

**PUBLIC WORKS COMMITTEE
CITY HALL CONFERENCE ROOM
DECEMBER 11, 2013
5:00 P.M.**

AGENDA

- I. CALL TO ORDER
- II. CONSENT AGENDA
 - A. Minutes (page 1)
- III. NEW BUSINESS
 - A. Irrigation – Field Net (page 4)
 - B. Irrigation Contracts/Land Sale (page 7)
 - C. Water Supply Plan Approved (page 15)
 - D. 2015 Improvement Project (page 42)
- IV. OLD BUSINESS
 - A. Water Plant Rehab Project – Update
 - B. Wastewater Facility Re-Scoping Project (page 43)
 - C. MPCA Former Mid Town Service Station - Update
 - D. 2014 Street Improvement Project – Update
 - E. Alley Between River St. & Augusta Ave. – Update
 - F. Alley Behind NuCara Pharmacy (page 45)
- V. INFORMATIONAL
- VI. ADJOURN

Happy Holidays!

*** Please call or email Ron at 320-243-3714 ext. 230 or at ron@paynesvillemn.com
if you are not able to attend the meeting.***

Members: Dave Peschong, Donovan Mayer, Melvin Schaefer, Keith Hemmesch, and Matt Quade –
or his proxy.

Advisory Members: Chuck DeWolf, Ron Mergen, and Renee Eckerly

This agenda has been prepared to provide information regarding an upcoming meeting of the Paynesville Public Works Committee. This document does not claim to be complete and is subject to change.

BARRIER FREE: All Paynesville Public Works Committee meetings are accessible to the handicapped. Attempts will be made to accommodate any other individual need for special services. Please contact City Hall (320) 243-3714 early so necessary arrangements can be made.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: Public Works Committee

Committee/Council Meeting Date: December 11, 2013

Agenda Section: Consent

Originating Department:

Item Number: II - A

ITEM DESCRIPTION: Minutes

Prepared by: Staff

COMMENTS:

Please review the minutes of the October 9, 2013 Public Works Committee meeting.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the minutes of the October 9, 2013 Public Works Committee meeting.

**MINUTES
PUBLIC WORKS COMMITTEE**

OCTOBER 9, 2013

The meeting was called to order by Dave Peschong at 5:00 p.m. Members present were Donovan Mayer and Matt Quade. Mel Schaefer and Keith Hemmesch were absent. Advisory members present were Ron Mergen, Public Works Director; and Chuck DeWolf, Bolton & Menk, Inc.

Motion was made by Quade to approve the minutes from the September 11, 2013 Public Works Committee meeting. Seconded by Mayer and unanimously carried.

NOVEMBER MEETING

It was consented to cancel the November Public Works Committee meeting due to several members that will not be in attendance.

WATER PLANT REHAB

DeWolf reported that the Department of Health has approved the project. The PFA can now finalize the financing paper work and construction can proceed.

WASTE WATER RE-SCOPING PROJECT

DeWolf reported that all the facilities are on line and operable. The contractor is working on landscaping, clean up, and working the bugs out of the system.

MPCA – FORMER MIDTOWN SERVICE STATION

The MN Department of Health report was reviewed. The report noted that the monitoring wells and wells #5, #6, and #7 are hydraulically connected and that pumping the wells is drawing that plume in that direction. Members were informed that representatives from the MPCA and the Department of Health will be present at tonight's Council meeting. Also reviewed were the MPCA letter and their request for access for installing the monitoring wells. After reviewing the information members discussed the need to have the monitoring wells installed to know how far the contamination has moved.

2014 STREET PROJECT

DeWolf reported they are in the design phase. The utility portion of the Business 23 will be bid with the County project. It was noted that a request was made by a resident stating he would give the County an easement on his property to install the sidewalk to create a boulevard. Members noted that this would need to be completed over the entire block.

ALLEY BETWEEN RIVER STREET AND AUGUSTA AVENUE

A letter from DeWolf stated that the alley improvement cost is estimated at \$50,000.00 for a 24' paved alley with curb and gutter on one side for drainage. No action was taken at this time.

ALLEY APPROACH BY NUCARA ONTO BUSINESS HWY. 23

It was noted a letter will be sent to NuCara with the agreement duties outlined.

IRRIGATION

It was reported that Bill Pflipsen was informed that the City would allow the tile line, but would not allow out-letting into the ditch.

The City-owned land under pivot 3 was discussed. The rental contract is up this year. This parcel was purchased with the pivot 2 parcel (which is for a future pond). The question is, with no future plans for this site and it is not being a good irrigation site, should the City sell it. Members briefly discussed selling the property and suggested discussing it at the next meeting.

There being no further business, the meeting was adjourned at 5:35 p.m.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: Public Works Committee

Committee/Council Meeting Date: December 11, 2013

Agenda Section: New Business

Originating Department:

Item Number: III - A

ITEM DESCRIPTION: Irrigation – Field Net

Prepared by: Staff

COMMENTS:

Ron Mergen will give a verbal report. Please review the price quotes for renewal of field net services:

4 month, 3 year	\$8,190.00
6 month, 3 year	\$9,750.00

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the renewal of field net services for 6 month, 3 year in the amount of \$9,750.00 from Lindsay Corporation and recommend such to the City Council.

Ron Mergen

From: Amy Racine [Amy.Racine@lindsay.com]
Sent: Tuesday, November 19, 2013 8:51 AM
To: Ron Mergen
Subject: RE:

Account	Equipment	RTU	Technology	Subscription	4 month, 3 year	6 month, 3 year
City of Paynesville	Pivot 20	0000406E	Cellular CDMA	Premier	\$ 630.00	\$ 750.00
City of Paynesville	Pivot 6	0000406F	Cellular CDMA	Premier	\$ 630.00	\$ 750.00
City of Paynesville	Pivot 17	4070	Unknown	Premier	\$ 630.00	\$ 750.00
City of Paynesville	Pivot 19A	4077	Cellular CDMA	Premier	\$ 630.00	\$ 750.00
City of Paynesville	Pivot 14	0000407E	Cellular CDMA	Premier	\$ 630.00	\$ 750.00
City of Paynesville	Pivot 3	0000407F	Cellular CDMA	Premier	\$ 630.00	\$ 750.00
City of Paynesville	Pivot 8	4088	Cellular CDMA	Premier	\$ 630.00	\$ 750.00
City of Paynesville	Pivot 12	4089	Cellular CDMA	Premier	\$ 630.00	\$ 750.00
City of Paynesville	Pivot 19b	0000408E	Cellular CDMA	Premier	\$ 630.00	\$ 750.00
City of Paynesville	Pivot 2	4096	Cellular CDMA	Premier	\$ 630.00	\$ 750.00
City of Paynesville	Pivot 11	0000409A	Cellular CDMA	Premier	\$ 630.00	\$ 750.00
City of Paynesville	Pivot 21	000040B7	Cellular CDMA	Premier	\$ 630.00	\$ 750.00
City of Paynesville	Pivot 15	000040BF	Cellular CDMA	Premier	\$ 630.00	\$ 750.00
					\$ 8,190.00	\$ 9,750.00

Amy Racine | FieldNET Customer Service Associate

2301 N 117th Street, Suite 200A | Omaha, NE | 68007

P: 402.827.6243 F: 402.827.6244

866.693.4353 866.MY.FIELD

www.myfieldnet.com



From: Ron Mergen [mailto:Ron@paynesvillemn.com]

Sent: Tuesday, November 19, 2013 8:44 AM

To: Amy Racine

Subject: RE:

Amy

Can you send the price for a four and a six month, three year agreement, thanks Ron

From: Amy Racine [mailto:Amy.Racine@lindsay.com]

Sent: Tuesday, November 19, 2013 8:32 AM

To: Ron Mergen; fieldnet

Subject: RE:

Ron, do you want a four, six or twelve month, 3 year renewal?

Amy Racine | FieldNET Customer Service Associate

2301 N 117th Street, Suite 200A | Omaha, NE | 68007

P: 402.827.6243 F: 402.827.6244

866.693.4353 866.MY.FIELD

www.myfieldnet.com



From: Ron Mergen [<mailto:Ron@paynesvillemn.com>]

Sent: Monday, November 18, 2013 3:01 PM

To: fieldnet

Subject:

Can you please send or email me a invoice for a three year renewal, thanks Ron

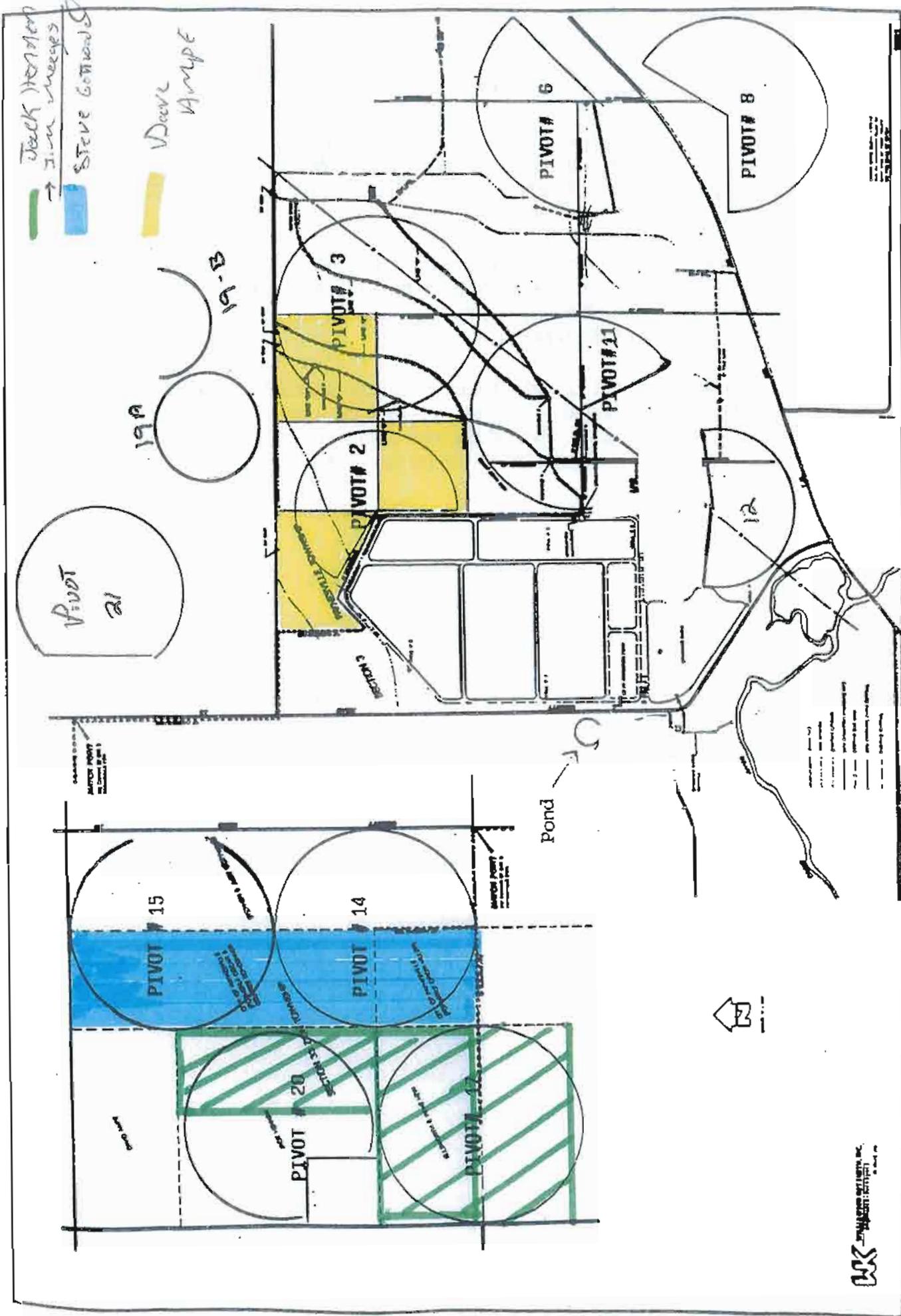
Irrigation Contracts to be renewed for the 2014 cropping season

Yellow- this parcel was rented to Dave Ampe for the last three years at \$231.00 per acre, do we want to sell the 40 acre parcel under pivot three? We have no future use for this land; it has a very high water table which makes a poor site in the wet years. On the plus side we are collecting \$231.00 per acre rent.

Blue- 70 acres on pivot 14 and 52 acres grazing on pivot 15, on this parcel we have worked with Steve Gottwald ever since we moved the pivots to these sites, the soils are very permeable with a low water table very desirable for our operation. Tillable land \$165.00 per Acre – grazing land 45.00 per ac.

Green- 120 acres grazing on pivot 17 and 80 acres tillable on pivot 20, we have worked with Jack Hennen, he is now selling to Jim Mages, this again is a very desirable permeable soil good for our operation, and utilized as a dumping site in wet years and not give any water in dry periods. Tillable land \$165.00 per Acre – grazing land 45.00 per ac.

7



WKS
 MANAGEMENT SERVICES, INC.
 1000 N. 10th St.
 Suite 100
 Fargo, ND 58102
 701.785.1234

201770



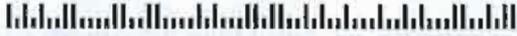
RANDY R. SCHREIFELS
 Stearns County Auditor-Treasurer
 Administration Center Rm. 136 PO Box 728
 St. Cloud, MN 56302-0728
 Phone # 320-656-3870
 Website: www.co.stearns.mn.us

Proposed Property Taxes 2014

-This Is Not a Bill - Do Not Pay -

Owner: CITY OF PAYNESVILLE

CITY OF PAYNESVILLE
 221 WASHBURNE AVE
 PAYNESVILLE MN 56362



*Foot 14-15
 \$ 3076.00*

VALUES AND CLASSIFICATION			
Step	Taxes Payable Year	2013	2014
Step 1 Sent in March 2013	Estimated market value:	\$418,900	\$492,300
	Homestead exclusion:	\$0	\$0
	Other exclusion:	\$0	\$0
	Taxable market value:	\$418,900	\$492,300
	Class:	Ag Non-Hstd	Ag Non-Hstd
PROPOSED TAX			
Step 2 See Details Below	Proposed Tax		\$5,136.00
PROPERTY TAX STATEMENT			
Step 3	Coming in 2014		TBD

The time to provide feedback on
PROPOSED LEVIES is NOW

It is too late to appeal your value or classification without going to Tax Court.

Property Information

Parcel ID: 37.24873.0000 Property Address:

Legal Description: 160.00 A. W2NE4 & W2SE4 Section 33 Township 123 Range 032

Important information is printed on the back of this form.

Proposed Property Taxes and Meetings by Jurisdiction for Your Property:

Contact Information	Meeting Information	Actual 2013	Proposed 2014
State General Tax	NO MEETING REQUIRED	\$0.00	\$0.00
County - STEARNS COUNTY COUNTY OF STEARNS 705 COURTHOUSE SQUARE ROOM 148 SAINT CLOUD MN 56303 320-656-3870	ADMINISTRATION CENTER 705 COURTHOUSE SQUARE ST CLOUD, MN 56303 320-656-3870 6:00 PM DEC 3, 2013	\$2,333.78	\$2,689.25
City or Township - ZION TWP ZION TOWNSHIP 21388 293RD AVE PAYNESVILLE MN 56362 320-243-4866	BUDGET SET AT ANNUAL TOWN MEETING IN MARCH 2013	\$1,520.83	\$1,577.72
School District - ISD 0741 PAYNESVILLE			
Voter Approved Levies		\$397.10	\$505.49
Other Local Levies		\$398.32	\$289.15
ISD #741 PAYNESVILLE 217 W MILL ST PAYNESVILLE MN 56362 320-243-3410	HIGH SCHOOL SEMINAR ROOM 115 795 WEST HIGHWAY 23 PAYNESVILLE, MN 56362 320-243-3410 6:30 PM DEC 3, 2013		
Special Taxing Districts	NO MEETING REQUIRED	\$63.97	\$74.39
Tax Increment Tax	NO MEETING REQUIRED	\$0.00	\$0.00

TOTAL excluding special assessments \$4,714.00 \$5,136.00 9.0%

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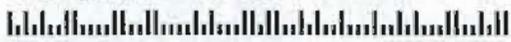


RANDY R. SCHREIFELS
 Stearns County Auditor-Treasurer
 Administration Center Rm. 136 PO Box 728
 St. Cloud, MN 56302-0728
 Phone # 320-656-3870
 Website: www.co.stearns.mn.us

Proposed Property Taxes 2014

-This Is Not a Bill - Do Not Pay -

Owner: CITY OF PAYNESVILLE

CITY OF PAYNESVILLE
 221 WASHBURNE AVE
 PAYNESVILLE MN 56362


*Pivot 17
 \$ 2943.-*

VALUES AND CLASSIFICATION			
Step 1	Taxes Payable Year	2013	2014
Sent in March 2013	Estimated market value:	\$197,500	\$235,400
	Homestead exclusion:	\$0	\$0
	Other exclusion:	\$0	\$0
	Taxable market value:	\$197,500	\$235,400
	Class:	Ag Non-Hstd	Ag Non-Hstd
Step 2	PROPOSED TAX		
See Details Below	Proposed Tax		\$2,456.00
Step 3	PROPERTY TAX STATEMENT		
	Coming in 2014		TBD

The time to provide feedback on **PROPOSED LEVIES** is NOW

Property Information

It is too late to appeal your value or classification without going to Tax Court.

Parcel ID: 37.24876.0000 **Property Address:** **Legal Description:** 80.00 A, S2SW4 Section 33 Township 123 Range 032

Important information is printed on the back of this form.

Proposed Property Taxes and Meetings by Jurisdiction for Your Property:

Contact Information	Meeting Information	Actual 2013	Proposed 2014
State General Tax	NO MEETING REQUIRED	\$0.00	\$0.00
County - STEARNS COUNTY COUNTY OF STEARNS 705 COURTHOUSE SQUARE ROOM 148 SAINT CLOUD MN 56303 320-656-3870	ADMINISTRATION CENTER 705 COURTHOUSE SQUARE ST CLOUD, MN 56303 320-656-3870 6:00 PM DEC 3, 2013	\$1,099.79	\$1,286.06
City or Township - ZION TWP ZION TOWNSHIP 21388 293RD AVE PAYNESVILLE MN 56362 320-243-4866	BUDGET SET AT ANNUAL TOWN MEETING IN MARCH 2013	\$717.03	\$754.41
School District - ISD 0741 PAYNESVILLE			
Voter Approved Levies		\$187.22	\$241.71
Other Local Levies ISD #741 PAYNESVILLE 217 W MILL ST PAYNESVILLE MN 56362 320-243-3410	HIGH SCHOOL SEMINAR ROOM 115 795 WEST HIGHWAY 23 PAYNESVILLE, MN 56362 320-243-3410 6:30 PM DEC 3, 2013	\$187.80	\$138.26
Special Taxing Districts	NO MEETING REQUIRED	\$30.16	\$35.56
Tax Increment Tax	NO MEETING REQUIRED	\$0.00	\$0.00
TOTAL excluding special assessments		\$2,222.00	\$2,456.00 10.5%

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Proposed Property Taxes 2014

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Owner: CITY OF PAYNESVILLE

CITY OF PAYNESVILLE
 221 WASHBURNE AVE
 PAYNESVILLE MN 56362



PILOT 20
\$ 2990.00

VALUES AND CLASSIFICATION			
Step 1	Taxes Payable Year	2013	2014
Sent in March 2013	Estimated market value:	\$203,900	\$239,900
	Homestead exclusion:	\$0	\$0
	Other exclusion:	\$0	\$0
	Taxable market value:	\$203,900	\$239,900
	Class:	Ag Non-Hstd	Ag Non-Hstd

PROPOSED TAX	
Step 2	Proposed Tax
See Details Below	\$2,502.00

PROPERTY TAX STATEMENT	
Step 3	Coming in 2014
	TBD

The time to provide feedback on
PROPOSED LEVIES is NOW

It is too late to appeal your value or classification without going to Tax Court.

Property Information

Parcel ID: 37.24875.0500 Property Address:

Legal Description: 80.00 A. SE4NW4 & NE4SW4 Section 33 Township 123 Range 032

Important information is printed on the back of this form.

Proposed Property Taxes and Meetings by Jurisdiction for Your Property:

Contact Information	Meeting Information	Actual 2013	Proposed 2014
State General Tax	NO MEETING REQUIRED	\$0.00	\$0.00
County - STEARNS COUNTY COUNTY OF STEARNS 705 COURTHOUSE SQUARE ROOM 148 SAINT CLOUD MN 56303 320-656-3870	ADMINISTRATION CENTER 705 COURTHOUSE SQUARE ST CLOUD, MN 56303 320-656-3870 6:00 PM DEC 3, 2013	\$1,135.42	\$1,309.68
City or Township - ZION TWP ZION TOWNSHIP 21388 293RD AVE PAYNESVILLE MN 56362 320-243-4866	BUDGET SET AT ANNUAL TOWN MEETING IN MARCH 2013	\$740.27	\$768.83
School District - ISD 0741 PAYNESVILLE			
Voter Approved Levies		\$193.29	\$246.33
Other Local Levies		\$193.88	\$140.91
ISD #741 PAYNESVILLE 217 W MILL ST PAYNESVILLE MN 56362 320-243-3410	HIGH SCHOOL SEMINAR ROOM 115 795 WEST HIGHWAY 23 PAYNESVILLE, MN 56362 320-243-3410 6:30 PM DEC 3, 2013		
Special Taxing Districts	NO MEETING REQUIRED	\$31.14	\$36.25
Tax Increment Tax	NO MEETING REQUIRED	\$0.00	\$0.00
TOTAL excluding special assessments		\$2,294.00	\$2,502.00 9.1%



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 Stearns County Auditor-Treasurer
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 St. Cloud, MN 56302-0728
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Proposed Property Taxes 2014

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Owner: CITY OF PAYNESVILLE

CITY OF PAYNESVILLE
 221 WASHBURNE AVE
 PAYNESVILLE MN 56362



*Part 2 and
 Bonds
 \$ 3,000.00*

VALUES AND CLASSIFICATION			
Step 1	Taxes Payable Year	2013	2014
Sent in March 2013	Estimated market value:	\$102,000	\$102,000
	Homestead exclusion:	\$0	\$0
	Other exclusion:	\$0	\$0
	Taxable market value:	\$102,000	\$102,000
	Class:	Ag Non-Hstd	Ag Non-Hstd

Step 2		PROPOSED TAX	
See Details Below	Proposed Tax		\$924.00

Step 3		PROPERTY TAX STATEMENT	
	Coming in 2014		TBD

The time to provide feedback on **PROPOSED LEVIES** is NOW

It is too late to appeal your value or classification without going to Tax Court.

Property Information

Parcel ID: 26.15429.0025 **Property Address:** **Legal Description:** 118.39 A. SW4 LESS W 1100' OF SW4 SEC.3 LYING NW 1/4 OF A LN 37.5' N'LY & PARL TO CL OF NSP ELEC TRANSMISSION EASE (SEWAGE DISPOSAL) Section 03 Township 122 Range 032

Important information is printed on the back of this form.

Proposed Property Taxes and Meetings by Jurisdiction for Your Property:

Contact Information	Meeting Information	Actual 2013	Proposed 2014
State General Tax	NO MEETING REQUIRED	\$0.00	\$0.00
County - STEARNS COUNTY COUNTY OF STEARNS 705 COURTHOUSE SQUARE ROOM 148 SAINT CLOUD MN 56303 320-656-3870	ADMINISTRATION CENTER 705 COURTHOUSE SQUARE ST CLOUD, MN 56303 320-656-3870 6:00 PM DEC 3, 2013	\$569.00	\$556.37
City or Township - PAYNESVILLE TWP PAYNESVILLE TOWNSHIP 14725 BRIORWOOD RD PAYNESVILLE MN 56362	BUDGET SET AT ANNUAL TOWN MEETING IN MARCH 2013	\$175.89	\$170.94
School District - ISD 0741 PAYNESVILLE			
Voter Approved Levies		\$96.69	\$104.73
Other Local Levies		\$96.99	\$59.91
ISD #741 PAYNESVILLE 217 W MILL ST PAYNESVILLE MN 56362 320-243-3410	HIGH SCHOOL SEMINAR ROOM 115 795 WEST HIGHWAY 23 PAYNESVILLE, MN 56362 320-243-3410 6:30 PM DEC 3, 2013		
Special Taxing Districts	NO MEETING REQUIRED	\$33.43	\$32.05
Tax Increment Tax	NO MEETING REQUIRED	\$0.00	\$0.00
TOTAL excluding special assessments		\$972.00	\$924.00 -4.9%

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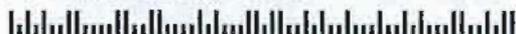
RANDY R. SCHREIFELS
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Proposed Property Taxes 2014

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Owner: CITY OF PAYNESVILLE

CITY OF PAYNESVILLE
 221 WASHBURNE AVE
 PAYNESVILLE MN 56362



Assess
\$ 2734

VALUES AND CLASSIFICATION			
Step 1	Taxes Payable Year	2013	2014
Sent in March 2013	Estimated market value:	\$1,811,000	\$1,803,500
	Homestead exclusion:	\$0	\$0
	Other exclusion:	\$0	\$0
	Taxable market value:	\$536,400	\$536,400
	Class:	Exempt Ag Non-Hstd	Exempt Ag Non-Hstd

PROPOSED TAX		
Step 2	Proposed Tax	\$6,192.00

PROPERTY TAX STATEMENT		
Step 3	Coming in 2014	TBD

The time to provide feedback on **PROPOSED LEVIES** is NOW

Property Information

It is too late to appeal your value or classification without going to Tax Court.

Parcel ID: 70.38646.0540 **Property Address:**
 1500 AIRPORT RD
 PAYNESVILLE MN 56362

Legal Description: 196.18A FR'L PT OF S2 SEC18 & FR'L PT OF SW4 SEC 17 & FR'L PT OF NW4 OF SEC 20 LESS THAT PART TAKEN FOR HWY PURPOSES AS SHOWN ON PLATS 73-104, 73-105 & 73-106 Section 17 Township 122 Range 032

Important information is printed on the back of this form.

Proposed Property Taxes and Meetings by Jurisdiction for Your Property:

Contact Information	Meeting Information	Actual 2013	Proposed 2014
State General Tax	NO MEETING REQUIRED	\$0.00	\$0.00
County - STEARNS COUNTY COUNTY OF STEARNS 705 COURTHOUSE SQUARE ROOM 148 SAINT CLOUD MN 56303 320-656-3870	ADMINISTRATION CENTER 705 COURTHOUSE SQUARE ST CLOUD, MN 56303 320-656-3870 6:00 PM DEC 3, 2013	\$2,981.05	\$2,922.94
City or Township - PAYNESVILLE CITY PAYNESVILLE CITY 221 WASHBURNE AVE PAYNESVILLE MN 56362 320-243-3714	CITY COUNCIL CHAMBERS 221 WASHBURNE AVENUE PAYNESVILLE, MN 56362 320-243-3714 6:30 PM DEC 11, 2013	\$2,148.93	\$2,244.99
School District - ISD 0741 PAYNESVILLE			
Voter Approved Levies		\$503.34	\$544.25
Other Local Levies		\$504.88	\$311.31
ISD #741 PAYNESVILLE 217 W MILL ST PAYNESVILLE MN 56362 320-243-3410	HIGH SCHOOL SEMINAR ROOM 115 795 WEST HIGHWAY 23 PAYNESVILLE, MN 56362 320-243-3410 6:30 PM DEC 3, 2013		
Special Taxing Districts			
Tax Increment Tax	NO MEETING REQUIRED	\$175.80	\$168.51
	NO MEETING REQUIRED	\$0.00	\$0.00
TOTAL excluding special assessments		\$6,314.00	\$6,192.00 -1.9%

14

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: Public Works Committee

Committee/Council Meeting Date: December 11, 2013

Agenda Section: New Business

Originating Department:

Item Number: III - C

ITEM DESCRIPTION: Water Supply Plan Approved

Prepared by: Staff

COMMENTS:

Ron Mergen will give a verbal report. Please review the Water Supply Plan and approval letter from the Minnesota Department of Natural Resources.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to accept the Water Supply Plan and recommend such to the City Council.

Minnesota Department of Natural Resources

Ecological & Water Resources
940 Industrial Drive S., Suite 103,
Sauk Rapids, MN 56379
320/223-7844



City of Paynesville
Attn: Ronald Mergen, Public Works Director
221 Washburne Avenue
Paynesville, MN 56362

October 24, 2013

RE: WATER SUPPLY PLAN APPROVAL

Dear Mr. Mergen:

The Department of Natural Resources (DNR) has reviewed the revised "Water Supply Plan for the City of Paynesville" received October 21, 2008 for compliance with Minnesota Statutes, Section 103G.291, Subd.3 and the guidelines posted on the DNR website. The Plan was reviewed and approved in June, 2009 by Dan Lais. However, a Certificate of Adoption was never received by the Department, which is required for the Plan to be considered "effective".

I recently received a request from the MN Department of Health for verification of the approved plan. I am pleased to advise you that on behalf of the Commissioner of Natural Resources I hereby approve your plan. **This approval is effective upon the Department's receipt of a completed copy of the attached "Certification of Adoption" form. Please return the form to the address listed at the bottom, c/o Tom Hovey.**

In your Plan, it is noted that the City of Paynesville does not have a conservation rate structure. We highly recommend that the City adopt a conservation rate structure for residential and commercial/industrial users. MN Statute 103G.291, Subpart 4(b) states that to encourage conservation, a public water supplier serving more than 1,000 people must implement demand reduction measures by January 1, 2015.

To further water conservation, we also recommend looking at a seasonal rate or an excess use rate for residential use. The seasonal rate could apply to all water use so the commercial segment would be in compliance as well.

Thank you for your efforts in planning the future of the City of Paynesville's water supply and for conserving the water resources of the State of Minnesota. If you have any questions regarding data reporting, please email the DNR Observation Well Program Manager at gwlevelcoor.dnr@state.mn.us. If you have any questions about this matter or need assistance regarding water appropriation issues, please contact me at the number listed above or via e-mail at Nicola.blake-bradley@state.mn.us. Thank you, in advance, for your prompt attention to the Adoption Certificate.

Sincerely,


Nicola Blake-Bradley, Area Hydrologist

ENCLOSURE: Certificate of Adoption

c: Terri Yearwood, Regional Manager
Tom Hovey, Permits Hydrologist
Dan Lais, District Manager

**CERTIFICATION OF ADOPTION
WATER SUPPLY PLAN**

City or Water System Name:

Name of Person Authorized to Sign
Certification on Behalf of the System:

Title:

Address:

Telephone:

Fax:

E-mail:

I certify that the Water Supply Plan approved by the Department of Natural Resources has been adopted by the city council or utility board that has authority over water supply services.

Signed:

Date:

**Fax (651/296-0445) or mail this certification to: DNR Waters
Water Permit Programs Supervisor
500 Lafayette Road
St. Paul, MN 55155-4032**

**DEPARTMENT OF NATURAL RESOURCES - DIVISION OF WATERS and
METROPOLITAN COUNCIL
WATER SUPPLY PLANS**

These guidelines are divided into four parts. The first three parts, Water Supply System Description and Evaluation, Emergency Response Procedures and Water Conservation Planning apply statewide. Part IV, relates to comprehensive plan requirements that apply only to communities in the Seven-County Twin Cities Metropolitan Area. If you have questions regarding water supply plans, please call (651) 259-5703 or (651) 259-5647 or e-mail your question to wateruse@dnr.state.mn.us. Metro Communities can also direct questions to the Metropolitan Council at watersupply@metc.state.mn.us or (651) 602-1066.

	79-3242
	City of Paynesville
	221 Washburne Ave Paynesville MN 56362
	Ronald K. Mergen
	Public Works Director
Phone Number	320-243-3714
E-Mail Address	ron@paynesvillemn.com

PART I. WATER SUPPLY SYSTEM DESCRIPTION AND EVALUATION

The first step in any water supply analysis is to assess the current status of demand and supplies. Information in Part I, can be used in the development of Emergency Response Procedures and Conservation Plans.

A. ANALYSIS OF WATER DEMAND.

Review Table 1 for the past 10 years water demand. If your customer categories are different than the ones listed in Table 1, please note the changes. Example:
Wholesale Deliveries category is the Hydrant Flushing and Backwash (MG)

18

TABLE 1 Historic Water Demand

Year	Residential (MGD)	Total (MGD)	Population Served	Residential (MGD)	Total (MGD)	Commercial, Industrial, Institutional (C/I/I) (MGD)	Total (MGD)	Total Water Demanded (MGD)	Unaccounted for (MGD)	Residential (MGD)	Total (MGD)	Population Served	Total (MGD)
1997	2275	2275	867	48.61	116.71	15.025	165.32	211.069	15%	.579	.985	59	199
1998	2275	2275	881	48.33	130.63	14.902	178.96	220.930	12%	.606	.884	58	215
1999	2275	2275	893	49.07	133.24	15.975	182.31	233.524	15%	.640	1.175	59	219
2000	2267	2267	905	53.59	130.67	21.640	184.26	225.435	9%	.618	1.014	65	223
2001	2267	2267	921	53.06	133.79	18.500	186.85	229.219	11%	.628	1.050	64	226
2002	2267	2267	938	49.15	129.76	17.900	178.91	214.781	8%	.589	.880	59	216
2003	2267	2267	953	54.51	109.99	21.450	164.50	219.778	15%	.603	.945	66	199
2004	2267	2267	965	48.74	125.06	23.010	173.80	218.337	10%	.599	.902	59	210
2005	2267	2267	985	53.50	124.19	21.170	177.69	213.615	7%	.586	.893	65	215
2006	2267	2267	1006	57.12	110.50	18.740	167.62	202.116	8%	.554	.963	69	203

MG – Million Gallons MGD – Million Gallons per Day C/I/I- Commercial, Industrial, Institutional

Residential. Water used for normal household purposes, such as drinking, food preparation, bathing, washing clothes and dishes, flushing toilets, and watering lawns and gardens.

Institutional. Hospitals, nursing homes, day care centers, and other facilities that use water for essential domestic requirements. This includes public facilities and public metered uses. You may want to maintain separate institutional water use records for emergency planning and allocation purposes.

Commercial. Water used by motels, hotels, restaurants, office buildings, commercial facilities, both civilian and military.

Industrial. Water used for thermoelectric power (electric utility generation) and other industrial uses such as steel, chemical and allied products, food processing, paper and allied products, mining, and petroleum refining.

Wholesale Deliveries. Bulk water sales to other public water suppliers.

Unaccounted. Unaccounted for water is the volume of water withdrawn from all sources minus the volume sold.

Residential Gallons per Capita per Day = total residential sales in gallons/population served/365 days **Total Gallons per Capita per Day** = total water withdrawals/population served/365 days

NOTE: Non-essential water uses defined by Minnesota Statutes 103G.291, include lawn sprinkling, vehicle washing, golf course and park irrigation and other non-essential uses. Some of the above categories also include non-essential uses of water.

Residential:

Residential usage trends can be very easily and directly associated with the weather. As noted in 2004 a wet summer and 2006 a dry summer consumption was up by 9 MG in 2006 in comparison to 2004. This is primarily due to increased usage on lawns, gardens, landscaping etc.

Commercial:

Commercial usage has remained consistent with a slight decrease in recent years due to their conservation efforts.

Industrial:

Industrial usage is where we have seen extremely stable usage. In 1997 we were at 81.56MG or 50% of the total demand to 2006 where we are at 80.66 MG or nearly 48% of the total demand. Since this is our largest category and only a few users this is where we will concentrate our efforts in emergency planning and also water conservation.

Tax Exempt:

Tax Exempt has also been very consistent and seeing a decrease from 13.32 MG in 1997 to 12.08 MG in 2006. This can be credited to their conservation efforts since the number of accounts has remained the same.

TABLE 2 Large Volume Users - List the top 10 largest users.

Customer	Gallons per year	% of total annual use
AMPI	71.060	42.3%
Mastermark Products	9.597	5.7%
Paynesville Area Health Care	2.750	1.6%
Trailer Court	2.596	1.5%
Paynesville High School	1.770	1.0%
Ridgeview Court Townhomes	1.676	1.0%
Lakedale Telephone	1.505	<1.0%
Congregate Housing	1.145	<1.0%
The Wash House	.833	<1.0%
Stang Precision	.805	<1.0%

B. TREATMENT AND STORAGE CAPACITY.

TABLE 3(A) Water Treatment

	1.400	Gallons per day
--	-------	-----------------

Treatment

The iron and manganese removal plant, design capacity is 1,000 g.p.m. or 1.4 MGD. All of our water is treated. We do not blend with raw water, however, in case a large fire flow would be needed a by pass has been designed in. The treatment plant is operated automatically from the elevation of the water tower. At present the water treatment plant does not have any standby power, however we do have standby power for one well which can supply 200 g.p.m. of untreated water into the system.

Treatment Plant

A number of problems have been identified

- A. Color break through
- B. Pressure drop during backwash and normal operating
- C. Backwash Water

A Pilot Plant Study was conducted in 1996 (their recommendations are attached (Attachment 1) with this section). Several items have already been implemented.

A variable frequency drive has been installed on the booster pump. This has helped reduce the pressure fluctuation during normal operation.

TABLE 3(B) Storage Capacity - List all storage structures and capacities.

Total Storage Capacity		Average Day Demand (average of last 5 years)	
.500	Gallons	.586	Gallons per day
Type of Structure	Number of Structures	Gallons	
Elevated Storage			
Ground Storage	1	500,000	
Other			

C. WATER SOURCES. List all groundwater, surface water and interconnections that supply water to the system. Add or delete lines to the tables as needed.

TABLE 4(A) Total Water Source Capacity for System (excluding emergency connections)

	1,000	Gallons per minute
	500	Gallons per minute

21

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TABLE 4(B) Groundwater Sources - Copies of water well records and well maintenance information should be included with the public water supplier's copy of the plan in Attachment 2. If there are more wells than space provided or multiple well fields, please use the List of Wells template (see Resources) and include as Attachment N/A

3	198647	1979	115	12"	500	Glacial Drift	Active
4	456066	1989	110	12"	1000	Glacial Drift	MPCA Containment Well
5	537550	1993	100	12"	500	Glacial Drift	Active
6	537549	1993	105	12"	500	Glacial Drift	Active
7	646910	2000	120	12"	500	Glacial Drift	Active
8	646909	2001	154	16"	650	Glacial Drift	Active

Status: Active use, Emergency, Standby, Seasonal, Peak use, etc. GPM – Gallons per Minute
 Geologic Unit: Name of formation(s), which supplies water to the well

TABLE 4(C) Surface Water Sources

Intake ID	Resource name	Capacity (GPM/MGD)
N/A		

GPM – Gallons per Minute MGD – Million Gallons per Day

TABLE 4(D) Wholesale or Retail Interconnections - List interconnections with neighboring suppliers that are used to supply water on a **regular basis** either wholesale or retail.

Water Supply System	Capacity (GPM/MGD)	Wholesale or retail
N/A		

GPM – Gallons per Minute MGD – Million Gallons per Day

TABLE 4(E) Emergency Interconnections - List interconnections with neighboring suppliers or private sources that can be used to supply water on an emergency or occasional basis. Suppliers that serve less than 3,300 people can leave this section blank, but must provide this information in Section II C.

Water Supply System	Capacity (GPM/MGD)	Wholesale or retail
N/A		

GPM – Gallons per Minute MGD – Million Gallons per Day

22

D. DEMAND PROJECTIONS.

TABLE 5 Ten Year Demand Projections

Year	Population	Per Capita	Peak Demand	MGY
2007	2267	.565	.982	206.23
2008	2267	.576	1.002	210.24
2009	2267	.588	1.022	214.62
2010	2267	.600	1.042	219.00
2011	2267	.612	1.063	223.38
2012	2267	.624	1.084	227.76
2013	2267	.636	1.106	232.14
2014	2267	.649	1.128	236.89
2015	2267	.662	1.151	241.63
2016	2267	.675	1.174	246.38

MGD – Million Gallons per Day MGY – Million Gallons per Year

Using a 2% growth factor in ten years our peak demand will be 1.174 MGD which is 83% of our total capacity of 1.400 MGD. Our current peak demand is .963 MGD or 68% of our total capacity. In summarizing based on flow demand we will not need any capacity upgrades in the next ten years.

D.E. RESOURCE SUSTAINABILITY

Sustainable water use: use of water to provide for the needs of society, now and in the future, without unacceptable social, economic, or environmental consequences.

Monitoring. Records of water levels should be maintained for all production wells and source water reservoirs/basins. Water level readings should be taken monthly for a production well or observation well that is representative of the wells completed in each water source formation. **If water levels are not currently measured each year, a monitoring plan that includes a schedule for water level readings must be submitted as Attachment**

TABLE 6 Monitoring Wells - List all wells being measured.

Monitoring Well	Location	Depth	Monitoring Frequency
N/A			

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23

See Attachment 2

Attachment N/A: Provide monitoring data (graph or table) for as many years as possible.

Ground Water Level Monitoring – DNR Waters in conjunction with federal and local units of government maintain and measure approximately 750 observation wells around the state. Ground water level data are available online www.dnr.state.mn.us/waters. Information is also available by contacting the Ground Water Level Monitoring Manager, DNR Waters, 500 Lafayette Road, St. Paul, MN 55155-4032 or call (651) 259-5700.

North Fork of the Crow River-No study completed

Sustainability. Evaluate the adequacy of the resource to sustain current and projected demands. Describe any modeling conducted to determine impacts of projected demands on the resource.

The City of Paynesville currently utilizes groundwater from a glacial drift aquifer approximately 100 to 120 feet below the surface. Although the high capacity municipal wells tend to influence the direction of groundwater flow, no long term change in static water level indicates a sufficient supply in the future. Contamination issues have forced abandonment of City Wells, however, the City and the MPCA continue to monitor the contamination and have taken steps to protect the future water supply. The overall wate quality appears to be adequate to meet local demands.

In process

In process

In Process Completed Not Applicable

F. CAPITAL IMPROVEMENT PLAN (CIP)

N/A

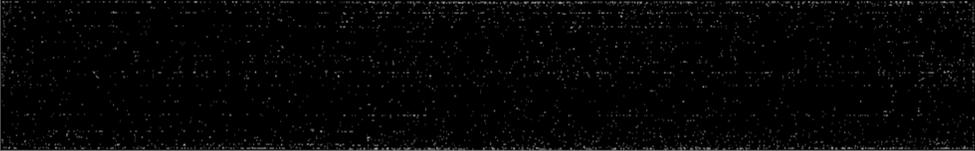
Proposed Water Sources: Does your current CIP include the addition of new wells or tanks?
 Yes No If yes, list the number of new installations and projected demand demands from each for the next ten years. Plans for new production wells must include the geologic source formation, well location, and proposed pumping capacity.

N/A

Proposed Water Source Alternatives: How water sources are being produced, describe alternative sources that were considered and any possible operational issues with neighboring communities for delivery of water.

N/A

25



The City of Paynesville has had an on going water / sewer rehabilitation program since 1991. When we started we identified all the aged cast iron lines, lead lines and under sized lines, they have been replaced as each project is completed. In our current program we have projects scheduled out until 2014, which we will have replace 90% of our water mains and service line that are 40 years old and older. However due to some political pressure and budget constraints in several early projects their was several blocks of 1920's vintage water main left in service. For that we do have repair supplies on hand.

PART II. EMERGENCY RESPONSE PROCEDURES

Water emergencies can occur as a result of vandalism, sabotage, accidental contamination, mechanical problems, power failures, drought, flooding, and other natural disasters. The purpose of emergency planning is to develop emergency response procedures and to identify actions needed to improve emergency preparedness. In the case of a municipality, these procedures should be in support of, and part of, an all-hazard emergency operations plan. If your community already has written procedures dealing with water emergencies we recommend that you use these guidelines to review and update existing procedures and water supply protection measures.

Federal Emergency Response Plan

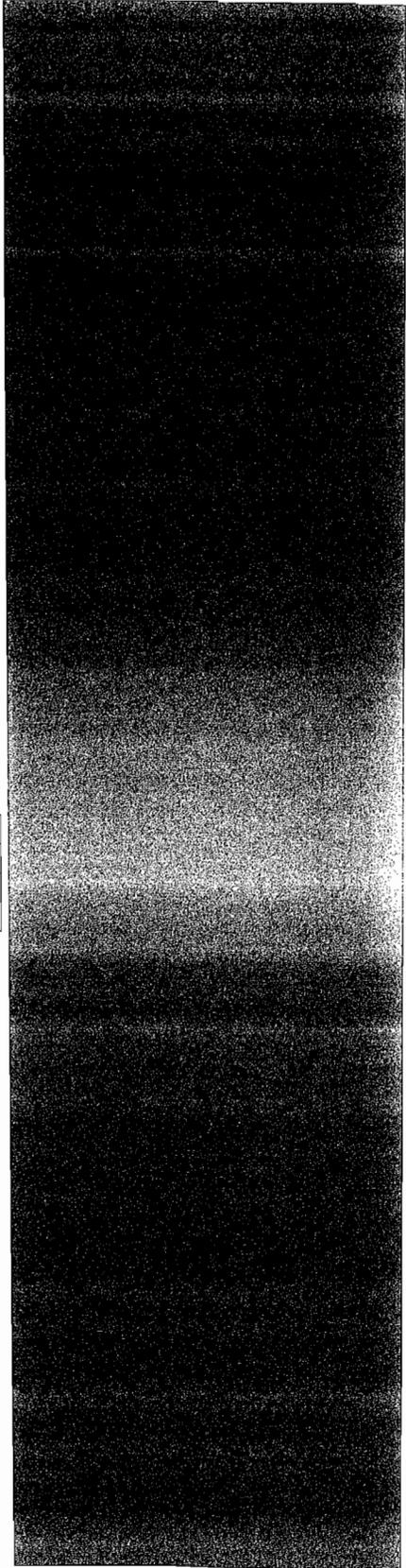
Section 1433(b) of the Safe Drinking Water Act as amended by the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (Public Law 107-188, Title IV – Drinking Water Security and Safety) requires community water suppliers serving over 3,300 people to prepare an Emergency Response Plan. **Community water suppliers that have completed the Federal Emergency Response Plan and submitted the required certification to the U.S. Environmental Protection Agency have satisfied Part II, Sections A, B, and C of these guidelines and need only provide the information below regarding the emergency response plan and source water protection plan and complete Sections D (Allocation and Demand Reduction Procedures), and E (Enforcement).**

Provide the following information regarding your completed Federal Emergency Response Plan:

Emergency Response Plan	Contact Person	Contact Number
Emergency Response Lead		
Alternate Emergency Response Lead		
Emergency Response Plan Certification Date		

Operational Contingency Plan. An operational contingency plan that describes measures to be taken for water supply mainline breaks and other common system failures as well as routine maintenance is recommended for all utilities. Check here if the utility has an operational contingency plan. At a minimum a contact list for contractors and supplies should be included in a water emergency telephone list.

Communities that have completed Federal Emergency Response Plans should skip to Section D.



27

EMERGENCY RESPONSE PROCEDURES

A. Emergency Telephone List. A telephone list of emergency contacts must be included as Attachment 3 (also included is the Emergency Planning Document) to the plan (complete template or use your own list). The list should include key utility and community personnel, contacts in adjacent communities, and appropriate local, state and federal emergency contacts. Please be sure to verify and update the contacts on the emergency telephone list on a regular basis (once each year recommended). In the case of a municipality, this information should be contained in a notification and warning standard operating procedure maintained by the warning point for that community. Responsibilities and services for each contact should be defined.

B. Current Water Sources and Service Area. Quick access to concise and detailed information on water sources, water treatment, and the distribution system may be needed in an emergency. System operation, water well and maintenance records should be maintained in a central secured location so that the records are accessible for emergency purposes and preventative maintenance. A detailed map of the system showing the treatment plants, water sources, storage facilities, supply lines, interconnections, and other information that would be useful in an emergency should also be readily available. Check here if these records and maps exist and staff can access the documents in the event of an emergency.

C. Procedure for Augmenting Water Supplies. List all available sources of water that can be used to augment or replace existing sources in an emergency. In the case of a municipality, this information should be contained in a notification and warning standard operating procedure maintained by the warning point for that community. Copies of cooperative agreements should be maintained with your copy of the plan and include in Attachment 4. Be sure to include information on any physical or chemical problems that may limit interconnections to other sources of water. Approvals from the MN Department of Health are required for interconnections and reuse of water.

TABLE 7 (A) Public Water Supply Systems – List interconnections with other public water supply systems that can supply water in an emergency.

Water Supply System	Capacity (GPM/MGD)	Note any limitations on use
N/A		

GPM – Gallons per Minute MGD – Million Gallons per Day

TABLE 7 (B) - Private Water Sources – List other sources of water available in an emergency.

Water Supply System	Capacity (GPM/MGD)	Note any limitations on use
N/A		

GPM – Gallons per Minute MGD – Million Gallons per Day

28

D. Allocation and Demand Reduction Procedures. The plan must include procedures to address gradual decreases in water supply as well as emergencies and the sudden loss of water due to line breaks, power failures, sabotage, etc. During periods of limited water supplies public water suppliers are required to allocate water based on the priorities established in Minnesota Statutes 103G.261.

Water Use Priorities (Minnesota Statutes 103G.261)

First Priority. Domestic water supply, excluding industrial and commercial uses of municipal water supply, and use for power production that meets contingency requirements.

NOTE: Domestic use is defined (MN Rules 6115.0630, Subp. 9), as use for general household purposes for human needs such as cooking, cleaning, drinking, washing, and waste disposal, and uses for on-farm livestock watering excluding commercial livestock operations which use more than 10,000 gallons per day or one million gallons per year.

Second Priority. Water uses involving consumption of less than 10,000 gallons per day.

Third Priority. Agricultural irrigation and processing of agricultural products.

Fourth Priority. Power production in excess of the use provided for in the contingency plan under first priority.

Fifth Priority. Uses, other than agricultural irrigation, processing of agricultural products, and power production.

Sixth Priority. Non-essential uses. These uses are defined by Minnesota Statutes 103G.291 as lawn sprinkling, vehicle washing, golf course and park irrigation, and other non-essential uses.

List the statutory water use priorities along with any local priorities (hospitals, nursing homes, etc.) in Table 8. Water used for human needs at hospitals, nursing homes and similar types of facilities should be designated as a high priority to be maintained in an emergency. Local allocation priorities will need to address water used for human needs at other types of facilities such as hotels, office buildings, and manufacturing plants. The volume of water and other types of water uses at these facilities must be carefully considered. After reviewing the data, common sense should dictate local allocation priorities to protect domestic requirements over certain types of economic needs. In Table 8, list the priority ranking, average day demand and demand reduction potential for each customer category (modify customer categories if necessary).

Table 8 — Water Use Priorities

Customer Category	Assignment Priority	Average Day Demand (GPD)	Demand Reduction Potential (GPD)
Residential	1	.156	0
	1	.033	.003
	2	.046	.008
	3	.220	.044
	5	None in City	
	6	.051	.051
	6	Metered w/residential	.015
		.506	.121

GPD – Gallons per Day

62

Demand Reduction Potential. The demand reduction potential for residential use will typically be the base demand during the winter months when water use for non-essential uses such as lawn watering do not occur. The difference between summer and winter demands typically defines the demand reduction that can be achieved by eliminating non-essential uses. In extreme emergency situations lower priority water uses must be restricted or eliminated to protect first priority domestic water requirements. Short-term demand reduction potential should be based on average day demands for customer categories within each priority class.

Triggers for Allocation and Demand Reduction Actions. Triggering levels must be defined for implementing emergency responses, including supply augmentation, demand reduction, and water allocation. Examples of triggers include: water demand >100% of storage, water level in well(s) below a certain elevation, treatment capacity reduced 10% etc. Each trigger should have a quantifiable indicator and actions can have multiple stages such as mild, moderate and severe responses. Check each trigger below that is used for implementing emergency responses and for each trigger indicate the actions to be taken at various levels or stages of severity in Table 9.

- | | |
|--|--|
| <input checked="" type="checkbox"/> Water Demand | <input type="checkbox"/> Water Main Break |
| <input type="checkbox"/> Treatment Capacity | <input checked="" type="checkbox"/> Loss of Production |
| <input type="checkbox"/> Storage Capacity | <input type="checkbox"/> Security Breach |
| <input checked="" type="checkbox"/> Groundwater Levels | <input checked="" type="checkbox"/> Contamination |
| <input type="checkbox"/> Surface Water Flows or Levels | <input type="checkbox"/> Other (list in Table 9) |
| <input checked="" type="checkbox"/> Pump, Booster Station or Well Out of Service | |
| <input checked="" type="checkbox"/> Governor's Executive Order – Critical Water Deficiency (required by statute) | |

Table 9 — Demand Reduction Procedures

Condition	Trigger(s)	Actions
Stage I (Mild)	1. Producing 85% of design capacity for 3 consecutive days (This will normally occur during periods of low rail fall or drought conditions or if two of our wells would be out of service due to mechanical failure or well contamination)	1. Restricted hours for lawn & garden sprinkling and tree watering from 10:00 a.m. to 8:00 p.m. The City will utilize newspaper & radio to convey the emergency and ask users to voluntarily conserve water. 2. Odd-Even watering restrictions. 3. All classes of consumers would be notified to reduce consumption. 4. Goals to maintain storage levels at 100% of normal operation. 5. Educate the public on the importance of water conservation and the consequences if we do not conserve.
Stage II (Moderate)	1. Producing 90% of our design capacity for 3 consecutive days 2. A natural disaster that	1. All nonessential uses will be prohibited ie; lawn sprinkling, park irrigation, hydrant flushing and Fire Department training with water. 2. Goals to maintain service to all customers and also adequate supplies for fire protection

	would threaten our water supply 3. Pumping levels have decreased to 20% of well depth remaining(This may occur during a drought condition of two or three wells out of service due to mechanical failure or well contamination	
SEVERE	When we cannot maintain 50% of normal storage supply or a natural disaster threatening our water supply	<ol style="list-style-type: none"> 1. Large users and nonessential business may be asked to discontinue usage until emergency downgraded or cancelled. 2. Goal to maintain a domestic service and also adequate storage for fire protection.
Critical Water Deficiency	Executive Order by Governor & as provided in above triggers	<p>Stage 1: Restrict lawn watering, vehicle washing, golf course and park irrigation and other nonessential uses</p> <p>Stage 2: Suspend lawn watering, vehicle washing, golf course and park irrigation and other nonessential uses</p>

Note: The potential for water availability problems during the onset of a drought are almost impossible to predict. Significant increases in demand should be balanced with preventative measures to conserve supplies in the event of prolonged drought conditions.

Any watering restriction or ban would be authorized by the City Council. Notification will then be in the form of a letter detailing the state of emergency. The city will utilize the radio, newspaper, TV, and the Local Channel 8 as well to inform our customers.



31

E. Enforcement. Minnesota Statutes require public water supply authorities to adopt and enforce water conservation restrictions during periods of critical water shortages.

Public Water Supply Appropriation During Deficiency.
Minnesota Statutes 103G.291, Subdivision 1.

Declaration and conservation.
(a) If the governor determines and declares by executive order that there is a critical water deficiency, public water supply authorities appropriating water must adopt and enforce water conservation restrictions within their jurisdiction that are consistent with rules adopted by the commissioner.
(b) The restrictions must limit lawn sprinkling, vehicle washing, golf course and park irrigation, and other nonessential uses, and have appropriate penalties for failure to comply with the restrictions.

An ordinance that has been adopted or a draft ordinance that can be quickly adopted to comply with the critical water deficiency declaration must be included in the plan (include with other ordinances in Attachment 7 for Part III, Item 4). Enforcement responsibilities and penalties for non-compliance should be addressed in the critical water deficiency ordinance. Sample regulations are available at www.dnr.state.mn.us/waters

Authority to Implement Water Emergency Responses. Emergency responses could be delayed if city council or utility board actions are required. Standing authority for utility or city managers to implement water restrictions can improve response times for dealing with emergencies. Who has authority to implement water use restrictions in an emergency?

- Utility Manager City Manager City Council or Utility Board
 Other (describe):

Emergency Preparedness. If city or utility managers do not have standing authority to implement water emergency responses, please indicate any intentions to delegate that authority. Also indicate any other measures that are being considered to reduce delays in implementing emergency responses.

N/A

PART III. WATER CONSERVATION PLAN

Water conservation programs are intended to reduce demand for water, improve the efficiency in use and reduce losses and waste of water. Long-term conservation measures that improve overall water use efficiencies can help reduce the need for short-term conservation measures. Water conservation is an important part of water resource management and can also help utility managers satisfy the ever-increasing demands being placed on water resources.

Minnesota Statutes 103G.291, requires public water suppliers to implement demand reduction measures before seeking approvals to construct new wells or increases in authorized volumes of water. Minnesota Rules 6115.0770, require water users to employ the best available means and practices to promote the efficient use of water. Conservation programs can be cost effective when compared to the generally higher costs of developing new sources of supply or expanding water and/or wastewater treatment plant capacities.

A. Conservation Goals. The following section establishes goals for various measures of water demand. The programs necessary to achieve the goals will be described in the following section.

Average residential unaccounted-for water (AWU) for the last 5 years	20.77	gallons
Average percent unaccounted water for the last 5 years	9.8%	percent
AWWA recommends that unaccounted water not exceed 10%. Describe goals to reduce unaccounted water if the average of the last 5 years exceeds 10%.		
N/A		

Residential Gallons Per Capita Demand (GPCD)		
Average residential GPCD for the last 5 years (use data from Tables 43)	64	GPCD
In 2002, average residential GPCD for the last 5 years for an optimum area was 75 GPCD.		
Describe goals to reduce residential demand if the average for the last 5 years exceeds 65 GPCD.		
N/A		

<input type="checkbox"/> Per capita demand has increased over the past 10 years. Describe the goal. <input type="checkbox"/> Per capita demand has decreased over the past 10 years. Describe the goal.		
Per capita demand has fluctuated from 59 to 69 over the past 10 years due to watering lawns in the dry years.		

Average peak demand as a ratio of 2.0, describe the goals for lowering peak demands.	1.56	
N/A		

33

B. Water Conservation Programs. Describe all short-term conservation measures that are available for use in an emergency and long-term measures to improve water use efficiencies for each of the six conservation program elements listed below. Short-term demand reduction measures must be included in the emergency response procedures and must be in support of, and part of, a community all-hazard emergency operation plan.

- 1. Metering.** The American Water Works Association (AWWA) recommends that every water utility meter all water taken into its system and all water distributed from its system at its customer's point of service. An effective metering program relies upon periodic performance testing, repair, repair and maintenance of all meters. AWWA also recommends that utilities conduct regular water audits to ensure accountability. Complete Table 10 (A) regarding the number and maintenance of customer meters.

TABLE 10 (A) Customer Meters

	Number of Meters	Connections	Maintenance Frequency	Life Span (Years)
Residential	830	830	As needed	10 / 20
Industrial	26	26	As needed	10 / 20
Commercial	147	147	As needed	10 / 20
Municipal	3	3	Annually	10 / As needed
Public Facilities				/
Other				/
TOTALS	1006	1006		

Water Source Meters: Provide an estimate of the cost of installation and the projected water savings from the metering program. Also indicate any plans to install meters.

N/A Customers are 100% metered. We are in the process of changing out all residential and commercial meters and are currently 75% complete.

TABLE 10 (B) Water Source Meters

	Number of Meters	Connections	Maintenance Frequency	Life Span (Years)
	N/A			/
	1	Every 3 years	5	/ once every 10 years

2. **Unaccounted Water.** Water audits are intended to identify, quantify, and verify water and revenue losses. The volume of unaccounted-for water should be evaluated each billing cycle. The AWWA recommends a goal of ten percent or less for unaccounted-for water. Water audit procedures are available from the AWWA and MN Rural Water Association.

Frequency of water audits: each billing cycle yearly other:

Leak detection and survey: every year every years periodic as needed
Year last leak detection survey completed:

Metering. The City of Paynesville currently is metering 100% of our customers. We have implemented a program for calibrating all meters 2", 4" and 6" annually. All other meters are to be calibrated or replaced every ten years. Customers are more likely to conserve when they pay for their total usage. We have also upgraded to a touch read meter system, estimating to reclaim 3% of water loss by eliminating the generator remote reading system, however, it will take five years for us to achieve this goal. Customers with extreme changes in usage are contacted and offered assistance in locating leaks, conservation, water use history, etc.

Water Audits. Unaccounted for water is calculated on a quarterly and annual basis. We are presently running at 11% water loss which is over the 10% DNR recommends. Our goal is to be consistently under the DNR recommended 10% water loss. We will achieve this by our meter program previously discussed, a leak locating program and our capital improvement program.

Leak Location. Our leak locating has been ongoing since 1995. The program has been successful. We will continue with hiring a consultant to locate leaks due to the benefit of dollars saved when a leak is located.

Capital Improvement Plan. The City Capital Improvement Plan calls for replacement of the majority of old water mains over the next ten years. This is currently being implemented and we anticipate recovering 2% of our water loss.

3. **Conservation Water Rates.** Plans must include the current rate structure for all customers and provide information on any proposed rate changes. Discuss the basis for current price levels and rates, including cost of service data, and the impact current rates have on conservation.

35

Billing Frequency: Monthly Bimonthly Quarterly
 Other (describe):

Volume included in base rate or service charge: 2,000 gallons or cubic feet

Conservation Rate Structures

- Increasing block rate: rate per unit increases as water use increases
- Seasonal rate: higher rates in summer to reduce peak demands
- Service charge or base fee that does not include a water volume

Conservation Neutral Rate Structure

- Uniform rate: rate per unit is the same regardless of volume

Non-conserving Rate Structures

- Service charge or base fee that includes a large volume of water
- Declining block rate: rate per unit decreases as water use increases
- Flat rate: one fee regardless of how much water is used (unmetered)

Other (describe):

Water Rates Evaluated: every year every years no schedule

Date of last rate change: 1/1/2007

Declining block (the more water used, the cheaper the rate) and flat (one fee for an unlimited volume of water) rates should be phased out and replaced with conservation rates. Incorporating a seasonal rate structure and the benefits of a monthly billing cycle should also be considered along with the development of an emergency rate structure that could be quickly implemented to encourage conservation in an emergency.

General Water Rates for the City of Painesville, Ohio, in Attachment D of the
Water Rates, including base rates and volume charges, are:

Our communities per capita rate is below the nation's average and our residents are extremely conservative. Our industrial users have been conserving and are always looking for new ways to conserve. They realize the vital importance of water conservation. Our rates are reviewed and discussed annually. Our average water consumption has remained stable over the past 10 years.

4. **Regulation.** Plans should include regulations for short-term reductions in demand and long-term improvements in water efficiencies. Sample regulations are available from

lr-PAYNESVILLE.WTRPLAN.07

DNR Waters. Copies of adopted regulations or proposed restrictions should be included in Attachment 6 (Current Ordinance and Proposed Enforcement Ordinance included) of the plan. Indicate any of the items below that are required by local regulations and also indicate if the requirement is applied each year or just in emergencies.

- Time of Day: no watering between 10 am am/pm and 8pm am/pm (reduces evaporation) year around seasonal emergency only
- Odd/Even: (helps reduce peak demand) year around seasonal emergency only
- Water waste prohibited (no runoff from irrigation systems)
Describe ordinance:
- Limitations on turf areas for landscaping (reduces high water use turf areas)
Describe ordinance:
- Soil preparation (such as 4"-6" of organic soil on new turf areas with sandy soil)
Describe ordinance:
- Tree ratios (plant one tree for every square feet to reduce turf evapotranspiration)
Describe ordinance:
- Prohibit irrigation of medians or areas less than 8 feet wide
Describe ordinance:
- Permit required to fill swimming pool every year emergency only
- Other (describe):

State and Federal Regulations (mandated)

- Rainfall sensors on landscape irrigation systems. Minnesota Statute 103G.298 requires "All automatically operated landscape irrigation systems shall have furnished and installed technology that inhibits or interrupts operation of the landscape irrigation system during periods of sufficient moisture. The technology must be adjustable either by the end user or the professional practitioner of landscape irrigation services."
- Water Efficient Plumbing Fixtures. The 1992 Federal Energy Policy Act established manufacturing standards for water efficient plumbing fixtures, including toilets, urinals, faucets, and aerators.

No current penalties. Penalties are listed in the proposed ordinance included with Attachment 6.

37

5. Education and Information Programs. Customers should be provided information on how to improve water use efficiencies a minimum of two times per year. Information should be provided at appropriate times to address peak demands. Emergency notices and educational materials on how to reduce water use should be available for quick distribution during an emergency. If any of the methods listed in the table below are used to provide water conservation tips, indicate the number of times that information is provided each year and attach a list of education efforts used for the last three years.

Billing inserts or tips printed on the actual bill	2/yr
Consumer Confidence Reports	1/yr
Local news papers	1/yr
Community news letters	4/yr
Direct mailings (water audit/retrofit kits, showerheads, brochures)	
Information at utility and public buildings	as available
Public Service Announcements	
Cable TV Programs	as needed
Demonstration projects (landscaping or plumbing)	
K-12 Education programs (Project Wet, Drinking Water Institute)	1/yr
School presentations	1/yr
Events (children's water festivals, environmental fairs)	1/yr
Community education	
Water Week promotions	1/yr
Information provided to groups that tour the water treatment plant	as requested
Website (include address: www.paynesvillemn.com)	
Targeted efforts (large volume users, users with large increases)	
Notices of ordinances (include tips with notices)	
Emergency conservation notices (recommended)	
Other:	

List education efforts for the last three years in Attachment 7 of the plan. Be sure to indicate whether educational efforts are on-going and which efforts were initiated as an emergency or drought management effort.

Proposed Educational Programs (include any additional water conservation programs)
N/A

A packet of conservation tips and information can be obtained by contacting DNR Waters or the Minnesota Rural Water Association (MRWA). The American Water Works Association (AWWA) www.awwa.org or www.waterwiser.org also has excellent materials on water conservation that are available in a number of formats. You can contact the MRWA 800/367-6792, the AWWA bookstore 800/926-7337 or DNR Waters 651/259-5703 for information regarding educational materials and formats that are available.

6. **Retrofitting Programs.** Education and incentive programs aimed at replacing inefficient plumbing fixtures and appliances can help reduce per capita water use as well as energy costs. It is recommended that communities develop a long-term plan to retrofit public buildings with water efficient plumbing fixtures and that the benefits of retrofitting be included in public education programs. You may also want to contact local electric or gas suppliers to see if they are interested in developing a showerhead distribution program for customers in your service area.

A study by the AWWA Research Foundation (Residential End Uses of Water, 1999) found that the average indoor water use for a non-conserving home is 69.3 gallons per capita per day (gpcd). The average indoor water use in a conserving home is 45.2 gpcd and most of the decrease in water use is related to water efficient plumbing fixtures and appliances that can reduce water, sewer and energy costs. In Minnesota, certain electric and gas providers are required (Minnesota Statute 216B.241) to fund programs that will conserve energy resources and some utilities have distributed water efficient showerheads to customers to help reduce energy demands required to supply hot water.

The City of Paynesville through our educational programs will encourage, promote and recommend the installation of low flow water saving fixtures. All new structures and any home remodeling must meet Minnesota State Plumbing codes which require the use of low flow energy efficient water savings devices. We evaluated the feasibility of a retrofit program and found many of the homes in Paynesville already have upgraded and the city could not justify it as we need to treat residents on a fair and equal basis.

Plan Approval. Water Supply Plans must be approved by the Department of Natural Resources (DNR) every ten years. Please submit plans for approval to the following address:

DNR Waters
Water Permit Programs Supervisor
500 Lafayette Road
St. Paul, MN 55155-4032

or Submit electronically to
wateruse@dnr.state.mn.us.

Adoption of Plan. All DNR plan approvals are contingent on the formal adoption of the plan by the city council or utility board. Please submit a certificate of adoption (example available) or other action adopting the plan.

Metropolitan Area communities are also required to submit these plans to the Metropolitan Council. Please see PART IV. ITEMS FOR METROPOLITAN AREA PUBLIC SUPPLIERS.

METROPOLITAN COUNCIL

PART IV. ITEMS FOR METROPOLITAN AREA PUBLIC SUPPLIERS

Minnesota Statute 473.859 requires water supply plans to be completed for all local units of government in the seven-county Metropolitan Area as part of the local comprehensive planning process. Much of the required information is contained in Parts I-III of these guidelines. However, the following additional information is necessary to make the water supply plans consistent with the Metropolitan Land Use Planning Act upon which local comprehensive plans are based. Communities should use the information collected in the development of their plans to evaluate whether or not their water supplies are being developed consistent with the Council's Water Resources Management Policy Plan.

Impact on the Local Comprehensive Plan: Identify the impact that the adoption of this water supply plan has on the rest of the local comprehensive plan, including implications for future growth of the community, economic impact on the community and changes to the comprehensive plan that might result.

Demand Projections

Year	Total Community Population	Population Served	Average Day Demand (MGD)	Maximum Day Demand (MGD)	Projected Demand (MGD)
2010					
2020					
2030					
Ultimate					

Population projections should be consistent with those in the Metropolitan Council's 2010 Comprehensive Plan. The community should also refer to the Metropolitan Council's 2010 Comprehensive Plan for information on the Metropolitan Council's Water Resources Management Policy Plan. The community should also refer to the Metropolitan Council's 2010 Comprehensive Plan for information on the Metropolitan Council's Land Use Planning Act.

PLAN SUBMITTAL AND REVIEW OF THE PLAN

The plan will be reviewed by the Council according to the sequence outlined in Minnesota Statutes 473.175. **Prior to submittal to the Council, the plan must be submitted to adjacent governmental units for a 60-day review period.** Following submittal, the Council determines

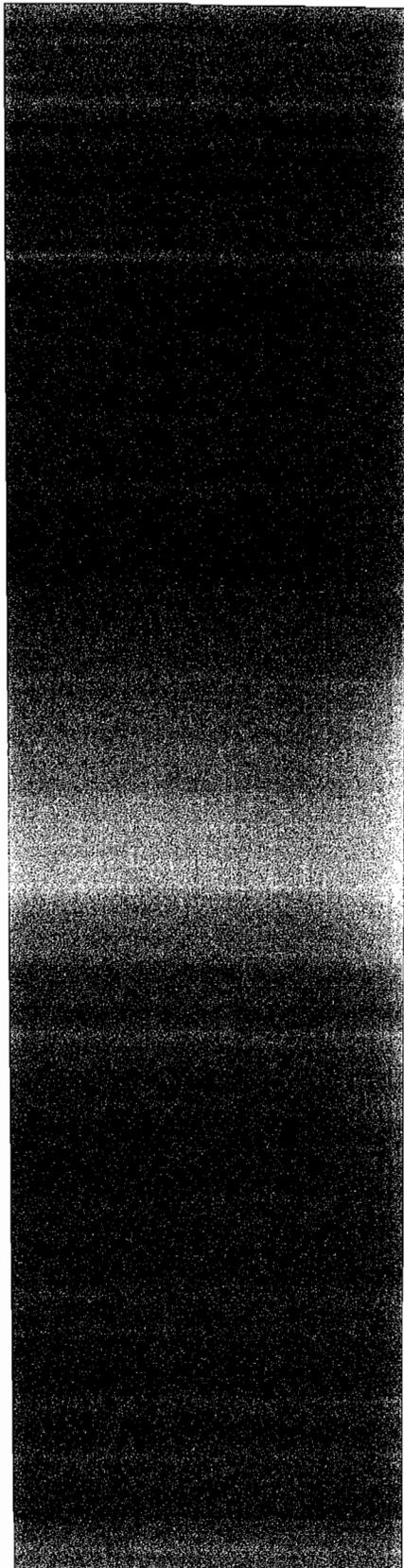
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if the plan is complete for review within 15 days. If incomplete, the Council will notify the community and request the necessary information. When complete the Council will complete its review within 60 days or a mutually agreed upon extension. The community officially adopts the plan after the Council provides its comments.

Plans can be submitted electronically to the Council; however, the review process will not begin until the Council receives a paper copy of the materials. Electronic submissions can be via a CD, 3 ½" floppy disk or to the email address below. Metropolitan communities should submit their plans to:

Reviews Coordinator
Metropolitan Council
390 Robert St,
St. Paul, MN 55101

electronically to:
watersupply@metc.state.mn.us





BOLTON & MENK, INC.[®]

Consulting Engineers & Surveyors

2040 Highway 12 East • Willmar, MN 56201-5818

Phone (320) 231-3956 • Fax (320) 231-9710

www.bolton-menk.com

December 3, 2013

Mr. Ron Mergen
Public Works Director
City of Paynesville
221 Washburne Ave
Paynesville, MN 56362

RE: 2015 Improvement Project
City of Paynesville, Minnesota

Dear Ron:

As you requested, I have prepared a budget for engineering services associated with the pre-design portion of the 2015 Improvement Project. The streets that are proposed to be included in this project are as follows:

- Lake Avenue: Realignment from the Washburne Avenue railroad crossing to the Crow River bridge
- Minnie Street: Lake Avenue to Industrial Loop West

The scope of services would include the following:

1. Conduct a field review of the streets involved in the project and take the necessary measurements to formulate a preliminary cost estimate for the project.
2. Prepare a Preliminary Engineering Report for the proposed project.
3. Prepare a Preliminary Assessment Roll for all properties included in the project.
4. Conduct an Open House meeting to present the project to property owners on a one-on-one basis.
5. Conduct the formal Improvement Hearing for the project.

The objective of the pre-design portion of the project would be to investigate the feasibility of the proposed improvements, as well as receive public input for the project. The engineering budget for completing these services is \$8,900.00. We would bill you for our services on an hourly basis so that you are only paying for time actually spent completing the project.

If you have any questions or need any other additional information, please feel free to contact me at 320-231-3956.

Sincerely,

BOLTON & MENK, INC.

Chuck DeWolf, P.E.
City Engineer

CWD/kg



BOLTON & MENK, INC.

Consulting Engineers & Surveyors

7533 Sunwood Drive NW, Suite 206 • Ramsey, MN 55303

Phone (763) 433-2851 • Fax (763) 427-0833

www.bolton-menk.com

December 4, 2013

Attn: Ron Mergen
City of Paynesville
221 Washburne Ave
Paynesville, MN 56362

RE: Lift Station SCADA
Wastewater Treatment Facility
Paynesville, Minnesota

Mr. Mergen,

The City of Paynesville has developed a backbone of a Supervisory Control and Data Acquisition (SCADA) system as part of the Wastewater Treatment Facility Improvements. As an addition to the WWTF project, City Staff is exploring expansion of the system to the other lift stations. Expansion of the system to four addition lift stations will reduce needs for operator rounds, eliminate local phone lines to each site and improve staff response time to issues.

Automatic Systems in conjunction with Killmer Electric and Magney Construction prepared a price for the following work:

- A) Maywood Lift Station SCADA System
- B) Chladek Lift Station SCADA System
- C) West End Lift Station SCADA System
- D) Wilglow Lift Station SCADA System
- E) Add Screens to the Existing System
- F) Operation and Maintenance Manuals
- G) Installation, Start-Up and Training

The installed and delivered price for the summary of work list above is \$75,050.27. This is proposed as a Change Order to the Wastewater Treatment Facility.

Regards,
BOLTON & MENK, INC.

Paul Saffert, P.E.
Project Engineer

cc: Chuck DeWolf, P.E., City Engineer

Enclosure – CO 1: SCADA Addition

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43

SECTION 00991 – CHANGE ORDER

(Instructions on reverse side)

No. 1

PROJECT: 2012 Wastewater Treatment Improvements

DATE OF ISSUANCE: 12/4/2013

EFFECTIVE DATE: 12/4/2013

OWNER: City of Paynesville

ENGINEER'S Project No.: M21.104642

CONTRACTOR: Magney Contstruction

ENGINEER: Bolton & Menk

You are directed to make the following changes in the Contract Documents.

Description:

Lift Station SCADA Additions

Reason for Change Order:

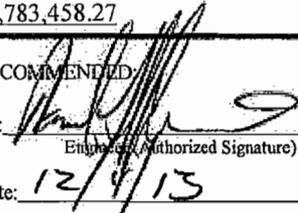
Add SCADA to Lift Stations

Attachments: (List documents supporting change)

Summary Letter

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price	Original Contract Times
\$4,708,408.00	Substantial Completion : _____ days or dates Ready for final payment : _____ days or dates
Net changes from previous Change Orders No. <u>0</u> to No. <u>1</u>	Net changes from previous Change Orders No. <u> </u> to No. <u> </u>
\$0	_____ days
Contract Price Prior to this Change Order	Contract Times prior to this Change Order
\$4,708,408.00	Substantial Completion : _____ days or dates Ready for final payment : _____ days or dates
Net (Increase) of this Change Order	Net (Increase/Decrease/No Change) of this Change Order
\$75,050.27	_____ days
Contract Price with all approved Change Orders	Contract Times with all approved Change Orders
\$4,783,458.27	Substantial Completion : _____ days or dates Ready for final payment : _____ days or dates

RECOMMENDED:

By:  _____
Engineer (Authorized Signature)

Date: 12/4/13

APPROVED:

By: _____
Owner (Authorized Signature)

Date: _____

ACCEPTED:

By: _____
Contractor (Authorized Signature)

Date: _____

EJCDC No. 1910C8-B (1990 Edition)

Prepared by the Engineers Joint Contract Documents Committee and endorsed by The Associated General Contractors of America.

44

Ron Mergen

From: William Spooner [fs-law@clearwire.net]
Sent: Monday, November 18, 2013 2:39 PM
To: Ron Mergen
Subject: Re: Drug Store/Alley Way Issue

Ron:

You asked whether we could have the approach completed and assessed back and I would refer you to my email of November 13, 2013. My suggestion is that before we specifically locate the new approach that we make an effort to negotiate with the people at the pharmacy. As I indicated, in my opinion the existence of a new public right-of-way under the terms of the agreement is an enforceable one, but the agreement does provide that the parties will attempt to negotiate the details, and I think we should make every effort to do that before we do anything else.

I don't know who is in charge or what the communication has been so far. I just know that at one point Renee told me that she had been notified that the pharmacy wanted to try to get out of the agreement.

I think we need to communicate with those people and tell them that it is our belief that the agreement is binding and we want to locate the new access to the parking lot area off of Highway 23, and to define the easement specifically.

William Spooner

On Mon, Nov 18, 2013 at 11:23 AM, Ron Mergen <Ron@paynesvillemn.com> wrote:

Bill

With the County repaving this portion of the road could we have the approach completed and accessed back, thanks
Ron

From: William Spooner [mailto:fs-law@clearwire.net]
Sent: Wednesday, November 13, 2013 1:41 PM
To: Renee Eckerly
Cc: Ron Mergen
Subject: Drug Store/Alley Way Issue

Renee:

At the November 12, 2013 special council meeting I heard a discussion regarding changing the curb cut in the area of the parking lot behind the drug store premises. This caused me to go back and look at the agreement

2 04 46 4-23-12

Document: A1367494

Certified, Filed, and/or Recorded on
April 23, 2012 3:51 PM

DIANE GRUNDHOEFER
STEARNS COUNTY RECORDER



ACCESS LICENSE AGREEMENT &
PUBLIC RIGHT-OF-WAY EASEMENT AGREEMENT

This Access License and Public Right of Way Easement Agreement (the "Agreement") is made this 11th day of April, 2012, by and between the **City of Paynesville, Minnesota**, hereinafter referred to as the Party of the First Part, a municipal corporation under the laws of the State of Minnesota, with offices at 221 Washburne Avenue, Paynesville, MN 56362, and Joel W. Burr and Delane M. Burr, husband and wife, Contract Vendors, residing at 319 Augusta Ave., Paynesville, MN 56362, and **MDAC Landholdings, LLC** d/b/a Corner Drug, Contract Vendee, a Minnesota limited liability company, and or its Assigns, (the "Pharmacy"), whose principal place of business is located at 216 Washburne Ave., Paynesville, MN 56362. The Contract Vendors and Contract Vendee are herein together referred to as the Parties of the Second Part.

WHEREAS, the Parties of the Second Part and/or their Assigns are the fee owners of all or a portion of that certain tract of land situated in the City of Paynesville, Stearns County, Minnesota which is more particularly described on **Exhibit "A"** attached hereto and made a part hereof ("Pharmacy Property"); and

WHEREAS, the Party of the First Part owns certain real property situated in Paynesville, Stearns County, Minnesota, specifically a public alley way located immediately adjacent to and north of and east of the Pharmacy Property, which is more particularly described and depicted on **Exhibit "B"** attached hereto and made a part hereof (the "Alley"); and

WHEREAS, the Party of the First Part is desirous of granting to Contract Vendee, its customers, employees, invitees, agents, contractors and assigns, a permanent, non-exclusive easement for pedestrian and vehicular ingress and egress over and across the Alley for drive through window access to Pharmacy's drug store building which is located at 216 Washburne Ave., Paynesville, MN (the "Drug Store Building") and adjacent and immediately east of the Alley also depicted on **Exhibit "B"**; and

WHEREAS, Contract Vendee plans to construct a drive through canopy on the Pharmacy's Drug Store Building at the Contract Vendee's sole cost and expense; and

WHEREAS, the Party of the First Part in the interest of downtown revitalization and support to local businesses is willing to grant to the Contract Vendee a perpetual license for the purpose aforesaid in exchange for a Public Right-of-Way Easement across the Pharmacy

property; and

WHEREAS, the Parties of the Second Part are desirous of granting to the City a non-exclusive public right-of-way easement for vehicular traffic to travel across certain portions of the Pharmacy Property so as to allow traffic to connect back and forth from the existing East/West portion of the Alley running along the North edge of the Pharmacy Property to Highway 23. Such public right of way easement shall consist of the 16 foot wide drive areas generally as depicted on Exhibit "C" attached hereto (the "Public Right of Way"). In connection with this Public Right of Way the Contract Vendee shall be responsible for the installation of a drive entrance from Highway 23 to the Public Right-of-Way also and generally depicted on Exhibit "C", and payment of costs associated therewith.

NOW, THEREFORE, and contingent upon the Contract Vendor and the Contract Vendee entering into a Contract for Deed, and in consideration of and conditioned upon the mutual covenants, promises and agreements stated herein, the parties agree as follows:

1. Access License, Variance and Maintenance. The Party of the First Part hereby grants to the Contract Vendee, its customers, employees, invitees, agents, contractors and assigns, a permanent, non-exclusive easement for pedestrian and vehicular ingress and egress over and across the Alley for drive through window access to Pharmacy's Drug Store Building ("Access License"). The Access License granted herein consists an area of real property approximately sixteen (16) feet in width as legally described and depicted on Exhibit "B" attached hereto as "Alley".

The Contract Vendee and the Party of the First Part shall prepare and maintain, in a manner consistent with prevailing professional standards and City's code, the Alley and Pharmacy Property, including the Public Right of Way Easement, generally as depicted on Exhibit "C", which is subject to a more specific agreement referenced below between the parties as follows:

- A. The Contract Vendee shall place upon the Alley and Public Right of Way on the Pharmacy Property directional arrows to define the direction of vehicular traffic upon each property.
- B. The Contract Vendee shall provide appropriate traffic signage for purposes of directing the traffic upon the Alley and Public Right of Way on the Pharmacy Property in accordance with requirements as stated by the Party of the First Part through its Public Works Director.
- C. The Party of the First Part shall maintain the asphalt, striping, directional signage, and curbing within the Alley and Contract Vendee, its heirs, successors or assigns, shall maintain the asphalt, striping, directional signage, and curbing within the property described on Exhibit "A".
- D. The Contract Vendee shall grant to the Party of the First Part a Public Right-of-Way Easement which shall be in the form of Exhibit "D" which is attached hereto. The exact location of the Public Right-of-Way shall be determined by agreement between the Party of the First Part and the Contract

Vendee, and that description will be incorporated into **Exhibit "D"** upon final agreement of the layout of the Pharmacy parking within the Pharmacy Property so as to define the lanes of travel. The Pharmacy shall also install a drive entrance connecting Highway 23 to the Public Right-of-Way Easement and the pay costs associated therewith.

2. **Indemnity.** As to work to be done or services to be performed, and the use of its customers, the Contract Vendee expressly assumes responsibility for any liability for losses, expenses, damages, demands and claims in connection with or arising out of any injury or damage to person or property sustained in connection with or to have arisen out of the actual performance of the work hereunder and or the use of the Alley. The Contract Vendee shall indemnify, defend and save harmless the Party of the First Part from and against any and all claims, demands, actions, causes of action, suits, damages, expenses (including attorneys' fees and experts' fees) directly resulting from any liability described in the preceding sentence. This indemnity does not cover any preexisting conditions on or within the Alley, except to the extent that such condition is altered through the negligent conduct or action of the Contract Vendee and/or its contractor while working on the Alley and thereby results in damage to the Alley that would not have otherwise occurred.
3. **Utilities.** The Party of the First Part shall advise the Contract Vendee of any utility lines, underground equipment or structures or other hazardous or potentially hazardous conditions of which the Party of the First Part has actual knowledge that might reasonably be expected to be damaged by the work to be performed hereunder or that might significantly interfere with the performance of the work provided herein. The Party of the First Part does hereby identify underground city storm water, underground telephone lines, and underground CenterPoint Energy gas lines and above ground electrical lines as known utilities within the Alley described and depicted on **Exhibit "B"**.
4. **Insurance.** The Contract Vendee shall maintain adequate liability insurance for activities of its customers, agents, employees, invitees, contractors and assigns to be conducted upon the Pharmacy Property pursuant to this Agreement. Copies of all certificates of liability insurance shall be provided to the Party of the First Part at least five (5) working days prior to the commencement of any construction activities and with five (5) working days prior to the redevelopment of the Alley described herein.
5. **Termination.** The terms and conditions of this Agreement as stated herein shall effective upon the full execution of this Agreement and thereafter shall continue in perpetuity until such time as all parties with an ownership interest in the property described in **Exhibit "A"**, and the Party of the First Part, or their successors and or assigns mutually agree to terminate this Agreement.

6. Default. In the event the Party of the First Part or Contract Vendee fails to perform any provision of this Agreement, which failure continues for a period of thirty (30) days after receipt of written notice specifying the particulars of such failure, such failure shall constitute a default; provided, however, that the defaulting party shall not be deemed to be in default if such failure to perform cannot be cured within said thirty (30) day period and such party commences the cure within the thirty (30) day period and thereafter diligently prosecutes the cure to completion. Any non-defaulting party shall have the right, but not the obligation, to enter a defaulting party's property and perform the maintenance required to be performed hereunder on behalf of the defaulting party. If a non-defaulting party exercises its self-help rights as set forth in this Section, then, within ten (10) days after receipt of an invoice from the non-defaulting party, the defaulting party shall reimburse the non-defaulting party all documented out-of-pocket costs reasonably incurred in curing such default. In addition to the remedies set forth in this Agreement, each non-defaulting party shall be entitled to exercise all other remedies provided at law or in equity. No remedy herein conferred upon, or reserved to any party hereof shall exclude any other remedy herein, at law or in equity, but each remedy shall be cumulative.

7. Notification. Any notification required under this agreement shall be forwarded, postage prepaid, to the following:

Party of the First Part:

City of Paynesville
Attn: City Administrator
113 Washburne Avenue
Paynesville, MN 56362

Contract Vendee:

MDAC Land Holdings, LLC, dba
Corner Drug
216 Washburne Ave.
Paynesville, MN 56362

Contract Vendors:

Joel W. Burr & Delane M. Burr
319 Augusta Avenue
Paynesville, MN 56362

8. Relationship of Parties. The parties agree that nothing in this Agreement shall create an agency relationship between or among the Party of the First Part and the Contract Vendee.

9. Modification. This Agreement shall not be modified without the express written agreement of the parties.

10. Miscellaneous. This Agreement may be filed in the real estate records of Stearns County, Minnesota,

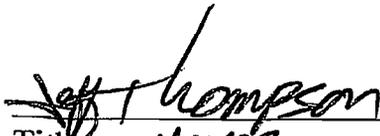
11. Choice of Law. The laws of Minnesota shall govern this agreement.

12. Perpetual Rights. The Access License hereby granted by the Party of the First

Part to the Contract Vendee is intended to be a perpetual license and to benefit the Contract Vendee, its heirs, successors and assigns. The Public Right-of-Way Easement granted to the Party of the First Part is intended to be a perpetual easement creating a benefit in favor of the Party of the First Part and a burden upon the Pharmacy Property in which the Contract Vendors and the Contract Vendee, together Parties of the Second Part, are each the owners of an interest, together with their heirs, successors and or assigns of the Pharmacy Property. The interests of any party in this Agreement may be assigned or transferred at any time upon written notice to the other parties hereto and upon agreement of the assignee to be specifically bound by the terms hereof.

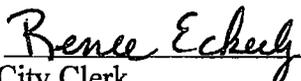
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

Party of the First Part:
City of Paynesville, MN:


Title: MAYOR

Contract Vendee:
MDAC Landholdings, LLC:


Title: Manager STEPHEN LAFRANCE, JR.

Attested By: 
City Clerk

Contract Vendors:


Joel W. Burr


Delane M. Burr

ACKNOWLEDGMENT

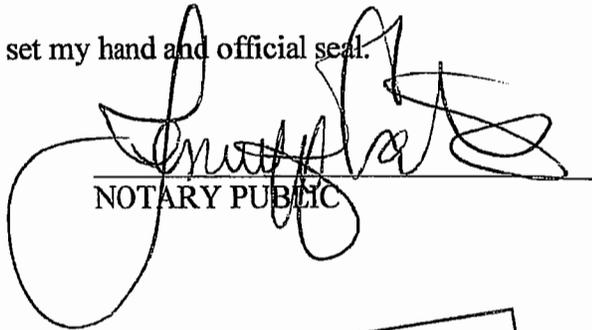
STATE OF ARKANSAS)

)ss.

COUNTY OF PULASKI)

On this the 5th day of April, 2012, before me, Jennifer Cate the undersigned officer, personally appeared Stephen LaFrance, Jr., who acknowledged himself to be the Manager of **MDAC Landholdings, LLC, Contract Vendee**, a Minnesota limited liability company, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Manager.

IN WITNESS WHEREOF I hereunto set my hand and official seal.


NOTARY PUBLIC

My Commission Expires:

4/6/2019

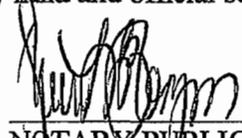
JENNIFER CATE
HOT SPRING COUNTY
NOTARY PUBLIC - ARKANSAS
My Commission Expires April 08, 2019
Commission No. 12370666

ACKNOWLEDGMENT

STATE OF MINNESOTA)
)ss.
COUNTY OF STEARNS)

On this the 9th day of April, 2012, before me, Sheri Blonigen the undersigned officer, personally appeared Joel W. Burr and Delane M. Burr, husband and wife, **Contract Vendors**, and that as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing their name.

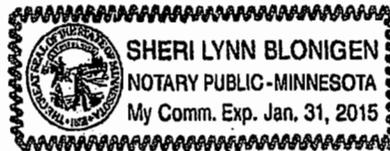
IN WITNESS WHEREOF I hereunto set my hand and official seal.



NOTARY PUBLIC

My Commission Expires:

1-31-2015



53