

**OPERATIONS AND MAINTENANCE AGREEMENT
BETWEEN THE CITY OF RICE LAKE AND THE CITY OF DULUTH**

THIS AGREEMENT, effective as of the date of the last party signature below, by and between the City of Rice Lake, hereinafter referred to as the "Rice Lake," and the City of Duluth, hereinafter referred to as the "City." Rice Lake and the City are sometimes individually referred to as an "agency".

WHEREAS, the City and Rice Lake are responsible for general roadway surface maintenance, which includes, but is not limited to, snowplowing, pavement maintenance, traffic sign maintenance and pavement marking maintenance for roadways under each agency's respective jurisdictions.

WHEREAS, the locations of certain roadways make it more economical for the City and Rice Lake to perform general roadway surface maintenance, traffic sign maintenance and pavement marking maintenance on roadways under the jurisdiction of the other agency.

NOW, THEREFORE, the parties agree as follows:

1. Administration. For purposes of administering this Agreement, the City shall act through its Director of Public Works and Utilities or their signee (the "City Director"). Rice Lake shall act through its Director of Public Works or their designee.
2. Term. Notwithstanding the date of execution of this Agreement, the term of this Agreement shall commence on 1/1/2025 and continue for a period ten (10) years.
3. Road Maintenance.
 - a. The City and Rice Lake each will provide maintenance operation services on roads which would otherwise be the responsibility of the other agency. The scope of the respective maintenance to be performed pursuant to this Agreement is described in **Exhibit A** (the "Maintenance Services"), attached hereto and incorporated herein. Exhibit A may be modified upon the written agreement of the City Director and Rice Lake Director. The amended Exhibit A shall be attached to and incorporated into this Agreement.
 - b. The City will provide Maintenance Services on the roads identified in **Exhibit B**, attached hereto and incorporated herein. Rice Lake will also provide winter maintenance of certain roads identified in Exhibit B.
 - c. Rice Lake will provide winter maintenance of the roads identified in Exhibit B from October 1st through May 15th. The City will resume responsibility for those roads from May 16th through September 30th.
 - d. Upon written agreement of the City Director and Rice Lake Director, Exhibit B may be modified. The amended Exhibit B shall be attached to and incorporated into this Agreement.
 - e. In the event that either party desires the other to perform additional general surface maintenance projects or other types of winter maintenance, it shall submit a written request to the other detailing the exact nature of the maintenance project requested. Upon receiving said request, the receiving party will prepare an estimate of the cost of the requested maintenance based upon a "time and material" basis and present it to the other for approval. Upon approval, the City or Rice Lake will perform the requested maintenance. Payment for

said projects will be made within 60 days of a request for payment.

- f. If, at any time, either party determines that any portion of a roadway becomes unsafe to plow or perform other maintenance duties due to construction design, road obstructions, or other conditions which, in the opinion of the maintenance supervisor, makes it unsafe to maintain, that portion of the roadway may be stricken from this Agreement upon seven (7) days' written notice to the other.

4. Payment for Operations.

- a. Rice Lake will reimburse the City annually for maintenance performed pursuant to this Agreement at a rate equal to the Maintenance Allowance currently in the amount of \$19,146.10 per mile (the "Maintenance Allowance") as shown on Exhibit B-1. The Maintenance Allowance shall be adjusted in conjunction with MnDOT's revision to its rate for the Duluth area (when available).
Exhibit B-1 will be adjusted as necessary to accurately reflect the current year's payment. Payments from Rice Lake will be deposited into the City's Fund 110-500-1920-4654 (General, Public Works and Utilities, Street Maintenance, Other Reimbursements).
- b. The City will reimburse Rice Lake annually at a current rate of one-third (1/3) of the then current Maintenance Allowance for winter road maintenance. Rice Lake will deduct fees owed by the City from its payment to the City described in paragraph 4a.

5. Traffic Signs and Pavement Markings. The City and Rice Lake shall be responsible for maintaining all traffic signs and pavement markings on roadways under their jurisdiction.

6. Term and Termination.

- a. The term of this Agreement shall be for a period of ten years, commencing 1/1/2025 and will continue for a period of ten (10) years unless earlier terminated as provided for herein.
- b. Either party may terminate this Agreement, with or without cause, upon thirty (30) days' written notice.

7. Insurance and Indemnification.

- a. To the full extent permitted by law, actions by the Parties pursuant to this Agreement are intended to be and shall be construed as a "cooperative activity" and it is the intent of the Parties that they shall be deemed a "single governmental unit" for the purpose of liability, as set forth in Minnesota Statutes, Section 471.59, Subd. 1a; provided further that for purposes of that statute, each Party to this Agreement expressly declines responsibility for the acts or omissions of the other Party.
- b. Each party to this Agreement will be liable for its own acts and the results thereof to the extent authorized by law, and will not be responsible for the acts of the other party, its officers, employees or agents. Each party agrees that they will immediately notify the other party to this Agreement upon receipt of any claim or notice of claim for which the other party may be liable pursuant to this Agreement.

- c. The City represents that it is self-insured with regard to comprehensive liability and property damage claims with a combined single limit of \$1,500,000 which are set forth within Minnesota Statute Chapter 466. The City also represents that it is self-insured with regard to Workers' Compensation claims.
 - d. Rice Lake is self-insured for worker's compensation pursuant to MN Stat. 176.181; for tort liability pursuant to MN Stat. 466 and 471.981; and for automobile insurance coverage pursuant to MN Stat 65B.48.
8. Notices Unless otherwise provided herein, notice to the City or Rice Lake shall be sufficient if sent by regular United States mail, postage prepaid, addressed to the parties at the addresses hereinafter set forth or to such other respective persons or addresses as the parties may designate to each other in writing from time to time.

If to City of Duluth
Attn: Jim Benning, Director of Public Works and Utilities
411 W. 1st Street
Duluth, MN 55806

If to City of Rice Lake
Attn: _____, Director – Public Works
4107 W Beyer Road
Duluth, MN 55803

9. Neither party shall assign any rights or obligations under this Agreement without the prior written approval of the other party.
10. This agreement embodies the entire understanding of the parties and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof.
11. The parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.
12. This Agreement is to be construed and understood solely as an agreement between the parties hereto and shall not be deemed to create any rights in any other person. No person shall have the right to make claim that they are a third party beneficiary of this Agreement or of any of the terms and conditions hereof, which, as between the parties hereto, may be waived at any time by mutual agreement between the parties hereto.
13. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year set forth below.

CITY OF DULUTH

By: _____
Its Mayor

Attest:

By: _____
Its City Clerk
Date: _____

Countersigned:

By _____
Its City Auditor

Approved as to form:

By: _____
Its City Attorney

CITY OF RICE LAKE

By: _____
Its _____
Printed Name _____
Date: _____

By: _____
Its _____
Printed Name _____
Date: _____

By: _____
Its _____
Printed Name _____
Date: _____

Approved as to form:

By: _____
Its Attorney
Printed Name _____
Date: _____

Exhibit A

Description of Maintenance Services

1. Fall/Winter maintenance shall consist of surface maintenance snowplowing, salt and sand ice control, snow removal (if required) and temporary pothole repair.
 - a. Repair of any damage(s) caused by snowplowing operation occurring during the timeframe listed in 3 c. of the agreement. To ensure permanent repairs, this work may need to take place outside of the time frame due to weather conditions.
2. Sub drains
 - a. Maintenance of storm sewers, catch basins, and manholes are not covered by this Agreement Each party's responsibility, pursuant to this Agreement, shall be grate cleaning only, and other problems shall be reported to the other party.
3. Roadside ditches
 - a. Ditch maintenance within the right-of-way is not included as a part of this Agreement.
 - b. Ditch paving and changes in drainage patterns or direction are not included.
4. Natural streams and drains
 - a. Cleaning or alteration of natural drains or streams is not included as a part of this Agreement.
5. Culverts
 - a. Centerline culvert maintenance and replacement is not part of this Agreement.
6. Traffic Sign and Pavement Markings
 - a. All traffic signs and pavement markings are not part of this Agreement.

Exhibit B

City Street(s) Maintained by Rice Lake	Location	Miles
Birchwood Rd	W Redwing St north to City Limits	.06 (323 ft)



Exhibit B (cont.)

Rice Lake Street(s) Maintained by City	Location	Miles
Maxwell Ave	W Redwing St north to City Limits	.06 (297 ft)
W Austin St	Maxwell Ave West to dead end	.02 (128 ft)

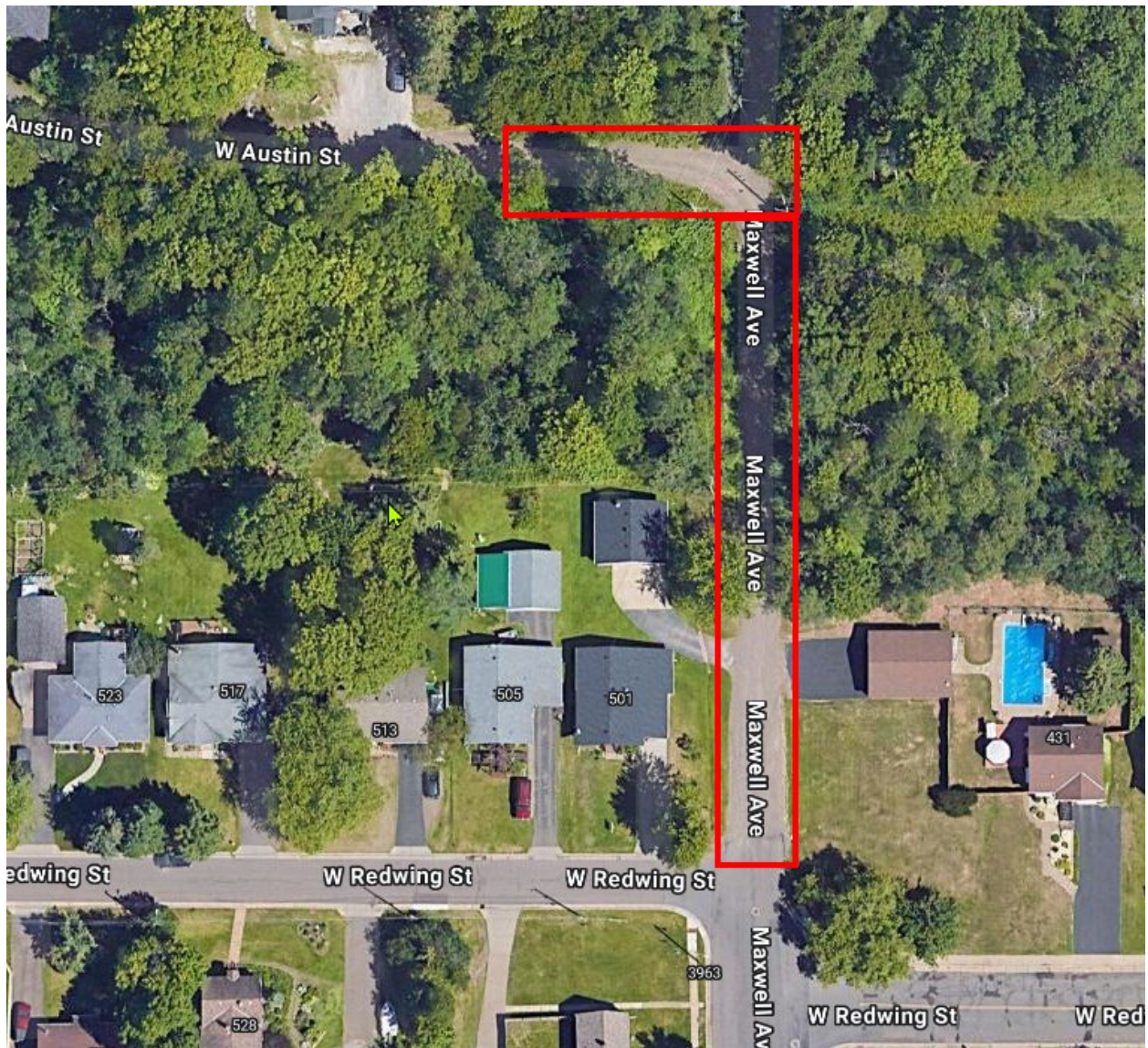


Exhibit B-1

City of Duluth maintains .06 miles at \$19,146.10/mile = _____

Rice Lake maintains .08 miles at \$. /mile x 1/3 = _____

Total \$ _____

Reviewed and approved by City of Duluth

Date: _____ (Director of Public Works) _____

Reviewed and approved by Rice Lake

Date: _____ (Director of Public Works) _____