

**PUBLIC WORKS COMMITTEE
CITY HALL CONFERENCE ROOM
OCTOBER 12, 2015
5:00 P.M.**

AGENDA

- I. CALL TO ORDER
- II. CONSENT AGENDA
 - A. Minutes (page 1)
- III. NEW BUSINESS
 - A.
- IV. OLD BUSINESS
 - A. Regional Pond – Extension Of Purchase Option Agreement (page 4)
 - B. Proposed 2016 Water & Sewer Budgets (page 17)
 - C. 2016 Project Update
 - D. MPCA – Former Mid-Town Service Station (page 38)
- V. INFORMATIONAL

***** 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, Neil Herzberg, 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: October 12, 2015

Agenda Section: Consent

Originating Department: Public Works

Item Number: II - A

ITEM DESCRIPTION: Minutes

Prepared by: Staff

COMMENTS:

Please review the minutes from the September 14, 2015 Public Works Committee meeting.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the minutes of the September 14, 2015 Public Works Committee meeting.

**MINUTES
PUBLIC WORKS COMMITTEE**

SEPTEMBER 14, 2015

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

Motion was made by Peschong to approve the minutes from the July 13, 2015 Public Works Committee meeting. Seconded by Herzberg and unanimously carried.

SNOWPLOWING CONTRACT

The Snowplowing Contract was reviewed. The Contract is negotiated each year, not bid out and there are no other contractors in the area that are willing or capable of providing the service. It was commented that D & D provides good and timely service. The pricing was discussed that the \$120.00 rate is \$5.00 per hour higher than last year.

Motion was made by Peschong to approve the Snowplowing Contract between the City of Paynesville and D & D for the 2015-2016 snow season and recommend such to the City Council. Seconded by Herzberg and unanimously carried.

FLOODING AREA

Pictures of Railroad St., Garfield Ave., and Pomeroy Ave. were review. Members noted that this was a 5" rain event and was considered a 100 year rain event.

RIP RAP

Two quotes were reviewed for granite rip rap. The low bid was from Voss at \$48.00 per ton delivered and placed for 1,500 ton for a total cost of \$72,000.00. The funds are to come from the Sewer CIP. This is the last section of the ponds to be completed. After a short discussion,

Motion was made by Herzberg to approve the quote from Voss in the amount of \$48.00 per ton for granite rip rap and recommend such to the City Council. Seconded by Peschong and unanimously carried.

GPS PATHFINDER

Mergen reported that several years back the City approved Bolton & Menk, Inc. to GPS all the City water & sewer lines which has been completed. At that time the City held off on the proposed unit in hopes the price would decrease; however, it has not. The proposed unit will be utilized on a daily basis for locating, sign inventory, sprinkler systems in the parks, etc. After a short discussion,

Motion was made by Herzberg to approve the quote from Frontier Precision in the amount of \$10,971.00 for the Trimble Geo 7x Pathfinder and recommend such to the City Council. Seconded by Peschong and unanimously carried.

PROPOSED WATER & SEWER BUDGETS

The budget line items were reviewed along with the proposed rate increases, rate comparisons, WAC & SAC charges, trunk charges, water & sewer loss reports, projected revenues, cash balances, and irrigation details. The proposed rate increases are as follows:

Water	base charge \$1.00 increase	bulk rate \$.10
Sewer	base charge, no increase	bulk rate \$.51
WAC & SAC	no increase	
Trunk Charge	no increase	

Members questioned the interest income and sewer receipts, the budgets will be brought back to the October meeting for clarification.

REGIONAL POND OPTION TO PURCHASE

Members reviewed options and the reasons for the increase. It was questioned where the 2 acre lot is that is being referred to and does the City have some other comparable land sales. Members suggested the City find this information and do some negotiating before a recommendation is made.

There being no further business, the meeting was adjourned at 5:50 p.m.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: Public Works Committee

Committee/Council Meeting Date: October 12, 2015

Agenda Section: Old Business

Originating Department: Public Works

Item Number: IV - A

ITEM DESCRIPTION: Regional Pond – Extension Of Purchase Option Agreement

Prepared by: Staff

COMMENTS:

Ron Mergen will give a verbal report. Please review the attached email and Extension of Purchase Agreement between the City of Paynesville and Savage Land Partnership, LLC for the purchase of 1.5 acres for a regional pond in the amount of \$33,750.00.

Ron Mergen, Renee Eckerly, City Administrator and Neil Herzberg, Council member meet with Savage Land Partnership on October 7, 2015 and discussed the purchase price increase.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the Extension of Purchase Agreement between the City of Paynesville and Savage Land Partnership, LLC and recommend such to the City Council.

Ron Mergen

From: Brian Savage <bsavage@valleyind.com>
Sent: Friday, August 28, 2015 3:05 PM
To: Ron Mergen
Subject: RE:
Attachments: [Untitled].pdf

Ron,

Jeff and I are ok with the purchase agreement but we want to change the purchase price to \$33,750.

I would like to explain the reason for the price increase. Our intention was to use the proceeds of this sale to help purchase the 2 acre lot next to us. In researching the asking price of the 2 acre lot and the market value of the lot (Stearns county website), we've come to the conclusion \$20k for the 1.5 acres would be a very good deal for the city. If you also take into consideration the thousands of dollars we have into the excavation, and other structures in the pond, the deal gets even better.

Long story short, I took the market value of the 2 acres next to us, multiplied it by .75 (amount for 1.5 acres) to come up with the \$33,750. I know the purchase agreement specifies the city will cover all the closing cost, etc., but I figure the excavation and other improvements we've already done to the lot will exceed in value any closing costs.

If you have any concerns about the price I am willing to discuss further, but I do consider this to be very fair.

I've attached a signed purchase agreement with the updated price.

Let me know if you have any questions.

Thanks,

Brian Savage
Operations Manager

Mail: bsavage@valleyind.com

Phone: 320-243-8500 ext. 202

Toll Free: 800-864-1649

Fax: 320-243-8030

Web: www.valleyind.com www.cometpump.com



180 Lake Ave North Paynesville

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

Sent: Wednesday, August 26, 2015 10:02 AM

To: Brian Savage

Subject:

Brian

I need to follow up on the option to purchase agreement if you had a chance to review it want any changes. Obviously with the project moving forward the city will need to purchase your property even if we don't receive the grant. If it meets your approval I will bring it to the Council for their approval also.

Thanks Ron

Ron Mergen

From: Lahr, Randy <RANDY.LAHR@co.stearns.mn.us>
Sent: Tuesday, September 22, 2015 9:08 AM
To: Renee Eckerly; Korte, Kathryn
Cc: Ron Mergen
Subject: RE: Land Sales-Paynesville

Not a lot of land sales, I'll list them below. We've had a few improved property sales in that area some around the 1.5 acre size. Our values were pretty close on those sale. For example, 70.39242.0035 sold for \$100,000 on 10-10-14, we had \$95,000 on it and had \$31,000 on the land value for 1.25 acre or \$.57/sf. Pay Del Co is valued at \$.50/sf for over 2 acre parcel. As you can see below the economies of size is a large factor with commercial/industrial values.

Land sales

70.39367.0000 sold 6-7-13 for \$169,750 for 422,532 sf or \$.40/sf - Savage Land sale \$ 17,424.-
26.15482.0000 sold 6-23-11 for \$210,000 for 479,160 sf or \$.44/sf - (old parcel number and annexed) east of subject, \$ 19,126.-
70.38753.0000 sold 12-17-13 for \$13,500 for 15,000 sf or \$.90/sf - Credit Union lot purchased by City - \$ 39,204.-
70.39244.0016 sold 10-23-14 for \$28,000 for 19,993 sf or \$1.4/sf - on Hwy 55 next to former gas station - \$ 20,984.-
70.39210.0102 sold 1-9-13 for \$317,200 for 52,140 sf or \$6.08/sf - McDonalds land sale - \$ 264,844.00

Hope this helps, have a great day!

Randy Lahr, SAMA
Senior Appraiser - Stearns County Assessor's Office
Randy.lahr@co.stearns.mn.us
Phone - 320-656-6559

From: Renee Eckerly [<mailto:Renee@paynesvillemn.com>]
Sent: Monday, September 21, 2015 12:38 PM
To: Lahr, Randy; Korte, Kathryn
Cc: Ron Mergen
Subject: RE: Land Sales-Paynesville

Randy and Kathy,
I was wondering if you any more current comparables for vacant land sales. The City has been working with Savage Land Partnership (70.39367.0000) regarding purchasing 1.5 acres to create a storm water pond. The price was originally \$20,000 and is now \$32,000. Because the land south (70.39367.0002) of Savage Land Partnership has went up. What I see was the difference is that the land went from homestead to commercial. I looked in the packet from the last Board of Appeals meeting but didn't see any vacant land. Thank you for any information you can share with me.

Renee Eckerly
City Administrator - Economic Development Director
221 Washburne Avenue
Paynesville MN 56362
(320) 243-3714 ext. 227

From: Lahr, Randy [<mailto:RANDY.LAHR@co.stearns.mn.us>]
Sent: Thursday, June 28, 2012 3:00 PM
To: Renee Eckerly
Subject: FW: Land Sales-Paynesville

Hi Renee, I was out yesterday but attached is a couple more sales that I've received recently. Kathy already forwarded the other previous sales, hopefully they're helpful.

Randy Lahr, SAMA
Stearns County Assessor's Office
Randy.Lahr@co.stearns.mn.us
Phone - 320-656-6559

From: Korte, Kathryn
Sent: Thursday, June 28, 2012 2:48 PM
To: Lahr, Randy
Subject: FW: Land Sales-Paynesville

From: Korte, Kathryn
Sent: Wednesday, June 27, 2012 11:37 AM
To: 'Renee Eckerly'
Subject: Land Sales-Paynesville

Hi Renee,
I received an email that you were requesting some information on land sales around Paynesville City. I have found a few that might be of some help. I am including properties that have sold for Commercial/Industrial use and Residential lots.

Commercial/industrial Sales-Paynesville Twp sales border the City of Paynesville

11 Acres \$210,000- seller Bruce Stang sale Aug 2011-Paynesville Twp
11.75 Acres \$185,000-seller Ferche Family sale Sept 2010-Paynesville City
.98 Acre \$40,000 seller Hawksworth sale 2010-Paynesville City
11 acres \$144,000 seller Ampe sale Sept 2009-Paynesville Twp

Residential lot sales Paynesville Township

3.45 Acres \$64,000-sale 6/11
1.44 Acres \$50,000-sale 9/11
4 Acres \$45,000-sale 11/11
1.44 Acres \$50,000-sale 9/11

I hope this helps with what you are looking for. If you have a certain sale you are thinking of that I do not have on this list, let me know I will try to find it.
Let me know if you have any other questions or concerns.

Thanks
Kathy Korte
Stearns County Assessor's Office
320-656-3688



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

Pin Number: 70.39367.0002
Owner Names: PAY DEL CO INC

PAY DEL CO INC
222 INDUSTRIAL LOOP W
PAYNESVILLE MN 56362

Property Tax Statement		2015	
VALUES AND CLASSIFICATION Sent in March 2014			
Step	Taxes Payable Year	2014	2015
1	Estimated Market Value:	\$31,300.00	\$45,000.00
	Improvements Excluded:		\$0.00
	Homestead Exclusion:	\$0.00	\$35,100.00
	Taxable Market Value:	\$18,100.00	
	New Improvements/ Expired Exclusions:		
Property Classification:		Res Non-Hstd	Comm/Ind
PROPOSED TAX Sent in November 2014			
Step	Proposed Tax:		\$924.00
PROPERTY TAX STATEMENT			
Step	First-half Taxes due 5/15/2015		\$467.00
3	Second-half Taxes due 10/15/2015		\$467.00
	Total Taxes Due in 2015		\$934.00

REFUNDS? \$\$\$

You may be eligible for one or even two refunds to reduce your property tax.

2015 PROPERTY TAX STATEMENT

Pin Number: 70.39367.0002

Property Address: LAKE AVE N
PAYNESVILLE MN 56362

Property Description:
P/O LOT 1 BLK 1 BEG SE COR LOT 1-S89D W ALG S LN 314-SE ALG S LN 8-S89D W ALG S LN 175-NW ALG WLY LN 188-N89D E 489' TO E LN LOT 1-SE ALG E LN 180' TO POB Block 001 Lot 001 Subdivision C4 70051 Subdivision Name RIVER PARK ESTATES Section 09 Township 122-Range 032.

Special Assessment Breakdown

Special Assessment Total \$0.00

Taxes Payable Year	2014	2015
1 Use this amount on Form M1PR to see if you are eligible for a property tax refund. File by August 15. If this box is checked, you owe delinquent taxes and are not eligible.	\$0.00	\$0.00
2 Use these amounts on Form M1PR to see if you are eligible for a special refund		
3 Your Property taxes before credits	\$284.00	\$934.00
4 Credits that reduce your property taxes		
A. Agricultural market value credits	\$0.00	\$0.00
B. Other credits	\$0.00	\$0.00
5 Property taxes after credits	\$284.00	\$934.00
6 County STEARNS COUNTY	\$123.03	\$280.36
7 City or Town PAYNESVILLE CITY	\$92.15	\$220.01
8 State General Tax	\$0.00	\$267.93
9 School District ISD 0741 PAYNESVILLE		
A. Voter Approved Levies	\$44.40	\$81.39
B. Other Local Levies	\$17.27	\$68.91
10 Special Taxing Districts		
A. HRA	\$1.02	\$2.25
B. Watershed	\$5.71	\$12.22
C. Regional Rail Authority	\$0.42	\$0.93
11 Non-school voter approved referenda levies	\$0.00	\$0.00
12 Total property tax before special assessments	\$284.00	\$934.00
13 Special Assessments on Your Property		
See Left for Breakdown of Special Assessments		
Special Assessment Totals	\$0.00	\$0.00
14 YOUR TOTAL PROPERTY TAX AND SPECIAL ASSESSMENTS	\$284.00	\$934.00

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Detach this stub and return with your second half payment
2nd Half Payment Stub - Payable 2015
To avoid penalty, pay on or before October 15, 2015

Total Property Tax for 2015	\$934.00
2nd Half Tax Amount	\$467.00
Penalty	_____
2nd Half Total Amount Due	_____

PIN: 70.39367.0002 Paid By _____
BILL NUMBER: 1785632
TAXPAYER(S): PAY DEL CO INC
222 INDUSTRIAL LOOP W
PAYNESVILLE MN 56362

MAKE CHECKS PAYABLE TO:
Randy R. Schreifels
Stearns County Auditor-Treasurer
PO BOX 728
St Cloud, MN 56302-0728

1

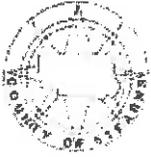
Detach this stub and return with your first half payment
1st Half Payment Stub - Payable 2015
To avoid penalty, pay on or before May 15, 2015
If your tax is \$100.00 or less, pay the entire tax by May 15, 2015

Total Property Tax for 2015	\$934.00
1st Half Tax Amount	\$467.00
Penalty	_____
1st Half Total Amount Due	_____

PIN: 70.39367.0002 Paid By _____
BILL NUMBER: 1785632
TAXPAYER(S): PAY DEL CO INC
222 INDUSTRIAL LOOP W
PAYNESVILLE MN 56362

MAKE CHECKS PAYABLE TO:
Randy R. Schreifels
Stearns County Auditor-Treasurer
PO BOX 728
St Cloud, MN 56302-0728

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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

Pin Number: 70.39244.9802

Owner Names: STANG HOLDINGS LLC

STANG HOLDINGS LLC
 531 MINNIE ST
 PAYNESVILLE MN 56362

Property Tax Statement 2015

VALUES AND CLASSIFICATION Sent in March 2014			
Step	Taxes Payable Year	2014	2015
1	Estimated Market Value:	\$55,600.00	\$48,800.00
	Improvements Excluded:		
	Homestead Exclusion:	\$0.00	\$0.00
	Taxable Market Value:	\$51,400.00	\$48,800.00
	New Improvements/ Expired Exclusions:		
	Property Classification:	Comm/Ind	Comm/Ind

PROPOSED TAX Sent in November 2014		
Step	Proposed Tax:	2015
2		\$1,284.00

PROPERTY TAX STATEMENT		
Step	Taxes Payable Year	2015
3	First-half Taxes due 5/15/2015	\$649.00
	Second-half Taxes due 10/15/2015	\$649.00
	Total Taxes Due in 2015	\$1,298.00

REFUNDS? **\$\$\$** You may be eligible for one or even two refunds to reduce your property tax.

2015 PROPERTY TAX STATEMENT

Pin Number:
70 39244.9802

Property Address:
429 MINNIE ST
PAYNESVILLE MN 56362

Property Description:
Block 001 Lot 003-SubdivisionCd 70063
SubdivisionName RANCH VIEW Section 09 Township
122 Range 32

Special Assessment Breakdown

Special Assessment Total \$0.00

Taxes Payable Year	2014	2015
1 Use this amount on Form M1PR to see if you are eligible for a property tax refund File by August 15. If this box is checked, you owe delinquent taxes and are not eligible	<input type="checkbox"/>	\$0.00
2 Use these amounts on Form M1PR to see if you are eligible for a special refund	<input type="checkbox"/>	\$0.00
3 Your Property taxes before credits	\$1,358.00	\$1,298.00
4 Credits that reduce your property taxes		
A Agricultural market value credits	\$0.00	\$0.00
B Other credits	\$0.00	\$0.00
5 Property taxes after credits	\$1,358.00	\$1,298.00
6 County STEARNS COUNTY	\$187.03	\$103.37
7 City or Town PAYNESVILLE CITY	\$124.36	\$80.99
8 State General Tax	\$402.15	\$372.15
9 School District ISD 0741 PAYNESVILLE		
A Voter Approved Levies	\$94.19	\$44.31
B Other Local Levies	\$29.37	\$68.25
10 Special Taxing Districts		
A HRA	\$1.37	\$0.83
B Watershed	\$7.70	\$4.49
C Regional Rail Authority	\$0.56	\$0.84
D TIF	\$591.27	\$625.27
11 Non-school voter approved referenda levies	\$0.00	\$0.00
12 Total property tax before special assessments	\$1,358.00	\$1,298.00
13 Special Assessments on Your Property		
See Left for Breakdown of Special Assessments		
Special Assessment Totals	\$0.00	\$0.00
14 YOUR TOTAL PROPERTY TAX AND SPECIAL ASSESSMENTS	\$1,358.00	\$1,298.00

2 Detach this stub and return with your second half payment
 2nd Half Payment Stub - Payable 2015
 To avoid penalty, pay on or before October 15, 2015

Total Property Tax for 2015	\$1,298.00
2nd Half Tax Amount	\$649.00
Penalty	_____
2nd Half Total Amount Due	_____

PIN: 70.39244.9802 Paid By _____
 BILL NUMBER: 1785303
 TAXPAYER(S): STANG HOLDINGS LLC
 531 MINNIE ST
 PAYNESVILLE MN 56362

MAKE CHECKS PAYABLE TO:
 Randy R. Schreifels
 Stearns County Auditor-Treasurer
 PO BOX 728
 St. Cloud, MN 56302-0728

1 Detach this stub and return with your first half payment
 1st Half Payment Stub - Payable 2015
 To avoid penalty, pay on or before May 15, 2015
 If your tax is \$100.00 or less, pay the entire tax by May 15, 2015

Total Property Tax for 2015	\$1,298.00
1st Half Tax Amount	\$649.00
Penalty	_____
1st Half Total Amount Due	_____

PIN: 70.39244.9802 Paid By _____
 BILL NUMBER: 1785303
 TAXPAYER(S): STANG HOLDINGS LLC
 531 MINNIE ST
 PAYNESVILLE MN 56362

MAKE CHECKS PAYABLE TO:
 Randy R. Schreifels
 Stearns County Auditor-Treasurer
 PO BOX 728
 St. Cloud, MN 56302-0728



**EXTENSION OF
PURCHASE OPTION AGREEMENT**

This Agreement is made this 28th day of August, 2015, by and between Savage Land Partnership, LLC, a limited liability company (Seller), and the City of Paynesville, a Minnesota municipal corporation (Buyer).

WHEREAS, Seller is the owner of land located at 180 Lake Avenue North in the City of Paynesville, County of Stearns, State of Minnesota, legally described as follows, to-wit:

Lot One (1), Block One (1), River Park Estates, Stearns County, Minnesota; and

WHEREAS, Seller previously granted Buyer an Option to Purchase a portion of the above-premises dated September 25, 2013; and

WHEREAS, Seller wishes to grant an extension of that Option to Buyer, and Buyer wishes to acquire from Seller an extension of that original Option to Purchase 1.5 acres, more or less, of the above-described premises lying within the shore land overlay district along the North Fork of the Crow River lying within Lot 1, Block 1, River Park Estates, for purposes of constructing and maintaining a water retention pond;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1) GRANT OF EXTENSION OF OPTION. Seller hereby grants to Buyer an exclusive extension of the right and option to purchase from Seller

property consisting of 1.5 acres, more or less, lying within the shore land overlay district along the North Fork of the Crow River within Lot 1, Block 1, River Park Estates, Stearns County, Minnesota. Seller shall neither sell, nor attempt to sell property to any third party during the term of the option, which shall be the period of time beginning from the date of this Agreement and terminating on July 1, 2016.

2) PURCHASE PRICE. If the option is exercised, Buyer shall purchase the property by making a payment to the Seller in the amount of Thirty Three Thousand Seven Hundred and Fifty Dollars (\$33,750.00) for the purchase of 1.5 acres, the exact legal description to be determined by survey. The parties will work together on the survey of the boundaries of the 1.5 acres to ensure that the lines as surveyed will not interfere with Seller's plans for future expansion. The purchase price shall be paid on the date of closing in the manner set forth below.

3) ADDITIONAL TERMS. a) It is understood and agreed by and between the parties hereto that the Buyer will be using this property for the construction of a water retention pond to provide drainage for the area, including that portion of the Seller's property not being conveyed to Buyer. The Buyer will design the water retention pond to accommodate the existing drainage system constructed by Seller to drain its property without further costs to the Seller. Part of the consideration for the Option is Seller's ability

to use this water retention pond to be constructed by Buyer for the drainage of Seller's remaining property.

b) Buyer will be responsible for all costs of closing.

4) EXERCISE OF OPTION. Buyer may exercise the option by giving the Seller, during the term of the option, of Buyer's intention to purchase the property. The option notice shall be accompanied by a check in the amount of Five Thousand Dollars (\$5,000.00) as earnest money, which shall be non-refundable, except in the event of breach by Seller under this Agreement, or Seller's inability to provide marketable title to the property, and said sum shall be applied to the purchase price on the date of closing. The earnest money shall be deposited by Seller to an account and the funds shall be retained in that account until the date of closing. The option notice shall specify as the date of purchase a date not more than 90 days from the date of delivery of the option notice, which shall then become the closing date.

5) PROPERTY. The property shall include 1.5 acres of real estate as described herein, the exact boundaries of which shall be determined by a survey to be completed by Buyer at Buyer's cost.

6) TITLE. Seller shall deliver to Buyer, as soon as practical after delivery of the option notice, an abstract of title to Lot 1, Block 1, River Park Estates, according to the recorded plat thereof, Stearns County, Minnesota, from which Buyer shall, at Buyer's cost, have an abstract of title created to

that portion of the premises being purchased pursuant to this Option, and the survey made pursuant thereto. Buyer shall have 60 days after receipt of the abstract to complete title work and obtain releases of mortgages to the portion of the main parcel being purchased by Buyer. Seller agrees to cooperate with Buyer in obtaining releases. Closing will be contingent upon the ability to obtain releases of 1.5 acres from existing mortgages.

7) CLOSING. The closing shall occur at such time and place as the parties mutually agree. At closing, Buyer shall deliver the purchase price (the full purchase price of \$33,750.00 less the earnest money of \$5,000.00 previously paid) to Seller, and the Seller shall deliver to Buyer the following:

a) A Warranty Deed to the property subject to all matters not timely objected to by Buyer.

b) Such title Affidavits as shall be required for insurance of an owner's title insurance policy.

c) Such other documents as shall reasonably requested by Buyer to facilitate the closing and transfer title of the property.

All expenses and income with respect to the property shall be pro-rated as of the closing date, with the exception of real estate taxes and special assessments, all of which shall be the responsibility of the Seller. Buyer shall pay the costs of filing the deed from the Seller and any premium on any title insurance policy resulting from the title commitment. All other costs shall be paid in the manner consistent with local custom.

8) POSSESSORY RIGHTS. Buyer shall be entitled of full and complete possession of the property free of any and all rights of the Seller or any third parties immediately following closing. Seller covenants to give any third parties notice in a timely manner to quit prior to the date of closing. Seller shall have the right and obligation to remove from the property on or before the date of closing any personal property or debris located thereon.

9) BARE LOT. The parties hereto acknowledge that the property being purchased is a bare lot. There are no current existing improvements on the parcel to be surveyed. Seller agrees to provide reasonable access to the property to Buyer for inspection and survey at any time after the signing of this Option Agreement.

10) MAINTENANCE AFTER PURCHASE. In the event that the Buyer exercises the purchase Option hereby granted by Seller after the exercise of the Option, the Buyer agrees to maintain the area around the water retention pond to be constructed by the Buyer so that there is appropriate grass and the grass is mowed on a regular basis.

11) NOTICE. Each notice given pursuant to this Agreement shall be in writing and shall be addressed as follows:

If to Seller: **Savage Land Partnership, LLC**
29235 Co. Rd. 181
Paynesville, MN 56362

If to Buyer: **City of Paynesville**
221 Washburne Avenue
Paynesville, MN 56362

Notices shall be deemed to have been delivered on the date it was personally delivered, faxed or emailed, or two (2) business days after the date it was deposited in the United States mail. Any party may change its address for delivery of notice by giving notice of such change to the other party, in the manner specified above, no fewer than five (5) days prior to the effective date of the change.

12) DEFAULT REMEDIES. In the event of breach of this Agreement, the non-breaching party shall, if the breach is not cured within five (5) business days following notice to the breaching party, be entitled to all remedies provided at law or in equity, including specific performance. A party who fails to cure its breach within five (5) business days following notice shall pay the reasonable attorney's fees and costs incurred by the non-breaching party in pursuing its remedies. Nothing in this section shall preclude a party from immediately seeking injunctive relief to prevent irreparable harm.

13) MISCELLANEOUS. This Agreement contains the entire understanding of the parties with respect to the property and supersedes all prior agreements and understandings between the parties with respect to the property. This Agreement may not be modified by except in writing executed by both parties. Time is of the essence in all provisions of this Agreement. This Agreement is not to be interpreted as creating a partnership or joint venture between the parties with respect to this

property. This Agreement shall be construed under the laws of the State of Minnesota. This Agreement shall run with the land and be binding upon and inure to the benefit of the parties' successors and assigns. Either party shall be entitled to record a copy of this Agreement in the public records as a notice of the existence of this Agreement, which notice need not recite the financial terms contained herein.

DATED: 8/20/2015

DATED: _____

SAVAGE LAND PARTNERSHIP, LLC

CITY OF PAYNESVILLE

By: *[Signature]*
Its: _____

By: _____
Its: _____

By: _____
Its: _____

By: _____
Its: _____

2016 PROPOSED WATER & SEWER RATES

WATER RATES		
	2015	2016
Flat	\$ 20.00	\$ 21.00
Multi Units	\$ 15.00	\$ 15.75
Bulk 2,001-99,999	\$ 2.77	\$ 2.87
Bulk 100,000-500,000	\$ 2.72	\$ 2.82
Bulk over 500,000	\$ 2.71	\$ 2.81
Consevation Rate	\$2.82	\$2.92
New Meter Charge	\$215.00	\$325.00

We are proposing a \$1.00 increase to the base rate and \$.10 increase in the bulk water rate for 2016.

SEWER RATES		
	2015	2016
Flat	\$ 21.00	\$ 21.00
Multi User	\$ 15.75	\$ 15.75
Bulk	\$ 2.85	\$ 3.36

We are proposing a \$.51 increase in the bulk sewer rate for 2015.

Homeowner Based on 10,000 gallons

Old Actual Bills

Water	\$ 42.16
Sewer	\$ 43.80
Total	\$ 85.96

Difference: \$5.88 per quarter or \$1.96 per month

Proposed-\$1.00 increase base rate and
\$.10 increase in bulk water rate
\$.51 increase in bulk sewer rate

\$ 43.96
\$ 47.88
\$ 91.84

Homeowner Based on 20,000 gallons

Old Actual Bills

Water	\$ 69.86
Sewer	\$ 72.30
Total	\$ 142.16

Difference: \$11.98 per quarter or \$4.00 per month

Proposed-\$1.00 increase base rate and
\$.10 increase in bulk water rate
\$.51 increase in bulk sewer rate

\$ 72.66
\$ 81.48
\$ 154.14

Industry Based on 500,000 gallons

Old Actual Bills

Water	1379.46
Sewer	1440.30
Total	2819.76

Difference: \$304.78 per quarter or \$101.60 per month

Proposed-\$1.00 increase base rate and
\$.10 increase in bulk water rate
\$.51 increase in bulk sewer rate

1430.26
1694.28
3124.54

AMPI Based on 6.0 MG Water/8.0 MG Sewer

Old Actual Bills

Water	16620.00
Sewer	22800.00
Total	39420.00

Difference: \$4,680 per month

Proposed-\$1.00 increase base rate and
\$.10 increase in bulk water rate
\$.51 increase in bulk sewer rate

17220.00
26880.00
44100.00

Industrial Charges

Industrial BOD Charge	0.005 cents per LB of BOD
AMPI	80% of aeration Pond Operation
MasterMark	8% of aeration Pond operation

RATE COMPARISONS				
	WATER		SEWER	
	QUARTERLY		QUARTERLY	
CITY	FLAT RATE	BULK	FLAT RATE	BULK
Avon	\$ 30.00	\$ 2.59	\$ 32.10	\$ 4.25
Cold Spring	\$ 12.00	\$ 1.50	\$ 36.00	\$ 6.50
Melrose	\$ 34.86	\$ 1.24	\$ 64.98	\$ 2.24
Paynesville	\$ 21.00	\$ 2.87	\$ 21.00	\$ 3.40
Sauk Centre	\$ 36.63	\$ 3.27	\$ 21.99	\$ 7.74
New London	\$ 40.80	\$ 6.30	\$ 67.20	\$ 14.90
Eden Valley	\$ 27.00	\$ 8.75	\$ 30.00	\$ 5.25
Richmond	\$ 70.50	\$ 3.36	\$ 21.75	\$ 8.58
Watkins	\$ 21.00	\$ 7.05	\$ 30.00	\$ 11.83

WATER/SEWER CONNECT FEE COMPARISON					
CITY	CONNECT FEE			TRUNK FEE	
	WATER	METER FEE	SEWER	WATER	SEWER
Avon	\$ 1,040.00	\$ 350.00	\$ 4,160.00	Varies by development	
Cold Spring	\$ 1,700.00	\$ 300.00	\$ 5,100.00	Do Not Charge	
Melrose	\$ 905.00	\$ 276.00	\$ 1,141.00	Do Not Charge	
Paynesville	\$ 800.00	\$ 215.00	\$ 1,000.00	\$1,390/acre	\$1,270/acre
Sauk Centre	\$ 1,231.00		\$ 1,845.00	Do Not Charge	
New London	\$ 500.00	\$ 120.00	\$ 500.00	Do Not Charge	
Eden Valley	\$ 1,000.00		\$ 1,000.00	Do Not Charge	
Richmond	\$ 2,465.00		\$ 4,950.00	Do Not Charge	
Watkins	\$ 2,500.00		\$ 2,500.00	Do Not Charge	

CITY OF PAYNESVILLE RATE INCREASE HISTORY				
YEAR	WATER		SEWER	
	flat rate	bulk rate	flat rate	bulk rate
2015				
2014	\$ 1.00	\$ 0.12		\$ 0.10
2013		\$ 0.09		\$ 0.15
2012	\$ 2.00	\$ 0.14	\$ 3.00	\$ 0.20
2011	\$ 2.00	\$ 0.17	\$ 2.00	\$ 0.10
2010	\$ 0.50	\$ 0.08		\$ 0.05
2009		\$ 0.06		\$ 0.03
2008		\$ 0.10		\$ 0.10
2007		\$ 0.10		\$ 0.10
2006	\$ 0.87	\$ 0.10	\$ 0.02	\$ -
2005		\$ 0.11		\$ 0.08

1 Gallon of gas \$2.89
 1 Gallon of milk \$3.49
 Average monthly elec bill \$175.00
 Average monthly gas bill \$75.00
 Average monthly cable bill \$150.00

WATER LOSS REPORT				
Quarter	City Water Sold		City Water Pumped	% Loss
1st	37943000		39522000	4.0%
2nd	43064000		43346000	0.7%
2 qtrs/2015	81007000		82868000	2.4%
Previous Years Totals				
2014	169693000		187751000	9.2%
2013	164746000		184361000	10.6%
2012	165084000		185966000	11.2%
2011	156930000		183339000	14.4%
2010	169329000		191288000	11.5%
2009	169119000		186094000	9.1%
2008	160667000		174154000	7.7%
2007	174309000		188067000	7.3%
2006	167632000		183376000	8.6%
2005	177680000		192445000	7.7%
2004	173812000		195327000	11.0%
**2003	164485000		198328000	17.1%
** Not accurate due to tower being down				

SEWER LOSS REPORT				
Quarter	City Sewer Sold		City Sewer Pumped	% Loss
1st	46745000		54162000	13.7%
2nd	43455000		51473000	15.6%
2 qtrs/2014	90200000		105635000	14.7%
Previous Years Totals				
2014	198608000		250327000	20.4%
2013	198722000		229924000	13.6%
2012	208387000		220897000	5.7%
2011	212216000		280041000	24.2%
2010	208899000		279093000	25.1%
2009	208877000		270674000	22.8%
2008	202626000		252363000	19.7%
2007	199518000		238460000	16.3%
2006	195688000		233496000	16.2%
2005	205837000		236474000	13.0%
2004	199635000		216942000	8.0%
2003	190584000		223715000	14.8%

PROJECTED REVENUE WATER			
Proposed			Budgeted
Flat Rate	\$ 21.00	\$ 79,800.00	Expenses
Multi Users	\$ 15.75	\$ 17,388.00	
Bulk 75MG @	\$ 2.87	\$ 215,250.00	
Bulk 100,000-500,000 30MG	\$ 2.82	\$ 84,600.00	\$ 762,505.00
Bulk over 500,000 65MG @	\$ 2.81	\$ 180,650.00	\$ (160,782.00)
Conservation Rate	\$2.92	\$ 5,840.00	
Grant funds		\$ 7,500.00	
Interest Income		\$ 9,000.00	
Total		\$ 600,028.00	\$ 601,723.00

depreciation

PROJECTED REVENUE SEWER			
Proposed			Budgeted
Flat Rate	\$ 21.00	\$ 79,800.00	Expenses
Multi Users	\$ 15.75	\$ 17,388.00	
Bulk 180 MG @	\$ 3.36	\$ 604,800.00	
Irrigation		\$ 91,700.00	
Interest Income		\$ 5,000.00	\$ 1,133,856.00
Master Mark			
Pretreatment Utility Charge		\$ 8,800.00	
AMPI			\$ (238,084.00)
Pretreatment Utility Charge		\$ 88,000.00	
Total		\$ 895,488.00	\$ 895,772.00

depreciation

Cash Balances as of June 2015

Water Fund	\$ 590,153.95
Water Equipment Replacement Fund	\$ 754,600.30
Sewer Fund	\$ 462,697.84
Sewer Equipment Replacement Fund	\$ 991,501.80
Biosolids Removal Charge (AMPI)	\$ (103,100.00)
Water Capital Improvement	\$ 573,460.67
Sewer Capital Improvement	\$ 394,879.83
Preareation Replacement Fund	\$ 120,027.38

TOTAL IRRIGATION PER YEAR							
AT DESIGN FLOW OF .887 - 323.76 MG PER YEAR							
ACTUAL INCHES							
					4 Year	Running	
Pivot #	2012	2013	2014	2015	Average	Average	
2	9.53	9.95	7.31	7.67	8.61	6.28	
3	5.02	4.41	4.47	1.37	3.82	3.90	
6	13.01	13.26	14.11	8.43	12.20	7.86	
8	8.61	12.80	10.27	6.18	9.47	9.68	
11	7.63	6.23	6.65	4.86	6.34	6.09	
12	14.37	16.52	10.95	8.15	12.50	10.75	
14	8.97	8.84	8.08	4.21	7.53	11.11	
15	8.94	9.23	6.94	5.00	7.53	8.11	
15C	0.00	0.17	2.00	-	0.72	6.96	
17C	0.00	10.66	20.82	3.95	8.86	14.40	
19A	7.05	6.93	9.99	6.93	7.73	8.06	
19B	0.00	0.00	34.21	5.00	9.80	19.33	
20	6.39	7.70	10.93	4.25	7.32	9.21	
20	5.31	7.15	10.38	4.13	6.74	7.14	
21	10.09	14.21	10.53	7.90	10.68	8.05	

Year	Total	
	Gallons	Yearly
	Irrigated	Rainfall
1995	278.11	33.27
1996	225.36	14.28
1997	251.05	25.81
1998	202.29	24.67
1999	225.18	21.65
2000	161.84	17.02
2001	259.94	21.01
2002	258.12	34.22
2003	223.22	21.96
2004	215.89	27.62
2005	275.57	31.98
2006	79.87	17.62
2007	250.66	11.84
2008	272.35	20.57
2009	296.40	23.35
2010	283.49	24.30
2011	321.95	29.21
2012	222.58	15.30
2013	283.39	22.14
2014	316.14	28.34
2015	156.21	25.11

*40 m.g. discharged

AS OF Aug 2015

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2015 AGREEMENTS FOR IRRIGATION

NAME	PIVOT #	# OF		TOTAL \$
		ACRES	CHARGE/ACRE	AMOUNT
Larry Rien	2	22	\$ 35.00	\$ 770.00
City of Paynesville				
Renter: Tim Wegner	2*	73.5	\$ 277.00	\$ 20,359.50
Renter: Tim Wegner	3*	39	\$ 277.00	\$ 10,803.00
Bill Pflipsen	3	105	\$ 35.00	\$ 3,675.00
Bill Phlipsen	11	65	\$ 35.00	\$ 2,275.00
Bill Pflipsen	6	69	\$ 35.00	\$ 2,415.00
Ken Jarcho / Richard Lahr	8	85	\$ 35.00	\$ 2,975.00
Art Voss	11	33	\$ 35.00	\$ 1,155.00
Art Voss	12	40	\$ 35.00	\$ 1,400.00
Renter: Jack Hennen	17N	140	\$ 45.00	\$ 6,300.00
City of Paynesville				
Renter: Steve Gottwald	14N*	70	\$ 170.00	\$ 11,900.00
City of Paynesville				
Renter: Steve Gottwald	15N	80	\$ 45.00	\$ 3,600.00
City of Paynesville				
Renter: Mages-Welle	20N	78	\$ 170.00	\$ 13,260.00
Mages-Welle	20N	45	\$ 35.00	\$ 1,575.00
Stephen Gottwald	14N	65	\$ 35.00	\$ 2,275.00
Stephen Gottwald	15N	52	\$ 35.00	\$ 1,820.00
Miller/Stanis	19A	18	\$ -	\$ -
Miller/Stanis	19B	20	\$ -	\$ -
Miller/Stanis	21	57	\$ 35.00	\$ 1,995.00
Wettels	19A	26	\$ 35.00	\$ 910.00
Buermann	21	64	\$ 35.00	\$ 2,240.00
TOTALS				\$ 91,702.50

CITY OF PAYNESVILLE
 PROPOSED BUDGET REPORT
 AS OF: SEPTEMBER 30TH, 2015

WATER FUND

LINES	2012		2013		2014		2015		2016	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROPOSED BUDGET	VARIANCE	PERCENT VARIANCE	
RECEIPTS										
4-3720-0450 WA CONNECTION/TRUNK FEES	4,397	5,724	4,132	0	7,962	0	0	0.00		
4-3720-0780 DAMAGE DEPOSIT	0	0	500	0	1,000	0	0	0.00		
4-3720-1170 GRANT MONIES	16,346	0	8,466	0	0	0	0	0.00		
4-3720-2103 METERED CONSUMER SALES	473,452	487,122	499,549	571,200	305,410	0	(571,200)	100.00-		
4-3720-2110 WATER PURCHASED IN BULK	2,189	552	5,057	0	401	0	0	0.00		
4-3720-2150 SALES TAX RECEIPTS	11,666	12,437	13,310	0	9,458	0	0	0.00		
4-3720-2810 NEW WATER METERS	2,294	2,175	2,400	0	2,320	0	0	0.00		
4-3720-3100 INTEREST INCOME ON INVESTMENTS	7,938	9,641	6,867	11,000	4,334	0	(11,000)	100.00-		
4-3720-3110 CHANGE IN FAIR MARKET VALUE	1,082	(8,323)	1,354	0	0	0	0	0.00		
4-3720-4030 CONTRIBUTION REVENUE	0	0	0	0	0	0	0	0.00		
4-3720-4031 WATER FESTIVAL DONATION	775	450	650	0	500	0	0	0.00		
4-3720-4050 OTHER MISCELLANEOUS INCOME	1,385	296	1,022	0	91	0	0	0.00		
4-3720-4055 WELL SEALING REIMBURSEMENT	0	0	0	0	195	0	0	0.00		
4-3720-5110 SPECIAL ASSESSMENTS FROM MUNI	0	0	0	0	0	0	0	0.00		
4-3720-5320 SPECIAL ASSESSMENTS FROM COUNT	127	(866)	(809)	0	0	0	0	0.00		
4-3720-9600 PERMANENT TRANSFERS IN	0	0	0	0	0	0	0	0.00		
4-3720-9601 CAPITAL CONTRIBUTIONS FROM GEN	0	0	338,762	0	0	0	0	0.00		
TOTAL WATER RECEIPTS	521,651	509,207	881,262	582,200	331,671	0	(582,200)	100.00-		
TOTAL REVENUES	521,651	509,207	881,262	582,200	331,671	0	(582,200)	100.00-		

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CITY OF PAYNESVILLE
 PROPOSED BUDGET REPORT
 AS OF: SEPTEMBER 30TH, 2015

10-WATER FUND
 SOURCE OF SUPPLIES - WELL

EXPENDITURES	(----- 2015 -----) (----- 2016 -----)							
	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROPOSED BUDGET	VARIANCE	PERCENT VARIANCE
.0-5-4821-1320 PROFESSIONAL SERVICES (TESTING	30	49	70	200	53	200	0	0.00
.0-5-4821-2200 UTILITIES	15,946	15,102	20,462	18,000	9,182	18,000	0	0.00
.0-5-4821-2400 MAINTENANCE & REPAIR OF EQUIP	6,786	465	2,590	10,000	0	10,000	0	0.00
.0-5-4821-2500 MAINTENANCE & REPAIR OF BLDG	507	0	0	0	0	0	0	0.00
.0-5-4821-3000 GENERAL/OFFICE SUPPLIES	160	0	28	200	47	200	0	0.00
.0-5-4821-4600 LICENSES & TAXES	0	0	0	0	0	0	0	0.00
TOTAL SOURCE OF SUPPLIES - WELL	23,429	16,616	23,150	28,400	9,282	28,400	0	0.00
.4821-1320 PROFESSIONAL SERVICES (CURRENT YEAR NOTES: Water analysis								
.4821-2400 MAINTENANCE & REPAIR OF (CURRENT YEAR NOTES: Repair of wells								

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CITY OF PAYNESVILLE
 PROPOSED BUDGET REPORT
 AS OF: SEPTEMBER 30TH, 2015

WATER FUND
 PURIFICATION

EXPENDITURES	2012		2013		2014		2015		2016	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROPOSED BUDGET	VARIANCE	PERCENT VARIANCE	
5-4823-1320 PROFESSIONAL SERVICES (TESTING	0	0	165	300	548	500	200	66.67		
5-4823-2200 UTILITIES	19,672	20,335	31,790	24,000	17,953	24,000	0	0.00		
5-4823-2400 MAINTENANCE & REPAIR OF EQUIP	2,131	1,607	536	2,500	544	2,500	0	0.00		
5-4823-3000 GENERAL/OFFICE SUPPLIES	331	30	79	350	64	350	0	0.00		
5-4823-3010 PLANT CHEMICALS	7,946	8,286	14,511	9,500	9,705	10,000	500	5.26		
5-4823-3811 UNIFORMS	0	0	231	0	0	0	0	0.00		
5-4823-5200 NEW EQUIPMENT	1,969	0	95	2,000	120	2,000	0	0.00		
TOTAL PURIFICATION	31,387	30,258	47,406	38,650	28,934	39,350	700	1.81		
23-1320 PROFESSIONAL SERVICES (CURRENT YEAR NOTES: Testing at the water plant										
23-2200 UTILITIES (CURRENT YEAR NOTES: The elect. unit heaters have been upgraded to natural gas										
23-3010 PLANT CHEMICALS (CURRENT YEAR NOTES: Fluoride, KmnO4, CL2										

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CITY OF PAYNESVILLE
 PROPOSED BUDGET REPORT
 AS OF: SEPTEMBER 30TH, 2015

WATER FUND
 RIBUTION

NDITURES			(----- 2015 -----)		(----- 2016 -----)			
	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROPOSED BUDGET	VARIANCE	PERCENT VARIANCE
5-4824-1311 PROFESSIONAL SERVICES (GENERAL	48	328	343	400	412	500	100	25.00
5-4824-1320 PROFESSIONAL SERVICES (TESTING	720	807	520	750	0	750	0	0.00
5-4824-2400 MAINTENANCE & REPAIR OF EQUIP	2,993	9,673	21,009	12,000	2,520	13,000	1,000	8.33
5-4824-2900 CONTRACTUAL SERVICE	1,712	1,200	1,700	1,800	1,261	1,900	100	5.56
5-4824-3000 GENERAL/OFFICE SUPPLIES	1,066	398	795	800	74	800	0	0.00
5-4824-4300 SUBSCRIPTIONS & MEMBERSHIPS	0	0	0	0	0	0	0	0.00
5-4824-5200 NEW EQUIPMENT	3,783	4,525	7,494	6,000	2,112	7,000	1,000	16.67
TOTAL DISTRIBUTION	10,322	16,932	31,860	21,750	6,379	23,950	2,200	10.11

- 24-1311 PROFESSIONAL SERVICES (CURRENT YEAR NOTES:
Gopher state one calls
- 24-1320 PROFESSIONAL SERVICES (CURRENT YEAR NOTES:
Bac-t anal. distribution system
- 24-2400 MAINTENANCE & REPAIR OF CURRENT YEAR NOTES:
Water leaks
- 24-2900 CONTRACTUAL SERVICE CURRENT YEAR NOTES:
Leak survey
- 24-5200 NEW EQUIPMENT CURRENT YEAR NOTES:
Distribution supplies, meters, hydrants, valves etc.

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CITY OF PAYNESVILLE
 PROPOSED BUDGET REPORT
 AS OF: SEPTEMBER 30TH, 2015

WATER FUND
 ADMINISTRATION AND GENERAL

EXPENDITURES	2015				2016		PERCENT VARIANCE
	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROPOSED BUDGET	
4825-1000 SALARIES	53,333	47,556	52,779	59,660	33,873	68,541	8,881 14.89
4825-1060 FICA WITHHOLDINGS	2,933	2,856	2,915	3,699	1,994	4,250	551 14.90
4825-1070 PERA WITHHOLDINGS	3,520	3,426	3,632	4,399	2,638	5,054	655 14.89
4825-1080 MEDICARE WITHHOLDINGS	686	668	682	865	466	994	129 14.91
4825-1090 HEALTH INSURANCE	8,148	7,375	7,213	7,750	6,132	8,761	1,011 13.05
4825-1180 ENGINEERING	159	0	808	1,000	140	1,000	0 0.00
4825-1290 PROFESSIONAL SERVICES (SAFETY)	1,100	1,344	1,370	1,350	1,300	1,400	50 3.70
4825-1300 PROFESSIONAL SERVICES (LEGAL)	138	110	566	500	44	500	0 0.00
4825-1310 PROFESSIONAL SERVICES (AUDIT)	4,953	5,625	5,828	5,850	6,004	6,000	150 2.56
4825-1311 PROFESSIONAL SERVICES (GENERAL)	92	167	115	150	20	150	0 0.00
4825-1350 PHYSICALS	0	0	215	0	0	225	225 0.00
4825-2000 POSTAGE	571	1,181	1,565	1,200	849	1,500	300 25.00
4825-2020 TELEPHONE	3,118	3,196	3,522	3,500	3,084	3,800	300 8.57
4825-2100 PRINTING & PUBLISHING	1,143	487	1,207	1,400	696	1,400	0 0.00
4825-2300 TRAVEL & SCHOOLS	287	656	492	1,250	1,090	1,250	0 0.00
4825-2400 MAINTENANCE & REPAIR OF EQUIP	3,941	3,898	4,101	4,800	4,493	5,000	200 4.17
4825-3000 GENERAL/OFFICE SUPPLIES	304	346	666	700	171	700	0 0.00
4825-3300 MOTOR FUELS & LUBRICANTS	2,422	2,015	2,668	3,500	790	3,500	0 0.00
4825-3811 UNIFORMS	1,151	1,431	1,178	1,600	1,086	1,650	50 3.13
4825-4100 INSURANCE AND BONDS	4,811	3,763	4,637	4,230	6,975	6,975	2,745 64.89
4825-4110 WORKERS' COMP INS	3,645	5,239	6,359	7,000	4,637	7,000	0 0.00
4825-4300 SUBSCRIPTIONS AND MEMBERSHIPS	420	1,040	730	750	470	800	50 6.67
4825-4590 LICENSES & PERMITS	2,840	2,990	1,778	1,600	150	2,000	400 25.00
4825-5060 NEW BUILDINGS AND STRUCTURES	0	0	0	0	0	0	0 0.00
4825-5200 NEW EQUIPMENT	0	0	0	0	0	0	0 0.00
4825-5300 EQUIPMENT RENTAL/LEASE	516	413	993	750	325	0	(750) 100.00-
4825-8020 MISCELLANEOUS	0	0	0	0	0	0	0 0.00
4825-8030 DAMAGE DEPOSIT REFUND	0	0	500	0	500	0	0 0.00
TOTAL ADMINISTRATION AND GENERAL	100,232	95,780	106,518	117,503	77,927	132,450	14,947 12.72

4825-1180 ENGINEERING CURRENT YEAR NOTES:
 mapping, small projects

4825-1290 PROFESSIONAL SERVICES (CURRENT YEAR NOTES:
 Safety contract

4825-1310 PROFESSIONAL SERVICES (CURRENT YEAR NOTES:
 Audit

4825-1311 PROFESSIONAL SERVICES (CURRENT YEAR NOTES:
 other professional services

4825-1350 PHYSICALS CURRENT YEAR NOTES:
 DOT

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CITY OF PAYNESVILLE
 PROPOSED BUDGET REPORT
 AS OF: SEPTEMBER 30TH, 2015

15-SEWER FUND

REVENUES	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	2015		2016		PERCENT VARIANCE
				CURRENT BUDGET	Y-T-D ACTUAL	PROPOSED BUDGET	VARIANCE	
SEWER RECEIPTS								
15-4-3540-0450 SE CONNECTION/TRUNK FEES	678	3,500	800	0	4,900	0	0	0.00
15-4-3540-0490 PERMIT FEES	100	0	0	0	0	0	0	0.00
15-4-3540-0990 SALE OF FIXED ASSETS	3,690	1,845	1,845	0	0	0	0	0.00
15-4-3540-1012 MASTERMARK SURCHARGE	25,820	0	0	0	0	0	0	0.00
15-4-3540-2102 MONTHLY CONSUMER SALES	338,853	326,780	334,144	338,445	192,532	0	(338,445)	100.00-
15-4-3540-2104 QUARTERLY CONSUMER SALES	204,847	204,966	205,077	334,443	104,175	0	(334,443)	100.00-
15-4-3540-3100 INTEREST INCOME ON INVESTMENTS	8,156	8,442	4,880	11,000	3,327	0	(11,000)	100.00-
15-4-3540-3110 CHANGE IN FAIR MARKET VALUE	1,103	(7,419)	988	0	0	0	0	0.00
15-4-3540-4030 CONTRIBUTION REVENUE	0	0	0	0	0	0	0	0.00
15-4-3540-4045 DONATIONS - RV DUMP	368	337	513	0	495	0	0	0.00
15-4-3540-4050 OTHER MISCELLANEOUS INCOME	200	395	201	0	0	0	0	0.00
15-4-3540-4060 UTILITY PAYMENTS FROM AMPI	61,080	77,500	108,900	96,800	75,497	0	(96,800)	100.00-
15-4-3540-4570 REIMBURSEMENTS	4,230	0	0	0	0	0	0	0.00
15-4-3540-7700 ACREAGE PAYMENTS FROM FARMERS	77,346	80,624	86,527	90,900	0	0	(90,900)	100.00-
15-4-3540-9600 PERMANENT TRANSFERS IN	0	0	0	0	0	0	0	0.00
15-4-3540-9601 CAPITAL CONTRIBUTIONS FROM GEN	0	0	1,506,403	0	0	0	0	0.00
15-4-3540-9670 INSPECTION FEES/MILEAGE-RON ME	4,121	4,333	5,522	0	3,219	0	0	0.00
TOTAL SEWER RECEIPTS	730,592	701,303	2,256,799	871,588	384,144	0	(871,588)	100.00-
TOTAL REVENUES	730,592	701,303	2,256,799	871,588	384,144	0	(871,588)	100.00-

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CITY OF PAYNESVILLE
 PROPOSED BUDGET REPORT
 AS OF: SEPTEMBER 30TH, 2015

SEWER FUND
 SECTIONS - CITY MAINS

EXPENDITURES	2012		2013		2014		2015		2016	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROPOSED BUDGET	VARIANCE	PERCENT VARIANCE	
5-4841-2200 UTILITIES	4,168	3,967	5,209	4,750	2,997	5,000	250	5.26		
5-4841-2400 MAINTENANCE & REPAIR OF EQUIP	2,723	4,276	2,606	7,500	10,492	8,000	500	6.67		
5-4841-2450 M & R OF EQUIP-LIFT STATIONS	3,772	4,322	7,524	6,000	2,649	6,000	0	0.00		
5-4841-2900 CONTRACTUAL SERVICE	9,991	12,063	8,940	12,000	11,786	12,500	500	4.17		
5-4841-3000 GENERAL/OFFICE SUPPLIES	145	346	105	500	69	500	0	0.00		

TOTAL COLLECTIONS - CITY MAINS 20,799 24,973 24,384 30,750 27,993 32,000 1,250 4.07

41-2200 UTILITIES CURRENT YEAR NOTES:
 Small lift stations 7 sites

41-2400 MAINTENANCE & REPAIR OF EQUIP CURRENT YEAR NOTES:
 Main break repairs

41-2450 M & R OF EQUIP-LIFT STATIONS CURRENT YEAR NOTES:
 repair of lift stations

41-2900 CONTRACTUAL SERVICE CURRENT YEAR NOTES:
 Sewer jet contract

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CITY OF PAYNESVILLE
 PROPOSED BUDGET REPORT
 AS OF: SEPTEMBER 30TH, 2015

SEWER FUND
 DISPOSAL - MAIN LIFT STAT

EXPENDITURES			2015		2016		PERCENT VARIANCE	
	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROPOSED BUDGET		VARIANCE
5-4842-1320 PROFESSIONAL SERVICES (TESTING	10,208	10,386	11,396	13,000	9,484	13,000	0	0.00
5-4842-2020 TELEPHONE	343	1,133	1,945	1,100	1,218	1,500	400	36.36
5-4842-2200 UTILITIES	10,268	14,703	20,383	15,000	11,789	16,000	1,000	6.67
5-4842-2440 M & R OF EQUIP-PONDS	4,780	1,600	1,174	5,000	4,249	5,000	0	0.00
5-4842-2450 M & R OF EQUIP-LIFT STATIONS	3,313	1,103	4,950	4,000	5,581	4,000	0	0.00
5-4842-2900 CONTRACTUAL SERVICE	1,270	600	800	1,000	1,272	1,000	0	0.00
5-4842-3000 GENERAL/OFFICE SUPPLIES	232	260	95	500	98	500	0	0.00
5-4842-3010 PLANT CHEMICALS	0	0	315	500	0	0	(500)	100.00-
5-4842-3820 REFUSE COLLECTION	2,072	3,561	4,690	3,500	5,017	4,500	1,000	28.57
TOTAL DISPOSAL - MAIN LIFT STAT	32,485	33,346	45,748	43,600	38,707	45,500	1,900	4.36

42-1320 PROFESSIONAL SERVICES (CURRENT YEAR NOTES:
 Sampling & testing analysis

42-2200 UTILITIES CURRENT YEAR NOTES:
 Main lift station

42-2900 CONTRACTUAL SERVICE CURRENT YEAR NOTES:
 Meter calibrations

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CITY OF PAYNESVILLE
 PROPOSED BUDGET REPORT
 AS OF: SEPTEMBER 30TH, 2015

SEWER FUND
 ADMINISTRATION AND GENERAL

EXPENDITURES	2015		2016		2017		PERCENT VARIANCE
	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	
-5-4843-1000 SALARIES	60,915	51,797	61,482	66,870	38,706	76,864	14.95
-5-4843-1060 FICA WITHHOLDINGS	3,276	3,271	3,321	4,146	2,276	5,112	23.30
-5-4843-1070 PERA WITHHOLDINGS	3,927	3,914	4,141	4,939	3,014	6,097	23.45
-5-4843-1080 MEDICARE WITHHOLDINGS	766	765	777	970	532	1,196	23.30
-5-4843-1090 HEALTH INSURANCE	9,050	8,446	8,144	8,781	7,052	10,092	14.93
-5-4843-1180 ENGINEERING	159	0	0	1,000	0	1,000	0.00
-5-4843-1290 PROFESSIONAL SERVICES (SAFETY)	1,250	1,259	1,430	1,400	1,285	1,500	7.14
-5-4843-1300 PROFESSIONAL SERVICES (LEGAL)	196	1,137	8	1,500	35	1,500	0.00
-5-4843-1310 PROFESSIONAL SERVICES (AUDIT)	4,953	5,625	5,828	5,825	6,004	6,000	3.00
-5-4843-1311 PROFESSIONAL SERVICES (GENERAL)	92	291	115	250	0	250	0.00
-5-4843-1350 PHYSICALS	0	0	215	0	0	225	0.00
-5-4843-2000 POSTAGE	531	806	1,335	1,100	849	1,500	36.36
-5-4843-2020 TELEPHONE	1,293	597	1,179	1,500	783	1,500	0.00
-5-4843-2100 PRINTING & PUBLISHING	679	31	628	700	54	700	0.00
-5-4843-2300 TRAVEL & SCHOOLS	1,266	1,144	1,529	1,600	1,645	1,600	0.00
-5-4843-2400 MAINTENANCE & REPAIR OF EQUIP	2,070	4,026	4,209	5,000	2,235	5,000	0.00
-5-4843-3000 GENERAL/OFFICE SUPPLIES	681	738	419	1,000	138	1,000	0.00
-5-4843-3300 MOTOR FUELS & LUBRICANTS	3,398	2,699	3,360	4,500	2,336	4,500	0.00
-5-4843-3811 UNIFORMS	1,481	1,077	1,195	1,600	572	1,600	0.00
-5-4843-4100 INSURANCE AND BONDS	2,892	5,126	4,357	6,658	16,380	16,380	146.02
-5-4843-4110 WORKERS' COMP INS	3,644	5,211	6,359	7,000	4,637	7,000	0.00
-5-4843-4300 SUBSCRIPTIONS & MEMBERSHIPS	0	25	50	50	25	50	0.00
-5-4843-4590 LICENSES & PERMITS	1,582	3,023	1,991	2,000	1,505	2,500	25.00
-5-4843-4920 DEPRECIATION EXPENSE	102,190	103,032	135,224	211,934	0	211,934	0.00
-5-4843-5200 NEW EQUIPMENT	2,597	2,660	1,688	3,500	500	3,500	0.00
-5-4843-5300 EQUIPMENT RENTAL/LEASE	445	389	449	450	325	500	11.11
-5-4843-8020 MISCELLANEOUS	0	0	0	0	0	0	0.00

TOTAL ADMINISTRATION AND GENERAL 209,334 207,090 249,433 344,273 90,888 369,100 24,827 7.21

- 343-1180 ENGINEERING CURRENT YEAR NOTES: Mapping
- 343-1290 PROFESSIONAL SERVICES (CURRENT YEAR NOTES: Safety contract
- 343-1310 PROFESSIONAL SERVICES (CURRENT YEAR NOTES: Audit
- 943-1311 PROFESSIONAL SERVICES (CURRENT YEAR NOTES: DOT testing, assessments
- 843-2400 MAINTENANCE & REPAIR OF CURRENT YEAR NOTES: Software support
- 843-4100 INSURANCE AND BONDS CURRENT YEAR NOTES:

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CITY OF PAYNESVILLE
PROPOSED BUDGET REPORT
AS OF: SEPTEMBER 30TH, 2015

15-SEWER FUND
ADMINISTRATION AND GENERA

EXPENDITURES	2012	2013	2014	2015		2016		PERCENT VARIANCE
	ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROPOSED BUDGET	VARIANCE	
<hr/>								
	BELINDA-8/17/15-WENT WITH 2015 ACTUAL BEFORE ANY CREDITS							
-4843-4590	LICENSES & PERMITS	CURRENT YEAR NOTES: NPDES annual and renewal						
-4843-5300	EQUIPMENT RENTAL/LEASE	CURRENT YEAR NOTES: Copier						

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CITY OF PAYNESVILLE
 PROPOSED BUDGET REPORT
 AS OF: SEPTEMBER 30TH, 2015

-SEWER FUND
 -OPERATING EXPENSES

ENDITURES	(----- 2015 -----) (----- 2016 -----)					PERCENT VARIANCE		
	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL		PROPOSED BUDGET	VARIANCE
-5-4844-4400 INTEREST EXPENSE	0	0	0	0	0	0	0	0.00
-5-4844-4920 DEPRECIATION EXPENSE	0	0	0	0	0	0	0	0.00
-5-4844-4930 GAIN/LOSS ON DISPOSAL	0	0	9,775	0	0	0	0	0.00
-5-4844-5010 LAND	15,496	12,540	13,220	16,000	14,406	16,000	0	0.00
-5-4844-5200 NEW EQUIPMENT	0	0	0	0	0	0	0	0.00
-5-4844-5400 TF TO CAPITAL IMP	80,000	80,000	80,000	40,000	0	40,000	0	0.00
-5-4844-5500 TF TO SE EQUIP REPLACEMENT FUN	152,900	156,200	159,500	100,000	0	94,000	(6,000)	6.00-
-5-4844-7010 PERMANENT TRANSFER OUT	200,000	0	0	0	0	0	0	0.00
-5-4844-7050 TF TO DOWNTOWN DEBT	0	0	0	0	0	0	0	0.00
-5-4844-7450 TF TO INFRASTRUCTURE DEBT	0	0	0	0	0	0	0	0.00
-5-4844-7460 TF TO 1996 STREET DEBT	0	0	0	0	0	0	0	0.00
-5-4844-7470 TF TO 1998 STREET DEBT	0	0	0	0	0	0	0	0.00
-5-4844-7500 TF TO 2000 STREET DEBT	0	0	0	0	0	0	0	0.00
-5-4844-7510 TF TO 2002 LAKE AVE DEBT	0	0	0	0	0	0	0	0.00
-5-4844-7520 TF TO 2004 DEBT FUND	14,000	14,000	14,000	14,000	0	14,000	0	0.00
-5-4844-7530 TF TO 2006 DEBT FUND	12,000	12,000	12,000	12,000	0	12,000	0	0.00
-5-4844-7540 TF TO 2008 DEBT FUND	21,000	21,000	21,000	21,000	0	21,000	0	0.00
-5-4844-7550 TF TO 2010 DEBT FUND	15,250	15,250	15,250	15,250	0	15,250	0	0.00
-5-4844-7560 TF TO HWY 23 DEBT FUND	20,000	20,000	20,000	20,000	0	20,000	0	0.00
-5-4844-7565 TF TO 2014 DEBT FUND	0	0	5,000	14,500	0	14,500	0	0.00
-5-4844-7570 TF TO WW FACILITY PLAN DEBT	0	70,000	90,000	192,000	0	192,000	0	0.00
-5-4844-7575 TF TO 2016 DEBT FUND	0	0	0	0	0	5,000	5,000	0.00
TOTAL NON-OPERATING EXPENSES	530,646	400,990	439,745	444,750	14,406	443,750	(1,000)	0.22-

844-5010 LAND CURRENT YEAR NOTES:
 Property taxes

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CITY OF PAYNESVILLE
 PROPOSED BUDGET REPORT
 AS OF: SEPTEMBER 30TH, 2015

SEWER FUND
 IRRIGATION

EXPENDITURES	(----- 2015 -----)				(----- 2016 -----)		PERCENT VARIANCE	
	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROPOSED BUDGET		VARIANCE
-5-4845-1000 SALARIES	32,373	31,021	29,566	32,915	20,278	35,763	2,848	8.65
-5-4845-1060 FICA WITHHOLDINGS	1,826	1,731	1,697	2,041	1,189	2,217	176	8.62
-5-4845-1070 PERA WITHHOLDINGS	2,148	2,048	2,127	2,468	1,578	2,682	214	8.67
-5-4845-1080 MEDICARE WITHHOLDINGS	427	435	397	477	278	519	42	8.81
-5-4845-1090 HEALTH INSURANCE	4,915	4,315	3,775	4,021	3,458	4,840	819	20.37
-5-4845-1180 ENGINEERING	0	0	0	500	0	500	0	0.00
-5-4845-1300 PROFESSIONAL SERVICES (LEGAL)	253	48	209	1,000	0	1,000	0	0.00
-5-4845-1320 PROFESSIONAL SERVICES (TESTING)	1,130	800	897	1,000	1,248	1,250	250	25.00
-5-4845-2000 POSTAGE	50	0	0	50	16	50	0	0.00
-5-4845-2100 PRINTING & PUBLISHING	0	0	62	75	0	75	0	0.00
-5-4845-2200 UTILITIES	4,787	8,728	7,670	7,500	3,906	7,500	0	0.00
-5-4845-2210 UTILITIES-ELEC, HEAT (PUMPING)	19,842	23,605	30,787	23,500	18,601	25,000	1,500	6.38
-5-4845-2300 TRAVEL & SCHOOLS	0	0	357	400	0	400	0	0.00
-5-4845-2400 MAINTENANCE & REPAIR OF EQUIP	5,096	6,527	11,098	11,500	5,331	11,500	0	0.00
-5-4845-2900 CONTRACTUAL SERVICE	0	0	0	0	0	0	0	0.00
-5-4845-3000 GENERAL/OFFICE SUPPLIES	129	128	340	750	66	500	(250)	33.33
-5-4845-3300 MOTOR FUELS & LUBRICANTS	1,133	1,055	2,208	3,000	988	3,000	0	0.00
-5-4845-3811 UNIFORMS	198	220	225	300	0	300	0	0.00
-5-4845-4100 INSURANCE AND BONDS	11,051	12,583	12,973	15,242	17,001	17,001	1,759	11.54
-5-4845-4920 DEPRECIATION EXPENSE	26,460	26,770	26,636	26,150	0	26,150	0	0.00
-5-4845-5200 NEW EQUIPMENT	942	646	262	1,500	1,260	1,500	0	0.00
-5-4845-7010 PERMANENT TRANSFER OUT	0	0	0	0	0	0	0	0.00
-5-4845-8020 MISCELLANEOUS	0	0	0	0	0	0	0	0.00

TOTAL IRRIGATION 112,759 120,633 131,284 134,389 75,199 141,747 7,358 5.48

- 845-1300 PROFESSIONAL SERVICES (CURRENT YEAR NOTES:
Irrigation contracts
- 845-1320 PROFESSIONAL SERVICES (CURRENT YEAR NOTES:
Water and soil analysis
- 845-2200 UTILITIES CURRENT YEAR NOTES:
Pivots
- 845-2210 UTILITIES-ELEC, HEAT (CURRENT YEAR NOTES:
Irrigation pump station
- 845-2400 MAINTENANCE & REPAIR OF CURRENT YEAR NOTES:
Pivot repairs gear boxes, tower controls, tires, etc
- 845-4100 INSURANCE AND BONDS CURRENT YEAR NOTES:
BELINDA-8/17/15-WENT WITH 2015 ACTUAL BEFORE ANY CREDITS

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CITY OF PAINESVILLE
 PROPOSED BUDGET REPORT
 AS OF: SEPTEMBER 30TH, 2015

SEWER FUND
 AERATION POND

EXPENDITURES	(----- 2015 -----) (----- 2016 -----)					PROPOSED BUDGET	VARIANCE	PERCENT VARIANCE
	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL			
5-4846-2200 UTILITIES	72,594	95,573	127,207	110,000	86,498	110,000	0	0.00
5-4846-2400 MAINTENANCE & REPAIR OF EQUIP	13	201	646	1,000	881	1,000	0	0.00
5-4846-3000 GENERAL/OFFICE SUPPLIES	77	0	3	100	18	100	0	0.00
5-4846-5200 NEW EQUIPMENT	0	97	1,590	0	0	0	0	0.00
5-4846-5400 TF TO CAPITAL IMP	45,000	0	0	0	0	0	0	0.00
5-4846-7480 TF TO PRETREATMENT POND DEBT	0	0	0	0	0	0	0	0.00
TOTAL AERATION POND	117,684	95,871	129,446	111,100	87,398	111,100	0	0.00
TOTAL EXPENDITURES	1,023,707	882,904	1,020,039	1,108,862	334,591	1,143,197	34,335	3.10
REVENUE OVER/(UNDER) EXPENDITURES	(293,116)	(181,601)	1,236,760	(237,274)	49,553	(1,143,197)	(905,923)	

CV



Draft

Grant Agreement

This grant agreement is between the State of Minnesota, acting through its Commissioner of the Minnesota Pollution Control Agency, 520 Lafayette Road North, St. Paul, MN 55155-4194 ("MPCA" or "STATE") and City of Paynesville, 221 Washburne Avenue, Paynesville, MN 56362 ("GRANTEE").

Recitals

1. Under Minn. Stat. 2015 MN Session Laws 1st Special Session, Chapter 4-SF No. 5 Article 3, Section 2, subd. 4, the State is empowered to enter into this grant.
2. The State is in need of providing a grant as required by the State Legislature.
3. The Grantee represents that it is duly qualified and agrees to perform all services described in this grant agreement to the satisfaction of the State. Pursuant to Minn.Stat. §16B.98, Subd.1, the Grantee agrees to minimize administrative costs as a condition of this grant.

Grant Agreement

1 Term of Grant Agreement

- 1.1 **Effective date:** December 1, 2015, or the date the State obtains all required signatures under Minn. Stat. §16B.98, Subd. 5, whichever is later. Per Minn.Stat. §16B.98, Subd. 11, the grantee submitted and the State approved a work plan and budget whose expenditures can be reimbursed. Per, Minn.Stat. §16B.98 Subd. 7, no payments will be made to the Grantee until this grant agreement is fully executed.
- 1.2 **Expiration date:** June 30, 2017, or until all obligations have been satisfactorily fulfilled, whichever occurs first.
- 1.3 **Survival of Terms.** The following clauses survive the expiration or cancellation of this grant agreement: Indemnification; State Audits; Government Data Practices and Intellectual Property; Publicity and Endorsement; Governing Law, Jurisdiction, and Venue; and Data Disclosure.

2 Grantee's Duties

- (a) Comply with required grants management policies and procedures set forth through Minn.Stat. §16B.97, Subd. 4 (a) (1), and perform the duties specified in Attachment A which is attached and incorporated into this grant agreement.
- (b) All work performed under this grant agreement, or any contract or sub-contract entered into by the Grantee for the design or construction under this grant agreement, shall comply with all applicable federal, state, and local laws, ordinances, rules, and regulations, and shall be subject to, and in accordance with, all necessary federal, state, and local permits and approvals.
- (c) Prior to 1) the commencement of any construction of changes to the grantee's public water supply system or 2) the entry into any legally enforceable contract for the construction under this grant agreement, the grantee shall submit to the Minnesota Department of Health (MDH) for approval all necessary plans, specifications, schedules, and other documents as required under MDH rules and regulations. The plans, specifications, schedule, and other documents shall be prepared by a registered professional engineer, and must meet all requirements as outlined in the letter dated <date> from MDH to the City of Paynesville.
- (d) Funds provided under this grant agreement shall not be used for changes that increase the capacity of the grantee's public water supply.

3 Time

The Grantee must comply with all the time requirements described in this grant agreement. In the performance of this grant agreement, time is of the essence.

4 Consideration and Payment

4.1 **Consideration.** The State will pay for all services performed by the Grantee under this grant agreement as follows:

- (a) **Compensation.** The Grantee will be paid according to the breakdown of costs contained in Attachment B, which is attached and incorporated into this grant agreement.
- (b) **Travel Expenses.** Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Grantee as a result of this grant agreement will not exceed \$0.00; provided that the Grantee will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the Commissioner of Minnesota Management and Budget (MMB). The Grantee will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.
- (c) **Total Obligation.** The total obligation of the State for all compensation and reimbursements to the Grantee under this grant agreement will not exceed \$2,500,000.00.

4.2. Payment

- (a) **Invoices.** The State will promptly pay the Grantee after the Grantee presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices must be submitted timely and according to the following schedule: Monthly, or at least quarterly.

Invoices must be emailed to mpca.ap@state.mn.us, and contain the following information:

- Name of Grantee;
- Grantee project manager;
- Grant amount;
- Retainage amount;
- Grant amount available to date;
- Invoice number;
- Invoice date;
- MPCA project manager;
- SWIFT Contract No. (XXXXXX);
- Purchase Order No. (XXXX);
- Invoicing period (actual working period);
- Subcontractors invoices, if applicable;
- Itemized labor, equipment, lab fees, shipping expenses, mileage and subcontractor charges, etc.;
- Time and material breakdown of invoice. Amount billed to date for work, including this invoice;
- Receipts for supplies, shipping, lab fees and any other subcontractor invoices must be attached ;
- Per diem expenses submitted on travel expense forms and receipts may be requested to be submitted with invoice.

If there is a problem with submitting an invoice electronically please contact the Accounts Payable Unit at 651-757-2491.

The Grantee shall submit an invoice for the final payment upon submittal of the final progress and financial report within 30 (thirty) days of the original or amended end date of this grant agreement. The State reserves the right to review submitted invoices after 30 (thirty) days and make a determination as to payment.

- (b)** The Grantee must promptly return to the State any unexpended funds that have not been accounted for annually in a financial report to the State due at grant closeout.

5 Conditions of Payment

All services provided by the Grantee under this grant agreement must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law.

6 Authorized Representative

The State's Authorized Representative is **Donald Milless**, Supervisor, 7678 College Road, Suite 105, Baxter, MN 56425, (218) 316-3861, don.milless@state.mn.us, or his successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this grant agreement. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

The MPCA Project Manager for this project is **Lauralin Kania**, 525 Lake Avenue South, Suite 400, Duluth, MN 55802, (218) 302-6639, Lauralin.kania@state.mn.us, or her successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this grant agreement. The MPCA Project Manager must review all invoices prior to being signed by the State's Authorized Representative.

The Grantee's Authorized Representative is **Renee Eckerly**, City Administrator, 221 Washburne Avenue, Paynesville, MN, 56362, (320) 243-3714 extension 227, renee@paynesvillemn.com. If the Grantee's Authorized Representative changes at any time during this grant agreement, the Grantee must immediately notify the State.

7 Assignment, Amendments, Change Orders, Waiver, and Grant Agreement Complete

7.1 Assignment. The Grantee shall neither assign nor transfer any rights or obligations under this grant agreement without the prior written consent of the State, approved by the same parties who executed and approved this grant agreement, or their successors in office.

7.2 Amendments. Any amendments to this grant agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original grant agreement, or their successors in office.

7.3 Change Orders. If the State's Authorized Representative or the Grantee's Authorized Representative identifies a minor or major change needed in the Project Work Plan and Budget, either party may initiate a Change Order using the Change Order Form provided by the MPCA. Minor changes are defined as reallocating less than ten percent (10%) or \$50,000, whichever is less, of the overall Grant, cumulatively, between tasks or objectives. Major changes are defined as reallocating ten percent (10%) or more, or \$50,000, whichever is less, of the overall grant, cumulatively, between tasks or objectives.

Change Orders may not delay or jeopardize the success of the Project, alter the overall scope of the Project, reduce the Grantee's required matching amount, increase or decrease the overall amount of the grant agreement, or cause an extension of the term of this grant agreement.

The State's Authorized Representative and the Grantee's Authorized Representative shall sign the Change Order Form in advance of doing the work, which will then become an integral and enforceable part of the grant agreement.

7.4 Waiver. If the State fails to enforce any provision of this grant agreement, that failure does not waive the provision or the State's right to enforce it.

7.5 Grant Agreement Complete. This grant agreement contains all negotiations and agreements between the State and the Grantee. No other understanding regarding this grant agreement, whether written or oral, may be used to bind either party.

8 Indemnification

The Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this grant agreement by the Grantee or the Grantee's agents or employees. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this grant agreement.

9 State Audits

Under Minn. Stat. § 16B.98, Subd.8, the Grantee's books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this grant agreement or transaction are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

10 Government Data Practices and Intellectual Property

10.1 Government Data Practices. The Grantee and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this grant agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this grant agreement. The civil remedies of Minn. Stat. §13.08 apply to the release of the data referred to in this clause by either the Grantee or the State. If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee's response to the request shall comply with applicable law.

10.2 Intellectual Property Rights

(a) Intellectual property rights. The State owns all rights, title and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the Works and Documents created and paid for under this grant agreement. Works means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Grantee, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this grant agreement. Works includes "Documents." Documents are the originals of any databases, computer programs, reports, notes studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Grantee, its employees, agents, or subcontractors, in the performance of this grant agreement. The Documents shall be the exclusive property of the State and all such Documents must be immediately returned to the State by the Grantee, at the Grantee's expense, upon the written request of the State, or upon completion, termination, or cancellation of this grant agreement. To the extent possible, those Works eligible for copyright protection under the United State's Copyright Act will be deemed to be "works made for hire." The Grantee assigns all right, title, and interest it may have in the Works and the Documents to the State. The Grantee must, at the request of the State, execute all papers and perform all other acts necessary to transfer or record the State's ownership interest in the Works and Documents.

(b) Obligations.

(1) Notification. Whenever any invention, improvement, or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by the Grantee, including its

employees and subcontractors, in the performance of this grant agreement, the Grantee shall immediately give the State's Authorized Representative written notice thereof, and must promptly furnish the Authorized Representative with complete information and/or disclosure therein.

(2) **Representation.** The Grantee must perform all acts, and take all steps necessary to ensure that all intellectual property rights in the Works and Documents are the sole property of the State, and that neither Grantee nor its employees, agents, or subcontractors retain any interest in and to the Works and Documents. The Grantee represents and warrants that the Works and Documents do not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause Liability, the Grantee shall indemnify, defend, to the extent permitted by the Attorney General, and hold harmless the State, at the Grantee's expense, from any action or claim brought against the State to the extent that it is based on a claim that all or part of the Works or Documents infringe upon the intellectual property rights of others. The Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including, but not limited to, attorney fees. If such a claim or action arises or in Grantee's or the State's opinion is likely to arise, the Grantee must, at the State's discretion, either procure for the State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of the State will be in addition to and not exclusive of other remedies provided by law.

(3) **License.** The State hereby grants a limited, no-fee, noncommercial license to the Grantee to enable the Grantee's employees engaged in research and scholarly pursuits to make, have made, reproduce, modify, distribute, perform, and otherwise use the Works, including Documents, for research activities or to publish in scholarly or professional journals, provided that any existing or future intellectual property rights in the Works or Documents (including patents, licenses, trade or service marks, trade secrets, or copyrights) are not prejudiced or infringed upon, that the Minnesota Data Practices Act is complied with, and that individual rights to privacy are not violated. The Grantee shall indemnify and hold harmless the State for any claim or action based on the Grantee's use of the Works or Documents under the provisions of Clause 10.2(b)(2). Said license is subject to the State's publicity and acknowledgement requirements set forth in this grant agreement. The Grantee may reproduce and retain a copy of the Documents for research and academic use. The Grantee is responsible for security of the Grantee's copy of the Documents. A copy of any articles, materials or documents produced by the Grantee's employees, in any form, using or derived from the subject matter of this license, shall be promptly delivered without cost to the State.

11 Workers' Compensation

The Grantee certifies that it is in compliance with Minn. Stat. §176.181, Subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

Grantee is required to maintain and furnish satisfactory evidence of the following workers' compensation insurance policies:

Workers' Compensation Insurance: Except as provided below, Grantee must provide Workers' Compensation insurance for all its employees and, in case any work is subcontracted, Grantee will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer's Liability. Insurance minimum limits are as follows:

- \$100,000 – Bodily Injury by Disease per employee
- \$500,000 – Bodily Injury by Disease aggregate

\$100,000 – Bodily Injury by Accident

If Minn. Stat. § 176.041 exempts Grantee from Workers' Compensation insurance or if the Grantee has no employees in the State of Minnesota, Grantee must provide a written statement, signed by an authorized representative, indicating the qualifying exemption that excludes Grantee from the Minnesota Workers' Compensation requirements.

If during the course of the grant agreement the Grantee becomes eligible for Workers' Compensation, the Grantee must comply with the Workers' Compensation Insurance requirements herein and provide the State of Minnesota with a certificate of insurance.

12 Publicity and Endorsement

12.1 Publicity. Any publicity regarding the subject matter of this grant agreement must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant agreement.

12.2 Endorsement. The Grantee must not claim that the State endorses its products or services.

13 Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this grant agreement. Venue for all legal proceedings out of this grant agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14 Termination

14.1 Termination by the State. The State may immediately terminate this grant agreement with or without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

14.2 Termination for Cause. The State may immediately terminate this grant agreement if the State finds that there has been a failure to comply with the provisions of this grant agreement, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

14.3 Termination for Insufficient Funding. The State may immediately terminate this grant agreement if:

(a) It does not obtain funding from the Minnesota Legislature.

(b) Or, if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State must provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

15 Data Disclosure

Under Minn. Stat. § 270C.65, Subd. 3, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already

provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

16 Nondiscrimination

The Grantee will comply with the provisions of Minn. Stat. § 181.59 which require: "Every contract for or on behalf of the state of Minnesota, or any county, city, town, township, school, school district, or any other district in the state, for materials, supplies, or construction shall contain provisions by which the contractor agrees:

- (1) that, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no contractor, material supplier, or vendor, shall, by reason of race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which *the employment relates*;
- (2) supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or prevent the employment that no contractor, material of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color;
- (3) that a violation of this section is a misdemeanor; and
- (4) that this contract may be canceled or terminated by the state, county, city, town, school board, or any other person authorized to grant the contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this contract."

During the performance of this grant agreement, neither the Grantee, nor those with whom the Grantee subcontracts for all or part of the work to be performed under this grant agreement shall, because of age, sexual preference, political affiliation, race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance or disability, discriminate against any person with respect to hire, tenure, compensation, terms of employment, upgrading of employment, facilities, privileges or conditions of employment; refuse to hire persons seeking employment; or, discharge an employee.

Neither the Grantee, nor those with whom the Grantee subcontracts for all or a portion of the work to be performed under this grant agreement shall exclude any person from participating in, deny them the benefits of, or discriminate against them on the basis of race, color, creed, religion, national origin, sex, marital status, age, sexual preference, political affiliation, or status with regard to public assistance or disability.

17 Human Rights, Equal Employment Opportunity, Affirmative Action

The Grantee, in the conduct of the Project, shall comply with all applicable state and federal laws relating to nondiscrimination, affirmative action, and equal opportunity, now or hereafter enacted and any amendments thereto, including, but not limited to, Minnesota Statutes Ch. 363 (the Minnesota Human Rights Act), Minn. Stat. § 181.59 (applicable to contracts for materials, supplies, and construction for or on behalf of the State), and the Americans with Disabilities Act of 1990 (P.L. 100-336).

18 Contracting and bidding requirements

18.1 *Minn. Stat 471.345*. Per Minn. Stat. §471.345, grantees that are municipalities as defined in Subd. 1 must do the following if contracting funds from this grant agreement contract for any supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property

- (a) Support documentation of the bidding process utilized to contract services must be included in the grantee's financial records, including support documentation justifying a single/sole source bid, if applicable.
- (b) For projects that include construction work of \$25,000 or more, prevailing wage rules apply per; Minn. Stat. §§177.41 through 177.44 consequently, the bid request must state the project is subject to *prevailing wage*.

These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole. A prevailing wage form should accompany these bid submittals.

18.2 Obligations. The Grantee is responsible for all work assigned to the Grantee under this Grant whether the work is actually performed by the Grantee or a subcontractor. The State considers the Grantee to be the sole point of contact with regard to matters governed by this grant, including payment of any and all charges resulting from this grant agreement. All subcontracts shall reference this grant agreement and require the subcontractor to comply with all of the terms and conditions of this grant agreement. The Grantee is responsible for ensuring that the subcontractor complies with all provisions of this grant agreement.

18.3 Approval. If the Grantee decides to fulfill any of its obligations and duties under this grant agreement through a subcontractor to be paid for by funds received under this grant agreement, the Grantee shall not execute a contract with the subcontractor or otherwise enter into a binding agreement until it has first received written approval from the State's Authorized Representative, unless such subcontract is a specific part of an approved Project Work Plan included in this grant agreement.

The STATE'S Authorized Representative shall respond to requests from the GRANTEE for authorization to subcontract within 10 (ten) working days of receiving the request.

18.4 Payment. As required by Minn. Stat. 16A.1245, the grantee must pay all subcontractors, less any retainage, within 10 (ten) calendar days of the Grantee's receipt of payment from the State for undisputed services provided by the subcontractor(s) and must pay interest at the rate of one and one half percent per month or any part of a month to a subcontractor on any undisputed amount not paid in time to the subcontractor.

19 Insurance

19.1 Commence work: Grantee shall not commence work under the grant agreement until they have obtained all the insurance described below and the State of Minnesota has approved such insurance. Grantee shall maintain such insurance in force and effect throughout the term of the grant agreement.

19.2 Policies: Grantee is required to maintain and furnish satisfactory evidence of the following insurance policies:

- (a) Commercial General Liability Insurance:** Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the Contractor or by a subcontractor or by anyone directly or indirectly employed by the Contractor under the contract. Insurance minimum limits are as follows:
 - \$2,000,000 – per occurrence
 - \$2,000,000 – annual aggregate
 - \$2,000,000 – annual aggregate – Products/Completed Operations

The following coverages shall be included:

- Premises and Operations Bodily Injury and Property Damage
- Personal and Advertising Injury
- Blanket Contractual Liability
- Products and Completed Operations Liability
- Other; if applicable, please list _____
- State of Minnesota named as an Additional Insured, to the extent permitted by law

(b) Commercial Automobile Liability Insurance: Contractor is required to maintain insurance protecting it from claims for damages for bodily injury as well as from claims for property damage resulting from the

ownership, operation, maintenance or use of all owned, hired, and non-owned autos which may arise from operations under this contract, and in case any work is subcontracted the contractor will require the subcontractor to maintain Commercial Automobile Liability insurance. Insurance minimum limits are as follows:

\$2,000,000 – per occurrence Combined Single limit for Bodily Injury and Property Damage

In addition, the following coverages should be included:

- Owned
- Hired
- Non-owned Automobile
- Waiver of Subrogation in favor of the Owner
- CA 99 48 Endorsement – Pollution Liability – Broadened Coverage or equivalent
- MCS 90 Endorsement

(c) Pollution Liability Insurance: The Contractor shall maintain Pollution Liability insurance (or equivalent pollution liability coverage endorsed on another form of liability coverage, such as general liability or professional errors and omissions policy) and in case any work is subcontracted, the Contractor will require the subcontractor to provide Pollution Liability insurance unless the requirement is noted below as waived in these specifications for specific types of work. Unless otherwise specified the insurance minimum limits of liability shall be as follows:

(1) Minimum Limits of Liability:

\$2,000,000.00—Per Occurrence

\$2,000,000.00—Annual Aggregate

(2) Coverage:

- *Policy will include non-owned disposal site Pollution Liability
- Policy will not contain a lead exclusion
- Owner named as an Additional Insured

Officers and Employees of the State of Minnesota, the Architect and its agents shall be named as Additional Insured, to the extent permitted by law, for claims arising out of the Contractor's negligence of the negligence of those for whom the Contractor is responsible for both ongoing and completed operations.

Evidence of Subcontractor insurance shall be filed with the Contractor.

19.3 Additional Insurance Conditions:

- (a) Grantee's policy(ies) shall be primary insurance to any other valid and collectible insurance available to the State of Minnesota with respect to any claim arising out of Grantee's performance under this grant agreement;
- (b) If Grantee receives a cancellation notice from an insurance carrier affording coverage herein, Grantee agrees to notify the State of Minnesota within five (5) business days with a copy of the cancellation notice, unless Grantee's policy(ies) contain a provision that coverage afforded under the policy(ies) will not be cancelled without at least thirty (30) days advance written notice to the State of Minnesota;
- (c) Grantee is responsible for payment of grant agreement related insurance premiums and deductibles;
- (d) If Grantee is self-insured, a Certificate of Self-Insurance must be attached;

- (e) Contractor shall obtain insurance policy(ies) from insurance company(ies) having an "AM BEST" rating of A- (minus); Financial Size Category (FSC) VII or better, and authorized to do business in the State of Minnesota; and
- (f) An Umbrella or Excess Liability insurance policy may be used to supplement the Contractor's policy limits to satisfy the full policy limits required by the Contract.

19.4 Termination, legal remedies, inspection. The State reserves the right to immediately terminate the Contract if the Contractor is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the contractor. All insurance policies must be open to inspection by the State, and copies of policies must be submitted to the State's Authorized Representative upon written request.

19.5 Certificates of Insurance. The successful applicant is required to submit Certificates of Insurance acceptable to the State of Minnesota as evidence of insurance coverage requirements prior to commencing work under the grant agreement.

CITY OF PAYNESVILLE GRANT-MAKING TIMELINE

Document updated 9-29-15

Initial conversation with City of Paynesville: 9-30-15

Task	Time to complete	Start date	deadline
Grantee drafts and shares work plan and budget with MPCA. If grantee has questions about Terms and Conditions, communicate with MPCA during this time.	3 weeks	Sept 30	Oct 21
MPCA review of workplan and budget Work with grantee if revision required Finalize grant agreement	4 weeks	Oct 21	Nov 18
Grantee signs	4 days	Nov 20	Nov 25
MPCA Signatures (Finance and Approver)	8 days	Nov 25	Dec 8
MPCA staff notify grantee work may begin	upon execution of grant agreement		

STATUTE

2015 Minnesota Session Laws

1st Special Session, Chapter 4—SF No. 5, Article 3, Section 2, subd 4:

Up to \$2,500,000 the first year is from the general fund to the commissioner for a grant to the city of Paynesville to add a treatment process to a water treatment plant for removal of volatile organic compounds. This is a onetime appropriation. This appropriation is effective December 1, 2015.