

**TAYLORS FALLS CITY COUNCIL MEETING
COUNCIL CHAMBERS
MONDAY, JUNE 14, 2010 – 6:30 P.M.**

MINUTES

The Agenda for this Meeting was posted Wednesday, June 9, 2010 at City Hall, the Post Office and on the City's Web Site. Copies were e-mailed to residents requesting such, and the Press was notified.

The Taylors Falls City Council met for a special closed meeting followed by a regular meeting on Monday, June 14, 2010 beginning at 6:30 p.m. in the Council Chambers at City Hall, 637 First Street, Taylors Falls, Minnesota.

CALL TO ORDER

The Meeting was called to order at 6:30 p.m. by Mayor Mike Buchite.

PLEDGE OF ALLEGIANCE

All those present at the meeting recited the Pledge of Allegiance to the United States flag.

ROLL CALL

MEMBERS PRESENT: Mike Buchite, Ross Rivard, John Tangen, Larry Julik-Heine, Zara Kinnunen

MEMBERS ABSENT: None

OTHERS PRESENT: City Clerk-Treasurer Jo Everson, Zoning Administrator-Coordinator Larry Phillips

ADOPTION OF AGENDA

The Agenda was amended to include under New Business: Consent Agenda: **Consider Authorizing Lions Club BINGO.**

MOTION BY KINNUNEN/TANGEN TO APPROVE THE AGENDA, AS AMENDED, FOR THE JUNE 14, 2010 TAYLORS FALLS CITY COUNCIL MEETING. MOTION CARRIED UNANIMOUSLY.

ADOPTION OF CONSENT AGENDA

MOTION BY RIVARD/JULIK-HEINE TO APPROVE/ACCEPT THE FOLLOWING CONSENT AGENDA ITEMS: MINUTES OF PREVIOUS CITY COUNCIL MEETINGS; STAFF REPORTS; COMMISSION, BOARD OR COMMITTEE MINUTES/REPORTS; CONSIDER RESOLUTION 10-05-04 APPROVING THE FIRE DEPARTMENT OFFICERS; CONSIDER HPC RECOMMENDATION TO HIRE JOSH GOLDSTEIN AS TECHNICAL CONSULTANT FOR TALKING TOUR; CONSIDER WANNIGAN DAY KIDDIE PARADE REQUESTS; CONSIDER 2010 SOLID WASTE PERMIT FOR SHAFER ROLL-OFF LLC; CONSIDER AMENDMENT OF EASEMENTS; CONSIDER ZONING ADMINISTRATOR-COORDINATOR VACATION REQUEST; APPROVAL OF CLAIMS AND PAYROLL; CORRESPONDENCE. MOTION CARRIED UNANIMOUSLY.

ENTER INTO CLOSED MEETING

MOTION BY RIVARD/TANGEN TO ENTER INTO CLOSED SESSION UNDER MINNESOTA STATUTE §13B.05 SUBD 3(C) FOR THE PURPOSE OF RE-CONSIDER PURCHASE OF REAL ESTATE. AYES: ALL. MOTION CARRIED UNANIMOUSLY. The Council entered closed session at 6:33 p.m.

RETURN TO OPEN MEETING

The Mayor declared that the Council ended its closed meeting at 6:45 p.m.

MOTION BY JULIK-HEINE/KUNNUNEN TO RETURN TO OPEN SESSION. AYES: ALL. MOTION CARRIED UNANIMOUSLY.

PERSONS PRESENT AT RETURN TO OPEN MEETING

MEMBERS PRESENT: Mike Buchite, Ross Rivard, John Tangen, Larry Julik-Heine, Zara Kinnunen

OTHERS PRESENT: City Clerk-Treasurer Jo Everson, Zoning Administrator-Coordinator Larry Phillips

SUMMARY OF CLOSED MEETING

The Mayor declared the Council discussed in closed session the counter offer from Northern States Power Company (NSP), d/b/a Xcel Energy with regard to the City's offer to purchase 19.1 acres of property from NSP, which Council will take action on during the Agenda Item later in this meeting.

CONTINUATION OF OPEN MEETING

MEMBERS PRESENT: Mike Buchite, Ross Rivard, John Tangen, Larry Julik-Heine, Zara Kinnunen
OTHERS PRESENT: City Clerk-Treasurer Jo Everson, Zoning Administrator-Coordinator Larry Phillips, Xcel Energy Representatives John Wertish, Mike Dunham, and Chris Rogers, Diane Nelson, Ashley Johnson, Lacy Nelson, and Eric Vargo from the Chisago County Press

APPROVAL OF MINUTES OF PREVIOUS COUNCIL MEETINGS

THE CITY COUNCIL APPROVED BY CONSENT AGENDA THE MINUTES OF THE TAYLORS FALLS CITY COUNCIL MEETINGS HELD ON MAY 10, MAY 19 AND MAY 24, 2010.

COMMISSION, BOARD OR COMMITTEE MINUTES/REPORTS

LIBRARY BOARD

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE MINUTES OF THE TAYLORS FALLS LIBRARY BOARD MEETING HELD ON WEDNESDAY, MAY 26, 2010.

PARK & REC COMMISSION

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE MINUTES OF THE TAYLORS FALLS PARK & REC COMMISSION MEETING HELD ON WEDNESDAY, APRIL 21, 2010.

ECONOMIC DEVELOPMENT COMMISSION

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE MINUTES OF THE TAYLORS FALLS ECONOMIC DEVELOPMENT COMMISSION MEETING HELD ON TUESDAY, APRIL 20, 2010.

HERITAGE PRESERVATION COMMISSION

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE MINUTES OF THE TAYLORS FALLS HERITAGE PRESERVATION COMMISSION MEETING HELD ON TUESDAY, APRIL 13, 2010.

PLANNING COMMISSION

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE MINUTES OF THE TAYLORS FALLS PLANNING COMMISSION MEETING HELD ON MONDAY, MAY 3, 2010.

PUBLIC FORUM

None.

STAFF REPORTS & REQUESTS

ADMINISTRATIVE DEPARTMENT

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE MAY 2010 FINANCIAL REPORTS PRESENTED BY CLERK-TREASURER JO EVERSON.

CHISAGO COUNTY SHERIFF'S DEPARTMENT

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA CORPORAL SHANE CARROLL'S MAY 2010 CHISAGO COUNTY SHERIFF'S DEPARTMENT REPORT.

ZONING & PLANNING DEPARTMENT

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE MAY 2010 ZONING REPORT PRESENTED BY ZONING ADMINISTRATOR-COORDINATOR LARRY PHILLIPS.

PUBLIC WORKS DEPARTMENT

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE MAY 2010 PUBLIC WORKS REPORT PRESENTED BY PUBLIC WORKS SUPERINTENDENT MIKE KRIZ.

CITY ATTORNEY

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE MAY BILLING STATEMENT FROM THE CITY ATTORNEY'S OFFICE OF KELLY AND LEMMONS, P.A.

STAFF REQUESTS

FIRE DEPARTMENT

Consider Fire Department Training Expense. The City received an invoice from Pine Technical College for recent Firefighter 1 and 2 Training. In October 2009 the Fire Department had applied for tuition reimbursement from the Minnesota Board of Firefighter Training and Education, who receive funding from a grant from FEMA for this purpose. The Department inadvertently did not seek Council prior approval for the training therefore is requesting permission at this time.

MOTION BY JULIK-HEINE/KINNUNEN TO APPROVE THE REQUEST BY THE TAYLORS FALLS FIRE DEPARTMENT FOR FIREFIGHTER 1 AND 2 TRAINING BY PINE TECHNICAL COLLEGE FROM FEBRUARY 9, 2010 THROUGH JULY 27, 2010, AT A COST OF \$5,400.00, TO BE PAID FROM THE FIRE DEPARTMENT TRAINING EXPENSE BUDGET ACCOUNT (42260-208), ACKNOWLEDGING THE \$4,000.00 REIMBURSEMENT FOR SAID TRAINING FROM THE MINNESOTA BOARD OF FIREFIGHTER TRAINING AND EDUCATION. MOTION CARRIED UNANIMOUSLY.

Consider Payment of Industrial Safety Invoices. The Fire Department purchased bunker gear for a new member of the Department for \$1,393.22, which exceeded the \$1,000.00 spending limit without prior Council approval. MOTION BY JULIK-HEINE/KINNUNEN TO APPROVE PAYMENT OF THE INDUSTRIAL SAFETY, INC. INVOICE IN THE AMOUNT OF \$1,393.22 FOR PURCHASES BY THE TAYLORS FALLS FIRE DEPARTMENT FOR BUNKER GEAR, TO BE PAID FROM THE FIRE DEPARTMENT NEW EQUIPMENT BUDGET ACCOUNT (42260-580). MOTION CARRIED UNANIMOUSLY.

Consider Resolution 10-05-04 Approving Fire Department Officers. THE CITY COUNCIL ADOPTED BY CONSENT AGENDA RESOLUTION 10-05-04 CONFIRMING THE 2010 ELECTION OF OFFICERS FOR THE TAYLORS FALLS FIRE DEPARTMENT. (attached)

UNFINISHED BUSINESS

None.

NEW BUSINESS

RECONSIDER APPROVAL OF OPTION TO PURCHASE CONTRACT

Mayor Buchite explained that on May 19th the Council approved an offer to purchase 19.1 acres of property from Xcel Energy for the purpose of land for the future construction of a sewer pond and for a possible future business park. The property is a portion of the 32.23 acre parcel where the Lawrence Creek Substation is located. Xcel made a counter offer on May 25th, which required certain changes in the Option to Purchase Contract. The changes are primarily the financing terms and when the deed is to be conveyed.

Each Council Member expressed their support of the purchase.

MOTION BY KINNUNEN/JULIK-HEINE TO APPROVE THE NEW OPTION CONTRACT, AS PRESENTED, WHEREBY NSP d/b/a XCEL ENERGY, GRANTS UNTO THE CITY OF TAYLORS FALLS, AN OPTION TO PURCHASE 19.10 ACRES AS DESCRIBED IN EXHIBIT A, AT A COST OF \$177,783.00 ACCORDING TO THE TERMS SPECIFIED IN SAID CONTRACT. MOTION CARRIED UNANIMOUSLY. (attached)

CONSIDER NOTICE OF INTENT

A component of the Option to Purchase Contract (Exhibit B #6), and a condition upon the execution of the Option Contract, is the annexation of the parcel into the City. This annexation would be allowed under Minnesota Statute §414.033, Subdivision 3, which is an annexation initiated by the City and accomplished by Ordinance. As such, the Council makes the following finding of fact:

- The property is 40 acres or less in size, and is 60% or more bordered by land already within the corporate limits of Taylors Falls.

- The City would own a portion of the property and wishes it to be located within the City limits.
- The annexation of the entire parcel would be systematic and orderly, and would square up the section.
- It would be in the City's best interests to annex the property prior to its sub-division: 1) Xcel's substation, 2) City wastewater ponding area, and 3) potential business park.
- All utilities would be located in one central location (the City's Wastewater Pond and Xcel's Substation).
- A business park at this location would be a good use of the land.
- The City cannot begin its subdivision process until it is within the City limits.
- It could be sub-divided with the process established by Chisago County if it were not annexed, but the property would be subject to additional costs that may include park and trail fees, developer fees, staff, attorney and engineer time (and cost).
- Chisago County may not allow the subdivision of property in the manner the City prefers the property to look like.

In order to annex by Ordinance, the City must serve a NOTICE OF INTENT upon Shafer Township, Chisago County Board and the Municipal Boundaries Office of Administrative Hearings. Shafer will have 90 days to respond to the Notice. If there is no objection, the City can proceed to adopt the Ordinance. It must then be filed with the chief administrative law judge, the township, the county auditor & the secretary of state. It is final on the date the ordinance is approved by the Chief Administrative Law Judge.

If Shafer does file an objection, the State will hold hearings and eventually order or deny the annexation. Timing would be in the hands of the Administrative Law Judge.

The Council expressed their support of the proposed annexation process.

MOTION BY JULIK-HEINE/RIVARD TO ADOPT RESOLUTION 10-06-01, AS PRESENTED, APPROVING THE NOTICE OF INTENT FOR THE ANNEXATION OF CERTAIN LAND TO THE CITY OF TAYLORS FALLS PURSUANT TO MINNESOTA STATUTE §414.033, SUBDIVISION 3. MOTION CARRIED UNANIMOUSLY. (attached)

CONSIDER EASEMENT AGREEMENT WITH XCEL ENERGY

Mayor Buchite explained that in late 2009 Xcel Energy requested to purchase an easement across the City's waste water treatment facility access road property in order to continue the construction of the power line project. The requested easement is 75' wide x 100' long. Xcel Energy hired an independent appraiser who valued the easement at \$750.00.

The alignment of the power lines on the easement is consistent with the Settlement Agreement and Route Permit from the Public Utilities Commission. Conveyance of an easement would allow that alignment to continue and would not affect the use as an access road.

MOTION BY TANGEN/KINNUNEN TO APPROVE THE EASEMENT DOCUMENT BETWEEN THE CITY OF TAYLORS FALLS AND NORTHERN STATES POWER COMPANY, d/b/a XCEL ENERGY, CONVEYING A 75' BY 100' EASEMENT LOCATED AT THE NORTH END OF THE TAYLORS FALLS WASTEWATER TREATMENT FACILITY ACCESS ROAD PROPERTY (LOCATED ON FIRST STREET/COUNTY ROAD 37), FOR THE PURPOSE OF ELECTRICAL TRANSMISSION LINES, CONDITIONAL UPON RECEIVING THE AGREED UPON \$750.00 COMPENSATION FOR SALE OF SAID EASEMENT.

IT WAS FURTHER MOVED TO AUTHORIZE MAYOR MICHAEL BUCHITE AND CLERK TREASURER JO EVERSON TO SIGN SAID EASEMENT DOCUMENT. MOTION CARRIED UNANIMOUSLY. (attached)

CONSIDER NON-RELOCATION AGREEMENT WITH XCEL ENERGY

Mayor Buchite explained that in late 2009 Xcel Energy requested either a non-relocation agreement or

the vacation of certain platted but unimproved City streets in order to secure permanent rights so the Company would not be required to relocate the underground portion of the transmission line. According to Xcel, in the event utilities were ever extended in that area the relocation of the underground transmission line could impose a large cost on the electric ratepayer. The Council considered how each option would affect Taylors Falls, and established the following findings of fact:

- Burying the transmission lines would be an asset to the City and St. Croix River Valley and therefore in the public's interest for the transmission lines to remain underground in the future.
- Vacation of the rights-of-way was not a viable option because they may serve a future purpose.
- The Non-Relocation Agreement would be a viable option because it allowed the public to retain the right-of-way, while only relinquishing the right to mandate that Xcel relocate (at Xcel's expense) the underground power line for a public project (i.e. water or sewer main) per the Electric Franchise Ordinance.
- The Agreement would be in the best interests of Taylors Falls because Xcel Energy agreed to pay a negotiated \$15,500 fee for the City to relinquish this right, which the Council agreed was a fair exchange.
- The Agreement requires that Xcel Energy would pay the cost difference between directional boring and open trenching if City utilities were ever to be installed in these areas.

MOTION BY RIVARD/JULIK-HEINE TO APPROVE THE NON-RELOCATION AGREEMENT, AS PRESENTED, WITH NORTHERN STATES POWER COMPANY (NSP), d/b/a XCEL ENERGY, RELINQUISHING THE CITY'S RIGHT TO REQUIRE REMOVAL OF THE UNDERGROUND PORTION OF THE RECENTLY INSTALLED 161 Kv TRANSMISSION LINE WITHIN THE CITY'S RIGHTS-OF-WAY AS DESCRIBED IN THE AGREEMENT, CONDITIONAL UPON RECEIPT OF THE \$15,500.00 CONSIDERATION BY NORTHERN STATES POWER COMPANY.

IT WAS FURTHER MOVED TO AUTHORIZE MAYOR MICHAEL BUCHITE AND CLERK TREASURER JO EVERSON TO SIGN SAID AGREEMENT. MOTION CARRIED UNANIMOUSLY. (attached)

John Wertish, Xcel Energy Manager of Community & Local Government Relations, expressed on behalf of Xcel Energy, their appreciation for the cooperation extended by the City Council and Staff during the project and subsequent negotiation meetings. He stated that both the City and Xcel Energy came out as "winners."

CONSIDER SUMMER REC PROGRAM AS RECOMMENDED BY THE PARK & REC COMMISSION

Council Member Larry Julik-Heine introduced fellow Park & Rec Commission Member Diane Nelson who explained the Summer Recreation Program they are proposing. Ashley Johnson and Lacey Nelson would lead the volunteer staff including AmeriCorps, school personnel and community members, to provide fun-filled activities for children residing in Taylors Falls. The pilot program is scheduled to be held June 22nd, 24th, 29th, and July 1st from 1:00 pm – 4:00 pm at the Memorial Community Center. A nominal fee of \$1.00 per child would be charged at each session to help defray the cost of supplies and snacks.

Mayor Buchite expressed his support for the "outstanding" program recommended by the Park & Rec Commission. He questioned if the group would be considering a similar program next year since this year it is referred to as a pilot program.

Council Member Zara Kinnunen expressed appreciation for the community outreach this program would provide.

Council Member John Tangen and Ross Rivard were supportive of the endeavor but questioned how wise it was to have all three of the summer programs offered in Taylors Falls the same week (the

Pioneer School sponsored by the Taylors Falls Historical Society and the Together with Friends Camp, sponsored by the area churches). They recommended that the groups coordinate their schedules more so that the children are able to attend all three throughout the summer.

MOTION BY KINNUNEN/JULIK-HEINE TO AUTHORIZE THE SUMMER RECREATION PROGRAM AS RECOMMENDED BY THE TAYLORS FALLS PARK & REC COMMISSION TO BE HELD JUNE 22ND, JUNE 24TH, JUNE 29TH, AND JULY 1ST AT THE TAYLORS FALLS MEMORIAL COMMUNITY CENTER FROM 1 P.M. – 4 P.M. MOTION CARRIED UNANIMOUSLY.

CONSIDER AUTHORIZATION TO PURSUE THE ART & CULTURAL HERITAGE GRANT

The Taylors Falls Economic Development Commission submitted a recommendation to pursue grant funding to paint a train mural on the retaining wall at the Community Center. The East Central Arts Council (a program of the East Central Regional Development Commission) administers the Arts & Cultural Heritage Grant, which is funded by the 2008 Legacy Amendment. The grant is up to \$15,000 with a no-match requirement. The EDC has identified artist Terry Hildebrand for the project. The tentative deadline for submission is October 1st; however there are alternate deadlines if the application is not complete by October. Funding would not be available until the winter therefore this would be a Spring/Summer 2011 project.

MOTION BY JULIK-HEINE/TANGEN TO AUTHORIZE THE TAYLORS FALLS ECONOMIC DEVELOPMENT COMMISSION TO PURSUE THE ARTS & CULTURAL HERITAGE GRANT PROGRAM ADMINISTERED BY THE EAST CENTRAL ARTS COUNCIL. MOTION CARRIED UNANIMOUSLY.

CONSIDER SURVEYING FOR RIVER STREET AND SECOND STREET PAVING PROJECT

The proposed street work for 2010 include the repaving of a portion of River Street and Second Street, which would include installation of sidewalk for the next phase of the Riverwalk Trail project. Council Member Ross Rivard recommended that surveying of the area should be done to identify where the actual City rights-of-way are. Three proposals were obtained.

MOTION BY JULIK-HEINE/KINNUNEN TO AUTHORIZE LAKES AREA SURVEYING FROM LINDSTROM, MINNESOTA, TO SURVEY THE RIVER AND SECOND STREET RIGHTS-OF-WAY, AS PROPOSED, AT A COST OF \$700.00, AS WELL AS THE RIVER STREET RIGHT-OF-WAY NORTH OF SECOND STREET TO THE ST. JOSEPH CHURCH, AT A COST OF \$650.00, TO BE PAID FROM THE STREET IMPROVEMENT FUND (650). MOTION CARRIED UNANIMOUSLY.

CONSIDER CONTRIBUTION TO INITIATIVE FOUNDATION

The Initiative Foundation's mission is to work through and alongside Central Minnesota citizens to create healthy and sustainable communities. Taylors Falls has received \$34,500 in grants from the Foundation in the past. Each year it requests a nominal contribution from the City. Historically the contribution has been paid from the Charitable Gambling Fund (803), although there is currently no funding available in that fund.

Rivard recommended that the City use its Contingency budget to fund the contribution request, since the City has received grants in the past from this group and may request grant support in the future as well.

MOTION BY RIVARD/JULIK-HEINE TO AUTHORIZE A \$300.00 CONTRIBUTION TO THE INITIATIVE FOUNDATION, TO BE PAID FROM THE GENERAL FUND CONTINGENCY BUDGET ACCOUNT (101-41110-900). MOTION CARRIED UNANIMOUSLY.

CONSIDER HPC RECOMMENDATION TO HIRE JOSH GOLDSTEIN AS CONSULTANT

THE CITY COUNCIL ACCEPTED THE RECOMMENDATION FROM THE TAYLORS FALLS HERITAGE PRESERVATION COMMISSION TO HIRE JOSH GOLDSTEIN OF VALLEY VIEW INTERNET AS THE TECHNICAL CONSULTANT FOR THE TAYLORS FALLS WALKING TOUR FOR A MAXIMUM OF FIVE HOURS AT \$60.00 PER HOUR.

CONSIDER WANNIGAN DAYS KIDDIE PARADE REQUEST

THE CITY COUNCIL AUTHORIZED BY CONSENT AGENDA THE CLOSURE OF THE RIVER STREET –

PINE STREET LOOP FOR THE WANNIGAN DAY KIDDIE PARADE ROUTE, FROM 5:00 P.M. TO 7:30 P.M. ON FRIDAY, JULY 16TH, WITH SPECIAL THANKS TO KEVIN SCHUMANN AND THE TOGETHER WITH FRIENDS GROUP FOR COORDINATING THE FESTIVITIES.

CONSIDER SOLID WASTE PERMIT FOR SHAFER ROLL-OFF, LLC

THE CITY COUNCIL APPROVED BY CONSENT AGENDA A 2010 SOLID WASTE PERMIT TO RICHARD BERGET, SR. OF SHAFER ROLL-OFF, LLC OF SHAFER, MINNESOTA.

CONSIDER AMENDMENT OF EASEMENTS

A portion of Mulberry Street was vacated in 2009 with the knowledge that an 8" water main was located within the right-of-way. An easement was reserve at that time for the main. However, when Xcel Energy recently tried to install the footing for one of their power line structures they hit the main and discovered it was 15' – 25' further east of where the City's locates indicated it was. Xcel agreed to pay to relocate the water main in order to make room for the power line structure. A new easement was obtained from Xcel Energy for the relocated main.

The City had thought that the issue was resolved, but when the main was installed, it was discovered (again) that it was not placed entirely within these new easements. The actual location of the water main does not conform to either of the two easements.

In order to resolve the issue, the City must file an Execution of the Amendment of Easements. This would modify the legal description to reflect the actual location of the water main within the property Xcel Energy owns. There will be one easement, not two. It will also release the unneeded easement where the water main used to be.

THE CITY COUNCIL APPROVED BY CONSENT AGENDA THE AMENDMENT OF EASEMENTS BETWEEN THE NORTHERN STATES POWER COMPANY, d/b/a XCEL ENERGY, AND THE CITY OF TAYLORS FALLS, TO MODIFY THE LEGAL DESCRIPTION OF AN EXISTING EASEMENT TO REFLECT THE ACTUAL LOCATION OF THE WATER MAIN WITHIN THE (2009) VACATED MULBERRY STREET, AND FURTHER TO RELEASE THE EASEMENT WHERE THE WATER MAIN PREVIOUSLY WAS LOCATED.

IT WAS FURTHER MOVED TO AUTHORIZE MAYOR MICHAEL BUCHITE AND CLERK-TREASURER JO EVERSON TO SIGN THE SAID DOCUMENT.

CONSIDER ZONING ADMINISTRATOR-COORDINATOR VACATION REQUEST

THE CITY COUNCIL APPROVED BY CONSENT AGENDA THE VACATION REQUEST BY LARRY PHILLIPS, CITY ZONING ADMINISTRATOR-COORDINATOR FOR TEN HOURS ON JULY 1, 2010.

CONSIDER LION'S CLUB BINGO REQUEST

THE CITY COUNCIL APPROVED BY CONSENT AGENDA THE REQUEST FROM THE TAYLORS FALLS LION'S CLUB TO SPONSOR THE FRIENDS OF TAYLORS FALLS PARKS TO CONDUCT EXCLUDED BINGO AT THE TAYLORS FALLS MEMORIAL COMMUNITY CENTER ON JULY 16, 2010.

APPROVAL OF CLAIMS & PAYROLL

THE CITY COUNCIL APPROVED BY CONSENT AGENDA THE PAYMENT OF CHECK NUMBERS 23227 - 23273 TOTALING \$90,330.55, AND CHECK NUMBERS 5745 - 5755 IN THE AMOUNT OF \$15,635.58 FOR MAY PAYROLL.

LIAISON OR COUNCIL MEMBER REPORTS

Larry Julik-Heine reported that there has been great progress on the pavilion at the Cherry Hill Park. The roof is more than half completed, the cupola was installed, and the School District has donated black dirt left over from a project at their site. He also reported that the PRC may be changing members and that this recommendation would be coming to the Council at the next meeting.

Julik-Heine also reported that the Public Works Department may have a solution to resolve the issue of the telephone emergency notification message system.

John Tangen reported that he has been working with the Fire Department to streamline their monthly reporting system. He also reported that the HPC had recently discussed the proposed mural on the retaining wall at the Memorial Community Center, and they agreed that it would be a great addition to the historic building, reminding the viewer even more of its rich history. The HPC may also be recommending new members at the next Council Meeting. And finally, Tangen stated that flags were not flown today on Flag Day due to the inclement weather.

Zara Kinnunen reported that she had recently met with Corporal Shane Carroll and learned that the plans and permits were ready for the Wannigan Day celebration in July. She also commented on the minutes of the Economic Development Commission held on April 20th that were included in the Council Agenda Packet. The EDC is scheduled to meet June 15th, at which time she will clarify her questions.

Ross Rivard reported that the valve on the Water Reservoir on West Street is scheduled to be replaced on Wednesday, which caused the loss of water at Angel Hill several weeks ago.

CORRESPONDENCE

THE CITY COUNCIL ACKNOWLEDGED THE CORRESPONDENCE RECEIVED IN THE JUNE 14, 2010 COUNCIL PACKET:

1. ST. CROIX NATIONAL SCENIC RIVERWAY JUNE EVENTS
2. LETTER FROM ADIUM, RE: RIVERVIEW STATION PETRO PLUS
3. CHISAGO COUNTY SHERIFF'S OFFICE SEVERE WEATHER WARNING POSTING
4. STAFF CORRESPONDENCE & EMAIL'S

ADJOURNMENT

MOTION BY JULIK-HEINE/KINNUNEN TO ADJOURN THE MEETING OF THE JUNE 14, 2010 TAYLORS FALLS CITY COUNCIL. MOTION CARRIED UNANIMOUSLY.

Being no further business to come before the Council, the Meeting adjourned at 7:45 p.m.

Michael D. Buchite, Mayor

Jo Everson, City Clerk-Treasurer

APPROVED: JULY 12, 2010

RESOLUTION 10-05-01

**CITY OF TAYLORS FALLS
COUNTY OF CHISAGO
STATE OF MINNESOTA**

**A RESOLUTION CONFIRMING THE 2010 ELECTION OF OFFICERS
FOR THE TAYLORS FALLS VOLUNTEER FIRE DEPARTMENT**

WHEREAS Minnesota Statutes and the Taylors Falls City Ordinance requires City Council confirmation of the Fire Department's election of officers;

THEREFORE BE IT RESOLVED by the Taylors Falls City Council that it hereby approves the following 2010 officers of the Taylors Falls Volunteer Fire Department;

BE IT FURTHER RESOLVED that the pay for such offices shall be as indicated:

<u>POSITION</u>	<u>OFFICER</u>	<u>ANNUAL PAY</u>
FIRE CHIEF	Al Rivard	\$1,400.00
ASSISTANT CHIEFS	Mark Clasen	\$800.00
	Mike Erding	\$800.00
CAPTAINS	Sheldon Magnuson	\$200.00
	Jerry Brisson	\$200.00
TRAINING OFFICERS	Jeremy Hansen	\$200.00
	Kyle Rivard	\$200.00
PRESIDENT	Jerry Brisson	\$250.00
SECRETARY	Matt Carlson	\$175.00
TREASURER	John Goetz	\$250.00
SCBA MAINTENANCE	Chad Miller	\$100.00
	Carl Ostling	\$100.00
JANITOR	Mark Clasen	\$15.00/hr
FIREFIGHTERS	Drills & Meetings	\$8.00
	Fire Calls	\$14.00

APPROVED THIS 14th DAY OF JUNE, 2010

Michael D. Buchite, Mayor

ATTEST:

Jo Everson, Clerk-Treasurer

RESOLUTION 10-06-01

**CITY OF TAYLORS FALLS
COUNTY OF CHISAGO
STATE OF MINNESOTA**

**IN THE MATTER OF THE NOTICE OF INTENT FOR THE ANNEXATION OF
CERTAIN LAND TO THE CITY OF TAYLORS FALLS
PURSUANT TO MINNESOTA STATUTES § 414.033, SUBD. 3**

TO: Shafer Town Board
c/o Roy E. Johnson, Clerk
17704 St. Croix Trail
Taylors Falls MN 55084; and

Office of Administrative Hearings
Municipal Boundary Adjustments
P. O. Box 64620
St. Paul, MN 55164-0620
651-361-7900

WHEREAS, the territory described below is not presently within the corporate limits of any incorporated city, and

WHEREAS, the area proposed for annexation is 40 acres or less in size, is 60% or more bordered by land already within the corporate limits of the City of Taylors Falls, and is not appropriate for annexation by ordinance pursuant to Minnesota Statutes § 414.033, Subd. 2(3); and

WHEREAS, the area proposed for annexation is described in Exhibit A as attached and incorporated herein by reference; and

WHEREAS, the area proposed for annexation abuts upon the corporate limits of the City of Taylors Falls, Minnesota and shown on the map attached hereto and incorporated herein by reference as Exhibit B; and

WHEREAS, the area proposed for annexation is unincorporated; abuts on the City's western boundary; and is not included within any other municipality; and

WHEREAS, the area proposed for annexation is approximately 32.23 acres in size; and

WHEREAS, the reason for the proposed annexation is to secure City owned land for future expansion of the municipal wastewater treatment facility located immediately north of the subject property, and to secure land for a future potential business campus; and

WHEREAS, the nature of the area proposed for annexation is currently industrial (public utility substation) and agricultural; and

WHEREAS, the area proposed for annexation is not included in any area that has already been designated for orderly annexation pursuant to Minnesota Statutes § 414.0325, nor in any other proceeding currently pending before the Office of Administrative Hearings - Municipal Boundary Adjustments.

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF TAYLORS FALLS, MINNESOTA that we hereby serve a *Notice of Intent* to annex the above-described property into the corporate limits of the City of Taylors Falls, Minnesota on: Shafer Township; Chisago County; and the Office of Administrative Hearings.

Adopted this 14th day of June, 2010

Michael D. Buchite, Mayor

ATTEST

Jo Everson, Clerk-Treasurer

Attachments: Exhibit A Legal Description of Proposed Annexation Property
Exhibit B Location of Proposed Annexed Property

OPTION CONTRACT

For and in consideration of the sum of One thousand and no/100s Dollars (\$1000.00) to me in hand paid, the receipt whereof is hereby acknowledged, Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy, (“NSP”) hereby grants unto THE CITY OF TAYLORS FALLS, Chisago County, Minnesota, a municipal corporation, (“Buyer”) an Option for 5 years from the _____ day of _____, 2010 and terminating on the _____ day of _____, 2015 (the “Option Period”), to purchase, for the sum of one hundred seventy seven thousand seven hundred eighty three DOLLARS (\$177,783.00) the following described lands situated in the County of Chisago and State of Minnesota to-wit:

Hereinafter referred to as the “Property” as described on Exhibit A

upon the following terms and conditions, to-wit: \$1000.00 option payment paid herewith and \$176,783.00 cash balance payable in cash or wire transfer of immediately available funds to be paid on or before closing.

If Buyer chooses to exercise the Option herein granted, Buyer shall do so by setting forth its intention to purchase the Property in its entirety by delivering written notice to NSP. Said notice shall be received by NSP prior to the expiration of the Option Period and the Closing shall occur not later than 45 days after the date of the Buyer’s notice. In case said notice shall be given in due time, but the transaction is not completed prior to expiration of the Option Period, then 45 days shall be given in which to examine title, make the conveyance, and close the transaction.

Unless the Option is exercised by Buyer as required in this Option Contract within the time above specified, and a failure to give such notice, and comply with the terms and perform the conditions hereof (except as hereinafter provided) within the time specified, shall terminate this Option, and all rights thereunder, without further act or notice whatsoever, time being the essence of this agreement. The conditions of this Option Contract shall include those contained in the Rider attached hereto as Exhibits B and C.

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EXHIBIT B

RIDER TO OPTION CONTRACT

1. In the event of any conflict or ambiguity between the terms of this Rider and those contained in the printed form Option Contract to which it is attached, the terms of this Rider shall govern.
2. Within 10 (ten) days after receipt of Buyer's exercise of its right to purchase the Property as set forth herein, NSP shall furnish Buyer with a commitment from Chisago County Abstract Company committing to issue Buyer an owner's policy of title insurance at closing.
3. Buyer shall have 15 days after receipt of said commitment for title insurance to make any objections to marketability of title in writing, or the same shall be deemed waived. If title to said Property is found not to be marketable, NSP agrees to undertake, at the request of Buyer, such steps and pay all costs as shall be necessary to render said title marketable on or before the Date of Closing. Notwithstanding the foregoing, NSP shall have no obligation to remove the encumbrances to title set forth in the attached Exhibit C ("Permitted Encumbrances"). At NSP's option, the Date of Closing may be extended for up to an additional 120 days to provide NSP with sufficient time to render title marketable. If said title cannot be made marketable within said period, (a) Buyer may, at its election, declare this option void and the parties shall have no further rights against each other under this option; or (b) Buyer may elect to cure title and proceed to closing withholding an amount it estimates necessary at closing to cover the cost to clear title but not to exceed \$1,000.00.
4. During the Option Period and provided that Buyer first gives NSP not less than two business days prior notice, Buyer, and its employees, agents and independent contractors, are hereby granted a right of access and egress to the Property for the purpose of making any surveys, investigations, environmental assessment or cure, soil tests and borings considered by Buyer to be necessary in connection with its purchase and proposed use of the Property. This right of access and egress is granted on the express condition that Buyer (a) indemnifies and holds harmless NSP, from all losses, damages, charges, obligations and claims, including mechanic's liens that arise as a result of the Buyer's exercise of its rights under this Paragraph 4 by its employees, agents and independent contractors in, on or about the Property; and (b) promptly repairs any damage to the Property occurring as a result of such activities. Buyer's obligations as set forth in subparagraphs "a" or "b" shall survive the Date of Closing or the termination or expiration of this Option Contract.
5. Within ten business days after the date when this Option Contract has been executed by both parties, NSP shall provided Buyer with copies of any existing survey, test and environmental data that NSP possesses regarding the Property.
6. The Property is currently a portion of real property owned by NSP and is not located within the limits of the city of Taylors Falls. Buyer shall be solely responsible for all costs and expenses relating to annexing the Property into the City limits. NSP shall cooperate with Buyer by executing any required applications, but at no cost or expense to NSP. In

addition, Buyer shall pay all costs, including without limitation all survey costs and application fees, related to the subdivision and platting of the Property as may be required by applicable law to subdivide the Property from the balance of the NSP's property. Together with its notice of exercise of the option described in this Option Contract, Buyer shall deliver to NSP evidence reasonably acceptable to NSP that Buyer has completed the subdivision and annexation processes. The parties expressly agree that this Option Contract is subject to annexation and subdivision and NSP shall have no obligation to convey title to the Property to Buyer if the annexation and subdivision processes have not been completed prior to the Date of Closing. If Buyer is unable to successfully annex and subdivide the Property prior to expiration of the Option Period, this option may be void at buyer's sole discretion and the parties shall have no further rights or obligations against each other, other than Buyer's obligations of indemnity and repair as specifically set forth in Paragraph 4.

7. If Buyer exercises its option to purchase, NSP, upon written notice from Buyer, shall take such steps as are required to vacate the premises of any and all tenants by the date of closing.
8. Real estate taxes and installments of special assessments due and payable in prior years to Closing shall be paid in full by NSP on or before the Date of Closing. Real Estate taxes and installments of special assessments due and payable in the year of Closing will be prorated to the Date of Closing. The parties acknowledge that real estate taxes due and payable in the year of Closing shall be paid in full at Closing.
9. If this option is exercised by Buyer, the total option money paid in relation to this option shall be applied against the purchase price at closing. If the option is not exercised for any reason, the option money shall, upon expiration of the option term, be automatically forfeited to and be and remain the sole property of NSP as consideration for the grant of option.
10. At the closing of the transaction, NSP will execute and deliver to Buyer a limited Warranty Deed.
11. NSP hereby makes the following representations, which shall be true and correct on the Date of Closing:
 - a. To the best of NSP's knowledge there are no wells, functioning or abandoned, located on the Property.
 - b. NSP is not a "foreign person" as contemplated by Section 1445 of the Internal Revenue Code.
 - c. To NSP's knowledge, methamphetamine production has not occurred on the Property.
 - d. NSP discloses that any applicable airport zoning regulations affecting the Property are available for review at the Chisago County Courthouse.

12. If Buyer does not execute this Option Agreement within the 5 year term, this agreement will become void, and the parties shall have no rights against each other under this Option Contract, other than Buyer's obligations of indemnity and repair as set forth in Paragraph 4.
13. Until the Date of Closing, NSP shall have the full responsibility and the entire liability for any and all damages or injuries of any kind whatsoever to the Property, to any and all persons, whether employees or otherwise, and to any other property from and connected to the Property, except liability arising directly from the negligence of Buyer, its agents or employees. If, following exercise of the Option but prior to the Date of Closing, all or a portion of the Property shall be the subject of an action in eminent domain or a proposed taking by a governmental authority, whether temporary or permanent, Buyer, at its sole election, shall have the right to terminate this Agreement without liability on its part, by so notifying NSP. In such case, NSP shall retain the Option Payment.
14. Time is and shall at all times be and remain of the essence of this Agreement.
15. Any notice required or permitted hereunder shall be in writing and shall be either personally served or mailed by certified mail, postage prepaid, return receipt requested, or by overnight courier service such as Federal Express, addressed:

If to the Buyer, at:

City of Taylors Falls
Attn: City Clerk
637 First Street
Taylors Falls, MN 55084-1144

If to NSP, at:

Northern States Power d/b/a/ Xcel Energy
Attn: Siting and Land Rights Department
414 Nicollet Mall MP800
Minneapolis, MN 55401

or, in either case, such other address as NSP or Buyer, as the case may be, may from time to time designate by written notice to the other party hereto. Mailed notice shall be deemed to have been given one day following the date it is mailed as herein provided. Personally delivered notice shall be deemed given on the date the same is delivered.

EXHIBIT C

Permitted Encumbrances

1. The lien of real estate taxes not yet due and payable in the year of closing and thereafter.
2. Building and zoning laws, ordinances, state and federal regulations.
3. Existing roads, utility and drainage easements.
4. Reservation of any mineral rights by the state of Minnesota.
5. Covenants, conditions, restrictions, if any, without effective forfeiture provisions.
6. Such other matters as may be accepted by Buyer following examination of title.

EASEMENT

The undersigned, hereinafter called "Grantor", in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration to Grantor in hand paid by Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy, hereinafter called "NSP", does hereby grant unto NSP, its successors and assigns, the perpetual right, privilege and nonexclusive easement to construct, operate, maintain, use, rebuild, or remove electric lines with all towers, structures, poles, foundations, crossarms, cables, wires, guys, supports, counterpoises, fixtures, and devices appurtenant to said lines through, over, and across the following described lands situated in the County of Chisago, State of Minnesota, to-wit:

Hereinafter referred to as the "Premises" as described on attached Exhibit A.

Except for the right of access and temporary construction area, said easement shall be limited to:

That part of the "Premises" hereinafter called "the Easement Area" as described in Exhibit A

The rights granted herein may be exercised at any time subsequent to the execution of this document.

The grant of easement herein contained shall also include the right to enter upon the Premises, to survey for and locate said lines and shall also include the right to trim or remove from said Easement Area any structures, trees (including tall or leaning trees located within the Premises adjacent to the Easement Area, which may endanger said lines by reason of falling thereon) or objects, except fences, which in the opinion of NSP will interfere with said lines. Grantor agrees not to erect any buildings, structures or other objects, permanent or temporary, except fences, upon the Easement Area. Grantor further agrees not to plant any trees within the Easement Area without the prior express written approval from NSP, nor to not perform any act which will interfere with or endanger said lines.

The grant of easement herein contained shall also include the right of NSP to have reasonable access to said Easement Area across the Premises. The grant of easement herein contained shall also include the right of reasonable temporary use by NSP of Premises adjacent to said Easement Area during construction, repair or replacement of said transmission lines, for additional construction area. Grantee agrees that any said temporary use for construction area shall be limited to a reasonable time period needed to complete construction, repair or replacement of said transmission lines.

Said electric lines and supporting structures from time to time may be reconstructed or relocated on said Easement Area with changed dimensions and to operate at different voltages.

The grant herein contained shall also include the right of NSP to permit the attachment of wires of others to the structures supporting said lines.

Grantor reserves the right to dedicate and have or permit to be improved, maintained, and used for the purposes of streets, curbs and gutters, sewers, water and underground utilities (hereinafter called "improvements"), the portion of said Easement Area not occupied by the structures supporting Northern States Power Company's electric system, provided that said improvements do not impair the structural or electrical integrity of or ability to maintain said electric system or materially alter the existing ground elevations; and provided further that all such improvements shall not result in a ground or other clearance of less than the minimum requirements specified by the National Electrical Safety Code. Grantor, its agents or assigns must submit plans of improvements or other installations within the Easement Area for review, compliance and written approval by NSP prior to installation of the improvements. NSP shall respond to Grantor's submission of plans of improvements or other installations within the Easement Area within ninety (90) days, provided the plans include all necessary information for NSP to complete the compliance review.

Grantor also reserves the right to cultivate, use and occupy said Easement Area, in a manner that is not inconsistent with NSP's rights granted herein.

NSP shall pay for all damages to landscaping, roads and driveways, fences, livestock, crops, fields and other property caused by the construction or maintenance of said lines. Claims on account of such damages may be referred to NSP's nearest office.

Grantor covenants with NSP, its successors and assigns, that Grantor is the owner of the above described premises and has the right to sell and convey an easement in the manner and form herein.

Grantor agrees to execute and deliver to NSP, at NSP's cost without additional compensation, any additional documents needed to correct the legal description of the Easement Area described herein, so that it describes the Easement Area within the Premises that was originally intended to be granted herein and which at a minimum provides conductor clearance meeting the requirements of the National Electrical Safety Code.

It is mutually understood and agreed that this instrument covers all the agreements and stipulations between the parties and that no representation or statements, verbal or written, have been made modifying, adding to or changing the terms hereof.

This instrument is exempt from the Minnesota Deed Tax.



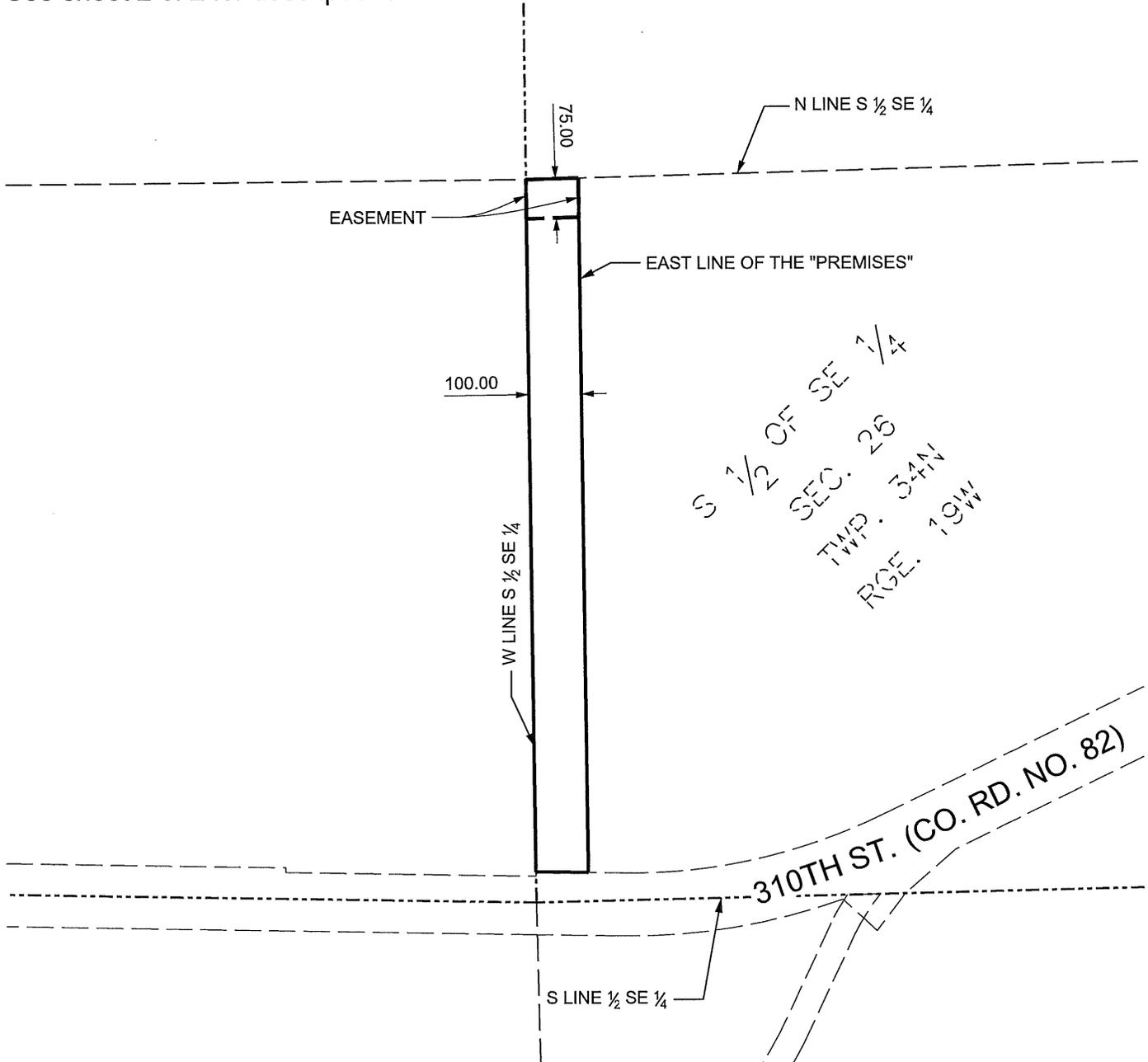
NORTHERN STATES POWER
MINNESOTA

EXHIBIT A SHEET 1 OF 2 SHEETS

Certificate of Survey
Location: City of Taylors Falls, Chisago County, Minnesota
Grantor: City of Taylors Falls
See sheet 2 of 2 for descriptions.



Scale: 1" = 300'



S 1/2 OF SE 1/4
SEC. 26
TWP. 34N
RGE. 19W

310TH ST. (CO. RD. NO. 82)

I HEREBY CERTIFY THAT THIS SURVEY, PLAN, OR REPORT
WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION
AND THAT I AM A DULY LICENSED LAND SURVEYOR UNDER
THE LAWS OF THE STATE OF MINNESOTA.

Peter D. Gitzen
PETER D. GITZEN

LIC. NO. 44901

LINE: 5305
PARCEL: 184
SEC. 26, T.34N., R.19W., 4TH PM.
CO: CHISAGO

DATE 4/9/2010



NORTHERN STATES POWER
MINNESOTA

EXHIBIT A SHEET 2 OF 2 SHEETS

Certificate of Survey

Location: City of Taylors Falls, Chisago County, Minnesota

Grantor: City of Taylors Falls

"Premises":

The West 100 feet of the South Half of the Southeast Quarter (S $\frac{1}{2}$ of SE) of Section Twenty-six (26), Township Thirty-four (34) North, Range Nineteen (19) West, Chisago County, Minnesota, which lies North of County Road No. 82.

"Easement Area":

An easement over, under, and across the North 75.00 feet of the herein before described "Premises".

Containing 0.172 acres, more or less.

LINE: 5305
PARCEL: 184
SEC. 26, T.34N., R.19W., 4TH PM.
CO: CHISAGO

A G R E E M E N T

THIS AGREEMENT is entered into this ____ day of _____, 2010, between the City of Taylors Falls (“The City”), a Minnesota Municipal Corporation, and Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy (“NSPM”).

WHEREAS, NSPM constructed an underground 161 kV transmission line (“Project”) primarily within a linear private right-of-way owned by NSPM within the City, during the summer of 2009 to the summer of 2010, and

WHEREAS, the Project crosses four (4) dedicated street rights-of-way where no street has been established or developed, City streets (namely: West, Basil, Spring, and Wilkin Streets), (“Crossings”) by issuance of revocable permits, and

WHEREAS, NSPM has made a major investment in placing the Project underground (pursuant to the Settlement Agreement between NSPM and the City) and would like to insure that the Project will not be relocated, at considerable cost to the electric consumer, in order to accommodate other uses of the public right-of-way and Crossings by the City, and

WHEREAS, the City concludes that it is possible that the City’s future use of the public right-of way and Crossings could interfere with the existing location of the Project, and

WHEREAS, the City and NSPM desire to cooperate with one another to control future costs associated with any relocation of the Project, and

WHEREAS, to this end, the City is willing to enter into a non-relocation agreement with NSPM in exchange for appropriate compensation for the City relinquishing its rights to order relocation of the Project within a public street.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and recitals contained herein, together with other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **City relinquishment of no-cost relocation rights:** City agrees that it will not exercise its legal or franchise rights and will not order, direct, or require NSPM to relocate the Project as constructed within the Crossings for any street improvement or other public project without paying the cost therefore. City further agrees not to order or request relocation of the Project as constructed within the rights-of-way of State Highway 95, County Road 20, or County Road 16 for any public project without paying the cost therefore.

2. **Consideration:** In exchange for the City’s relinquishment of its right to order NSPM to relocate the Project’s facilities that are located within the Crossings at NSPM’s expense, NSPM

agrees to pay the City a sum of fifteen thousand five hundred dollars (\$15,500). In addition, if the presence of the Project's facilities in the Crossings, County, or State rights-of-way requires the use of directional boring to install new City sewer or water services instead of using an open trench to install those services, NSPM agrees to pay the difference (if any) between the reasonable costs related to directional boring and the reasonable costs related to the installation of the same services using an open trench method.

3. **Governing Law.** This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Minnesota, without regard to conflicts of interest principles.

4. **Notices.** For any notices provided under this Agreement (to be provided in writing by U.S. Mail):

For NSPM:

Northern States Power Company d/b/a Xcel Energy
Attention: Siting & Land Rights Department
414 Nicollet Mall, MP 800
Minneapolis, MN 55401

For the City:

City of Taylors Falls
Attention: City Clerk
637 First Street
Taylors Falls, MN 55084

5. **Entire Agreement.** This Agreement represents the entire agreement between the Parties with respect to the subject matter hereof and terminates and supersedes all prior oral and written proposals and communications pertaining to this Agreement. There are no representations, conditions, warranties or agreements, express or implied, statutory or otherwise, with respect to or collateral to this Agreement other than contained herein or expressly incorporated herein.

6. **Headings.** Article headings and titles are included for the convenience of the Parties and shall not be used to construe the interpretation or meaning of this Agreement.

7. **Modifications.** Unless otherwise specifically provided herein, this Agreement may be altered, modified, varied or waived, in whole or in part, only by a modification to this Agreement reduced to writing and signed by the duly authorized representatives of both Parties. If either Party wishes to modify this Agreement due to the changing conditions or requirements of electrical industry regulation or the marketplace, the Parties shall enter into negotiations or arrive at reasonable modifications to this Agreement.

8. **No Waivers.** Any waiver at any time by a Party of its rights with respect to a default under this Agreement or with respect to any other matter arising in connection with this

Agreement, shall not be deemed a waiver with respect to any subsequent default or subsequent matter of a similar nature arising in connection therewith.

IN WITNESS WHEREOF, this Agreement is entered into as of the day and year first written above.

CITY OF TAYLORS FALLS

NORTHERN STATES POWER COMPANY

By: _____
Name: Michael Buchite
Title: Mayor

By: _____
Name: Greg P. Chamberlain
Title: Director, Portfolio Delivery & Integration
Xcel Energy Services, Inc.
As Agent for Northern States Power Company, a
Minnesota Corporation d/b/a Xcel Energy

By: _____
Name: Jo Everson
Title: Clerk-Treasurer

This instrument was drafted by: Chris Rogers
Northern States Power Company
414 Nicollet Mall MP-8
Minneapolis, MN 55401
2010.079