

MILACA CITY COUNCIL AGENDA
MARCH 15, 2012

Tour museum – 6:00

6:30

Call meeting to order
Roll Call

Consent Agenda

Minutes of February 16 regular council meeting
Bills for payment
Approve sewer maintenance policy and emergency response policy
Resolution No. 12 – 12 Assessing cost to remove dead trees
Resolution No. 12 – 13 Establishing precinct boundaries
Resolution No. 12 – 14 Assessing fire service charge
City Treasurer's report

Citizens Forum

Public Hearing

Requests and Communications

Ordinances and Resolutions

Reports of Boards and Commissions

Planning commission
Economic Development commission
Airport commission
Parks commission
Downtown Initiative

Unfinished Business

New Business

CSAH 36 County-city agreement

Council Comments

Adjourn

This agenda and attachments are available on the city's website, www.cityofmilaca.org

MILACA CITY COUNCIL MINUTES
FEBRUARY 16, 2012 MEETING

The regular meeting of the Milaca City Council was called to order at 6:30 p.m. by Mayor Harold Pedersen. Upon roll call the following Council members were present: Dillan, Johnson, Bekius, and Muller.

Staff present: Lerud, Gann, Schieffer

Motion by Muller, second by Bekius to approve the consent agenda:

1. Minutes of the January 19 regular council meeting.
2. General bills; 812009E-812015E, #38232-38241, #38309-38315, #38322-38381; totaling \$122,132.68; Liquor bills; 912001E-912004E, #22047-22064, #22096-22112, totaling \$133,091.86.
3. RESOLUTION NO. 12 – 07 ASSESSING COST TO REMOVE DEAD TREE (entire text appears in Resolution book.)
4. RESOLUTION NO. 12 – 08 RESOLUTION APPROVING BUDGET ADJUSTMENTS (entire text appears in Resolution book.)
5. Close the DARE Fund as of December 31, 2011 and transfer all remaining balances to the General fund.
6. Close the 2001 GO Street Project Fund as of December 31, 2011 and transfer all remaining balances to the 2010 GO Bond Fund.
7. Adopt the elected official out-of-state travel policy as presented.
8. Accept City Treasurer's report.

Unanimous consent.

No one was present for citizen's forum.

Damien Toven arrived at 6:32.

Jason Fullen, Andrew Fullen, Luke Roehl, and Ben Roehl arrived at 6:33.

Council member Dillan offered Resolution No. 12 – 10 and moved for its adoption, second by Muller

RESOLUTION NO. 12 – 10
APPROVING 2012 LIQUOR LICENSE
(entire text appears in Resolution book)

Unanimous consent.

Council member Johnson offered Resolution No. 12 – 11 and moved for its adoption, second by Dillan

RESOLUTION NO. 12 – 11
RESOLUTION PERTAINING TO THE NEED FOR AN ENVIRONMENTAL ASSESSMENT
WORKSHEET FOR THE PROPOSED REMOVAL OF THE DAM ON THE RUM RIVER IN
MILACA

(entire text appears in Resolution book)

Mayor Pedersen asked about the time line for the project. Lerud said that the engineer proposes to have the plans and specifications here at the March meeting for council approval, and to begin work around June 1. Mayor Pedersen said he would like to see the new bridge in the same location as the present bridge, rather than just north of the present location. He also suggested making contact with the Forest Hill Cemetery Board to get their input on the location. There was no further discussion.

Upon voting all voted in favor.

Steve Mattson arrived at 6:40.

Mattson, from Northland Securities, presented a potential bond refunding opportunity. He said that the market has gone lower than he thought possible, and since bottoming out in January, it has only modestly increased. He said it is a very favorable time to consider refunding. He said that there is an estimated \$36,000 in net savings on the bond issue starting in 2014. Mattson said if the council decides to proceed, he asked they consider a trigger Resolution that will allow the Mayor and City Manager to authorize the sale of bonds, and the council would approve at their next meeting.

Council member Johnson offered Resolution No. 12 – 09 and moved for its adoption, second by Muller

RESOLUTION NO. 12 – 09
RESOLUTION APPROVING THE ISSUANCE OF GENERAL OBLIGATION IMPROVEMENT
CROSSOVER REFUNDING BONDS, SERIES 2012A

(entire text appears in Resolution book)

Unanimous consent.

Council member Bekius said there was no planning commission meeting.

Lerud said the minutes of last month's economic development commission meeting were in the packet, and the group meets again tomorrow.

Council member Muller said that Centerpoint Energy will be conducting a survey of hanger owners to determine interest in natural gas at the airport. He said a new hanger has been constructed and looks very nice.

Mayor Pedersen said he did not attend the last parks commission meeting, but they discussed Rec Fest, and began a discussion about who would plan future events – the parks commission or the arts council. Mayor Pedersen asked staff to look at the revenues and expenditures for the skate board park to see if there were any funds remaining.

Council member Dillan said the parks commission should consider a three-sided sign in Rec Park. One side to have the disc golf rules, another for trail information and park rules, and the third side as a welcome.

Council member Dillan said the downtown group has gotten refocused and are working on a three-phase plan for downtown which will be presented at the Chamber luncheon on Tuesday.

Lerud said on a related note to the downtown, he met with the Senior Center board and the Milaca Arts Council, and they have an agreement to share the building.

Permitting alcohol in the parks was discussed. There was discussion about limiting it to Rec and Reineke parks, as well as for events and reservations, or in designated areas. Lerud was directed to visit with the Chief of Police and Parks Director about their comments, and to have the city attorney draft some language to be considered at the March meeting.

The city attorney gave the Council an update on legal action against the developer of the two housing developments. He said the request for documents was served today and they have 30 days to respond. He said once the information is received he will be in a position to determine if the city should proceed with the court case.

Mayor Pedersen called for council comments. Council member Bekius presented an idea about expanding the building official's duties to include coordinating economic development activities. He said he envisioned it being a one stop shop for information about properties, economic development contacts, and financing options. Bekius said it would need to be well thought out with time given to become knowledgeable and clear expectations. He also presented a preliminary plan for a building in the industrial park that the EDA would operate. He envisioned the building to be divided into three expandable sections, each with a loading dock, a small office area, and a small production area. The consensus of the council was that both were a good idea. Bekius said he would gather more information on both and come back at a future meeting.

With no other business a motion to adjourn was made by Dillan, second by Johnson, all voted in favor and the meeting adjourned at 7:27 p.m.

Mayor Harold Pedersen

ATTEST

Greg Lerud, City Manager

SANITARY SEWER MAINTENANCE POLICY

1. Purpose

It is the policy of the City of Milaca to comply with all applicable state and federal regulatory requirements.

The City intends to provide effective and efficient maintenance to its sanitary sewer system by evaluating political, social, safety, and economic concerns, among others. Procedures identified in this policy are intended to maintain the sanitary sewer system to prevent sewer backups. These procedures, when implemented, may also extend the service life of various components of the sanitary sewer system.

The City has 29,805 feet of public sanitary sewer mains, 283 manholes and 7 lift stations within its sanitary sewer system. The City has developed and implemented this policy that takes into consideration public safety, the City's budget, contracts, environmental concerns, and the cost of implementation versus the benefit to be achieved. The City will use its private contractors to provide this service.

While the City fully intends to meet the guidelines established in this policy, there may be times when this is not feasible. Issues including, but not limited to, budget constraints, critical equipment failure, or weather and other emergencies may prevent the City from meeting the guidelines established herein. The Milaca City Council may override provisions established within this policy. Deviations from the goals established in this policy will be documented.

The City will use this policy to guide any sanitary sewer maintenance activities to be provided by a contractor or a party other than the City.

2. Routine Maintenance and Inspection Goals.

A. Sanitary Sewer Mains

Scope of the City's Responsibility – The City will maintain the components of the public sanitary sewer system. This includes sanitary sewer mains, manholes, lift stations, the wastewater treatment plant, and other components. Private property owners are responsible for the maintenance of their private sanitary sewer components, up to and including the connection to the main, as well as restoration of any ground disturbed.

Schedule – The City's goal is to clean and inspect a quarter of the system every other year, and at the same time, where warranted, provide for removing problem areas where roots are present.

Equipment – The equipment used to perform maintenance will depend upon the equipment available and its effectiveness as determined by qualified staff.

Television Inspection – The City’s sanitary sewer mains will be inspected by television camera in accordance with the attached schedule. Any sewer mains located on a street where a street maintenance project is planned will be inspected before and after such a project. Sanitary sewer mains in a new development must be televised before said mains are accepted by the City. Television inspection may also be used to inspect the system where there are possible problems. In addition, the City may require any main near a construction site to be televised before and after the construction (i.e. near blasting, digging, and other activities that, in the judgment of the city, might disrupt the main.)

Visual recordings of sewer main televising will be required of any vendor performing this service for the City. A written report summarizing and interpreting the findings of the televising will also be required. These records will be kept by the City for a minimum of 12 years.

B. Problem Areas

The sanitary sewer mains and facilities identified as Category 1 have been identified as areas requiring more than regular maintenance, and will receive more frequent maintenance than those identified in other categories. Category 2 will receive annual maintenance. Those identified as Category 3 will receive less frequent maintenance. When a sewer main or facility is identified as anything other than Category 3, the reasons why maintenance is needed on a different schedule will be documented. City staff, in conjunction with the City’s consulting engineer, will determine whether a main or facility is a Category 1, 2, or 3. Based on periodic assessment, maintenance will be adjusted and a sewer main may be moved from one category to another.

CATEGORY 1

9th Street NW between 3rd Avenue NW and dead end by Central Avenue North

8th Street NW between 3rd Avenue NW and dead end by Central Avenue North

6th Street NW between 2nd Avenue NW and Central Avenue North

2nd Avenue SW between 2nd Street and 3rd Street SW

2nd Street SW from manhole between 2nd Street and 3rd Street SW, east to 2nd Avenue SW

2nd Avenue SE from 6th Street SE north to dead end

2nd Avenue SE and 6th Street SE (jettied from manhole east to dead end by St. Mary’s parking lot)?

Alley between 3rd Avenue and 4th Avenue SE from 5th Street South to dead end

3rd Street SE, east from 7th Avenue SE to dead end

Alley between 3rd Street SE and Highway 23, east from 5th Avenue SE to dead end

Alley between 5th and 6th Avenues from first Street SE to 2nd Street SE

CATEGORY 2

Lift stations

CATEGORY 3

Remainder of the system

C. Sanitary Sewer Lift Stations

The City maintains lift stations using specific maintenance that is reasonable and recommended. The number of lift stations, location, date of installation, and capacity of each is kept on record.

Maintenance for each lift station is reflected in Standard Operating Procedures (SOP) and Standard Maintenance Procedures (SMP).

Components of SOP and SMP include:

- Easy availability of original manuals with manufactures' recommended maintenance schedules for all lift station equipment.
- Operating procedures for manipulating pump operations (manually or automatically) during wet weather to increase in-line storage of wet weather flows.
- Setting wet well operating levels to limit pump start/stops.
- Cleaning wet well.
- Calibrating flow meters or conducting draw down tests.
- Regular rotation of lead, lag, and backup pumps.
- Regular inspections of lift station, alarm systems, and electrical components.
- Maintenance of operation logs and general records for all lift station activities, including inspections.
- Identify problem areas/components.

3. Inflow and Infiltration

Inflow and infiltration occur when clear water gets into the sanitary sewer system. This may occur through cracks or leaks in the sewer pipes and manholes or through sump pumps incorrectly connected to the sanitary sewer system. Inflow and infiltration can lead to backups, overflows and unnecessary and expensive treatment of clear water.

Contracted service employees will periodically inspect manholes to identify any that contribute to this problem. Sanitary sewer mains will be maintained and inspected pursuant to the City's Sanitary Sewer Maintenance Policy.

4. Personal Responsibilities and Requirements

A. Exercise of Professional Judgment

It is expected that City employees, in accordance with their job duties and responsibilities, will exercise their professional judgment in the implementation of this policy. Further, it is expected that in emergency situations (see Emergency Response Policy) City employees will be required to exercise their discretion and weigh political, social, and economic considerations including, but not limited to: public and employee safety, the potential for damage to private property and the City sanitary sewer system, and environmental concerns.

B. Training and Education

The City will provide training to its employees responsible for maintenance and emergency response to issues with the sanitary sewer system. Training will include education necessary to earn and maintain appropriate operator certifications, standard operating procedures, proper use of equipment, emergency response and other topics required by state and federal regulatory agencies.

C. Work Schedule

City employees work eight hour days, and an employee is on call at all times outside work hours. In emergencies, employees may be required to work in excess of eight hours. Budget and safety concerns may limit the length of time an employee is permitted to work.

D. Weather Conditions

Regular sewer maintenance operations will be conducted only when weather conditions do not endanger contracted service employees, city employees and equipment. Factors that may delay sewer maintenance operations include, but are not limited to: severe cold, severe heat, flooding, rain, snow, and other severe weather events.

5. Documentation

The City will keep documents of all inspection and maintenance activities and emergency responses for its sanitary sewer system. The City will also keep documentation for circumstances that limit the ability to comply with this policy. A report should be prepared periodically for the purpose of evaluating maintenance activities and for determining future goals. These records will be kept in accordance with the City's record's retention schedule.

6. Other Sanitary Sewer System Policies

The City has a number of other policies and/or ordinances that are important to ongoing operation of the City's sanitary sewer system, including:

- Emergency Response Policy
- Public Sanitary Sewer Use Ordinance

EMERGENCY RESPONSE POLICY TO WATER AND SEWER EMERGENCIES

1. Procedure

It is the City of Milaca's policy to respond to sewer backups, lift station problems or failures, or other system problems or failures 24 hours a day, 365 days a year. During normal business hours, all calls and reported problems will be routed to the City of Milaca, (320) 983-3141. Normal business hours are Monday thru Friday, 8:00 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. To report emergencies during non-work hours and weekends, calls should be made to the Mille Lacs County Sheriff's Department at 983-8257 and ask them to page the Milaca Public Works Department.

2. Response

It is the goal of the City to provide an initial response within one hour during normal business hours, and four hours during non-business hours, or as soon as possible under the circumstances, of receiving a report of a problem or an emergency call. The time necessary to remedy a problem will vary depending on the number of calls, the nature and seriousness of the problem, weather, and other factors that may impact the city's ability to respond, find and correct a reported problem.

When appropriate, a City employee will check the City's sanitary sewer main at the point of the problem. Corrective action will be taken if the City's sanitary sewer main is found to be blocked or obstructed.

When a blockage found in a sanitary sewer main is causing a backup into a private portion of the system, the first priority will be to address the problem in the City's sanitary sewer main.

After a sanitary sewer backup is remedied, efforts to determine the cause of the blockage or backup will be undertaken by those responding to the emergency. Written records of emergency response will include information and documentation concerning the cause(s) or possible cause(s) of the blockage or backup.

When investigation of a backup determines that the problem is within the private portion of the sanitary sewer system, the sewer customer will be informed of possible corrective action they may have to perform on their portion of the system.

3. Reporting

The State Duty Officer (1-800-422-0798) must be notified when bypassing the City's sanitary sewer system or otherwise discharging sewage anywhere other than to the City's sanitary sewer system. The State Duty Officer must be notified within one hour of discovery of sewage being discharged anywhere other than to the City's sanitary sewer system.

All sewer backup claims must be referred to the League of Minnesota Cities Insurance Trust for determination of liability. City employees are instructed to not admit or mislead residents about City liability for backups in the municipal sanitary sewer system.

RESOLUTION NO. 12 – 12

ASSESSING COST TO REMOVE DEAD TREES

WHEREAS the City of Milaca annually inspects trees and marks those that are dead or dying, and the property owners are given notice and time to remove and dispose of the tree; and,

WHEREAS if the property owner does not remove the tree, the City will hire a contractor and remove the tree,

NOW THEREFORE BE IT RESOLVED that the Milaca City Council hereby levy the following assessment for a term of three years at an interest rate of six and one-half (6.5) percent:

\$1,200
Betty Jo Kragt
1125 Woodland Court NW
Milaca, MN 56353
PID #21-760-0070

Adopted this 16th day of March, 2012.

Mayor Harold Pedersen

ATTEST

Greg Lerud, City Manager

RESOLUTION NO. 12 – 13

RESOLUTION REESTABLISHING PRECINCTS AND POLLING PLACES

WHEREAS, the legislature of the State of Minnesota has been redistricted; and

WHEREAS, Minnesota Statutes Section 204B.14, subd. 3 (d) requires that precinct boundaries must be reestablished within 60 days of when the legislature has been redistricted or at least 19 weeks before the state primary election, whichever comes first;

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Milaca, County of Mille Lacs, State of Minnesota hereby reestablishes the boundaries of the voting precincts and polling place as follows:

Precinct 1 – Milaca City Hall, 255 First Street East, Milaca, MN 56353. All area located within the incorporated city boundaries.

Adopted this 15th day of March, 2012.

Mayor Harold Pedersen

ATTEST

Greg Lerud, City Manager

RESOLUTION NO. 12 - 14

A RESOLUTION ASSESSING UNPAID FIRE DEPARTMENT CHARGES FOR SERVICE

WHEREAS the Milaca Fire Department responded to a call at 12308 180th Street; and,

WHEREAS the invoice for the service has not been paid,

NOW THEREFORE BE IT RESOLVED BY THE MILACA CITY COUNCIL, that the City Council, pursuant to Ordinance No. 368, hereby assesses the following fire department charge for service against the benefited properties for property taxes payable 2013 with a payment period of 1 (one) year and an interest rate of 7 (seven) percent.

\$250.00

Jason Marudas
12308 180th Street
Milaca, MN 56353
PID # 11-002-1401

Adopted this 15th day of March, 2012.

Mayor Harold Pedersen

ATTEST

Greg Lerud, City Manager

MILACA ECONOMIC DEVELOPMENT COMMISSION MINUTES
FEBRUARY 17, 2012 MEETING

The meeting of the Milaca economic development commission was called to order at 7:35 a.m. by Chairman Joe Cronin. The following members were present: Steve Kosbab, Jerry Hansen, Dave Dillan, and Greg Lerud.

The secretary's report was approved as read.

Cronin said the County's comprehensive plan public meeting in Milaca was well attended. He said there were six different areas they wanted to hear what the attendees thought were the strengths and weaknesses in each area. He said they have all the information up at their website under the comprehensive plan link.

Dillan said that the downtown group has focused its efforts into improving the downtown street scape. He said it will be done in three phases. The initial phase will be done this summer with benches, flower pots, new garbage cans, etc. Phase two will be in a couple of years and it will be installing pedestrian friendly lighting and creating a pocket park. The final phase will involve curb bump outs with trees. He said the written plan will have goals and a time line and be presented at the chamber luncheon next week.

The Milaca business expo is March 3.

Cronin shared the Brainerd Dispatch article discussed at the last meeting.

With no other business the meeting adjourned at 8:30.

Respectfully submitted,



Greg Lerud, Secretary

Milaca Economic Development Commission

MILLE LACS COUNTY AND THE CITY OF MILACA

COOPERATIVE CONSTRUCTION AGREEMENT FOR COUNTY STATE AID HIGHWAY 36 (CENTRAL AVENUE)

Dated _____, 2012

SAP 048-636-004

Agreement between Mille Lacs County and the City of Milaca concerning construction of improvements to County State Aid Highway 36 within the Milaca City limits as they exist at the date of this Agreement. The scope of work includes, but is not limited to the following: pavement removal and construction along with associated pavement markings and signage, aggregate base and bituminous surfacing, incidental curb, sidewalk and turf establishment; changes, modifications and or alternations to the City owned water distribution system, and sanitary sewer system, and incidental work as needed to the storm sewer system.

THIS AGREEMENT is made and entered into by and between Mille Lacs County acting by and through the Board of Commissioners, hereinafter referred to as the "County", and the City of Milaca, Minnesota, acting by and through its City Council, hereinafter referred to as the "City".

WITNESSETH:

WHEREAS Mille Lacs County has in its construction program to make highway improvements on Central Avenue for the benefit of residents of Mille Lacs County, the City of Milaca, and the State; and

WHEREAS the City of Milaca has in its construction program to make certain repairs and/or improvements to the City owned underground utilities (water system, sanitary sewer, and storm sewer) on and adjacent to Central Avenue; and

WHEREAS it is advantageous that this project be a joint effort between the City and County; and

WHEREAS the City has made known to the County specific underground utility repairs and improvements; and

WHEREAS the County has included specific underground utility repairs and improvements in the overall plan for pavement rehabilitation for Central Avenue; and

WHEREAS the County will administer the overall contract for pavement rehabilitation including underground utility repairs and improvements; and

WHEREAS the County will make specific payments on behalf of the City to the contractor for all work; and

WHEREAS the County will provide the City with a detailed accounting of all construction related activities specific to underground utilities; and

WHEREAS, as the owner of underground utilities, the City is required to inspect, monitor, observe, test, accept or reject underground utility work, subject to standard practices in the industry; and

WHEREAS the County will withhold 5% (five percent) of all monies due to the contractor until all contractual obligations have been satisfied. Upon satisfaction the final 5% (five percent) shall be released to the contractor; and

WHEREAS the City shall promptly pay (within 30 days) all approved invoices for underground utility work to the County; and

WHEREAS the County will administer the construction contract on behalf of the City at no cost; and

WHEREAS the City must approve in writing changes to the plan that effect underground utilities.

IT IS MUTUALLY AGREED AS FOLLOWS:

ARTICLE I – DESIGN AND CONSTRUCTION ADMINISTRATION BY THE COUNTY

SECTION A. PROJECT DESIGN

The City shall cooperate with the County to develop plans, specifications, and special provisions in accordance with State design standards and needs of the City and County. The plans shall identify items funded by the County and items funded by the City. The plan shall be approved by the City and County. An approved plan shall be kept on file

by the County at the office of the Mille Lacs County Engineer. The City offices shall keep an approved plan on file.

SECTION B. CONTRACT AWARD AND CONSTRUCTION

The County shall receive bids and shall award a construction contract to the lowest responsible bidder in accordance with State Aid approved plans, specifications, and special provisions designated by the State and County as SAP 048-636-004. The City shall agree to the award by resolution. Construction shall be performed in accordance with the City, County and State Aid approved plans, specifications, and special provisions as approved and as placed on file in the office of the City and in the office of the Mille Lacs County Engineer, and said plans shall become a part of this Agreement by reference with the same force and effect as though fully set forth herein.

SECTION C. OBSERVATION, CONTRACT ADMINISTRATION and SAFETY

The contract administration shall be under the direction of the County. The City funded portion of the construction covered under this Agreement shall be open to review by the City or authorized representative. The County shall keep the City informed of the start of work (report of State Aid Contract) and its progress (change in contract status and weekly work report) and of all written claims of the contractor or others against the County, City or project. The terms of the contract documents shall specify the Contractor's responsibility for safety on items related to the project. Neither the County nor the City will be responsible for safety and the sole responsible party shall be the contractor as specified in the contract documents.

SECTION D. COMPLETION OF CONSTRUCTION

The County shall cause the contract construction to be started and completed in accordance with the time schedule in the construction special provisions within the powers provided by the specification and law. The completion date for the contract construction may be extended by the County as specifically specified in the contract for construction related to unavoidable delays encountered in the performance thereof upon written notice to the City.

SECTION E. ADDITIONAL CONSTRUCTION, PLAN CHANGES, ETC.

The City shall not participate in the cost of any contract construction that is in addition to the construction items and quantities covered under this Agreement unless the necessary City funds have been authorized for the additional items prior to the performance of the additional contract construction and the terms and conditions in the following paragraph have been met.

All changes in the plans, specifications, and/or special provisions for construction covered under this Agreement and all addenda, change orders, and/or supplemental agreements entered into by the County and its contractor for construction items covered under this Agreement must be approved in writing by the City before work is authorized by the County or payment is made by the County. The City will assume the cost and risk related to not authorizing in a timely manner the Contractor to proceed where the process of the contract changes delay the contractor.

SECTION F. COMPLIANCE WITH LAWS, ORDINANCES, AND REGULATIONS

The County shall, in connection with the award and administration of the construction contract and the performance of the contract construction, comply and cause its contractor to comply with all Federal, State, and local laws and all applicable ordinances and regulations, including but not limited to equal employment opportunity and, State approved wage rates.

SECTION G. RIGHT-OF-WAY, EASEMENTS, AND PERMITS

Mille Lacs County has possession and control of necessary right-of-way to rehabilitate the Central Avenue pavement. This right-of-way shall remain under the jurisdiction of Mille Lacs County; however, vehicular pedestrian passage may be restricted or curtailed anytime during the construction process.

The City of Milaca hereby grants to Mille Lacs County and its agents the authority to use and occupy any existing City of Milaca right-of-way for the purpose of constructing the project.

Permits from the appropriate regulating agencies shall be acquired by the County. Typical permits may include but are not limited to MPCA, MnDNR, Corps of Engineers, and County zoning. The City of Milaca shall identify any and all permits needed related to underground utilities, if any. The City shall provide guidance/assistance with the application and approval process for permits related to underground utilities.

ARTICLE II – BASIS OF PAYMENT

SECTION A. BASIS OF PAYMENT

A preliminary estimate based on the Engineer's opinion of cost is attached hereto and made part of this Agreement. The preliminary estimate shall list all anticipated County and City costs. Items shared between the County and City shall be shared on a pro-rated basis as indicated on the preliminary estimate.

SECTION B. DESIGN AND CONSTRUCTION ENIGNEERING COST

The County shall design the project at no cost to the City.

SECTION C. SANITARY SEWER COST

Construction of sanitary sewer improvements called out on the plans on Central Avenue between Third and Fourth Streets North consisting of a 4" (four inch) diameter service lateral to the east (Billings Service); and remove a damaged service lateral between Fifth and Sixth Street North to the west. Together with incidental removals and construction items specific to construction of the described sewer services. Adjusting the top elevations of existing sanitary sewer manholes shall be the responsibility of Mille Lacs County and included in County costs.

Failed sanitary sewer manholes that cannot be simply adjusted shall be repaired at City cost. The City will be notified of failed sanitary sewer manholes and given an opportunity to make the needed repair or authorize the County's contractor to make the needed repair.

SECTION D. WATER DISTRIBUTION COST

Construction of water distribution improvements called out on the plans on Central Avenue, more specifically from approximately 125 feet south of Sixth Street North to Seventh Street North and on Sixth Street North between Central Avenue and approximately 150 feet to the west.

Along with the construction of a 1" (one-inch) diameter service line between Third and Fourth Streets North and to the east (Billings Service).

Together with incidental removals and construction items specific to the described water distribution improvements.

Adjusting valve boxes shall be the responsibility of Mille Lacs County and included in County costs.

SECTION E. STORM SEWER COST

The plan calls for no specific repairs or improvements to the existing storm sewer system. However, should a failed component of the storm sewer system be encountered during the construction process, the City will be notified and given an opportunity to make the needed repair or authorize the County's contractor to make needed repairs. Said repairs will be entirely at the expense of the City along with incidental removals and construction items.

Existing storm sewer manholes will be adjusted by Mille Lacs County at County expense.

SECTION F. PAYMENTS TO THE CONTRACTOR

The County will make payment to the contractor on behalf of the City and the County. The City shall reimburse the County for actual costs of construction items that are specific to the City.

Actual payments to the contractor shall be for field measured quantities in-place and accepted. Cost to the City could vary from the amount outlined as dictated by field conditions and approved changes.

SECTION G. CITY APPROVAL

The County shall open bids for the project. The County's Highway Engineer will forward a summary of the bids to the Mille Lacs County Board of Commissioners and the Milaca City Administration for review and approval. The Mille Lacs County Highway Engineer shall recommend award of the construction contract to the lowest responsible bidder.

The City of Milaca shall accept or reject the County Engineer's recommendation in form of a resolution. The County Engineer's recommendation shall be provided to the Milaca City administration in time to be included as a part of the agenda for the April 19, 2012 City Council meeting.

Failure to accept the County Engineer's recommendation will cause the County to construct the project without improvements/repair to the underground utilities.

SECTION H. ADDENDA, CHANGE ORDERS AND SUPPLEMENTAL AGREEMENTS

The City shall pay the costs of construction contract addenda, change orders, and/or supplemental agreements which are necessary and specific to construction of underground utilities. The County shall pay the cost of construction contract addenda, change orders, and/or supplemental agreements which are necessary and specific to the overall project, less underground utilities.

SECTION I. RECORDKEEPING AND FINAL INVOICE

Mille Lacs County shall keep an accurate record and accounting of construction related activities including contract pay items.

At the conclusion of the project, the County shall provide to the City an accurate summary of the construction cost and accounting of the share to be paid by the City and the share to be paid the by County.

The County shall furnish the City with an accurate record of work done in the field along with all pertinent material certifications and test results.

The County will furnish the City with a copy of all supplemental agreements and change orders.

SECTION J. FINAL PAYMENT BY THE CITY

The City shall pay the County the full amount due of the final invoice within 30 days of receipt or the regular cycle of the City's claim paying process.

ARTICLE III – GENERAL PROVISIONS

SECTION A. MAINTENANCE BY THE CITY

Upon satisfactory completion of the underground utility construction under the terms of this contract; the City shall provide for proper maintenance, care and ownership. The City shall maintain the underground utility systems at no cost to the County.

Furthermore, when the need arises to make a repair within the CSAH 26 right-of-way, the City shall apply to the County for proper permits. Permit applications are on file at the office of the County Engineer. The City shall promptly respond to future failures of underground utilities that pose an imminent threat to County infrastructure or public safety (i.e. watermain break or collapsed sewer).

Upon satisfactory completion of sidewalks, drive approaches, and other incidental construction, the City shall provide for proper ownership and maintenance except as otherwise designated by City ordinance, without cost or obligation of the County.

Maintenance shall include, but not limited to snow, ice and debris removal and other customary maintenance activities necessary to perpetuate sidewalks in a safe and usable condition.

SECTION B. INSURANCE

The County shall require the contractor to name the City as an additional co-insured for general contractor's liability.

SECTION C. TERMINATION OF AGREEMENT

The County and City can terminate this Agreement by mutual consent at any time. The City can terminate the Agreement prior to construction contract award at no cost to the City.

SECTION D. CITY-COUNTY DISPUTE/RESOLUTION

Disputes between the Mille Lacs County Highway Engineer and the City Administration representing the City of Milaca shall be resolved by full bodies of both the Milaca City Council and the Mille Lacs Board of Commissioners. Any dispute or disagreement that cannot be resolved between the City and County shall be subject to binding arbitration. The arbitration claims of each party shall be in writing, shall specify the basis for the claim, and shall be addressed to the other party asking for arbitration by a Board of Arbitration. The Board of Arbitration shall consist of three persons; one to be appointed by the County, one to be appointed by the City, and the third to be appointed by the two arbitrators so selected. The name of each arbitrator shall be submitted in writing to the other party. In the event that the two arbitrators do not appoint the third arbitrator within 15 days after receipt of written notice of appointment of both of the first two arbitrators, the Chief Judge of the District Court of Mille Lacs County shall have jurisdiction to appoint, upon application of either party, the third arbitrator to the Board. The third arbitrator selected shall not be a resident of, nor currently employed or contracted by either party, and shall be a current or former Minnesota city or county manager or administrator. The arbitrators' expenses and fees, together with the other expenses, not including legal counsel, accounting or consultant fees, incurred in the conduct of the arbitration, shall be divided equally between the parties to the arbitration. Each party to the arbitration will pay its own attorney, accountant or consultant fees. The decision shall be rendered within 60 days of appointment of the third arbitrator. Except as described above in this section, the arbitration shall be conducted in accordance with the Uniform Arbitration Act, §§ 572.08 through 572.30 of Minnesota Statutes. Said arbitration shall be binding on both parties but subject to rights of modification and appeal as described in the statute cited in this section.

SECTION E. CLAIMS

For purposes of liability and the Minnesota Municipal Tort Liability Act (Minn. Stat. § 466.01 through 15), all municipal officers and employees providing pavement removal and construction along with associated pavement markings and signage, aggregate base and bituminous surfacing, incidental curb, sidewalk and turf establishment services pursuant to this Agreement are, or are hereby deemed to be employees (as defined in Minn. Stat. § 466.01 Subd. 6) of the County.

For purposes of liability and the Minnesota Municipal Tort Liability Act (Minn. Stat. § 466.01 through 15), all municipal officers and employees providing changes, modifications and or alternations to the City owned water distribution system, and sanitary sewer system, and incidental work as needed to the storm sewer system

pursuant to this Agreement are, or are hereby deemed to be employees (as defined in Minn. Stat. § 466.01 Subd. 6) of the City.

The County agrees to hold harmless, defend and indemnify the City against any claims brought or actions filed against the City, or any officer, employee, agent or volunteer of the City acting within the scope of their employment or duties, for any injury to, death of, or damage to the property of, any third person or persons, arising from the work performed pursuant to this Agreement. Provided, however, that the County shall not be required to pay on behalf of itself or the City, any amounts in excess of the limits on liability established in Chapter 466 of Minnesota Statutes applicable to the County. The County and the City shall purchase and maintain liability insurance coverage in at least the amount of the tort liability limits established in Chapter 466 of Minnesota Statutes or the successor thereof.

SECTION F. SETTLEMENT OF CLAIMS WITH THE CONTRACTOR

Mille Lacs County shall negotiate and settle all claims with the contractor. The City will be invited to participate to settle claims that involve underground utilities. The City shall pay its share of claims settled with the contractor. The County will pay its share of claims settled with the contractor.

SECTION G. NONDISCRIMINATION

The provisions of Minnesota Statute Section 181.59 and of any applicable ordinance relating to civil rights and discrimination shall be considered part of this Agreement as if fully set forth herein.

SECTION H. AGREEMENT APPROVAL

Before this Agreement shall become binding and effective, it shall be approved by a resolution of the governing body of each party and receive approval of the County and City officers, as the law may provide, in addition to the County Engineer.

MILLE LACS COUNTY

CITY OF MILACA

Jack Edmonds,
Board of Commissioners, Chair

Pete Pedersen, Mayor

Roxy Traxler, County Administrator

Greg Lerud, City Administrator

Bruce Cochran, PE, Highway Engineer

Dated _____

Jan Jude, County Attorney

Dated _____