

**OFFICIAL PROCEEDINGS OF THE COUNTY BOARD**  
**WASHINGTON COUNTY, MINNESOTA**  
**APRIL 24, 2007**

The Washington County Board of Commissioners met in regular session at 9:00 a.m. in the Washington County Government Center, County Board Room. Present were Commissioners Peterson, Pulkrabek, Kriesel, Orth, and Hegberg. Absent none. Board Chair Kriesel presided. Also present were James Schug, County Administrator; Molly O'Rourke, Deputy Administrator; George Kuprian, Assistant County Attorney; Doug Johnson, County Attorney; Lowell Johnson, Director of Public Health and Environment; Mjyke Nelson, Information Technology Director; Sheriff Bill Hutton, Chief Deputy Sheriff Mike Johnson; Julie Sorrem, Risk Manager; Jim Luger, Parks Director; Corey Slagle, Transportation Manager; Keith Potter, Facilities Manager; Dan Papin, Community Services Director; Kevin Corbid, Director of Property Records and Taxpayer Services; Jennifer Wagenius, Division Manager; Harley Will, Financial Services Director; Dennis O'Donnell, Sr. Planner; Ann Pung-Terwedo, Sr. Planner; Tom Adkins, Community Corrections Director; and Steve Nelson, Public Information Coordinator II.

The Board recited the Pledge of Allegiance.

**COMMENTS FROM THE AUDIENCE**

The Board Chair asked for comments from the audience; none were heard.

**CONSENT CALENDAR**

Commissioner Hegberg moved, seconded by Commissioner Peterson to adopt the following Consent Calendar:

1. Approval of the April 17, 2007 Board meeting minutes.
2. Approval to accept \$21.25 from an anonymous donor as part of the Washington County Employee Giving Campaign.
3. Approval of an agreement with the North Star Transit Corporation d/b/a/ Discover Ride, Inc. for transportation services for persons on the long term care waiver programs.
4. Approval of contract with Total Software Solutions, Inc. for support, analysis, and modifications of the county's Tract Index application.
5. Approval of, and authorization for the County Board Chair and the County Administrator to enter into an agreement with contracted wellness program staff for onsite Employee Wellness Activities in Cottage Grove and Woodbury.

April 24, 2007

6. Approval of encroachment agreement for construction activities within existing May Township right-of-way in the Big Marine Regional Park Reserve.

The foregoing Consent Calendar was adopted unanimously.

### **PUBLIC HEALTH AND ENVIRONMENT**

Commissioner Hegberg moved to authorize the Board Chair and County Administrator to execute licenses for use of real property for the collection of household hazardous waste for the following locations and dates: Cottage Grove, May 5; Forest Lake, May 5; Lake St. Croix Beach, April 21; and Stillwater, May 19. Commissioner Peterson seconded the motion and it was adopted unanimously.

### **CONSERVATION LEADERSHIP AWARD**

Paul Austin, Conservation Minnesota, presented the Washington County Board of Commissioners with a conservation leadership award for its work on the November 7, 2006 ballot measure for the preservation of water quality, woodlands, and other natural resources.

### **LAND AND WATER LEGACY APPOINTMENTS**

Commissioner Peterson moved to appoint Mary Hauser, Birchwood, and Randy Ferrin, Scandia, to the Parks and Open Space Commission representing the Land and Water Legacy Program to first terms expiring December 31, 2009 and December 31, 2010, respectively. Commissioner Pulkrabek seconded the motion and it was adopted unanimously.

### **PUBLIC HEARING – OFFICE OF ADMINISTRATION**

#### **Repealing the Purchase of Development Rights Ordinance #144 and Adopting the Washington County Acquisition of Development Rights Ordinance**

The Board Chair presented a brief overview of the procedure for today's public hearing to consider the repeal of Ordinance #144, Purchase of Development Rights, and the adoption of the Washington County Acquisition of Development Rights Ordinance. The Board Secretary confirmed that the notice of public hearing was published in the legal newspaper.

Jane Harper, Principal Planner, reviewed the proposed Acquisition of Development Rights Ordinance as follows:

April 24, 2007

1. Incorporates the direction received from the County Board on March 20, 2007:
  - a. Removes the provision that requires lands to be within or adjacent to the Green Corridor Opportunity Area in order for the county to acquire a conservation easement over the parcel. This change was broadly supported and was encouraged over the years by local units of government and more recently by the Washington County Citizens for Land and Water.
  - b. Adds the public purposes stated in the Open Space Funding Referendum to guide the type of projects that the county will acquire, including a clarification that parks includes trail corridors. (Section 1.3(3))
  - c. Specifies that the Washington County's Parks and Open Space Commission is the advisory committee to the Land and Water Legacy Program. (Section 4.1)
  
2. Updates the ordinance to incorporate lessons learned since 2000:
  - a. Adds a provision allowing staff from other agencies to provide technical assistance. This is addressed in the current policies and procedures document and has been the practice since 2000. (Section 4.2)
  - b. Adds a provision specifying when an appraisal is not required. (Section 6.1(3))
  
3. Provides the authority for acquiring conservation easements through Open Space Design Developments:
  - a. Changes the word 'purchase' to 'acquire', where appropriate, to be inclusive of both programs.
  - b. Adds/changes definitions to be consistent with the Open Space Design Development Code. (Section 2)
  - c. Adds language to distinguish the differences between how a conservation easement is handled through the Open Space Design Development Process and through the Land and Water Legacy Program. (Section 6)

The Board Chair asked for comments from the audience; none were heard. The Board Secretary indicated that she had received all documentary evidence.

Commissioner Hegberg moved to close the public hearing. Commissioner Peterson seconded the motion and it was adopted unanimously. The public hearing was closed at 9:33 a.m.

Commissioner Hegberg moved to adopt **Resolution No. 2007-047** as follows:

Resolution Repealing Ordinance #144 and Adopting the Washington  
County Acquisition of Development Rights Ordinance #175

WHEREAS, on April 24, 2007, the Washington County Board of Commissioners held a public hearing to consider repealing Washington County Purchase of Development Rights Ordinance #144 and replacing it by

adopting the Washington County Acquisition of Development Rights Ordinance #175.

NOW, THEREFORE, BE IT RESOLVED, that the Washington County Board of Commissioners hereby repeals Washington County Purchase of Development Rights Ordinance #144 and adopts Washington County Acquisition of Development Rights Ordinance #175.

BE IT FURTHER RESOLVED that Washington County Acquisition of Development Rights Ordinance #175 take effect upon passage of this resolution and its publication according to law.

WASHINGTON COUNTY ORDINANCE NO. 175  
ACQUISITIONS OF DEVELOPMENT RIGHTS ORDINANCE

*SECTION 1. TITLE AND PURPOSE*

- 1.1 Pursuant to Minnesota Statute 84C, Minnesota Statute 373.40 and Minnesota Statute 394.25. Washington County establishes its authority to acquire and improve land and interests in land for the purpose of preserving open space, including natural and scenic areas and agricultural land. The policies, rules and official controls governing the acquisitions are adopted in this ordinance, hereafter known as the Acquisition of Development Rights Ordinance. Practices for carrying out the authorities in this ordinance will be contained in the attendant policy and procedure documents and the Washington County Development Code.
- 1.2 Existing zoning restrictions, while effective at controlling housing densities, cannot keep lands in their present undeveloped state. Acquiring the development rights is one of several means for achieving public benefits through private land conservation actions.
- 1.3 Purpose

This ordinance is adopted for the following purposes.

- (1) To protect and preserve the rural landscape and high-quality natural areas that make Washington County a special place to live.
- (2) To implement the goals of the Washington County Comprehensive Plan.
- (3) To serve additional public purposes through open space protection, including but not limited to improving water quality of rivers, lakes and streams; protecting drinking water sources; purchasing parklands including trail corridors, preserving wetlands and woodlands; and protecting land along water bodies from development.

*SECTION 2. DEFINITIONS*

- 2.1 For the purpose of this ordinance, certain words and phrases are defined as follows:
- (1) Agricultural Land: Land whose use is devoted to the production of horticulture and nursery stock, fruit of all kinds, vegetables, forage, grains, bees and apiary products.
  - (2) Conservation Easement: A nonpossessory interest in real property whereby the holder may impose certain limitations or affirmative obligations the purpose of which include retaining or protecting natural, scenic, or open-space values of real property, assuring its availability for agricultural, forest, recreational, or open-

April 24, 2007

- space use, protecting natural resources, maintaining or enhancing air or water quality, or preserving the historical, architectural, archaeological, or cultural aspects of real property. (*Minnesota Statutes, Chapter 84C.*)
- (3) Corridor: Protected areas of open space linked together throughout the community.
  - (4) County Board: The Washington County Board of Commissioners.
  - (5) County: Means Washington County.
  - (6) Development: An activity which materially alters or affects the existing conditions or use of any land.
  - (7) Development Code: The official controls adopted by Washington County regulating the physical development of land in the unincorporated areas of the county, including the Subdivision Regulations.
  - (8) Development Rights: The right to use and subdivide land for any and all residential, commercial and industrial purposes and activities not related to agriculture and open space.
  - (9) Eligible Land: Properties for which the acquisition of development rights is authorized pursuant to this ordinance.
  - (10) Land and Water Legacy Program: A program of Washington County for the purpose of preserving open space through the acquisition of land and interests in land from landowners outside the development process.
  - (11) Open Space: Land used for natural habitat, water quality purposes, agriculture, pedestrian corridors and/or recreation, that is undivided and permanently protected from future development.
  - (12) Open Space Development: A grouping of residential structures on smaller lots than allowed in the specific zoning district, leaving some land dedicated as open space.
  - (13) Resource Values: The physical values of the land supplied by nature including, but not limited to, animal life, plant life, soil, rock, minerals and water. Values may also include protecting natural habitat, productive agricultural land, scenic views and connections to or extensions of existing parks or protected open space.

### *SECTION 3. AUTHORIZATION*

- 3.1 The county may acquire conservation easements over any eligible land within the county by purchase, gift, grant, bequest, devise, covenant or contract and may use any legally available revenue source for the acquisition.
- 3.2 The county may enter into cash purchase and/or investment purchase contracts consistent with applicable law for the purpose stated in this ordinance.
- 3.3 The county may participate jointly in acquiring interests in eligible lands with other qualified organizations empowered to hold interests in real property in accordance with Minnesota Statutes, Sections 84C.01-05.
- 3.4 The county may contract with a recognized and legally established nonprofit conservancy, land trust, or other individual or organization qualified under Minnesota Statutes Section 84C.01 and 170(H) of the United States Internal Revenue Code, in order to share in the process of negotiating conservation easements and

establishing the baseline studies management plans and the procedures for monitoring of any conservation easements acquired under this ordinance.

- 3.5 Acquisitions of interests in land in the form of a conservation easement made through the Land and Water Legacy Program shall be only upon consent of the owner and in a strictly voluntary manner.

*SECTION 4. ESTABLISHMENT OF ADVISORY COMMITTEE*

- 4.1 For the purpose of the Land and Water Legacy Program, the Washington County Parks and Open Space Commission shall advise the county on the acquisition of lands and interests in lands and other program activities.
- 4.2 The county may request technical assistance from other agencies involved in land and water protection activities to provide advice on activities and practices related to the acquisition of land and interests in land acquired under this ordinance.

*SECTION 5. ELIGIBILITY AND PRIORITIES*

- 5.1 For the purpose of the Land and Water Legacy Program, the county shall establish criteria to be used in prioritizing applications and determining which projects to consider.

*SECTION 6. CONSERVATION EASEMENT VALUATION*

- 6.1 Purchase of Development Rights
- (1) Development Rights Calculation  
Generally, the value of conservation easements shall be based on the number of development rights remaining on a parcel of land, as determined by the number of dwelling units that would be permitted given the maximum lot size and lot widths for conventional subdivisions and other requirements of applicable development codes.
- (2) Valuation  
The value of conservation easements shall be determined using appraisals or an equivalent method such as assessed valuation or appraisal sampling. The value of the conservation easement only establishes the price ceiling. The county is under no obligation to make an offer to the applicant for the full value of the conservation easement.
- (3) Appraisals  
An appraisal may not be required when the county contributes less than fifty (50) percent of the assessed market value of the parcel, as determined by the county tax records. All appraisals will be completed by qualified, independent appraisers.
- 6.2 Open Space Design Developments
- (1) Development Rights Calculation  
The number of development rights permitted in an Open Space Design Development shall be the same number permitted given the minimum lot size and lot widths for conventional subdivisions and other requirements of the Development Code. The developer may be permitted additional development rights pursuant to the standard established in the Development Code.
- (2) Valuation  
Conservation easements over the open land in Open Space Design Developments are acquired at no cost to the county as part of the development process.

April 24, 2007

*SECTION 7. NATURE OF CONSERVATION EASEMENT RESTRICTIONS*

## 7.1 Nature of Restrictions

- (1) Conservation easements shall be permanent.
- (2) The specific terms of the conservation easement shall be negotiated on a case-by-case basis.
- (3) The terms of the conservation easement will be designed to protect the property's resource values, as defined through the application and approval process.

## 7.2 Holding of Conservation Easements

At the directions of the County Board, conservation easements shall be held by a qualified unit of government, conservation organization, land trust or similar organization authorized to hold interest in real property pursuant to Minnesota Statutes, Section 84C.0405.

*SECTION 8. CONSERVATION EASEMENT MONITORING AND ENFORCEMENT*

## 8.1 Documentation

The values that a conservation easement is intended to protect are defined and recorded in the baseline documentation. At the time the conservation easement is recorded, documentation of the property shall be conducted, using aerial photographs, maps, photos and/or other media, as a baseline for future monitoring. Such documentation shall be updated periodically by the conservation easement holder(s). Such studies and monitoring shall be conducted according to commonly accepted best practices.

## 8.2 Frequency of Monitoring

Conservation easements shall be monitored on a regular basis to ensure compliance. Monitoring may include a site visit.

## 8.3 Enforcement

If the terms of the conservation easement are violated, the conservation easement holder(s) may pursue all legal remedies available, including, but not limited to, specific performance.

Gary Kriesel, Chair  
Board of County Commissioners

Attest      James R. Schug  
                 County Administrator

Approved as to form:  
George Kuprian  
Assistant County Attorney

Date Adopted: April 24, 2007  
Prepared by: Office of Administration

Commissioner Peterson seconded the motion and it was adopted unanimously.

### MINNESOTA COUNTIES INSURANCE TRUST (MCIT)

Jane Hennagir, MCIT Account Executive, presented a brief overview of MCIT's operations and its successes, coverage and core services offered, collaborative projects, and new and developing initiatives.

### TRANSPORTATION AND PHYSICAL DEVELOPMENT

Commissioner Pulkrabek moved to approve the use of 1,700 daily vehicle park permits for Washington County's Library 2007 Summer Reading Program. Commissioner Orth seconded the motion and it was adopted unanimously.

### FINANCIAL SERVICES

Commissioner Peterson moved to adopt **Resolution No. 2007-048** as follows:

Resolution Providing for the Issuance and Sale of Washington County's  
General Obligation Capital Improvement Plan Bonds, Series 2007A

BE IT RESOLVED By the Board of Commissioners of Washington County, Minnesota (the "County") as follows:

1. It is hereby determined by the County Board of the County that:
  - (a) The County, on December 19, 2006, duly adopted a Capital Improvements Plan for the years 2007-2011 (the "CIP Plan"), in accordance with Minnesota Statutes, Section 373.40, as amended (the "Act"). The CIP Plan has not been amended by the County. The CIP Plan identifies various capital improvement projects (the "Projects") to be financed with the proceeds of general obligation indebtedness of the County issued under the provisions of the Act. The Projects include, but are not limited to, those presented by County staff at the public hearing held with respect to the issuance and sale of the Bonds (as defined below) on February 20, 2007.
  - (b) It is necessary and expedient to the sound financial management of the affairs of the County to issue its General Obligation Capital Improvement Plan Bonds, Series 2007A (the "Bonds"), in the original aggregate principal amount \$80,445,000 (subject to the right of the County to increase or decrease the principal amount of the Bonds to be issued in \$5,000 increments as described in the Terms of Proposal), pursuant to the Act to provide financing for (i) the Projects, (ii) capitalized interest for the Bonds, and (iii) costs of issuance for the Bonds.
  - (c) Pursuant to Subdivision 2(b) of the Act, before issuance of any bonds pursuant to the Act (such as the Bonds), the County is required to hold a public hearing to obtain public comment on the proposed issuance of the Bonds. A notice of the public hearing must be published in the official newspaper of the County or in a newspaper of general circulation in the County, at least fourteen (14) days but not more than twenty-eight (28) days prior to the date of the public hearing. The County held a public hearing for the Bonds on Tuesday, February 20, 2007 after proper notice was given for such hearing.

April 24, 2007

- (d) Pursuant to Subdivision 2(c) of the Act, the County must hold a special election prior to the issuance of the Bonds and seek the approval of the voters of the County if a petition requesting a vote on the issuance is signed by voters equal to five percent (5%) of the votes cast in the last general election and such petition is filed with the County Auditor/Treasurer within thirty (30) days from the date of the public hearing on February 20, 2007. The County Auditor/Treasurer did not receive any such petition within thirty (30) days of the public hearing on February 20, 2007 and, therefore, the County is not required to hold a special election is required to be held on the issuance and sale of the Bonds.
2. The County will issue and sell the Bonds in the original aggregate principal amount of \$80,445,000 (subject to the right of the County to increase or decrease the principal amount of the Bonds to be issued in \$5,000 increments as described in the Terms of Proposal) for the purposes set forth in Section 1(b) above. The Bonds are hereby authorized to be issued, sold and delivered in accordance with the Terms of Proposal prepared by Springsted Incorporated as the financial advisor for the County and attached to this resolution as Exhibit A.
  3. Springsted Incorporated is authorized and directed to negotiate the Bonds in accordance with the Terms of Proposal. The Board of Commissioners will meet at 9:00 A.M. on Tuesday, May 22, 2007, to consider proposals on the Bonds and take any other appropriate action with respect to the Bonds.
  4. The law firm of Kennedy & Graven, Chartered, as bond counsel for the County, is authorized to act as bond counsel and to assist in the preparation and review of necessary documents, certificates and instruments relating to the Bonds. The officers, employees and agents of the County are hereby authorized to assist Kennedy & Graven, Chartered in the preparation of such documents, certificates, and instruments.
  5. This resolution shall be in full force and effect from and after its passage.

EXHIBIT A  
 Terms of Proposal  
 \$80,445,000  
 Washington County, Minnesota  
 General Obligation Capital Improvement Plan Bonds  
 Series 2007A

(Book Entry Only)

Proposals for the Bonds will be received on Monday, May 21, 2007, until 1:00 P.M., Central Time, at the offices of Springsted Incorporated ("Springsted"), 380 Jackson Street, Suite 300, Saint Paul, Minnesota, after which time they will be opened and tabulated. Consideration for award of the Bonds will be by the Board of Commissioners at 9:00 A.M., Central Time, of the following day, Tuesday, May 22, 2007.

SUBMISSION OF PROPOSALS

Springsted will assume no liability for the inability of the bidder to reach Springsted prior to the time of sale specified above. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the County to purchase the Bonds regardless of the manner in which the Proposal is submitted.

(a) Sealed Bidding. Proposals may be submitted in a sealed envelope or by fax (651) 223-3046 to Springsted. Signed Proposals, without final price or coupons, may be submitted to Springsted prior to the time of sale. The bidder shall be responsible for

April 24, 2007

submitting to Springsted the final Proposal price and coupons, by telephone (651) 223-3000 or fax (651) 223-3046 for inclusion in the submitted Proposal.

OR

(b) Electronic Bidding. Notice is hereby given that electronic proposals will be received via PARITY<sup>®</sup>. For purposes of the electronic bidding process, the time as maintained by PARITY<sup>®</sup> shall constitute the official time with respect to all Bids submitted to PARITY<sup>®</sup>. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY<sup>®</sup> for purposes of submitting its electronic Bid in a timely manner and in compliance with the requirements of the Terms of Proposal.* Neither the County, its agents nor PARITY<sup>®</sup> shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the County, its agents nor PARITY<sup>®</sup> shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY<sup>®</sup>. The County is using the services of PARITY<sup>®</sup> solely as a communication mechanism to conduct the electronic bidding for the Bonds, and PARITY<sup>®</sup> is not an agent of the County.

If any provisions of this Terms of Proposal conflict with information provided by PARITY<sup>®</sup>, this Terms of Proposal shall control. Further information about PARITY<sup>®</sup>, including any fee charged, may be obtained from:

PARITY<sup>®</sup>, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018  
Customer Support: (212) 849-5000

#### DETAILS OF THE BONDS

The Bonds will be dated June 1, 2007, as the date of original issue, and will bear interest payable on February 1 and August 1 of each year, commencing February 1, 2008. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds will mature on February 1 in the years and amounts as follows:

Maturity Year	Principal Amount*	Maturity Year	Principal Amount*
2009	\$1,150,000	2019	\$2,550,000
	0		0
2010	825,000	2020	2,465,000
2011	2,570,000	2021	2,815,000
2012	2,980,000	2022	3,775,000
2013	3,550,000	2023	4,045,000
2014	3,575,000	2024	4,540,000
2015	3,400,000	2025	7,855,000
2016	3,175,000	2026	8,175,000
2017	2,975,000	2027	8,480,000
2018	2,725,000	2028	8,820,000

\* *The County reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Bonds offered for sale. Any such increase or reduction will be made in multiples of \$5,000. In the event the principal amount of the Bonds is increased or reduced, any premium offered or any discount taken by the successful bidder will be increased or reduced by a percentage equal to the percentage by which the principal amount of the Bonds is increased or reduced.*

April 24, 2007

Proposals for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption and must conform to the maturity schedule set forth above. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the Proposal Form.

#### BOOK ENTRY SYSTEM

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

#### REGISTRAR

The County will name the registrar, which shall be subject to applicable SEC regulations. The County will pay for the services of the registrar.

#### OPTIONAL REDEMPTION

The County may elect on August 1, 2017, and on any day thereafter, to prepay Bonds due on or after February 1, 2018. Redemption may be in whole or in part and if in part at the option of the County and in such manner as the County shall determine. If less than all Bonds of a maturity are called for redemption, the County will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments shall be at a price of par plus accrued interest.

#### SECURITY AND PURPOSE

The Bonds will be general obligations of the County for which the County will pledge its full faith and credit and power to levy direct general ad valorem taxes. The proceeds will be used to finance various improvement projects listed in the County's Capital Improvement Plan 2007-2011.

#### TYPE OF PROPOSALS

Proposals shall be for not less than \$80,445,000 (par) and accrued interest on the total principal amount of the Bonds. Proposals shall be accompanied by a Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a Financial Surety Bond in the amount of \$804,450, payable to the order of the County. If a check is used, it must accompany the proposal. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of Minnesota, and preapproved by the County. Such bond must be submitted to Springsted Incorporated prior to the opening of the proposals. The Financial Surety Bond must identify each underwriter whose Deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to an underwriter using a Financial Surety Bond, then that purchaser is required to submit its Deposit to Springsted Incorporated in the form of a certified or cashier's check or wire transfer as instructed by Springsted Incorporated not later than 3:30 P.M., Central Time, on the next business day

following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the County to satisfy the Deposit requirement. The Deposit received from the purchaser, the amount of which will be deducted at settlement, will be deposited by the County and no interest will accrue to the purchaser. In the event the purchaser fails to comply with the accepted proposal, said amount will be retained by the County. No proposal can be withdrawn or amended after the time set for receiving proposals unless the meeting of the County scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Rates shall be in integral multiples of 5/100 or 1/8 of 1%. There is no limit on the interest rate spread if quoted in ascending order; however, no rate for any maturity shall be more than 1.50% lower than any prior rate. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted.

#### AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The County's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The County will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the County determines to have failed to comply with the terms herein.

#### BOND INSURANCE AT PURCHASER'S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the underwriter, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the purchaser of the Bonds. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the purchaser, except that, if the County has requested and received a rating on the Bonds from a rating agency, the County will pay that rating fee. Any other rating agency fees shall be the responsibility of the purchaser.

Failure of the municipal bond insurer to issue the policy after Bonds have been awarded to the purchaser shall not constitute cause for failure or refusal by the purchaser to accept delivery on the Bonds.

#### CUSIP NUMBERS

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the purchaser to accept delivery of the Bonds. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the purchaser.

#### SETTLEMENT

Within 40 days following the date of their award, the Bonds will be delivered without cost to the purchaser through DTC in New York, New York. Delivery will be subject to receipt by the purchaser of an approving legal opinion of Kennedy & Graven, Chartered of Minneapolis and Saint Paul, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the County or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Bonds has been made impossible by action of the County, or its agents, the purchaser shall be liable to the County for any loss suffered by the County by reason of the purchaser's non-compliance with said terms for payment.

April 24, 2007

### CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the County will undertake, pursuant to the resolution awarding sale of the Bonds, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The purchaser's obligation to purchase the Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Bonds.

### OFFICIAL STATEMENT

The County has authorized the preparation of an Official Statement containing pertinent information relative to the Bonds, and said Official Statement will serve as a nearly final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Financial Advisor to the County, Springsted Incorporated, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101, telephone (651) 223-3000.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law, shall constitute a "Final Official Statement" of the County with respect to the Bonds, as that term is defined in Rule 15c2-12. By awarding the Bonds to any underwriter or underwriting syndicate submitting a proposal therefor, the County agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded 250 copies of the Official Statement and the addendum or addenda described above. The County designates the senior managing underwriter of the syndicate to which the Bonds are awarded as its agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter delivering a proposal with respect to the Bonds agrees thereby that if its proposal is accepted by the County (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

Dated April 24, 2007

BY ORDER OF THE BOARD OF COMMISSIONERS

/s/ James R. Schug  
Administrator/Secretary of the Board

Commissioner Pulkrabek seconded the motion and it was adopted unanimously.

### GENERAL ADMINISTRATION

#### National County Government Week

Commissioner Peterson moved to adopt **Resolution No. 2007-049** as follows:

Washington County Employees  
National County Government Week  
April 22 - 28, 2007

WHEREAS, county governments and employees are instrumental and central to providing services and projects for citizens across the nation; and

April 24, 2007

WHEREAS, there are 3,066 counties in the United States of America that serve over 300 million citizens as an essential component of local government; and

WHEREAS, Washington County provides services and programs for over 224,000 citizens; and

WHEREAS, Washington County places the highest value on its employees who plan, administer, and deliver county services and projects that address the essential needs of the children, families, and adults who reside in Washington County; and

WHEREAS, the National County Government Week theme for 2007 is "Protecting the Environment" to recognize county employees, services, and projects that help safeguard the county's valuable and vulnerable environmental resources in many ways for present and future generations.

NOW, THEREFORE BE IT RESOLVED, that the Washington County Board of Commissioners recognize and congratulate all county employees for the exceptional customer services being performed every day in a cost-effective manner;

BE IT FURTHER RESOLVED, that the Washington County Board of Commissioners hereby proclaims the week of April 22 - 28, 2007, as "National County Government Week in Washington County."

Commissioner Orth seconded the motion and it was adopted unanimously.

### **Legislative Update**

Jim Schug, County Administrator, presented a brief legislative update on the following items: the conference committees are now meeting and there are a number of positive items for counties, but they are dependent on some of the more controversial tax bills; and the Senate conference committee on transportation does include Senator Katie Sieben.

Mr. Schug announced that on Friday, April 27, the Board will meet with the legislative delegation at 7:30 a.m. at the Central Park Place in Woodbury to touch base with them as they move into the final voting period of the legislative session.

Mr. Schug reported that the county has supported a statewide ban on smoking in restaurants and liquor establishments. The Senate has passed a bill that is consistent with what the county has supported. The House passed a Freedom to Breathe bill that includes two major exemptions, one would require local government to grant these exemptions if more than 50% of a business revenue comes from alcohol sales or if a bar or restaurant has physically separated and ventilated a smoking room. The counties have opposed that language, because it creates a difference across the state. The Association of Minnesota Counties has requested that counties contact their House members and support the Senate version of the smoking ban.

April 24, 2007

Commissioner Peterson moved to authorize the Chair to send a letter to the Washington County State Representatives asking that they support a statewide smoking ban similar to the bill passed by the State Senate, and oppose language that allows restaurants and bars to petition local units of government to opt out of the law. Commissioner Kriesel seconded the motion and it was adopted 4-0 with the vote as follows: Yes, Commissioners Peterson, Kriesel, Orth, and Hegberg; Commissioner Pulkrabek abstained.

Commissioner Pulkrabek stated he abstained from this motion because if he votes for it, he feels it would be in support of the statewide smoking ban and if he votes against it, then he would be supporting the decision-making be held at the local level. He does not support a statewide ban or a local ban. He feels if these groups are concerned about people's health they should come out for the prohibition of tobacco and tobacco products.

Commissioner Kriesel stated he somewhat agrees with Commissioner Pulkrabek's comments; however, he feels the Board has to send a clear message to the State that this should not come down to a local control issue. The law needs to be made at the Capitol that would be the same for all local units of government.

Commissioner Hegberg stated he will support the motion, but he does agree with Commissioner Pulkrabek about banning tobacco products.

Mr. Schug indicated that the Board received a letter from Dennis Berg, Chair of the Anoka County Board of Commissioners, asking for Washington County's support to oppose a provision that has been added to Senate bill SF 1312 that eliminates the local approval process on acquisition procedures for the establishment of DNR wildlife management areas. This affects a small portion of Washington County, the Lamprey Pass Wildlife Management area on the west side of Clear Lake near Forest Lake.

Commissioner Hegberg moved to oppose a provision that has been added to Senate bill SF 1312 that eliminates the local approval process on acquisition procedures for the establishment of wildlife management areas. Commissioner Peterson seconded the motion and it was adopted unanimously.

Commissioner Peterson expressed her concern that the de minimis wetland exemption is still in there. She does have a list of the legislators who have voted to keep it, so the Board may want to have a conversation with the legislators on Friday morning. It would create more of a hardship for counties when they are building roads. It doesn't take into account any of the new wetlands that are created within the watersheds or new buildings with rain garden sites.

Commissioner Hegberg moved to support Anoka County's efforts in opposition to the de minimis wetlands exemption in the Environment and Natural Resources Budget Bill. Commissioner Peterson seconded the motion and it was adopted unanimously.

April 24, 2007

**COMMISSIONER REPORTS – COMMENTS – QUESTIONS**

Commissioner Peterson reported that Washington County will host the Minnesota Book Awards at the Stafford Library in Woodbury on April 30 at 7:00 p.m.

Commissioner Peterson reported that she received an e-mail from AMC stating it needs the county's help on supporting the e-waste bill. The House has taken it up today at 10:00 and the Senate will take it up at the end of the week. Last week she attended a meeting with the metro representatives and city representatives, and they reached a consensus on the governance of the ½ cent sales tax for transportation. The cities agreed that the counties would be the governing body, but the cities would like input on the determination as to how the dollars would be spent. Also, the communities within Carver and Scott Counties agreed to the ½ cent sales tax.

Commissioner Peterson reported that in this month's issue of Historic Whisperings there is an article about the trolley system in Stillwater Township and Stillwater and how at one time it went from Stillwater to Excelsior to White Bear Lake and what a travesty it was to pull those tracks.

Commissioner Pulkrabek addressed Mike Ciresi's run for Senate and Ramsey County's program that allows seniors to work off a portion of the property taxes if they are having trouble paying them.

Commissioner Hegberg reported that the Library Board will be involved in the Comp Plan process next year. He will be in Washington D.C. this week seeking Federal transportation funding. He met with the City of Forest Lake to discuss affordable housing and what percentage of income should be used. It was the Housing and Redevelopment's position that 50% of income would be more economical than the 30% some groups were asking for.

Commissioner Hegberg spoke about the sixteen year old who was shot on the metro bus last week after midnight. He stated that a curfew was passed about seven to nine years ago that people at a certain age level couldn't be out that late at night. So many of the crimes happen in the metro area and they have a more restrictive curfew than Washington County does. He believes if the curfew laws were enforced more they could reduce some of these issues in the inter-city. He feels that a sixteen year old should not be out after midnight.

**BOARD CORRESPONDENCE**

Board correspondence was received and placed on file.

April 24, 2007

**ADJOURNMENT**

There being no further business to come before the Board, Commissioner Hegberg moved to adjourn, seconded by Commissioner Peterson and it was adopted unanimously. The Board meeting adjourned at 10:58 a.m.

**BOARD WORKSHOP WITH COMMUNITY CORRECTIONS**

The Board met in workshop session with the Department of Community Corrections for an update on drug court planning. No business was transacted and the public was welcome to attend. Present for the workshop session were Commissioners Peterson, Kriesel, Orth, and Hegberg. Also present were Jim Schug, Molly O'Rourke, Tom Adkins, Chris Volkers, Judge Gary Schurrer, Don Papin, Cindy Rupp, Sheriff Bill Hutton, and Yvonne Klinnert, Stillwater Courier.

Gary Kriesel, Chair  
County Board

Attest:

James R. Schug  
County Administrator

