

PLEASE NOTE: At 5:30 p.m. Council will meet in a Study Session in Council Chambers, City Hall at 540 West Hills Circle with discussion on proposed OPU Rate Adjustment, drainage on 26th Street and then a Memorandum of Understanding on PFAs. If time allows, there will then be a neral update of board and commission activities.



OWATONNA CITY COUNCIL MEETING
Tuesday, November 1, 2022 at 7:00 PM
Council Chambers, City Hall at 540 West Hills Circle
Roll Call: Council Members Dotson, Burbank, Boeke.
Raney, Svenby, Voss & Schultz

1. INTRODUCTORY ACTIONS: Call to Order; Roll Call and Pledge of Allegiance

- 1.1. Council Agenda
- 1.2. Public Hearing - Continuation of Hearing Opened October 4, 2022 - Proposed Assessment N Cedar Avenue Streetscape Project
 - 1.2.1. Resolution 81-22 Adopt Proposed Assessments - N Cedar Avenue Streetscape Project
 - 1.2.2. Resolution 89-22 Authorize Deferred Portion of Assessments - N Cedar Avenue Streetscape Project
- 1.3. Mayor Kuntz

2. CONSENT AGENDA ITEMS

- 2.1. Minutes – Council Meeting – October 18, 2022
- 2.2. Minutes - Boards & Commissions
 - 2.2.1. Library Board Meeting - October 18, 2022
 - 2.2.2. HRA Board Minutes - October 24, 2022
- 2.3. Miscellaneous
 - 2.3.1. Utility Disconnection Letter of Understanding - 2342 Haddonstone Lane - Glen and Betty Roethler

3. ACTION ITEMS

- 3.1. Finance Report
- 3.2. Ordinances
 - 3.2.1. First Reading Proposed Ordinance 22-12 Extend Xcel Energy Franchise Agreement
- 3.3. Resolutions
 - 3.3.1. Resolution 88-22 Appoint Election Judges - 2022 General Election
- 3.4. Miscellaneous
 - 3.4.1. WWTP Facility Expansion Change Order #1
 - 3.4.2. Obstruction Permit: Closure at Vine Street - Mohs Contracting
 - 3.4.3. Limited Use Agreement - 111 Vine Street - Equity Growth Owatonna, LLC
 - 3.4.4. 2022 Street & Utility Project Change Order #1

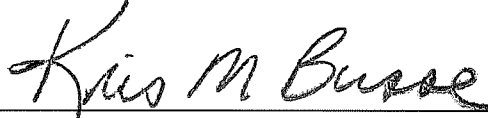
4. STAFF REPORTS

5. **PUBLIC COMMENTS:** (Please limit comments - 2 minutes and items not on the agenda.)
6. **COUNCIL COMMENT AND GENERAL INFORMATION**
7. **ADJOURN**

NOTICE OF HEARING ON PROPOSED ASSESSMENT

NOTICE IS HEREBY GIVEN that the City Council of Owatonna, Minnesota, will continue the public hearing for proposed assessments against benefited properties for the North Cedar Avenue Streetscape Project during their regular meeting on Tuesday, November 1, 2022. This meeting will begin at 7:00 p.m. in Council Chambers at City Hall, 540 West Hills Circle. This hearing began during the City Council Meeting held October 4, 2022.

Dated: October 4, 2022

A handwritten signature in cursive script that reads "Kris M Busse".

Kris M. Busse, City Administrator/City Clerk
City of Owatonna, Minnesota



Public Works Department

DATE: November 1, 2022
TO: Mayor and City Council
FROM: Sean Murphy, Assistant City Engineer
SUBJECT: Resolution 81-22 Adopt Proposed Assessments - N Cedar Avenue Streetscape Project

Purpose:

Requesting City Council approval to adopt the revised assessments for the 2021 N Cedar Avenue Streetscape Project.

Background:

Public hearings regarding the proposed assessments were held on October 4, 2022 and November 1, 2022. City staff reevaluated each assessment related to the two-year reconstruction of Cedar Avenue North to ensure assessed values accurately reflect the assessable improvements completed on each parcel.

For property owners with proposed deferred assessments for water service costs, staff recommends deferring these until a property owner elects to connect to the service. The \$63,042 in potential deferred assessments is included in the assessment costs being considered today.

The assessment will be repaid over a 10 year period of time. Since this is a 2021 project, the recommended interest rate is 3%, which is based on the 2021 bond issue's true interest costs.

Budget Impact:

The City of Owatonna will collect the assessments as reimbursement for expenses incurred as provided by our policies and state statute. Assessments to be collected amount to \$288,736.47, 5% of the total project cost.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Res 81-22 Adopt Proposed Assessment - N Cedar Avenue Streetscape Project
2. N Cedar Final Assessment Roll

RESOLUTION NO. 81-22

A RESOLUTION ADOPTING ASSESSMENT

WHEREAS, pursuant to proper notice duly given as required by law, the Council has met and heard and passed upon all objections to the proposed assessment against abutting property for the cost of construction of the 2021 North Cedar Avenue Streetscape Project.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Owatonna, Minnesota:

1. Such proposed assessment as amended, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein included is hereby found to be benefited by the proposed improvement in the amount of the assessment levied against it.

2. Such assessment shall be payable in equal annual installments extending over a period of 10 (ten) years, the first of the installments to be payable on or before the first Monday in January 2023, and shall bear interest at the rate of 3.00 (three) percent per annum from the date of the adoption of this assessment resolution. To the first installment shall be added interest on the entire assessment from the date of this resolution until December 31, 2023. To each subsequent installment, when due, shall be added interest for one year on all unpaid installments.

3. The owner of any property so assessed may, at any time prior to certification of the assessment to the county auditor pay the whole or a portion of the assessment on such property, with interest accrued to the date of payment, to the City Finance Department, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of this resolution; and he/she may, at any time thereafter, pay to the county auditor the entire amount of the assessment remaining unpaid, with interest accrued to December 31st of the year in which such payment is made. Such payment must be made on or before November 3, 2022 or interest will be charged through December 31 of the next succeeding year.

4. The clerk shall forthwith transmit a certified duplicate of this assessment to the county auditor to be extended on the property tax lists of the county. Such assessments shall be collected and paid over in the same manner as other municipal taxes.

Passed and adopted this ___ day of ____, 2022, with the following vote:

Aye __; No __; Absent __.

Approved and signed this ___ day of ____, 2022.

ATTEST:

Thomas A. Kuntz, Mayor

Kris M. Busse, City Administrator/City Clerk



Administration Department

DATE: November 1, 2022
TO: Mayor and City Council
FROM: Kris Busse, City Administrator
SUBJECT: Resolution 89-22 Authorize Deferred Portion of Assessments - N Cedar Avenue Streetscape Project

Purpose:

Council to approve deferring a portion of the N Cedar Streetscape Assessments for Water Service Improvement for Fire Suppression.

Background:

Proposed Assessments for the N Cedar Avenue Streetscape Project were prepared to allow deferment of water connection fee as allowed per the City's Assessment Policy. The City's Assessment Policy includes three types of authorized deferrals: undeveloped property, senior citizen and disability deferrals and Green Acres.

Budget Impact:

Would vary dependent on if/when water connections are completed.

Staff Recommendation:

Staff recommends approval of Resolution 89-22.

Attachments:

1. Res 89-22 Defer Portion of Assessments - N Cedar Ave Project

RESOLUTION NO. 89-22
A RESOLUTION DEFERRING PORTION OF
ASSESSMENT – NORTH CEDAR AVENUE PROJECT

WHEREAS, pursuant to proper notice duly given as required by law, the Council has met and heard and passed upon all objections to the proposed assessment against abutting properties for the cost of construction of the 2021 North Cedar Avenue Streetscape Project and adopted Resolution 81-22 on November 1, 2022; and

WHEREAS, a portion of the assessment for Water Service Improvement For Fire Suppression (“Water Improvement”) was included in the assessments against 20 properties whose owners declined to connect to the Water Improvement at this time; and

WHEREAS, pursuant to provisions of Minn. Stat. Chapter 429, the City Council is authorized to defer assessments in certain instances until such time as the properties are connected to the Improvement by additional improvements.

NOW THEREFORE, pursuant to Minn. Stats § 429.051 and 429.061, be it hereby resolved:

1. That portion of assessments adopted by Council Resolution 81-22 for the Water Improvement against each of the 20 properties which have not connected to the Water Improvement at this time will be deferred until such time as the property owner chooses to connect. The assessment amount will then be certified to the County Auditor’s office to begin collection with the next years tax payments for collection over a period of 10 years with interest added at 3.0 % per annum.
2. The charges and costs, for future use of the improvement herein specially assessed to properties shall be calculated in the following manner:
 - a) The unit charge to the property shall be extended in the same manner as similar properties herein assessed. The extended sum shall be compounded at the interest rate herein established for deferred installments from the date of the adoption of the roll.
 - b) The cost of construction of the improvement may be calculated by the City Engineer from the most recent construction contract for similar construction at the time connection or use is requested. The property owner may select either the sum of the original principal amount plus compounded interest, or calculation of estimated costs from recent contract prices for connection or use fee. For either selection, the determined amount is due and payable within 30 days.

3. Pursuant to Minn. Stat. § 429.061, the City shall cause to be recorded with the office of the Steele County Recorder a certificate containing the legal descriptions of the affected properties and of the amounts so deferred. Every assessment the payment of which is so deferred when it becomes payable shall be divided into no more than 10 annual installments and in no event shall the last installment be payable later than 30 years after the levy of the assessment, at which time the assessment shall be fully paid. Interest on the deferred assessment for the period of deferment may be payable annually at the same times as the principal installments of the assessment would have been payable if not deferred or interest for this period may be added to the principal amount of the assessment when it becomes payable.

The Clerk shall file the assessment rolls pertaining to this assessment in the Clerk's office and shall certify annually to the County Auditor prior to the end of the year the number of installments and interest which are to become due in the following year on the assessment on each parcel of land included in the assessment roll.

Passed and adopted this ____ day of November, 2022, with the following vote:

Aye __; No __; Absent __.

Approved and signed this ____ day of November, 2022.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator/City Clerk



Mayor Kuntz

Owatonna City Council Minutes – DRAFT COPY

Council President Schultz called the regular session of the Owatonna City Council to order on Tuesday, October 18, 2022, at 7:00 p.m. in Council Chambers at City Hall. Present were Council Members Burbank, Boeke, Raney, Voss, and Schultz; Mayor Kuntz; Community Development Director Klecker; Assistant City Engineer Murphy; City Attorney Walbran; City Administrator Busse, and Administrative Specialist Clawson. Council Members Dotson and Svenby were unable to attend.

Agenda

Following the Pledge of Allegiance, Council President Schultz welcomed everyone to the meeting. Council Member Boeke made a motion to approve the agenda as presented, Council Member Voss seconded the motion, all members present voted aye for approval. Council President Schultz explained the process for the three public hearings planned during this meeting with consideration of a resolution after each hearing.

Public Hearing - Proposed Assessments – OPU Delinquent Accounts

Toni Van Esch, Supervisor of Customer Service at Owatonna Public Utilities (OPU) requested assessments against three properties with delinquent utility accounts. OPU's collection efforts have not resulted in payments and approved assessments would bring these utility accounts current. At 7:03 pm, the public hearing was opened for comments. With no comments heard, at 7:04 pm, Council Member Raney made a motion to close the public hearing, Council Member Boeke seconded the motion, all members present voted aye for approval.

Resolution 84-22 – Adopt Proposed Assessments – Delinquent OPU Accounts

Council Member Boeke made a motion to approve Resolution 84-22 to adopt three Proposed Assessments totaling \$8,049.95 with term of repayment for one year for balances less than \$1,000 and three years for accounts greater than \$1,000 at an annual interest rate of 3.0%. Council Member Svenby seconded the motion, all members present voted aye for approval.

Public Hearing – Outstanding Mowing and Nuisance Compliance Costs

City Administrator Busse presented the proposed Assessment Roll of properties owing for outstanding mowing and nuisance compliance costs totaling \$3,296.73 and recommended the \$207.01 proposed assessment on 1420 Cedar be forgiven; the property was sold since the date of service and the current owner should not be held responsible for this outstanding fee. At 7:06 pm, a public hearing was opened for comments.

David Currell, 3088 Northridge Lane commented he was not able to mow his property and the grass had gotten long during a brief period last summer. He is upset the mowing left his lawn butchered, he had to rake and bag the clippings and the cost of service is excessive at \$186.50. Council Member Raney asked if he contacted the contract provider. Council Member Burbank added he should have contacted a supervisor at Wolfe and Sons to review the mowing when this was done.

City Administrator Busse commented letters were received from two property owners for consideration during this hearing:

- 1) Elisabeth and Ryan Zimmerman, owners of 455 Fairview Street wrote this is a rental property and their property manager failed to properly maintain the property and did not timely forward the notice of non-compliance violation to them so request the \$75.00 Administrative Fee be removed from their proposed assessment.
- 2) Elaine Dornquast, 1017 Rose Street E wrote her grandson began mowing her yard but wasn't able to finish the task. She thought requested mowing service would be delayed if corrective action was in process and also upset the amount of her proposed assessment is \$185.00.

City Administrator Busse confirmed the process of compliance violation notifications and service requests were completed as required by state statute and city ordinances. With no additional comments at 7:14 pm, Council Member Raney made a motion to close the public hearing, Council Member Voss seconded the motion, all members present voted aye in approval.

Council Member Boeke asked if the properties with non-compliance issues were reported by neighboring properties. Council Member Raney commented the inspector does a good job and asked if inspection reports include pictures of the violations incurred. City Administrator confirmed yes, pictures are in file and many violations are reported by anonymous callers.

Resolution 85-22 – Adopt Proposed Assessments – Outstanding Mowing and Nuisance Compliance Costs

Council Member Burbank made a motion to approve Resolution 85-22 adopting the Proposed Assessments for outstanding mowing and nuisance compliance costs totaling \$2,889.72, the balance owed on 1420 N Cedar will be removed, assessments would be collected over one year with an annual interest rate of 3.0%. Council Member Boeke seconded the motion, all members voted aye in approval.

Public Hearing – Reaffirm Modification Dev District 3 and Establish TIF District 3-16

Community Development Director Klecker explained the notice of the public hearing held for Tax Increment Financing (TIF) District 3-16 on May 17, 2022 was not published by the Owatonna Peoples Press. Ed Tschida, Advance Resources for Development, the City's TIF Consultant, and Mark Walbran, City Attorney advised a new hearing to be held and then Council adopt a resolution to reaffirm their previous decision. This hearing was planned for October 4, 2022 but the request for notice publication was not timely processed. Publication for tonight's hearing on this matter has been confirmed as timely published on October 6, 2022.

At 7:18 pm, a public hearing was opened for public comment. With no comments heard, at 7:19 pm, Council Member Raney made a motion to close the public hearing, Council Member Burbank seconded the motion, all members present voted aye in approval.

Council Member Raney asked how publication of this hearing notice was missed two times. Klecker commented new staff at the newspaper office missed the timing requirement and fortunately the KAMP Automation project was not negatively impacted and time available to correct. Council President Schultz commented it is unfortunate this happened and fortunate that

time was available; usually the length of time allowed to complete these agreements is very tight, so it is especially important publication requests are timely processed.

Resolution 86-22 – Reaffirm Modification Dev District 3 and Establish TIF District 3-16

Council Member Boeke made a motion to approve Resolution 86-22 to reaffirm the modification of Development District 3 and to establish Tax Increment Finance (TIF) District 3-16 for the KAMP Automation project.

Proclamation – Red Ribbon Week

Mayor Kuntz proclaimed the week of October 23-31, 2022 as Red Ribbon Week. The 2022 Owatonna Red Ribbon Community Kick-Off Event will be held on Tuesday, October 25th from 5:00—6:30 pm at the Owatonna Middle School. Red Ribbon Week is a national campaign offering citizens the opportunity to demonstrate their commitment to drug-free lifestyles. The National 2022 Red Ribbon Week Campaign Theme, “Celebrate Life, Live Drug Free” promotes family and individual responsibilities for living health, drug-free lifestyles, without illegal drugs or the illegal use of drugs.

Consent Agenda

Council President Schultz explained council members review the Consent Agenda items prior to the meeting for approval in one motion. Consent Agenda items for this meeting include:

Minutes – Council Meeting – October 4, 2022

Building & Inspection Reports - September 2022

Exempt Permit - Turkey Bingo - Owatonna Fire Relief Association - November 12th
at the Eagles

Event Permit - Trunk or Treat at Trinity Lutheran Church - October 26, 2022

Council Member Voss made a motion to approve these Consent Agenda Items, Council Member Boeke seconded the motion, all members present voted aye for approval.

Finance Report

Council Member Raney recapped payments made more than \$20,000 for this period. Bills presented for payment total \$2,203,884.68. Council Member Burbank made a motion to approve payment of these bills, Council Member Voss seconded the motion, and all members present voted aye for approval.

Business Subsidy Agreement - KAMP Automation

Community Development Director Klecker requested the City enter into a business subsidy agreement with KAMP Automation directly due to how their project is structured. The property and real property improvements and therefore the development agreement are technically held by KAB Properties LLC. The City needs an agreement with KAMP Automation directly due to the job creation requirements; the ownership LLC will not be creating the jobs, nor be the entity responsible for the job creation. This agreement ties the project together with all of the legal entities involved so the outcome remains the same. Council Member Boeke made a motion to approve the Business Subsidy Agreement with KAMP Automation; Council Member Burbank seconded the motion; all members present voted aye in approval.

Resolution 87-22 Development Agreement - KAB Properties, LLC

Community Development Director Klecker requested approval of Resolution 87-22 approving the Development Agreement with KAB Properties, LLC. This LLC is the real property ownership LLC of the KAMP Automation project; the LLC will be the entity paying the property taxes and receiving the TIF benefits for this project. The agreement lays out the roles and responsibilities of all parties subject to the agreement. KAB Properties LLC will receive a maximum of \$1,362,891 over the 9-year period as part of the Pay as You Go TIF Note. The developer is responsible for constructing a roughly 43,000 square foot building and creating twenty new jobs with this project paying at least \$17.50/ hour in addition to relocating their twenty-five existing jobs to Owatonna. The developer will be purchasing approximately 4.45 acres from the EDA for \$155,073.60. This land purchase cost will be paid back to the EDA in an even distribution over the 9-year life of the TIF with 3.5% interest. The agreement will be amended to show all dates reflect the revised purchase agreement of a February 1, 2023 closing on the property. Council Member Raney made a motion to approve Resolution 87-22, Council Member Burbank seconded the motion, all members present voted aye in approval.

Obstruction Permit - Mohs Contracting at Vine Street & N Cedar Avenue

Assistant City Engineer Murphy presented request from Mohs Contracting to obtain an extended Obstruction Permit on the corner of Vine Street and Cedar Avenue North. They need this permit for a dumpster to remain in the City Right of Way during the project at the former Jerry's Supper Club Building. Permits for obstructions located within the City Right of Way are valid for 2 weeks upon issuance with a 2-week extension period, this project is anticipated to be done mid-April 2023. The proposed location of the obstruction has been identified as the least obstructive to pedestrian traffic and as the most direct route out of the building. Three parking spaces will be used along the south side of the building on Vine Street. The permit holder acknowledges that the area around the obstruction must be maintained, and that snow removal is their responsibility. An estimated fee of \$625 will be received; an initial fee of \$50 for the first two-week period and \$50 for each two-week period after until the obstruction has been removed. Council Member Voss made a motion to approve these license applications, Council Member Boeke seconded the motion, all members present voted aye in approval.

Staff Updates

Community Development Director Klecker commented the on-going service agreement with Langer Aviation at the airport was ended this month at request of Langer Aviation. For the first time ever, the city will provide all services offered at the airport. Two new part-time staff members, Rick Bothun and Jim Garbers, have been added to help provide these services. Jason Ringhofer began this week as a fulltime Building Inspector. We are in the process of hiring an Administrative Technician and we want to thank Sandy Rickerl for assisting in our office during this time of transition. Sandy retired a few years ago and we are fortunate she is helping until new staff members are placed.

Assistant City Engineer Murphy commented public works staff members continue working to close out the 2022 street improvement projects with follow-up on a punch list items.

Recalculation of the Proposed Assessments for the N Cedar Avenue Project will be mailed tomorrow. The Street & Utility Project is complete, they are currently paving on Lynn Avenue, the CIP Project is 75% complete and progress is being made on the WWTP Project. Staff is beginning design on several 2023 projects. Our Street Maintenance Manager, Scott Overland will be retiring at the end of the month, so we are in process of hiring for his position.

Public Comments

There were no comments heard.

Council/Administration Comments and General Information

Mayor Kuntz read a thank you note received from the City of Kissimmee FL; three OPU utility linemen traveled to Florida to assist with cleanup from Hurricane Ian. The Owatonna OPU crew members there for 7-10 days assisting restore power and services. The League of Minnesota Cities is offering an essay contest for 4,5,& 6th graders; information is available on the city's website about the "Mayor for a Day" Essay Contest.

Council Member Raney thanked the utility crew traveling to Florida to assist with the hurricane damage and then invited everyone to attend future Council Study Sessions to learn more about how city government works.

Council President Schultz commented it was cold during the ribbon cutting ceremony for the N Cedar Avenue Project last week and many missed this event; Mayor Kuntz cut the ribbon and this project is almost completely done.

Adjournment: At 7:40 p.m., Council Member Raney made a motion to adjourn, Council Member Boeke seconded the motion, all members present voted aye in approval.

Respectfully Submitted,

Jeanette Clawson, Administrative Specialist



Board - Commission Minutes

Unapproved Minutes of Owatonna Public Library

Board of Trustees

Owatonna Public Library, Gainey Room

105 North Elm Avenue

Tuesday, October 18th, 4:30 PM

The Owatonna Public Library Board of Trustees held the monthly meeting on Tuesday, October 18th, 2022. The meeting was held in the Owatonna Public Library Gainey Room. In attendance were President Trudy Severson, Vice President Karin Malin, Trustee Julianna Skulzacek, Library Director Mark Blando and Administrative Assistant Robin Spande. Absent were Trustees Christy Tryhus and Meredith Erickson.

1. Call to Order

The meeting was called to order by President Severson at 4:30pm.

2. Reminder of Open Meeting Law

The open meeting law applies to the board meetings.

3. Public Comments

No Public Comments

4. Approve Minutes

Malin moved and Skulzacek seconded to approve the minutes of the July 2022 meeting. All aye and the motion approved.

5. Financial Report

Blando reported that the budget is on track for this month. Blando stated that there were a couple unexpected expenses, one being the copper chimney that needed to be replaced on the roof of the Library.

Blando said that he will be asking the Steele County Commission for an increase of \$225,000 to \$262,000. This funding will be divided in a 90/10 split between Owatonna Public Library and Blooming Prairie Branch Library. We expect the results in November.

6. Children's Services Report for September 2022

Storytime began Tuesday, September 13 at 9:30 AM and 10:30 AM. The theme for this session of Storytime is Pete the Cat based on the books by Eric Litwin and James and Kimberly Dean. Storytime was held 6 times during the month and attended by 98 people.

Darla Lager visited Good Shepherd Preschool on Wednesday, September 28 and again on Thursday, September 29. She read Fall stories to 58 students and teachers during her three visits.

Darla Lager
October 18, 2022

7. Library Use Report

CKI & CKO - physical items				Sep-22		CKI & CKO - physical items				Sep-21					
bp	Checkin	Normal CKI	1,036			bp	Checkin	Normal CKI	1,339						
bp	Checkin	Late Checkin	245			bp	Checkin	Late Checkin	222						
		BP TOTAL CKI	1,281					BP TOTAL CKI	1,561						
bp	Checkout	First Time CKO	1,031			bp	Checkout	First Time CKO	1,294						
bp	Checkout	Phone Renewal	75			bp	Checkout	Phone Renewal	141						
bp	Checkout	Other Renewal	42			bp	Checkout	Other Renewal	48						
bp	Checkout	Opac Renewal	107			bp	Checkout	Opac Renewal	153						
bp		BP TOTAL CKO	1,255			bp		BP TOTAL CKO	1,636						
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CKI & CKO - physical items				Sep-22		CKI & CKO - physical items				Sep-21					
owat	Checkin	Normal CKI	9,158			owat	Checkin	Normal CKI	8,786						
owat	Checkin	Late Checkin	2,034			owat	Checkin	Late Checkin	1,828						
		OPL TOTAL CKI	11,192					OPL TOTAL CKI	10,614						
owat	Checkout	First Time CKO	10,710			owat	Checkout	First Time CKO	8,463						
owat	Checkout	Phone Renewal	205			owat	Checkout	Phone Renewal	241						
owat	Checkout	Other Renewal	265			owat	Checkout	Other Renewal	301						
owat	Checkout	Opac Renewal	892			owat	Checkout	Opac Renewal	914						
owat		OPL TOTAL CKO	12,072			owat		OPL TOTAL CKO	9,919						
New Borrowers Sep. 2022				Library Visits Sep. 2022											
bp	1			bp	755										
owat	88			owat	6,362										
ILL/Loaned Sep. 2022				ILL/Borrowed Sep. 2022		ILL/Loaned Sep. 2021				ILL/Borrowed Sep. 2021					
bp	450			bp	239	bp	425			bp	283				
owat	1,294			owat	1,320	owat	1,264			owat	1,154				

a. Upcoming Programs

In conjunction with the Human Rights Commission's Welcome Week we presented "When Home Won't Let You Stay." Unfortunately, there was low attendance. Chad Lewis was at the Library two weeks ago with his presentation of Minnesota Lumberjack Legends and Lore.

The upcoming movie is scheduled for October 27th at 2:00 pm and is titled "Miss Harris goes to Paris."

8. SELCO Update

Meredith to advise at the November meeting.

9. Library Updates

Two new pages were recently hired, Ella and Chloe. They will each work 10 hours a week.

Blando had two speaking engagements this past months with AAUW and the Christian Womens Club. The Minnesota Library Conference is scheduled for next week in Duluth. Blando will be attending the conference Wednesday thru Friday.

Two weeks ago Blando attended the Library Journal Conference in Missoula, Montana. He met with architects to help improve our building plans. Topics of discussion were shelving, circulation and other Library concerns.

Recently a City Survey assessment was conducted that measures the City of Owatonna Workplace. As a result, a two and a half day retreat for Department Heads was conducted at the Toreys and the Historical Center. Results will be unveiled in a few weeks.

The OPL Foundation recently met and our own Trudy Severson was chosen to be added to the Board of Directors. Thank you to Trudy!

DVD shelving has arrived. Staff was struggling with DVD storage and it is a much improved look with the additional shelving and cases.

Recently a video was posted on You Tube that featured the Owatonna Post Office. The First Right amendment indicates that people can film most things, but in the case of the Library, there is no filming of Patrons checking out material.

Downstairs in the entry way a table has been set up for job seekers and all of the services that are available to our Patrons.

10. **Renovation Update**

The drive-up book drop will not be happening at this point.

Adjourn

A motion to adjourn was made by Malin and seconded by Skluzacek. All aye.
The meeting adjourned at 5:20 pm.

The next meeting will be Tuesday, November 15th at 4:30pm.

Respectfully submitted by Robin Spande

MINUTES
OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY
REGULAR MEETING on OCTOBER 24, 2022

The regular meeting of the Owatonna Housing and Redevelopment Authority was called to order at 4:00 p.m. in the 2nd Floor Conference Room by Chairperson Olivo.

Members present were Nathan Dotson, John Hole, Shari Kropp, Vicky Olivo, and Hussein Osman. Also present were Housing Manager Ghassan Madkour, Community Development Director Troy Klecker, Planning Technician Kristen Kopp.

Approval of the Minutes: Chairperson Olivo called for a motion to approve the minutes of the September 26, 2022 meeting. A motion was made by Hole and seconded by Dotson to approve the minutes. All Commissioners voting Aye, the motion carried.

Executive Directors Report: Klecker said things are much the same as last month. There are two apartments under construction. They're going well but won't be open until next spring. We don't have any immediate apartment projects that we're working on for next year, but we'll have an idea in the next three or four months. Single family house numbers are low, but they're low everywhere. We still rank the same in southern Minnesota. We had 40 new single family house permits last year, but only have about 15 so far this year. Part of the reason for this is, it's an election year and interest rates are going up. He said a developer with Majestic Oaks is talking about getting lots ready for next year. They've asked if the City would finance them and use assessments to get more lots developed, which would lessen the costs up front for the developer. It's a way to take the financial burden off the developer on the front end and would encourage more development of single family houses. He said that the City Council would have to discuss that. Dotson asked how we bill for that. Klecker said right now a developer would pay for all the infrastructure and then sell the lots. They don't really receive profits until the last few lots are sold. If it was financed by the City, we would bid it out and then assess all of the properties in the development. When someone buys a lot, they would have to pay off that assessment at the time they close on the property or it's paid off over a ten-year period. Dotson asked if they are able to do a housing TIF. Klecker said he didn't think so, but could check into it. He said we have done financing for hard surfacing. Council might want to look at different ways to encourage some development to happen. He said we've done that for many years, but have gotten away from it. Up until last year, our numbers were going up each year, so there wasn't any urgency to do anything. If we do decide to go that route, we could have three developers who decide to do 100 lots each – that's a lot of money. Dotson asked how much the property tax increases when the lot is platted. Klecker said it's not increased so much when it's platted, but when the infrastructure goes in, taxes go up. Dotson said that they've had discussions about getting away from assessments. He said he'd like to know if they'd be able to use TIF. Klecker said you could do a tax abatement. We've stayed away from that, but it could be set up to function much like a TIF. He said he'd have to talk with the Finance Director about it. He and Karina Schmitz from MN Prairie will be meeting with Colonial Manor this week. There is an opportunity for more housing units, as they have about 14 vacant lots right now. They're in the older portion of the park with smaller units and smaller lots. Today's models don't fit, but we could see if there's anything that could be done. Beyond that, they have another whole area that's platted, but not yet developed. The Housing Trust Fund could be a way to help. It's still in the works and not established yet. Dotson asked if they've seen the tiny home fad. Klecker said that a local realtor has pitched that idea, wondering if there was any land. What this realtor is pitching is bigger than tiny homes, but they'd like to do just a small development of them. They'd be rentals without garages. The City does own a lot on the corner of 22nd Street NW and 3rd Street NW, right across from Skyline Gardens. That could be a possibility. The realtor could do about four units in there. We'd have to plat the property as there is wetland. He asked the commissioners if that is that something they'd want to pursue. Olivo asked about mother-in-law units in the backyard. Klecker said that they'd have to be attached to the primary unit.

Old Business: The Housing Choice Voucher program monthly report was presented by Madkour, including the City of Owatonna monthly balance sheet and revenue/expense report. Program utilization: The Housing Voucher program for September totaled 124. Total year to date assistance and administration costs were \$525,371.17 and revenues were \$477,028.75. The Housing Choice Voucher Program fund balance at September month end is \$173,187.43. Madkour provided City of Owatonna HRA monthly balance sheet and revenue/expense reports for the HRA General Fund including the Bridges Programs. The HRA Revenues year to date total is \$351,678.75 and the expenses total \$298,530.63. The HRA General Fund balance is \$462,903.61.

Housing Director Madkour said there are currently 10 searching for HCV and six waiting on background checks. They're at 99 vouchers total. Mainstream is at four searching and three are waiting on background checks. There are five applications ready to go out. They are currently at 25 for Mainstream. That's gradually going up and there is a 40 voucher maximum. He said he spoke with MN HUD today. He said at least 45 people this year did not return applications. A few others didn't qualify. A couple didn't return paperwork and some didn't qualify due to criminal background. We are around 150 on the waitlist. He said he's encouraging folks to reapply. He said our numbers are low, but not so low that we're different than anyone else. They're having a hard time finding places; the inventory just isn't there. Our payment standards will be going up on January 1. It's currently \$727 and will be going up to \$798. He said that they are planning on revisiting the FMRs. Bridges is currently holding steady with 31 clients. A couple of people are going to be coming off that program due to repeated violations. They're at 10 clients with Bridges Like. When an application comes in and someone qualifies for the Mainstream program, he sends out Mainstream applications as soon as possible. Olivo asked about the General Fund and if there will be much of a balance to carry over. Klecker said that we have money set aside for a project. That's intended to go to the Housing Trust Fund. We typically don't run too much of a surplus so not a whole lot will carry over into our fund balance.

A motion was made by Dotson and seconded by Osman to approve the reports as presented. All Commissioners voting Aye, the motion carried.

New Business: Madkour said that he received information from Three Rivers Community Action out of Zumbrota. They're providing stability vouchers specifically for homeless folks. It won't start until June of 2023. They've asked us to take on some vouchers. He said if there's that opportunity that doesn't take away from what he's doing, they're going to go forward. They'll start with five vouchers. The referrals will come from Continuum of Care. They'll do all the legwork of referrals, and the clients will have caseworkers. We will still have to run criminal background checks, but the only criteria that would disqualify them is lifetime sex offender.

Klecker shared a photo of the possible small home. Dotson asked how quickly they're wanting to move on this. Klecker said it would be set up for spring. They'd have a variety with one, two, and three-bedroom units without garages. It would go through a public hearing at Planning Commission. The tough part is finding a spot where it would be acceptable. Near the mobile home park is a possibility. Whether we want to pursue this or not, we'll need to plat the property. We'll do that this winter. Once we understand how much of the property is wetland, we'll see if this is something we want to pursue. Dotson said the realtor would manage it and asked if it would be income based. Klecker said we said we'd want to make sure they are affordable rents. Kropp asked if they would be mobile or permanent. Klecker said they would be on a permanent foundation. They were looking at a one bedroom for \$726, two bedroom \$939, and three bedroom \$1334. Dotson asked if we would be donating the land. Klecker said that we would sell it, but it would have to be open to the public. He said he would view it as, this land was given to us with the Cashman deal and targeted to be affordable housing, so we have the ability to convey it for a project that we would consider affordable housing. The fact that we have someone interested in it makes it more worthwhile to go through the process. Osman asked how big the lot is. Klecker said it's probably 150' by 150' – equivalent to two single family lots. Kropp asked if there is an existing community with these structures that we could visit. Klecker said he doesn't think so; they haven't done this before. They are local. They'll be closer together than we'd require houses to be, which is why it would be a planned unit development. Kropp said it's intriguing, but she'd want more information. Klecker said it's more of a question of, do we take the steps forward to make the lot available for affordable housing. He said they

could do a request for proposal. (Kropp left the meeting at 4:50 p.m.) He said these guys aren't necessarily asking for anything; they'd be willing to buy the land. We'd have more leverage to keep the rents down if we gave it away. We got it for free from the Cashman's and it's a small lot. We could decide which proposal makes the most sense. Osman asked how much it would cost us to plat. Klecker said probably less than \$5,000. Osman said that it's worth trying. Madkour said that all the rents are below our current payment standards, and that's fantastic. A motion was made by Osman and seconded by Hole to pursue an affordable housing project on the lot that was gifted to the City by the Cashman's on the corner of 22nd Street NW and 3rd Street NW. All Commissioners voting Aye, the motion carried.

Other Business: Madkour asked who would be able to attend the regularly scheduled meeting on November 28. Enough Commissioners said that they will be able to make it that there will be a quorum.

The next meeting will be Monday, November 28, 2022.

Adjournment: There being no further business, a motion to adjourn was made by Hole, seconded by Osman. All Commissioners voting Aye, the motion carried. The meeting adjourned at 4:59 p.m.

Respectfully Submitted,
Ghassan Madkour
Housing Manager



Miscellaneous



Community Development Department

DATE: November 1, 2022
TO: Mayor and City Council
FROM: Greg Kruschke, Community Development Manager
SUBJECT: Utility Disconnection Letter of Understanding - 2342 Haddonstone Lane - Glen and Betty Roethler

Purpose:

Approve the agreement between the City, Owatonna Public Utilities (OPU) and Glen and Betty Roethler to delay the disconnection of water and sewer services from the mains to allow combination of lots.

Background:

Glenn & Betty Roethler are requesting to split and recombine lots at 2342 Haddonstone Lane NE. The applicants wish to enter into the agreement and disconnect the services in the future per the agreement.

Previously when a property owner combined lots and it was clear the water and sewer services were not going to be used they were required to be disconnected at the mains. This involved digging into the street and added significant cost to the property owner.

City Staff met with OPU Staff a few years ago with the intent of trying to minimize the amount of times we were digging into the streets. We were able to develop this agreement, to be recorded against the property, to accomplish what every party was looking for. City Staff, OPU Staff, and City Attorney Walbran have all reviewed the agreement and feel it is a good solution.

Budget Impact:

There is no budget impact to the City other than staff time. All future responsibility is the property owners and the agreement lays out the process. The applicant also pays the \$46 recording fee.

Staff Recommendation:

Staff recommends approval of this Letter of Understanding with Mr. and Mrs. Roether and OPU for this utility disconnection.

Attachments:

1. Roethler Utility Disconnection Letter of Understanding

LETTER OF UNDERSTANDING

This Letter of Understanding is entered into between the City of Owatonna, hereinafter referred to as the City, Owatonna Public Utilities, hereinafter referred to as OPU, and Glen and Betty Roethler, husband and wife, owner of the subject property, hereinafter referred to as Owner, this 30 day of September, 2022, with regard to the premises of the Owner, located at 2342 Haddonstone Lane NE, Owatonna, Minnesota, and as legally described in the attached Exhibit A.

- 1) The Owner is requesting to split a parcel making it unbuildable. The parcel has a water and sewer service that are stubbed into the lot meant for future construction that will no longer be needed.
- 2) The City requires that the sewer service be disconnected at the sewer main. The disconnection at the main is to prevent inflow and infiltration into the public sanitary sewer service resulting in overflow at the wastewater treatment facility.
- 3) OPU requires that the water service be disconnected at the water main. The disconnection at the main is to prevent a leaking water service resulting in unused resources and erosion damages to Public Street or private property.
- 4) The City also has a desire to minimize the amount of street openings that occur in order to protect and extend the life of the existing street network.
- 5) The Owner hereby acknowledges the inherent risk associated with leaving the water and sewer services connected to the respective public mains and the benefit accruing to its property by their removal and agrees that the Owner is fully responsible for the disconnection of the water and sewer services from their respective mains in the future.
- 6) The Owner agrees to disconnect the water and sewer service from the public main within 30 days of receiving notice from the City or OPU once an issue is discovered. If action is not taken the City will contract for the required work and all costs will be assessed to the Owner with an additional 20% oversight fee for completing the necessary work.
- 7) The Owner agrees that the service will be removed when the subject street has the pavement removed for any reason. This work will be performed by the City's contractor and will be billed directly to the Owner. Please note that this will include the excavation and service removal. Pavement removal and repaving will be included in the street project.
- 8) The Owner further recognizes that the private access drive to the development is required to be removed in the future. The Owner has an agreement that addresses this in Exhibit B.
- 9) The City, OPU and Owner hereby declare that the above described premises are subject to the above conditions and which shall run with the land and part thereof and shall apply to and bind each and every successor in interest thereof.
- 10) In the event the City of Owatonna has to take enforcement action to enforce the terms of this agreement, in addition to any other remedies that may be available to it pursuant to the Owatonna Code of Ordinances or Minnesota Statutes, the City of Owatonna shall be entitled to recover the costs of enforcement including reasonable attorney fees.

Owner:

Dated: 9-30-22



Glen Roethler, Owner

Dated: 9-30-22

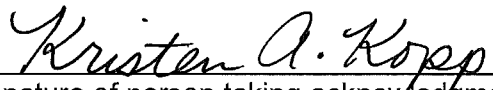


Betty Roethler, Owner

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

This instrument was acknowledged before me on Sept. 30, 2022, Glen & Betty Roethler, husband and wife, owner of the subject property.




Signature of person taking acknowledgment

CITY OF OWATONNA

Dated: _____

By: _____

Thomas A. Kuntz
Its: Mayor

By: _____

Kris M. Busse
Its: City Administrator

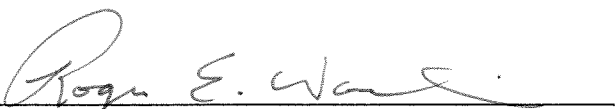
STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing instrument was acknowledged before me this ____ day of ___, 2022 by Thomas A. Kuntz, Mayor and Kris M. Busse, City Administrator, of the City of Owatonna, a Municipal Corporation, a municipal corporation under the laws of the State of Minnesota.

Signature of person taking acknowledgment

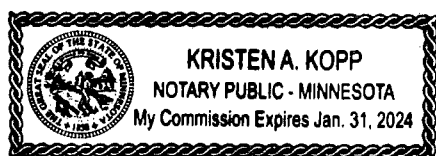
OWATONNA PUBLIC UTILITIES

Dated: 10/26/22

By: 
Roger Warehime
Its: General Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing instrument was acknowledged before me this 26th day of Oct., 2022 by Roger Warehime, its General Manager, of Owatonna Public Utilities, a Municipal Corporation, a municipal corporation under the laws of the State of Minnesota.




Signature of person taking acknowledgment

Exhibit A

Lot 7, Block 1, Maple Creek Highlands Addition, Steele County, Minnesota

EXHIBIT B

AGREEMENT TO REMOVE TEMPORARY ACCESS EASEMENT

THIS AGREEMENT is made on September ~~6th~~ 2022, by and between North Bluff Partners II LLC, a Minnesota Limited Liability Company (hereinafter "North Bluff") and Glen D. Roethler and Elizabeth A. Roethler, husband and wife and Ricky L. Sommers and Bonita R. Sommers, husband and wife, (hereinafter Roethler and Sommers), collectively referred to herein as "the Parties" to ensure the satisfactory removal of the temporary access easement across Lot 7, Block 1, Maple Creek Highlands Addition located at 2342 Haddonstone Lane NE, Steele County, Owatonna, MN 55060.

WHEREAS, on this day North Bluff is selling to Roethler and Sommers the following described lot:

Lot 7, Block 1, Maple Creek Highlands Addition, Steele County, Minnesota

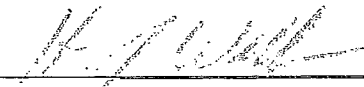
and

WHEREAS, as part of the consideration for this purchase, North Bluff promised to be responsible for removal of the temporary access easement located across the above described lot.

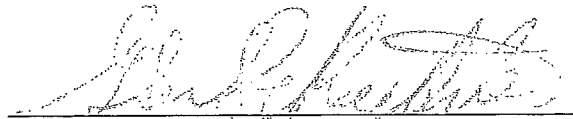
NOW THEREFORE, in consideration of the covenants herein and other valuable consideration, the parties agree as follows:

1. North Bluff agrees to be responsible for all costs and expenses of removing the temporary access easement crossing the property described above, and agrees to restore the lot to grade with fill, topsoil, and seeded with grass, pursuant to the Development Agreement with the City of Owatonna, dated October 27, 2006 and attached hereto as Exhibit A.
2. This agreement is binding on North Bluff, and on its successors and assigns to the undeveloped lots in the event someone else owns these lots at the time the temporary access easement is removed. The lots subject to this agreement are incorporated herein and described on the attached Exhibit B.

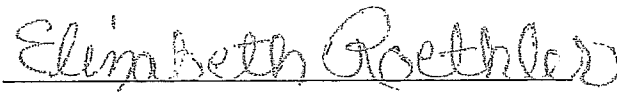
NORTH BLUFF PARTNERS II LLC

By: 

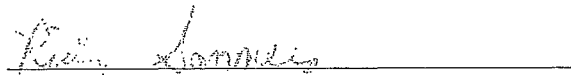
Kurt J. Welker
Its President



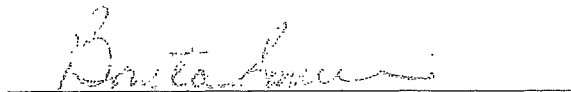
Glen Roethler



Elizabeth Roethler



Ricky Sommers

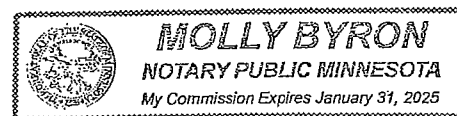


Bonita Sommers

STATE OF MINNESOTA)
)SS
COUNTY OF LAGUNA)

This instrument was acknowledged before me on September 14, 2022, by Kurt J. Welker, President of North Bluff Partners II LLC, a Minnesota Limited Liability Company.

Notary Public

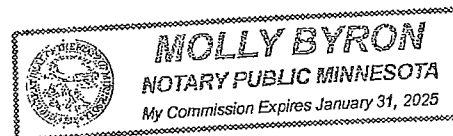
[illegible]

This agreement was acknowledged before me this 2nd day of September, 2022
by Glen Roethler and Elizabeth Roethler, husband and wife and
Ricky Sommers and Bonita Sommers, husband and wife.

Notary Public

This Instrument Was Drafted By:

Byron Law Office, PLLC
122 North State St
Waseca, MN 56093
(507)835-3355



**Development Agreement
Maple Creek Highlands Addition
City of Owatonna, Minnesota**

AGREEMENT dated 10/27, 2006, by and between the CITY OF
OWATONNA, a Minnesota Municipal corporation (City) and

WELKER CONSTRUCTION SERVICES LLC

(the Developer).

1. **PLAT APPROVAL.** The Developer is seeking final approval of Maple Creek Highlands Addition (the "plat"), a residential subdivision located in the City. The plat was given preliminary approval by the Owatonna City Council on July 5, 2005 with conditions including that a "development agreement for improvements to 26th Street is established" and with the further condition of "a development agreement regarding road improvements, which stipulates the primary development access and also the responsibility of the Developer in making necessary road improvements". Approval of the final plat of Maple Creek Highlands Addition is conditioned upon the Developer entering into this agreement.

2. **ACCESS TO PLAT.** The proposed street from CSAH 8 to the city storm pond and park area (tentatively named Majestic Road NE and intended to be dedicated to the city on the Country Creek #6 plat) will be constructed at some undetermined future date. Therefore 26th Street NE (currently graveled and under joint township and city jurisdiction) shall serve as the sole access to the subdivision until such time that Majestic Road NE is developed.

a) To minimize traffic on that portion of 26th St. NE currently under joint city/ township jurisdiction, the City will be given a (temporary) street easement in the vicinity of Lots 7 and 8, Block 1 of the plat which will provide sole access from 26th St. NE into the plat. The Developer shall construct at Developer's sole expense a temporary street built to Owatonna city engineer's specifications within that easement. The Developer shall also hard surface that portion of 26th St. from the temporary access point back to CSAH 8 within one year of City acceptance of the first construction phase's streets and infrastructure.

b) 26th St. has been designated as a beltline with controlled access points. Steele County's access management policy permits only one access from this development onto 26th and this permanent access point on 26th Street, in compliance with the county's access management guidelines, has been indicated on the plat as a city street right-of-way. The "temporary" easement noted in the above paragraph will be replaced with this permanent access at the time the county takes jurisdiction over 26th Street and improvements to the street are made; or when in the view of the City and Steele County, construction of the permanent access and removal of the temporary one is warranted. When the permanent access is constructed the temporary access will be eliminated and the city will vacate the temporary street easement. The City of Owatonna and Steele County will not participate in the removal of the temporary access or construction of the permanent access.

Exhibit A

3. **CONSTRUCTION ACCESS.** Construction traffic access to the subdivision for depositing site fill, grading, public utility construction, street construction, and residential construction is restricted to the established temporary access or the proposed Majestic Road NE when constructed, and no construction traffic shall be permitted to use 26th Street NE east of the established temporary access except that until such time that the temporary access and the development's internal street system is constructed to the west line of the east half of the NW1/4 of Section 1, T107N, Range 20W access to the east portion of the development will be permitted on 26th St. east of the temporary access. The Developer shall be responsible for the repair of any damages to the road incurred by that use and shall be subject to the provisions of Section 4 below. The Developer shall be responsible for notifying any subcontractors or builders working in the subdivision of these construction access restrictions.
4. **CLEAN UP AND MAINTENANCE.** The Developer shall be responsible for dust control, grading maintenance, and cleaning dirt and debris from streets that results from construction work by the Developer, its agents or assigns. Prior to any construction within the plat, the Developer shall identify in writing a responsible party for erosion control, grading maintenance, dust control, street cleaning, and street sweeping.
5. **STREET JURISDICTION.** The City will pursue, in conjunction with Owatonna and Clinton Falls townships, annexation of right-of-way necessary to bring the entire right-of-way of 26th St. NE from CSAH 8 to the temporary access within city limits and under city jurisdiction. 26th St. NE from the temporary access east shall remain under joint jurisdiction of the city and Clinton Falls Township with arrangements for maintenance including snow plowing to be shared in an equitable manner.
6. **STORM DRAINAGE.** Each lot in the plat will be assessed for using regional storm pond at the most current rate as established by the City Council. (currently \$0.12 per square foot, with a maximum of 12,000 square feet per lot). Lots will be assessed as the property is developed.
7. **SANITARY SEWER EXTENSION.** The Developer shall install and pay for the sanitary sewer within the development including the extension of the sewer across Maple Creek to the plat.
8. **WATER MAIN EXTENSION.** Water service to the plat will be through Country Creek Addition No. 6. This is an oversized 12 inch water main and the Developer will have to negotiate any cost sharing for this with Owatonna Public Utilities.
11. **NO JOINT ENTITY.** This Agreement does not create a partnership, joint venture, joint enterprise or other joint entity between City and Developer.
12. **REPRESENTATION.** This Development Agreement does not constitute a complete representation of the requirements and conditions for development. Other conditions and requirements for development may apply including the Developer's acceptance of requirements relative to performance bonds, insurance, and indemnification as provided for in standard City specifications for work performed within the City of Owatonna.

Date: _____

Developer

By: *[Signature]*

Its: President

By: _____

Its: _____

Date: _____

City of Owatonna

[Signature]
Mayor

[Signature]
City Clerk

This instrument was drafted by:

Community Development Director
City of Owatonna
540 West Hills Circle
Owatonna, MN. 55060

EXHIBIT A

EXHIBIT B

Lot 15, Block 1, Maple Creek Highlands, Section 1, Township 107, Range 20
(Parcel No. 17-600-0115) 2406 Haddonstone LN NE, Owatonna, MN 55060

Lot 16, Block 1, Maple Creek Highlands, Section 1, Township 107, Range 20
(Parcel No. 17-600-0116) 2422 Haddonstone LN NE, Owatonna, MN 55060

Lot 17, Block 1, Maple Creek Highlands, Section 1, Township 107, Range 20
(Parcel No. 17-600-0117) 2426 Haddonstone LN NE, Owatonna, MN 55060

Lot 18, Block 1, Maple Creek Highland, Section 1, Township 107, Range 20
(Parcel No. 17-600-0118) 2442 Haddonstone LN NE, Owatonna, MN 55060

Lot 19, Block 1, Maple Creek Highlands, Section 1, Township 107, Range 20
(Parcel No. 17-600-0119) 2446 Haddonstone LN NE, Owatonna, MN 55060

Lot 20, Block 1, Maple Creek Highlands, Section 1, Township 107, Range 20
(Parcel No. 17-600-0120) 2462 Haddonstone LN NE, Owatonna, MN 55060

Lot 21, Block 1, Maple Creek Highlands, Section 1, Township 107, Range 20
(Parcel No. 17-600-0121) 2466 Haddonstone LN NE, Owatonna, MN 55060

Lot 22, Block 1, Maple Creek Highlands, Section 1, Township 107, Range 20
(Parcel No. 17-600-0122) 2482 Haddonstone LN NE, Owatonna, MN 55060

Lot 23, Block 1, Maple Creek Highlands, Section 1, Township 107, Range 20
(Parcel No. 17-600-0123) 2486 Haddonstone LN NE, Owatonna, MN 55060

Lot 1, Block 2, Maple Creek Highlands, Section 1, Township 107, Range 20
(Parcel No. 17-600-0201) 2512 Haddonstone LN NE, Owatonna, MN 55060

RECAP:

\$	42,089.76	American Engineering Testing	\$28,767.51 WWTP, \$13,322.25 Cedar Ave
	260,165.53	JJD Companies - 2022 Street & Utility Pay Est 2	
	21,720.00	League of MN Cities 2022-2023 Membership dues	
	124,065.86	Nero Engineering - Sept WWTF Expansion & Sewer Study services	
	141,631.70	SAK Construction - CIPPS Pay Est 2	
	119,768.02	Southeast Service Coop - Oct 2022 Health Insurance premiums	
	43,211.00	Terex Roofing & Sheetmetal - Fire Hall roof and tower project	
	23,163.90	UKG Inc - Nov-Jan Subscription and time clock lease	
	20,380.50	US Bank - City-wide credit card purchases	
	<u>198,976.01</u>	OTHER EXPENDITURES	
\$	<u><u>995,172.28</u></u>	TOTAL EXPENDITURES PRESENTED FOR APPROVAL	

NOTE: Checks over \$20,000 are detailed out individually

Check Register

Check Number	Vendor Number	Vendor Name	Check Amount	Check Date	BW	Check Type
Checks for Cash	Account:	999-19100-000-000-000000				
370631	100202	ADVANCED ENGINEERING & ENVIRON	3,338.00	10/21/22		
370632	4872	ALEX AIR APPARATUS, INC	295.00	10/21/22		
370633	34	ALEXANDER LUMBER COMPANY	1,013.83	10/21/22		
370634	4195	AMAZON.COM	147.22	10/21/22		
370635	46	AMERICAN ENGINEERING TESTING	42,089.76	10/21/22		
370636	5727	ANHORN'S GAS & TIRE	277.46	10/21/22		
370637	6006	ANNA K MARTIN	12.94	10/21/22		
370638	61	ARAMARK UNIFORM SERVICES INC	539.89	10/21/22		
370639	68	ARROW ACE HARDWARE	32.29	10/21/22		
370640	91	BAKER & TAYLOR BOOKS	2,548.16	10/21/22		
370641	3643	BENJAMIN R JOHNSON	55.13	10/21/22		
370642	100215	BLUEBEAM INC	8,294.00	10/21/22		
370643	137	BRYAN ROCK PRODUCTS INC	1,824.09	10/21/22		
370644	156	CARQUEST	1,461.05	10/21/22		
370645	2108	CAVALIER COACHES INC	850.00	10/21/22		
370646	145	CCP INDUSTRIES INC	211.94	10/21/22		
370647	161	CEDAR VALLEY SERVICES INC	849.45	10/21/22		
370648	3108	CEMSTONE CONCRETE MATERIAL LLC	1,997.40	10/21/22		
370649	163	CEMSTONE PRODUCTS CO	411.01	10/21/22		
370650	349	CENGAGE LEARNING INC	27.99	10/21/22		
370651	164	CENTER POINT PUBLISHING	205.81	10/21/22		
370652	4425	CENTRAL FARM SERVICE	3,932.68	10/21/22		
370653	2635	CITY OF ALBERT LEA	4,722.75	10/21/22		
370654	5569	CLUB CAR LLC	644.25	10/21/22		
370655	5536	COMPCARE OCCUPATIONAL MEDICINE	396.00	10/21/22		
370656	5512	COVERALL OF THE TWIN CITIES	2,385.00	10/21/22		
370657	207	CRANE CREEK ASPHALT	1,748.84	10/21/22		
370658	212	CULLIGAN OF OWATONNA	33.83	10/21/22		
370659	215	CURT'S TRUCK & DIESEL SERVICE	41.03	10/21/22		
370660	222	D & M CONSTRUCTION LLC	17,722.48	10/21/22		
370661	227	DAGRY TOOLING INC	347.00	10/21/22		
370662	1799	DAKOTA CO FINANCIAL SERVICES	7,299.50	10/21/22		
370663	263	EARL F ANDERSEN & ASSOC	2,030.95	10/21/22		
370664	100076	Employee Strategies	8,047.08	10/21/22		
370665	4017	FARIBAULT CO SHERIFF'S OFFICE	5,950.28	10/21/22		
370666	307	FASTENAL COMPANY	223.42	10/21/22		
370667	323	FIRST SUPPLY OWATONNA	998.70	10/21/22		
370668	325	FLAHERTY & HOOD PA	5,552.50	10/21/22		
370669	3806	FOUR SEASONS ELECTRIC	220.00	10/21/22		
370670	6994	GLOBAL PAYMENTS INTEGRATED	2,296.81	10/21/22		Wire Transfer
370671	100136	GLOWFORGE INC	8,561.00	10/21/22		
370672	410	HAWKINS INC	1,967.00	10/21/22		
370673	421	HILLYARD/HUTCHINSON	798.88	10/21/22		
370674	1928	HORIZON COMMERCIAL POOL SUPPLY	785.89	10/21/22		
370675	430	HUBER SUPPLY CO INC	12.99	10/21/22		

Check Register

Check Number	Vendor Number	Vendor Name	Check Amount	Check Date	BW	Check Type
370676	6150	ICS CONSULTING INC	1,500.00	10/21/22		
370677	446	IFACS	13.65	10/21/22		
370678	452	INFO USA MARKETING INC	467.40	10/21/22		
370679	454	INNOVATIVE OFFICE SOLUTIONS	892.13	10/21/22		
370680	455	INSTY PRINTS	465.00	10/21/22		
370681	100201	JEREMY POLAND	400.00	10/21/22		
370682	2720	JJD COMPANIES LLC	260,165.53	10/21/22		
370683	482	JOHN DEERE CREDIT	16.74	10/21/22		
370684	100085	KATHLEEN PEGG	1,000.00	10/21/22		
370685	2252	KECK'S REPAIR	954.24	10/21/22		
370686	507	KENNEDY & GRAVEN	380.00	10/21/22		
370687	100203	KLECKER'S KREATIONS	5,457.50	10/21/22		
370688	100198	KRIS BUSSE	14.15	10/21/22		
370689	521	KROMER CO	819.36	10/21/22		
370690	100195	KWIK CASE LLC	3,028.02	10/21/22		
370691	4457	LAWSON PRODUCTS	707.72	10/21/22		
370692	541	LEAGUE OF MN CITIES	21,720.00	10/21/22		
370693	545	LEGACY SIGNS INC	441.00	10/21/22		
370694	4912	LIMBERG PRODUCTIONS	100.00	10/21/22		
370695	551	LOCATORS & SUPPLIES INC	329.35	10/21/22		
370696	587	MARCO TECHNOLOGIES LLC	426.33	10/21/22		
370697	4383	MEI TOTAL ELEVATOR SOLUTIONS	881.07	10/21/22		
370698	7062	MERCHANT SERVICES	1,424.42	10/21/22		Wire Transfer
370699	612	METRO SALES INC	734.71	10/21/22		
370700	7028	METRONET	1,265.73	10/21/22		
370701	619	MIKE'S REPAIR	444.50	10/21/22		
370702	4951	MINA ADSIT ARCHITECTURE & PLAN	2,186.65	10/21/22		
370703	1946	MINER'S OUTDOOR & RECREATION	87.88	10/21/22		
370704	100199	MIRACLE RECREATION	322.33	10/21/22		
370705	638	MN DEPT OF LABOR AND INDUSTRY	6,159.47	10/21/22		Wire Transfer
370706	2818	MN DEPT OF REVENUE	4,352.32	10/21/22		Wire Transfer
370707	4405	MOBOTREX INC	4,160.00	10/21/22		
370708	577	MTI DISTRIBUTING INC	199.06	10/21/22		
370709	4928	NAPA AUTO PARTS	474.35	10/21/22		
370710	705	NARDINI FIRE EQUIPMENT CO INC	521.00	10/21/22		
370711	4963	NERO ENGINEERING	124,065.86	10/21/22		
370712	732	NORTHLAND FARM SYSTEMS	248.96	10/21/22		
370713	4551	OFFICE OF MNIT SERVICES	420.00	10/21/22		
370714	100207	Owatonna Fitness	355.07	10/21/22		
370715	759	OWATONNA MOTOR COMPANY	519.75	10/21/22		
370716	769	OWATONNA QUARTERBACK CLUB	800.00	10/21/22		
370717	785	PARAGON PRINTING & MAILING INC	429.29	10/21/22		
370718	4853	PAYMENTECH	53.45	10/21/22		Wire Transfer
370719	3964	POST-BULLETIN	256.50	10/21/22		
370720	1458	REINDERS INC	894.71	10/21/22		
370721	876	RENT N SAVE	4,136.00	10/21/22		

Check Register

Check Number	Vendor Number	Vendor Name	Check Amount	Check Date	BW	Check Type
370722	3404	RICE STEELE 911 CENTER	3,240.00	10/21/22		
370723	895	ROCON INCORPORATED	536.00	10/21/22		
370724	100084	RON'S REPAIR SERVICE	302.53	10/21/22		
370725	100061	SAK CONSTRUCTION LLC	141,631.70	10/21/22		
370726	5638	SCHWICKERT'S TECTA AMERICA LLC	5,659.60	10/21/22		
370727	941	SELCO	8,685.17	10/21/22		
370728	944	SENIORPLACE INC	399.00	10/21/22		
370729	952	SHERWIN WILLIAMS COMPANY	182.28	10/21/22		
370730	2790	SHRED RIGHT	8.18	10/21/22		
370731	954	SIGN PRO OF OWATONNA	110.00	10/21/22		
370732	2603	SOUTHEAST SERVICE COOPERATIVE	119,768.02	10/21/22		Wire Transfer
370733	1009	STEELE COUNTY TREASURER	5,997.54	10/21/22		
370734	4892	STEWART DENISE	252.28	10/21/22		
370735	1014	STEWART SANITATION	.78	10/21/22		
370736	1018	STREICHER'S INC	23.98	10/21/22		
370737	4372	SYMBOL ARTS	230.00	10/21/22		
370738	3999	SYNCHRONY BANK	278.74	10/21/22		
370739	1035	T-MOBILE	704.93	10/21/22		
370740	100130	TEREX ROOFING & SHEETMETAL LLC	43,211.00	10/21/22		
370741	7068	TGK AUTOMOTIVE OF OWATONNA LLC	40.08	10/21/22		
370742	3031	THOMSON REUTERS	505.59	10/21/22		
370743	3188	TOREY'S RESTAURANT & BAR	469.79	10/21/22		
370744	100191	TREVOR GIESEKE	240.00	10/21/22		
370745	3689	TRI STATE BOBCAT	788.12	10/21/22		
370746	1095	TURFWERKS	571.23	10/21/22		
370747	6977	UKG INC	23,163.90	10/21/22		
370748	1723	UNITED WAY	114.00	10/21/22		
370749	1101	US BANK	17,861.05	10/21/22		Wire Transfer
370750	2540	USABLUBOOK	502.67	10/21/22		
370751	2121	VERIZON WIRELESS	2,893.62	10/21/22		
370752	5724	WALBRAN & FURNESS CHARTERED	4,573.25	10/21/22		
370753	1149	WASECA COUNTY NEWS	81.95	10/21/22		
370754	5448	WASECA POLICE DEPARTMENT	6,128.42	10/21/22		
370755	1150	WASTE MANAGEMENT OF WI-MN	802.54	10/21/22		
370756	1421	WELKER CUSTOM HOMES INC	1,000.00	10/21/22		
370757	4067	WEX BANK	1,402.90	10/21/22		Wire Transfer
370758	100197	ZACHARY DAHNERT	50.22	10/21/22		
370759	1179	ZEP MANUFACTURING CO	268.51	10/21/22		
370760	7004	MATTHEW R HOKANSON	4,600.23	10/21/22		

Check Register

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Ordinances



Administration Department

DATE: November 1, 2022
TO: Mayor and City Council
FROM: Kris Busse, City Administrator
SUBJECT: First Reading Proposed Ordinance 22-12 Extend Xcel Energy Franchise Agreement

Purpose:

Council to approve Proposed Ordinance 22-12 to extend the Xcel Energy Franchise Agreement.

Background:

Budget Impact:

The original Franchise Agreement with Northern State Power Company d/b/a/ Xcel Energy was approved 20 years ago in 2002. This agreement was set to expire April 2, 2022 and on January 31, 2022, the Council extended this agreement until the end of the current year, December 31, 2022. The additional time has allowed staff to work with Xcel regarding their new standard agreement for preparation of drafting a new franchise agreement,

Unfortunately, additional time is still needed. City Attorney Walbran recommends this current franchise agreement with Excel Energy be extended until December 31, 2023. Xcel must file notice of an extension with the Public Utility Commission sixty days prior to expiration of the current agreement for continuation of franchise fees.

Staff Recommendation:

Staff recommends approval of this proposed ordinance as recommended by City Attorney, Mark Walbran.

Attachments:

1. Ord 22-12 Extend Excel Energy Franchise Agreement

PROPOSED ORDINANCE NO. 22-12

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CITY OF OWATONNA ORDINANCE NO. 1278, "AN ORDINANCE GRANTING TO NORTHERN STATES POWER COMPANY, D/B/A XCEL ENERGY, PERMISSION TO OPERATE AN ELECTRIC PUBLIC UTILITY AND MAINTAIN AN ELECTRIC DISTRIBUTION SYSTEM IN THE CITY OF OWATONNA, AND ENLARGING, OPERATING, REPAIRING AND MAINTAINING SAID SYSTEM IN THE CITY, THE NECESSARY LINES FOR THE TRANSMISSION OR DISTRIBUTION OF ELECTRICITY TO THE CITY AND ITS INHABITANTS AND OTHERS AND TO USE THE PUBLIC WAYS AND PUBLIC GROUNDS OF THE CITY FOR SUCH PURPOSE; AND PRESCRIBING CERTAIN TERMS AND CONDITIONS THERETO.

THE CITY COUNCIL OF THE CITY OF OWATONNA, STEELE COUNTY, MINNESOTA, ORDAINS:

SECTION 1. Section 2.2 of the City of Owatonna Ordinance No. 1278 is hereby amended to extend the term of the electric franchise granted to Northern States Power Company, d/b/a Xcel Energy, through December 31, 2023.

SECTION 2. This Ordinance shall take effect on the day it was passed and approved. Passed and adopted this ____ day of _____ 2022, with the following roll call vote:

Aye:

No:

Absent:

Thomas A. Kuntz, Mayor

Attest:

Kris B. Busse, City Administrator



Resolutions



Administration Department

DATE: November 1, 2022
TO: Mayor and City Council
FROM: Jeanette Clawson, Administrative Specialist
SUBJECT: Resolution 88-22 Appoint Election Judges - 2022 General Election

Purpose:

Council to approve Resolution 88-22 appointing Election Judges for the 2022 General Election on Tuesday, November 8, 2022.

Background:

The Secretary of State requires appointment of election judges and recommends the resolution appointing judges and also authorizes assignment of Election Judge substitutes if needed.

Judges are paid for hours worked, training and preparing for an election. Most serving as judges for this election also served during the previous elections this year, the Special Primary Election in May and the 2022 Primary Election in August. This year, all have attended Judges Training and certification with the Steele County Auditor's Office.

All ten of the city's polling sites will be open on Election Day from 7:00 am to 8:00 pm. Judges begin tasks an hour before the polls open and work until the polls are closed to confirm balanced reports, which usually takes an additional hour or two. Seven judges are scheduled at each site during these hours.

Budget Impact:

Judges are paid for hours worked, training and preparing for an election: Head Judges receive \$12/hour and Election Judges receive \$11/hour. The judge's cost for this election is estimated at \$14,000.

Staff Recommendation:

Staff recommends approval of Resolution 88-22.

Attachments:

1. List - 2022 General Election Judges
2. Res 88-22 Appoint Election Judges - 2022 General Election

Election Judges - General Election - November 8, 2022		
*Allison Ritter	Jane Parr	Mark Lysne
Barb Granowski	Janet Erickson	Mary Graff
Barb Wiese	Jean Westberg	Matelynn Mohr
Beatrice Oberg	Joan Salmonsens	*Melissa Spindler
Beth Younquist	John Thompson	Mike Brown
Beverly Lysne	Judith Tiede	Mike Stormo
Bonnie Johnston	*Judy Erck	Nancy Fichten-Rucks
Carol Kirchner	Julianna Skluzacek	Nancy Voigt
Cathy Torrey	Julie Thompson	Naomi Jirele
Charles Newgard	Karen Kanne	*Naomi Uber
Cheryl Couture	Kate Sisler	Natalie Plumley
Cheryl Hancock	Kathleen Born	Nathan Maas
Cindy Katzung Hokanson	Kathleen Schumacher	*Peter Kehler
Clark Gustafson	Kay Oberle	Philina Pierce
Corine Tally	Kelli Hallquist	Randy Byam
Dan Gorman	Ken Torrey	Rich Strom
Daniel Axmark	Kent Rossi	Sandra McConn Halla
Daniel Hoff	Kim Schauenbuel	Sandra Ost
Daryl Kanne	Kirk Griebel	Shannon Iacovino
Dawn Axmark	Kirk Oswald	Sharon Clemens
*Deloris Slack	LaDonna Flowers	Sharon Guarlpapp
Diane Spellmeyer	Laura Jensen	*Sharon Klein
Eileen Wohlenhaus	LeAnn Masche	Shay Rohde
Elizabeth Rossi	Lilly Christensen	Shelly Chicos
Eric Wandersee	*Linda Boorman	Sheryl Keith
Frances Kubista	Linda Gerardy	Steve Kaffine
Frances Pederson	Linda Hoffman	Sue Callamuggio
Garrick Comeaux	Lisa Queen	Susan Strom
Gary Mohr	Lori Abbe	Tamara Arnold
George Sierakowski	Marcia Dahle	Teresa Sanders
**Glenda Granowski	Marie Larson	Theresa Murphy
Gwen Lysne	Marilee Pfarr	Tim Schmidt
*Hildie Kehler	Mark Erickson	Tom Bonacci
James Taylor	Mark Erickson	*Wendell Engelstad
Mark Johnston	Mark Johnston	
* Head Judges		
** Alternate Head Judge if needed		

RESOLUTION NO. 88-22

A RESOLUTION APPOINTING ELECTION
JUDGES FOR THE 2020 GENERAL ELECTION

BE IT RESOLVED by the City Council of the City of Owatonna, Minnesota, that the persons listed on the attached are hereby appointed judges for the 2022 General Election to be held on Tuesday, November 8, 2022. Judges appointed to serve at the Polling Sites have completed training and certified to serve as Election Judge.

BE IT FURTHER RESOLVED by the City Council of the City of Owatonna, Minnesota, that City Administration staff may assign additional or substitute election judges as necessary for this Special Primary Election.

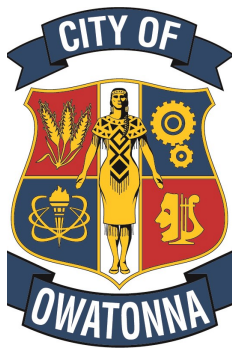
Passed and adopted this ____ day of __, 2022, with the following vote:
Aye __; No __; Absent __.

Approved and signed this ____ day of ____, 2022.

ATTEST:

Thomas A. Kuntz, Mayor

Kris M. Busse, City Administrator/City Clerk



Miscellaneous



Public Works Department

DATE: November 1, 2022
TO: Mayor and City Council
FROM: Sean Murphy, Assistant City Engineer
SUBJECT: WWTP Facility Expansion Change Order #1

Purpose:

Requesting City Council approval of Change Order #1 for the Wastewater Treatment Facility Expansion Project.

Background:

During the design of the WWTF Improvements and Expansion project, Nero and the City conducted a pre-selection process for the membrane bioreactors (MBR) in April 2021. This process entailed developing specifications and drawings for requesting proposals from MBR manufacturers. Suez was the selected manufacturer based on the evaluation criteria scoring.

The “price” evaluation was conducted by adjusting the submitted price to a future bid date of April 2022. Suez held their bid price for one year (April 26, 2022) and thus their adjustment was zero. Their price was adjusted based upon construction indexes to a future price in April 2022. With the actual bid opening occurring on April 21, contracts executed on May 4, 2022, and the subsequent purchase order submitted to Suez from Rice Lake, this 12-month price hold had been exceeded. The Suez agreement allowed for them to submit price adjustments if a purchase order had not been submitted within the year timeframe.

Budget Impact:

Their price request is for an additional \$250,000, which represents a 7% increase in the submitted price of \$3,583,800 in April 2021. Suez indicated the \$250,000 increase represents a fraction of what the actual change has been but have proposed this amount as a mutual agreement.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. WWTF Expansion CO #1
2. WWTF Expansion CO #1 - Nero Correspondence
3. WWTF Expansion CO #1 - Suez Correspondence

CHANGE ORDER NO. 1

Owner: City of Owatonna Owner's Project No.: 17017
Engineer: Nero Engineering Engineer's Project No.: 10044
Contractor: Rice Lake Construction Group Contractor's Project No.: 2214
Project: Owatonna WWTF Upgrade and Expansion
Contract Name: Owatonna WWTF Upgrade and Expansion
Date Issued: Effective Date of Change Order: 05/31/2022

The Contract is modified as follows upon execution of this Change Order:

Description:

Suez cost escalation for the permeate pumps, RAS pumps, aeration and permeate headers, and the MBR membranes.

Attachments:

Correspondence between Suez and Nero. S. Murphy Suez letter. Proposal pricing. Suez price increase memo.

Change in Contract Price		Change in Contract Times	
		<i>No change. Will be handled in case-by case basis</i>	
Original Contract Price:		Original Contract Times:	
\$ 55,720,600.00		Substantial Completion:	03/31/2025
		Ready for final payment:	06/30/2025
[Increase] [Decrease] from previously approved Change Orders No. 0 to No. 0		[Increase] [Decrease] from previously approved Change Orders No.0 to No. 0:	
\$ 0.00		Substantial Completion:	
		Ready for final payment:	
Contract Price prior to this Change Order:		Contract Times prior to this Change Order:	
\$ 55,720,600.00		Substantial Completion:	
		Ready for final payment:	
[Increase] [Decrease] this Change Order:		[Increase] [Decrease] this Change Order:	
\$ 250,000.00		Substantial Completion:	
		Ready for final payment:	
Contract Price incorporating this Change Order:		Contract Times with all approved Change Orders:	
\$ 55,970,600.00		Substantial Completion:	03/31/2025
		Ready for final payment:	06/30/2025

Recommended by Engineer (if required)

By: Eric Meester 

Title: President, Nero Engineering

Date: 10/12/2022

Authorized by Owner

Approved by Funding Agency (if applicable)

By: _____

Title: _____

Date: _____

September 27, 2022

Sean Murphy
Assistant City Engineer
City of Owatonna
540 West Hills Circle
Owatonna, MN 55060



Re: Owatonna WWTF Upgrade & Expansion Project
Suez MBR Price Adjustment

Dear Mr. Murphy:

During the design of the WWTF Improvements and Expansion project, Nero and the City conducted a pre-selection process for the membrane bioreactors (MBR) in April 2021. This process entailed developing specifications and drawings for requesting proposals from MBR manufacturers. Four proposals were submitted and evaluated (Suez, DuPont, Koch and Fibracast) and the selection criteria was based upon:

1. Price (25%)
2. Present Worth Cost (10%)
3. System Design/Operations (40%)
4. Warranty (10%)
5. Proposer Qualifications (10%)
6. Proposal Quality (5%)

Our collective team scored the proposals and the clear winner was Suez (score of 93% and Dupont in second at 87.9%).

The “price” evaluation was conducted by adjusting the submitted price to a future bid date of April 2022. Suez held their bid price for one year (April 26, 2022) and thus their adjustment was zero. DuPont held their price for 1 year also, but Koch and Fibracast only held theirs for 2 and 3 months respectively. Thus, their price was adjusted based upon construction indexes to a future price in April 2022. With the actual bid opening occurring on April 21, contracts executed on May 4, 2022, and the subsequent purchase order submitted to Suez from Rice Lake, this 12-month price hold had been exceeded. The Suez agreement allowed for them to submit price adjustments if a purchase order had not been submitted within the year timeframe.

In late May, Nero had been informed by Rice Lake that Suez had submitted a price adjustment request to reconcile sizable price increases from April 2021 to May 2022, with the price request focusing on price escalations in shipping, third party equipment (i.e. pumps) and raw materials (stainless steel and PVDF). Their price request is for an additional \$250,000, which represents a 7% increase in their submitted price of \$3,583,800 in April 2021. They indicate the \$250,000 increase represents a fraction of what the actual change has been but have proposed this amount as a mutual agreement to get the final product to the finish line.

In reviewing the documentation Suez has provided coupled with the bidding and cost environments from 2021 through 2022, Nero and Rice Lake believe this requested price adjustment is fair and reasonable. As we spoke about last week at our project debriefing, the Rice Lake contract allowed for price adjustments to their contract, based upon as-bid price costs vs actual costs. While we weren’t anticipating the Suez

pre-selection be one of these cost-adjusted items, their agreement with the City provides the basis for doing this.

We are recommending the City approve this price change request for \$250,000 to Suez. We will formally present this in a change order, but prior to doing so, wanted to present the basis for this request and answer any questions you or the City may have regarding this. I have attached the May 31, 2022, request letter from Suez, which outlines the basis for the price adjustment.

Sincerely,



Eric Meester, PE
President

Enclosures: Suez letter dated May 31, 2022

Copy: Andy Fischer, City of Owatonna
Jennifer Svennes, Nero Engineering



Water Technologies & Solutions

May 31, 2022

Water Technologies & Solutions

Jennifer Svennes
Vice President
Nero Engineering
7135 Madison Ave. W.,
Minneapolis, MN 55427

SUEZ Water Technologies & Solutions
3239 Dundas Street West
Oakville, Ontario, L6M 4B2

Tel: 905-465-3030

Subject: Owatonna WWTF, Project # 508200

Dear Jennifer,

SUEZ Water Technologies & Solutions ("SUEZ") is reaching out to you to advise of significant material and logistics inflation and the impact on our system pricing that was provided to Nero Engineering in April 2021 for the Owatonna WWTF project. As we have experienced with many industries, material cost increases are at a 10-year high, particularly for the indexes impacting many of our products.

Increased demand resulting from markets re-opening in efforts to rebuild dynamic post-Covid economies is creating serious disruptions. Additionally, the lack of availability of raw materials and shortage of goods due to the events in Ukraine and Russia have a knock down effect on supply chains, and all markets are going through an unpredictable, high inflation scenario, creating hardship at macro and micro levels.

Specifically, for the Owatonna WWTF project, the primary components impacted are stainless steel fabricated components (e.g. headers, brackets, hanger arms, cassette connection spools), membranes (PVDF polymer and 316SS cassettes), mechanical equipment (pumps, blowers, valves), PLC components and freight costs (ocean and trucking).

Below is a summary of the items which constitute the largest increases experienced from April 2021 to date. We have also attached indices and letters from vendors outlining the challenges and indicating the increases they have experienced which would be passed on to SUEZ. We are expecting inflationary pressure to continue throughout this year and many vendors are estimating additional increases applicable later this year, beyond what has been seen to date.

Item	Vendor	Price Increase
Stainless steel fabricated components	Various	44%
Freight	Various	56% ocean freight 15-30% trucking freight
Membranes & Cassettes	SUEZ	37%

Considering these inflationary pressures and knowing that all parties desire a fixed and firm price for the SUEZ scope of supply, we have worked diligently to update costs and verify the impacts. SUEZ is requesting an increase in price to offset a portion of the cost increases we are incurring. The increase requested is 6.98%, which is equal to a \$250,000 USD increase of the original proposal price of \$3,583,800. This would result in a revised price of \$3,833,800 USD for the original project scope.

SUEZ would like to state that the noted price increase of 6.98% is lower than the actual cost increase because of the contingency carried in the proposal of April 2021. This contingency has been incorporated to offset the cost impact already incurred. We have also maintained the pricing provided in March 2022 for the Additional Scope items of \$668,773 USD. This would result in a revised sell price of \$3,833,800 USD plus the Additional Scope Items for a total revised SUEZ project value of \$4,502,573 USD.

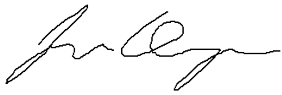
In addition, SUEZ requests formal NTP to be provided at the time of Purchase Order signing to enable us to procure equipment and lock in pricing as soon as possible. This will allow further escalation of costs to be avoided.

SUEZ will also review the Purchase Order received from Rice Lake with respect to the desired delivery scheduled for the project. It should be noted that in addition to cost pressures outlined in this letter, lead times have also become unpredictable and in most cases have extended greatly or can not be guaranteed. We will address the delivery challenges on a case-by-case basis as we move through procurement and will advise risks if/when they occur. Currently, the main challenges are expected to be PLC components, rotating equipment and the membranes themselves which currently have a lead time of approximately 56 weeks.

SUEZ looks forward to working closely with Nero Engineering and the City of Owatonna to achieve a satisfactory outcome to the equipment price, in a transparent and cooperative relationship. In this time of exceptional circumstances and unprecedented disruption, SUEZ appreciates that communication and a common goal with our customers is vitally important to ensure maximum and continued success.

Please let me know if you have any questions or would like to discuss further.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Dreyer', with a stylized, cursive script.

Jason Dreyer

cc Kyle Fritze - GNENV, Ana Calderon - SUEZ

Stainless Steel

As shown in the graph below, the price of stainless steel has increased 44% since last April and is continuing to increase. First the pandemic and now the war has impacted the cost because of shortages and idlings due to high power costs or short supply of basic material. Pig iron is in short supply due to supply chain challenges with Ukraine and Russia, which is causing the price to increase very quickly for the sheet mills in North America.



Freight

The increase in trucking freight costs has been fluctuating between 15 to 30% over the past year based on the CASS Transportation Index. Due to the pandemic effects on capacity, shortages of trucks and drivers which caused the initial imbalance, and now increasing fuel costs, inflation and war impacts, it has created hopefully a peak of the rate cycle.

Ocean freight has been fluctuating and has seen a 100% increase which peaked last September and is currently 56% greater compared to April 2021 as shown in the graph below.

Global container freight rate index from January 2019 to April 2022
(in U.S. dollars)



April 22, 2022

3239 Dundas Street West
Oakville, ON, L6M 4B2
Canada

Tel: +1 (905) 465 3030 | Fax: +1 (905) 465 3050

Subject: 2022 Cost Impacts – SUEZ WTS – ZeeWeed Products

Dear Valued Customer,

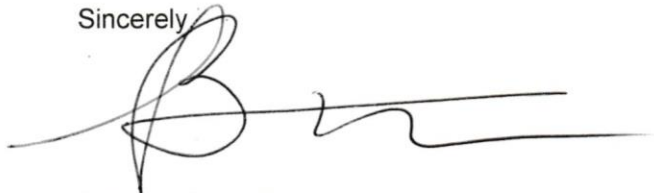
Today we are reaching out to you, to communicate around the continued inflationary pressures on the cost of raw materials and logistics and their impacts on our Ultrafiltration product costs. As you may have seen with many industries, raw material cost increase is at its highest point in the past ten years, and as we are seeing, ZeeWeed is not exempt from these pressures. Additionally, increased global demand resulting from economies re-opening is driving material and transportation shortages.

We have never experienced inflation in so many of our major raw materials, notably the cost of our key raw material PVDF, which have all combined to increase the cost to produce our ZeeWeed membrane products. We are making efforts to offset this cost escalation through productivity initiatives, but we are not able to overcome all these additional costs.

As a point of reference, from the start of 2021 coming into 2022 we had already absorbed a cost increase of 12%. Through the first quarter of 2022, we have seen a further cost increase of 25%. Additionally, we have seen that tracking our leading commodity indices, we are very concerned that this trend will continue throughout the remainder of the year.

We thank you for your continued support and trust in your understanding of the situation. We appreciate that you have chosen to be a SUEZ partner and we look forward to supporting our mutual success.

Sincerely

Gregory Brickett
Vice President - Global ZeeWeed Business Line**Suez Water Technologies & Solutions**

Tel: +1 289 834 2635

Merit Brass Company

April 4th, 2022



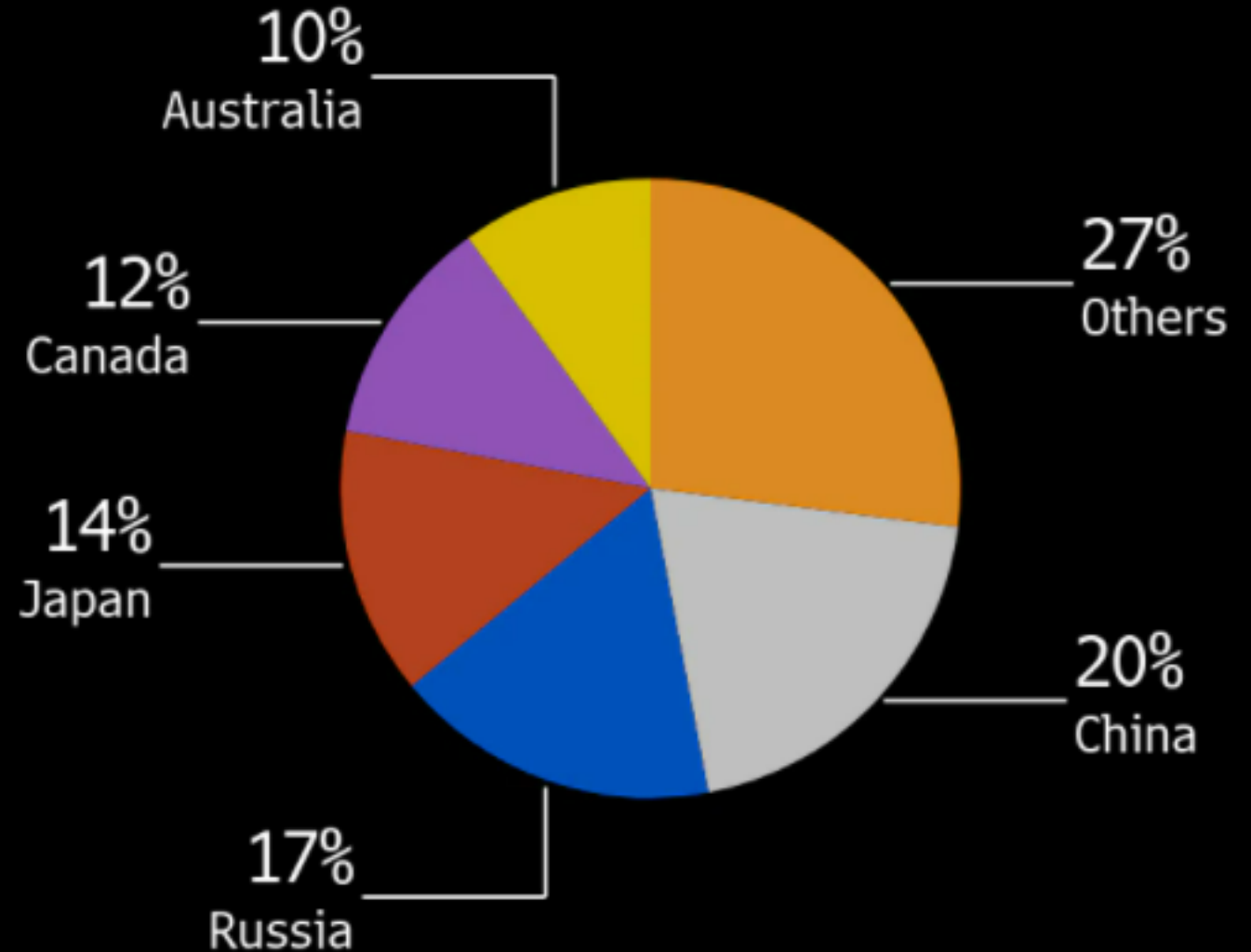
Market Disruption on Steroids

- Due to the chaotic times the PVF industry has experienced over the past two years, many of us have become practically numb to news of market disruptions and cost/price increases. But then, a full-on nickel crisis emerged that rocked the foundation and reputation of the 145-year London Metal Exchange when it decided to suspend trading nickel on March 8th (and retroactively cancelled all 9000 trades from that day) before resuming limited trading on March 16th. The immediate aftermath has further roiled stainless steel PVF markets.
- March will be remembered as the month *a nickel became worth a dime, then a quarter and then a dime again* within a few short days. The burgeoning Electric Vehicle sector and its seemingly insatiable demand for class 1 nickel has been at the forefront of a classic short squeeze that had been building over the course of several months. Class 1 nickel is the metal physically stored in LME warehouses and traded on the legendary exchange – the main venue for transactions of base metals. It was certainly no secret that Tsingshan – the world’s largest producer of stainless steel *and* nickel - was amassing large short positions but the actual totals (which turned out to be immense) were not known since a majority was procured in the shadows of the over-the-counter-market. In fact, it was in March of 2021 when Tsingshan initially announced plans to develop a residual product from nickel pig iron (NPI) for sale to battery material manufacturers in China. LME nickel prices fell nearly 20% on the news that a large amount of demand for battery-grade nickel could potentially be supplied without the use of class 1 nickel. However, not everyone believed that Tsingshan could ramp-up 2022 production levels at the pace and volumes they were touting. Moreover, Indonesian NPI is solely dependent on coal-based power, so the residual matte produced from it leaves a much higher carbon footprint than all other alternatives. Accordingly, serious battlelines were being drawn by a very confident and accomplished Chinese tycoon (Xiang Guangda, Tsingshan’s owner) against the world’s largest miner and commodities trader (Glencore) and several hedge funds very bullish about the EV boom and certain that NPI-derived matte would not be accepted by most of the world’s battery and auto makers. Apparently, Xiang still believed that his very ambitious nickel production plan increases would wind up significantly depressing global price levels this year, regardless of how much of it was pointed at the EV sector.

Understanding Total Nickel Supply/Demand Characteristics and the Difference Between Class 1 & Class 2

- Russia accounts for 17% of global production capacity for Class 1 nickel, used in electric vehicle batteries
- Total global demand for nickel is expected to increase 8.4% in 2022 while total supply is expected to increase 11.4%
 - Class 1 has min. purity level of 99.8%
 - Class 2 primarily made from laterite ore and is defined as below 99.8% purity
- Sumitomo projects that global demand for nickel used in batteries will rise more than 20% this year

Global Class 1 Nickel Production



Nickel: Trade & Russian Impact

- Russia's a major global supplier of class 1 nickel and their invasion of Ukraine immediately took this epic nickel standoff to the extreme – and way beyond. As Tsingshan, their banks and brokers and others caught in the squeeze became subject to margin calls and began covering their shorts, nickel prices exploded, threatening to result in multiple defaults and massive disruption to the global markets. As prices rocketed over \$100,000/mt. in the early moments of March 8th, the LME had a critical decision to make and chose to take the unprecedented action of suspending trading and cancelling all of the trades (totaling about \$4 Billion) that were executed that day. Obviously, those players who had bet on rising prices were furious. Cliff Asness of AQR Capital Management, accused the LME of “stealing money from market participants trading in good faith and giving it to Chinese nickel producers and their banks.” But the potential additional financial pain would have spread far beyond Tsingshan and the major banking institutions its aligned with. Many producers, traders, and OEM users of nickel-based alloys with short positions on the LME were facing margin calls many times larger than they were prepared for.
- Outgoing LME CEO, Matthew Chamberlin said what occurred on March 8th “created a systemic risk to the market” and “our fundamental responsibility is market stability.” He also asserted, “The OTC position has caused significant problems for the exchange. The LME made a proposal last year to allow the exchange greater visibility of positions held in the OTC market, but was rebuffed by a number of banks.” In addition, for the first time in its history, the LME immediately instituted daily limits for movement of base metals contracts. The nickel contracts quickly hit bottoms in the ensuing three days that nickel began trading again on March 16th at the much lower (\$45,795/mt.) but still artificially inflated levels.

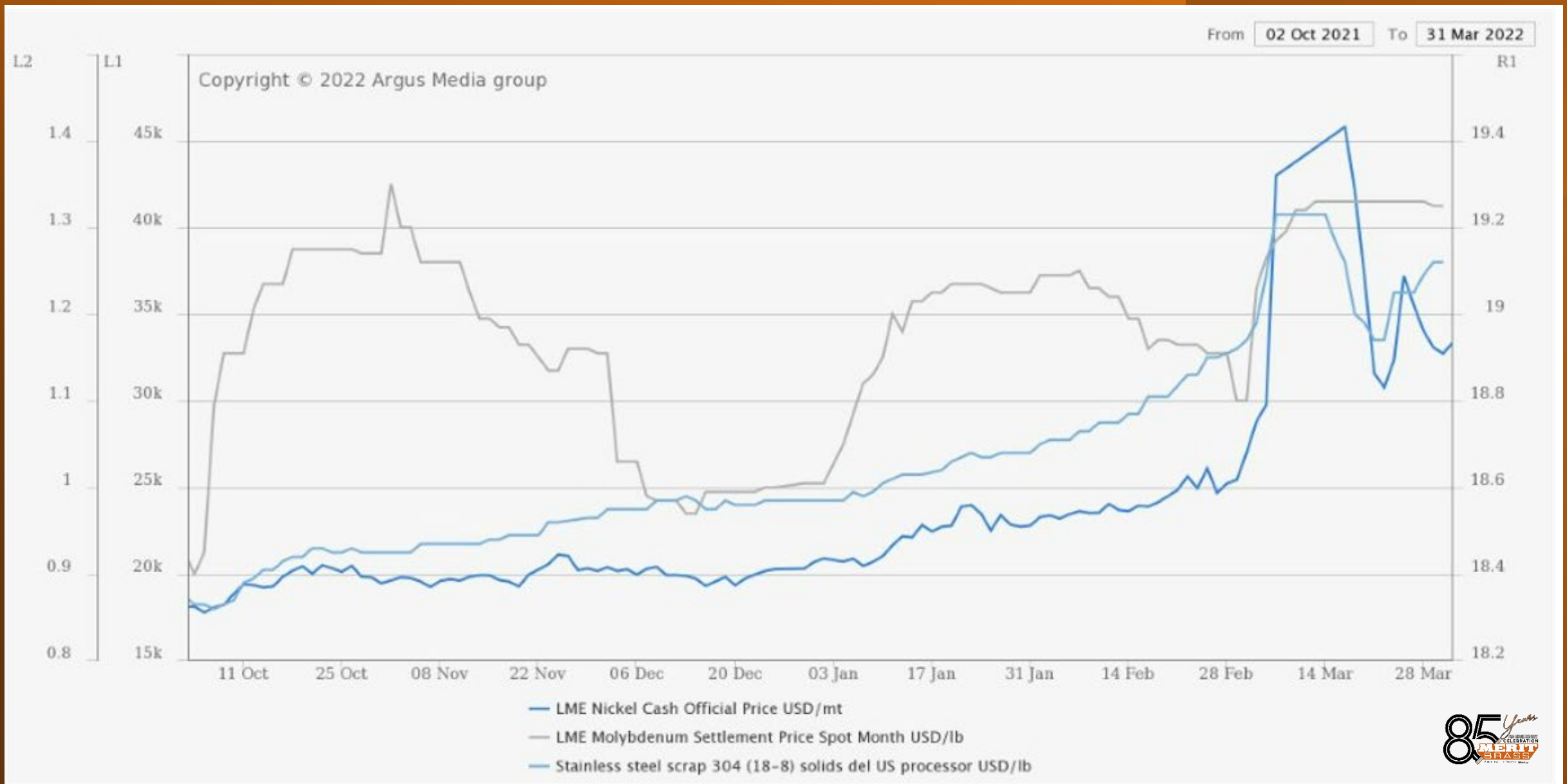
March LME Nickel Cash Prices

Breakneck Volatility

January Avg. \$10.12/lb.

February Avg. \$10.96/lb.

Date	Last	Change	% Change
31 Mar 2022	15.1443	0.3005	2.02 %
30 Mar 2022	14.8438	-0.1588	-1.06 %
29 Mar 2022	15.0026	-0.4366	-2.83 %
28 Mar 2022	15.4392	-0.6747	-4.19 %
25 Mar 2022	16.1139	-0.7597	-4.50 %
24 Mar 2022	16.8736	2.1976	14.97 %
23 Mar 2022	14.6760	0.7167	5.13 %
22 Mar 2022	13.9593	-0.3651	-2.55 %
21 Mar 2022	14.3244	-2.5107	-14.91 %
18 Mar 2022	16.8351	-2.2838	-11.95 %
17 Mar 2022	19.1189	-1.6534	-7.96 %
16 Mar 2022	20.7723	1.2712	6.52 %
07 Mar 2022	19.5011	5.9954	44.39 %
04 Mar 2022	13.5057	0.4434	3.39 %
03 Mar 2022	13.0623	0.8164	6.67 %
02 Mar 2022	12.2459	0.7076	6.13 %
01 Mar 2022	11.5383	0.0000	0.00 %
March Avg.	15.4680		



Outlook for Nickel & Stainless Steel PVF

- So.....what happens from here? Despite the furor of those traders with long positions who were denied their “Game Stop moment,” LME nickel prices have seemingly found a practical level, albeit 30+% higher from where the astonishing volatility commenced. While it’s impossible to predict what the future holds for nickel prices, the relative stability – even if it’s temporary - is welcome relief to the broader physical market. Manufacturers around the world are now able to purchase raw materials and key feedstocks for their operations. The March turmoil will leave a lasting bad taste among hedge funds, and other major financial players which should help promote more ongoing price stability. The LME has lost some credibility with the investment community but the fact there are now daily limits of 15% in place for all base metals is an important positive outcome of this entire debacle.
- Stainless steel PVF products are produced primarily from class 2 nickel (laterite ore based). As time moves on and the EV market gains further traction, the price correlation between class 1 and class 2 will be an important factor in determining market cost and inflation levels for our industry’s products.
- Prior to this cataclysmic event, there was considerable confusion regarding pricing and supply and demand outlooks for stainless steel PVF across the U.S.A. Short supplies, both domestic and abroad and increased shipping costs of all forms of transportation as well as extended lead times continue to disrupt the entire channel. Oil and energy prices have continued to rise amid a backdrop of broad-based, increasing inflation. Market inventory levels are largely inadequate and production times for several product lines continue to lengthen. The events of March and the continuation of war between Russia and Ukraine will only serve to make these challenges worse in (at least) the near term. Market inventories are being closely monitored and price firmness, for now, is a thing of the past.



Public Works Department

DATE: November 1, 2022
TO: Mayor and City Council
FROM: Sean Murphy, Assistant City Engineer
SUBJECT: Obstruction Permit: Closure at Vine Street - Mohs Contracting

Purpose:

Request City Council consideration of a request from Mohs Contracting to obtain an extended Obstruction Permit for a closure on Vine Street.

Background:

Permits for obstructions located within the City Right of Way are valid for 2 weeks upon issuance with a 2-week extension period.

Mohs Contracting is requesting an extended obstruction permit for a street closure to take place on Vine Street while roof demolition is completed on the old Jerry's Supper Club Building. The closure is anticipated to take place Monday through Friday during workday hours with the anticipated completion date being December 7th. A detour plan is attached.

Budget Impact:

Engineering staff proposes an initial fee of \$50 for the first two week period and \$50 for each two week period until the closure is no longer necessary, for an estimated fee of \$150.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Obstruction Permit Application - Vine Street Closure
2. Detour Extension Request Letter
3. Vine Street Closure Detour Route



OBS-22-22

Obstruction Permit

Status: Active

Date Created: Oct 18, 2022

Applicant

kevin springborg
kspringborg@mohscontracting.com
1294 bellflower lane
owatonna, MN 55060
5074131216

Primary Location

211 CEDAR AVE N
Owatonna, MN 55060

Work Information

Nature of Work

Roof demolition

Company

Mohs Contracting

Total Number of Calendar Days

45

Start Date

10/25/2022

Completion Date

12/07/2022

Onsite Project Contact Information

Name

Kevin Sprinborg

Title

Job superintendent

Phone

507-413-1216

Email

kspringborg@mohscontracting.com

Site Information

Will traffic detouring be necessary?

Yes

Length of Time Street Will be Closed

40 days, during the day only

In the event that traffic needs to be detoured, the detour must be in accordance with the MN Traffic Control Manual. A detour plan must be submitted with this application.

Acknowledgement

I accept the terms and conditions of the City of Owatonna and agree to fully comply to the satisfaction of the City Engineer.

Digital Signature

Kevin Springborg
10/18/2022

10/26/2022

Re: Road detour

To whom it may concern,

We are in the process roof demolition-replacement and later remodeling the old Jerry's building on the corner of North Cedar and Vine Street. We currently have a roll of dumpster on the Vine Street side of the building. We are currently detouring traffic around the site during working hours (7:00 AM – 5:00 PM) Monday - Friday per the attached detour map, we are asking permission to keep the detour in affect for the duration of the project which will run from now to early December. We understand that we will be responsible for working with the city plow crew in the event of snow removal for the moving of the detour signs if needed and we are fully willing and capable of doing so.

Thank you for your consideration.

Respectfully,

Kevin Springborg

Job Site Superintendent

Mohs Contracting



MOHS CONTRACTING EAST VINE St. ROAD CLOSURE



Public Works Department

DATE: November 1, 2022
TO: Mayor and City Council
FROM: Sean Murphy, Assistant City Engineer
SUBJECT: Limited Use Agreement - 111 Vine Street - Equity Growth Owatonna, LLC

Purpose:

Approval of the Limited Use Agreement for use of City right-of-way at 111 Vine Street between the City and Equity Growth Owatonna, LLC.

Background:

Equity Growth Owatonna, LLC wishes to use a portion of City right-of-way at 111 Vine for accessing the property. This involves the construction of a non-typical sidewalk forming a ramp, and a railing for protecting the elevated sidewalk.

Continuous access by the City to City right-of-way is required.

Any modifications or improvements to the non-typical sidewalk must be approved in writing by the City and will be at the sole cost of Growth Equity Owatonna, LLC. Maintenance and repairs to the subject property will be completed by Growth Equity Owatonna, LLC throughout the duration of this agreement.

See attached for the full Limited Use Agreement.

Budget Impact:

None.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Limited Use Agreement - 111 Vine Street

LIMITED USE AGREEMENT

THIS LIMITED USE AGREEMENT made and entered into this 21ST day of OCTOBER, 2022 by and between the City of Owatonna, a Minnesota municipal corporation (hereinafter referred to as "Grantor") and Equity Growth Owatonna, LLC (hereinafter referred to as "Grantee").

WITNESSES:

- A. The Grantee is the fee owner of the property described as: LOTS 14, 15, & 16 AND S1/2 SUBLOT 2 OF LOTS 16 & 18 AND EAST 22' OF LOTS 17 & 18 AND N27.5' OF SUBLOT 1 OF LOTS 16 & 18 ALL IN BLK 4 ORIGINAL TOWN TORRENS PROPERTY.
- B. The Grantee has requested that the Grantor agrees to allow Grantee to use right-of-way located in ~~Bridge Street located~~ at 111 Vine Street.
- C. The Grantee wishes to use a portion of City right-of-way at Vine Street for accessing the Property, which involves construction of a non-typical sidewalk forming a ramp, and railing for protecting the elevated sidewalk.
- D. Grantor requires continuous access to City right-of-way for public utility, access, and maintenance purposes.
- E. The portion of the right-of-way that the Grantee wishes to use for the access area is described in the attached Exhibit A (the "Subject Property").
- F. Any improvements to the Subject Property shall be at the sole cost of the Grantee.

THEREFORE, on the basis of the foregoing and upon the mutual undertakings and promises herein contained, the parties hereto stipulate and agree as follows:

1. Use of Subject Property. In consideration of the covenants and agreements herein to be performed by Grantee and other good and valuable consideration, and subject

to the limitations contained herein, the Grantor does hereby allow Grantee the non-exclusive use of the Subject Property for access, and the construction of a ramp, stoop and railing for access upon the Subject Property. Final plans shall be approved by the City Engineer and building official prior to construction. Grantee shall not cause nor allow the Subject Property to be utilized as a private or public access to any other properties beyond the Property.

The City reserves the right to use the Subject Property during the term of this Agreement for its own purposes, in the City's sole discretion.

2. Term and Extension. The term of this Agreement commences on the date that this Agreement is executed by the parties and will terminate on _____, _____, or such earlier date as provided for in this Agreement. The term of this Agreement may be extended with the mutual written consent of the Grantor and Grantee.
3. Termination During Term. This Agreement may be terminated prior to the expiration of the term set forth herein, as follows:
 - a. The Grantee may terminate this Agreement during its term by giving at least thirty (30) days advance written notice to the other party. Termination will be effective on the date specified in the notice, and if no date is specified, thirty (30) days following the mailing of notice.
 - b. The Grantor may terminate this Agreement during its term immediately upon notice to the Grantee.
4. Subject Property Construction, Maintenance and Repair. The Grantee shall be solely responsible for the cost and the construction, maintenance and repair of the sidewalk and railing at the Subject Property, both during the installation and after the completion of construction. Maintenance shall include all snow removal, drainage issues, repair, replacement, and any other issues that may arise due to the construction of the emergency exit, stoop and railing, Grantee shall return the areas surrounding the Subject Property to its present condition after installation of the emergency exit, stoop and railing. Grantee shall make no structural modification of the non-typical sidewalk forming a ramp, and railing for protecting the elevated sidewalk without written approval of the Grantor.

Grantee shall repair and maintain, in a proper, substantial, and workmanlike manner, the Subject Property during the term of this Agreement. Grantee shall be responsible for the costs of removal of any refuse or waste materials from the Subject Property. Grantee shall not use the Subject Property for the storage, handling, transportation or disposal of any hazardous substance, hazardous waste, pollutant or

contaminant as those terms are defined in 42 U.S.C. Section 9601, et. seq. ("CER-CLA") or Minnesota Statutes Chapter 115B ("MERLA"). In the event that Grantee fails to repair or maintain the Subject Property during the term of this Agreement, such limited use grant may be revoked by the Grantor.

5. Liens and Encumbrances. With the exception of a real estate mortgage, the Grantee agrees that during the term of this Agreement it shall not permit or suffer any liens or encumbrances to be placed against the Subject Property, nor shall it during such term engage in any activity that would cause or result in the placement of any liens or encumbrances against the Subject Property.
6. Costs/Letter of Credit. The Grantee agrees that all costs for installing a sidewalk and railing at the Subject Property must be paid by Grantee. Grantor shall assume no cost, either directly or indirectly, for the installation or maintenance of the emergency exit, stoop and railing. The Grantee agrees that all costs for removal of the improvements, including but not limited to the emergency exit, stoop and railing at the Subject Property, shall be paid by Grantee.

In the event an expense is incurred by the Grantor, the Grantor shall invoice Grantee. Invoice shall be payable upon receipt. In the event Grantee does not reimburse the Grantor costs under the provisions of this paragraph 6, as an additional remedy, the Grantor may, at its option, assess the Property in the manner provided by Minnesota Statutes, Chapter 429, and Grantee hereby consents to the levy of such special assessments without notice or hearing and waives its rights to appeal such assessments pursuant to Minnesota Statutes, Section 429.081, provided the amount levied, does not exceed the expenses actually incurred by the Grantor. Further, the Grantor may, at its option, as an additional remedy, recovery expenses actually incurred by the Grantor as service charged, in the manner provided by Minnesota Statutes, Sections 415.01, 366.011, and 366.012, and the Grantee hereby consents to the levy of such assessments without notice or hearing and waives its right to appeal such assessments pursuant to Minnesota Statutes, provided the amount levied does not exceed the expenses actually incurred by the City pursuant to this agreement.

This paragraph 6 shall survive termination of this Agreement and shall be binding on the Grantee regardless of the enforceability of any other provision of this Agreement.

7. Right of Entry. Grantor shall retain all right of entry upon the Subject Property. Grantor may, at its sole discretion, remove or alter any part of the stoop and railing within the Subject Area to exercise its rights in the right-of-way. If Grantor plans to exercise this right, Grantor shall make reasonable efforts to notify Grantee before any removal or alteration work will commence. Nothing in this Agreement shall create liability on behalf of the Grantor for removing or altering the railing at the

Subject Property, and Grantee shall have no right to recover any damages, in money or equity, for the removal or alteration of the same.

8. Liability; Indemnification. Notwithstanding anything to the contrary in this Agreement, the Grantor, its officers, agents, and employees shall not be liable or responsible in any manner to the Grantee, Grantee's successors or assigns, Grantee's contractor or subcontractors, material suppliers, laborers, or to any other person or persons for any claim, demand, damage, or cause of action of any kind or character arising out of or by reason of the execution of this Agreement or the performance of this Agreement, nor will Grantee make any claim against the Grantor for or on account of an injury, loss or damage resulting from Grantee's Property or use thereof.

Grantee shall indemnify, hold harmless and defend the Grantor, its officials, employees, contractors and agents from and against any and all liability, loss, costs, damages, expenses, claims, actions or judgments, including reasonable attorneys' fees with Grantee, its officers, employees, agents or contractors may hereinafter sustain, incur, or be required to pay, arising out of or by reason of any act or failure to act by Grantee, its officers, employees, agents or contractors or arising out of or by reason of this Agreement.

Nothing in this Agreement shall constitute a waiver or limitation of any immunity or limitation on liability to which the City is entitled under Minnesota Statutes, Chapter 466, or otherwise.

9. Insurance. Grantee shall acquire and maintain property and liability insurance in at least the sum of \$1,500,000. Grantee shall provide to Grantor a current certificate of liability insurance or policies of insurance for all insurance coverage required herein. Such certificate of liability insurance or policies of insurance shall contain a statement that such policies of insurance shall not be cancelled or amended unless sixty (60) days written notice is provided to the Grantor. The Grantor shall be named as an additional insured on such policies of insurance as to the Subject Property.
10. Taxes. Grantee shall be responsible for all real estate taxes and installments on special assessments, which are due and payable on the Property and the Subject Property, if any.
11. Assignment. The rights granted to Grantee hereunder may not be transferred or assigned without the prior written consent of the Grantor.
12. No Damages; No Relocation Benefits. Grantee understands and acknowledges that Grantor is willing to enter into this Agreement and carry out its obligations

hereunder only because Grantee has agreed that it will make no claim for damages or relocation benefits upon termination of this Agreement or pursuant to any other agreement with the Grantor. Specifically, and without limitation of the foregoing, Grantee understands that upon the expiration or other termination of this Agreement, the Grantor has no obligation to provide Grantee with other routes for access to the Property.

13. No Property Interest. This instrument is not an easement or a lease, creates no landlord-tenant relationship, and nothing in this Agreement will be deemed to create any property interest other than as expressed in this Agreement.
14. Permits. Grantee agrees to properly apply for and retain any and all permits necessary to carry out any improvements outlined in this Agreement. Grantee shall be solely responsible for determining the property boundaries of the Subject Property and shall be liable to any other property owners for trespass onto their property.
15. Notice. Any notice, which is required under this Agreement, will be deemed "given" upon hand delivery of three (3) days after prepaid posting in the U.S. Mail whichever will first occur. Notices shall be delivered or mailed to, or to such other address as a party may designate by notice to the other party:

a. If to Grantee:

Equity Growth Owatonna, LLC
4057 28th Street NW, Suite 200
Rochester, MN 55901

b. If to Grantor:

City of Owatonna
540 West Hills Circle
Owatonna, MN 55060
Attn: City Administrator

with a copy to:

Mark M. Walbran
WALBRAN & FURNESS
140 East Main Street, P.O. Box 273
Owatonna, MN 55060

16. Discrimination Provision. Grantee, in the use of the Property. Shall not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, or national origin.
17. Waiver. The waiver b Grantor or Grantee of any breach of any term of this Agreement shall not be deemed a waiver of any prior or subsequent breach of the same term or any other term of this Agreement.
18. Entire Agreement; Modification. This Agreement, together with any exhibits hereto, which are incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, concerning this Agreement. This Agreement may be modified or amended only by court order or by a writing executed by all the parties hereto under the provisions of this Agreement.
19. Headings. Any headings appearing at the beginning of the several sections contained in this Agreement have been inserted for identification and reference purposes only and shall not be used in the construction and interpretation of this Agreement.
20. Severability. If any part of this Agreement shall be held invalid, it shall not affect the validity of the remaining parts of this Agreement, provided that such invalidity does not materially prejudice either party under the remaining parts of this Agreement and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.
21. Choice of Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.
22. Public Data. This Agreement and the information related to it are subject to the Minnesota Government Data Practices Act, Minnesota Statutes, and Chapter 13, which presumes that data collected by the Grantor is public data unless classified otherwise by law.
23. Relationship of Parties. Nothing contained in this Agreement shall be deemed to create a partnership, association or joint venture between the Grantor and Grantee, or to create any other relationship between the parties other than that of Grantor and Grantee.

24. Compliance with Laws. Grantee agrees to abide by and conform to all laws, rules, and regulations, including future amendments, controlling or affecting the use or occupancy of the Property and the Subject Property.
25. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.
26. Recitals. The recitals set forth above are incorporated into this Agreement.

IN TESTIMONY WHEREOF, the parties hereto have set their hands as of the day and year first above written.

[The remainder of this page was intentionally left blank]

EQUITY GROWTH OWATONNA, LLC

By: 
Its MANAGING PARTNER

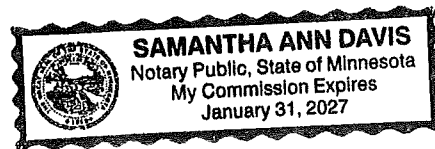
STATE OF MINNESOTA)

) ss.

COUNTY OF STEELE)

The foregoing instrument was acknowledged before me this 21 day of October, 2022 by _____, the _____ on behalf of Equity Growth Owatonna, LLC, Grantee.

Notary Public



[The remainder of this page was intentionally left blank]

GRANTOR
CITY OF OWATONNA

By: _____
Thomas A. Kuntz
Its Mayor

By: _____
Kris M. Busse
Its City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2022 by Thomas A. Kuntz and Kris M. Busse, the Mayor and City Administrator on behalf of City of Owatonna, Grantor.

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Mark M. Walbran (#113712)
140 East Main Street
P.O. Box 273
Owatonna, MN 55060
Phone: (507) 451-1173

EXHIBIT A

LEGAL DESCRIPTION & DEPICTION OF SUBJECT PROPERTY

Right of Way on the north side of the following described property LOTS 14,15, & 16 AND S1/2 SUBLOT 2 OF LOTS 16 & 18 AND EAST 22' OF LOTS 17 & 18 AND N27.5' OF SUBLOT 1 OF LOTS 16 & 18 ALL IN BLK 4 ORIGINAL TOWN TORRENS PROPERTY.



Public Works Department

DATE: November 1, 2022
TO: Mayor and City Council
FROM: Sean Murphy, Assistant City Engineer
SUBJECT: 2022 Street & Utility Project Change Order #1

Purpose:

To receive Council approval for Change Order #1 for the 2022 Street & Utility Project.

Background:

Change Order #1 includes the addition of: 4" C900 PVC Watermain, 4" Gate Valve & Box, Removal of Steam Main, 12" PVC Storm Sewer and 2" Insulation.

See the attachment for correspondence between OPU and JJD regarding item rates.

Budget Impact:

This change order will increase the contract amount by \$22,360.85.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. 2022 Street & Utility Change Order#1

Change Order

No. 1

Date of Issuance: 10/26/2022

Effective Date: _____

Project: 2022 Street & Utility Project

Owner: City of Owatonna

Owner's Contract No.: 22001

Contract:

Date of Contract:

JJD Companies, LLC

Engineer's Project No.:

The Contract Documents are modified as follows upon execution of this Change Order:

Addition of pay items; 4" C900 PVC Watermain, 4" Gate Valve & Box, Removal of Steam Main,
12" PVC Storm Sewer, and 2" Insulation

Attachments: (List documents supporting change):

Email of OPU's acceptance to JJD Companies item rates.

CHANGE IN CONTRACT PRICE:

Original Contract Price:

\$2,112,599.40

[Increase] [Decrease] from previously approved Change Orders No. _____ to No. _____:

\$0.00

Contract Price prior to this Change Order:

\$2,112,599.40

Increase of this Change Order:

\$22,360.85

Contract Price incorporating this Change Order:

\$2,134,960.25

CHANGE IN CONTRACT TIMES:

Original Contract Times: ☐ Working days ☐ Calendar days

Substantial completion (days or date): July 21st, 2023

Ready for final payment (days or date): _____

[Increase] [Decrease] from previously approved Change Orders No. _____ to No. _____:

Substantial completion (days): _____

Ready for final payment (days): _____

Contract Times prior to this Change Order:

Substantial completion (days or date): July 21st, 2023

Ready for final payment (days or date): _____

[Increase] [Decrease] of this Change Order:

Substantial completion (days or date): July 21st, 2023

Ready for final payment (days or date): _____

Contract Times with all approved Change Orders:

Substantial completion (days or date): July 21st, 2023

Ready for final payment (days or date): _____

RECOMMENDED:

By: [Signature]
Engineer (Authorized Signature)

Date: 10/26/22

ACCEPTED:

By: _____
Owner (Authorized Signature)

Date: _____

ACCEPTED:

By: [Signature]
Contractor (Authorized Signature)

Date: 10-26-2022

Approved by Funding Agency (if applicable): _____

Date: _____

Andrew J. Sorenson

From: Joshua Prokopec <Joshua.Prokopec@owatonnautilities.com>
Sent: Wednesday, October 26, 2022 7:06 AM
To: Andrew J. Sorenson
Cc: Korey Koziolk; Sean P. Murphy
Subject: RE: Change Order #1 Prices

Andy,

Sorry for the late response, but we had a long commission meeting last night with the entire City Council and ran late. I don't really have an issue with the prices you've listed below, but we should discuss at some point the other line items that were a part of the change order.

Thanks,
Josh



Joshua Prokopec

Operations Manager - Gas, Water, Engineering & Facilities

Owatonna Public Utilities

208 S Walnut Ave., Owatonna, MN 55060

Phone: 507-451-2480 | Ext: 5420

Joshua.Prokopec@owatonnautilities.com | Web: owatonnautilities.com

From: Andrew J. Sorenson <Andrew.Sorenson@ci.owatonna.mn.us>
Sent: Tuesday, October 25, 2022 4:41 PM
To: Joshua Prokopec <Joshua.Prokopec@owatonnautilities.com>
Cc: Korey Koziolk <Korey.Koziolk@owatonnautilities.com>; Sean P. Murphy <Sean.Murphy@ci.owatonna.mn.us>
Subject: RE: Change Order #1 Prices

PLEASE BE CAUTIOUS:

This email originated from outside of Owatonna Public Utilities. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Josh,

We really need something by the end of your day today. We need to get it signed tomorrow.

Thanks,

Andrew J. Sorenson

City of Owatonna

(507) 774-7302

andrew.sorenson@ci.owatonna.mn.us

From: Andrew J. Sorenson
Sent: Tuesday, October 25, 2022 3:32 PM
To: Josh D. Prokopec (joshua.prokopec@owatonnautilities.com) <joshua.prokopec@owatonnautilities.com>
Cc: korey.koziolek@owatonnautilities.com; Sean P. Murphy <Sean.Murphy@ci.owatonna.mn.us>
Subject: Change Order #1 Prices

Good afternoon, Josh.

I just want to verify that OPU finds these JJD prices acceptable for the following items that will be on the Street & Utility Change Order #1:

4" PVC Watermain (3 apartment services)	\$65.00/lin.ft.	total of 147 lin. ft.
4" Gate Valve & Box	\$2,120.00 each	total of 3
Remove Steam Main (12")	\$6.50/lin.ft.	total of 643 lin. ft.
2" Insulation	\$2.76/sq.ft.	total of 64 sq. ft.

Please verify as soon as you can, so we can get the Change Order into Council.

Thanks,

Andrew J. Sorenson
Civil Engineer
City of Owatonna
540 West Hills Circle
Owatonna, MN 55060
(507) 774-7302
andrew.sorenson@ci.owatonna.mn.us



JOB: #2209 - OWA Street & Utility Improvement

DATE: 10/3/2022

WORK ORDER #: WO#8 - 12" PVC & STYROFOAM INS.

FOREMAN: Wayne

WORK ORDER

LABOR | EQUIPMENT

Description	Quantity	U/M	Rate	Total
12" SDR26 Storm Sewer 09.30.22	21.00	LF	\$ 99.51	\$ 2,089.71
Styrofoam Insulation 09.30.22	256.00	SF	\$ 2.76	\$ 706.56
Styrofoam Insulation 10.03.22	64.00	SF	\$ 2.76	\$ 176.64
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL LABOR & EQUIPMENT:				\$ 2,972.91
15% OH+P:				\$ -
GRAND TOTAL LABOR & EQUIPMENT:				\$ 2,972.91

MATERIALS

Description	Quantity	U/M	Rate	Total
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL MATERIALS:				\$ -
15% OH+P:				\$ -
GRAND TOTAL MATERIALS:				\$ -

SUBCONTRACTORS

Description	Quantity	U/M	Rate	Total
				\$ -
				\$ -
TOTAL SUBCONTRACTORS:				\$ -
10% OH+P:				\$ -
GRAND TOTAL SUBCONTRACTORS:				\$ -
GRAND TOTAL:				\$ 2,972.91

NOTES | COMMENTS | MISC:

Accepted By: _____ SIGNED BY _____ DATE _____