Twin Valley City Council
Regular Council Meeting

Tuesday, May 13, 2024 - 7:00PM

Twin Valley Community Center

1 **CALL TO ORDER** ____________ PM

2 **ROLL CALL**

CITIZEN'S FORUM Maximum Time - 10 minutes. If no public comments are presented, meeting will continue.

ADDITIONS TO AGENDA ______/______ M/S/P

1) ______________________________

2) ______________________________

3) ______________________________

3 **MINUTES APPROVAL** April Minutes ______/______ M/S/P

4 **CLAIMS**	04/09/2024 - 04/30/2024	$27,145.57
	05/01/2024 - 05/13/2024	$130,275.74
PAYROLL	03/31/2024 - 04/13/2024	$14,348.45
	04/14/2024 - 04/27/2024	$13,568.05
DISBURSEMENT TOTAL		**$185,337.81**

______/______ M/S/P

6 **COMMUNITY**

Christina Lien, Community

Ulteig, WWTP project update

Annexation Request

8 **REPORTS OF OFFICERS, BOARDS, COMMITTEES**

LIQUOR General Report Gross Sales **$ 44,226.65** ATM **$402.50**

PUBLIC WORKS General Report

EDA/PARKS General Report

POLICE General Report

FIRE/RESCUE General Report Gary Cares Donations

ADMIN Financial Report

Employee Benefits

Community Fund

10 **NEW BUSINESS** Brown Goods Collection
Pleasant Ave, Stop sign request
Donation Request(s)
Commercial License Request

11 **FYI/OTHER** Pet clinic, Tuesday, May 22, 2024
Town & Country Days, July 19-21.

12 **MEETING ADJOURNED** ____________ PM ______/______ M/S/P

MONDAY, April 8, 2024 – TWIN VALLEY CITY COUNCIL
REGULAR MONTHLY MEETING
VARIANCE HEARING
Twin Valley Community Center – 7:00 PM

MEMBERS: Mark Askelson, Paul Bekkerus, Michael Bolton, Tracy Christianson **VIA PHONE:** Mike Lampton
OTHERS: Kerry, Askelson, Joe Boe, Jason Douville, Prestin Douville, Toni Nysetvold, Jess Riepe, Ladonna Schulz

PURSUANT DUE TO CALL and notice thereof the Twin Valley City Council held its regular monthly meeting on Monday, April 8, 2024. Mayor Bolton called the meeting to order at 7:00PM.

MONTHLY BUSINESS
Minutes—TC/PB-m/s/p to approve March minutes as written.
Disbursements—ML/PB-m/s/p to approve disbursements totaling $105,358.42. A full copy of claims and payroll disbursements is available at the Clerk's office.

VARIANCE HEARING—Mayor Bolton opened the hearing to discuss the proposed variance request to allow for a multi-unit storage complex to be built at 408 Herold Court South. All property owners within 350 feet of said parcel with the proposed variance were mailed a copy of the notice of hearing, as well as having the notice placed into the Twin Valley Times and Online. Multiple property owners in the area had previously reached out to the Clerk with questions, having no issues with the proposal. Joe Boe inquired about the tax effect of not fulling changing the lot to be zoned commercial expressing concern that the building would not be taxed commercially through the County should it be placed on a residential lot. It was explained that granting a variance limits the allowable building dimensions according to the Twin Valley Zoning Ordinance and otherwise does not affect how the building itself will be taxed through the County. Mrs. Schulz only expressed concerns over having a large storage unit directly across the street from her home, but wasn't ultimately against the proposal. Mayor Bolton closed the hearing, asking for Council motion to move forward. Motion by Councilmember Askelson, Seconded by Councilmember Bekkerus the following resolution to approve variance as requested was adopted.

RESOLUTION 2024—07

WHEREAS, Pursuant to M.S. § 462.357, Subd. 6, as it may be amended from time to time, the City Council, acting as a Board of Appeals and Adjustments, may issue variances from the provisions of this zoning code; and
WHEREAS, Brent Solseng and Nonda Mack, property owners, have applied for said Zoning Variance to allow for the construction of a self-storage unit on the West side of parcel 32-8702000; and
WHEREAS, the Twin Valley City Council, acting as a Board of Appeals and Adjustments, held a public hearing as required on April 8, 2024 to address any public comment or concern on the matter, for which no objection was heard.
THEREFORE, BE IT RESOLVED by the Twin Valley City Council, a Zoning Variance to allow a structure to be placed zero feet (0') from the eastern adjoining property line is hereby granted to Brent Solseng and Nonda Mack for the property identified as tax parcel 32-8702000.
Upon a roll call vote taken thereon the following voted in favor of said resolution: Paul Bekkerus, Michael Bolton, Tracy Christianson, & Mike Lampton; and the following voted against: None. WHEREUPON said resolution was duly adopted this 8th day of April, 2024.

______________________________ ______________________________

RACHEL JOHNSON, CLERK-TREASURER MICHAEL BOLTON, MAYOR

REQUESTS—PB/ML-m/s/p to approve Fundraiser/Raffle license for 2024 for the Twin Valley Community Booster Club. TC/PB-m/s/p to approve building permit request to install perimeter fencing at 305 Main Ave W. MA/PB-m/s/p to approve building permit request to install awning over existing deck at 506 Main Ave W. MA/ML-m/s/p to donate $50 to the Wild Rice Peacemakers in sponsorship as well as renew membership with the Mudslingers OHV Club for $50.

LIQUOR—Gross sales for the month of March amounted to $44,297.52 with an ATM revenue of $532. TC/MA-m/s/p to approve new hires Kalyn Bjorgum and Gene Snyder as part time bartenders. Drink chips have arrived and are entered into the system for use. Nysetvold is keeping a running total of chips that have been purchased and not redeemed. Updated Council on past and upcoming events, the first steak night of the year will be Friday, April 26th. Nysetvold has been in contact with companies in regards to an outdoor ice cooler for ice sales. She is able to get the cooler for free from the company who will refill it every couple of weeks. The ice can be purchased as inventory and sold from there, Nysetvold will inquire about price points. TC/PB-m/s/p to approve. Discussion on using ATM revenue for a community fund, Clerk will bring more information on past donations to a future Council meeting to continue discussion.

PUBLIC WORKS—The opening of bids for the 2024 Sanitary Sewer Collection System and Wastewater Treatment Facility Improvement project has been pushed back to be opened on Thursday 04/11 at 10AM. Engineers will bring proposal to accept to the next meeting. Project finish date has been pushed back to accommodate. Discussion on adding three new RV campsite at the City Shop. Askelson has received one bid for upgrades and additions to the electrical. Council requested a second bid, but gave Askelson the approval to spend up to $5,000 on electrical. PB/MA-m/s/p. Brief discussion on selling the old plow truck. Council asked that clerk research the process for selling to another government entity and if that changes the required bid process.

EDA/PARKS—MA/TC-m/s/p to approve spending up to $1,700 to begin clearing a trail system at the North Heiberg land. Will look into grant options for other aspects of the project as it progresses. TC/PB-m/s/p to support EDA member Carlsrud in a grant application on behalf of the City for a Community Gardens Sign. Two new community members joined the EDA/Parks meeting prior, Greg Crader and Hunter Pederson. Mayor Bolton agreed that both individuals would be a great addition to the committee and moved to appoint them both as members. Brief discussion regarding developing parks brochures for the City prior to April 24th for the School Family Fare Night.

POLICE—PB/ML-m/s/p to approve new hire, Erick Delong, as Community Service Officer with starting wage of $19/hour. Delong will be working on nuisance property review with preliminary letters going out this week.

FIRE/RESCUE—Lampton reported 0 fire calls and 15 rescue calls. Will be applying again for the 2024 DNR 50/50 matching grant for equipment.

OLD BUSINESS—Continued discussion regarding 201 Pleasant Ave SW. Clerk has reached out to neighboring property owner regarding splitting the cost of demolition to transfer the lot. Neighbor is still interested in obtaining the land for $5,000. There are outstanding special improvement assessments that are still payable on this lot, which would be re-assessed after sale. Other stipulations of sale were discussed, including requiring improvements be made to the lot and abating the special assessments in return. City will proceed with demolition, once this is complete it was motioned by Bekkerus and seconded by Christianson to approve moving forward with the property sale at $5,000.

FYI/OTHER—Upcoming Board of Appeal Hearing set for Monday April 29, 2024 at 6:00PM in the Community Center. City Cleanup Day will be Thursday April 25th. Twin Valley Pet Clinic is scheduled for Tuesday May 21st.

Meeting adjourned 8:25PM, ML/PB-m/s/p.

Attest: ______________________________ Signed: ______________________________

RACHEL JOHNSON, CLERK TREASURER — MICHAEL BOLTON, MAYOR

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MONDAY, APRIL 29, 2024 – TWIN VALLEY CITY COUNCIL
BOARD OF APPEAL AND EQUALIZATION HEARING
Twin Valley Community Center – 6:00 PM

MEMBERS: Mark Askelson, Michael Bolton, Tracy Christianson, Mike Lampton

OTHERS: Mindy Kinkade, Marti Sip, Kim Hausten

PURSUANT DUE TO CALL and notice thereof the Twin Valley City Council held the annual Board of Appeal and Equalization Hearing on Monday, April 29, 2024, Mayor Bolton called the meeting to order at 6:05 PM.

The board reviewed the 2024 City Assessment Summary as presented by the Norman County Assessor's office.

There were 11 "good" sales for the City of Twin Valley between October 1, 2022 and September 30, 2023 that affected the updates market values for the 2024 assessments. There was an overall city-wide decrease of 8%.

No citizens were in attendance to request a review. Adjourned 6:30PM, MA/ML-m/s/p.

Attest: ______________________________ Signed: ______________________________
RACHEL JOHNSON, CLERK-TREASURER MICHAEL BOLTON, MAYOR

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DISBURSEMENTS FOR APPROVAL
04/09/2024 thru 05/09/2024

VENDOR	DESCRIPTION	AMOUNT
A.F.L.A.C. WEST REGION	Employee Benefit	$543.90
ADA BUILDING CENTER, INC.	Repairs & Maintenance	$291.23
ANDERS VALLEY PUBLISHING, LLC	Annual Dues	$40.00
ARVIG	Telephone/Internet	$577.17
BMO BANK	Bankcard Charges	$1,158.81
BUCKLE'S HARDWARE	Repairs & Maintenance	$716.02
CLAY COUNTY SHERIFF	Training	$100.00
CNH INDUSTRIAL ACCOUNTS	Repairs & Maintenance	$29.25
DEEP ROOTS LAND SERVICES, LLC	Heiberg Trail Project	$1,220.00
EFTPS-ONLINE	Payroll Taxes	$2,837.95
FURTHER	Employee Benefit	$517.00
JOHN DEERE FINANCIAL	Repairs & Maintenance	$179.91
KRJB FM RADIO	Advertising	$120.00
LAKES COMMUNITY COOP	Utility	$3,443.89
LEAGUE OF MN CITIES INS TRUST	P/L Insurance	$28,462.95
M R SIGN CO., INC.	Street Signs	$791.99
MARCO TECHNOLOGIES LLC	Contracted Service	$48.47
MATRIX TRUST COMPANY	Employee Benefit	$55.00
MN DOR - PAYROLL TAX	Payroll Taxes	$730.85
MOONSHINERS SNOWMOBILE CLUB, INC	DNR Grant	$7,615.92
NORMAN CO. AUDITOR/TREASURER	Professional Fees	$4,540.00
NORMAN COUNTY ATTORNEY'S OFFICE	Professional Fees	$590.00
NORTHERN FIRE EQUIP.SERVICE	Repairs & Maintenance	$452.50
OTTERTAIL POWER CO.	Utility	$3,327.48
P.E.R.A. - SDR DIVISION	Employee Benefit	$4,187.13
PAYROLL	Wages	$13,382.30
PREMIUM WATERS	Contracted Service	$33.75
SANFORD HEALTH PLAN	Employee Benefit	$1,828.33
TEAM LABORATORY CHEMICAL, LLC	Operating Supplies	$189.00
TWIN VALLEY FIRE DEPT.	American Legion Donation	$3,000.00
USABLE LIFE	Employee Benefit	$24.07
VERIZON WIRELESS	Telephone/Internet	$229.95
VESTIS	Contracted Service	$371.54
	GENERAL TOTAL	**$81,636.36**
A.F.L.A.C. WEST REGION	Employee Benefit	$140.52
ANDERS VALLEY PUBLISHING, LLC	Publishing	$1,293.75
ARVIG	Telephone/Internet	$123.99
BUCKLE'S HARDWARE	Repairs & Maintenance	$130.10
EFTPS-ONLINE	Payroll Taxes	$944.84
FURTHER	Employee Benefit	$76.50
GOPHER STATE ONE-CALL	Contracted Service	$25.00
HAWKINS, INC.	Operating Supplies	$666.50
LAKES COMMUNITY COOP	Utility	$439.65
LEAGUE OF MN CITIES INS TRUST	P/L Insurance	$6,104.37
MATRIX TRUST COMPANY	Employee Benefit	$72.50
MN DOR - PAYROLL TAX	Payroll Taxes	$157.61
MN DOR - SALES & USE TAX	Sales Tax	$98.00
NORTHERN FIRE EQUIP.SERVICE	Contracted Service	$137.37
OFFICE SUPPLIES PLUS*	Operating Supplies	$18.17
OTTERTAIL POWER CO.	Utility	$1,390.98
PAYROLL	Wages	$3,153.40
P.E.R.A. - SDR DIVISION	Employee Benefit	$647.03
SANFORD HEALTH PLAN	Employee Benefit	$669.83
TIDHOLM PRODUCTIONS	Operating Supplies	$134.50

USABLE LIFE	Employee Benefit	$20.66
USABLUEBOOK	Repairs & Maintenance	$346.98
VERIZON WIRELESS	Telephone/Internet	$65.78
VESTIS	Contracted Service	$108.99
	WATER TOTAL	**$16,967.02**
A.F.L.A.C. WEST REGION	Employee Benefit	$140.52
ARVIG	Telephone/Internet	$81.08
BUCKLE'S HARDWARE	Repairs & Maintenance	$89.24
EFTPS-ONLINE	Payroll Taxes	$944.75
FURTHER	Employee Benefit	$76.50
GOPHER STATE ONE-CALL	Contracted Service	$25.00
LAKES COMMUNITY COOP	Utility	$209.63
LEAGUE OF MN CITIES INS TRUST	P/L Insurance	$4,542.38
MATRIX TRUST COMPANY	Employee Benefit	$72.50
MN DOR - PAYROLL TAX	Payroll Taxes	$157.62
NORTHERN FIRE EQUIP.SERVICE	Contracted Service	$137.38
OTTERTAIL POWER CO.	Utility	$179.01
P.E.R.A. - SDR DIVISION	Employee Benefit	$647.01
PAYROLL	Wages	$3,153.40
RMB ENVIRONMENTAL LABS, INC.	Professional Fees	$166.16
SANFORD HEALTH PLAN	Employee Benefit	$669.83
TEAM LABORATORY CHEMICAL, LLC	Operating Supplies	$800.00
ULTEIG ENGINEERS, INC.	Professional Fees	$4,295.76
USABLE LIFE	Employee Benefit	$20.66
VERIZON WIRELESS	Telephone/Internet	$65.78
VESTIS	Contracted Service	$108.99
	SEWER TOTAL	**$16,583.20**
ANDERS VALLEY PUBLISHING, LLC	Advertising	$371.25
FUCHS SANITATION SERVICE, INC.	Contracted Service	$5,947.24
MN DOR - SALES & USE TAX	Sales Tax	$768.00
NORMAN CO. AUDITOR/TREASURER	Professional Fees	$987.00
	GARBAGE TOTAL	**$8,073.49**
AARON'S GROCERY	Merchandise for Resale	$545.70
ADA BUILDING CENTER, INC.	Repairs & Maintenance	$240.07
ANDERS VALLEY PUBLISHING, LLC	Advertising	$15.00
ARAMARK UNIFORM SERVICES	Contracted Service	$281.48
ARVIG	Telephone/Internet	$321.61
BERGSETH BROS.	Merchandise for Resale	$5,646.34
BEVERAGE WHOLESALERS	Merchandise for Resale	$240.04
BMO BANK	Bankcard Charges	$799.75
BREAKTHRU BEVERAGE	Merchandise for Resale	$1,248.21
BUCKLE'S HARDWARE	Repairs & Maintenance	$59.44
COCA-COLA BOTTLING HIGH COUNTRY	Merchandise for Resale	$216.50
D-S BEVERAGES	Merchandise for Resale	$7,944.21
EFTPS-ONLINE	Payroll Taxes	$1,923.82
GREAT NORTH PIZZA CO., LLP.	Merchandise for Resale	$875.50
HEGGIES PIZZA, LLC	Merchandise for Resale	$1,239.55
HENRY'S FOODS INC.	Merchandise for Resale	$4,331.00
JOHNSON BROS. LQ-ST.PAUL	Merchandise for Resale	$4,082.48
K HOOK PIRATE RADIO	Entertainment	$900.00
KASEYA US, LLC	POS	$200.00
LAKES COMMUNITY COOP	Utility	$519.04
LEAGUE OF MN CITIES INS TRUST	P/L Insurance	$4,521.30
McKINNON COMPANY, INC.	Merchandise for Resale	$2,646.40
MN DOR - PAYROLL TAX	Payroll Taxes	$358.06
MN DOR - SALES & USE TAX	Sales Tax	$4,043.00
MUDSLINGERS OHV CLUB	Membership	$50.00
NORTHERN FIRE EQUIP.SERVICE	Contracted Service	$35.50
OFFICE SUPPLIES PLUS*	Operating Supplies	$60.04
OTTERTAIL POWER CO.	Utility	$907.77
P.E.R.A. - SDR DIVISION	Employee Benefit	$1,280.67

PAYROLL	Wages	$8,227.40
PEPSI-COLA **	Merchandise for Resale	$216.75
SANFORD HEALTH PLAN	Employee Benefit	$506.91
SOUTHERN GLAZER'S OF MN*	Merchandise for Resale	$2,844.98
TONI NYSETVOLD	Reimbursement	$80.00
TWEETON REFRIGERATION, INC.	Freezer / Repairs & Maintenance	$4,615.95
USABLE LIFE	Employee Benefit	$3.27
WILD RICE PEACEMAKERS	Donation	$50.00
	LIQUOR TOTAL	**$62,077.74**
	DISBURSEMENT TOTAL	**$185,337.81**

Ulteig
We listen. We solve.®

April 15, 2024

Ms. Rachel Johnson
City Clerk/Treasurer
City of Twin Valley
107 Second Street SW
P.O. Box 307
Twin Valley, MN 56584

Subject: Bid Recommendation
2024 Sanitary Sewer Collection System and
Wastewater Treatment Facility Improvements

Dear Rachel,

Bids were received at 10:00 a.m. on April 11, 2024 for the above-referenced project. Three (3) bids were received and are summarized on the enclosed Bid Tabulation.

These bids have been reviewed and found to be in order. We have completed the required debarment checks on the low bidder and his listed subcontractors and they are clear. It is the recommendation of Ulteig to award the project to the low bidder, Sellin Brothers, Inc of Hawley, MN based on the Base Bid for a total project amount of $3,397,240.00. Award will be pending the additional funding on the project and contingent on a favorable funding package from UDSA Rural Development.

If you have any questions, please contact me.

Sincerely,

Kris Carlson, PE
Associate Director - Civil

Cc: Laura Pettit, USDA Rural Development

Enc.

4/11/2024

BID TABULATION

2024 Sanitary Sewer Collection System and Wastewater Treatment Facility Improvements

Twin Valley, Minnesota

Date of Letting: Tuesday, April 12, 2024
Time: 10:00 A.M.

Planholder	Addendum	Bid Bond	Bid Amount
1. Gordon Construction of Mahnomen, Inc. 969 North Main Street Mahnomen, MN 56557	4	5%	$3,450,829.00
2. Sellin Brothers, Inc. P.O. Box 159 Hawley, MN 56549	4	5%	$3,397,240.00
3. RL Larson Excavating, Inc. 2250 12th Street SE St. Cloud, MN 56304-9705	4	5%	$3,868,159.30
4.			
5.			
6.			

I hereby certify that there were 3 sealed bids received and opened and 0 bids rejected on April 12, 2024 at Twin Valley, Minnesota.

Kristopher R Carlson, P.E., Ulteig Engineers, Inc.

United States Department of Agriculture

Rural Development

809 8th St SE
Detroit Lakes, MN
56501-2842

Voice 218.847.9392
Fax 855.804.4098

May 9, 2024

City of Twin Valley
tvcity@arvig.net

SUBJECT: Revised Letter of Conditions
Recipient Name: City of Twin Valley
Project Name: Wastewater Improvements Project
CFDA NUMBER – 10.760

USDA RD Loan:	$2,108,000
USDA RD Grant	$944,000
Applicant Contribution	$205,000
USDA RD Subsequent Loan:	$770,000

Dear Mayor:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. All revisions from the original Letter of Conditions dated 9-20-2021 are printed in red. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA Rural Development (RD), both of which are referred to throughout this letter as the Agency. Any changes in project cost, source of funds, scope of project, or any other significant changes in the project or applicant must be reported to and concurred with by the Agency by written amendment to this letter. This includes any significant changes in the Applicant's financial condition, operation, organizational structure or executive leadership. Any changes made without Agency concurrence shall be cause for discontinuing processing of the application.

This letter does not constitute loan and grant approval, nor does it ensure that funds are or will be available for the project. The funding is being processed based on a loan not to exceed $2,108,000, a grant not to exceed $944,000, and a subsequent loan not to exceed $770,000 . The loan and grant will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds" is signed by the Agency approval official.

The applicant will ensure projects are completed in a timely, efficient, and economical manner. You must meet all conditions set forth under Section III – Requirements Prior to Advertising for Bids within 1 year of this letter.

If you do not meet the conditions of this letter, the Agency reserves the right to withdraw Agency funding.

If you agree to meet the conditions set forth in this letter and desire further consideration be given to your application, please complete and return the following forms within 7 days:

Form RD 1942-46, "Letter of Intent to Meet Conditions"
Form RD 1940-1, "Request for Obligation of Funds"

All parties may access information and regulations referenced in this letter at our website located at: Water and Environmental Programs | Rural Development (usda.gov)

The conditions are as follows:

SECTION I - PROJECT SCOPE

1. Project Description – Funds will be used for the wastewater improvements project as described in the Preliminary Engineering Report dated November 2021, revision dated February 2023, and amendment dated April 2023, and Agency concurrence letter dated April 28th, 2023, and post-bid updated budget from 4-25-24.

Facilities will be designed and constructed in accordance with sound engineering practices and must meet the requirements of Federal, State, and local agencies. The proposed facility design must be based on the Preliminary Engineering Report (PER), as concurred with by the Agency.

2. Project Funding – The Agency is offering the following funding for your project:

Agency Loan -	**$2,108,000**
Agency Grant -	**$944,000**
Agency Loan (subsequent) -	**$770,000**

This offer is based upon the following additional funding being obtained.

Applicant Contribution -	**$205,000**
TOTAL PROJECT COST -	**$4,027,000**

Any changes in funding sources following obligation of Agency funds must be reported to the processing official. Prior to loan closing, any increase in non-Agency funding will be applied first as a reduction to Agency grant funds, up to the total amount of the grant, and then as a reduction to Agency loan funds.

The applicant must certify that they have exhausted all other funding avenues and have no pending funding considerations from any other sources. Further, the applicant must certify that they do not intend to apply anywhere else for funding for this project. If, after obligation of Agency funds, other funding becomes available, the Agency reserves the right to deobligate any and all funding for this project and to re-underwrite. This may result in the offering of a different funding package to for this project.

Prior to advertisement for construction bids, you must provide evidence of applicant contributions and other funding sources. This evidence should include a copy of the commitment letter. Agency funds will not be used to pre-finance funds committed to the project from other sources.

3. <u>Project Budget</u> – Funding from all sources has been budgeted for the estimated expenditures as follows:

<u>Project Costs:</u>	**<u>Total Budgeted:</u>**
Wastewater Collection System Construction	$1,316,523
Wastewater Treatment Facility	$1,205,250
Post-bid additional construction	$875,467
Contingencies	$102,860
Engineering	$318,300
Land & Rights	$38,400
Legal & Administrative	$25,300
Additional Legal & Administrative	$6,000
Interim Interest	$100,900
Additional Interim Interest	<u>$38,000</u>
	$4,027,000

Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. Obligated loan and/or grant funds not needed to complete the proposed project will be deobligated. Any reduction will be applied to Agency grant funds first. If actual project costs exceed the project cost estimates, an additional contribution by the Owner may be necessary. An “Amended Letter of Conditions” will be issued for any changes to the total project budget.

4. <u>Project Timeline</u> – To ensure that the project proceeds in a timely manner, key processing milestones have been established in accordance with the PER or other Agency approved documentation. **<u>Projects should be completed and Agency funds fully disbursed within three years of obligation.</u>** By agreeing to the terms herein, you agree to comply with the milestones identified below. If, for any reason, one or more of the milestones cannot be met, you must notify the Agency in writing at least 30 days prior to the referenced date. Should your final completion date become more than three years after obligation the written request will follow the procedures outlined in Section VI of this letter, including the submission of not less than 90 days prior to the benchmark. The correspondence must contain a valid explanation as to why the milestone cannot be met and include a proposed revised project completion schedule. If the

Agency agrees to the modification, a written confirmation will be issued. The Agency reserves the right to de-obligate loan and/or grant funds, or take other appropriate action, if the established or amended deadlines are not met.

SECTION II – RATES & TERMS

5. Interest Rates and Loan Terms – The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing, unless you request otherwise. Should the interest rate be reduced, the payment will be recalculated to the lower amount. The payment due date will be established as the day that the loan closes.

Your loan will be scheduled for repayment over a period of **40 years**. Payments will be equal annual amortized installments, beginning one year after closing. For planning purposes, use a **2.25**% interest which provides for an annual payment of **$80,484.** The precise payment amount will be based on the interest rate at which the loan is closed and may be different than the one above.

For the subsequent loan, payments will be equal annual amortized installments, beginning one year after closing. For planning purposes, use a **2.125**% interest which provides for an annual payment of **$28,775.** The precise payment amount will be based on the interest rate at which the loan is closed and may be different than the one above.

6. Security – The loan will be secured by a General Obligation Revenue bonds with first lien positions in the amount of **$2,108,000 and $770,000**. The bonds will be fully registered as to both principal and interest in the name of the "United States of America, Acting through the United States Department of Agriculture." Bond Counsel will be utilized in preparation of these documents.

The bonds and any ordinance or resolution relating thereto must not contain any provision in conflict with the Agency Loan Resolution, applicable regulations, or associated laws. There must be no defeasance or refinancing clause in conflict with the graduation requirements of 7 U.S.C. 1983.

Additional security requirements are contained in RUS Bulletin 1780-27, "Loan Resolution (Public Bodies) and/or RUS Bulletin 1780-12, "Water and Waste System Grant Agreement". A draft of all security instruments, including draft bond resolution, must be reviewed and concurred in by the Agency prior to advertising for bids. Bond/loan resolutions must be duly adopted and executed prior to loan closing.

The Grant Agreement will be executed prior to the first disbursement of grant funds. The grantee understands that any property acquired or improved with Federal grant funds may have use and disposition conditions which apply to the property as provided by 2 CFR part 200 in effect at this time and as may be subsequently modified. The grantee understands that any sale or transfer of property is subject to the interest of the United States Government in the market value in proportion to its participation the project.

7. Reserves – Reserves must be properly budgeted and set aside to maintain the financial viability and sustainability of any operation. Reserves are important to fund unanticipated emergency repairs, to assist with debt service should the need arise, and for the replacement of assets which have a useful life less than the repayment period of the loan. The following reserves are required to be established as a condition of this loan:

a. **Short-Lived Asset Reserve** – You must establish a short-lived asset reserve fund. Based on the PER, you must deposit at least **$6,000** into the short-lived asset reserve fund annually for the life of the loan to pay for repairs and/or replacement of major system assets. It is your responsibility to assess your facility's short-lived asset needs on a regular basis and adjust the amount deposited to meet those needs.

SECTION III –REQUIREMENTS PRIOR TO ADVERTISING FOR BIDS

8. Organization – The Bond Counsel transcripts of proceedings must show that your organization is a duly incorporated public body and has continued legal existence. Your organization must have the authority to own, construct, operate, and maintain the proposed facility, as well as for borrowing money, pledging security and raising revenues.

9. Suspension and Debarment Screening – You will be asked to provide information on the principals of your organization. Agency staff must conduct screening for suspension and debarment of the entity, as well as its principals through the Do Not Pay Portal.

Principal –

i. An officer, director, owner, partner, principal investigator, or other person within a participant with management or supervisory responsibilities related to a covered transaction; or

ii. A consultant or other person, whether or not employed by the participant or paid with federal funds, who –

1. Is in a position to handle federal funds;
2. Is in a position to influence or control the use of those funds; or,
3. Occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction. (2 CFR §180.995)

10. Environmental Requirements – The project, as proposed, has been evaluated to be consistent with the National Environmental Policy Act. Other Federal, State, tribal, and local laws, regulations and/or permits may apply or be required. If the project or any project element deviates from or is modified from the originally approved project, additional environmental review may be required.

11. **Engineering Services** – You have been required to complete an Agreement for Engineering Services, which should consist of the Engineers Joint Contract Documents Committee (EJCDC) documents as indicated in RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Documents on Water and Waste Projects with RUS Financial Assistance," or other approved form of agreement. The Agency will provide concurrence prior to advertising for bids and must approve any modifications to this agreement.

12. Contract Documents, Final Plans, and Specifications- All development will be completed by contract in accordance with applicable provisions of RUS Instruction 1780, Subpart C – Planning, Designing, Bidding, Contracting, Constructing and Inspections, (copy available upon request), and in compliance with all statutory requirements. You are responsible to share this with your engineer before pre-design.

a. The plans and specifications and all proposals required by law must be approved by the State regulatory Agency.

b. In preparing final design and providing service to the planned project area, you and your engineer will comply with all zoning and planning requirements of the appropriate governing bodies where service is to be provided.

c. The Agency will need to concur in the plans and specifications prior to advertising for bids. The Agency may require an updated cost estimate if a significant amount of time has elapsed between the original project cost estimate and advertising for bids.

d. The use of any procurement method other than competitive sealed bids must be requested in writing and approved by the Agency.

e. The contract documents must consist of the EJCDC construction contract documents as indicated in RUS Bulletin 1780-26 or other Agency-approved forms of agreement.

13. Build America, Buy America (BABAA) Requirements- Recipients of an award of Federal financial assistance from a program for infrastructure are hereby notified that none of the funds provided under this award may be used for a project for infrastructure unless:

a. all iron and steel permanently installed in the project are produced in the United States--this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;

b. all manufactured products permanently installed in the project are produced in the United States—this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation; and

c. all construction materials permanently installed are manufactured in the United States—this means that all manufacturing processes for the construction material occurred in the United States.

The BABAA requirement applies to the entirety of an infrastructure project even if only a portion of the project is funded by Federal funds.

The Buy America preference only applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project. As such, it does not apply to tools, equipment, and supplies, such as temporary scaffolding, brought to the construction site and removed at or before the completion of the infrastructure project. Nor does a Buy America preference apply to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project but are not an integral part of the structure or permanently affixed to the infrastructure project.

Waivers
When necessary, recipients may apply for, and the agency may grant, a waiver from these requirements. The agency should notify the recipient for information on the process for requesting a waiver from these requirements.

When the Federal agency has made a determination that one of the following exceptions applies, the awarding official may waive the application of the domestic content procurement preference in any case in which the agency determines that:

a. applying the domestic content procurement preference would be inconsistent with the public interest;

b. the types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or

c. the inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent.

A request to waive the application of the domestic content procurement preference must be in writing. The agency will provide instructions on the format, contents, and supporting materials required for any waiver request. Waiver requests are subject to public comment periods of no less than 15 days and must be reviewed by the Made in America Office.

Definitions
"Construction materials" includes an article, material, or supply—other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives—that is or consists primarily of:

- non-ferrous metals;

- plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables);
- glass (including optic glass);
- lumber; or
- drywall.

"Domestic content procurement preference'' means all iron and steel used in the project are produced in the United States; the manufactured products used in the project are produced in the United States; or the construction materials used in the project are produced in the United States.

"Infrastructure" includes, at a minimum, the structures, facilities, and equipment for, in the United States, roads, highways, and bridges; public transportation; dams, ports, harbors, and other maritime facilities; intercity passenger and freight railroads; freight and intermodal facilities; airports; water systems, including drinking water and wastewater systems; electrical transmission facilities and systems; utilities; broadband infrastructure; and buildings and real property. Infrastructure includes facilities that generate, transport, and distribute energy.

''Project'' means the construction, alteration, maintenance, or repair of infrastructure in the United States.

Owners are ultimately responsible for compliance with the evidence standards as outlined in the Build America Buy America (BABAA) appendix to this Letter. Owners are required to maintain records as specified in their loan or grant agreement, but in all cases, they should maintain records for a minimum of three years after the final expenditure report. Minimum records include certifications from manufacturers, the architect/engineer, and the prime contractor. Supporting documentation includes purchasing records and notes and photos taken by the Resident Project Representative (RPR). Further guidance regarding certifications will be provided by the Agency.

14. **Legal Services** –A legal services agreement is required with your attorney and bond counsel, if applicable, for any legal work needed in connection with this project. The agreement should stipulate an hourly rate for the work, with a "not to exceed" amount for the services, including reimbursable expenses. RUS Bulletin 1780-7, "Legal Services Agreement," or similar format may be used. The Agency will provide concurrence prior to advertising for bids. Any changes to the fees or services spelled out in the original agreement must be reflected in an amendment to the agreement and have prior Agency concurrence.

15. **Property Rights** - Prior to advertising for bids, you and your legal counsel must furnish satisfactory evidence that you have adequate continuous and valid control over the lands and rights-of-way needed for the project. Acquisitions of necessary land and rights must be accomplished in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Such control over the lands and rights will be evidenced by the following:

a. **Right-of-Way Map** – Your engineer will provide a map clearly showing the location of all lands and rights-of-way needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
b. **Form RD 442-20, "Right-of-Way Easement"** – This form, or similar format, may be used to obtain any necessary easements for the proposed project.
c. **Form RD 442-21, "Right-of-Way Certificate"** – You will provide a certification on this form that all right-of-way requirements have been obtained for the proposed project.
d. **Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way"** – Your attorney will provide a certification and legal opinion on this form addressing rights-of-way, easements, and title.
e. **Preliminary Title Work (Title Opinion)** – When applicable, your attorney or title company will provide a preliminary title opinion for any property related to the facility, currently owned and to be acquired, along with copies of deeds, contracts or options for purchasing said property. Form RD 1927-9, "Preliminary Title Opinion," may be used.

The approving official may waive title defects or restrictions, such as utility easements, that do not adversely affect the suitability, successful operation, security value, or transferability of the facility. Any such waivers must be provided by the approving official in writing prior to closing or the start of construction, whichever occurs first.

You are responsible for the acquisition of all property rights necessary for the project and for determining that prices paid are reasonable and fair. The Agency may require an appraisal by an independent appraiser or Agency employee in order to validate the price to be paid.

16. System Policies, Procedures, Contracts, and Agreements – The facility must be operated on a sound business plan which involves adopting policies, procedures, and/or ordinances outlining the conditions of service and use of the proposed system. Mandatory connection policies should be used where enforceable. The policies, procedures, and/or ordinances must contain an effective collection policy for accounts not paid in full within a specified number of days after the date of billing. They should include appropriate late fees, specified timeframes for disconnection of service, and reconnection fees. A draft of these policies, procedures, and/or ordinances must be submitted for Agency review and concurrence, along with the documents below, before closing instructions may be issued unless otherwise stated.

a. **Conflict of Interest Policy** – Prior to obligation of funds, you must certify in writing that your organization has in place up-to-date written standards of conduct covering conflict of interest. The standards of conduct must include disciplinary actions in the event of a violation by officers, employees, or agents of the borrower. The standards identified herein apply to any parent, affiliate or subsidiary organization of the borrower that is not a state or local government, or Indian Tribe. Policies and accompanying documents shall be furnished to Rural Development upon request.

   You must also submit a disclosure of planned or potential transactions related to the use of Federal funds that may constitute or present the appearance of personal or organizational conflict of interest. Disclosure must be in the form of a written letter signed and dated by the applicant's official. A negative disclosure in the same format is required if no conflicts are anticipated.

Sample conflict of interest policies may be found at the National Council of Nonprofits website, https://www.councilofnonprofits.org/tools-resources/conflict-of-interest, or in Internal Revenue Service Form 1023, Appendix A, "Sample Conflict of Interest Policy," at http://www.irs.gov/pub/irs-pdf/i1023.pdf. Though these examples reference non-profit corporations, the requirement applies to all types of Agency borrowers.

Assistance in developing a conflict of interest policy is available through Agency-contracted technical assistance providers if desired.

Fully executed copies of any policies, procedures, ordinances, contracts, or agreements above must be submitted prior to loan closing, with the exception of the conflict of interest policy, which must be in place prior to obligation of funds.

17. Closing Instructions – The Agency will prepare closing instructions as soon as the requirements of the previous paragraphs are complete, as well as a draft of the security instrument(s). Both your bond and legal counsel must comply with these instructions when closing the Agency loan/grant.

18. System Users – This letter of conditions is based upon your indication at application that there will be at least **319** residential users, and **47** non-residential users, on the proposed system when construction is completed.

Before the Agency can agree to the project being advertised for construction bids, you must certify that the number of users indicated at application are currently using the system or signed up to use the system once it is operational.

If the actual number of existing and/or proposed users that have signed up for service is less than the number indicated at the time of application, you must provide the Agency with a written plan on how you will obtain the necessary revenue to adequately cash flow the expected operation, maintenance, debt service, and reserve requirements of the proposed project (e.g., increase user rates, sign up an adequate number of other users, reduce project scope, etc.). Similar action is required if there is cause to modify the anticipated flows or volumes presented following approval.

If you are relying on mandatory connection requirements, you must provide evidence of the authorizing ordinance or statute along with your user certification.

a. **Positive Program to Encourage Connections** – You must provide a positive program to encourage connection by all users as soon as service is available. The program will be reviewed by the Agency prior to advertising for bids. A guide for developing your positive program is available from the Agency.

b. **User Agreements** – Users will be required to execute a Water or Sewer Users Agreement prior to advertising for construction bids. The amount of cash contributions required will be set by you and concurred with by the Agency. Contributions should be an amount high enough to indicate sincere interest on the part of the potential user, but not so high as to preclude service to low-income families, and must have a deadline for the contribution to be used or forfeited. RUS Bulletin 1780-9, "Water Users Agreement," or similar agreement may be used.

c. **Service Declination Statement** – Each potential user who is located along planned lines and declines the offered service will be provided an opportunity to sign a "Service Declination Statement."

19. Construction Account – A separate construction account is not required for project funds. However, the recipient must be able to separately identify, report and account for all Federal funds, including the receipt, obligation and expenditure of funds, in accordance with 2 CFR 200.305. These funds must be deposited in a bank with Federal Deposit Insurance Corporation (FDIC) insurance coverage. **If the balances at the financial institution where federal funds will be deposited exceeds the FDIC insurance coverage, the excess amount must be collaterally secured up to 100 percent of the highest amount of funds expected to be deposited in the account at any one time, per the Department of Treasury regulations and requirements.**

20. Interim Financing – The Agency's policy is to utilize interim financing for all loans exceeding $500,000. Prepayment penalties on interim financing are not allowed. Borrowers are required to seek interim financing initially from private or cooperative lenders if funds can be borrowed at reasonable interest rates on an interim basis from those sources for the construction period. The fact that a commercial lender's rates are higher than current Agency interest rates does not necessarily mean that the commercial rate is not reasonable.

21. Proposed Operating Budget – You must establish and/or maintain a rate schedule that provides adequate income to meet the minimum requirements for operation and maintenance (O and M), debt service, and reserves. Prior to advertising for bids, you must submit a proposed annual operating budget to the Agency, as well as your proposed rate schedule. The operating budget should be based on a typical year cash flow after completion of the construction phase and should be signed by the appropriate official of your organization. Form RD 442-7, "Operating Budget," or similar format may be utilized for this purpose. It is expected that O and M expenses will change over each successive year and user rates will need to be adjusted on a regular basis.

Technical assistance is available at no cost to help you evaluate and complete a rate analysis on your system. This assistance is available free to your organization. If you are interested, please contact our office for information.

22. **Permits** –The owner or responsible party will be required to obtain all applicable permits for the project, prior to advertising for bids. The consulting engineer must submit written evidence that all applicable permits required prior to construction have been obtained with submission to the Agency of the final plans, specifications, and bid documents.

23. **Risk and Resilience Assessment/Emergency Response Plan (RRA/ERP)** –The Agency requires all financed water and wastewater systems to have a RRA/ERP in place. New water or wastewater systems must provide a certification that an ERP is complete prior to the start of operation, and a certification that an RRA is complete must be submitted within one year of the start of operation. Borrowers with existing systems must provide a certification that an RRA/ERP has been completed prior to advertising for bids. Technical assistance is available in preparing these documents at no cost to you.

Before funds are drawn, you should have in place a cybersecurity plan, a supply chain plan, and a plan to comply with cybersecurity requirements of the National Institute of Science and Technology and the Cybersecurity and Infrastructure Security Administration. These items should be addressed in the RRA/ERP.

The RRA/ERP documents themselves are not submitted to the Agency. The RRA/ERP must address potential impacts from natural disasters and other emergency events. It should include plans to address impacts of flash flooding in areas where severe drought or wildfires occur. The documents should be reviewed and updated every five years at a minimum.

24. **Bid Authorization -** Once all the conditions outlined in Section III of this letter have been met, the Agency will authorize you to advertise the project for construction bids. Such advertisement must be in accordance with applicable State statutes.

SECTION IV - REQUIREMENTS PRIOR TO START OF CONSTRUCTION

25. **Disbursement of Agency Funds -** Agency funds will be disbursed electronically into the construction account as they are needed. SF 3881, "ACH Vendor/Miscellaneous Payment Enrollment Form," must be completed and submitted to the Agency prior to commencement of construction.

The order of disbursement is as follows: 1) Applicant contribution, 2) other funding sources, 3) interim financing or Agency loan funds, and 4) Agency grant funds. Interim financing or Agency loan funds will be expended after all other funding sources unless a written agreement is reached with all other funding sources on how funds are to be disbursed prior the first disbursement. Interim financing funds or Agency loan funds must be used prior to the use of Agency grant funds. Agency Grant funds must not be disbursed prior to loan funds except as authorized in 7 CFR 1780.45(d).

Grant funds are to be deposited in an interest-bearing account (exception provided below) in accordance with 2 CFR Part 200 and interest in excess of $500 per year remitted to the Agency.

The funds should be disbursed by the recipient immediately upon receipt, and there should be little interest accrual on the Federal funds. Recipients shall maintain advances of Federal funds in interest-bearing accounts, unless:

- The recipient receives less than $120,000 in Federal awards per year.
- The best reasonably available interest-bearing account would not be expected to earn interest in excess of $500 per year on Federal cash balances.
- The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
- A foreign government or banking system prohibits or precludes interest-bearing accounts.

26. **Bid Tabulation** – Immediately after bid opening, you must provide the Agency with the bid tabulation and your engineer's evaluation of bids and recommendations for contract awards. If the Agency agrees that the construction bids received are acceptable, adequate funds are available to cover the total project costs, and all the requirements of Section III of this letter have been satisfied, the Agency will authorize you to issue the Notice of Award.

a. **Cost Overruns –** If bids are higher than expected, or if unexpected construction problems are encountered, you must utilize all options to reduce cost overruns. Negotiations, redesign, use of bidding alternatives, rebidding or other means will be considered prior to commitment of subsequent funding by the Agency. Any requests for subsequent funding to cover cost overruns will be contingent on the availability of funds. Cost overruns exceeding 20 percent of the development cost at time of loan or grant approval or where the scope of the original purpose has changed will compete for funds with all other applications on hand as of that date.
b. **Excess Funds** - If bids are lower than anticipated at time of obligation, excess funds must be deobligated prior to start of construction except in the cases addressed in this paragraph. In cases where the original PER for the project included items that were not bid, or were bid as an alternate, the State Office official may modify the project to fully utilize obligated funds for those items. Amendments to the PER, ER, and Letter of Conditions may be needed for any work not included in the original project scope. In all cases, prior to start of construction, excess funds will be deobligated, with grant funds being deobligated first. Excess funds do not include contingency funds as described in this letter.

27. **Suspension and Debarment Screening** – In accordance with 2 CFR Part 180, Subpart C, as a condition of the transaction and the responsibilities to persons at the next lower tier with whom you enter into transactions, you must conduct screening for suspension and debarment of lower tier recipients (e.g., vendors, contractors, etc.).

28. **Contract Review** – Your attorney will certify that the executed contract documents, including performance and payment bonds, if required, are adequate and that the persons executing these documents have been properly authorized to do so in accordance with 7 CFR 1780.61(b).

Once your attorney has certified that they are acceptable, the contract documents will be submitted to the Agency for concurrence. Construction cannot commence until the Agency has concurred in the construction contracts.

29. Final Rights of Way – Your attorney or title company must furnish a separate final title opinion or Title Insurance Policy on all real property related to the facility, now owned and to be acquired for this project, as of the day of loan closing or start of construction, whichever occurs first. Form RD 1927-10, "Final Title Opinion" may be used.

If any of the right-of-way forms listed previously in this letter contain exceptions that do not adversely affect the suitability, successful operation, security value, or transferability of the facility, the approving official must provide a written waiver prior to the issuance of the Notice to Proceed.

30. Insurance and Bonding Requirements - Prior to the start of construction or loan closing, whichever occurs first, you must acquire and submit to the Agency proof of the types of insurance and bond coverage for the borrower shown below. The use of deductibles may be allowed, providing you have the financial resources to cover potential claims requiring payment of the deductible. The Agency strongly recommends that you have your engineer, attorney, and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility and not that of the Agency to assure that adequate insurance and fidelity bond coverage is maintained.

a. **General Liability Insurance** – Include vehicular coverage.
b. **Workers' Compensation** – In accordance with appropriate State laws.
c. **Guaranty or Fidelity Insurance**–Coverage for all persons who have access to funds, including persons working under a contract or management agreement. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees. Each position is to be insured in an amount equal to the maximum amount of funds expected to be under the control of that position at any one time. The minimum coverage allowed will be an amount equal to the total annual debt service payment on the Agency loans. The coverage may be increased during construction based on the anticipated monthly advances.
d. **National Flood Insurance** - If the project involves acquisition or construction in a designated special flood area, the community in which the acquisition or construction is situated must be currently participating in the national flood insurance program. Additionally, if the project involves acquisition or constriction in designated special flood or mudslide prone areas, a flood insurance policy must be in place at the time of loan closing.
e. **Real Property Insurance** – Fire and extended coverage will normally be maintained on all structures except reservoirs, pipelines and other structures if such structures are not

normally insured, and subsurface lift stations except for the value of electrical and pumping equipment. The Agency will be listed as mortgagee on the policy when the Agency has a lien on the property. Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all facilities identified above.

The Agency is to be listed as "Other Insured" so as to receive notifications on all insurance, regardless of security. Insurance types described above are required to be continued throughout the life of the loan. See Section VII.

31. Initial Civil Rights Compliance Review – The Agency will conduct an initial civil rights compliance review of the borrower prior to loan closing or start of construction, whichever occurs first, in accordance with 7 CFR 1901, Subpart E. You are expected to comply with the completion of the review, including the furnishing of any documents, records, or other applicable material.

32. Cybersecurity Plan – The applicant should have in place a cybersecurity plan, a supply chain plan, and a plan to comply with cybersecurity requirements of the National Institute of Standards and Technology and the Cybersecurity and Infrastructure Security Administration.

SECTION V – REQUIREMENTS PRIOR TO CLOSING

32. Interim Financing. Interim financing is being used. Generally, loan closing will occur near the end of construction when interim funds are fully disbursed. Documents detailed above from Sections II and III regarding security, electronic payments (Form 3550-28), and system policies, procedures, contracts, and agreements must be adopted and/or executed and submitted to the Agency prior to loan closing.

33. Electronic Payments – Payments will be made through an electronic preauthorized debit system. You will be required to complete Form RD 3550-28, "Authorization Agreement for Preauthorized Payments," for all new and existing indebtedness to the Agency prior to loan closing.

34. Other Requirements – All requirements contained in the Agency's closing instructions, as well as any requirements of your bond counsel and/or attorney, must be met prior to loan closing.

- **a. System for Award Management**. You will be required to maintain a Unique Entity ID (UEI) and maintain an active registration in the System for Award Management (SAM) database. Renewal can be completed online at: http://sam.gov. This registration must be renewed and revalidated every 12 months for as long as there is an active loan, grant, or guaranteed loan with the Agency.

  To ensure the information is current, accurate and complete, and to prevent the SAM account expiration, the review and updates must be performed within 365 days of the activation date, commonly referred to as the expiration date. The registration process may take up to 10 business days. (See 2 CFR Part 25 and the "Help" section at http://sam.gov).

b. **Litigation.** You are required to notify the Agency within 30 days of receiving notification of being involved in any type of litigation prior to loan closing or start of construction, whichever occurs first. Additional documentation regarding the situation and litigation may be requested by the Agency.

c. **Certified Operator**. Evidence must be provided that your system has or will have a certified operator, as defined by applicable State or Federal requirements, available prior to the system becoming operational, or that a suitable supervisory agreement with a certified operator is in effect.

SECTION VI – REQUIREMENTS DURING CONSTRUCTION AND POST CONSTRUCTION

35. Construction Completion Timeframe – Following the benchmarks established in Section I, Item 4, Project Timeline, all projects should be completed and Agency funds fully disbursed within three years of the date of obligation. If funds are not disbursed within three years of obligation and you have not already done so per Section I, Item 4, you must submit a written request for extension of time to the Agency with adequate justification of the circumstances, including any beyond your control. The request must be submitted at least 90 days prior to the end of the three-year timeframe and include a revised estimated date of completion. The Agency will typically only allow one extension. Subsequent requests for waivers beyond the initial extension or requests that exceed five years from the initial date of obligation will be submitted to the RUS, Water and Environmental Programs for consideration. The Agency retains the right to de-obligate any loan and/or grant monies, or take other appropriate action, related to unliquidated funds that exceed the timeframes above and are not under an active extension.

36. **Resident Inspector(s)** – Full-time inspection is required unless you request an exception. Such requests must be made in writing and the Agency must provide written concurrence. Inspection services are to be provided by the consulting engineer unless other arrangements are requested in writing and concurred with by the Agency. A resume of qualifications of any resident inspector(s) will be submitted to the owner and Agency for review and concurrence prior to the pre-construction conference. The resident inspector(s) must attend the preconstruction conference.

37. Preconstruction Conference – A preconstruction conference will be held prior to the issuance of the Notice to Proceed. The consulting engineer will review the planned development with the Agency, owner, resident inspector, attorney, contractor, other funders, and other interested parties, and will provide minutes of this meeting to the owner and Agency.

38. <u>Inspections</u> - The Agency requires a preconstruction conference, pre-final, final, and warranty inspections. Your engineer will schedule a warranty inspection with the contractor and the Agency before the end of the one-year warranty period to address and/or resolve any outstanding warranty issues. The Agency will conduct an inspection with you of your records management system at the same time and will continue to inspect the facility and your records system every three years for the life of the loan. See Section VII of this letter.

39. <u>Change Orders</u> – A Change Order must be submitted for all modifications to the approved scope of work, including existing contracts. This includes non-physical modifications such as any time extension requests. Prior written Agency concurrence is required for all Change Orders.

40. <u>Payments</u> – Prior Agency concurrence is required for all invoices and requests for payment before Agency funds will be released. Requests for payment related to a contract or service agreement will be signed by the owner, project engineer, and contractor or service provider prior to Agency concurrence. Invoices not related to a construction contract or service agreement will include the owner's written concurrence.

41. <u>Use of Remaining Funds</u> – As stated above, applicant contribution and connection or tap fees will be the first funds expended in the project. Funds remaining after all costs incident to the basic project have been paid or provided will be handled as follows:

a. Funds remaining after the applicant contribution and connection fees may be considered in direct proportion to the amounts of funding obtained from each source. The use of Agency funding will be limited to eligible loan and grant purposes, provided the use will not result in major changes to the <u>original</u> scope of work and the purpose of the loan and grant remains the same.
b. Any reductions in the Agency funding will be first applied to the grant funds.
c. Grant funds not expended for authorized purposes will be cancelled following project completion. Prior to actual cancellation, you, your attorney and engineer will be notified of the Agency's intent to cancel the remaining funds and given appropriate appeal rights.
d. Under no circumstances is it appropriate to use remaining funds as contributions to a new project outside the scope of the funded project.
e. Loan funds that are not needed will be cancelled (de-obligated) prior to loan closing.

42. <u>Technical, Managerial and Financial Capacity</u> - It is required that members of the Board of Directors, City Council members, trustees, commissioners and other governing members possess the necessary technical, managerial, and financial capacity skills to consistently comply with pertinent Federal and State laws and requirements. It is recommended members receive training within one year of appointment or election to the governing board, and a refresher training for all governing members on a routine basis. The content and amount of training should be tailored to the needs of the individual and the utility system. Technical assistance providers are available to provide this training for your organization, often at no cost. Contact the Agency for additional information.

43. Reporting Requirements Related to Expenditure of Funds -- An annual audit under 2 CFR 200 is required if you expend $750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law and must be submitted within 9 months of your fiscal year end. Both the audit and accompanying management report must be submitted for review.

If an audit is required, you must enter into a written agreement with the auditor and submit a copy of that agreement to the Agency prior to the advertisement of construction bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit to be completed, the time frame in which the audit will be completed, and how irregularities will be reported.

SECTION VII – SERVICING REQUIREMENTS DURING THE TERM OF THE LOAN

44. Prepayment and Extra Payments - Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower, with no penalty.

Security instruments, including bonding documents, must contain the following language regarding extra payments, unless prohibited by State statute:

> *Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Agency debt, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of borrower to pay the remaining installments as scheduled in your security instruments.*

45. Annual Financial Reporting/Audit Requirements – You are required to submit an annual financial report at the end of each fiscal year. The annual report will be certified by the appropriate organization official, and will consist of financial information, a current rate schedule, and listing of board members with their terms. Financial statements must be prepared on an accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The annual report will include separate reporting for each water and waste disposal facility, and itemized cash accounts by type (debt service, short-lived assets, etc.) under each facility. All records, books and supporting material are to be retained for three years after the issuance of the annual report. Technical assistance is available, at no cost, with preparing financial reports.

The type of financial information that must be submitted is specified below:

a. **Audits** – An audit under the Single Audit Act is required if you expend $750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

   See Section VI for additional information regarding audits.

b. **Financial Statements** – If you expend less than $750,000 in Federal financial assistance per fiscal year, you may submit financial statements in lieu of an audit which include, at a minimum, a balance sheet and an income and expense statement. You may use Form RD 442-2, "Statement of Budget, Income and Equity," and 442-3, "Balance Sheet," or similar format to provide the financial information. The financial statements must be signed by the appropriate borrower official and submitted within 60 days of your fiscal year end.

46. Annual Budget and Projected Cash Flow - Thirty days prior to the beginning of each fiscal year, you will be required to submit an annual budget and projected cash flow to this office. The budget must be signed by the appropriate borrower official. Form RD 442-2, "Statement of Budget, Income and Equity," or similar format may be used.

Technical assistance is available at no cost to help you evaluate and complete a rate analysis on your system, as well as completing the annual budget.

47. Graduation - By accepting this loan, you are also agreeing to refinance (graduate) the unpaid loan balance in whole, or in part, upon request of the Government. If at any time the Agency determines you can obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms, you will be requested to refinance. Your ability to refinance will be assessed every other year for those loans that are five years old or older.

48. Security/Operational Inspections – The Agency will inspect the facility and conduct a review of your operations and records management system and conflict of interest policy every three years for the life of the loan. You must participate in these inspections and provide the required information.

49. System for Award Management. You will be required to maintain a Unique Entity ID (UEI) and maintain an active registration in the System for Award Management (SAM) database. Further information can be found at paragraph 33 of this letter.

50. Risk and Resiliency Assessment/Emergency Response Plan (RRA/ERP) – The RRA/ERP is further outlined under Section III of this letter. You will be required to submit a certification to the servicing office every five years that the RRA/ERP is current and covers all sites related to the facility. The RRA/ERP documents themselves are not submitted to the Agency. The RRA/ERP must address potential impacts from natural disasters and other emergency events. It should include plans to address impacts of flash flooding in areas where severe drought or wildfires occur. Technical assistance is available in preparing these documents at no cost to you.

51. Insurance. – Insurance requirements are further outlined in Section IV of this letter. You will be required to maintain insurance on the facility and employees as previously described in this letter for the life of the loan.

52. Statutory and National Policy Requirements – As a recipient of Federal funding, you are required to comply with U.S. statutory and public policy requirements, including but not limited to:

a. **Section 504 of the Rehabilitation Act of 1973** – Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Agency financial assistance.

b. **Civil Rights Act of 1964** – All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and 7 CFR 1901, Subpart E, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by Paragraph 1901.202(e) of this Title.

c. **The Americans with Disabilities Act (ADA) of 1990** – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications.

d. **Age Discrimination Act of 1975** – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

e. **Limited English Proficiency (LEP) under Executive Order 13166** - LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally-assisted and/or conducted programs on the ground of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons. LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge. You must take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to USDA programs, services, and information your organization provides. These protections are pursuant to Executive Order 13166 entitled, "Improving Access to Services by Persons with Limited English Proficiency" and further affirmed in the USDA Departmental Regulation 4330-005, "Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA."

f. **Controlled Substances Act** - Even though state law may allow some activities, as a recipient of Federal funding, you are subject to the Controlled Substances Act. Specific questions about the Controlled Substances Act should be directed to the Servicing Official who will contact the Office of General Counsel, as appropriate.

53. Compliance Reviews and Data Collection – Agency financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. You must display posters (provided by the Agency) informing users of these requirements, and the Agency will monitor your compliance with these requirements during regular compliance reviews.

The Agency will conduct regular compliance reviews of the borrower and its operation in accordance with 7 CFR Part 1901, Subpart E, and 36 CFR 1191, Americans with Disabilities Act (ADA) Accessibility Guidelines for Buildings and Facilities; Architectural Barriers Act (ABA) Accessibility Guidelines. Compliance reviews will typically be conducted in conjunction with the security inspections described in this letter.

If beneficiaries (users) are required to complete an application or screening for the use of the facility or service that you provide, you must request and collect data by race (American Indian or Alaska Native, Asian, Black or African American, White); ethnicity (Hispanic or Latino, Not Hispanic or Latino); and by sex. The Agency will utilize this data as part of the required compliance review.

SECTION VIII – REMEDIES FOR NON-COMPLIANCE

Non-compliance with the conditions in this letter or requirements of your security documents will be addressed under the provisions of Agency regulations, statutes, and other applicable policies.

We look forward to working with you to complete this project. If you have any questions, please contact Laura Pettit at laura.pettit@usda.gov or 218-530-3299.

Sincerely,

Laura A. Pettit

Laura Pettit
Area Specialist

Attachments

cc: Community Programs Director
Accountant
Attorney
Bond Counsel
Engineer

FORMS and BULLETINS:

Form AD-3031 "Assurance Regarding Felony Convictions or Tax Delinquent Status for Corporate Applicants" – Item 30
Internal Revenue Service Form 1023, Appendix A, "Sample Conflict of Interest Policy" - Item 15
Form RD 440-22, "Promissory Note" – Item 6
Form RD 442-2, "Statement of Budget, Income and Equity" – Items 45 and 46
Form RD 442-3, "Balance Sheet" – Item 45
Form RD 442-7, "Operating Budget" – Item 20
Form RD 442-20, "Right-of-Way Easement" – Item 14
Form RD 442-21, "Right-of-Way Certificate" – Item 14
Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way" – Item 14
Form RD 1927-9, "Preliminary Title Opinion" – Item 14
Form RD 1927-10, "Final Title Opinion" – Item 28
Form RD 1940-1, "Request for Obligation of Funds" – Pages 1 and 2
Form RD 1942-8, "Resolution of Members or Stockholders" – Item 6
Form RD 1942-46, "Letter of Intent to Meet Conditions" – Page 2
Form RD 3550-28, "Authorization Agreement for Preauthorized Payments" – Items 32 and 33
Form UCC-1, "Financing Statement" – Item 6
Form UCC-1Ad, "UCC Financing Statement Addendum" – Item 6
SF 3881, "ACH Vendor/Miscellaneous Payment Enrollment Form" – Item 24
RUS Bulletin 1780-7, "Legal Services Agreement" – Item 13
RUS Bulletin 1780-9, "Water Users Agreement" - Items 15 and 17
RUS Bulletin 1780-12, "Water and Waste System Grant Agreement" – Item 6
RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Documents on Water and Waste Projects with RUS Financial Assistance" – Items 11 and 12
RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)" – Item 6

RUS Bulletin 1780-28, “Loan Resolution Security Agreement” – Item 6

Appendix B
Build America, Buy America Evidence Standards

Manufacturers
For each item to which BABAA applies (every item permanently installed on the project, except for aggregate and aggregate binding materials), a manufacturer's certification letter or other document demonstrating compliance is required. It must, at a minimum, identify the item being certified (short written description as well as part number, if applicable) and affirm that the item complies with BABAA. This document must be signed by an authorized company representative.

Architects and Engineers
Compliance with BABAA will be spelled out in agreements for services, construction contracts, and procurement contracts. Generally, the A/E contract should include, as a basic service, obtaining and maintaining all BABAA documentation (particularly manufacturers' certifications) during construction, which shall be transferred to the Owner upon completion of the project. The architect or engineer will need to certify to this action at the project's end.

Resident Project Representative / Resident Inspector
As part of their duties, Resident Project Representative/Resident Inspector should be instructed to verify items delivered to the site and installed are accompanied by documentation of compliance with BABAA. They should photograph items as appropriate. RPR/RI daily logs and photographs will become part of the construction record and can be used as supporting information during audits, providing evidence for items that are buried or otherwise inaccessible.

Contractors
Construction contract(s) must include a requirement to procure and install only items that comply with BABAA or are subject to an approved waiver. Contractors must provide manufacturers' certifications for all BABAA compliant items to the responsible party before a request for reimbursement to the Agency is made. At completion, the contractor will be required to certify that all items used on the contract complied with BABAA and that all manufacturers' certifications were provided.

UNDERWRITING INFORMATION

Customer Name: **CITY OF TWIN VALLEY**

Project Name: **Wastewater Improvements Project**

Case Number: **27-054-*****5586**

Customer Identifier: **468587849**

LOAN DETERMINATION

	Water	Waste	Total
Monthly Cost Per EDU (excluding Assessments & GO Bonds)	0.00	45.42	
Number of EDUs	0	477	
Wholesale Cost/ 1,000 Gal	0.00	0.00	
Wholesale Income Per Month	0	0	
Total Sales	0	259,955	259,955
Other Income (Annual)	0	8,307	8,307
Total Annual Income	0	268,262	268,262
O&M (Less Interest & Depreciation)	0	106,797	106,797
Replacement Reserve - Short Lived Assets	0	6,000	6,000
Other Annual Expenses	0	0	0
Debt Service & Reserve			46,200
Total Cash Outflow (Annual)			158,997
Balance Available for New Loan Payment			109,265
Commerical Credit (Maximum Loan Amount)			1,599,038
WEP Maximum Loan Amount			2,878,000
WEP Grant Amount Needed			944,000

PROJECT FINANCING

Total Project Cost	4,027,000
Previously Funded Loan	2,108,000
Previously Funded Grant	944,000
Applicant Contribution	205,000
Other Funding Sources	0
Contribution Connection/Tap Fees	0
Proposed Loan Amount	770,000
Proposed Grant Amount	0
Total Project Funding	4,027,000

Current Ratio	5.34	Debt Service Ratio	1.07
Current Ratio - FY	N/A	Debt Service Ratio - FY	N/A
Total Monthly Water EDU Cost	0.00	% of Project MHI (Water)	0.00%
Total Monthly Sewer EDU Cost	46.87	% of Project MHI (Sewer)	1.17%

(the above includes Assessments and GO Bonds)

City of Twin Valley Date

USDA
Form RD 1940-1
(Rev. 06-10)

REQUEST FOR OBLIGATION OF FUNDS

FORM APPROVED
OMB No. 0570-0062

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED ( )
Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.

1. CASE NUMBER
ST CO BORROWER ID
27-054-*****5586

LOAN NUMBER

FISCAL YEAR

2. BORROWER NAME
CITY OF TWIN VALLEY

3. NUMBER NAME FIELDS
(1, 2, or 3 from Item 2)

4. STATE NAME
Minnesota

5. COUNTY NAME
Norman

GENERAL BORROWER/LOAN INFORMATION

6. RACE/ETHNIC CLASSIFICATION
1 - WHITE 2 - BLACK 3 - AI/AN 4 - HISPANIC 5 - A/PI

7. TYPE OF APPLICANT
4
1 - INDIVIDUAL 2 - PARTNERSHIP 3 - CORPORATION 4 - PUBLIC BODY 5 - ASSOC. OF FARMERS 6 - ORG. OF FARMERS 7 - NONPROFIT-SECULAR 8 - NONPROFIT-FAITH BASED 9 - INDIAN TRIBE 10-PUBLIC COLLEGE/UNIVERSITY 11-OTHER

8. COLLATERAL CODE
7
1- REAL ESTATE SECURED 2-REAL ESTATE AND CHATTEL 3 - NOTE ONLY OR CHATTEL ONLY 4 - MACHINERY ONLY 5 - LIVESTOCK ONLY 6 - CROPS ONLY 7 - SECURED BY BONDS 8 - RLF ACCT

9. EMPLOYEE RELATIONSHIP CODE
1 - EMPLOYEE 2 - MEMBER OF FAMILY 3 - CLOSE RELATIVE 4 - ASSOC.

10. SEX CODE
6
1 - MALE 2 -FEMALE 3 - FAMILY UNIT 4 - ORGAN. MALE OWNED 5 - ORGAN FEMALE OWNED 6 - PUBLIC BODY

11. MARITAL STATUS
1 - MARRIED 2 - SEPARATED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)

12. VETERAN CODE
1 -YES 2 -NO

13. CREDIT REPORT
2
1 -YES 2 -NO

14. DIRECT PAYMENT
2
(See FMI)

15. TYPE OF PAYMENT
2
1 - MONTHLY 2 - ANNUALLY 3 - SEMI-ANNUALLY 4 - QUARTERLY

16. FEE INSPECTION
2
1 -YES 2 - NO

17. COMMUNITY SIZE
1 - 10 000 OR LESS 2 - OVER 10,000 (FOR SFH AND HPG ONLY)

18. USE OF FUNDS CODE
(See FMI)

COMPLETE FOR OBLIGATION OF FUNDS

19. TYPE OF ASSISTANCE
062
(See FMI)

20. PURPOSE CODE

21. SOURCE OF FUNDS

22. TYPE OF ACTION
1 -OBLIGATION ONLY 2 - OBLIGATION/CHECK REQUEST 3 - CORRECTION OF OBLIGATION

23. TYPE OF SUBMISSION
2
1 - INITIAL 2 -SUBSEQUENT

24. AMOUNT OF LOAN
770,000.00

25. AMOUNT OF GRANT

26. AMOUNT OF IMMEDIATE ADVANCE

27. DATE OF APPROVAL
MO DAY YR

28. INTEREST RATE
2.125 %

29. REPAYMENT TERMS
40

COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS

30. PROFIT TYPE
1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT

COMPLETE FOR EM LOANS ONLY

31. DISASTER DESIGNATION NUMBER
(See FMI)

COMPLETE FOR CREDIT SALE-ASSUMPTION

32. TYPE OF SALE
1 -CREDIT SALE ONLY 2 - ASSUMPTION ONLY 3 -CREDIT SALE WITH SUBSEQUENT LOAN 4 -ASSUMPTION WITH SUBSEQUENT LOAN

FINANCE OFFICE USE ONLY

33. OBLIGATION DATE
MO DA YR

COMPLETE FOR FP LOANS ONLY

34. BEGINNING FARMER/RANCHER
(See FMI)

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder **COPY 1 - Finance Office** **COPY 2 - Applicant/Lender** **COPY 3 - State Office**

CERTIFICATION APPROVAL

For All Farmers Programs | EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

Subject to letter of conditions, availability of funds, 1940-1, BABAA requirements.

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form. ☐ YES ☐ NO

WARNING: **Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."**

Date________________________, 20 ____ ____________________________________

Mayor

(Signature of Applicant)

Date________________________, 20 ____ ____________________________________

(Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

____

(Signature of Approving Official)

Typed or Printed Name: ______________________________

Date Approved: ______________________ Title: ______________________________

38. TO THE APPLICANT: As of this date ____________________ , this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.

Form RD 1942-46
(Rev. 6-10)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

FORM APPROVED
OMB NO. 0575-0015
OMB NO. 0570-0062

LETTER OF INTENT TO MEET CONDITIONS

Date Subject to

TO: United States Department of Agriculture

USDA Rural Development
(Name of USDA Agency)

(USDA Agency Office Address)

We have reviewed and understand the conditions set forth in your letter dated ____________. It is our intent to meet all of them not later than ____________ .

CITY OF TWIN VALLEY
(Name of Association)

BY______________________

Mayor
(Title)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a persons is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0570-0062. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data. needed, and completing and reviewing the collection of information.

May 2, 2024

Rachel Johnson
City of Twin Valley
107 2nd Street SW
P.O. Box 27
Twin Valley, MN 56584

RE: Dollar General Store
Annexation/Rezoning

Ms. Johnson:

The Overland Group is under contract to purchase property shown in the attached survey from Michael and Jamie Kitchell. On behalf of the current owners and per the terms of our purchase contract, the owners request that the property be annexed into the City of Twin Valley with appropriate commercial zoning for development of a Dollar General retail store.

A copy of the annexation petition is attached.

Please let me know if you have any questions or comments.

Sincerely,

Jacob Stauffer, The Overland Group

Michael Kitchell, Owner

Jamie Kitchell, Owner

PROPERTY OWNER PETITION TO MUNICIPALITY
FOR ANNEXATION BY ORDINANCE - 120 Acres or Less

IN THE MATTER OF THE PETITION OF CERTAIN PERSONS FOR THE ANNEXATION OF CERTAIN LAND TO THE CITY OF Twin Valley, MINNESOTA PURSUANT TO MINNESOTA STATUTES § 414.033, SUBD. 2(3)

TO: Council of the City of Twin Valley, Minnesota

PETITIONER(S) STATE: All of the property owners in number are required to commence a proceeding under Minnesota Statutes § 414.033, Subd. 2(3).

It is hereby requested by:

_____ the sole property owner; or
_X_ all of the property owners. (If the land is owned by more than one person, all must sign the petition to represent all owners.)

of the area proposed for annexation to annex certain property described herein lying in the Township of Wild Rice to the City of Twin Valley, County of Norman, Minnesota.

The area proposed for annexation is described as follows:

INSERT THE COMPLETE AND ACCURATE PROPERTY DESCRIPTION.
DO NOT USE DESCRIPTIONS FROM PROPERTY TAX STATEMENTS.

1. There are 1 property owners in the area proposed for annexation. (If a property owner owns more than one parcel in the area proposed for annexation, he/she is only counted once as an owner - the *number* of parcels *owned* by a petitioner is not counted.)

2. The land abuts the municipality and the area to be annexed is 120 acres or less, and the area to be annexed is not presently served by public wastewater facilities or public wastewater facilities are not otherwise available.

   Except as provided for by an orderly annexation agreement, this clause may not be used to annex any property contiguous to any property previously annexed under this clause within the preceding 12 months if the property is owned by the same owners and annexation would cumulatively exceed 120 acres.

3. Said property is unincorporated, abuts on the city's N S E W (circle one) boundary(ies), and is not included within any other municipality.

4. The area of land proposed for annexation, in acres, is 3.11 acres.

5. The reason for the requested annexation is utility connection.

PETITIONERS REQUEST: That pursuant to Minnesota Statutes § 414.033, the property described herein be annexed to and included within the City of Twin Valley, Minnesota.

Dated: 05/03/2024

Signatures: [signature]

[signature]

NOTE: Pursuant to Minnesota Statutes § 414.033, Subd. 2b, before a municipality may adopt an ordinance under subdivision 2, clause (2), (3), or (4), a municipality must hold a public hearing and give 30 days' written notice by certified mail to the town or towns affected by the proposed ordinance and to all landowners within and contiguous to the area to be annexed.

NOTE: Pursuant to Minnesota Statutes § 414.033, Subd. 11, when a municipality declares land annexed to the municipality under subdivision 2, clause (3), and the land is within a designated floodplain, as provided by section 103F.111, subdivision 4, or a shoreland area, as provided by section 103F.205, subdivision 4, the municipality shall adopt or amend its land use controls to conform to chapter 103F, and any new development of the annexed land shall be subject to chapter 103F.

NOTE: Pursuant to Minnesota Statutes § 414.033, Subd. 12, when a municipality annexes land under subdivision 2, clause (2), (3) or (4), property taxes payable on the annexed land shall continue to be paid to the affected town or towns for the year in which the annexation becomes effective. If the annexation becomes effective on or before August 1 of a levy year, the municipality may levy on the annexed area beginning with that same levy year. If the annexation becomes effective after August 1 of a levy year, the town may continue to levy on the annexed area for that levy year, and the municipality may not levy on the annexed area until the following levy year.

NOTE: Pursuant to Minnesota Statutes § 414.033, Subd 13, at least 30 days before a municipality may adopt an ordinance under subdivision 2, clause (2), (3), or (4), the petitioner must be notified by the municipality that the cost of electric utility service to the petitioner may change if the land is annexed to the municipality. The notice must include an estimate of the cost impact of any change in electric utility services, including rate changes and assessments, resulting from the annexation.

Municipal Boundary Adjustment Unit Contact
Star Holman *star.holman@state.mn.us* *651-361-7909*
(March 2023)

LIQUOR STORE DAILY SALES
APRIL 2024

Date	Food	Beverage	Bar Beer	Bar Liquor	Bar Wine	Cigs	Clothing	Off Beer	Off Liquor	Off Wine	Off Taxable	Bar Misc.	Drink Chip	Total Daily Sales	Sales Tax Collected	Total Sales w/tax	CC Sales	CC Surg	Gift Cert	Adjusted Daily Sales	Daily Deposit	(+/-)	Lottery Deposit	Misc
1	$ 185.78	$ 53.59	$ 161.75	$ 235.74		$ 99.88		$ 228.46	$ 148.81	$ 20.98	$ 4.49		$ -	$ 1,139.48	$ 96.54	$ 1,236.02	$ 469.36	$ 13.10		$ 779.76	$ 780.35	$ 0.59	$ 162.00	
2	$ 32.12	$ 8.40	$ 94.44	$ 42.78		$ 28.00		$ 314.34	$ 160.85	$ 33.48	$ 13.16		$ -	$ 727.57	$ 10.34	$ 737.91	$ 371.89				$ 435.47		$ 68.00	
3	$ 134.55	$ 17.72	$ 135.63	$ 122.40		$ 28.00		$ 629.17	$ 90.92	$ 12.98	$ 9.99	$ 1.50	$ 8.00	$ 1,190.86	$ 14.65	$ 1,205.51	$ 513.30				$ 804.00		$ 229.00	
4	$ 178.80	$ 27.04	$ 200.88	$ 187.02		$ 70.00		$ 602.58	$ 275.79	$ 48.96	$ 16.09		$ 5.00	$ 1,612.16	$ 27.74	$ 1,639.90	$ 1,005.22				$ 771.88		$ 103.00	
5	$ 203.46	$ 25.16	$ 454.81	$ 261.18	$ 3.87	$ 64.00		$ 798.51	$ 503.28	$ 64.45			$ -	$ 2,407.69	$ 43.79	$ 2,451.48	$ 1,605.01				$ 1,122.75		$ 227.00	
6	$ 287.96	$ 74.83	$ 1,093.08	$ 560.12		$ 37.00		$ 806.85	$ 250.53		$ 3.29	$ 4.75	$ (5.00)	$ 3,113.41	$ 49.31	$ 3,162.72	$ 1,862.53				$ 1,594.44		$ 203.00	
7													$ -	$ -		$ -					$ -		$ -	
8	$ 97.78	$ 20.05	$ 146.07	$ 70.77				$ 524.21	$ 209.88	$ 42.47	$ 22.98		$ -	$ 1,134.21	$ 20.13	$ 1,154.34	$ 726.37				$ 540.92		$ 85.00	
9	$ 120.82	$ 23.77	$ 117.20	$ 97.41		$ 22.00		$ 464.38	$ 219.83	$ 30.46	$ 12.57	$ 1.50	$ -	$ 1,109.94	$ 18.97	$ 1,128.91	$ 662.69				$ 570.35		$ 28.00	
10	$ 123.37	$ 21.89	$ 187.72	$ 157.00		$ 60.00		$ 882.58	$ 292.01	$ 24.48	$ 19.74		$ (5.00)	$ 1,763.79	$ 18.19	$ 1,781.98	$ 637.44		$ 3.25		$ 1,307.75		$ 161.00	
11	$ 73.72	$ 20.05	$ 169.73	$ 312.41	$ 7.74	$ 28.00		$ 370.93	$ 158.99	$ 51.46			$ -	$ 1,193.03	$ 15.47	$ 1,208.50	$ 603.71		$ 4.00		$ 714.99		$ 3.00	
12	$ 187.64	$ 12.60	$ 469.12	$ 279.56	$ 15.48	$ 40.00	$ 25.00	$ 931.15	$ 121.54	$ 10.49	$ 36.45	$ 1.50	$ 36.00	$ 2,166.53	$ 40.25	$ 2,206.78	$ 1,480.39				$ 928.30		$ (47.00)	
13	$ 272.37	$ 25.18	$ 596.70	$ 309.41	$ 11.61	$ 68.00		$ 1,157.77	$ 388.30	$ 92.41	$ 15.53	$ 4.50	$ 9.00	$ 2,950.78	$ 58.81	$ 3,009.59	$ 2,119.09				$ 1,166.01		$ 50.00	
14								$ 20.98					$ -	$ 20.98	$ 0.69	$ 21.67	$ 26.74				$ -		$ -	
15	$ 143.17	$ 7.46	$ 92.85	$ 60.76		$ 42.00		$ 383.27	$ 193.75	$ 8.49	$ 11.57	$ 6.00	$ -	$ 949.32	$ 15.20	$ 964.52	$ 553.62		$ (8.00)		$ 504.40		$ 37.00	
16	$ 52.14	$ 9.79	$ 307.85	$ 182.28		$ 42.00		$ 362.27	$ 123.94				$ 4.00	$ 1,084.27	$ 8.91	$ 1,093.18	$ 315.39				$ 850.98		$ (25.00)	
17	$ 93.11	$ 18.65	$ 118.15	$ 83.28		$ 70.00		$ 381.78	$ 178.86		$ 20.00	$ 1.50	$ (4.00)	$ 961.33	$ 9.37	$ 970.70	$ 346.43				$ 713.14		$ 56.00	
18	$ 103.85	$ 32.15	$ 165.90	$ 123.11		$ 64.00		$ 498.98	$ 420.56	$ 29.97	$ 4.49		$ -	$ 1,443.01	$ 28.47	$ 1,471.48	$ 1,017.70				$ 580.10		$ (6.00)	
19	$ 169.92	$ 63.34	$ 1,087.57	$ 620.21	$ 164.00		$ 25.00	$ 914.47	$ 483.30	$ 21.47	$ 32.94	$ 6.25	$ 33.00	$ 3,621.47	$ 48.29	$ 3,669.76	$ 1,858.40		$ 4.00		$ 2,130.58		$ 57.00	
20	$ 181.57	$ 47.55	$ 303.26	$ 167.01		$ 70.00		$ 1,015.24	$ 352.35	$ 43.54	$ 23.76	$ 3.00	$ -	$ 2,207.28	$ 47.36	$ 2,254.64	$ 1,776.64				$ 690.61		$ 40.00	
21													$ -	$ -		$ -					$ -		$ -	
22	$ 68.93	$ 35.42	$ 132.68	$ 84.64		$ 109.32		$ 373.50	$ 227.82	$ 53.95	$ 14.48		$ (4.00)	$ 1,096.74	$ 17.75	$ 1,114.49	$ 650.06		$ 9.00		$ 550.28		$ 8.00	
23	$ 74.95	$ 11.20	$ 163.80	$ 137.91		$ 46.00		$ 482.73	$ 202.85	$ 18.48	$ 4.99	$ 6.25	$ 8.00	$ 1,157.16	$ 13.06	$ 1,170.22	$ 484.47				$ 785.77		$ 22.00	
24	$ 63.55	$ 28.45	$ 77.59	$ 53.01		$ 14.00		$ 544.19	$ 138.87	$ 7.98	$ 4.99	$ 1.50	$ -	$ 934.13	$ 15.97	$ 950.10	$ 552.24				$ 486.14		$ 52.00	
25	$ 229.10	$ 12.60	$ 171.79	$ 177.26		$ 36.00	$ 25.00	$ 575.16	$ 192.84	$ 63.94		$ 5.50	$ 5.00	$ 1,494.19	$ 32.13	$ 1,526.32	$ 1,207.97		$ (5.00)		$ 457.57		$ 15.00	
26	$ 1,195.45	$ 67.41	$ 1,198.70	$ 687.31	$ 7.74	$ 188.00		$ 878.99	$ 389.80	$ 45.46	$ 16.06	$ 2.75	$ (18.00)	$ 4,659.67	$ 99.88	$ 4,759.55	$ 3,840.60				$ 1,343.94		$ 35.00	
27	$ 191.12	$ 16.32	$ 300.28	$ 267.97	$ 7.74	$ 118.00		$ 721.08	$ 408.05	$ 106.41	$ 9.28	$ 5.70	$ (1.00)	$ 2,150.95	$ 44.38	$ 2,195.33	$ 1,593.98				$ 778.16		$ (46.00)	
28													$ -	$ -		$ -					$ -		$ -	
29	$ 117.80	$ 42.02	$ 162.71	$ 29.13		$ 42.00		$ 269.84	$ 158.68	$ 32.97		$ 3.00	$ -	$ 858.15	$ 15.35	$ 873.50	$ 562.48				$ 385.67		$ 31.00	
30	$ 62.40	$ 12.12	$ 111.96	$ 108.09	$ 11.61	$ 64.00		$ 359.49	$ 297.77	$ 45.96	$ 9.15		$ (4.00)	$ 1,078.55	$ 14.20	$ 1,092.75	$ 493.07		$ 8.00		$ 691.35		$ 50.00	
31													$ -	$ -		$ -					$ -		$ -	
	$ 4,645.43	**$ 734.76**	**$ 8,222.22**	**$ 5,417.77**	**$ 229.79**	**$ 1,450.20**	**$ 75.00**	**$ 15,492.90**	**$ 6,590.17**	**$ 911.24**	**$ 320.38**	**$ 69.79**	**$ 67.00**	**$ 44,226.65**	**$ 825.20**	**$ 45,051.85**	**$ 27,336.79**	**$ 13.10**	**$ 15.25**	**$ 779.76**	**$ 21,685.90**	**$ 0.59**	**$ 1,598.00**	

Monthly Statement

SwypCo, LLC
3774 Arapaho Road
Addison , TX 75001
972-672-9400

TWIN VALLEY MUNICIPAL LIQUOR STORE
3771 COUNTY HIGHWAY 27
TWIN VALLEY, MN 56584

Site Name:	TWIN VALLEY MUNICIPAL LIQUOR STORE
Statement Period:	April 2024
Terminal ID:	**P654204**
Site Telephone #:	(218) 584-5262
Site Fax #:	

Business Date	Surch W/D	Acc W/D	Other	Denied	Total	Dispensed	Surcharge
04/01/2024	0	0	0	0	0	$0	$0.00
04/02/2024	2	2	3	1	6	$320	$7.00
04/03/2024	0	0	0	0	0	$0	$0.00
04/04/2024	3	3	1	0	4	$520	$10.50
04/05/2024	2	2	0	0	2	$320	$7.00
04/06/2024	8	8	3	1	12	$600	$28.00
04/07/2024	6	6	1	1	8	$580	$21.00
04/08/2024	0	0	0	0	0	$0	$0.00
04/09/2024	1	1	2	0	3	$40	$3.50
04/10/2024	3	3	2	3	8	$180	$10.50
04/11/2024	1	1	2	0	3	$40	$3.50
04/12/2024	2	2	2	2	6	$220	$7.00
04/13/2024	9	9	3	0	12	$800	$31.50
04/14/2024	9	9	6	0	15	$1,260	$31.50
04/15/2024	0	0	0	0	0	$0	$0.00
04/16/2024	0	0	0	0	0	$0	$0.00
04/17/2024	2	2	4	0	6	$260	$7.00
04/18/2024	2	2	0	1	3	$240	$7.00
04/19/2024	0	0	0	0	0	$0	$0.00
04/20/2024	22	22	3	0	25	$2,740	$77.00
04/21/2024	1	1	0	0	1	$100	$3.50
04/22/2024	0	0	0	0	0	$0	$0.00
04/23/2024	4	4	0	0	4	$500	$14.00
04/24/2024	3	3	1	0	4	$360	$10.50
04/25/2024	3	3	1	0	4	$300	$10.50
04/26/2024	4	4	0	0	4	$340	$14.00
04/27/2024	23	23	7	3	33	$3,080	$80.50
04/28/2024	3	3	0	0	3	$500	$10.50
04/29/2024	0	0	0	0	0	$0	$0.00
04/30/2024	2	2	1	0	3	$140	$7.00
	115	**115**	**42**	**12**	**169**	**$13,440**	**$402.50**

Monthly Transaction Statistics

Total Transactions:	**169**	Avg. Total Daily Transaction Volume:	**5.63**
Total Approved Transactions:	**157**	Avg. Cash Withdrawn Per W/D:	**$116.87**
Percentage Approved:	**92.90 %**	Avg. Daily Cash Dispensed:	**$448.00**
Percent of Acc W/D Surcharged:	**100.00 %**		

Monday, May 06, 2024

CITY OF TWIN VALLEY Statements of Receipts and Disbursements - Monthly Breakdown

Municipal Liquor Store Fund

RECEIPTS

	1/31/2024	2/29/2024	3/31/2024	4/30/2024
Miscellaneous				
Reimbursements & Adjustments				
Investments-New Reserves				
Interest Earning	$ 2.72	$ 5.12	$ 7.48	$ 10.16
Patronage & Dividend Returns				
Royalties	$ 18.23	$ 164.15	$ 364.15	$ 564.15
Contributions and Donations from Private Sources				$ 200.00
Deposit - Errors and/or Adjustments				
Total	**$ 20.95**	**$ 169.27**	**$ 371.63**	**$ 774.31**
Proprietary Fund Revenues				
Liquor	$ 5,996.05	$ 11,060.06	$ 17,165.13	$ 23,755.30
Beer	$ 13,600.55	$ 24,848.78	$ 37,811.47	$ 50,294.13
Wine	$ 896.51	$ 1,729.51	$ 2,887.32	$ 3,798.56
Off-Sale: Open Taxable	$ 460.44	$ 837.12	$ 1,153.20	$ 1,473.58
On-Sale: Food Sales (new-2016)	$ 3,947.32	$ 7,260.22	$ 10,920.48	$ 15,565.91
Liquor	$ 8,460.77	$ 15,104.35	$ 22,855.19	$ 28,272.96
Beer	$ 11,436.12	$ 21,410.83	$ 31,016.92	$ 42,228.40
Wine	$ 73.53	$ 189.63	$ 305.73	$ 371.52
Soft Drinks	$ 759.56	$ 1,477.23	$ 2,226.54	$ 2,961.30
Other Merchandise	$ 52.75	$ 88.75	$ 184.49	$ 304.28
Tobacco Sales: Non-Tax	$ 2,001.05	$ 3,614.07	$ 5,366.60	$ 6,980.00
Cannabis	$ -	$ -	$ -	$ -
Special Event Revenues	$ 1,500.00	$ 2,000.00	$ 2,000.00	$ 2,000.00
Vending Machine Revenues or Commissions	$ 1,047.25	$ 1,572.25	$ 2,540.75	$ 3,516.00
Gift Certificates: Sales	$ -	$ 390.00	$ 509.00	$ 941.00
Clothing Sales: Non-Tax	$ 50.00	$ 75.00	$ 100.00	$ 175.00
Redeemed Certificates & Drink Chips	$ (176.00)	$ (587.50)	$ (827.75)	$ (1,208.00)
Cash Over On-Sale	$ (277.63)	$ 43.70	$ 117.15	$ 107.10
NSF Collections & Fees	$ -	$ -	$ -	$ 240.00
Lottery: Sales & Adjustments	$ (479.00)	$ (100.00)	$ (145.00)	$ (145.00)
Credit Card Sales	$ 4,112.66	$ 3,823.74	$ 997.44	$ 4,541.37
Credit Card Surcharge	$ 653.18	$ 1,231.94	$ 1,919.65	$ 2,641.75
Total	**$ 54,115.11**	**$ 96,069.68**	**$ 139,104.31**	**$ 188,815.16**
Other Proprietary Fund Revenues				
Sales Tax Collected	$ 4,378.70	$ 8,050.06	$ 11,866.99	$ 15,910.47
Total	**$ 4,378.70**	**$ 8,050.06**	**$ 11,866.99**	**$ 15,910.47**
Total Receipts	**$ 58,514.76**	**$ 104,289.01**	**$ 151,342.93**	**$ 205,499.94**

DISBURSEMENTS

General Government				
Internal Auditing- Current				
Sale of Assets			$ 240.00	$ 270.00
Debt Service NSF Charge/Adjmnt			$ 210.00	$ 210.00
Total	**$ -**	**$ -**	**$ 210.00**	**$ 210.00**
Miscellaneous Expenditures				
Liquor Store - Merchandise Purchases	$ 18,013.85	$ 40,524.57	$ 56,242.38	$ 79,538.70
Liquor Store - Manager	$ 807.20	$ 1,184.26	$ 1,739.25	$ 2,466.59
Liquor Store - Bartenders and Waitresses	$ 7,759.68	$ 15,618.11	$ 22,969.83	$ 30,746.01
Liquor Store - Janitor	$ 2,036.78	$ 3,653.67	$ 5,180.67	$ 6,969.42
Liquor Store - Sales & Use Tax Expense	$ 4,399.00	$ 8,776.00	$ 12,447.00	$ 16,518.00
Liquor Store - Clerk-Finance Wages	$ 567.34	$ 1,124.75	$ 1,708.92	$ 2,302.32
Liquor Store - Personnel & Wage Admin	$ 2,254.41	$ 4,391.60	$ 6,477.09	$ 8,681.06
Liquor Store - Supplies expense	$ 853.64	$ 2,031.20	$ 2,207.18	$ 3,163.15
Liquor Store - Admin & Operating Expense	$ 7,017.85	$ 15,885.43	$ 23,122.59	$ 28,068.79
Liquor Store - Capital Outlay	$ 2,500.00	$ 2,500.00	$ 2,500.00	$ 4,110.63
Liquor Store - Promotional Expense	$ 102.50	$ 127.50	$ 127.50	$ 901.30
Total	**$ 46,312.25**	**$ 95,817.09**	**$ 134,722.41**	**$ 183,465.97**
Total Disbursements	**$ 46,312.25**	**$ 95,817.09**	**$ 134,932.41**	**$ 183,675.97**

	JANUARY	FEBRUARY	MARCH	APRIL
YEARLY	$ 12,202.51	$ 8,471.92	$ 16,410.52	$ 21,823.97
MONTHLY	$ 12,202.51	$ (3,730.59)	$ 7,938.60	$ 5,413.45

GARY CARES
Norman County One Fund Drive

Fire Department $ 864.00
Rescue Squad $1,234.00
TOTAL = $2,098.00

April 18, 2024

Dear Twin Valley Fire Department,

Enclosed is the check representing your portion of the funds raised during the Norman County One Fund Drive 2024. We are thrilled to provide you with this financial support as part of our ongoing commitment to our communities in Norman County.

The Norman County One Fund Drive 2023-24 exceeded all expectations, thanks to the dedicated efforts of city clerks, township board volunteers, and the generous contributions of individuals and businesses like yours. Together, we rallied behind the cause of supporting local nonprofits, fire departments, and rescue teams, raising over **$31,000.00** to ensure that vital services continue to thrive within our communities.

As a beneficiary of the Norman County One Fund Drive 2024, you are part of a collective effort to strengthen our communities and support those in need. We are proud to stand alongside you in this endeavor and are grateful for your ongoing dedication to making a positive difference in the lives of others.

Because of the success of the Norman County One Fund Drive and the increasing number of nonprofits seeking to be included, we will be implementing an application process for next year's ticket. This process will ensure fairness and transparency in selecting beneficiaries for the Norman County One Fund Drive 2024-25.

The application details will be posted on our Gary Cares website at www.garycares.org in May, with a deadline of August 2024. We encourage all interested nonprofits to review the application criteria and submit their applications within the specified timeframe. We believe that this application process will enable us to continue supporting a diverse range of organizations that make a positive impact in our communities. Please feel free to reach out via email garycaresmn@gmail.com or call Wendy (701) 388-6114 with questions or suggestions on strengthening the One Fund Drive.

Thank you for your continued support and participation in the Norman County One Fund Drive. Together, we are making a difference in the lives of those in need, and we look forward to your involvement in the application process for next year's ticket.

Sincerely,

Wendy Bennefeld
Gary Cares, President

Amanda Thronson
Gary Cares, Treasurer

Honoring, assisting, and embracing our community.

Gary Cares | PO Box 66 | Gary, MN 56545 | garycaresmn@gmail.com | www.garycares.org

As on 4/30/2024

Fund	Beginning Balance	Receipts	Sale of Investments	Transfers In	Disbursements	Purchase of Investments	Transfers Out	Ending Balance	Investment Balance	Total Balance
General Fund	246,191.12	81,602.76	0.00	0.00	260,779.15	0.00	0.00	67,014.73	447,765.24	514,779.97
Other Federal Programs - ARP	46,447.10	0.00	0.00	0.00	0.00	0.00	0.00	46,447.10	0.00	46,447.10
Public Housing (Optional)	69,486.90	0.00	0.00	0.00	0.00	0.00	0.00	69,486.90	0.00	69,486.90
LEASE Revenues - Tower Antenna Placement	3,689.61	3,689.61	0.00	0.00	0.00	0.00	0.00	7,379.22	0.00	7,379.22
2012A Refunding Bond	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2013A Refunding Bond	0.00	2,564.17	0.00	0.00	94,072.12	0.00	0.00	(91,507.95)	0.00	(91,507.95)
MPFA DWRF 2019 Replacement Fund	27,418.00	0.00	0.00	0.00	0.00	0.00	0.00	27,418.00	0.00	27,418.00
General Capital Projects	66,128.81	215.45	0.00	0.00	19,995.84	0.00	0.00	46,348.42	0.00	46,348.42
Lot Incentive Program	14,723.91	0.00	0.00	0.00	0.00	0.00	0.00	14,723.91	0.00	14,723.91
2007 Storm Utility Fund	195,888.39	8,572.64	0.00	0.00	0.00	0.00	0.00	204,461.03	0.00	204,461.03
Blight & Beautification	8,000.00	0.00	0.00	0.00	640.92	0.00	0.00	7,359.08	0.00	7,359.08
Water	751,525.93	69,251.50	0.00	0.00	53,875.46	0.00	0.00	766,901.97	0.00	766,901.97
Sewage Collection and Disposal	419,019.65	58,073.57	0.00	0.00	78,573.02	0.00	0.00	398,520.20	0.00	398,520.20
Refuse or Garbage Collection	145,399.57	31,320.05	0.00	0.00	27,393.31	0.00	0.00	149,326.31	0.00	149,326.31
Municipal Liquor Store	155,612.91	205,770.74	0.00	0.00	183,675.97	0.00	0.00	177,707.68	76,122.37	253,830.05
Swimming Pool	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00	0.00	1,000.00
SHIP - City projects	(1,070.95)	0.00	0.00	0.00	0.00	0.00	0.00	(1,070.95)	0.00	(1,070.95)
Memorial Gardens	(20.88)	0.00	0.00	0.00	0.00	0.00	0.00	(20.88)	0.00	(20.88)
Loan Pool/EDA	20,074.82	4,120.16	0.00	0.00	0.00	0.00	0.00	24,194.98	19,391.34	43,586.32
City Cemetery	1,552.60	0.00	0.00	0.00	0.00	0.00	0.00	1,552.60	0.00	1,552.60
General Trust - Special Account	0.00	24,997.28	0.00	0.00	24,997.28	0.00	0.00	0.00	0.00	0.00
Total :	**2,171,067.49**	**490,177.93**	**0.00**	**0.00**	**744,003.07**	**0.00**	**0.00**	**1,917,242.35**	**543,278.95**	**2,460,521.30**

~~Current policy requested to change.~~
Requested/proposed change to vacation policy is in green below.
Purple is subject to change as well with council discretion.

15.0 VACATION POLICY

15.1 Eligibility

Full-time employees will earn vacation leave in accordance with the schedule below (15.2).

Part-time employees who work at least 30 hours per week on a regular basis will accrue vacation leave on a prorated basis of the full-time employee schedule.

Part-time employees who work less than 30 hours per week on a regular basis, temporary and seasonal employees will not earn or accrue vacation leave.

15.2 Vacation Accrual Rate

For the purpose of determining an employee's vacation accrual rate, years of service will include all continuous time that the employee has worked at the city (including authorized unpaid leave). Employees who are rehired after terminating city employment will not receive credit for their prior service unless specifically negotiated at the time of hire.

~~After one (1) year of employment, employee is eligible for one (1) week vacation (five days or 40 hours, whichever is less).~~

~~From two (2) to eight (8) years of employment, employee is eligible for two (2) weeks vacation (10 days or 80 hours, whichever is less).~~

After one month of employment, full-time and full-time equivalent employees will be eligible for two (2) weeks (10 days or 80 hours, whichever is less) at a rate of 6.67 hours per month.

From five (5) years to nine (9) years of employment, full-time and full-time equivalent employees with be eligible for three (3) weeks vacation (15 days or 120 hours, whichever is less) at an accrual rate of 10 hours per month.

From nine (9) to fifteen (15) years of employment, employee is eligible for three (3) weeks vacation (15 days or 120 hours, whichever is less).

Over sixteen (16) years of employment, employee is eligible to receive one (1) day per year up to a maximum of 25 days.

15.3 Vacation Balance and Use

After one year of service, vacation leave may be used as it is earned, subject to approval by the employee's supervisor.

An employee will not earn any vacation leave for any pay period unless he/she is employed by the city on the last scheduled work day of the pay period. Requests for vacation must be received at least forty-eight (48) hours in advance of the requested time off. This notice may be waived at the discretion of the appropriate department head. Vacation can be requested in increments as small as one quarter hour up to the total amount of the accrued leave balance. Vacation leave is to be used only by the employee who accumulated it. It cannot be transferred to another employee.

Employees may accrue vacation leave up to a maximum of one-and-a-half (1-1/2) times the employee's annual accrual rate. No vacation will be allowed to accrue in excess of this amount without the approval of the City Council. Vacation leave cannot be converted into cash payments except at termination.

15.4 Vacation Approval

Vacation time can only be taken with the prior approval of the department head.

CITY OF TWIN VALLEY

EMPLOYEE BENEFIT INFORMATION

WAGES – The City of Twin Valley has a pay scale for all positions. Employees start at 75% of top wage, reach 80% after 6 months, 85% after 1 year, 90% after 2 years, and 100% after 3 years of employment. (Unless otherwise decided by the Twin Valley City Council). The Twin Valley City Council sets a cost-of-living adjustment yearly, effective each January.

BENEFITS—

MEDICAL/LIFE—Full-time employees are eligible after 30 days of employment. Upon hiring, forms will be made available for enrollment. **The City pays up to $600.00 towards employee's monthly premiums or contributions to Health Savings Accounts.**

*** MEDICAL—Full-time employees are eligible after 30 day of employment for health insurance benefits. Upon hiring, forms will be made available for enrollment. The City will pay the full premium for single health insurance, with an option for family coverage at an additional fee to the employee. The City will also contribute $100.00/month towards an employee's Health Savings Account.

AFLAC/COLONIAL LIFE—Employees are eligible for optional additional benefits such as cancer, disability, dental, accident, etc. plans through two companies. Information will be made available upon request.

DEFERRED COMPENSATION/STOCK INVESTMENT—Employees are eligible for a 403B investment stock option. This City makes no additional investment towards these plans.

PERA—This is the State of Minnesota Employee Pension Plan. Both full-time and part-time employees are eligible if they make more than $5,100.00 per year, unless they fall under specific categories (temporary, seasonal, etc.). Contribution amounts are set by P.E.R.A. Currently under the coordinated plan, eligible employees must contribute 6.5%, and the City must contribute 7.5%. Under the Police Pension Plan, officers must contribute 11.8% and the City contributes 16.95%.

*** Current request is being made with the intention to switch insurance companies to join the Public Employees Insurance Program, which offers a High Deductible Health Plan with more affordable/economical out of pocket maximum for all employees.

Currently all full-time employees can choose between three plans, all of which, regardless of deductible have a co-insurance and an out-of-pocket maximum around $9,000.00 per year.

With the proposed change, employees would have access to a comparable High Deductible Health plan, with a deductible of $3,000 and out of pocket maximums less than $5,000. The biggest change is the premium option. With our current premium options each employee pays based on their age (which is great for the young staff, and not so great for anyone over the age of 40.) This new program would have a straight premium option for all employees. Current premium for the upcoming year is $670.78 per person, where as now we range from $450 - $1,100 per month.

Charitable Donations

2nd to None Septic Solutions	12/8/2022	155.69	Fish House Festival
NCE School	10/11/2022	100	
Police (Youth Contributions)	2022	915.44	Community Fair, Bike Rodeo, etc.
Fire Department	2022	405	
Dollars for Scholars	9/22/2022	450	
TV Booster Club	2/23/2022	100	
Wild Rice Peacemakers	4/13/2022	100	
TV Booster Club	4/13/2022	500	
TV Riders Club	4/13/2022	100	
Boy Scouts	7/27/2022	150	
TV Booster Club	11/16/2022	100	
		3076.13	
Norman County Sheriff	11/15/2023	500	
Police (Youth Contributions)	2023	630.56	
Fire Department	2023	490.92	
No Co Historical Society	11/15/2023	500	
2nd to none Septic	8/14/2023	500	Town & Country
Norman County East	2023	185	
Gary Cares	9/12/2023	500	Imagination Library
Wild Rice Peacemakers	5/9/2023	100	
TV Garden Club	5/9/2023	300	
Titan Athletics	8/16/2023	100	
TV Booster Club	2023	700	
TV Riders Club	4/11/2023	100	
		4606.48	

Twin Valley Community Booster Club
PO Box 374 Twin Valley, MN 56584

April 26, 2024

Dear Community Partners,

Summer is right around the corner and the Twin Valley Community Booster Club has already started planning for this year's Town & Country Days festivities, scheduled for July 19th-21st. As usual, the club will be sponsoring multiple family fun events, including the parade, car show, craft and vendor show, BINGO, family movie night, etc.

This year, we are hoping to bring more fun and exciting games for children to enjoy to town as well as put on another spectacular fireworks show. However, we cannot afford to do it all without your support. We hope you will consider being a sponsor and having your name/business promoted in return. New this year, we have sponsorship packages. Attached you will find details on each package. Please read through and then select the one (or more) you would like below. Also be sure to let us know the name you would like displayed.

___ $500 Donation – Saturday Car Show Music Sponsor
___ $500 Donation – Banner Sponsor
___ $250 Donation – Family Fun Sponsor
___ $100 Donation – Supporter Sponsorship
___ $50 Donation – Car Show Trophy Sponsor
___ Other

As an added bonus, our club is also officially a registered 501c3 non-profit—any donation made is completely tax deductible.

We're so grateful for what our sponsors, just like you, have helped us accomplish over the years. We hope you're able to contribute and thank you for the consideration.

Sincerely,

Twin Valley Community Booster Club

P.S. We hope you will join us at our next Community Club Meeting, Scheduled for May 8th at 6:30pm at the Twin Valley Liquor Store.

Town & Country Days Sponsorship Packages

Saturday Car Show music sponsor - $500
- Featured musician is "Big Mike" Holmgren. Sponsorship includes banner/sign behind or next to stage.
- Includes name mention on social media and thank you in our end of year advertisement in the Twin Valley Times

Banner Sponsor - $500
- Includes logo on large banner to be displayed on edge of town for approximately 1 month prior to Town and Country Days.
- Includes name mention on social media and thank you in our end of year advertisement in the Twin Valley Times

Family Fun Sponsor - $250
- Includes logo/name on yard sign to be placed in front of screen at Family Movie Night and next to bouncy houses
- Includes name mention on social media and thank you in our end of year advertisement in the Twin Valley Times

Supporter Sponsorship - $100 and under
- Includes name mention on social media and thank you in our end of year advertisement in the Twin Valley Times

Car Show Trophy Sponsor - $50
- Includes logo on Sign Board trophy presented to winners
- Sponsor may choose theme and name for trophy
    - Example "Buckles Hardware All the Right Hardware," "Garberg Foods Grocery Getter, "Ted Askelson Memorial Top Ford"

The Twin Valley Community Boosters are 501c3 non-profit organization. We welcome all donations to support the Twin Valley Town & Country Days and all Twin Valley Community Boosters activities. If you have other sponsorship or donation ideas or would like more information. Please contact Mark Askelson at 218-261-0520 or Tracy Christianson at 701-412-1403.

Name:

Phone Number:

Email:

Business/Organization (Name you want displayed):

BUSINESS PERMIT AND LICENSE APPLICATION FORM

City of TWIN VALLEY

OFFICE OF THE CLERK
107 2nd Street SW
P.O. Box 307
Twin Valley, MN 56584-0307
Office 218.584.5254
Fax 218.584.5723
www.TwinValley.govoffice.com

OFFICE USE		
PERMIT #		
FEE 25.00	☒ PAID cash	APPROVED BY COUNCIL ☐ YES ☐ NO
APPLICATION DATE 5/7/24		APPROVAL DATE

APPLICANT INFORMATION		
~~MN SALES TAX ID #~~	~~FEDERAL TAX ID #~~ MN 7882241	
NAME OF APPLICANT (FIRST, MI, LAST)		SOCIAL SECURITY NUMBER
HOME ADDRESS	CITY, STATE, ZIP	
HOME PHONE	BUSINESS PHONE	
NAME OF BUSINESS/ORGANIZATION Top Hawg Enterprises		
BUSINESS ADDRESS 46167 Co Rd 97	CITY, STATE, ZIP Solway MN 56678	

Please check the appropriate box(es) for the type of permit/license you are applying for:

	TYPE	ACCOUNTING	STATE ID	FEE
☐	TOBACCO	100-32180	CGR	$25.00
☐	CARD TABLE	100-32170	ACCLGT	$5.00 (each)
☐	POOL TABLE	100-32170	POC	$20.00 (each)
☐	AMUSEMENT	100-32170	AMUSEDEV	$25.00 (each)
☐	FUNDRAISER/RAFFLE	100-32260	---	$5.00
☐	CONCESSION/BOOTH	100-32190	CONVEN	$5.00
☒	PEDDLER/TRANSIENT	100-32190	PDSCTRNMRC	$25.00
☐	*SPECIAL ONE DAY	100-32110	---	$25.00
☐	CONSUMPTION/DISPLAY	100-32110	CDPBL	$120.00
☐	3.2% - ON SALE	100-32110	3.2ONSS	$100.00
☐	WINE	100-32110	WINE	$250.00
☐	INTOXICATING – ON SALE	100-32110	ONSL	$750.00

** No more than ten (10) "Special One Day" permits issued per year.*

SIGNATURE	DATE 5/7/24

All applications must go before the Twin Valley City Council for approval. Regular meetings of the City Council are held on the second Monday of each month (unless otherwise posted).

Revised 11/2017