

History of 2005

"Agreement"

FINANCE & LEGAL COMMITTEE
BUILDING, PLANNING & ZONING COMMITTEE
CIVIC CENTER & PROMOTION COMMITTEE

JULY 22, 2003

Present: Kourajian, Matthiesen, Heinrich, and Grabinger, Dalsted, Kritsky, Horgan, Weight, Wollan, Anderson, Sveum, and Fuchs. Absent: Phillips.

Kourajian moved to place on the Council agenda, without recommendation, entering into a letter of understanding with Allco Finance Corporation to examine the feasibility of a long term lease/leaseback of wastewater and water facility assets. Seconded by Grabinger. Unanimous aye vote. Carried.

Grabinger moved to recommend that the Council approve the request from the For Seward Reconstruction Committee for \$11,463.00 in Economic Development Funds with the City Share to be \$9,170.40 and paid from the City Sales Tax Fund. Seconded by Matthiesen. Unanimous aye vote. Carried.

Kourajian moved to recommend that the Council approve the request from ICS/Farrms for \$4,750.00 in Economic Development Funds with the City Share to be \$950.00 and paid from the City Sales Tax Fund. Seconded by Grabinger. Unanimous aye vote. Carried.

Kourajian moved to recommend that the Council approve the request from the Jamestown Chamber of Commerce Business Promotion Task Force for \$50,000.00 in Economic Development Funds with the City Share to be \$40,000.00 and paid from the City Sales Tax Fund. Seconded by Matthiesen. Unanimous aye vote. Carried.

Heinrich declared that he had a conflict of interest in the Water Monitor, Inc., request, as he is an investor in the Dakota Renaissance Ventures.

Kourajian moved to allow Heinrich to vote on the issue. Seconded by Matthiesen. Unanimous aye vote. Carried.

Kourajian moved to recommend that the Council approve the request from the Water Monitor, Inc., for a \$400,000.00 loan and \$225,000.00 in grant funds from the Economic Development Funds with the City Share to be \$500,000.00 and paid from the City Sales Tax Fund. Seconded by Matthiesen. Unanimous aye vote. Carried.

A letter was received from Stutsman Rural Water District dated July 15, 2003. The Mayor will contact and invite them to the Thursday committee meeting.

Matthiesen moved to place on the Council agenda, without recommendation, an ordinance to grant a non-exclusive franchise to Dakota Central Communications. Seconded by Grabinger. Unanimous aye vote. Carried. (The City Attorney will attempt to prepare a draft of the ordinance and have copies available prior to the August 4, 2003, Council meeting.)

Matthiesen moved to recommend the first reading of an ordinance to annex Auditor's Lot 27-3, Bloom Township, within the SE1/4 of Section 27, Township 140, Range 63, Stutsman County, North Dakota. Seconded by Kourajian. Unanimous aye vote. Carried.

(OVER)

Grabinger moved to recommend the following monthly rates for the employee group health insurance premiums for the period September 1, 2003 - August 31, 2004:

	<u>CITY SHARE</u>	<u>EMPLOYEE SHARE</u>	<u>TOTAL</u>
Single	\$226.37	\$ -0-	\$226.37
Single Plus Dependent	\$259.89	\$119.08	\$378.97
Family	\$285.20	\$274.48	\$559.68

Seconded by Matthiesen. Unanimous aye vote. Carried.

The following are scheduled for the August 4, 2003, City Council agenda:

- A. Public hearing for the request of Roger Greenstein to move a 40' x 24' wood frame house from Bismarck, ND, to 503 13th Avenue SE, (Lots 1 & 2, Block 6, & E.10' of adjacent 13th Avenue, Dunstan's Addition).
- B. Public hearing for the request of Roger and Sharon Greenstein to move a 30' x 24' wood frame detached garage from West Fargo, ND, to 648 2nd Street SW (Lots 47 & 48, Block 3, Kelly & Fuller's 2nd Addition).
- C. Public hearing for the vacation of public utility easements over, across and five (5) feet on either side of the lot lines located in Blocks 1 and 2, Beverly Hills 7th Addition, to the City of Jamestown, North Dakota.
- D. The second reading of Ordinance No. 1243 to grant a non-exclusive franchise to Qwest Corporation.
- E. Public hearing and second reading of Ordinance No. 1244 to change the zoning of the I-94 Business Park Addition, from R-1 (One Family Residential District) to M-1 (Limited Industrial & Manufacturing District).

Jeff Fuchs
City Administrator

CITY OF JAMESTOWN



NORTH DAKOTA

OFFICE OF CITY ADMINISTRATOR
102 THIRD AVENUE SOUTHEAST
JAMESTOWN, ND 58401

PHONE 701/252-5900
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CELL: 701/320-8006

Mr. Terry Nieland, President
SRWD
PO Box 547
Jamestown, North Dakota 58402-0547

September 4, 2003

Re: Proposed Agreement
Meeting Date

Dear Terry:

This letter is a follow-up to our phone conversation some time ago in which we discussed arranging a meeting between the SRWD, the City Public Works Committee and your lenders to discuss proposed agreement language relating to the sale of water to the district and future annexation issues.

You had indicated to me at that time that you and a number of your board members were into the small grain harvest and that the meeting would need to occur after the harvest was completed. You further indicated that you would get in touch with me to arrange a meeting date following harvest.

As of this date I have not heard from you and the purpose of this letter is to inquire as to whether your workload is such as to allow us to now schedule a meeting in the near future. Please give me a call at your earliest convenience so that we might pursue getting a meeting date established. Thank you and I hope you had a bountiful harvest.

Sincerely

Jeff Fuchs
City Administrator

PUBLIC WORKS COMMITTEE
POLICE & FIRE COMMITTEE
JULY 24, 2003

Present: Kourajian, Matthiesen, Grabinger and Phillips, Dalsted, Kritsky, Horgan, Weight, Gray, Donegan, Sad, Knudson, Wollan, Sveum, and Fuchs. Absent: Heinrich.

Matthiesen moved to set a hearing date for 3:00 P.M., August 19, 2003, to consider a petition requesting the removal of two dogs at 1503 11th Avenue SW. Seconded by Phillips. Unanimous aye vote. Carried.

Matthiesen moved to place on the Council agenda, without recommendation, the request to fill one (1) police officer position. Seconded by Phillips. Unanimous aye vote. Carried.

The committee met with Terry Nieland and Don Williams from Stutsman Rural Water District to discuss a proposed agreement for the City to sell water to Stutsman Rural Water District.

Matthiesen moved to direct the City Administrator to set up a meeting date for all interested parties to get together to discuss the proposed agreement for the sale of water to Stutsman Rural Water District. Seconded by Phillips. Unanimous aye vote. Carried.

Kourajian moved to authorize advertising for equipment relating to the Weapons of Mass Destruction Grant subject to City Attorney review of requirements. Seconded by Phillips. Unanimous aye vote. Carried.

Matthiesen moved to pursue the preparation of specifications for construction of a fire pump test cistern at the fire training location. Seconded by Phillips. Unanimous aye vote. Carried.

Grabinger moved to concur with the recommendation from Interstate Engineering, Inc., to reject all bids received for the Lift Station Replacement, Sewer Improvements District #03-31, CWSRF No. 380808, and to re-advertise with modifications to the bids. Seconded by Matthiesen. Unanimous aye vote. Carried.

Phillips moved to recommend that the Council declare an emergency and to authorize the purchase of a used 1996 Ford Truck with a versalift boom for \$50,000.00 with trade from ABM Equipment & Supply, Inc. Seconded by Grabinger. Unanimous aye vote. Carried.

Kourajian moved to accept the recommendation from the interview committee relating to the selection of a consultant engineering firm for the 1st Street West Bridge Project and to recommend that the Council authorize the City Engineer to negotiate a contract with Interstate Engineering, Inc. Seconded by Phillips. Unanimous aye vote. Carried.

Jeff Fuchs
City Administrator

City of Jamestown, North Dakota

RESOLUTION

Introduced by Council Member Heinrich, who moved its adoption;

August 5, 2002

Be It Resolved by the City Council of the City of Jamestown, to-wit:

THAT, the City Council does hereby approve and authorize to agree in principal to the request from Stutsman Rural Water District to purchase water from the City for high peak demands subject to an approved written agreement between the parties.

ATTEST:

APPROVED:

Jeff Fuels
City Administrator

Charlie Kourajian
Mayor

Council Member Matthiesen seconded motion for adoption.

Consent
Roll Call No. 1
Item E
Ayes 5
Nays 0
Absent 0



Stutsman Rural Water District

PO Box 547
Jamestown ND 58402-0547

Phone: 701-252-7727
Fax: 701-252-8711

July 19, 2002

Jeff Fuchs
City Administrator
City of Jamestown
102 Third Avenue SE
Jamestown, ND 58401

RE: Water Purchase
Stutsman Rural Water District

Dear Jeff:

The Stutsman Rural Water District Board is interested in exploring the possibility of purchasing water from the City of Jamestown.

Stutsman Rural Water has been providing water in Stutsman County since 1985. In that time, the system has grown from 680 users to over 1,100 users. This growth has placed significant stress on our system. The most significant growth has occurred in the four townships surrounding Jamestown (Midway, Homer, Bloom, Woodbury). As the City of Jamestown grows, so will the rural areas around Jamestown.

Stutsman Rural Water District will not be able to supply sufficient amounts of water for this growth without an enormous amount of expense in enlargement of our water plant and parallel pipelines.

Stutsman Rural Water District is proposing purchasing water from the City of Jamestown to meet this growth. The proposed point of purchase is the City's 16" waterline to the food industrial park. This is only three miles from our Reservoir 2, which serves the northern portion of our system. This would allow our system to direct the water currently utilized by Reservoir 2 to other portions of the system.

Reservoir 2 currently uses an average of 82,000 gallons per day or 2.4 million gallons per month. Our maximum usage days occur in May or June of approximately 200,000 gallons per day. Due to cash flow constraints, we would slowly transition over to City supply over several years.

Please have the City Council consider this at their next meeting. I am looking forward to working with the City in cooperatively growing the Jamestown area and Stutsman County.

Attached is a map showing our service area and a map of the proposed purchase point for your consideration.

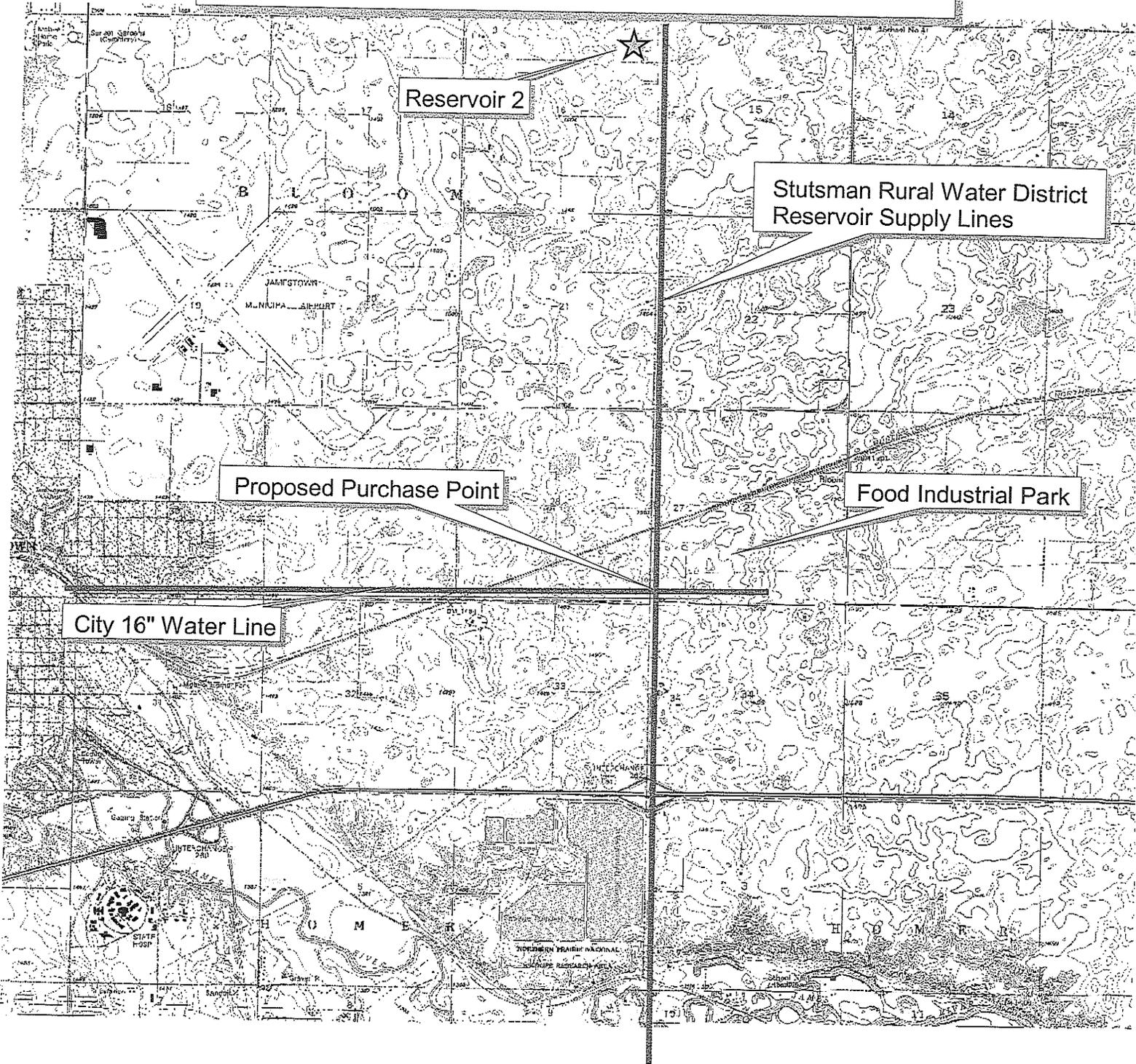
Sincerely,

A handwritten signature in black ink, appearing to read "Gary W. Schultz", written over a horizontal line.

Gary W. Schultz
Manager

cc: Interstate Engineering
Attach.

STUTSMAN RURAL WATER DISTRICT



interstate engineering, inc.

Engineering • Surveying • Planning

STUTSMAN RURAL WATER DISTRICT

KESTON

CARRITT

ENFIELD

Northern Service Area
(Reservoir 2)

KENSAL

COURTENAY

★ Reservoir 4

WIMBLEDON

PINGREE

Reservoir 5

WOODWORTH

SPIRITWOOD LAKE

BUCHANAN

★ Booster 3

Reservoir 2

Reservoir 9

JAMESTOWN

MEDINA

CLEVELAND

★ Reservoir 8

Water Treatment

Booster 9

Booster 7

Reservoir 6

Southern Service Area

MONTPELIER

STREETER

GACKLE



interstate engineering, inc.

Engineering • Surveying • Planning

MA

APR 22 2005



Stutsman Rural Water District

PO Box 547
Jamestown ND 58402-0547

Phone: 701-252-7727
Fax: 701-252-8711

April 21, 2005

Mr. Jeff Fuchs, City Administrator
City of Jamestown
102 3rd Ave. SE
Jamestown, ND 58401

Re: Stutsman Rural Water District
Possible Contract for City Water

Dear Jeff:

Thank you for the time that you and other City leaders have extended to us relative to the issue of a possible contract for water between the City of Jamestown (City) and the Stutsman Rural Water District (District).

Based on our most recent meeting of 4/12/05, the District Board would like to proceed with this agreement. At that meeting I believe we had a consensus with the following items:

1. The City Agreement Part 3 "Sale of Water" discusses sale of water with the District at a mutually agreed point or points. We had requested the ability to connect near the location of your proposed new tank (the Bloom Road Area) and also in the northwest portion of the City near the Fairgrounds.

You had expressed no difficulties allowing such points of connection pending concurrence from your engineer that flow/pressure to your own users near the Fairgrounds connection would not be adversely affected. We have discussed this issue with your engineer, (Mr. Randy Pope, Interstate Engineering) and he has confirmed that a flow of 100 to 200 gpm from the Fairground connection would not be a problem for the City. He did however advise that a Pressure Sustaining Valve may be needed and we will comply with that request.

Unless further discussion is needed on this issue, we believe that the Agreement can be modified to make this allowance. We suggest the following language be added to Part 7A:

'This agreement allows the District connection to be made at mutually acceptable locations in the southeast portion of the City (a 'Bloom Road' connection) and in the northwest portion of the City (a 'Fairgrounds' connection) and at any other mutually agreed upon locations. The Fairgrounds connection shall be made with a Pressure Sustaining Valve per requirements of the City.'

2. The City Agreement, Part 3 'Sale of Water', discusses a volume of water to be delivered to the District. We propose the agreement be modified to reflect the following:

Jamestown shall treat and deliver a quantity of treated water to the District to the following extent:

- *Bloom Road connection shall be at a constant flow rate not to exceed 277 gpm.*
- *Fairgrounds connection shall be a constant flow rate not to exceed 200 gpm.*

3. The City Agreement, Part 3 'Sale of Water' discusses a cost of water. At our 4/12/05 meeting, we believe we heard a willingness to sell water to the District at the current residential rate. We understand that your willingness to provide us with that rate was based on how other reimbursement items would be handled (i.e. user buy-out and infrastructure buyout.) The District Board would agree with your existing proposed language on the buyout items in return for consideration of a rate to us the same as being charged to a residential City user.

* We understand the City proposes a \$250.00 per month base billing in addition to the cost of water. We would like further discussion on this issue; we propose the base of \$250.00 apply only on those months when we would purchase 250,000 gallons or less. At those other times (when we purchase over 250,000 gallons per month) we propose no base fee charged, but only the cost of water be charged.

4. Our letter to you of 3/22/05 inquired on the possibility of you raising your new tank height. We understand that is not practical for you to do and we withdraw this request.
5. The City Agreement Part 5 'Term' discusses a 5 year term. We understand you would not oppose a longer term and we propose the term to be 20 years with the renewal language modified to reflect a 2 year prior notice for non renewal.
6. Our letter to you of 3/22/05 discussed a 'base rate' for any user buy-outs; in consideration for a reduced water rate (see paragraph 3 of this listing) we will withdraw that request and abide by the formula as is currently proposed by the Agreement. This same position applies to the reimbursement for infrastructure; we will agree to the current language in the agreement. Also in our letter we expressed concern of possible City annexation and our loss of main infrastructure. We propose the following language to be added to Part 7D:

* *'The City agrees not to annex District Main Infrastructure which is needed by the District to transmit water from one area to another of the District System.'*

At our meeting of 4/12/05, there were also a few minor items introduced in the discussion which we would offer comment. Items as follows;

1. Part 7B of the Agreement says that Jamestown shall own the metering equipment. We understand you had included such language to allow access for testing of the meter. We propose that the District own the meter with the following language added;

* *'New Part 7H. The District will furnish, install, operate, and maintain at its own expense at each point of delivery, the necessary metering equipment and backflow prevention device, including, but not limited to, a meter vault, pit or house, visual remote, water sampling device, flow recording device and required devices of standard type for properly measuring the quantity of water delivered to the District. Said equipment must be acceptable to Jamestown. Furthermore, it is agreed:*

- a. *That if either party believes a meter reading to be in error, it shall present its claim in writing, to the other party's business office before said bill is delinquent (not later than the fifteenth (15th) day of the month). Such claim, if made after the bill has become delinquent, shall not be effective in presenting discontinuance of service, as herein provided. The District must pay said bill under protest and said payment shall not prejudice the claim of error.*
- b. *Upon either party presenting a claim of error in a meter reading, the meter will be calibrated upon payment of the actual cost of the calibration by the requesting party, provided, however that if the meter is found to over-register beyond two percent (2%) of the correct volume, the City shall bear the cost of calibration and if the meter is found to under-register beyond two percent (2%) of the correct volume the District shall bear the cost of calibration.*
- c. *Any adjustments of the District's bill, in the event of over registering or under registering of a meter, as shown by calibration, shall not eliminate the obligation to make future payments required by the District of any amounts as set forth in this contract. If adjustments are required based upon the calibration, they shall be made to the current months and previous month's billing. Adjustments made based upon meter failure shall be negotiated based upon records available.*

Based on the recent meetings on this issue, we believe we are very close to having a mutually acceptable agreement. Please review our comments and we will plan on contacting you in the very near future for more discussion.

Sincerely,



Terry Nieland, President
Stutsman Rural Water District

cc: SRWD – Gary Schultz
B & W – Ken Royse
Interstate – Randy Pope
Darrell Patzer

CITY OF JAMESTOWN



NORTH DAKOTA

OFFICE OF CITY ADMINISTRATOR
102 THIRD AVENUE SOUTHEAST
JAMESTOWN, ND 58401

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CELL: 701/320-8006

May 9, 2005

Mr. Terry Nieland, President
Stutsman Rural Water District
7685 10th Street SE
Pingree, ND 58476

RE: Letter Dated April 21, 2005
Proposed Agreement

Dear Terry:

I am in receipt of your letter dated April 21, 2005, regarding the possible contract agreement between Stutsman Rural Water District and the City of Jamestown. I am pleased that the two entities appear to be getting much closer to an agreement.

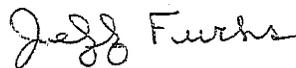
I met with Mayor Kourajian and Dwaine Heinrich and we reviewed your requests for modifications and offer the following response:

1. A second point of connection near the "Fairgrounds appears workable.
2. This appears acceptable.
3. The water rate being the same as that rate charged to city customers would be acceptable assuming the District accepts the existing buyout language. The City had already agreed to the District's earlier request to reduce the base billing from \$500.00 to \$250.00 monthly and feels that this is the minimum base that we can accept.
4. Request Withdrawn by District.
5. The City has during the past several years moved away from 20 year agreements or franchises and prefers not entering into agreements for more than 10 years at a time. The 10 year period would be our counter proposal to the District for the term of the agreement.
6. The City concurs that our intent is not to take over the District's main infrastructure that serves several areas of your system. The City concurs with the basics of the new language in the proposed Part 7H, with the exception of the District owning the metering equipment. The City prefers to own the meters.

I have enclosed with this letter a new draft of the proposed agreement with the above amendments. Please review them and let me know the District's thoughts. Any final understanding on the proposed agreement would still need City Council approval; however, I feel we are very close to reaching agreement.

Should you have any questions, or like any further clarification as to the revised draft agreement, please feel free to let me know. I will be out of the office the rest of this week but will be back on Monday, May 16, 2005.

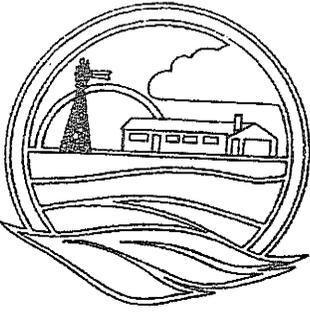
Sincerely,

A handwritten signature in cursive script that reads "Jeff Fuchs".

Jeff Fuchs

City Administrator

Cc: Darrell Patzer
Ken Royse via e-mail
Dwaine Heinrich via e-mail
Mayor Kourajian via e-mail



Stutsman Rural Water District

PO Box 547
Jamestown ND 58402-0547

Phone: 701-252-7727
Fax: 701-252-8711

July 28, 2005

Mr. Jeff Fuchs, City Administrator
City of Jamestown
102 3rd Ave. SE
Jamestown ND 58401

Re: Agreement for sale of water by City of Jamestown to Stutsman Rural Water District

Dear Jeff,

The Stutsman Rural Water Board (Stutsman) met earlier this week for consideration of the Agreement for Sale of Water which we have been discussing with you over the past several months.

Our Board believes the language essentially captures our discussions and intent and we believe we are prepared to move forward to a formal signing of the agreement pending; only minor clarifications as follows:

- We propose that Part 6C of the agreement be clarified with alternate language as follows:

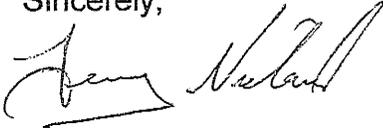
C. To the extent Jamestown is precluded by acts of God, authority of law, or other causes reasonably beyond its control from performing its obligations under this Agreement, such non-performance is excused to the extent that it arises from such causes. Jamestown shall not be liable to Stutsman or to any of Stutsman's users for damages, breach of contract, or otherwise for suspension or diminution of service for such events which may occur which Jamestown cannot control including acts of God, acts of public enemy, fire, tornado, flood, earthquake, or other catastrophe, strikes or other failure or breakdown of transmission, metering, treatment and storage facilities, or by compliance with any law, regulation, court order, and other legal directive.

- We propose that Part 10 of the agreement be clarified with alternate language as follows:

A. If one party defaults, the other may terminate this Agreement or exercise other remedy available at law or in equity. A party shall give written notice of a default to the other (and to Rural Utilities Service, a Division of Rural Economic Development, State of North Dakota, if Stutsman is in default) by certified mail return receipt requested and the default must be cured within 90 days mailed.

Please review at your convenience. Later this week, or early next week, I will call you for more discussion or you can call me at your convenience also (710-285-3362). Our Board is appreciative of the time and effort you and your staff have invested in this agreement and we are hopeful we can move this into a formal adoption stage in the very near future.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Nieland". The signature is fluid and cursive, with a large initial "T" and "N".

Terry Nieland
President, Board of Directors
Stutsman Rural Water District

cc: Stutsman
Ken Royse
Darrell Patzer
Joe Larson