not practicable, legal or convenient, they may use such other designation or they may adopt such other name for the 4M Fund as they deem proper, and the 4M Fund may hold property and conduct its activities under such designation or name. The Trustees shall take such actions as they, acting with the advice of counsel, shall deem necessary or appropriate to file or register such name in accordance with the Laws of the State of Minnesota or the United States of America so as to protect and reserve the right of the 4M Fund in and to such name. ✓

1.02 Purpose: Only Certain Minnesota Municipalities to be Participants.

(a) The purpose of the 4M Fund is to provide a means through which Municipalities may jointly and cooperatively exercise their power to invest their respective available funds so as to enhance their investment opportunities pursuant to an investment program conducted in accordance with the Laws of the State of Minnesota, from time to time in effect, governing the investment of the Municipal Funds. Only Municipalities organized under the Laws of the State of Minnesota may become Participants. A Municipality may become a party to this Declaration of Trust and may place moneys in the 4M Fund only after its Board or Council has duly adopted a resolution, or taken other applicable official action, authorizing such Municipality to become a Participant of the 4M Fund and adopting this Declaration of Trust.

(b) It is not necessary for a municipality to place any funds in the 4M Fund to become a Participant, and no minimum investment balance must be maintained by a Municipality which has become a Participant in order for such Municipality to continue to be a Participant.

1.03 Location. The 4M Fund shall maintain an office of record in the State of Minnesota and may maintain such other offices or places of business as the Trustees may from time to time determine. The initial office of record of the 4M Fund shall be: c/o League of Minnesota Cities, 183 University Ave. East, St. Paul, Minnesota 55101. The office of record may be changed from time to time by resolution of the Trustees, and notice of such change of the office of record shall be given to each Participant. ✓

1.04 Nature of 4M Fund and Declaration of Trust.

(a) The 4M Fund shall be a common law trust (also known as a business trust) organized and existing under the laws of the State of Minnesota. The 4M Fund is not intended to be, shall not be deemed to be, and shall not be treated as, a general partnership, limited partnership,

joint venture, corporation, investment company, joint stock association or joint stock company. The Participants shall be beneficiaries of the 4M Fund, and their relationship to the Trustees shall be solely in their capacity as Participants and beneficiaries in accordance with the rights conferred upon them hereunder.

(b) This Declaration of Trust is an agreement of indefinite term regarding the joint or cooperative exercise of a power common to the parties thereto within the meaning of the Joint Powers Act.

1.05 Definitions. As used in this Declaration of Trust, the following terms shall have the following meanings unless the context hereof otherwise requires:

"Administrator" shall mean any Person or Persons appointed, employed or contracted with by the Trustees under the applicable provisions of Section 3.1 hereof.

"Administration Agreement" shall mean the agreement with the Administrator referred to in Section 3.3 hereof as the same may be amended from time to time.

"Adviser" shall mean any Person or Persons appointed, employed or contracted with by the Trustees under the applicable provisions of Section 3.1 hereof.

"Affiliate" shall mean, with respect to any Person, another Person directly or indirectly controlling, controlled by or under common control with such Person, or any officer, director, partner or employee of such Person.

"Board of Trustees" or "Trustees" shall mean the Board of Directors of the League of Minnesota Cities.

reordered { "Board" or "Council" shall mean the governing body of a Municipality as defined herein.

"Custodian" shall mean any Person or Persons appointed, employed or contracted with by the Administrator under the applicable provisions of Section 11.2 hereof.

"Custodian Agreement" shall mean the agreement with the Custodian referred to in Section 11.1 hereof as the same may be amended from time to time.

"Declaration of Trust" shall mean this Declaration of Trust as amended, restated or modified from time to time. References in this Declaration of Trust to "Declaration", "hereof", "herein", "hereby" and "hereunder" shall be deemed to refer to the Declaration of Trust and shall not be limited to the particular text, article or section in which such words appear.

"Employee of a Municipality" or "Municipal Employee" shall mean a director of finance, a finance official or other managerial employee of a Municipality charged with responsibility for municipal finance.

"4M Fund" shall mean the common law trust created by this Declaration of Trust.

"4M Fund Property" shall mean, as of any particular time, any and all property, real, personal or otherwise, tangible or intangible, which is transferred, conveyed or paid to the 4M Fund or the Trustees and all income, profits and gains therefrom and which, at such time, is owned or held by, or for the account of, the 4M Fund or the Trustees.

"Information Statement" shall mean the information statement or other descriptive document or documents adopted as such by the Trustees and distributed by the 4M Fund to participants and potential Participants of the 4M Fund as the same may be amended by the Trustees from time to time.

"Initial Participants" shall mean the League of Minnesota Cities and the City of Minnetonka which Municipalities initially formed the 4M Fund by the execution and adoption of this Declaration of Trust.

"Investment Advisory Agreement" shall mean the agreement with the Adviser referred to in Section 3.2 hereof as the same may be amended from time to time.

"Joint Powers Act" shall mean Minnesota Statutes, Section 471.59.

"Laws" shall mean common law and all ordinances, statutes, rules, regulations, orders, injunctions, decisions, opinions or decrees of any government or political subdivision or agency thereof, or any court or similar entity established by any thereof.

reordered { "Municipality" shall mean county, city, town, public authority, public corporation, public commission, special district, any other political subdivision, or an agency of the state or its subdivisions and any "instrumentality" (as that term is defined in the Joint Powers Act) of a municipality. }

"Participants" shall mean the Initial Participants and the Municipalities which adopt this Declaration of Trust pursuant to Section 14.6 hereof.

"Permitted Investments" shall mean the investments referred to in Paragraph (b) or Section 2.2 hereof.

"Person" shall mean and include individuals, corporations, limited partnerships, general partnerships, joint stock companies or associations, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other entities (which or not legal entities) and governments and agencies and political subdivisions thereof.

"Share" shall mean the unit used to denominate and measure the respective beneficial interests of the Participants in the Fund Property as described in Article VI.

"Share Register" shall mean the register of Shares maintained pursuant to Article VII hereof.

"Technical Advisory Board" shall mean the persons appointed by the Trustees to act as technical advisors to the Trust.

## ARTICLE II

### Powers of the Trustees

2.1 General. Subject to the rights of the Participants as provided herein, the Trustees shall have, without other or further authorization, full, exclusive and absolute power, control and authority over the 4M Fund Property and other the affairs of the 4M Fund to the same extent as if the Trustees were the sole and absolute owners of the 4M Fund Property in their own right, and

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with such powers of delegation as may be permitted by this Declaration of Trust. The trustees may do and perform such acts and things as in their sole judgment and discretion are necessary and proper for conducting the affairs of the 4M Fund or promoting the interests of the 4M Fund and the Participants. The enumeration of any specific power or authority herein shall not be construed as limiting the aforesaid general power or authority or any specific power or authority. The trustees may exercise any power authorized and granted to them by this Declaration of Trust. Such powers of the Trustees may be exercised without the necessity of any order or, or resort to, any court.

2.2 Permitted Investments. The Trustees shall have full and complete power, subject in all respects to Article IV hereof,

(a) to conduct, operate and provide an investment program for the Participants;  
and

(b) for such consideration as they may deem proper and as may be required by Law, to subscribe for, invest in, reinvest in, purchase or otherwise acquire, hold, sell, assign, transfer, exchange, distribute or otherwise deal in or dispose of investment instruments as permitted by Law (the "Permitted Investments"). Permitted Investments include, without limitation, as of the date hereof, the following:

(i) any security which is a direct obligation of or is guaranteed as to payment of principal and interest by the United States of America or any agency or instrumentality thereof;

(ii) shares of an investment company (1) registered under the federal investment company act of 1940, whose shares are registered under the federal securities act of 1933, and (2) whose only investments are in securities described in the preceding clause and repurchase agreements fully collateralized by those securities, if the repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks;

(iii) any security which is a general obligation of the State of Minnesota or any of its municipalities;

(iv) bankers acceptances of United States banks eligible for purchase by the Federal Reserve System;

(v) commercial paper issued by United States corporations or their Canadian subsidiaries that is of the highest quality and matures in 270 days or less;

(vi) deposits in a national bank or in a state bank or thrift institution insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, provided that any such deposit shall be insured, bonded or collateralized in the manner required by Law and that any such bank or thrift institution shall meet criteria designated from time to time by the Trustees;

(vii) repurchase agreements (a) with any bank qualified as a depository of money held in the debt service fund of a municipality of the State of Minnesota or (b) with any national or state bank in the United States of America which is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds \$10,000,000 or (c) with a Primary Reporting Dealer in United States Government Securities to the Federal Reserve Bank of New York as such term is defined in Minnesota Statutes, Section 475.51, Subdivision 11 or (d) a securities

broker-dealer having its principal executive office in Minnesota, licensed pursuant to Chapter 80A or an affiliate of it, regulated by the Securities and Exchange Commission and maintaining a combined capital and surplus of \$40,000,000 or more, exclusive of subordinated debt; and

(viii) such other investment instruments now or hereafter permitted by applicable Law for the investment of moneys of Municipalities organized under the laws of the State of Minnesota.

In the exercise of their powers, the Trustees shall not be limited, except as otherwise provided hereunder, to investing in Permitted Investments maturing before the possible termination of the 4M Fund. Except as otherwise provided in this Declaration of Trust, the Trustees shall not be limited by any Law now or hereafter in effect limiting the investments which may be held or retained by trustees or other fiduciaries, and they shall have full authority and power to make any and all Permitted Investments within the limitations of this Declaration of Trust, that they, in their absolute discretion, shall determine to be advisable and appropriate. The Trustees shall have no liability for loss with respect to Permitted Investments made within the terms of this Declaration of Trust, even though such investments shall be of a character or in an amount not considered proper for the investment of trust funds by trustees or other fiduciaries. The Trustees shall be permitted only to make Permitted Investments in accordance with Article IV of this Declaration of Trust.

### 2.3 Legal Title.

(a) Legal title to all of the 4M Fund Property shall be vested in the Trustees on behalf of the Participants and be held by and transferred to the Trustees, except that the Trustees shall have full and complete power to cause legal title to any 4M Fund Property to be held, on behalf of the Participants, by or in the name of the 4M Fund, or in the name of any other Person as nominee, on such terms, in such manner, and with such powers as the Trustees may determine, so long as in their judgment the interest of the 4M Fund is adequately protected.

(b) The right, title and interest of the Trustees in and to the 4M Fund Property shall vest automatically in all persons who may hereafter become Trustees upon their election to the Board of Directors of the League of Minnesota Cities and qualification without any further act. Upon the expiration of term of office, resignation, disability, removal, adjudication as an incompetent, or death of a Trustee, he (and in the event of his death, his estate) shall automatically cease to have any right, title or interest in or to any of the 4M Fund Property, and the right, title and interest of such Trustee in and to the 4M Fund Property shall vest automatically in the remaining Trustees without any further act.

2.4 Disposition of Assets. Subject in all respects to Article IV hereof and to the Laws from time to time applicable to Municipalities of the State of Minnesota, the Trustees shall have full and complete power to sell, exchange or otherwise dispose of any and all 4M Fund Property free and clear of any and all trusts and restrictions, at public or private sale, for cash or on terms, with or without advertisement, and subject to such restrictions, stipulations, agreements and reservations as they shall deem proper, and to execute and deliver any deed, power, assignment, bill of sale, or other instrument in connection with the foregoing. The Trustees shall also have full and complete power, subject in all respects to Article IV hereof, and in furtherance of the affairs and purposes of the 4M Fund, to give consents and make contracts relating to 4M Fund Property or its use.

2.5 Taxes. The Trustees shall have full and complete power: (i) to pay all taxes or assessments, of whatever kind or nature, validly and lawfully imposed upon or against the 4M Fund

or the Trustees in connection with the 4M Fund Property or upon or against the 4M Fund Property or income or any part thereof; (ii) to settle and compromise disputed tax liabilities; and (iii) for the foregoing purposes to make such returns and do all such other acts and things as may be deemed by the Trustees to be necessary or desirable.

**2.6 Rights as Holders of 4M Fund Property.** The Trustees shall have full and complete power to exercise on behalf of the Participants all of the rights, powers and privileges appertaining to the ownership of all or any Permitted Investments or other property forming part of the 4M Fund Property to the same extent that any individual might, and, without limiting the generality of the foregoing, to vote or give any consent, request or notice or waive any notice either in person or by proxy or power of attorney, with or without the power of substitution, to one or more Persons, which proxies and powers of attorney may be for meetings or actions generally, or for any particular meeting or action, and may include the exercise of discretionary powers.

**2.7 Delegation: Committees.** The Trustees shall have full and complete power (consistent with their continuing exclusive authority over the management of the 4M Fund, the conduct of its affairs, their duties and obligations as Trustees, and the management and disposition of 4M Fund Property), to delegate from time to time to such one or more of their number (who may be designated as constituting a committee of the Trustees as provided in Section 9.9 hereof) or to officers, employees or agents of the 4M Fund (including, without limitation, the Administrator, the Adviser and the Custodian) the doing of such acts and things and the execution of such instruments either in the name of the 4M Fund, or the names of the Trustees or as their attorney or attorneys, or otherwise as the Trustees may from time to time deem expedient and appropriate in the furtherance of the business affairs and purposes of the 4M Fund.

**2.8 Collection.** The Trustees shall have full and complete power: (i) to collect, sue for, receive and receipt for all sums of money or other property due to the 4M Fund; (ii) to consent to extensions of the time for payment, or to the renewal of any securities, investments or obligations; (iii) to engage or intervene in, prosecute, defend, compromise, abandon or adjust by arbitration or otherwise any actions, suits, proceedings, disputes, claims, demands or things relating to the 4M Fund Property; (iv) to foreclose any collateral, security or instrument securing any investments, notes, bills, bonds, obligations or contracts by virtue of which any sums of money are owed to the 4M Fund; (v) to exercise any power of sale held by them, and to convey good title hereunder free of any and all trusts, and in connection with any such foreclosure or sale, to purchase or otherwise acquire title to any property; (vi) to be parties to reorganization and to transfer to and deposit with any corporation, committee, voting trustee or other Person any securities, investments or obligations of any person which form a part of the 4M Fund Property, for the purpose of such reorganization or otherwise; (vii) to participate in any arrangement for enforcing or protecting the interests of the Trustees as the owners or holders of such securities, investments or obligations and to pay any assessment levied in connection with such reorganization or arrangement; (viii) to extend the time (with or without security) for the payment or delivery of any debts or property and to execute and enter into releases, agreements and other instruments, and (ix) to pay or satisfy any debts or claims upon any evidence that the Trustees shall deem sufficient.

**2.9 Payment of Expenses.** The Trustees shall have full and complete power: (i) to incur and pay any charges or expenses which in the opinion of the Trustees are necessary or incidental to or proper for carrying out any of the purposes of this Declaration of Trust; (ii) to reimburse others for the payment thereof; and (iii) to pay appropriate compensation or fees from the funds of the 4M Fund to Persons with whom the 4M Fund has contracted or transacted business. The Trustees shall fix the compensation, if any, of all officers and employees of the 4M Fund. The Trustees shall not be paid compensation for their general services as Trustees hereunder. The Trustees may pay themselves or any one or more of themselves reimbursement for



expenses reasonably incurred by themselves or any one or more of themselves on behalf of the 4M Fund.

2.10 Borrowing and Indebtedness. The Trustees shall not have the power to borrow money or incur indebtedness on behalf of the 4M Fund, or authorize the Fund to borrow money or incur indebtedness, except as provided in clause (iv) of Section 4.2 of this Declaration of Trust, but only if and to the extent permitted by Law.

2.11 Deposits. The Trustees shall have full and complete power to deposit, in such manner as may now or hereafter be permitted by Law, any moneys or funds, included in the 4M Fund Property, and intended to be used for the payment of expenses of the 4M Fund or the Trustees, with one or more banks, or thrift institutions meeting the requirements of Section 2.2(b)(vi) hereof. Such deposits are to be subject to withdrawal in such manner as the Trustees may determine, and the Trustees shall have no responsibility for any loss which may occur by reason of the failure of the bank or thrift institution with which the moneys, investments, or securities have been deposited. Each such bank or thrift institution shall comply, with respect to such deposits, with all applicable requirements of all applicable Laws, including, but not limited to, Laws of the State of Minnesota relating to Municipalities.

2.12 Valuation. The Trustees shall have full and complete power to determine in good faith conclusively the value of any of the 4M Fund Property and to revalue the 4M Fund Property.

2.13 Fiscal Year; Accounts. The Trustees shall have full and complete power to determine the fiscal year of the 4M Fund and the method or form in which its accounts shall be kept and from time to time to change the fiscal year or method or form of accounts. Unless otherwise determined by the Trustees pursuant to this Section 2.13, the fiscal year of the 4M Fund shall terminate on June 30 and commence on July 1 of each calendar year.

2.14 Concerning the 4M Fund and Certain Affiliates.

(a) The 4M Fund may enter into transactions with any Affiliate of the 4M Fund or of the Adviser, the Administrator, or the Custodian or of any Trustee, officer, director or employee of the 4M Fund or with any Affiliate of an agent of the 4M Fund or of the Adviser, the Administrator, or the Custodian if (i) each such transaction (or type of transaction) had, after disclosure of such affiliation, been approved or ratified by the affirmative vote of a majority of the Trustees, including a majority of the Trustees who are not Affiliates of any Person (other than the 4M Fund) who is a party to the transaction or transactions with the 4M Fund and (ii) such transaction (or type of transaction) is, in the opinion of the Trustees, on terms fair and reasonable to the 4M Fund and the Participants and at least as favorable to them as similar arrangements for comparable transactions (of which the Trustees have knowledge) with organizations unaffiliated with the 4M Fund or with the Person who is a party to the transaction or transactions with the 4M Fund.

(b) Except as otherwise provided in this Declaration of Trust or in the Laws of the State of Minnesota, in the absence of fraud, a contract, act or other transaction between the 4M Fund and any other Person, or in which the 4M Fund is interested, is valid and no Trustee, officer, employee or agent of the 4M Fund shall have any liability as a result of entering into any such contract, act or transaction even though (i) one or more of the Trustees, officers, employees or agents of such other Person, or (ii) one or more of the Trustees, officers, employees, or agents of the 4M Fund, individually or jointly with or affiliated with, such contract, act or transaction, provided that (i) such interest or affiliation is disclosed to the Trustees and the Trustees authorize such contract, act or other transaction by a vote of a majority of the unaffiliated Trustees, or (ii) such interest or affiliation is disclosed to the Participants, and such contract, act or transaction is

approved by a majority of the Participants.

(c) Any Trustee or officer, employee, or agent of the 4M Fund may, in his personal capacity, or in a capacity as trustee, officer, director, stockholder, partner, member, agent, adviser or employee of any Person, have business interests and engage in business activities in addition to those relating to the 4M Fund, which interests and activities may be similar to those of the 4M Fund and include the acquisition, syndication, holding, management, operation or disposition of securities, investments and funds, for his own account or for the account of such Person. Each Trustee, officer, employee and agent of the 4M Fund shall be free of any obligation to present to the 4M Fund any investment opportunity which comes to him in any capacity other than solely as Trustee, officer, employee or agent of the 4M Fund, even if such opportunity is of a character which, if presented to the 4M Fund, could be taken by the 4M Fund.

(d) Subject to the provisions of Article III hereof, any Trustee or officer, employee or agent of the 4M Fund may be interested as trustee, officer, director, stockholder, partner, member, agent, adviser or employee of, or otherwise have a direct or indirect interest in, any Person who may be engaged to render advice or services to the 4M Fund, and may receive compensation from such Person as well as compensation as Trustee, officer, employee or agent of the Fund or otherwise hereunder. None of the activities and interests referred to in this paragraph (d) shall be deemed to conflict with his duties and powers as Trustee, officer, employee or agent of the 4M Fund.

(e) To the extent that any other provision of this Declaration of Trust conflicts with, or is otherwise contrary to the provisions of, this Section 2.14, the provisions of this Section 2.14 shall be deemed controlling.

(f) Notwithstanding the foregoing provisions of this Section 2.14, the Trustees shall not have the power to engage in any transaction with any Affiliate that would be inconsistent with the Laws of the State of Minnesota concerning conflicts of interest, including, but not limited to, Minnesota Statutes, Sections 471.87 and 471.88, or any other Law limiting the Participants' power to enter into such transaction, and the By-Laws of the 4M Fund may contain provisions more restrictive than those set forth in this Section 2.14.

**2.15 Investment Program.** The Trustees shall use their best efforts to obtain through the Adviser or other qualified Persons a continuing and suitable investment program, consistent with the investment policies and objectives of the 4M Fund set forth in Article IV of this Declaration of Trust, and the Trustees shall be responsible for reviewing and approving or rejecting the investment program presented by the Adviser or such other Persons. Subject to the provisions of Section 2.7 and Section 3.1 hereof, the Trustees may delegate functions arising under this Section 2.15 to one or more of their number or to the Adviser.

**2.16 Power to Contract, Appoint, Retain and Employ.**

(a) Subject to the provisions of Section 2.7 and Section 3.1 hereof with respect to delegation of authority by the Trustees, the Trustees shall have full and complete power to appoint, employ, retain, or contract with any Person of suitable qualifications and high repute (including one or more of themselves and any corporation, partnership, trust or other entity of which one or more of them may be an Affiliate, subject to the applicable requirements of Section 2.14 hereof) as the Trustees may deem necessary, or desirable for the transaction of the affairs of the 4M Fund, including any Person or Persons who, under the supervision of the Trustees, may, among other things: (i) serve as the 4M Fund's investment adviser and consultant in connection with policy decisions made by the Trustees; (ii) serve as the 4M Fund's administrator or co-administrators; (iii)

furnish reports to the Trustees and provide research, economic and statistical data in connection with the 4M Fund's investments; (iv) act as consultants, accountants, technical advisers, attorneys, brokers, underwriters, corporate fiduciaries, escrow agents, depositaries, custodians or agents for collection, insurers or insurance agents, registrars for Shares or in any other capacity deemed by the Trustees to be necessary or desirable; (v) investigate, select, and, on behalf of the 4M Fund, conduct relations with Persons acting in such capacities and pay appropriate fees to, and enter into appropriate contracts with, or employ, or retain services performed or to be performed by, any of them in connection with the investments acquired, sold, or otherwise disposed of, or committed, negotiated, or contemplated to be acquired, sold or otherwise disposed of; (vi) substitute any other Person for any such Person, (vii) act as attorney-in-fact or agent in the purchase or sale or other disposition of investments, and in the handling, prosecuting or other enforcement of any lien or security securing investments; and (viii) assist in the performance of such ministerial functions necessary in the management of the 4M Fund as may be agreed upon with the Trustees.

(b) The manner of employing, engaging, compensating, transferring, or discharging any Person as an employee of the 4M Fund shall be subject to Minnesota Law. For purposes of the preceding sentence, "employee of the 4M Fund" shall not include independent contractors such as the Adviser, the Administrator, the Custodian, counsel or independent accountants and their respective employees.

2.17 Insurance. The Trustees shall have full and complete power to purchase and pay for, entirely out of 4M Fund Property, insurance policies insuring the 4M Fund and the Trustees, officers, employees and agents of the 4M Fund individually against all claims and liabilities of every nature arising by reason of holding or having held any such office or position, or by reason of any action alleged to have been taken or omitted by the 4M Fund or any such Person as Trustee, officer, employee and agent, including any action taken or omitted that may be determined to constitute negligence, whether or not the 4M Fund would have the power to indemnify such Person against such liability.

2.18 Seal. The Trustees shall have full and complete power to adopt and use a seal for the 4M Fund, but, unless otherwise required by the Trustees, it shall not be necessary for the seal to be placed on, and its absence shall not impair the validity of, any document, instrument or other paper executed and delivered by or on behalf of the 4M Fund.

2.19 Indemnification. In addition to the mandatory indemnification provided for in Section 5.3 hereof, the Trustees shall have full and complete power, to the extent permitted by applicable Laws, to indemnify or enter into agreements with respect to indemnification with any Person with whom the 4M Fund has dealings, including, without limitation, the Adviser, the Administrator, and the Custodian, to such extent as the Trustees shall determine.

2.20 Remedies. Notwithstanding any provision in this Declaration of Trust, when the Trustees deem that there is a significant risk that an obligor to the 4M Fund may default or is in default under the terms of any obligation to the 4M Fund, the Trustees shall have full and complete power to pursue any remedies permitted by Law which, in their sole judgment, are in the interests of the 4M Fund, and the Trustees shall have full and complete power to enter into any investment, commitment or obligation of the 4M Fund resulting from the pursuit of such remedies as are necessary or desirable to dispose of property acquired in the pursuit of such remedies.

2.21 Information Statement. The Trustees shall have full and complete power to prepare, publish and distribute an Information Statement regarding the 4M Fund and to amend or supplement the same from time to time.

2.22 Further Powers. The Trustees shall have full and complete power to take all such actions, do all such matters and things and execute all such instruments as they deem necessary, proper or desirable in order to carry out, promote or advance the interests and purposes of the 4M Fund although such actions, matters or things are not herein specifically mentioned. Any determination as to what is in the best interests of the 4M Fund made by the Trustees in good faith shall be conclusive. In construing the provisions of this Declaration of Trust, the presumption shall be in favor of a grant of power to the Trustees. The Trustees shall not be required to obtain any court order to deal with the 4M Fund Property.

2.23 Compliance with Laws. The Trustees shall at all times exercise all powers granted hereunder in compliance with, and the operations of the 4M Fund shall at all times be conducted in accordance with, the applicable Laws of the State of Minnesota.

2.24 Tax or Aid or Revenue Anticipation Borrowing. Notwithstanding the provisions of Section 2.10 or 4.2 or any other provision of this Declaration, the Trustees shall have full and complete power to borrow money or incur indebtedness as a part of a program of tax or aid or revenue anticipation borrowing by Participant Municipalities. They shall have the power to issue such obligations on behalf of the Participants, coordinate the issuance of such obligations by the Participants, to become members of joint powers entities authorized to issue or coordinate the issuance of such obligations, or to enter into contracts or agreements of any nature authorized by law related to the issuance of such obligations. The assets of the 4M Fund itself shall not be pledged by the Trustees to the repayment of any portion of such borrowing and any obligations issued shall not constitute a debt of the 4M Fund, shall not be payable from or be a charge upon any assets of the 4M Fund, shall not give rise to any pecuniary liability of the 4M Fund, and shall not be enforceable against any property of the 4M Fund, other than amounts received from participating Municipalities in connection with that anticipation borrowing program which are pledged to the repayment of the borrowing or obligations. The Trustees shall have such powers as necessary to conduct or participate in such anticipation borrowing programs as approved by the Trustees, including a program of investment of obligation proceeds.

### ARTICLE III

#### Technical Advisory Board, Investment Adviser, Administrator, and Custodian

3.1 Appointment. The Trustees are responsible for the general investment policy and program of the 4M Fund and for the general supervision and administration of the business and affairs of the 4M Fund conducted by the officers, agents, employees, investment advisers, administrators, or independent contractors of the 4M Fund. The Trustees are not required personally to conduct all of the routine business of the 4M Fund and, consistent with their ultimate responsibility as stated herein, the Trustees may appoint, employ or contract with an Adviser as an investment adviser to the Trustees, an Administrator as an administrator for the 4M Fund and a Custodian. The trustees may grant or delegate such authority to the Adviser and the Administrator (pursuant to the terms of Section 2.16 hereof) or to any other Person the services of whom are obtained by the Adviser or the Administrator, as the Trustees may, in their sole discretion, deem to be necessary or desirable, for the efficient management of the 4M Fund, without regard to whether such authority is normally granted or delegated by trustees or other fiduciaries. The Trustees may appoint one or more persons to serve jointly as Co-Advisers and one or more persons to serve jointly as Co-Administrators. The same person may serve simultaneously as the Administrator and as the Adviser, but no person serving as the Administrator or as the Adviser may serve as the Custodian. Piper Capital Management, Inc., a subsidiary of Piper Jaffray, Inc., a corporation organized and existing under the Laws of the State of Delaware, is appointed as the initial

Administrator and Adviser for the 4M Fund. Marquette Bank Minneapolis is appointed as the initial Custodian for the 4M Fund. The Trustees shall appoint a Technical Advisory Board to assist the Trustees in the development of policies and the overseeing and reviewing of the activities of the 4M Fund. The Technical Advisory Board shall be made up of such individuals as the Trustees deem advantageous to the Fund. The composition of the Technical Advisory Board may be changed from time to time in the discretion of the Trustees.

3.2 Duties of the Adviser. The duties of the Adviser shall be those set forth in the Investment Advisory Agreement to be entered into between the 4M Fund and the Adviser. Such duties may be modified by the Trustees, from time to time, by the amendment of the Investment Advisory Agreement. Subject to Article IV hereof, the Trustees may authorize the Adviser to effect purchases, sales, or exchanges of 4M Fund Property on behalf of the Trustees or may authorize any officer, employee, agent or Trustee to effect such purchases, sales, or exchanges pursuant to recommendations of the Adviser, all without further action by the Trustees. Any and all of such purchases, sales, and exchanges shall be deemed to be authorized by all the Trustees. The Investment Advisory Agreement may authorize the Adviser to employ other persons to assist it in the performance of its duties. The Investment Advisory Agreement shall provide that it may be terminated at any time without cause and without the payment of any penalty by the 4M Fund on sixty (60) days written notice to the Adviser.

3.3 Duties of the Administrator. The duties of the Administrator shall be those set forth in the Administration Agreement to be entered into between the 4M Fund and the Administrator. Such duties may be modified by the Trustees, from time to time, by the amendment of the Administration Agreement. The Administration Agreement may authorize the Administrator to employ other persons to assist it in the performance of its duties. The Administration Agreement shall provide that it may be terminated at any time without cause and without the payment of any penalty by the 4M Fund on sixty (60) days written notice to the Administrator.

3.4 Duties of Custodian. The duties and qualifications of the Custodian shall be those set forth in Article 11 herein.

3.5 Successors. In the event that, at any time, the position of Adviser, Administrator, or Custodian shall become vacant for any reason, the Trustees may appoint, employ or contract with a successor Adviser, Administrator, or Custodian. A predecessor shall assist and cooperate with the 4M Fund in the smooth and orderly transition in the event a successor Adviser, Administrator, or Custodian is appointed for any reason.

## ARTICLE IV

### Investments

4.1 Statement of Investment Policy and Objective. Subject to the prohibitions and restrictions contained in Section 4.2 hereof, the general investment policy and objective of the Trustees shall be to provide to the Participants of the 4M Fund the highest possible investment yield, while maintaining liquidity and preserving capital by investing in Permitted Investments in accordance with applicable provisions of Law, as may be set forth more fully in the 4M Fund's Information Statement, as the same may be amended from time to time.

4.2 Restrictions Fundamental to the 4M Fund. Notwithstanding anything in this Declaration of Trust which may be deemed to authorize the contrary, the 4M Fund:

(i) May not make any investment other than investments authorized by the provisions of Law applicable to the investment of funds by the Participants, as the same may be amended from time to time;

(ii) May not purchase any Permitted Investment which has a maturity date more than one year from the date of the 4M Fund's purchase thereof, unless subject, at the time of such purchase by the 4M Fund, to an irrevocable agreement on the part of a Responsible Person to purchase such Permitted Investment from the 4M Fund within one (1) year;

(iii) May not purchase any Permitted Investment if the effect of such purchase by the 4M Fund would be to make the average dollar weighted maturity of the 4M Fund's investment portfolio greater than ninety (90) days, provided, however, that in making such determination any Permitted Investment which is subject to an irrevocable agreement of the nature referred to in the preceding clause (ii) shall be deemed to mature on the day on which the 4M Fund is obligated to sell such Permitted Investment back to a Responsible Person or the day on which the 4M Fund may exercise its rights under such agreement to require the purchase of such Permitted Investment by a Responsible Person;

(iv) May not borrow money or incur indebtedness except to facilitate as a temporary measure:

(a) withdrawal requests which might otherwise require unscheduled dispositions of portfolio investments;

(b) for a period not to exceed one business day, withdrawal requests pending receipt of collected funds from investments sold on the date of the withdrawal requests or withdrawal requests from Participants who have notified the 4M Fund of their intention to deposit funds in their accounts on the date of the withdrawal requests; or

(c) for a period not to exceed one business day, the purchase of Permitted Investments pending receipt of collected funds from Participants who have notified the 4M Fund of their intention to deposit funds in their accounts on the date of the purchase of the Permitted Investments;

(v) May not make loans, provided that the 4M Fund may make Permitted Investments;

(vi) May not hold or provide for the custody of any 4M Fund Property in a manner not authorized by Law or by any institution or Person not authorized by Law;

(vii) Except as permitted by Section 2.2(b)(ii) hereof, may not purchase securities or shares of investment companies or any entities similar to the 4M Fund; and

(viii) May not pledge assets except to secure indebtedness permitted by (iv) of this Section 4.2; however in the case of indebtedness secured under Section 4.2(iv)(b) or (c) hereof, it may pledge assets only to the extent of the actual funds in the account of a participant on whose behalf the permitted indebtedness was incurred plus an amount equal to that amount which that Participant has notified the 4M Fund that it intends to deposit in its account on that date.

For the purposes of this Section 4.2, the phrase "Responsible Person" shall mean a person with which the 4M Fund is authorized to enter into agreements pursuant to Section 2.2(b)(vii) hereof.

4.3 Amendment of Restrictions. The restrictions set forth in Section 4.2 hereof are fundamental to the operation and activities of the 4M Fund and may not be changed without the affirmative vote of a majority of the Participants entitled to vote, except that such restrictions may be changed by the Trustees so as to make them more restrictive when necessary to conform the investment program and activities of the 4M Fund to the Laws of the State of Minnesota and the United States of America as they may from time to time be amended.

## ARTICLE V

### Limitations of Liability

5.1 Liability to Third Persons. No Participant shall be subject to any personal liability whatsoever, in tort, contract or otherwise to any other Person or Persons in connection with 4M Fund Property or the affairs of the 4M Fund; and no Trustee, officer, employee or agent (including, without limitation, the Adviser, the Administrator and the Custodian) of the 4M Fund shall be subject to any personal liability whatsoever in tort, contract or otherwise, to any other Person or Persons in connection with 4M Fund Property or the affairs of the 4M Fund, except that each shall be personally liable for his bad faith, willful misconduct, gross negligence or reckless disregard of his duties or for his failure to act in good faith in the reasonable belief that his action was in the best interests of the 4M Fund and except that the Investment Advisory Agreement and the Administration Agreement shall provide for the personal liability of the Adviser or the Administrator, as the case may be, for its willful or negligent failure to take reasonable measures to restrict investments of 4M Fund Property to those permitted by Law and this Declaration of Trust.

5.2 Liability to the 4M Fund or to the Participants. No Trustee, officer, employee or agent (including, without limitation, the Adviser, the Administrator and the Custodian) of the 4M Fund shall be liable to the 4M Fund or to any Participant, Trustee, officer, employee or agent (including, without limitation, the Adviser, the Administrator and the Custodian) of the 4M Fund for any action or failure to act (including, without limitation, the failure to compel in any way any former or acting Trustee to redress any breach of trust) except for his own bad faith, willful misfeasance, gross negligence or reckless disregard of his duties and except that the Investment Advisory Agreement and the Administration Agreement shall provide for the personal liability of the Adviser or the Administrator, as the case may be, for its willful or negligent failure to take reasonable measures to restrict investments of 4M Fund Property to those permitted by Law and this Declaration of Trust; provided, however, that the provisions of this Section 5.2 shall not limit the liability of any agent (including, without limitation, the Adviser, the Administrator and the Custodian) of the 4M Fund with respect to breaches by it of a contract between it and the 4M Fund.

### 5.3 Indemnification.

(a) The 4M Fund shall indemnify and hold each Participant harmless from and against all claims and liabilities, whether they proceed to judgment or are settled or otherwise brought to a conclusion, to which such Participant may become subject by reason of its being or having been a Participant, and shall reimburse such Participant for all legal and other expenses reasonably incurred by it in connection with any such claim or liability. The rights accruing to a Participant under this Section 5.3 shall not exclude any other right to which such Participant may be lawfully entitled, nor shall anything herein contained restrict the right of the 4M Fund to indemnify or reimburse a Participant in any appropriate situation even though not specifically provided herein.

(b) The 4M Fund shall indemnify each of its Trustees and officers, and employees and agents (including, without limitation, the Adviser, the Administrator and the Custodian) designated by the Board of Trustees to receive such indemnification, against all liabilities and expenses (including, without limitation, amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees) reasonably incurred by him in connection with the defense or disposition of any action, suit or other proceeding by the 4M Fund or any other Person, whether civil or criminal, in which he may be involved or with which he may be threatened, while in office or thereafter, by reason of his being or having been such a Trustee, officer, employee or agent (including, without limitation, the Adviser, the Administrator and the Custodian), except as to any matter as to which he acted in bad faith or with willful misfeasance or reckless disregard of his duties or gross negligence; in addition, in the case of the Adviser, Administrator, or the Custodian in willful or negligent violation of the restrictions on investments of the 4M Fund Property; provided, however, that the provisions of this Section 5.3 shall not be construed to permit the indemnification of any agent (including, without limitation, the Adviser, the Administrator and the Custodian) of the 4M Fund with respect to breaches by it of a contract between it and the 4M Fund; and further provided, however, that as to any matter disposed of by a compromise payment by such Trustee, officer, employee or agent (including the Adviser, Administrator or the Custodian), pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless: 1) The 4M Fund receives a written opinion from independent counsel approved by the Trustees to the effect that if the matter had been adjudicated, the defenses that could have been presented on behalf of such Trustee, officer, employee or agent (including the Adviser, the Administrator or the Custodian), were meritorious; and 2) If in the opinion of the Board of Trustees, the Trustee, officer, employee or agent (including the Adviser, the Administrator or the Custodian) were not acting in bad faith or with willful misfeasance or reckless disregard of their duties or gross negligence. The rights accruing to any Trustee, officer, employee or agent (including, without limitation, the Adviser, the Administrator and the Custodian) under the provisions of this paragraph (b) of this Section 5.3 shall not exclude any other right to which he may be lawfully entitled; provided, however, that no Trustee, officer, employee or agent may satisfy any right of indemnity or reimbursement granted herein or to which he may be otherwise entitled except out of the 4M Fund Property, and no Participant shall be personally liable to any Person with respect to any claim for indemnity or reimbursement or otherwise. The Trustees may make advance payments in connection with indemnification under this paragraph (b) of this Section 5.3, provided that the indemnified Trustee, officer, employee or agent (including, without limitation, the Adviser, the Administrator and the Custodian) shall have given a written undertaking to reimburse the 4M Fund in the event that it is subsequently determined that he is not entitled to such indemnification.

(c) Any action taken by, or conduct on the part of, the Adviser, the Administrator, a Trustee, an officer, an employee or an agent (including, without limitation, the Adviser, the Administrator and the Custodian) of the 4M Fund in conformity with, or in good faith reliance upon, the provisions of Section 2.14 or Section 5.7 hereof shall not, for the purpose of this Declaration of Trust (including, without limitation, Sections 5.1 and 5.2 and this Section 5.3) constitute bad faith, willful misfeasance, gross negligence or reckless disregard of his duties.

5.4 Surety Bonds. No Trustee shall, as such, be obligated to give any bond or surety or other security for the performance of any of his duties.

5.5 Apparent Authority. No purchaser, seller, transfer agent or other Person dealing with the Trustees or any officer, employee or agent of the 4M Fund shall be bound to make any inquiry concerning the validity of any transaction purporting to be made by the Trustees or by such officer, employee or agent or make inquiry concerning or be liable for the application of



money or property paid, transferred or delivered to or on the order of the Trustees or of such officer, employee or agent.

5.6 Recitals. Any written instrument creating an obligation of the 4M Fund shall be conclusively taken to have been executed by a Trustee or an officer, employee or agent of the 4M Fund only in his capacity as a Trustee under this Declaration of Trust or in his capacity as an officer, employee or agent of the 4M Fund. Any written instrument creating an obligation of the 4M Fund shall refer to this Declaration of Trust and contain a recital to the effect that the obligations thereunder are not personally binding upon, nor shall resort be had to the property of, any of the Trustees, Participants, officers, employees or agents of the 4M Fund, and that only the 4M Fund Property or a specific portion thereof shall be bound, and such written instrument may contain any further similar recital which may be deemed appropriate; provided, however, that the omission of any recital pursuant to this Section 5.6 shall not operate to impose personal liability on any of the Trustees, Participants, officers, employees or agents of the 4M Fund.

5.7 Reliance on Experts, Etc. Each Trustee and each officer of the 4M Fund shall, in the performance of his duties, be fully and completely justified and protected with regard to any act or any failure to act resulting from reliance in good faith upon the books of account or other records of the 4M Fund, upon an opinion of counsel or upon reports made to the 4M Fund by any of its officers or employees or by the Adviser, the Administrator, the Custodian, accountants, appraisers or other experts or consultants selected with reasonable care by the Trustees or officers of the 4M Fund.

5.8 Liability Insurance. The Trustees shall maintain insurance for the protection of the 4M Fund Property and the Trustees, Participants, officers, employees and agents (not including Advisor, Administrator, or Custodian) of the 4M Fund in such amount as the Trustees shall deem adequate to cover all foreseeable tort and contract liability to the extent available at reasonable rates.

5.9 No Waiver. Nothing in this Declaration of Trust shall be construed as constituting the waiver of any immunity from liability available to the 4M Fund or the Trustees, Participants, officers, employees or agents of the 4M Fund pursuant to any applicable provision of Law.

## ARTICLE VI

### Interests of Participants

6.1 General. The beneficial interest of the Participants hereunder in the 4M Fund Property and the earnings thereon shall, for convenience of reference, be divided into Shares, which shall be used as units to measure the proportionate allocation to the respective Participants of the beneficial interest hereunder. The number of Shares that may be used to measure and represent the proportionate allocation of beneficial interest among the Participants is unlimited. All Shares shall be of one class representing equal distribution, liquidation and other rights. The beneficial interest hereunder measured by the Shares shall not entitle a Participant to preference, preemptive, appraisal, conversion, or exchange rights of any kind with respect to the 4M Fund or the 4M Fund Property. Title to the 4M Fund Property of every description and the right to conduct any affairs hereinbefore described are vested in the Trustees on behalf and for the beneficial interest, of the Participants, and the Participants shall have no interest therein other than the beneficial interest conferred hereby and measured by their Shares, and they shall have no right to call for any partition or division of any property, profits, rights, or interests of the 4M Fund nor can they be called upon to share or assume any losses of the 4M Fund or suffer an

assessment of any kind by virtue of the allocation of Shares to them, except as provided in Section 10.2 hereof.

## 6.2 Allocation of Shares

(a) The Trustees shall credit a Participant with additional Shares upon receipt of funds (including, without limitation, income from the investment of 4M Fund Property) for the account of such Participant, based on the net asset value per Share as determined pursuant to Section 10.1 hereof. In connection with any allocation of Shares, the Trustees may allocate fractional Shares. The Trustees may from time to time adjust the total number of Shares allocated without thereby changing the proportionate beneficial interests in the 4M Fund. Reductions or increases in the number of allocated Shares may be made in order to maintain a constant net asset value per Share as set forth in Section 10.2 hereof. Shares shall be allocated and reduced in numbers as whole Shares and/or one hundredths (1/100ths) of a Share or multiples thereof.

(b) Shares may be allocated only to a Municipality which has become a Participant of the 4M Fund in accordance with Section 1.2 hereof. Each Participant may establish more than one account within the 4M Fund for such Participant's convenience.

(c) The minimum amount of funds which may be placed in the 4M Fund by a Participant at any one time shall be as determined by the Trustees from time to time. Unless otherwise determined by the Trustees pursuant to this paragraph (c) of this Section 6.2, the minimum amount of funds which may be placed in the 4M Fund by a Participant at any one time shall be One Dollar (\$1.00).

6.3 Evidence of Share Allocation. Evidence of Share allocation shall be reflected in the Share Register maintained by or on behalf of the 4M Fund pursuant to Section 7.1 hereof, and the 4M Fund shall not be required to issue certificates as evidence of Share allocation.

6.4 Reduction in Number of Shares to Maintain Constant Net Asset Value. The Shares of the 4M Fund shall be subject to reduction in number pursuant to the procedure for reduction of outstanding Shares set forth in Section 10.2 hereof in order to maintain the constant net-asset value per Share.

6.5 Withdrawals. Funds may be withdrawn from the 4M Fund at the option of a Participant, upon and subject to the terms and conditions provided in this Declaration of Trust. The 4M Fund shall, upon application of any Participant, promptly pay to such Participant the amount requested and shall reduce the number of Shares allocated to such Participant to the number of Shares which shall reflect such Participant's proportionate interest in the net assets of the 4M Fund after such withdrawal of funds. The procedures for effecting a withdrawal shall be as adopted by the Trustees and as set forth in the Information Statement of the 4M Fund, as the same may be amended from time to time; provided, however, that such procedures shall not be structured so as to substantially and materially restrict the ability of the Participants to withdraw funds from the 4M Fund.

6.6 Suspension of Right of Withdrawal; Postponement of Payment. Each Participant, by its adoption of this Declaration of Trust, agrees that the Trustees may, without the necessity of a formal meeting of the Trustees, temporarily suspend the right of withdrawal or postpone the date of payment pursuant to withdrawal requests for the whole or any part of any period (i) during which there shall have occurred any state of war, national emergency, banking moratorium or suspension of payments by banks in the State of Minnesota or any general suspension of trading or limitation of prices on the New York or American Stock Exchange (other than customary week-end

and holiday closing) or (ii) during which any financial emergency situation exists as a result of which disposal by the 4M Fund of 4M Fund Property is not reasonably practicable because of the substantial losses which might be incurred or it is not reasonably practicable for the 4M Fund fairly to determine the value of its net assets. Such suspension or postponement shall not alter or affect a Participant's beneficial interest hereunder as measured by its Shares or the accrued interest and earnings thereon. Such suspension or payment shall take effect at such time as the Trustees shall specify but not later than the close of business on the business day next following the declaration of suspension, and thereafter there shall be no right of withdrawal or payment until the Trustees shall declare the suspension or postponement at an end, except that the suspension or postponement shall terminate in any event on the first day on which the period specified in clause (i) or (ii) above shall have expired (as to which, the determination of the Trustees shall be conclusive). In the case of a suspension of the right of withdrawal or a postponement of payment pursuant to withdrawal requests, a Participant may either (i) withdraw its request for withdrawal or (ii) receive payment based on the net asset value existing after the termination of the suspension.

6.7 Minimum Withdrawal. There shall be no minimum amount which may be withdrawn from the 4M Fund at any one time at the option of a Participant; provided, however, that no request by a Participant for the withdrawal of less than one dollar (\$1.00) need be honored.

6.8 Defective Withdrawal Requests. In the event that a Participant shall submit a request for the withdrawal of a greater amount than is then credited to the account of such Participant, such request shall not be honored, and each Participant, by its adoption of this Declaration of Trust, agrees that the Trustees shall have full and complete power to withdraw funds from the account of a Participant, and to reduce proportionately the number of Shares allocated to such Participant in accordance with Section 6.5 hereof, in an amount sufficient to reimburse the 4M Fund for any fees, expenses, costs or penalties actually incurred by the 4M Fund as a result of such defective withdrawal request.

6.9 Allocation of Certain Expenses. Each Participant will, at the discretion of the 4M Fund, indemnify the 4M Fund against all expenses and losses resulting from indebtedness incurred on that Participant's behalf under Section 4.2(iv)(b) or (c) hereof. Each Participant authorizes the Trustees to reduce its Shares to the number of Shares which reflects that Participant's proportionate interest in the net assets of the 4M Fund after allocation of those expenses and losses to it.

## ARTICLE VII

### Record of Shares

7.1 Share Register. The Share Register shall be kept by or on behalf of the Trustees, under the direction of the Trustees, and shall contain (i) the names and addresses of the Participants, (ii) the number of Shares representing their respective beneficial interests hereunder and (iii) a record of all allocations and reductions thereof. Such Share Register shall be conclusive as to the identity of the Participants to which the Shares are allocated. Only Participants whose allocation of Shares is recorded on such Share Register shall be entitled to receive distributions with respect to Shares or otherwise to exercise or enjoy the rights and benefits related to the beneficial interest hereunder represented by the Shares. No Participant shall be entitled to receive any distribution, nor to have notices given to it as herein provided, until it has given its appropriate address to such officer or agent of the Fund as shall keep the Share Register for entry

thereon.

7.2 Registrar. The Trustees shall have full and complete power to employ a registrar. Unless otherwise determined by the Trustees, the Share Register shall be kept by the Administrator which shall serve as the registrar for the 4M Fund. The registrar shall record the original allocations of Shares in the Share Register. Such registrar shall perform the duties usually performed by registrars of certificates and shares of stock in a corporation, except as such duties may be modified by the Trustees.

7.3 Owner of Record. No Person becoming entitled to any Shares in consequence of the merger, reorganization, consolidation, bankruptcy or insolvency of any Participant or otherwise, by operation of Law, shall be recorded as the Participant to which such Shares are allocated and shall only be entitled to receive for such Shares the amount credited to the account of the Participant whose beneficial interest in the 4M Fund is represented by such Shares. Until the Person becoming entitled to receive such amount shall apply for the payment thereof and present any proof of such entitlement as the Trustees may in their sole discretion deem appropriate, the Participant of record to which such Shares are allocated shall be deemed to be the Participant to which such Shares are allocated for all purposes hereof, and neither the Trustees nor the registrar nor any officer or agent of the 4M Fund shall be affected by any notice of such merger, reorganization, consolidation, bankruptcy, insolvency or other event.

7.4 No Transfers of Shares. The beneficial interests measured by the Shares shall not be transferrable, in whole or in part, other than to the 4M Fund itself for purposes of effectuating a withdrawal of funds.

7.5 Limitation of Fiduciary Responsibility. The Trustees shall not, nor shall the Participants or any officer, registrar or other agent of the 4M Fund, be bound to see to the execution of any trust, express, implied or constructive, or of any charge, pledge or equity to which any of the Shares or any interest therein are subject, or to ascertain or inquire whether any withdrawal of funds by any Participant or its representatives is authorized by such trust, charge, pledge or equity, or to recognize any Person as having any interest therein except the Participant recorded as the Participant to which such Shares are allocated. The receipt of the Participant in whose name any Share is recorded or of the duly authorized agent of such Participant shall be a sufficient discharge for all moneys payable or deliverable in respect of such Shares and from all liability to see to the proper application thereof.

7.6 Notices. Any and all notices to which Participants hereunder may be entitled and any and all communications shall be deemed duly served or given if mailed, postage pre-paid, addressed to Participants of record at their last known post office addresses as recorded on the Share Register provided for in Section 7.1 hereof.

## ARTICLE VIII

### Participants

8.1 Voting. Each Participant shall be entitled to one vote as a matter of right with respect to the following matters: (i) amendment of this Declaration of Trust or termination of the 4M Fund as provided in Section 4.3 and Section 13.1 hereof; and (ii) reorganization of the 4M Fund as provided in Section 13.2 hereof. It shall not be necessary for any minimum number of Shares to be allocated to a Participant for the Participant to be entitled to vote. Participants shall not be entitled to cumulative voting with respect to any matter.

8.2 Right to Initiate a Vote of the Participants. The Participants shall, by an instrument or concurrent instruments in writing delivered to the Board of Trustees signed by at least ten percent (10%) of the Participants, have the right to initiate a vote of the Participants as to any matter described in clause (i) or clause (ii) of Section 8.1 hereof. Within twenty (20) days of receipt of such instrument or instruments, the Board of Trustees shall cause a ballot to be sent to each Participant, setting forth the matter to be voted on and the manner in which such ballots should be executed and delivered.

8.3 Inspection of Records. The records of the 4M Fund shall be open to inspection at all reasonable times pursuant to Minnesota Statutes, Chapter 13.

8.4 Meetings of Participants.

(a) Meetings of the Participants may be called at any time by a majority of the Trustees and shall be called by any Trustee upon written request of not less than ten percent (10%) of the Participants, such request specifying the purpose or purposes for which such meeting is to be called. Any such meeting shall be held within the State of Minnesota at such place, on such day and at such time as the Trustees shall designate.

(b) A majority of the Participants entitled to vote at such meeting present in person (including, if permitted by applicable Law, participation by conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other) or by proxy shall constitute a quorum at any meeting of Participants.

8.5 Notice of Meetings and Votes. Notice of all meetings of the Participants, stating the time, place and purposes of the meeting, and notice of any vote without a meeting, stating the purpose and method thereof shall be given by the Trustees by mail to each Participant at its registered address, mailed at least ten (10) days and not more than thirty (30) days before the meeting or the day by which votes must be cast. Only the business stated in the notice of a meeting shall be considered at such meeting. Any adjourned meeting may be held as adjourned without further notice. Any notice required by any "open meeting", "sunshine" or similar law, whether now or hereafter in effect, shall also be given.

8.6 Record Date for Meetings and Votes. For the purposes of determining the Participants that are entitled to vote or act at any meeting or any adjournment thereof, or who are entitled to participate in any vote, or for the purpose of any other action, the Trustees may from time to time fix a date not more than thirty (30) days prior to the date of any meeting or vote of Participants or other action as a record date for the determination of Participants entitled to vote at such meeting or any adjournment thereof or to cast a ballot in such vote or to be treated as Participants of record for purposes of such other action. Any Participant which was a Participant at the time so fixed shall be entitled to vote at such meeting or any adjournment thereof, or to cast a ballot in such vote, even though it then had no Shares allocated to it or has since that date redeemed its Shares. No Participant becoming such after that date shall be so entitled to vote at such meeting or any adjournment thereof or to cast a ballot in such vote or to be treated as a Participant of record for purposes of such other action.

8.7 Proxies. At any meeting of Participants, if permitted by applicable Law, any Participant entitled to vote thereat may vote by proxy, provided that no proxy shall be voted at any meeting unless it shall have been placed on file with the Secretary of the 4M Fund, or with such other officer or agent of the 4M Fund as the Secretary of the 4M Fund may direct, for verification prior to the time at which such vote shall be taken. Pursuant to a resolution of a

majority of the Trustees, proxies may be solicited in the name of one or more of the officers of the 4M Fund. All proxies shall be revocable at the option of the Participant.

**8.8 Number of Votes.** Only Participants of record shall be entitled to vote and each Participant shall be entitled to one vote without regard to the number of Shares allocated to it, if any. A proxy purporting to be executed by or on behalf of a Participant shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger.

**8.10 Reports.** The Trustees shall cause to be prepared at least annually (i) a report of operations containing a statement of assets and liabilities and statements of operations and of changes in net assets of the 4M Fund prepared in conformity with generally accepted accounting principals and (ii) an opinion of an independent certified public accountant on such financial statements based on an examination of the books and records of the 4M Fund made in accordance with generally accepted auditing standards. A signed copy of such report and opinion shall be filed with the Trustees within ninety (90) days after the close of the period covered thereby. Copies of such reports shall be mailed to all Participants of record within a reasonable period preceding the annual meeting or vote of the Participants. The Trustees shall, in addition, furnish to the Participants, at least quarterly, an interim report containing an unaudited balance sheet of the Fund as at the end of such quarterly period and statements of operations and changes in net assets for the period from the beginning of the then current fiscal year to the end of such quarterly period.

## ARTICLE IX

### Trustees and Officers

#### **9.1 Number and Qualification.**

(a) Subject to the power of the Participants to amend this Declaration of Trust, the Board of Directors of the League of Minnesota Cities shall act as the initial governing body of the 4M Fund and shall be the Board of Trustees. The by-laws and constitution of the League of Minnesota Cities shall govern the operation and make-up of the Trustees and Officers of the 4M Fund.

(b) The Trustees, in their capacity as Trustees, shall not be required to devote their entire time to the business and affairs of the 4M Fund.

(c) The Executive Director of the League of Minnesota Cities may be an ex officio non-voting member of the Board of Trustees.

#### **9.2 Meetings.**

(a) Meetings of the Trustees shall be held from time to time upon the call of the Chairman, the Vice Chairman, the Secretary or any two trustees. Regular meetings of the Trustees may be held without call or notice at a time and place fixed by the By-Laws or by resolution of the Trustees. Notice of any other meeting shall be mailed or otherwise given not less than 48 hours before the meeting but may be waived in writing by any Trustee either before or after such meeting. Any notice required by any "open meeting", "sunshine" or similar Law, whether now or hereafter in effect, shall also be given. The attendance of a Trustee at a meeting shall constitute a waiver of notice of such meeting except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not

been lawfully called or convened. The Trustees may act with or, if permitted by applicable Law, without a meeting. A quorum for all meetings of the Trustees shall be a majority of the Trustees. Subject to Section 2.14 hereof and unless specifically provided otherwise in this Declaration of Trust, any action of the Trustees may be taken at a meeting by vote of a majority of the Trustees present (a quorum being present) or, if permitted by applicable Law, without a meeting, by written consents of a majority of the Trustees. Any agreement or other instrument or writing executed by one or more of the Trustees or by any authorized Person shall be valid and binding upon the Trustees and upon the 4M Fund when authorized or ratified by action of the Trustees as provided in this Declaration of Trust.

(b) Any committee of the Trustees may act with or without a meeting. A quorum for all meetings of any such committee shall be a majority of the members thereof. Notice of such meeting, including such notice as may be required by an "open meeting", "sunshine" or similar Law, shall be given as provided in Section 9.2(a). Unless otherwise specifically provided in this Declaration of Trust, any action of any such committee may be taken at a meeting by vote of a majority of the members present (a quorum being present) or, without a meeting, by written consent of a majority of the members.

(c) With respect to actions of the Trustees and any committee thereof, Trustees who are affiliated within the meaning of Section 2.14 hereof or otherwise interested in any action to be taken may be counted for quorum purposes under this Section 9.2 and shall be entitled to vote.

(d) All or any one or more Trustees may, if permitted by applicable Law, participate in a meeting of the Trustees or any committee thereof by utilizing conference telephone or similar communications equipment by means of which all persons participating in the meeting, including members of the public, can hear each other and participate in a meeting pursuant to such communications shall constitute presence in person at such meeting. The minutes of any meeting of Trustees held by utilizing such communications equipment shall be prepared in the same manner as those of a meeting of Trustees held in person.

9.3 Officers. The Officers of the 4M Fund shall be the same as the officers of the Board of Directors of the League of Minnesota Cities. The executive director of the League of Minnesota Cities shall act as secretary of the 4M Fund. The Trustees may elect or appoint, such other officers or agents, who shall have such powers, duties and responsibilities as the Trustees may deem to be advisable and appropriate.

9.4 Committees. The Trustees may elect from time to time from their own number committees consisting of one or more persons, the number composing such committees and the powers conferred upon the same to be determined by vote of the Trustees.

9.5 Reports. The Trustees shall cause to be prepared at least annually (i) a report of operations containing a statement of assets and liabilities and statements of operations and of changes in net assets of the 4M Fund prepared in conformity with generally accepted accounting principles and (ii) an opinion of an independent certified public accountant on such financial statements based on an examination of the books and records of the 4M Fund made in accordance with generally accepted auditing standards. A signed copy of such report and opinion shall be filed with the Trustees within ninety (90) days after the close of the period covered thereby. Copies of such reports shall be mailed to all Participants of record within a reasonable period preceding the annual election of Trustees. The Trustees shall, in addition, furnish to the Participants, at least quarterly, an interim report containing an unaudited balance sheet of the 4M Fund as at the end of such quarterly period and statements of operations and changes in net assets for the period from

the beginning of the then current fiscal year to the end of such quarterly period.

## ARTICLE X

### Determination of Net Asset Value and Net Income; Distributions to Participants

10.1 Net Asset Value. The net asset value of each allocated Share of the 4M Fund shall be determined once on each business day at such time as the Trustees by resolution may determine. The method of determining net asset value shall be established by the Trustees and shall be set forth in the Information Statement as the same may be amended from time to time. The duty to make the daily calculations may be delegated by the Trustees to the Adviser, the Administrator, the Custodian or such other Person as the Trustees by resolution may designate.

### 10.2 Constant Net Asset Value; Reduction of Allocated Shares.

(a) The Trustees shall have full and complete power to determine the net income (including unrealized gains and losses on the portfolio assets) of the 4M Fund once on each business day as provided in Section 10.1 hereof and, upon each such determination such net income shall be credited proportionately to the accounts of the Participants in such a manner, and with the result, that the net asset value per Share of the 4M Fund shall remain at a constant dollar value. The accounting method used for the determination of the net income of the 4M Fund and the crediting thereof proportionately to the respective accounts of the Participants shall be determined by the Trustees and shall be set forth in the Information Statement as the same may be amended from time to time. The duty to make the daily calculations may be delegated by the Trustees to the Adviser, the Administrator, the Custodian or such other Person as the Trustees by resolution may designate. Fluctuations in value will be reflected in the number of Shares allocated to each Participant. If there is a net loss, the Trustees shall first offset such amount against income accrued to each Participant. To the extent that such a net loss exceeds such accrued income, the Trustees shall reduce the aggregate number of the 4M Fund's allocated Shares in an amount equal to the amount required in order to permit the net asset value per Share of the 4M Fund to be maintained at a constant dollar value by having each Participant contribute to the 4M Fund its pro rata portion of such number of Shares. Each Participant will be deemed to have agreed to such reduction in such circumstances by its investment in the 4M Fund and its adoption of this Declaration of Trust. The purpose of the foregoing procedure is to permit the net asset value per Share of the 4M Fund to be maintained at a constant dollar value per Share.

(b) The Trustees may discontinue or amend the practice of attempting to maintain the net asset value per Share at a constant dollar amount at any time and such modification shall be evidenced by appropriate changes in the Information Statement as the same may be amended from time to time.

10.3 Supplementary Distributions to Participants. In addition to withdrawals made at the request of individual Participants pursuant to Section 6.5 hereof, the Trustees may from time to time also declare and make to the Participants, in proportion to their respective allocation of Shares, out of the earnings, profits or assets in the hands of the Trustees, such supplementary distributions and the determination of earnings, profits, and other funds and assets available for supplemental distributions and other purposes shall lie wholly in the discretion of the Trustees and may be made at such time and in such manner as the Trustees may in their sole discretion from time to time determine. Any or all such supplementary distributions may be made among the Participants of record at the time of declaring a distribution or among the Participants of record at such other date as the Trustees shall determine.



10.4 Retained Reserves. The Trustees may retain from the gross income of the 4M Fund such amount as they may deem necessary to pay the debts and expenses of the 4M Fund and to meet other obligations of the 4M Fund, and the Trustees shall also have the power to establish such reasonable reserves as they believe may be required.

## ARTICLE XI

### Custodian

11.1 Duties. The Trustees shall employ a bank or trust company organized under the Laws of the United States of America or the State of Minnesota having an office in the State of Minnesota and having a capital and surplus aggregating at least twenty-five million dollars (\$25,000,000) as Custodian with authority as its agent, but subject to such restrictions, limitations and other requirements, if any, as may be contained in the By-Laws of the 4M Fund to perform the duties set forth in the Custodian Agreement to be entered into between the 4M Fund and the Custodian, or as may be imposed by Law.

11.2 Appointment. The Trustees shall have the power to select and appoint the Custodian for the 4M Fund. The Custodian Agreement shall provide that it may be terminated at any time without cause and without the payment of any penalty by the 4M Fund on sixty (60) days' written notice to the Custodian.

11.3 Custodian Agreement. In addition to containing such other provisions as the Trustees may deem appropriate, the Custodian Agreement shall provide that all investments constituting 4M Fund Property shall be held in safekeeping in the manner required by Law, including, without limitation, Minnesota Statutes, Section 475.66, Subdivision 2.

11.4 Agents of Custodian. The Trustees may also authorize the Custodian to employ one or more agents from time to time to perform such of the acts and services of the Custodian and upon such terms and conditions, as may be agreed upon between the Custodian and such agent and approved by the Trustees; provided, however, that, in every case, such agent shall be a bank or trust company organized under the Laws of the United States of America or one of the States thereof having capital and surplus aggregating at least twenty-five million dollars (\$25,000,000).

11.5 Successors. In the event that, at any time, the Custodian shall resign or shall be terminated pursuant to the provisions of the Custodian Agreement, the Trustees shall appoint a successor thereto.

11.6 Custodian as Depository for Participants. Each Participant hereby designates the Custodian as a depository for funds of the Participant.

## ARTICLE XII

### Recording of Declaration of Trust

12.1 Recording. This Declaration of Trust and any amendment hereto shall be filed,

recorded or lodged as a document of public record in such place or places and with such official or officials as may be required by Law or as the Trustees may deem desirable. Each amendment so filed, recorded or lodged shall be accompanied by a certificate signed and acknowledged by a Trustee stating that such action was duly taken in the manner provided for herein; and unless such amendment or such certificate sets forth some earlier or later time for the effectiveness of such amendment, such amendment shall be effective upon its filing. An amended Declaration of Trust, containing or restating the original Declaration and all amendments theretofore made, may be executed any time or from time to time by a majority of the Trustees and shall, upon filing, recording or lodging in the manner contemplated hereby, be conclusive evidence of all amendments contained therein and may thereafter be referred to in lieu of the original Declaration of Trust and the various amendments thereto. Notwithstanding the foregoing provisions of this Section 12.1, no filing or recordation pursuant to the terms of this Section 12.1 shall be a condition precedent to the effectiveness of this Declaration of Trust or any amendment hereto.

### ARTICLE XIII

#### Amendment or Termination of 4M Fund; Duration of Fund

##### 13.1 Amendment or Termination.

(a) The provisions of this Declaration of Trust may be amended or altered (except as to the limitations on personal liability of the Participants and Trustees and the prohibition of assessments upon Participants), or the 4M Fund may be terminated, at any meeting of the Participants or pursuant to any vote of the Participants called for that purpose, by the affirmative vote of a majority of the Participants entitled to vote, or if permitted applicable Law, by an instrument or instruments in writing, without a meeting, signed by a majority of the Trustees and a majority of the Participants; provided, however, that the Trustees may, from time to time by a two-thirds vote of the Trustees, and after fifteen (15) days' prior written notice to the Participants, amend or alter the provisions of this Declaration of Trust, without the vote or assent of the Participants, amend or alter the provisions of this Declaration of Trust, without the vote or assent of the Participants, to the extent deemed by the Trustees in good faith to be necessary to conform this Declaration to the requirements of applicable Laws or regulations or any interpretation thereof by a court or other governmental agency or competent jurisdiction, but the Trustees shall not be liable for failing to do so. Notwithstanding the foregoing, (i) no amendment may be made pursuant to this Section 13.1 which would change any rights with respect to any allocated Shares of the 4M Fund by reducing the amount payable thereon upon liquidation of the 4M Fund or which would diminish or eliminate any voting rights of the Participants, except with the vote or written consent of two-thirds of the Participants entitled to vote thereon; and (ii) no amendment may be made which would cause any of the investment restrictions contained in Section 4.2 hereof to be less restrictive without the affirmative vote of a majority of the Participants entitled to vote thereon.

(b) Upon the termination of the 4M Fund pursuant to this Section 13.1:

(i) The 4M Fund shall carry on no business except for the purpose of winding up its affairs;

(ii) The Trustees shall proceed to wind up the affairs of the 4M Fund and all of the powers of the Trustees under this Declaration of Trust shall continue until the affairs of the 4M Fund shall have been wound up, including, without limitation, the power to fulfill or discharge the contracts of the 4M Fund, collect its assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining 4M Fund Property to one or more persons

at public or private sale for consideration which may consist in whole or in part of cash, securities or the property of any kind, discharge or pay its liabilities, and do all other acts appropriate to liquidate its affairs; provided, however, that any position of all or substantially all of the 4M Fund Property shall require approval of the principal terms of the transaction and the nature and amount of the consideration by affirmative vote of not less than a majority of the Participants entitled to vote thereon; and

(iii) After paying or adequately providing for the payment of all liabilities, and upon receipt of such releases, indemnities and refunding agreements, as they deem necessary for their protection, the Trustees may distribute the remaining 4M Fund Property, in cash or in kind or partly in each, among the Participants according to their respective proportionate allocation of Shares.

(c) Upon termination of the 4MFund and distribution to the Participants as herein provided, a majority of the Trustees shall execute and lodge among the records of the 4M Fund an instrument in writing setting forth the fact of such termination, and the Trustees shall thereupon be discharged from all further liabilities and duties hereunder, and the right, title and interest of all Participants shall cease and be cancelled and discharged.

(d) A certification in recordable form signed by a majority of the Trustees setting forth an amendment and reciting that it was duly adopted by the Participants or by the Trustees as aforesaid or a copy of the Declaration, as amended, in recordable form, and executed by a majority of the Trustees, shall be conclusive evidence of such amendment.

13.2 Power to Effect Reorganization. If permitted by applicable Law, the Trustees, by vote or written approval of a majority of the Trustees, may select, or direct the organization of, a corporation, association, trust or other Person with which the 4M Fund may merge, or which shall take over the 4M Fund Property and carry on the affairs of the 4M Fund, and after receiving an affirmative vote of not less than a majority of the Participants entitled to vote at any meeting of the Participants, the notice for which includes a statement of such proposed action, the Trustees may effect such merger or may sell, convey and transfer the 4M Fund Property to any such corporation, association, trust or other Person in exchange for cash or shares or securities thereof, or beneficial interest therein with the assumption by such transferee of the liabilities of the 4M Fund; and thereupon the Trustees shall terminate the 4M Fund and deliver such cash, shares, securities or beneficial interest ratably among the participants of this 4M Fund.

13.3 Duration. The 4M Fund shall continue in existence in perpetuity, subject in all respects to the provisions of the Article XIII. ✓

## ARTICLE XIV

### Miscellaneous

14.1 Governing Law. This Declaration of Trust is executed by the Initial Participants and delivered in the State of Minnesota and with reference to the Laws thereof, and the rights of all parties and the validity, construction and effect of every provision hereof shall be subject to and construed according to the Laws of said State of Minnesota.

14.2 Counterparts. This Declaration of Trust may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts, together, shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

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**14.3 Reliance by Third Parties.** Any certificate executed by an individual who, according to the records of the 4M Fund, or of any official or public body or office in which this Declaration of Trust may be recorded, appears to be a Trustee hereunder or the Secretary or the Treasurer of the 4M Fund, certifying to: (i) the number or identity of Trustees or Participants; (ii) the due authorization of the execution of any instrument or writing; (iii) the form of any vote passed at a meeting of Trustees or Participants or taken pursuant to a vote of Participants; (iv) the fact that the number of Trustees or Participants present at any meeting or executing any written instrument satisfies the requirements of this Declaration of Trust; (v) the form of any By-Law adopted by or the identity of any officers elected by the Trustees; or (vi) the existence of any fact or facts which in any manner relate to the affairs of the 4M Fund, shall be conclusive evidence as to the matters so certified in favor of any Person dealing with the Trustees or any of them or the 4M Fund and the successors of such Person.

**14.4 Provisions in Conflict with Law.** The provisions of this Declaration of Trust are severable, and if the Trustees shall determine, with the advice of counsel, that any one of more of such provisions (the "Conflicting Provisions") are in conflict with applicable federal or Minnesota Laws, the Conflicting Provisions shall be deemed never to have constituted a part of this Declaration of Trust; provided, however, that such determination by the Trustees shall not affect or impair any of the remaining provisions of this Declaration of Trust or render invalid or improper any action taken or omitted (including, but not limited to, the election of Trustees) prior to such determination.

**14.5 Gender, Section Headings.**

(a) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(b) Any headings preceding the texts of the several Articles and Sections of this Declaration of Trust and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of references and shall neither constitute a part of this Declaration of Trust nor affect its meaning, construction or effect.

**14.6 Adoption by Municipalities Electing to Become Additional Participants; Resignation of Participants.**

(a) Any Municipality meeting the requirements of Section 1.2 hereof, may become an additional Participant of this 4M Fund by (i) taking any appropriate official action to adopt this Declaration of Trust, (ii) furnishing the Trustees with satisfactory evidence that such official action has been taken, and (iii) if requested by the Trustees, providing the Trustees with an opinion of counsel to the effect that such party desiring to become a Participant of the 4M Fund is a Municipality as defined herein. A copy of this Declaration of Trust may be adopted by executing a written instrument of adoption in such form as may be prescribed by the Trustees. Delivering an acknowledged copy of such instrument shall constitute satisfactory evidence of the adoption contemplated by this Section 14.6.

(b) Any Participant may resign and withdraw from the 4M Fund by sending a written notice to such effect to the Chairman of the 4M Fund and the Administrator and by requesting the withdrawal of all funds then credited to its account within the 4M Fund. The written notice shall be in the form of a certified resolution of the Municipality Board or Council of the Participant, stating the Municipality Board or Council's intention to resign from the 4M Fund.

Such resignation and withdrawal shall become effective upon the receipt thereof by the Chairman of the 4M Fund and the Administrator. No resignation and withdrawal by a Participant shall operate to annul this Declaration of Trust or terminate the existence of the 4M Fund.

IN WITNESS WHEREOF, the undersigned Municipalities of the State of Minnesota, acting in the capacity of Initial Participants of the Minnesota Municipal Money Market Fund and pursuant to the authority granted by the Joint Powers Act, have executed this Declaration of Trust as of the 23rd day of March, 19 87, as of which date this Declaration of Trust shall take, and come into, full force and effect.

By Conall P. Slater  
Its Executive Director  
and \_\_\_\_\_  
Its \_\_\_\_\_

By James F. Miller  
Its City Manager  
and James C. Donlin  
Its Mayor

By \_\_\_\_\_  
Its \_\_\_\_\_  
and \_\_\_\_\_  
Its \_\_\_\_\_

STATE OF MINNESOTA  
FILED

APR 23 1987

Joan Anderson Howe  
Secretary of State



# *The Minnesota Municipal Money Market Fund Program*

## INFORMATION STATEMENT

*A Comprehensive Financial Service for Municipalities  
Sponsored by the League of Minnesota Cities*

*This booklet provides detailed information about the Funds.  
Please read it carefully and retain it for future reference.*

04/15/2021

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## THE TRUST AND THE FUNDS

The Minnesota Municipal Money Market Fund (the “Trust”), is a common law trust organized and existing in accordance with the Minnesota Joint Powers Act (Minnesota Statutes, Section 471.59) (the “Joint Powers Act”). The Trust consists of the following distinct investment portfolios, (each a “Fund” and together, the “Funds”):

- 4M Liquid Asset Fund
- 4M PLUS Fund
- Term Series Fund (Term Series)
- Limited Term Duration Fund (LTD Fund)

The Trust and the 4M Liquid Asset Fund were created in 1987, the 4M PLUS Fund was created in November 1996, the Term Series Fund was created in January 2011, and the Limited Term Duration Fund was created in February 2021. Each Fund is independent of the other. Neither the 4M Liquid Asset Fund, the 4M PLUS Fund, the Term Series Fund, nor the Limited Term Duration Fund constitutes security or collateral for obligations of any other Fund, except as may be described in the Declaration of Trust. The 4M Liquid Asset Fund and the 4M PLUS Fund, which are stable value portfolios, are collectively referred to in this document as the 4M Funds. Each Term Series Fund, which is a fixed term investment, is referred to as the Term Series, and the Limited Term Duration Fund is a floating rate fund portfolio, and is referred to as the LTD Fund.

Only “Municipalities” (defined to include Minnesota cities, counties, towns, public authorities, public corporations, public commissions, special districts and public instrumentalities, each as defined in the Joint Powers Act) are permitted to open accounts and become participants (“Participants”) in any of the Funds.

The address of the Trust is:

Minnesota Municipal Money Market Fund  
c/o PMA Securities, LLC  
Attn: New Accounts  
2135 CityGate Lane, 7<sup>th</sup> Floor  
Naperville, IL 60563

## INVESTMENT OBJECTIVES

The general objective of each Fund is to provide Participants with safety and stability of principal, liquidity and within the stringent investment policies and limitations set forth below, a competitive yield. No assurance can be given that any of the Funds will achieve their investment objective or that any benefits described in this Information Statement will result from placement of assets in any of the Funds.

Each Fund will employ similar investments as allowed under Minnesota State Statute and similar investment processes. However, the objective of the 4M PLUS Fund, the LTD Fund, and the Term Series will be to provide Participants with a somewhat enhanced investment yield (compared with that of the 4M Liquid Asset Fund) by having a longer average portfolio maturity than the 4M Liquid Asset Fund. The 4M PLUS Fund will seek to achieve a longer average portfolio maturity by requiring that Participants agree to an initial 14-day investment period with respect to each investment. Participants in the 4M Liquid Asset Fund will not have to agree to an initial 14-day investment period. As described below, Term Series investments are designed to be held to maturity and are less diversified. If an investment made in a Term Series is withdrawn prior to the maturity date of that Series, seven days’ notice of



redemption is required, and a penalty will likely be assessed. The LTD Fund, described below, is a floating rate portfolio with a longer-term investment horizon.

The 4M Funds and each Term Series seek to maintain a stable net value per share of \$1.00, whereas the net asset value of the LTD Fund will fluctuate as the value of securities held by that portfolio fluctuates. Each portfolio seeks to attain its investment objective by pursuing an investment program consistent with the policies and restrictions described below:

**4M Funds.** The 4M Funds will invest solely in Permitted Investments (defined below) in such a manner as to result in a weighted average maturity (WAM) for each portfolio of no greater than sixty (60) days, with certain extensions for a WAM to final. The Permitted Investments in which the 4M Funds invest are selected by the Fund's investment advisor, PMA Asset Management, LLC (the "Investment Advisor"), and consist of instruments having a maximum maturity of 397 days except for certain government related floating rate securities which may have a maximum maturity of 762 days.

**LTD Fund.** The LTD Fund seeks to provide current income while maintaining limited price volatility. The LTD Fund will invest in a diversified portfolio of short-term, investment-grade fixed-income securities. The LTD Fund will invest solely in Permitted Investments (defined below). The LTD Fund is expected to be invested in such a manner as to result in a weighted average maturity (WAM) for the portfolio that does not exceed two (2) years and expects a target duration of approximately one (1) year. The portfolio will seek to preserve capital while offering enhanced opportunities to generate income relative to the 4M Funds. In contrast with the 4M Funds, the net asset value of the LTD Fund will fluctuate as the market value of the securities in the portfolio changes over time, and the net asset value of a Participant's investment could decline below the amount originally invested. A Participant that cannot bear this risk should not invest in the LTD Fund.

**Term Series.** Term Series is a separate series of shares of beneficial interest in a fixed term investment with a maturity of no less than one (1) day and no more than 397 days. Each Term Series may have a weighted average maturity (WAM) equal to the term of that Series. Information regarding a Term Series' portfolio will be provided to the Participants in that Series by the Term Series Investment Advisor. Participants who have invested in the 4M Funds and who wish to invest in a Term Series may do so by transferring funds from their 4M Funds account to the Term Series of their choice. When that particular Term Series matures, the Participant's funds in that Series will then be transferred back to the Participant's 4M Funds account.

Each Term Series is independent from all other Term Series. This means that any assets, expenses, profits or losses are attributable solely to that particular Term Series portfolio and does not impact any other Term Series portfolio, the 4M Funds, or the LTD Fund.

## FUND INVESTMENTS

Each Fund is specifically designed for Minnesota Municipalities. Accordingly, each Fund may invest in securities and instruments in which Municipalities are permitted to invest directly, as delineated in Minnesota Statutes, Section 118A ("Deposit and Investment of Local Government Funds").

As a Minnesota joint powers investment trust, each Fund may also invest in negotiable CD's, as delineated in Minnesota Statutes, Section 118A.07 Subd7. ("Negotiable Certificates of Deposit").

### Permitted Investments include:

- (a) United States securities. Public funds may be invested in governmental bonds, notes, bills, and other securities which are direct obligations or are guaranteed or insured issues of the

United States, its agencies, its instrumentalities, or organizations created by an Act of Congress. Maximum exposure to any one U.S. government agency is 40% of the applicable Fund's market value at the time of purchase. Government agency and agency mortgaged backed securities that meet the maturity guidelines are acceptable investments. Other mortgage-related securities of any kind are not an allowable investment.

(b) Commercial papers. Funds may be invested in commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and that matures in 270 days or less. Asset backed commercial paper is not an allowable investment. In most cases, the investment advisor should judiciously liquidate securities that are downgraded below the minimum credit quality and provide written notification, within 30 days, to the Director of Finance about any such securities and any realized loss.

(c) State and local securities. Any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service; 2) any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service; and 3) a general obligation of the Minnesota housing finance agency which is a moral obligation of the State of Minnesota which is rated "A" or better by a national bond rating agency.

(d) Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.

(e) Deposits in a national bank or in a state bank or thrift institution insured by the Federal Deposit Insurance Corporation, provided that any such deposit shall be insured, bonded, or collateralized as required by law and that any such bank or thrift institution shall meet criteria designated from time to time by the Trustees.

(f) Negotiable certificates of deposit issued by nationally or state-chartered banks, a federal or state savings and loan association, or a state-licensed branch of a foreign bank, where the certificate matures in 397 days or less for the 4M Funds, and it matures in three (3) years or less for the LTD Fund, and further provided that the issuing institution is rated in the top short-term rating category by at least two nationally recognized statistical ratings organizations.

(g) Repurchase Agreements with "broker-dealers" (as more fully described below) and with "financial institutions" (as more fully described below).

1. Broker/Dealers:

a. The Funds may only enter into repurchase agreements with broker-dealers which, in the judgment of the Investment Advisor (as defined below), have a reputation for sound management and ethical business practices.

b. Each broker/dealer must be registered with the Securities and Exchange Commission and be a primary reporting dealer to the Federal Reserve Bank of New York.

c. Broker/dealers must have at least \$50 million in "Excess Capital." "Excess Capital" is that portion of a firm's permanent capital which is in excess of the minimum capital required under the Uniform Net Capital Rule of the

Securities and Exchange Commission. Broker/dealer subsidiaries of companies having at least \$1 billion in net worth shall also be considered creditworthy, in the event of a lack of publicly available financial information. The Investment Advisor, as applicable, will use its best efforts to monitor the creditworthiness of broker/dealers.

d. Broker/dealers must have short-term, unsecured debt ratings of “A1” by Standard & Poor’s Corporation (“S&P”) or “P1” by Moody’s Investors Service, Inc. (“Moody’s”).

2. Financial Institutions:

a. The Funds may only enter into repurchase agreements with financial institutions whose short-term, unsecured debt is rated “A1” by S&P or “P1” by Moody’s.

b. The Funds may enter into repurchase agreements with any financial institution qualified as a “depository” of public funds of a government entity or any other financial institution which is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds \$10,000,000 or more.

(h) Shares of an investment company as permitted under applicable law.

(i) Any other investment instruments now or hereinafter designated as a Permitted Investment under applicable law.

**Collateral:**

CDs and other bank deposits held by a Fund will either be insured by the FDIC up to the maximum amount of such insurance or secured by a surety bond or fully collateralized by pledged securities or letters of credit provided by Federal Home Loan Bank for amounts in excess of FDIC insurance. The U.S. government obligations held by a Fund will be backed by the full faith and credit of the U.S. government or by the agency or instrumentality issuing or guaranteeing the obligation. The municipal obligations held by a Fund may be backed only by the taxing power of the issuer of such securities or may be secured by specific revenues received by the issuer.

**Investment Restrictions:**

Each Fund may buy and sell, and enter into agreements to buy and sell, Permitted Investments subject to the restrictions described below. These restrictions are considered to be fundamental to the operation and activities of each Fund and may not be changed without the affirmative vote of a majority of the Participants. Each Fund:

(a) May not make any investment other than a Permitted Investment;

(b) May not purchase any Permitted Investment for the 4M Funds which has a maturity date more than 397 days from the date of purchase, unless it is subject at the time of purchase to an irrevocable agreement on the part of a Responsible Person (as defined below) to purchase such Permitted Investment from the Fund within 397 days. The Funds may invest in floating rate government and agency securities with stated maturities of three years or less if there is a coupon reset period within 397 days of the date of the purchase of the security. The phrase “Responsible Person” means a recognized securities firm or a suitable financial institution meeting the

requirements of Section 2.02 of the Fund's Declaration of Trust;

- (c) May not purchase any Permitted Investment if the effect of such purchase would result in the Fund's portfolio WAM to exceed the time period that has been designated by the Trustees as the intended WAM of the portfolio to which the purchase of such Permitted Investments relates. In determining the effect of a purchase on the WAM, any Permitted Investment which is subject to an irrevocable agreement of the nature referred to in the preceding clause (b) is deemed to mature on the day on which the Fund is obligated to sell such Permitted Investment back to the responsible party;
- (d) May not borrow money or incur indebtedness whether or not the proceeds thereof are intended to be used to purchase a Permitted Investment, except as a temporary measure to facilitate withdrawal requests which might otherwise require unscheduled disposition of portfolio investments; and
- (e) Except as set forth above, may not purchase securities or shares of investment companies or any entities similar to any of the Funds.
- (f) The Investment Advisor should report any investment guideline compliance issues as soon as discovered along with a recommendation for a plan of action to the Director of Finance to get into compliance (if appropriate).

## PRINICIPAL AND INVESTMENT RISKS

Although the Funds only invest in investments permitted under state statute, all investments involve risk. A decline in short-term interest rates will reduce the yield of the Funds and the return on an investment. The Funds invest only in high-quality obligations, but there is still the risk that an issuer may be unable to make principal and interest payments when due. Each of the Funds also has manager risk and will have industry concentration risk to the extent their assets are concentrated in an industry (such as the banking industry).

An investment in any of the Funds is not a deposit or obligation of, or guaranteed or endorsed by, any bank and is not insured or guaranteed by the U.S. Government, the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other federal or state agency or instrumentality.

For more detailed information about the risks associated with the Funds, see the "Principal Risk Factors" and "Investment Risk Factors" sections below. For a discussion of the expenses to which Participants of each Fund are indirectly subject, please refer to the "Expenses" section of this document.

### Principal Risk Factors:

All investments involve risk and investing in the Funds is no exception. Set forth below are the principal risk factors of the Funds.

*Concentration Risk.* Any fund that concentrates in a particular segment of the market will generally be more volatile than a fund that invests more broadly. Any market price movements, regulatory or technological changes, or economic conditions affecting banks or financial institutions, may have a significant impact on the Funds' performance.

*Credit Risk.* The issuer of a debt security may fail to pay interest or principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the Funds' returns.

*Interest Rate Risk.* Rising interest rates could cause the value of the Funds' investments — and therefore its share price as well — to decline. Conversely, any decline in interest rates is likely to cause the Funds' yield to decline, and during periods of unusually low interest rates, the Funds' yield may approach zero. While the Funds' service providers may voluntarily agree to waive a portion of their fees to support a positive yield during periods of low interest rates, there is no assurance they will do so. For floating-rate obligations and variable-rate obligations, because the interest these securities pay is adjustable, there are market environments where they may have a beneficial or detrimental impact to the yield of the Funds relative to fixed rate securities issued by similar issuers and terms to maturity.

*Issuer Risk.* The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

*Lack of Governmental Insurance or Guarantee.* An investment in a Fund is not a bank deposit. An investment in a Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

*Liquidity Risk.* A Fund could experience significant net redemptions of its shares at a time when it was unable to find willing buyers for its portfolio securities or could only sell its portfolio securities at a material loss. In addition, with respect to the LTD Fund and Term Series, there are restrictions on a Participant's ability to withdraw funds from such Funds.

*LTD Fund Risk.* In contrast with the other Funds, the net asset value of the LTD Fund will fluctuate as the market value of the securities in the portfolio changes over time, and the net asset value of a Participant's investment could decline below the amount originally invested. A Participant that cannot bear this risk should not invest in the LTD Fund.

*Management Risk.* The Funds are subject to management risk, which is the risk that poor security selection by the Investment Advisor could cause a Fund to underperform relevant benchmarks or other funds with a similar investment objective. There is no guarantee of a Funds' performance or that a Fund will meet its objective. The market value of a Participant's investment may decline and the Participant may suffer investment loss.

*Market Risk.* The market price of securities owned by a Fund may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

*Regulatory Risk.* Changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

*Repurchase Agreement Risk.* If the party that sells the securities to a Fund defaults on its obligation to repurchase them at the agreed-upon time and price, the Fund could lose money.

*Stable Net Asset Value.* The 4M Funds and Term Series seek to maintain a stable net asset value of \$1.00 per share; however, there can be no assurance that these Funds will be able to continually achieve this goal and it is possible to lose money by investing in such Fund.

*Term Series Risk.* Normally, the Term Series will have a higher yield than the 4M Liquid Asset Fund and the 4M PLUS Fund. However, there can be no assurance that this result will occur. While securities purchased by a Term Series are generally intended to be held to maturity, the Investment Advisor maintains discretion to dispose of, or substitute, a security held by a Term Series if doing so is in the best interests of the Participants. In that event, a disposition or substitution of portfolio securities may affect a Term Series' net rate of return. Term Series are expected to have fewer holdings than the 4M Funds and

will therefore be less diversified. It is also possible to lose money by investing in a Term Series, which may impose a substantial penalty for redemption prior to the full term of the Series.

*U.S. Government Obligations Risk.* U.S. government obligations may be adversely impacted by changes in interest rates. For U.S. government obligations that are not backed by the full faith and credit of the U.S. government, there can be no assurance that the U.S. government will provide financial support when it is not obligated to do so.

### **Investment Risk Factors:**

The Investment Advisor has implemented processes to make sound and prudent investment decisions for the Funds. Nonetheless, all investments involve risk and investing in the Funds is no exception. Investments may be impacted by some or all of the following: interest rate risk, credit risk, market risk, and management risk (as defined above). In addition, certain investment products may have specific risks, as reflected below.

*U.S. Government Obligations.* The Funds invest in U.S. government obligations which include debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities. In some cases, the full faith and credit of the United States backs the payment of principal and interest on U.S. government obligations. In other cases, these obligations are backed solely by the issuing or guaranteeing agency or instrumentality itself. In these cases, there can be no assurance that the U.S. government will provide financial support to its agencies when it is not obligated to do so.

*Repurchase Agreements.* The Funds may enter into repurchase agreements, where a party agrees to sell a U.S. government security to the Fund and then repurchase it at an agreed-upon price at a stated time. A repurchase agreement is like a loan by the Fund to the other party that creates a fixed return for the Fund. All repurchase agreements are fully collateralized with collateral allowable under Section 118A.04 of the Minnesota statutes. The Funds could incur a loss on a repurchase transaction if the seller defaults and the value of the underlying collateral declines or the Fund's ability to sell the collateral is restricted or delayed.

*Collateralized Deposits.* From time to time, the Funds may invest in collateralized certificates of deposit and other bank products as permitted by law. In the event of a default on such a certificate of deposit, it may be necessary to submit a claim on the collateral. Such foreclosure will entail certain risks for the Funds. These risks include losses resulting from a diminution in the value of the collateral before it can be sold, procedural delays relating to the foreclosure, costs of foreclosure and a failure to realize an amount in the foreclosure equal to the principal of and interest on the defaulted certificate of deposit.

*Commercial Paper.* Although certain criteria is used when determining what commercial paper or bonds and notes will be purchased for the Funds, no assurance can be given that such issuing companies will not become insolvent during the life of the investment. In the event of the insolvency of a company issuing commercial paper or bonds and notes in which the Fund has invested or in the event of any other default with respect to such commercial paper or bonds and notes, if appropriate, a claim will be filed by the Fund against the company. However, there is no assurance that the Funds will receive any recovery as a result of filing a claim since the commercial paper or bonds and notes are not secured.

*Municipal Securities.* The Funds may invest in securities which are general obligation bonds issued by a state or local government with taxing powers. Although the Investment Advisor uses certain credit criteria when determining what municipal securities will be purchased for the Funds, no assurance can be given that such issuing municipal entity will not become insolvent during the life of the investment or otherwise default on such bonds. In the event of the insolvency of or default by a governmental entity in which the Funds have invested, a claim will be filed by the Funds against the issuer or, if applicable, any third-party insurance provider. However, there is no assurance that the Funds will receive any or full

recovery as a result of filing such claim(s).

*Investments in Investment Companies.* To the extent a Permitted Investment made by a portfolio is a money market mutual fund or other investment company, such investment may cause the portfolio to incur increased costs since the operating expenses of such other mutual funds and investment companies are borne by the shareholders of those funds and investment companies.

*Cancellation of Fund Shares to Maintain \$1.00 Net Asset Value.* Participants in the stable NAV 4M Funds should note that if for any reason there is a net loss on any day, the applicable Fund will reduce the accrued net income for the month in an amount necessary to maintain the net asset value per share of beneficial interest at a value of \$1.00. To the extent that accrued net income is insufficient, then the Fund will cancel outstanding shares of beneficial interest in the amount required to maintain the net asset value per share of beneficial interest at \$1.00, with each Participant contributing its pro rata portion of the total number of shares to be canceled. Each Participant will be deemed to have agreed to such a contribution in these circumstances by its investment of monies in the Fund.

## **WITHDRAWALS FROM THE FUNDS**

There are no restrictions on withdrawals from the 4M Liquid Asset Fund, which may be affected on a same-day basis.

All investments in the 4M PLUS Fund must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to 7 days interest on the amount withdrawn (calculated using the dividend rates in effect for the 7-day period immediately preceding the withdrawal date). The penalty will be payable even if the amount withdrawn had not been invested in the 4M PLUS Fund for the full 7-day period preceding the withdrawal. In determining whether an amount is eligible for withdrawal from a Participant account without the payment of a penalty, the first-in/first-out method will be used.

The LTD Fund requires that each Participant maintain a minimum balance of at least \$50,000 but has no minimum amount requirements for deposits or withdrawals. In circumstances where a Participant is not making a complete withdrawal of their funds from the LTD Fund, a Participant may withdraw funds from the LTD Fund in any amount provided the Participant maintains a balance equal to or greater than the minimum account balance requirement in such portfolio. Redemptions from the LTD Fund may only be made on the third Wednesday of each month upon at least two (2) weeks advance notice. As a result, a Participant should not invest funds in the LTD Fund if those funds may be needed by the Participant on shorter notice.

Term Series investments are designed to be held to maturity. If an investment made in a Term Series is withdrawn prior to the maturity date of that Series, seven days' notice of redemption is required, and a penalty will likely be assessed. The penalty, which may be substantial, could include the amount necessary to recoup for the Series any penalty charges, losses and other costs attributable to the early redemption.

Under certain circumstances, redemptions from the Funds may be temporarily suspended.

## **TRUSTEES AND OFFICERS**

Subject to the power of the Participants to amend the Declaration of Trust, the Board of Directors of the League of Minnesota Cities serves as the Board of Trustees of the Trust. Appointment vacancies are filled in accordance with the by-laws of the League of Minnesota Cities and the Declaration of Trust. The Trustees have full, exclusive, and absolute control and authority over the business and affairs of the Trust

and each Fund, in all cases subject to the rights of the Participants as provided in the Declaration of Trust.

The Trustees may perform such acts as in their sole judgment and discretion are necessary and proper for conducting the business and affairs of the Trust or promoting the interests of the Trust. The Trustees duties include, but are not limited to, overseeing, reviewing and supervising the activities of all consultants and professional Advisors to the Funds (including, but not limited to, the Investment Advisor, the Administrator, the Sub-Administrator, if any, and the Custodian).

The Trustees serve without compensation but are reimbursed by the Trust for reasonable travel and other out-of-pocket expenses incurred in connection with their duties as Trustees. The Trustees are not required to devote their entire time to the affairs of the Trust.

The officers of the League of Minnesota Cities serve also as officers of the Trust. The executive director of the League of Minnesota Cities serves as the Trust's Secretary and as an *ex-officio*, non-voting member of the Board of Trustees. The Trustees may elect or appoint such other officers or agents who, subject to the Declaration of Trust and Bylaws of the Trust, shall have such powers, duties and responsibilities as the Trustees may deem to be advisable and appropriate.

The Trustees are responsible for the general investment policy and program of each Fund and for the general supervision and administration of the business and affairs of the Trust. However, the Trustees are not required personally to conduct all of the business of the Trust and, consistent with their ultimate responsibility, the Trustees have appointed the Fund Administrator and Investment Advisors, the Custodian, and a 4M Fund Advisory Committee.

## **INVESTMENT ADVISOR**

PMA Asset Management, LLC (the "Investment Advisor"), a limited liability company organized under the laws of the State of Illinois and an investment adviser registered with the U.S. Securities and Exchange Commission has been appointed by the Trustees as the Investment Advisor to the Funds. The Investment Advisor's primary responsibility is to formulate a continuing investment program and to manage the purchase and sale of securities for the Funds in accordance with the Fund's investment objective and policies.

The Investment Advisor is an affiliate of PMA Financial Network, LLC, the Administrator and a Fixed Rate Program Provider, and PMA Securities, LLC, a broker-dealer and municipal advisor registered with the U.S. Securities and Exchange Commission and Municipal Securities Rulemaking Board serving as the Distributor and a Fixed Rate Program Provider. PMA Financial Network, LLC and PMA Securities, LLC are collectively referred to as "PMA".

## **ADMINISTRATOR**

The Trustees also have appointed PMA Financial Network, LLC as the administrator for the Trust (the "Administrator"). The Agreement pursuant to which the Administrator serves the Funds may be terminated without penalty on one hundred twenty (120) days written notice at the option of the Trust or the Administrator.

The Administrator services all Participant accounts; determines and allocates income of each Fund; provides certain written confirmation of the investment and withdrawal of monies by Participants; determines the net asset value of each Fund on a daily basis; provides administrative personnel and facilities to the Trust and each Fund; bears certain expenses of the Trust and each Fund; and performs other related administrative services for the Trust and each Fund. On a quarterly basis, the Administrator provides the Trustees with an evaluation of the performance of each Fund compared against money



market mutual funds and various indices of money market securities.

## **CUSTODIAN**

US Bank serves as Custodian for each Fund pursuant to a Custodian Agreement with the Trust. The Custodian acts as a safekeeping agent for each Fund's investment portfolio and serves as the depository in connection with the direct investment and withdrawals of each Fund. The Custodian does not participate in any of the Fund's investment decision-making process. Each Fund may invest in obligations of the Custodian, and the Custodian may buy and sell Permitted Investments from and to each Fund.

## **4M FUND ADVISORY COMMITTEE**

The Trustees have appointed a 4M Fund Advisory Committee to assist and advise the Board of Trustees in developing policies and overseeing and reviewing the activities of the Trust and each Fund. The 4M Fund Advisory Committee consists of individuals skilled in the area of municipal finance and investments.

## **LEGAL COUNSEL**

Legal counsel of the League of Minnesota Cities serves as General Counsel to the Trust pursuant to the direction of the Board of Trustees.

## **EXPENSES**

### **Administrative, Distribution and Investment Advisory Expenses**

Under its Advisory, Administration and Distribution Agreement ("Agreement") with PMA Financial Network, LLC, PMA Securities, LLC and PMA Asset Management, LLC, (collectively the "PMA Entities") the Funds have agreed to pay the PMA Entities a fee at an annual rate based on each of the Funds' average daily net assets, as follows:

#### 4M Funds (4M Liquid Asset Fund and 4M Plus Fund, combined assets)

- 0.255% of the combined assets up to \$400,000,000;
- 0.245% of the combined assets between \$400,000,000 and \$1,000,000,000; and
- 0.235% of the combined assets over \$1,000,000,000.

#### LTD Fund

- 0.315% of the LTD Fund's assets up to \$300,000,000;
- 0.295% of the LTD Fund's assets between \$300,000,000 and \$400,000,000;
- 0.275% of the LTD Fund's assets between \$400,000,000 and \$1,000,000,000; and
- 0.265% of the LTD Fund's assets over \$1,000,000,000.

These fees are computed daily and paid monthly. These fees may be subject to a fee waiver to support a positive yield to the Funds.

Of the amounts so received from the 4M Funds and LTD Fund, the PMA Entities have agreed to pay to the League of Minnesota Cities for its sponsorship and administrative services an amount equal to 0.065% of such Funds' average daily net assets. This fee likewise will be calculated daily and paid monthly. If fees paid to the PMA Entities are subject to a fee waiver, these fees will likewise be reduced on an equal percentage.

The Administrator is responsible for costs incurred while serving in that capacity for the Funds such as; postage, telephone charges, and computer time. Additionally, the Administrator is responsible for paying all costs associated with marketing the Funds.

In connection with investments in a Term Series, Participants pay to the Advisor an annualized advisory and management fee of up to 0.25% (exclusive of insurance or collateral costs and any third-party placement fees). An additional fee, not to exceed 0.10% on an annualized basis, is charged for assets that require management and administration of collateral, letters of credit, other third-party guarantees or reciprocal or other programs. Of the amount received, PMA has agreed to pay a royalty to the League of Minnesota Cities in an amount of between .01% and .02% based on the investment balances in the Term Series. The fee shall be accrued daily and paid monthly.

### **Marketing Services Agreement**

The Administrator has entered into a Marketing Services Agreement with the League of Minnesota Cities. For the support services, printing, and website maintenance services provided by the League under such agreement, the Administrator will pay the League of Minnesota Cities an annual fee of \$21,000. In addition, PMA agreed to reimburse the League for certain agreed upon marketing expenses.

### **Custodial Expenses**

The 4M Funds and the LTD Fund pay the Custodian a fee for its custodial and cash management services. The 4M Liquid Asset Fund pays cash management fees for covering the cost of its banking expenses, including wire transfers and check writing.

### **Other Expenses**

In addition, each Fund pays all of its other operating and other expenses not expressly assumed by the Administrator or another service provider, including, without limitation, its legal costs, insurance costs, and the cost of promotional material including Information Statements, Application Forms, brochures and meeting materials for Participants.

## **DAILY INCOME ALLOCATIONS**

**The 4M Funds.** Each of the 4M Funds' net income is determined as of the close of business on each Minnesota banking day (and at such other times as the Trustees may determine) and is credited monthly on a pro rata basis to each Participant's account. Such accrued income is reinvested in additional Fund shares at their net asset value (generally, \$1.00 per share). Although daily income accruals are not automatically transmitted in cash, Participants may obtain cash by withdrawing shares at their net asset value without charge.

Each of the 4M Funds' net income for each income period consists of (1) all accrued interest income on Fund assets, (2) plus or minus all realized gains or losses on Fund assets and any amortized purchase discount or premium, and (3) less the Fund's accrued expenses applicable to that income period.

Each of the 4M Funds expect to have net income each day. If for any reason there is a net loss on any day, the applicable Fund will reduce the number of its outstanding shares by having each Participant contribute its pro rata portion of the total number of shares required to be canceled in order to maintain the net asset value per share at a constant value of \$1.00. Each Participant will be deemed to have agreed to such a contribution in these circumstances by its adoption of the Declaration of Trust and its investment of monies into the Fund.

**LTD Fund.** The net income of the LTD Fund is accrued daily, which has the effect of increasing the net asset value of the portfolio by the amount of such net income. The portfolio does not expect to make any distributions to participants of such net income. The net income will accrue daily and have the effect of increasing the net asset value of the portfolio by the amount of such net income.

**Term Series Portfolios.** Dividends from net investment income are declared daily and paid at maturity. The net income of each Term Series portfolio is allocated among the Participants participating in that Term Series.

## COMPUTATION OF YIELD FOR 4M FUNDS

**The 4M Funds.** The “daily rate” and “7-day yield” of the 4M Funds may, from time to time, be quoted in reports, literature and information published by the Trust. The daily rate of each such Fund is computed by taking daily investment income, plus or minus any purchased discount or premium less all accrued expenses, including realized capital gains or losses, and dividing by the total shares in the Fund, multiplied by 365. Each of the 4M Funds will also report a “7-day yield” which refers to the income that would have been generated by a Participant's investment in the relevant portfolio for the preceding seven days. The 7-day yield is calculated by multiplying the unannualized seven-day period return by 365 divided by 7. Each of the 4M Funds may also quote from time to time a 7-day effective average yield by adding 1 to the unannualized seven-day period return, raising the sum to a power equal to 365 divided by 7, and subtracting 1 from the result. Each of the 4M Funds’ yield from time to time may be quoted on other bases for the information of its Participants.

Each of the 4M Funds’ yield may vary over time, and, therefore, the yields quoted from time to time should not be considered an indication of future investment results. Actual yields will depend not only on the type, quality, and maturities of the investments held by each Fund and changes in interest rates on such investments, but also on changes in the applicable Fund’s expenses during the period.

Yield information may be useful in reviewing the performance of each of the 4M Funds and for providing a basis for comparison with other investment alternatives. However, each of the 4M Funds’ yield will fluctuate, unlike certificates of deposit or other investments which typically pay a fixed yield for a stated period of time.

**LTD Fund.** Information regarding total returns and yield for the LTD Fund is available by contacting the Funds’ Administrator. Their contact information is available on the Funds’ website; [www.4mfund.com](http://www.4mfund.com).

**Term Series.** Information regarding the yield of investments made through a Term Series may be provided or reported from time to time by the Funds’ Administrator. In those instances, it will be reported on the basis of simple interest calculated on a 365-day year or will be based on such other methods of calculation as the Trustees deem appropriate.

## DETERMINATION OF NET ASSET VALUE

**The 4M Funds and Term Series.** The net asset value per share of each 4M Liquid Asset Fund, 4M Plus Fund, and Term Series, (“Fund”) for the purpose of calculating the price at which each Fund’s shares are issued and redeemed is determined by the Administrator as of the close of business on each Minnesota banking day.

The value of each of the 4M Funds’ investments is determined using the amortized cost method. The amortized cost method of valuation involves valuing an investment instrument at its cost at the time of

purchase and thereafter assuming a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the instrument. While this method provides certainty in valuation, it may result in periods during which value, as determined by amortized cost, is higher or lower than the price the applicable Fund would receive if it sold the instrument. During such periods, the yield to Participants may differ somewhat from that which would be obtained if the applicable Fund used the market value method for all its portfolio investments. For example, if the use of amortized cost resulted in a lower (higher) aggregate portfolio value on a particular day, a prospective Participant would be able to obtain a somewhat higher (lower) yield than would result if the applicable Fund used the market value method, and existing Participants would receive less (more) investment income. The purpose of this method of calculation is to attempt to maintain a constant net asset value per share of \$1.00.

The Board of Trustees has adopted procedures with respect to each of the 4M Funds use of the amortized cost method to value its portfolio. These procedures are designed and intended (taking into account market conditions and each Fund's investment objectives) to stabilize net asset value per share as computed for the purpose of investment and redemption at \$1.00 per share. The procedures include a periodic review by the Board of Trustees, in such manner as they deem appropriate and at such intervals as are reasonable in light of current market conditions, of the relationship between net asset value per share based upon the amortized cost value of each Fund's investments and the net asset value per share based upon available indications of market value with respect to such portfolio investments. The Board of Trustees will consider steps, if any, that should be taken in the event of a difference of more than 1/2 of 1% between the two methods of valuation. The Board of Trustees will take such steps as they consider appropriate (such as shortening the average portfolio maturity or realizing gains or losses) to minimize any material dilution or other unfair results which might arise from differences between the two methods of valuation.

The Trust has adopted policies on behalf of each of the 4M Funds to (1) maintain a WAM (which will not be more than sixty (60) days, with certain extensions for a WAM to final) appropriate to the objective of maintaining a stable net asset value of \$1.00 per share, and (2) purchase instruments having a maximum maturity of 397 days except for certain government related floating rate securities which may have a maximum maturity of 762 days (unless such investment is subject at the time of its purchase to an irrevocable agreement on the part of a responsible person to purchase such investment from the applicable Fund within one year). Should the disposition of a portfolio investment result in a WAM of more than sixty (60) days, with certain extensions, available cash will be invested in such a manner as to reduce such average portfolio maturity to the permitted WAM as soon as reasonably practicable.

**LTD Fund.** The net asset value per share of the LTD Fund, for the purpose of calculating the price at which shares are issued and redeemed, is determined by the Administrator as of the close of business of each Minnesota banking day. Such determination is made by subtracting from the value of the assets of such portfolio the amount of the applicable liabilities and dividing the remainder by the number of outstanding shares for that portfolio.

Under the LTD Fund's pricing and valuation policies and procedures, debt securities held by the LTD Fund are generally valued using prices provided by an independent pricing service, which uses valuation methods that are designed to approximate market or fair value, such as matrix pricing and other analytical pricing models, market transactions and dealer quotations. Debt securities with a remaining maturity of 60 days or less may be valued at amortized cost or fair value if a market price is not available. In some cases, prices may be provided by alternative pricing services or dealers. Shares of the portfolio are valued at their last calculated net asset value per share. If market quotes are not readily available for a security held by the portfolio, a price cannot be obtained from a pricing service or a dealer, or if the Administrator or its affiliate believes the price provided by the pricing service does not represent "fair value" for the security, the security is valued at "fair value" by the Administrator or its affiliate. In

determining fair value, the Administrator or its affiliate applies valuation methods that take into account all relevant factors and available information. Consequently, the value of the security used by the LTD Fund to calculate its net asset value per share may differ from a quoted or published price for the same security. Fair value pricing involves subjective judgments and it is possible that the fair value determined for a security is materially different than the value that could be realized upon the sale of that security.

## **PORTFOLIO TRANSACTIONS**

Subject to the general supervision of the Board of Trustees, the Investment Advisor for each Fund is responsible for the investment decisions and the placing of the orders for portfolio transactions for such Fund. Each Fund's portfolio transactions occur primarily with major dealers in money market instruments acting as principals. Such transactions are normally on a net basis which do not involve payment of brokerage commissions. Transactions with dealers normally reflect the spread between bid and asked prices.

The Investment Advisor of each Fund places orders for all purchases and sales of portfolio securities for such Fund. Although none of the Funds ordinarily seek profits from short-term trading, the Investment Advisor may, on behalf of a Fund, dispose of any portfolio investment prior to its maturity if it believes such disposition is advisable.

The Investment Advisor seeks to obtain the best net price and most favorable execution of orders for the purchase and sale of portfolio securities. Where price and execution offered by more than one dealer are comparable, the Investment Advisor may, in its discretion, purchase and sell investments through dealers which provide research, statistical and other information to the Investment Advisor or to the Trust. Such supplemental information received from a dealer is in addition to the services required to be performed by the Investment Advisor under its agreement with each Fund, and the expenses of the Investment Advisor will not necessarily be reduced as a result of the receipt of such information.

The Funds may, from time to time and depending on the circumstances, purchase certificates of deposit of banks and thrift institutions ("CDs") permitted by applicable law for the Fund through the Fixed Rate Program offered by the Distributor and the Administrator. As described below under the "Fixed Rate Program" section, the Administrator receives a fee on any CDs purchased through the Program. To avoid any potential conflicts of interest with respect to any CDs purchased for the Funds through the Program, the Investment Advisor and the Subadvisor have instituted procedures to ensure that such CDs are the best available investment opportunity for the Funds at the time of purchase. In addition, the Administrator has agreed to waive the portion of the fee paid by the Funds under the Agreement for the administrative services attributable to any CDs purchased through the Program, in an amount of up to 0.12% depending on any applicable fee waivers.

## **REPORTS TO PARTICIPANTS**

Participants in each Fund receive transaction confirmations subsequent to all investments and wire withdrawals that they make. Each Participant receives annual reports providing financial information regarding each applicable Fund (including a statement of net income) as well as a monthly statement of the Participant's account. The annual report includes audited financial statements of the Funds. Each Fund's fiscal year ends on December 31 of each year. Potential Participants are advised to review the financial reports of the Funds that are made available to them.

The Trust answers inquiries at any time during business hours (8:00 a.m. through 4:00 p.m., Minneapolis time) from a Participant concerning the status of its account (number of shares, etc.) and the current yield available through the Fund's investment program. Such inquiries can be made by telephoning (866) 922-2849.

## TAXES

In the opinion of Counsel to the Trust, none of the Funds are subject to federal or Minnesota income tax upon the income realized by it, and the Participants are not subject to tax upon distributions to them of such income. Counsel to the Trust is further of the opinion that the Participants are not subject to taxation as a result of their investment of municipal monies in any of the Funds.

## DECLARATION OF TRUST

Each prospective Participant is given a copy of the Declaration of Trust before becoming a Participant. Certain portions of the Declaration of Trust are summarized in this Information Statement. The following summary is qualified in its entirety by reference to the text of the Declaration of Trust, as amended.

**Description of Shares.** The Declaration of Trust provides that the beneficial interests of Participants in the net assets of each Fund are, for convenience of reference, divided into shares which are used as units to measure the proportionate allocation of beneficial interest among the Participants of such Fund. The Declaration of Trust authorizes an unlimited number of full and fractional shares for each Fund, and for any stable NAV Fund, adjustments in the total number of shares outstanding from time to time in order to permit each such Fund to maintain a stable net asset value of \$1.00 per share.

Shares of each Fund are of the same class. Each Fund share has equal rights with respect to dividends and distributions of such Fund. The shares have no preference, conversion, exchange, or preemptive rights.

For all matters requiring a vote of Participants, each Participant is entitled to one vote with respect to each matter, without regard to the number of shares held by the Participant. It is not necessary for a Participant to hold any minimum number of shares to be entitled to vote. Separate votes are taken by each Fund except with respect to matters pertaining to the Trust as a whole, in which case Participants vote together, irrespective of the Fund in which such Participant participates. Shares have non-cumulative voting rights.

No shares may be transferred to any person other than the respective Fund's portfolios from which it originated at the time of withdrawal of monies by a Participant.

**Participant Liability.** The Declaration of Trust provides that Participants shall not be subject to any individual liability for the acts or obligations of the Trust and provides that every written undertaking made by the Trust shall contain a provision that such undertaking is not binding upon any of the Participants individually. In the opinion of the Board of Trustees, no individual liability will attach to the Participants under any undertaking containing such a provision. The Trustees intend to conduct the operations of the Trust and each Fund, with advice of counsel, in such a way as to avoid ultimate liability of the Participants for liabilities of the Trust or any Fund.

**Responsibility of Trustees, Officers and Agents.** No Trustee, officer, employee, or agent of the Trust is individually liable to the Trust or any Fund, a Participant, an officer, an employee or an agent of the Trust for any action or failure to act unless it is taken or omitted in bad faith or constitutes willful misfeasance, reckless disregard of duty, or gross negligence. All third parties shall look solely to the property of the applicable Fund for the satisfaction of claims arising in connection with the affairs of the Fund. The Trust will indemnify each Trustee, officer, employee, or agent of the Trust designated by the Trustees to receive such indemnification to the extent permitted by law, against all claims and liabilities to which they may become subject by reason of serving in such capacities for the Trust, except in certain

circumstances set forth in the Declaration of Trust.

**Termination of the Declaration of Trust.** Any of the Funds and/or the Trust may be terminated by the affirmative vote of a majority of the Trustees and consented to by a majority of the Participants entitled to vote. Upon the termination of any Fund or the Trust, and after paying or adequately providing for the payment of all of the Fund's or Trust's (as applicable) liabilities, and upon receipt of such releases, indemnities and refunding agreements as they deem necessary for their protection, the Trustees may distribute the remaining Fund or Trust property, in cash or in kind, or partly in cash and partly in kind, among the Participants according to their respective proportionate beneficial interests.

**Amendment of the Declaration of Trust.** The Declaration of Trust may be amended by the affirmative vote of a majority of the Participants entitled to vote or by an instrument in writing, signed by a majority of the Trustees and consented to by not less than a majority of the Participants entitled to vote. The Trustees may, from time to time, by a two-thirds vote of the Trustees, and after fifteen days prior written notice to the Participants, amend the Declaration of Trust without the vote or consent of the Participants, to the extent they deem necessary to conform the Declaration of Trust to the requirements of applicable laws or regulations, or any interpretation thereof by a court or other governmental agency, but the Trustees shall not be liable for failing to do so.

**The name.** "The Minnesota Municipal Money Market Fund" is the designation of the Trust under the Declaration of Trust. The Declaration of Trust is filed in the Office of the Secretary of State of Minnesota and provides that the name of the Fund refers to the Participants jointly in such capacity and not personally or as individuals. All persons dealing with a Fund must look solely to the property of such Fund for the enforcement of any claims against the Trust with respect to such Fund, since neither the Trustees, officers, agents, nor Participants assume any personal liability for obligations entered into on behalf of a Fund.

## **FIXED RATE PROGRAMS**

**PMA Financial Network, LLC and PMA Securities, LLC (collectively "PMA").** The League of Minnesota Cities has endorsed PMA as a dealer and provider of various fixed income securities (including Certificates of Deposit and various other fixed rate instruments) and related financial services to the Participants. As a condition to the League's endorsement of PMA for this program, PMA has agreed that its compensation in connection with any trade shall not exceed 0.25% on bank products carrying only FDIC insurance (exclusive of insurance or collateral costs and any third-party placement fees) with an additional fee, not to exceed 0.10% on an annualized basis, being charged for assets that require management and administration of collateral, letters of credit, other third-party guarantees or reciprocal or other programs, and an annualized mark-up not to exceed 0.15% on commercial paper and bankers acceptances. PMA Securities, LLC has agreed that it will charge Participants an annualized mark-up not to exceed 0.15% on obligations of the U.S. Government and its agencies. Any Participant that wishes to participate in the PMA Fixed Rate Program should contact the 4M Fund Administrator. Their contact information is listed on the 4M website; [www.4mfund.com](http://www.4mfund.com). Of the amount received, PMA has agreed to pay a royalty in an amount of between .01% and .02% to the League of Minnesota Cities based on the investment balances in the PMA Fixed Rate Program. The fee shall be accrued daily and paid monthly. Other than the eligibility of Participants to participate in this fixed rate investment program with PMA, the fixed rate program is unrelated to the Trust.

**RBC Capital Markets, LLC.** The League of Minnesota Cities has endorsed RBC Capital Markets, LLC as a dealer and provider of various fixed income securities (including Certificates of Deposit and various other fixed rate instruments) and related financial services to the Participants. As a condition to the League's endorsement of RBC Capital Markets, LLC for this program, RBC Capital

Markets, LLC has agreed that its compensation in connection with any trade shall not exceed 0.25% of the total purchase price of each fixed rate security. Any Participant that wishes to participate in the RBC Fixed Rate Program should contact RBC Capital Markets, LLC. Their contact information is listed on the 4M website; [www.4mfund.com](http://www.4mfund.com). Other than the eligibility of Participants to participate in this fixed rate investment program with RBC Capital Markets, LLC, the fixed rate program is unrelated to the Trust.



**PLSLWD Board Staff Report**  
February 9, 2022



<b>Subject  </b>	Resolution 22-355: Adopting Alum Internal Loading Reserve Fund Budget Amendment		
<b>Board Meeting Date  </b>	February 15, 2022	<b>Item No:</b>	4.5
<b>Prepared By  </b>	Joni Giese, District Administrator		
<b>Attachments  </b>	1) Resolution 22-355: Adopting Alum Internal Loading Reserve Fund Budget Amendment 2) PLSLWD 2022 Budget (Amended February 15, 2022) - Draft		
<b>Proposed Action  </b>	Approval of Resolution 22-355: Adopting Alum Internal Loading Reserve Fund Budget Amendment		

### **Background**

The Board of Managers adopted the Prior Lake-Spring Lake Watershed District 2022 budget on December 21, 2021.

### **Discussion**

Within the 2022 budget, the 611 Alum Internal Loading Reserve fund balance included, as Budget Reserve, \$230,000 of funds that were committed on December 21, 2021. The \$230,000 of committed funds are for the purpose of building up a reserve to fund alum treatments within the District in years beyond 2022 and are not an accurate reflection of budgeted 2022 expenditures. This budget amendment will amend the 611 Alum Internal Loading Reserve fund to remove \$230,000 from the fund.

Concurrently, the 2022 budget spreadsheet has been reformatted to place the 611 Alum Internal Loading Reserve fund and the 626 Upper Watershed Blueprint fund in a new location on the spreadsheet to better track these unique budget funds that are funding larger capital projects. In addition, a small table has been added to the bottom of the spreadsheet that will be used to track the accumulation and usage of committed funds. It is assumed that the Debt Payment Reserve fund will be committed at the end of 2022, and therefore, has been included in the committed fund table.

### **Recommendation**

Staff recommends Board of Managers approval of Resolution 22-355: Adopting Alum Internal Loading Reserve Fund Budget Amendment.



## Resolution 22-355

### Resolution Adopting Alum Internal Loading Reserve fund 2022 Budget Amendment

**WHEREAS**, Within the 2022 budget adopted by the Board of Managers on December 21, 2021, the 611 Alum Internal Loading Reserve fund balance included, as Budget Reserve, \$230,000 of funds that were committed on December 21, 2021; AND

**WHEREAS**, the \$230,000 of committed funds are for the purpose of building up a reserve to fund alum treatments within the District in years beyond 2022; AND

**WHEREAS**, the \$230,000 of committed funds are not an accurate reflection of budgeted 2022 expenditures;

**THEREFORE, BE IT RESOLVED** that 611 Alum Internal Loading Reserve fund be amended to remove \$230,000 from the fund, resulting in a decrease in the 2022 budget total from \$2,436,635 to an amended budget total of \$2,206,635.

The question was called on the adoption of the Resolution and there were \_\_ yeas and \_\_ nays as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>
Boyles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hennes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Loney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myser	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pany	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Upon vote, the chair declared the resolution adopted.

It is hereby certified that the Board of the Prior Lake-Spring Lake Watershed District adopted this Resolution at a duly convened meeting of the Board held on the 15th day of February, 2022, and that such Resolution is in full force and effect on this date, and that such Resolution has not been modified, amended, or rescinded since its adoption.

\_\_\_\_\_  
Steve Pany, Secretary

Dated: \_\_\_\_\_, 2022

Res. 22-355  
February 2022

PRIOR LAKE SPRING LAKE WATERSHED DISTRICT  
2022 Budget (Amended Februrary 15, 2022) - DRAFT

Program Element		2022 Source of Funds			
		2022 Levy	Budget Reserve	Grant Funds/Fees	2022 Budget
	General Fund (Administration)				
	Revenues				
	Property Taxes	\$ 246,200			\$ 246,200
	Grants	-			-
	Interest	-			-
	Other	-			
	Total Revenues	\$ 246,200	\$ -	\$ -	\$ 246,200
	Expenditures				
	Administrative Salaries and Benefits	\$ 133,800			\$ 133,800
	703 · Telephone, Internet & IT Support	20,000			20,000
	702 - Rent	27,400			27,400
	706 · Office Supplies	10,000			10,000
	709 · Insurance and Bonds	12,800			12,800
	670 · Accounting	27,000			27,000
	671 · Audit	7,700			7,700
	903 · Fees, Dues, and Subscriptions	1,500			1,500
	660 · Legal (not for projects)	6,000			6,000
	General Fund (Administratio) Expenditures	\$ 246,200			\$ 246,200
	Net Change in General Fund	-	-	-	-
	Implementation Fund				
	Revenues				
	Property Taxes	\$ 1,602,735			\$ 1,602,735
	Grants/Fees	-		\$ 105,000	105,000
	Interest	-			-
	Sales/Other				
	Budget Reserves		\$ 252,700		252,700
	Total Revenues	\$ 1,602,735	\$ 252,700	\$ 105,000	\$ 1,960,435
	Expenditures				
	Program Salaries and Benefits (not JPA/MOA)	\$ 461,700			\$ 461,700
Water Qual	550 Public Infrastructure Partnership Projects	\$ 6,750	\$ -		\$ 6,750
Water Qual	611 Farmer-led Council	51,000	-	10,000	61,000
Water Qual	611 Cost-Share Incentives	58,000	-		58,000
Water Qual	611 Highway 13 Wetland, FeCl system & Desilt, O&M	65,000	-		65,000
Water Qual	611 Fish Management, Rough Fish Removal	88,000	-		88,000
Water Qual	611 Spring Lake Demonstration Project Maintenance	1,050			1,050
Water Qual	637 District Monitoring Program	109,000	-		109,000
Water Qual	626 Planning and Program Development	20,000			20,000
Water Qual	626 Engineering not for programs	15,000			15,000
Water Qual	626 Debt Issuance Planning	10,000			10,000
Water Qual	648 Permitting and Compliance	22,000		5,000	27,000
Water Qual	648 Update MOAs with cities & county	10,000			10,000
Water Qual	648 BMP and easement inventory & inspections	11,500		500	12,000
Water Qual	611 Fish Stocking	3,000	-		3,000
	WQ TOTAL	\$ 470,300	\$ -	\$ 15,500	\$ 485,800
Water Storage	550 District-wide Hydraulic & Hydrologic model	\$ 5,000			\$ 5,000
Water Storage	550 S&I Sutton Lake Outlet Structure Project	-	62,700	62,700	125,400
	WS TOTAL	\$ 5,000	\$ 62,700	\$ 62,700	\$ 130,400
AIS	611 Aquatic Vegetation Mgmt	-		\$ 7,000	\$ 7,000
AIS	637 Automated Vegetation Monitoring (BioBase)	\$ 5,000			5,000
AIS	637 Aquatic Vegetation Surveys	18,000			18,000
AIS	637 Boat inspections on Spring, Upper & Lower Prior	30,000			30,000
	AIS TOTAL	\$ 53,000	\$ -	\$ 7,000	\$ 60,000
Ed & Out	652 Education and Outreach Program	\$ 10,000	\$ -		\$ 10,000
	E&O TOTAL	\$ 10,000	\$ -	\$ -	\$ 10,000
	TOTAL - Noncapital	\$ 1,000,000	\$ 62,700	\$ 85,200	\$ 1,147,900
Capital	626 Upper Watershed Blueprint	\$ 233,235	\$ 190,000	\$ 19,800	\$ 443,035
Capital	611 Alum Internal Loading Reserve	250,000	-	-	250,000
	Capital Total	\$ 483,235	\$ 190,000	\$ 19,800	\$ 693,035
	PLOC Expenses	\$ 19,500			\$ 19,500
	Debt Payment Reserve	100,000			100,000
	Total Implementation Fund	\$ 1,602,735	\$ 252,700	\$ 105,000	\$ 1,960,435
	Net Change in Fund Balance Implementation Fund	-	-	-	-
	Grant Funds/Fees Anticipated				
Water Qual	611 Farmer-led Council (BWSR Grant)			\$ 10,000	\$ 10,000
	648 New Easement Acquisition Fees			5,000	5,000
Water Qual	648 BMP and easement violations fees			500	500
	626 Upper Watershed Blueprint (BWSR WBIF Grant)			19,800	19,800
	550 S&I Sutton Lake Outlet (DNR Flood Hazard Grant)			62,700	62,700
AIS	611 Aquatic Vegetation Mgmt. (Scott County)			7,000	7,000
	Total Grant Funds/Fees Anticipated			\$ 105,000	\$ 105,000
Budget Summary			Budget		
	Fund Sources/Fund Expenditures	2022 Levy	Reserves	Grants	Budget Total
	General Fund	\$ 246,200		\$ -	\$ 246,200
	Implementation Fund	\$ 1,602,735	\$ 252,700	\$ 105,000	\$ 1,960,435
	Total Fund Sources	\$ 1,848,935	\$ 252,700	\$ 105,000	\$ 2,206,635
			2022		
Fund Balance Commitments/Assignments		12-31-21 Bal	Additions	Reductions	Ending
Water Qual	611 Alum Internal Loading Reserve	\$ 230,000	\$ 250,000	\$ -	\$ 480,000
Water Qual	626 Upper Watershed Blueprint	\$ 190,000	\$ 233,235	\$ -	\$ 423,235
Debt	Debt Service Reserve	\$ -	\$ 100,000	\$ -	
		\$ 420,000	\$ 483,235	\$ -	\$ 903,235

**PLSLWD Board Staff Report**  
February 10, 2022



<b>Subject  </b>	PLSLWD COVID-19 Safety Plan Update	
<b>Board Meeting Date  </b>	February 15, 2022	<b>Item No:</b> 4.6
<b>Prepared By  </b>	Joni Giese, District Administrator	
<b>Attachments  </b>	PLSLWD COVID-19 Safety Plan - Draft	
<b>Proposed Action  </b>	Approval of Updated COVID-19 Safety Plan	

**Background**

The PLSLWD adopted a COVID-19 Safety Plan on June 9, 2020.

**Discussion**

Conditions associated with COVID-19 have evolved since that date, such as the availability of vaccines, presence new variants, and updated guidance being provided by the Center for Disease Control (CDC) and Minnesota Department of Health (MDH). The draft PLSLWD COVID-19 Safety Plan is being brought forward to provide updated guidance that responds to current conditions. A first draft of the updated plan was discussed at the Board of Managers Special Meeting on February 7, 2022. Revisions have been made to the plan to reflect comments received at that meeting.

**Recommendation**

Staff recommends Board of Managers approval of the updated COVID-19 Safety Plan.



## Prior Lake-Spring Lake Watershed District COVID-19 Safety Plan

**Effective Date: February 15, 2022**

Prior Lake-Spring Lake Watershed District is committed to providing a safe and healthy workplace for all our workers. To ensure that, we have developed the following Safety Plan in response to the COVID-19 pandemic. Managers and staff are all responsible for implementing this plan. Our goal is to mitigate the potential for transmission of COVID-19 in our workplaces, and that requires full cooperation among staff and management. Only through this cooperative effort can we establish and maintain the safety and health of our staff and workplaces.

The COVID-19 Safety Plan is administered by the District Administrator, who maintains the overall authority and responsibility for the plan. However, the District Administrator and staff are equally responsible for implementing and complying with all aspects of this Safety Plan. The District Administrator has the Prior Lake-Spring Lake Watershed District Board of Manager's full support in enforcing the provisions of this plan.

Our Safety Plan follows Centers for Disease Control and Prevention (CDC) and Minnesota Department of Health (MDH) guidelines and federal OSHA standards related to COVID-19.

### Definitions

**Isolation** is used to separate people with confirmed or suspected COVID-19 from those without COVID-19.

**Quarantine** is a strategy used to prevent transmission of COVID-19 by keeping people who have been in close contact with someone with COVID-19 apart from others.

**Exposure.** Contact with someone infected with SARS-CoV-2, the virus that causes COVID-19, in a way that increases the likelihood of getting infected with the virus.

**Close Contact.** Close contact occurs when a person is less than 6 feet away from an infected person (laboratory-confirmed or a clinical diagnosis) for a cumulative total of 15 minutes or more over a 24-hour period. For example, three individual 5-minute exposures for a total of 15 minutes.

**Well-fitted Mask** A mask that fits snugly against your face. No gaps exist that can let air with respiratory droplets leak in and out around the edges of the mask. Loosely woven cloth products provide the least protection, layered finely woven products offer more protection, well-fitting disposable surgical masks and KN95s offer even more protection, and well-fitting NIOSH-approved respirators (including N95s) offer the highest level of protection.

**COVID-19 Test:** A medical test to determine if someone has an active COVID-19 infection. Any test, including polymerase chain reaction (PCR) tests or antigen tests that are submitted to a lab for processing of test results are acceptable at this time. A home test will not be accepted when a COVID-19 test is required.

## General Information

The District Administrator has the authority to direct all or some staff to work from home during periods of high transmission to minimize transmission of COVID-19 within the office. During these periods, and upon District Administrator approval, staff will be allowed to work in the office when it is deemed to be the most efficient manner to perform their assigned work tasks. During these periods, staff shall wear a well-fitted mask when at work, with the exception of a.) when they are in their assigned workstation, b.) when eating or drinking, c.) when working outdoors and socially distanced, or d.) when making presentations to the Board of Managers and socially distanced.

Prior Lake-Spring Lake Watershed District's Paid Time-off (PTO) is available for use when PTO-eligible staff exhibits COVID-19 symptoms, have tested positive for COVID-19, or are required to isolate or quarantine. Staff not eligible for PTO shall use personal time when they exhibit COVID-19 symptoms, have tested positive for COVID-19, or are required to isolate or quarantine. With District Administrator's prior approval, employees may work remotely during periods when they are required to quarantine or isolate, provided they are able to work productively. With District Administrator's prior approval, performing outdoor field work during periods of quarantine may be allowed if staff are symptom free and able to perform their work while maintaining 6-feet of separation from co-workers and/or District vendors. During these activities, all equipment used shall be fully sanitized after its use, and staff will provide their own transportation rather than use the district truck.

## Vaccinations

While vaccinations are not required a condition of employment at PLSLWD, all employees are strongly encouraged to get vaccinated. Being up to date on vaccinations remains the best way to protect oneself and co-workers from contracting and experiencing significant impacts from COVID-19.

## Employees Exhibiting Symptoms of COVID-19

Workers are required to self-monitor for signs and symptoms of COVID-19. Employees who start to experience COVID-19 symptoms while at work will notify the District Administrator and will immediately leave the office. Employees will not report to work if they are experiencing any symptoms associated with COVID-19. If an employee is experiencing COVID-19 symptoms, they must get a COVID-19 test and provide a negative test result before returning to work. Test results may be an image from a cell phone or computer, as long as the name of the employee is listed, as well as the testing date and the result. Employees will use PTO or personal time to comply with the testing requirement. COVID-19 symptoms typically include, but are not limited to:

- Fever or chills
- Cough
- Shortness of breath or difficulty breathing
- Fatigue
- Muscle or body aches
- Headache
- New loss of taste or smell
- Sore throat
- Congestion or runny nose
- Nausea or vomiting
- Diarrhea



## Employee Who Tests Positive for COVID-19

- Isolate at home for 5 days from the date of symptoms or date of test, whichever came first. Day 1 is the day after the start of symptoms or test.
- If symptoms are improving and staff has not had a fever for 24 hours without the use of medication, staff can return to work for days 6 -10 but must wear a well-fitted mask at all times, with the exception of a.) when they are in their assigned workstation, b.) when eating or drinking, c.) when working outdoors and socially distanced, or d.) when making presentations to the Board of Managers and socially distanced. "At work" includes traveling in the district truck and when attending meetings outside of the office.
- This applies regardless of whether staff is asymptomatic or exhibiting symptoms of COVID-19.
- All employees must report their COVID-19 illness to the District Administrator.

## Employees Exposed to Person with COVID-19

Prior Lake-Spring Lake Watershed District will inform workers if they have been exposed to a person with COVID-19 at their workplace. Whether the exposure occurred at or outside the workplace, staff shall follow the following protocols when they have been informed or reasonably believe they have been in close contact to a confirmed COVID case:

- Quarantine at home for 5 days from the date of exposure. Day 1 is the day after the exposure. Get a COVID-19 test on day 5.
- If no symptoms develop, the employee can return to the office on day 6. A negative test is required to return on day 6. Test results may be an image from a cell phone or computer as long as the name of the employee is listed, as well as the testing date and the result.
- During days 6-10 employee must wear a well-fitted mask at all times, with the exception of a.) when they are in their assigned workstation, b.) when eating or drinking, c.) when working outdoors and socially distanced, or d.) when making presentations to the Board of Managers and socially distanced. "At work" includes traveling in the district truck and when attending meetings outside of the office.

## Confidentiality of Medical Information

PLSLWD must maintain the confidentiality of staff test results as provided by law. All information gathered under this Policy, including test results, or other forms deemed necessary to carry out this plan must be retained by the District Administrator in a secure file separate from the employee's personnel file. Testing information may be shared with staff supervisors with a need to know, or others authorized by law.

## Nondiscrimination

PLSLWD will not tolerate retaliation, discrimination, and/or harassment based on vaccination status or for speaking out about unsafe working conditions or reporting a work-related illness or infection or exposure to COVID-19.

## Noncompliance with this Plan

Noncompliance with this plan may result in disciplinary action, up to and including discharge. The following constitutes noncompliance with this plan:

- Failure to wear face masks as required.
- Providing false documentation of testing results.

- Failure to report COVID-19 illness to the District Administrator as required by this plan.
- Failure to comply with quarantine, isolation and testing requirements required by this plan.
- Any other violation of the requirements of this plan may result in discipline, up to and including discharge.

Employees in violation of this plan present a health and safety risk to the employer and employees may be placed on unpaid leave status until demonstrating compliance with plan requirements.

## Requesting Reasonable Accommodations or Exemptions

Requests for reasonable accommodations or exemptions under the Americans with Disabilities Act or Title VII of the Civil Rights Act for those who, due to a preexisting disability, are at higher risk from COVID-19, or requests for reasonable accommodations or exemptions with respect to these policy requirements due to a preexisting disability, will be evaluated on an individual case-by-case basis consistent with state and federal law.

Accommodations for workers with underlying medical conditions or who have household members with underlying health conditions will be addressed in consultation with the District Administrator and may require additional information regarding the underlying health condition as authorized by law.

## Policies for Working in the Office

### Handwashing

Basic infection prevention measures are being implemented at our workplaces at all times. When entering the office, staff are instructed to either wash their hands with soap and water for at least 20 seconds or sanitize their hands using District provided hand-sanitizer of greater than 60% alcohol. Staff are also instructed to wash their hands for at least 20 seconds with soap and water frequently throughout the day, especially prior to any mealtimes and after using the toilet. All visitors to District's office space will be invited to sanitize their hands when they enter the office, using a sanitizer of greater than 60% alcohol.

PLSLWD provides a hand sanitizing station near the reception desk with the District's Administrative Assistant monitoring supply and ordering additional sanitizer to ensure there is always a supply available. The City of Prior Lake provides soap, water, and paper towels in City Hall restrooms and at office sinks for hand washing. Hand sanitizer is also available in District vehicles.

### Respiratory etiquette: Cover your cough or sneeze

Staff are being instructed to cover their mouth and nose with their sleeve or a tissue when coughing or sneezing and to avoid touching their face, in particular their mouth, nose and eyes, with their hands. They should dispose of tissues in the trash and wash or sanitize their hands immediately afterward. Respiratory etiquette will be supported by making tissues and trash receptacles available to all staff and visitors.

### Social distancing

Staff are instructed to practice social distancing (6-foot separation from others) when in the office.

### Housekeeping

Regular housekeeping practices are being implemented by the City of Prior Lake, including routine cleaning and disinfecting of restrooms, break areas, lunchrooms and meeting rooms. Cleaning supplies, such as disinfecting wipes and sprays, will be available for staff use in their workstations and other high touch areas, such as the copy machine and conference rooms.



## **Communications**

This Safety Plan was distributed to all workers as of the effective date. The plan will be updated as necessary to respond to changing conditions and/or updated public health guidance provided by the CDC or Minnesota Department of Health.

Prepared by:

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**Joni Giese**  
**District Administrator**

DRAFT

## Prior Lake-Spring Lake Watershed District COVID-19 Safety Plan

### Acknowledgement Form

I acknowledge that I have received and read the Prior Lake-Spring Lake Watershed District's COVID-19 Safety Plan. I understand that it describes the conduct and behavior expected of me as an employee of Prior Lake-Spring Lake Watershed District.

By my signature, I acknowledge that I will not report to work if I am experiencing symptoms of COVID-19, or am required to isolate or quarantine as outlined in this plan.

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Employee Signature

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Date

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Employee Name (Printed)



# PRIOR LAKE SPRING LAKE WATERSHED DISTRICT

## **BOARD WORKSHOP MEETING MINUTES**

*Tuesday, January 11, 2022*

*Prior Lake City Hall*

*4:00 pm*

Members Present: Mike Myser, Curt Hennes, Bruce Loney, Steve Pany, Frank Boyles

Staff & Consultants Present: Joni Giese, District Administrator  
Carl Almer, EOR, District Engineer  
Patty Dronen, Administrative Assistant

Others Present: Lisa Quinn, Spring Lake Township  
Corey Boyer, PMA

### **CALL TO ORDER:**

Meeting called to order by President Myser at 4:00 pm.

### **4M FUND PRESENTATION**

Corey Boyer from the PMA, representing the 4M Fund (Minnesota Municipal Money Market Fund), presented options for the PLSLWD to deposit excess funds that aren't immediately needed in a manner that is in compliance with State Statutes and in accordance with our investment policies.) State Statute requires the District funds above the FDIC insured amount of \$250,000 receive additional protection.

It was recommended by Chris Knopick with CLA to look into investing in the 4M fund. Manager Loney and Administrator Giese previously met with Corey Boyer and invited him to introduce the 4M Fund to the Board of Managers at the workshop.

Mr. Boyer provided references from three other watershed districts that participate in the 4M Fund. Each District highly recommended working with PMA and the 4M Fund. The fund currently works with over 400 municipal entities within the League of Minnesota Cities. Designed specifically for state entities within Minnesota, the 4M fund has to follow the same statutes as the Watershed District.

The Fund was started in 1987. In 2007 the Fund hired PMA to act as investment advisors. There is currently over \$2 Billion in the fund. Current interest rates at .01 and .03 percent.

There are four local government investment pools that money can be placed into:

- Two money market funds (Liquid Fund, Plus Fund),
- Term Series Investment Fund which acts like a CD with pooled money, and
- Limited Term Duration Fund

There are no fees associated with transfers between the fund and the District's bank and all banking can be done electronically. US Bank is the designated banking custodian to the 4M Fund. All the reference watershed districts use the services of US Bank, stating it is a convenient approach to fund management.

Manager Hennes asked how watershed districts are in the 4M Fund. Mr. Boyer responded that eight or nine watershed districts are in the fund, along with three or four watershed management organizations (WMOs).

Other Services PMA provides:

- Bond Proceeds Management
- Cash Flow Services

To set up the account, a resolution needs to be approved by the Board of Managers. After resolution adoption, additional paperwork needs to be completed in order to join the fund. The account can stay open with a \$0 fund balance and as long as we want.

Mr. Boyer and one other account manager would be involved with our account. Their local office is located in Albertville.

Manager Boyles made a motion to prepare a resolution authorizing the District to join the 4M fund, and to establish an account at US Bank. This was seconded by Manager Loney. All ayes. Passed 5-0.

#### **WATERSHED MANAGEMENT STUDY**

Administrator Giese gave an update on the findings of the Watershed Management Study which is a two-year study conducted by the project management team of Scott SWCD, Scott WMO (SWMO) and PLSLWD. Managers Loney and Boyles are on the steering committee. In order to compare revenues and expenditures across the three agencies, the PMT agreed that each agency would classify their revenues and expenditures into the following program areas: Capital Improvement Programs, Education and Outreach, Invasive Species, Inventory and Assessment, Monitoring, Operation and Maintenance, Planning, Regulation, Technical Assistance and Cost Share Program, and Unique Programs.

Unique Programs was established as a "catch-all" for program activities that are unique to each agency. Unique Programs for PLSLWD include the Farmer-Led Council, the Prior Lake Outlet Channel (PLOC), and debt payments.

Administration and overhead expenditures were found to be proportional to each agency's number of employees (3 for SWMO, 6 for PLSLWD and 12 for SWCD).

Collaboration between agencies happens primarily between SWMO and SCWD and PLSLWD and SCWD; there is little collaboration between PLSLWD and SWMO. This is likely the result that Scott SWCD services the entire county, where PLSLWD and SWMO each serve a distinct and defined watershed area. Managers also hypothesized this could be because PLSLWD is covers a more urban watershed and SWMO covers a more rural watershed. Next steps are to develop options for potential improved efficiencies either through collaboration (e.g., could all the agencies use the same engineering firm) or organizational structure changes. If a study outcome is a recommendation for agency consolidation, BWSR needs to approve this change before it could occur.

Manager Myser asked Administrator Giese her opinion on continuing the project. She stated there has been benefit in the process through relationship building between the three agencies with an enhanced understanding of each agency's priorities and activities. The study entails an extensive level of effort by the PMT that may result in only minor enhancements, but inquiries about the study continue to come every couple of years, so a clear resolution may be beneficial in the long run. The steering committee authorized moving forward to the next phase of the study at their last meeting.

Manager Hennes made a motion to support moving forward to the next phase of the study. Second by Manager Loney. All ayes. Passed 5-0.

### **LIAISON APPOINTMENTS**

A motion was made by Manager Loney to keep the 2022 liaison appointments consistent with the 2021 appointments as follows:

- Manager Boyles - City of Prior Lake, City of Prior Lake CEC
- Vacant - City of Savage – Administrator Giese as needed
- Manager Pany - Lower Minnesota River Watershed District
- Manager Myser - SCALE – General Membership, SMSC, PLOC, Farmer-Led Council, Scott County
- Manager Loney - City of Shakopee, Scott WMO Planning Commission, CAC
- Manager Hennes - Scott SWCD, Spring Lake Township, Sand Creek Township
- Administrator Giese - SCALE – Service Delivery Committee

The appointments will stand until it's determined if any Board member changes are made. Second by Manager Hennes. All Ayes. Passed 5-0.

### **COVID-19 POLICY**

A policy was created in the spring of 2020 to create a safe and healthy work environment for District staff and visitors. Administrator Giese stated an updated policy is needed given conditions have changed since 2020, such as availability of vaccinations and the appearance of new variants. Some potential issues that the policy could address include:

- Providing the administrator the authority to close the office and have staff work remotely during periods of high COVID-19 transmission.

- Whether staff should provide proof of vaccination, testing, and/or masking.
- Specific statement in the policy that staff noncompliance with the policy could result in disciplinary action, up to termination.

The managers stated a policy revision is needed to provide updated guidance. Administrator Giese will prepare a draft updated policy for manager review. If needed, a special board meeting can be done to expedite the updating of the policy. Several managers stated the updated policy should be reviewed the District's legal counsel to ensure that no discrimination is being done.

#### **UPPER WATERSHED BLUEPRINT**

Manager Loney asked about projects within the Upper Watershed Blueprint and if the cost estimates included items beyond construction costs, such as estimated easement acquisition costs. These costs should be accounted for as the District considers the appropriate value for any future bonding. Administrator Giese said the Upper Watershed Blueprint was a very high level planning document and that contingencies should be included to cover additional costs beyond construction.

Manager Loney also asked if there will be RFPs issued for the remaining near-term Upper Watershed feasibility studies. Administrator Giese confirmed that proposals for three feasibility studies will be solicited from consultants in the pool this year.

#### **STAFFING UPDATE**

Administrator Giese has scheduled an interview this Friday with a Permit Coordinator candidate. This person will only be hired if they meet the standards of the job.

#### **DRAFT FINAL RULES**

Administrator Giese will set up a meeting with Scott County staff, along with Commissioner Michael Beard (the new County Commission liaison to PLSLWD). Carl Almer and Manager Myser will also be asked to attend.

#### **LAISON UPDATES**

There are new Prior Lake City and Scott County Liaisons:

City of Prior Lake – Council Member Zach Braid

Scott County – Commissioner Michael Beard

#### **ADJOURNMENT**

The meeting was adjourned at 5:50 pm.



# PRIOR LAKE SPRING LAKE WATERSHED DISTRICT

## REGULAR MEETING MINUTES

*Tuesday January 11, 2022*

*Prior Lake City Hall*

*6:00 PM*

Members Present:

Mike Myser, Curt Hennes, Bruce Loney, Steve Pany  
Absent Frank Boyles

Staff & Consultants Present:

Joni Giese, District Administrator  
Jeff Anderson, Water Resources Coordinator  
Carl Almer, EOR, District Engineer

Others Present:

Lisa Quinn, Spring Lake Township

### 1.0 CALL TO ORDER & PLEDGE OF ALLEGIANCE:

Meeting called to order by President Myser at 6:00 P.M.

### 2.0 PUBLIC COMMENT:

None

### 3.0 APPROVAL OF AGENDA

Manager Loney moved to approve the agenda. Second by Manager Pany. All Ayes.  
Passed 4-0

### 4.0 OTHER OLD/NEW BUSINESS

#### 4.1 Programs & Projects Update:

Jeff Anderson reports that at this time, for Upper Prior Lake, four of six factors for a successful carp seine event are favorable. For Spring Lake, four of the six factors are favorable. Carp are not in a favorably aggregated location based on the tracked location of radio-tagged carp. There are eight working radio tags in carp on Spring Lake and 11 on Upper Prior Lake. The carp reduction program has achieved 900 pounds of phosphorous reduction. Three permanent carp barriers have been installed. A report is being prepared for the 2019-21 MPCA 319 and BWSR Watershed Based Funding carp reduction grants. These grants are closed and the report will detail grant objectives; and carp tracking, blocking, removals; and associated water quality response for Spring and Upper Prior Lakes.

**4.2 Spring Lake West Subwatershed-BMP Feasibility Study**

Eight options are being considered. Option 3 is the most preferred at a cost of \$313,000.00 for an iron-enhanced sand filter. Next actions are board acceptance of report, submit final report to BWSR, continue to pursue engagement opportunities with land owners to discuss potential project, vet wetland banking with BWSR, incorporate into District Plan amendment, and grant applications.

Manager Loney moved to approve the Spring Lake West Subwatershed-BMP Feasibility Study and submit to BWSR. Second by Manager Pany. All Ayes. Passed 4-0

**4.3 Board Officer Appointments**

Manager Loney moved to approve Board Officer Appointments. President: Myser, Vice-President: Hennes, Treasurer: Loney, Secretary: Pany. Second by Manager Hennes. All Ayes. Passed 4-0

**4.4 Board Liaison Appointments**

Manager Hennes moved to approve the 2022 Board Liaison Appointments to be consistent with the 2021 appointments. Second by Manager Pany. All Ayes. Passed 4-0

**4.5 Resolution 22-253 PLSLWD Electronic Signature Policy**

Administrator Giese indicated this policy will increase efficiency and security and will be used for signing District document, such as contracts, grants, resolutions, and minutes. It cannot be used for any documents that need to be notarized. Administrator Giese stated that other Watershed Districts are using electronic signatures and will be used an estimated of 15 times per year.

Manager Loney moved to approve Resolution 22-253 PLSLWD Electronic Signature Policy. Second by Manager Pany. All Ayes. Passed 4-0

**5.0 CONSENT AGENDA**

Administrator Giese requested that 5.3 the December 13 minutes be replaced to reflect the Engineering pool information. Also 5.5 and 5.8 be pulled from the Consent Agenda.

Manager Loney moved to approve the amended Consent Agenda. Second by Manager Pany All Ayes. Passed 4-0

- 5.1 Meeting Minutes - December 21, 2021 Board Workshop
- 5.2 Meeting Minutes - December 21, 2021 Board Meeting
- 5.3 Meeting Minutes - December 13, 2021 Special Meeting
- 5.4 Claims List & Visa Expenditures Summary
- 5.6 2022 Permit Fee Schedule
- 5.7 Schedule of 2022 Regular Board Meetings
- 5.9 Approval of 2022 CAC Members
- 5.10 Selecting the 2022 Official Newspaper
- 5.11 Selecting the 2022 District Depository Banks



### 5.12 Ebenhoh Acres Development Agreement and Conservation Easement

For 5.5 2022 WSB Carp Management Services Contract. District staff is proposing to amend the contract included in packet to include commercial netting activities with an associated contract increase of \$20,000.00.

Manager Loney moved to approve the 2022 WSB Carp Management Services Contract as amended for a revised contract value of \$74,162.00. Second by Manager Hennes. All Ayes. Passed 4-0

Manager Loney moved to approve the amended 5.8 Schedule of 2022 CAC Meetings. Second by Manager Pany All Ayes. Passed 4-0

## 6.0 TREASURER'S REPORT:

Manager Loney reported that finances and financial projections are in good order.

### 6.1 Monthly Financial Reports

- Fund Performance Analysis
- Cash and Investments Summary
- Cash Flow Projections

### 6.2 Quarterly Financial Statements

- Balance Sheet
- Cost Analysis

## 7.0 UPCOMING MEETING/EVENT SCHEDULE:

- Farmer-led Council-Growing Healthy Soils Event-Part 1, January 13, 2022, 11:00 a.m. -3:00 p.m., Ridges of Sand Creek, Jordan, MN
- CAC meeting Thursday January 27, 2022, at Wagon Bridge Conference Room, Prior Lake City Hall at 6:30 p.m.
- Board of Managers Meeting, Tuesday, February 15, 2022, 6:00 P.M. Prior Lake City Hall-Council Chambers.
- Farmer-led Council – Growing Healthy Soils Event – Part 2, March 8, 2022, 11:00 a.m.- 3:00 p.m., Ridges of Sand Creek, Jordan MN

## ADJOURNMENT

Manager Pany moved to adjourn the meeting. Second by Manager Hennes. All Ayes. Motion Passed 4-0

Meeting adjourned at 7:06 P.M.

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Steve Pany, District Secretary  
January 11, 2022



CAC Meeting date: 12/9/2021 6:30-8:00 PM

CAC Subcommittees 6:00 to 6:30

Attendees:

CAC Members:	8 of 10 members present = 80 % (>50%)
<input checked="" type="checkbox"/> Christian Morkeberg (Chair)	<input checked="" type="checkbox"/> Woody Spitzmueller
<input checked="" type="checkbox"/> Christopher Crowhurst (SubCmChr)	<input checked="" type="checkbox"/> Matt Newman
<input checked="" type="checkbox"/> Jim Weninger	<input checked="" type="checkbox"/> Ben Burnett (Secretary)
<input type="checkbox"/> Matt Tofanelli	<input type="checkbox"/> Loren Hanson
<input checked="" type="checkbox"/> Maureen Reeder	<input checked="" type="checkbox"/> David Hagen

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Staff: Joni Giese (District Administrator)

Board members:

Bruce Loney (CAC rep)      Curt Hennes

- I. Pre-meeting Subcommittee Gatherings – Christopher Crowhurst  
CAC Subcommittees met from 6:00 pm to 6:30 pm
- II. Convene meeting – 6:32 pm – Welcome — Chair Christian Morkeberg
- III. Minutes & Agenda
  - o Minutes approved:      Motioned: Ben; Seconded: Christopher; passed
  - o Agenda approved:      Motioned: Woody; Seconded: Christopher; passed
- IV. CAC Business
  - o Finalize New Member Orientation Packet (Loren) – See attachment #1
  - o CAC Subcommittee Reports – working on goals for 2021 & now re-alignment
    - Q1 Goal: establish action items
    - Q2 Goal: report progress on action items in February.
  - a. **Shoreline Restoration (David, Loren, Jim, Matt N.)**

Goals:

    - Document historical changes in lake shore and lake bottom topography.
    - Understand and educate CAC on Wave Science to understand impact on lake shore and water quality
    - Review current ordinance and regulations to see if they are current or need updating.

Action Items:

    1. Meet and ID action items
    2. Look at sand policies for PL and PLSLWD – Dredging
    3. Need sustainable sand policies and plan
  - b. **Lake Life and Water Quality (Matt T., Matt N, Maureen)**

Goals:

    - Understand impact of lakeshore restoration techniques on water quality
    - Investigate phosphorus removal via vegetation removal techniques

Action Items:

    1. Create action items
    2. Coordinate with Christopher and Maureen
  - c. **AIS/Signage (Ben, Christian)**

Goals:

    - Assist in I-LIDS program evaluation

- Help to create and AIS scorecard detailing each species and each lake situation (plants & animals, good/bad, response, etc.)
- Assess watershed rapid response plan and policies on AIS

**Action Items:**

1. I-LIDS review and recommendation (SLA may be willing to add funding)
2. Help staff create/adapt AIS scorecards for each lake for public education and information
3. Review Rapid Response Plan
4. Explore a Plant ID class for public to help people ID good and bad plants (SLA help??)

**d. Fish Stocking (Loren, Christian, Matt T.)**

**Goals:**

- Document recommendation for management of native fish species
- Coordinate with watershed, DNR, and lake associations to ensure ongoing commitment to stocking

**Action Items:**

1. Document process of getting DNR stocking data (graphs, tracking, updates, etc.) - for 2022: analyze and understand
2. Explore moving ownership of stocking and process to SLA/PLA
3. Ask DNR: can we transpose ourselves? i.e., Bass?

**e. Storage Assessment, Plans and Wetland Banking (Maureen, Woody, Jim)**

**Goals:**

- Study Upper watershed plan implementation plans impact on Spring Lake and Prior Lake water levels.
- Investigate options for wetland banking for purpose of flood reduction and sediment and phosphorus reduction, includes discovery of Dept. Agriculture grants.

**Action Items:**

1. Read blueprint – report back to CAC
    - a. Invest options: wetland banking, grants, education for public
  2. ID Dept. of Ag staff to help with grants/programs/etc.
    - a. Previous speaker: Troy Cupo (?) – 2020
  3. ID areas of concern, find maps, etc.
  4. Recommend Next Projects from upper WD blueprint (future 10-year growth is less Agriculture, and more development)
  5. Review current ordinances and regulations for future 10-year growth-more devel.)
- Discussed changing CAC meeting structure to one hour sub committee work and one hour CAC meeting.
    - Previously was 1.5 hr. CAC meeting, then we added a non-required 30-minute subcommittee meeting time prior to the CAC meeting, split in to two segments (~15 minutes each)
    - Tabled for now, need to discuss in Jan.

**V. Staff Project Updates**

- Sutton Lake Management Updates – Tabled to next Meeting
  - Sutton Lake Outlet
  - Sutton Lake Management Plan
  - Sutton Lake Iron Enhanced Sand Filter (IESF)
- Staff Responsibilities Update
  - Jeff – Carp management project, Fish Stocking
  - Shauna – Water Resources specialist, helps Jeff and coordinates Vol. and analysis

- Jaime – project Manager – Sutton Lake projects, education, outreach, PLOC, Alum treatments
  - Joni – Easements, rules, regs
  - Elizabeth – Helps everyone, social media
- Stocking Report - Success!
  - 3090 Stocked! 6-10 inches – Jeff coordinated
- Carp Removal Update
  - Permit for Nov-to-April seines
  - The carp moved to bad locations that couldn't seine from
  - Added some more RF tags
- VI. Board Liaison Updates & Requests to CAC – Bruce
  - Board Meeting Date Changes (Dec & Feb)
  - 2022 Upper Watershed Blueprint Implementation - many feasibility studies
  - Received Scott County Tax Payment – increased from previous years
  - Bonding and building savings for bigger projects in upper WD blueprint
- VII. Nov. Workshop & Board Meeting – attendee: Woody
  - Next Dec 13<sup>th</sup> Board Meeting (special) – attendee: none
  - Next Dec 21<sup>st</sup> Board Meeting – attendee: Christopher (video) & Matt T.
    - **See Attachments #3, #4, #5, and #6**
  - Next Jan 11<sup>th</sup> Board Meeting – attendee: **None assigned**
    - **See Attachment #2 for signup for future Board meetings**
- VIII. Other Topics and Announcements for Next Meeting
  - Subcommittee goal & action item updates
  - CAC meeting structure to one hour sub committee work and one hour CAC meeting.
  - CAC Officer Elections – January 2022
    - Chair, Vice-chair, Secretary, Subcommittee Chair
  - Sutton Lake Management Updates
- IX. Adjourn
  - Motioned: Matt N.; Seconded: Jim; Passed
- X. Upcoming Meetings:
  - Board Meeting: Mon, Dec 13<sup>th</sup>, 6:00 pm
  - Board Meeting: Tues, Dec 21<sup>st</sup>, 6:00 pm
  - Board Meeting: Tues, January 11<sup>th</sup>, 6:00 pm
  - Board Meeting: Tues, February 15<sup>th</sup>, 6:00 pm
  - CAC Meeting: Thurs, Jan 27<sup>th</sup>
    - Subcommittee Gatherings: 6:00 – 6:30 PM
    - CAC Meeting: 6:30 – 8:00 PM

## **Attachment #2 - 2022 CAC Schedule**

### **2022 Citizen Advisory Committee Meeting Schedule**

Last Thursday of each month (\*unless noted below)

Subcommittee Gatherings: 6:00 – 6:30 PM

CAC Meeting: 6:30 – 8:00 PM

Wagon Bridge Conference Room (unless noted below), Prior Lake City Hall

January 27, 2022

February 24, 2022

March 31, 2022

April 28, 2022

May 26, 2022

June 30, 2022

July 28, 2022

August 25, 2022

September 29, 2022

October 27, 2022

\*November – NO MEETING

\*December 8, 2022

**Recommendation:** Please get vaccinated, if you are not vaccinated, please wear a mask. If you are feeling sick, please stay home. Online/remote meeting options are available.

## **Attachment #3 - 2022 PLSLWD/CAC signup**

### **2022 Board Meeting CAC Attending Member Assignments**

*Held the second Tuesday of the month (unless noted)*

**Board meetings:** 6 pm in Prior Lake Council Chambers

**Board workshops (optional):** 4:00 pm\* in Parkview Conference Room

(\*Start time can vary, check meeting agenda beforehand)

- **January 11, 2022:**
- **February 15, 2022 (3<sup>rd</sup> Tues.):**
- **March 8, 2022:**
- **April 12, 2022:**
- **May 10, 2022:**
- **June 14, 2022:**
- **July 12, 2022:**
- **August 9, 2022:**
- **September 13, 2022:**
- **October 11, 2022:**
- **November 8, 2022:           Maureen Reader**
- **December 13, 2022:       Maureen Reader**

## **Attachment #4 - 12/21 PLSLWD Board Meeting notes - Christopher Crowhurst**

Colleagues, as requested I have watched the 12/21 PLSLWSD Managers Board meeting and compiled the following notes for your review:

12/21/21 PLSLWSD manager board meeting

1. Review and approve budget and tax levy.
  - a. Accounting (double counting) issue with budget but approved anyway 3-2
  - b. Levy passed 5-0
2. Programs and Projects
  - a. Ice Over dates
    - i. Most iced over Dec 7th
    - ii. Trend in ice over date becoming progressively later since the 60's
  - b. Report Cards
    - i. Phosphorus, chlorophyll, clarity
    - ii. Ten-year water quality moving average
    - iii. Upper all trends have improved significantly
    - iv. Lower same grades as 2020 (all A's) 10 year trend flat.
    - v. Fish lake, P has improved, Ch and CL has decreased. Trends are flat
    - vi. Spring, 10 year trends are improving
  - c. Walley stocking, over 3000 added to Spring and Lower.
  - d. 4 grants
    - i. 2019 extended for growing healthy soils events in 2022 (1/12 3/8)
    - ii. Sutton lake Fe and Buck Lake grant is progressing
    - iii. DNR grant for Sutton Lake improvements has been extended for final site stabilization work in 2022
    - iv. MPCA grant wraps up in 2021 for removal of carp
    - v. Spring lake west feasibility studies, attempting landowner outreach
    - vi. Lower Prior Lake study completed and provided to managers
  - e. iLID 2021 report
    - i. Vendor reviewed results and shared videos.
    - ii. Staff reviewed Strength and Weakness slides CAC has reviewed.
      1. 24x7 not just staffed hours
      2. Spreads awareness
      3. Less effective than boat inspectors
      4. One sided view not 360
      5. Technical issues trip points length timing etc.
    - iii. Overall staff recommended continuing in 2022
    - iv. Lots of question and dialog about cost, operational issues, results,
    - v. Board waiting for staff and CAC recommendation
    - vi. Board asked for a quick turnaround of CAC recommendation.
  - f. Boat inspection report out by vendor "water front restoration"
    - i. 9 inspectors, trained by DNR and company training
    - ii. Authorized by county and state
    - iii. Monday, Saturday and Sunday plus holidays, 5/14 – 9/25, 1000 hrs
    - iv. Substantial information presented about time out of water and previous lakes visited

- v. 9 entering violations, 30 drain plug violations, 104 exiting violations with AIS. ZM prevented from entering Spring Lake.
- vi. Plant life: 30% Algae, 19% Curly Leaf pondweed, 11% coontail, remainder unidentified
- vii. 36% increase in inspections in 2021
- viii. Steady decrease in violations past 3 years – people are learning.
- ix. Recommend expanding hours, randomizing hours and locations, add more education materials.
- g. Alum treatment funding, and 6 near term projects for watershed plan. Making official commitment of funds from 2021 for future treatment and upper watershed plans through two official resolutions (21351 and 21352). Approved.
- h. MNDOT Permit – road improvement along highway 13, sediment control, asking for security deposit to be waived. Approved 3-2.
- i. Consent agenda – approved 5-0
- j. Treasurer's report – in good shape financially, received property tax payment.
- k. Meeting event schedule – manager 1/11, CAC 1/27, FLC 1/13 healthy soil, Soil conservation meeting changed to meeting on Thursday in 2022.

If you wish to watch the meeting use this link: [https://youtu.be/P\\_I\\_QkQWTz4](https://youtu.be/P_I_QkQWTz4)



## **Attachment #5 - 12/21 PLSLWD Board Meeting notes - Matt Tofanelli**

I (Matt Tofanelli) attended the PLSLWSD workshop on December 21, 2021.

### Agenda:

- Draft final rule revisions - Carl Almer
- 2022 Budget Final Revisions – Joni Guise
- PLSLWD Impaired Waters – Joni Giese
- Pickup Maintenance Records – Steve Pany
- PLSLWD Media Plan – Steve Pany
- Watershed Study Update - Joni Giese
- Staffing Updates – Joni Giese
- Liaison Update

### Summary:

- 1) Draft final rule revisions - Carl Almer
  - a) A very interesting presentation on the effort to standardize rules across city, county watershed districts. This seems worth gaining a better understanding of the proposed changes. Each Governmental entity has different interests
  - b) Last update was 2013 (working off memory on the date)
- 2) 2022 Budget Final Revisions – Joni Guise
  - a) Changes in the budget reviewed – no changes made to the levy
  - b) Questions on how to account for the \$230,000 set aside for the alum treatment
- 3) PLSLWD Impaired Waters – Joni Giese
  - a) Updates on recent articles published in local media
- 4) Pickup Maintenance Records – Steve Pany
  - a) Provided update, operational topic
- 5) PLSLWD Media Plan – Steve Pany
  - a) Brief discussion on the plan moving forward
- 6) Watershed Study Update - Joni Giese
  - a) Presented an update on status
- 7) Staffing Updates – Joni Giese
  - a) Recruitment continues to be a challenge to find qualified candidates

The items that caught my attention from an interest perspective was the Rules revision and a brief discussion on zooplankton / phytoplankton study in the budget.

## **Attachment #6 - 12/21 PLSLWD Board Meeting notes about I-LIDS – Ben Burnett**

I (Ben Burnett) attended the portion of the PLSLWD Managers Board meeting to hear the information presented about the I-LIDS project.

Eric Lindberg, from Environmental Sentry Protection (ESP) the maker and contractor for the I-LIDS system presented his report of the 2021 season and how I-LIDS worked for Spring Lake.

Here are the key things I heard during his presentation (see attached report from PLSLWD Board agenda for context):

- Eric suggests 7 improvements in his slides (didn't get all of these, the attached report shows 5)
  - A big one was a concrete base and footing for the I-LIDS hardware, the wind caused it to rock and move and get bad readings. – was this recommended from the start?
- It would cost an additional \$500-\$800 to view all videos. We only contracted for limited video review.
- They have been able to issue tickets in other locations/installations (i.e., Burnett County Wisconsin)
- Recommended some kind of QR code to link public to a web page with more information
- They have 100 (+/-) customers
- Installed on 5/13/21, but when was it really fully operational? Several months later...
- Manager Hennes was concerned about cost and potential waste if canceled
  - Eric said there are buy back options if we need it.
- Manager Hennes also asked about limitation of one camera: 1 side and under trailer only
  - Eric said this is good enough other places and they have issued tickets with that setup.
- Volume of the speaker was brought up by someone (neighbors complained), volume was adjusted down, this is affected by wind and environmental issues, and could be a problem. Dynamic speaker volume was not brought up, but when I asked eric previously he said that was not planned in the future.
- Who issues ticket? Sheriff or DNR?
  - Eric said either was ok depends on jurisdiction, ESP will work with either Sheriff or DNR.

Patty Dronen - Administrative Assistant

CLA - accountant

Bruce Loney, Treasurer

2/15/2022

**Prior Lake Spring Lake Watershed District  
Claims list for Invoice Payments due for the prior month**

Managers will consider approving this claims list - Staff payroll and Manager per diems have already been paid via ADP. After the managers vote, two Managers will sign checks within three days of the meeting for approve claims. Then, staff will US mail checks (written on the Sterling State Bank) to the claims list parties. Staff will request that all vendors provide information on their invoices to fit into the categories below

Vendor	Invoice	Description	Amount
<b>1. Watershed District Projects (excluding staff payroll)</b>			
<b>EOR - December 2021</b>	00758-0114	Sutton Lake Modification Plan	207.00
	00758-0148	Sutton Lake Management Plan	1,537.50
	00758-0138	General Engineering	1,020.50
	00758-0124	Spring Lake West Subshed BMP Feasibility	2,043.75
	00758-0145	Sutton Lake IESF Feasibility	989.50
	00758-0139	District Monitoring Program	83.00
	00758-0139	Permitting & Engineering Assistnace	2,382.50
	00758-0139	Rules Revisions	2,394.25
<b>EOR - January 2022</b>	00758-0114	Sutton Lake Outlet Modification Plan	567.00
	00758-0152	General Engineering	837.00
	00758-0124	Spring Lake West Subshed BMP Feasibility	2,021.25
	00758-0145	Sutton Lake IESF Feasibility	876.00
	00758-0148	Sutton Lake Management Plan	4,541.00
	00758-0152	District Monitoring Program	25.00
	00758-0152	Permitting	1,580.50
	00758-0152	Rules Revisions	372.00
<b>WSB</b>	R017421-000-24	Carp Management	630.00
	R017421-000-26	Carp Management	1,805.00
	R-017421-000-25	Carp Management	9,124.00
<b>Veit</b>	00090	Sutton Lake Outlet Construction	50,243.16
<b>Scott SWCD</b>	2021-235	Technical Assistance and Cost Share	15,442.00
		Farmer Led Council	13,738.55
		Monitoring Program	301.50
		Education	1,085.00
	2021-237	Healthy Soils Event	3,020.08
<b>Smith Partners</b>			473.10
<b>Andy Linder</b>		Speaking Fees - Growing Healthy Soils	300.00
<b>SCAT (Scott County Abstract &amp; Title)</b>	69569	Ebenhoh Acres Report	200.00
<b>SCAT (Scott County Abstract &amp; Title)</b>	69557	Marxen	175.00
<b>SCAT (Scott County Abstract &amp; Title)</b>	69567	Mesenbrink	175.00
<b>Xcel Energy</b>		18051 Langford Blvd.	15.52
		<b>Subtotal</b>	<b>\$ 118,205.66</b>
<b>2. Outlet Channel - JPA/MOA (excluding staff payroll)</b>			
<b>Smith Partners</b>	42965	Easement Maps	124.50
<b>EOR - December 2021</b>	00758-0140	Segment 4	157.00
		Segment 7	216.50
		Non-Specific	1,036.13
	00758-0141	2021 PLOC XP-SWMM Updates	1,443.75
	00758-0142	2021 PLOC Monitoring Assistance	58.00
	00758-0143	2021 PLOC Vegetation/Stability Inspections	2,941.75
	00758-0147	PLOC Seg 1, 4 & 5A Bank Repair	998.00
	00758-0149	PLOC Pike Lake Rd. Sediment Removal	4,440.25
<b>EOR - January 2022</b>	00758-0153	Segment 1	93.00
		Segment 7	139.50
		Non-Specific	1,922.75
	00758-0147	PLOC Seg 1, 4 & 5A Channel Repair	84.56
		PLOC Seg 1, 4 & 5A Channel Repair	560.21
		PLOC Seg 1, 4 & 5A Channel Repair	412.23
	00758-0149	PLOC Pike Lake Rd. Sediment Removal	2,046.75
		<b>Subtotal</b>	<b>\$ 16,674.88</b>
<b>3. Payroll, Office and Overhead</b>			
<b>ADP Manager Per Diems</b>			1,384.62
<b>ADP Staff Payroll</b>			18,322.09
<b>ADP Taxes &amp; Benefits</b>			13,604.81
<b>HSA Bank</b>			265.38
<b>Fidelity</b>			165.38
<b>NCPERS</b>		Life Insurance Premiums	80.00
<b>OPTUM</b>	0001272774	Monthly Maintenance Fees + late charge	26.25
<b>Reliance Standard</b>		February LTD and STD Premiums	735.68
<b>HealthPartners</b>			5,106.65
<b>City of Prior Lake</b>		Rent (March 2022)	2,250.00
<b>CLA</b>	3130924	Monthly bookkeeping	1,370.00
		Payroll Services	350.00
		Technology and Client Support fee	86.00
<b>Smith Partners</b>	42963	General Admin & Legal Services	574.50
<b>Metro Sales</b>		Monthly usage January - February	103.00
<b>Rymark</b>		Monthly charge - February	840.00
		Equipment - 2 External harddrives	323.49
<b>SW News Media</b>	100426	Legal Notice	93.21
<b>VISA</b>			2,665.69
		<b>Subtotal</b>	<b>\$ 48,346.75</b>
<b>TOTAL</b>			<b>\$ 183,227.29</b>

X

X

Prior Lake-Spring Lake Watershed District  
VISA Transactions 12/28/21-1/24/22

Trans Date	Merchant Name	Amount	Receipt?	Class	Customer	Expense	Description
12/27/2021	AMZN Mktp US*IV1EW89K3	\$73.25	x	405 General Fund		706 Office Supplies	Copy Paper
12/27/2021	PAYMENT - THANK YOU	(\$1,262.46)					
12/28/2021	IRONCLAD STORAGE	\$199.00	x	611 Operations & Mainte	Fish Management	876 Field Equipment & M	Storage Unit
12/30/2021	Amazon.com*VQ8HJ3O33	\$21.86	x	405 General Fund		706 Office Supplies	Highlighters, Stapler
12/31/2021	ADOBE CREATIVE CLOUD	\$644.12	x	626 Planning	Planning & Program Developm	903 Dues/Fees/Subscripti	Software
1/3/2022	VZWRLSS*APOCC VISB	\$13.04	x	648 Regulation	LGU Permit & Inspections	876 Field Equipment & M	Cell Service
		\$32.66	x	839 Operations Non Spec	PLOC Equipment & Maintenanc	876 Field Equipment & M	Cell Service
		\$27.62	x	611 Operations & Mainte	Fish Management Equipment	876 Field Equipment & M	Cell Service
1/4/2022	AMZN Mktp US*E69YM3FG3	\$36.95	x	405 General Fund		706 Office Supplies	N95 Masks
1/10/2022	ADOBE CREATIVE CLOUD	\$56.90	x	626 Planning	Planning & Program Developm	903 Dues/Fees/Subscripti	Creative Cloud - Monthly
1/11/2022	JIMMY JOHNS - 1206	\$9.66	x	626 Planning	Planning & Program Developm	902 Meals	Board Manager Meal
1/11/2022	JIMMY JOHNS - 1206 - ECOM	\$46.00	x	626 Planning	Planning & Program Developm	902 Meals	Board Manager Meal
1/13/2022	RIDGES AT SAND CREEK (FAN	\$1,315.00	x	611 Operations & Mainte	Growing Healthy Soils Event B	902 Meals	Healthy Soils Event
1/15/2022	AMZN Mktp US*5R3YP14W3	\$50.95	x	405 General Fund		706 Office Supplies	Name badges, staples
1/14/2022	MINNESOTA HORSE AND HU	\$55.06	x	611 Operations & Mainte	Growing Healthy Soils Event B	902 Meals	Lunch - Planning meeting
1/16/2022	CANVAS SOLUTIONS INC	\$51.00	x	648 Regulation	LGU Permit & Inspections	903 Dues/Fees/Subscripti	Software
1/18/2022	PAYMENT - THANK YOU	(\$3,058.91)					
1/19/2022	MICROSOFT	(\$4.97)	fraud	626 Planning	Planning & Program Developm	903 Dues/Fees/Subscripti	Software
1/21/2022	HSEM TIER 2 REPORTING SER	\$0.62	Jeff	611 Operations & Mainte	Highway 13 Wetland FeCl Syste	903 Dues/Fees/Subscripti	Tier 2 Reporting - 2021
1/21/2022	HSEM TIER 2 REPORTING	\$25.00	Jeff	611 Operations & Mainte	Highway 13 Wetland FeCl Syste	903 Dues/Fees/Subscripti	Tier 2 Reporting - 2021
1/23/2022	INSTAGANTT	\$7.00	x	626 Planning	Planning & Program Developm	903 Dues/Fees/Subscripti	Software
	<b>TOTAL DUE</b>	<b>\$2,665.69</b>					

**PLSLWD monthly Treasurers Report**

Treasurer: Bruce Loney

*Account balances as of 1/31/2022*

Old National Bank (Checking Account) *	\$	1,760,061
Sterling Bank (Checking Account)	\$	75,472
Total Uncleared Transactions	\$	(15,980)
Northland Securities (Investments) (Cash)	\$	380,799
<b>SUBTOTAL</b>	<b>\$</b>	<b>2,200,352</b>

**RESTRICTED/COMMITTED/ASSIGNED FUNDS**

Restricted - Permit Deposits, etc.	\$	86,638
Restricted - PLOC Contingency Reserve (850)*	\$	260,000
Restricted - PLOC O&M Funds (830)*	\$	210,557
Committed - Alum Internal Loading Reserve	\$	230,000
Committed - Upper Watershed Blueprint Fund Balance	\$	190,000
<b>TOTAL DISTRICT/PLOC RESTRICTED OBLIGATIONS</b>	<b>\$</b>	<b>977,195</b>

<b>Available cash at end of January 2022</b>	<b>\$</b>	<b>1,223,157</b>
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*55.4% of 2022 Budget*

PRIOR LAKE SPRING LAKE WATERSHED DISTRICT  
Financial Report - Cash Basis  
January 1, 2022 Through January 31, 2022

\*\*Reflects bills paid through January 31, 2022\*\*

Program Element		2022 Budget	2022 Actual Results		
			January 2022	YTD	YTD % of Budget
	General Fund (Administration)				
	Revenues				
	Property Taxes	\$ 246,200	-		0%
	Grants	-	-		#DIV/0!
	Interest	-	5	5	#DIV/0!
	Other	-	-		#DIV/0!
	Total Revenues	\$ 246,200	5	5	0%
	Expenditures				
	Administrative Salaries and Benefits	\$ 133,800	6,095	6,095	5%
	703 · Telephone, Internet & IT Support	20,000	983	983	5%
	702 - Rent	27,400	2,250	2,250	8%
	706 · Office Supplies	10,000	106	106	1%
	709 · Insurance and Bonds	12,800	-		0%
	670 · Accounting	27,000	-		0%
	671 · Audit	7,700	-		0%
	903 · Fees, Dues, and Subscriptions	1,500	88	88	6%
	660 · Legal (not for projects)	6,000	-		0%
	General Fund (Administration) Expenditures	\$ 246,200	9,521	9,521	4%
	Net Change in General Fund	-	(9,517)	(9,517)	

			**Reflects bills paid through January 31, 2022**		
Program Element			2021 Results		
		2022 Budget	2021 Budget	YTD Actual Results	YTD percents
	Implementation Fund				
	Revenues				
	Property Taxes	\$ 1,602,735	-		0%
	Grants/Fees	105,000	-		0%
	Interest	-	-		#DIV/0!
	Sales/Other	-	-		#DIV/0!
	Budget Reserves	252,700	-		0%
	Total Revenues	\$ 1,960,435	-	-	0%
	Expenditures				
	Program Salaries and Benefits (not JPA/MOA)	\$ 461,700	19,996	19,996	4%
Water Qual	550 Public Infrastructure Partnership Projects	\$ 6,750	\$ -		0%
Water Qual	611 Farmer-led Council	61,000	39	39	0%
Water Qual	611 Cost-Share Incentives	58,000	-		0%
Water Qual	611 Highway 13 Wetland, FeCl system & Desilt, O&M	65,000	-		0%
Water Qual	611 Fish Management, Rough Fish Removal	88,000	-		0%
Water Qual	611 Spring Lake Demonstration Project Maintenance	1,050	-		0%
Water Qual	611 Alum Internal Loading Reserve	250,000	-		0%
Water Qual	637 District Monitoring Program	109,000	-		0%
Water Qual	626 Planning and Program Development	20,000	31	31	0%
Water Qual	626 Engineering not for programs	15,000	-		0%
Water Qual	626 Debt Issuance Planning	10,000	-		0%
Water Qual	648 Permitting and Compliance	27,000	184	184	1%
Water Qual	648 Update MOAs with cities & county	10,000	-		0%
Water Qual	648 BMP and easement inventory & inspections	12,000	-		0%
Water Qual	626 Upper Watershed Blueprint	443,035	-		0%
Water Qual	611 Fish Stocking	3,000	-		0%
	WQ TOTAL	\$ 1,178,835	253	253	0%
Water Storage	550 District-wide Hydraulic & Hydrologic model	\$ 5,000	-		0%
Water Storage	550 S&I Sutton Lake Outlet Structure Project	125,400	-		0%
	WS TOTAL	\$ 130,400	-	-	0%
AIS	611 Aquatic Vegetation Mgmt	\$ 7,000	-		0%
AIS	637 Automated Vegetation Monitoring (BioBase)	5,000	-		0%
AIS	637 Aquatic Vegetation Surveys	18,000	-		0%
AIS	637 Boat inspections on Spring, Upper & Lower Prior	30,000	-		0%
	AIS TOTAL	60,000	-	-	0%
Ed & Out	652 Education and Outreach Program	\$ 10,000	-		0%
	E&O TOTAL	\$ 10,000	\$ -	\$ -	0%
	PLOC Expenses	\$ 19,500	-		0%
	Debt Payment Reserve	100,000	-	-	0%
	Total Implementation Fund	\$ 1,960,435	20,249	20,249	1%
	Net Change in Fund Balance Implementation Fund	-	(20,249)	(20,249)	

	Grant Funds/Fees Anticipated	
Water Qual	611 Farmer-led Council (BWSR Grant)	\$ 10,000
	648 New Easement Acquisition Fees	5,000
Water Qual	648 BMP and easement violations fees	500
	626 Upper Watershed Blueprint (BWSR WBIF Grant)	19,800
	550 S&I Sutton Lake Outlet (DNR Flood Hazard Grant)	62,700
AIS	611 Aquatic Vegetation Mgmt. (Scott County)	7,000
	Total Grant Funds/Fees Anticipated	\$ 105,000

PLSL Watershed District

Cash Minimum Balance Alert \$ 150,000

## Cash Receipts

Total Cash Available	\$ 2,288,049	\$ 2,200,362	\$ 2,051,682	\$ 1,887,201	\$ 1,612,721	\$ 2,422,926	\$ 2,286,938	\$ 2,122,458	\$ 1,957,978	\$ 1,683,497	\$ 1,409,767	\$ 2,149,635	
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Salaries and Per Diems	\$ 41,794	\$ 49,625	\$ 49,625	\$ 49,625	\$ 49,625	\$ 49,625	\$ 49,625	\$ 49,625	\$ 49,625	\$ 49,625	\$ 49,625	\$ 49,625	\$ 49,625	\$ 587,669
Office Expense, Audit, Accounting	3,423	9,367	9,367	9,367	9,367	9,367	9,367	9,367	9,367	9,367	9,367	9,367	9,367	106,456
PLSLWSD Program Costs	40,586	94,103	94,103	94,103	94,103	94,103	94,103	94,103	94,103	94,103	94,103	94,103	94,103	1,075,718
PLOC Contribution					19,500	-								19,500
PLOC Operations	1,894	11,396	11,396	121,396	16,396	21,253	11,396	11,396	121,396	121,396	11,396	36,690		497,399
Debt Service														
Subtotal	\$ 87,697	\$ 164,490	\$ 164,490	\$ 274,490	\$ 188,990	\$ 174,347	\$ 164,490	\$ 164,490	\$ 274,490	\$ 274,490	\$ 164,490	\$ 189,784		

Investments - Northland Securities[illegible]



## Cash Flow Chart

Month (End of Month)	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022
Cash on Hand	\$1,819,553	\$1,655,073	\$1,506,392	\$1,231,912	\$ 1,042,931	\$1,867,779	\$1,741,649	\$1,577,169	\$1,302,688	\$1,028,208	\$ 864,477	\$1,579,052
Northland Securities	\$ 380,799	\$ 380,799	\$ 380,799	\$ 380,799	\$ 380,799	\$ 380,799	\$ 380,799	\$ 380,799	\$ 380,799	\$ 380,799	\$ 380,799	\$ 380,799
Total Cash on Hand & Northland Securities	\$2,200,352	\$2,035,872	\$1,887,191	\$1,612,711	\$ 1,423,730	\$2,248,578	\$2,122,448	\$1,957,968	\$1,683,487	\$1,409,007	\$1,245,276	\$1,959,851

