

McGRANN SHEA CARNIVAL STRAUGHN & LAMB, CHARTERED
ATTORNEYS AT LAW

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JASON H. THOMAS
AMY L. COURT

CHRISTY E. LAWRIE

RETIRED
ANDREW J. SHEA

January 26, 2015

VIA ELECTRONIC FILING

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
350 Metro Square Building
121 Seventh Place East
St. Paul, MN 55101

Re: In the Matter of the Joint Request of the Grand Rapids Public Utilities
Commission and Lake Country Power to Modify Electric Service Territory
Boundaries
MPUC Docket: _____
Our File No.: 61261-0001

Dear Mr. Wolf:

I represent the Grand Rapids Public Utilities Commission ("GRPUC"), which is authorized, on behalf of GRPUC and Lake Country Power (the "Cooperative") (collectively, the "Parties"), to make this filing.

This filing constitutes the Parties' joint request, under Minn. Stat. § 216B.39, subd. 3, that the MPUC modify the Parties' service territory boundaries. This joint request concerns approximately 162.9 acres that have been annexed into the city limits, ("Affected Area"). The Affected Area is located within the electric service territory assigned to the Cooperative. The Affected Area includes approximately 42 residential electric meters and 7 dual fuel account meters.

Exhibit A to this letter contains the Service Territory Agreement dated as of December 30, 2014, including the legal description for the Affected Area (Section 1). The Agreement reflects the agreed-upon compensation for the transfer of the Affected Area, after arms-length negotiations. Under this filing, the Affected Area will permanently transfer to the GRPUC's assigned electric service territory. Exhibit B to this letter contains a map of the Affected Area (originally, an exhibit to the Agreement).

Exhibit C to this letter provides proof of annexation of the Affected Area.

By written agreement of the Parties, to ensure a seamless and appropriate transition for the benefit of the affected customers, to accommodate customer requests to expedite the transfer, and to work under reasonable weather conditions, the GRPUC began providing electric service to the Affected Area on or about January 7, 2014. The Parties cooperated to provide information to the affected customers. Exhibit D to this letter contains a proposed notice to all affected customers of this proceeding.

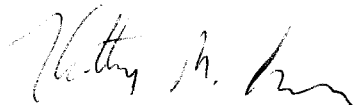
If there are any questions concerning this filing, you may contact me (612-338-2525); Anthony Ward, the General Manager of GRPUC (218-326-7188); or Greg Randa, the General Manager for the Cooperative (1-800-421-9959).

The Parties therefore petition the Commission to accept and file these documents and provide due acknowledgment thereof and further request that the Commission provide evidence of its acceptance of this change in service territory.

A copy of this letter and the accompanying documents has been mailed or emailed to the persons on the enclosed proposed service list.

Please contact me if you have any questions.

Sincerely,



Kathleen M. Brennan

Enclosures
cc (w/encl.): Proposed Service List

PROPOSED SERVICE LIST

Re: In the Matter of the Joint Request of the Grand Rapids Public Utilities Commission and Lake Country Power to Modify Electric Service Territory Boundaries
MPUC Docket: _____

Via Electronic Filing

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
350 Metro Square Building
121 Seventh Place East
St. Paul, MN 55101

Via Electronic Filing

Ms. Sharon Ferguson
MN Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

Via Electronic Filing

Julia Anderson
Office of the Attorney General-DOC
1800 BRM Tower
445 Minnesota Street
St. Paul, MN 55101-2134

Via Electronic Filing

John Lindell
Office of the Attorney General-RUD
1400 BRM Tower
445 Minnesota Street
St. Paul, MN 55101-2130

Via Electronic Mail

Greg Randa
General Manager
Lake Country Power
2810 Elida Drive
Grand Rapids, MN 55744
granda@lakecountrypower.com
(Lake Country Power)

Via Electronic Mail

Anthony Ward
General Manager
Grand Rapids Public Utilities Commission
500 SE 4th Street
Grand Rapids, MN 55744
atward@grpuc.org
(Grand Rapids Public Utilities Commission)

Courtesy Copies

Ms. Kathleen M. Brennan
McGrann Shea Carnival Straughn
& Lamb, Chartered
800 Nicollet Mall
Suite 2600
Minneapolis, MN 55402-7035
kmb@mcgrannshea.com
(Grand Rapids Public Utilities Commission)

EXHIBIT A

SERVICE TERRITORY AGREEMENT

This Service Territory Agreement made on December 30, 2014, between the Public Utilities Commission, Grand Rapids, Minnesota (GRPUC) a municipal utility and Lake Country Power, Grand Rapids, Minnesota (LCP) an electric cooperative, as follows:

Recitals

The GRPUC and LCP are authorized by Minn. Stat. § 216B.40 to provide electric service to customers on an exclusive basis within their respective service territories;

Part of the assigned service territory of LCP is located within the municipal boundaries of the City of Grand Rapids (City);

The GRPUC desires to acquire that part of LCP's service territory located within the City as described in this Agreement, subject to the terms and conditions set forth in this Agreement.

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

1. **Service Territory Transfer.** The service territory to be transferred by LCP to the GRPUC (the "Transferred Area") is described as follows:

The plat of OAK PARK HEIGHTS, according to the recorded plat thereof in the office of the county recorder, Itasca County, Minnesota, EXCEPT Lot 14, Block 1 of said plat.

AND

The plat of McGUIRE ADDITION TO GRAND RAPIDS. According to the record plat thereof on file and of record in the office of the county recorder, Itasca County, Minnesota AND the vacated portion of said McGUIRE ADDITION TO GRAND RAPIDS,

AND

The plat of STRADER'S ADDITION TO GRAND RAPIDS, according to the recorded plat thereof, on file and of record in the office of the county recorder, Itasca County, Minnesota.

AND

The plat of SOLDIERS CEMETRY, according to the recorded plat thereof, on file and of record in the office of the county recorder, Itasca County, Minnesota.

AND

The unplatted portion of the Southeast Quarter of the Southeast Quarter, Section 9, Township 55 North, Range 25 West, Itasca County, Minnesota.

AND

Strader Addition, McGuire Addition & County Road B Interconnect

The Southwest Quarter of the Southeast Quarter, Section 9, Township 55 North, Range 25 West, Itasca County, Minnesota.

AND

The Northwest Quarter of the Southeast Quarter, Section 9, Township 55 North, Range 25 West, Itasca County, Minnesota.

AND

The Northeast Quarter of the Southeast Quarter, Section 9, Township 55 North, Range 25 West, Itasca County, Minnesota.

AND

The Northwest Quarter of the Southwest Quarter, Section 10, Township 55 North, Range 25 West, Itasca County, Minnesota.

AND

The Southwest Quarter of the Southwest Quarter, Section 10, Township 55 North, Range 25 West, Itasca County, Minnesota.

AND

The Northwest Quarter of the Northwest Quarter, Section 15, Township 55 North, Range 25 West, Itasca County, Minnesota.

The Transferred Area is further depicted in the map attached as Exhibit A and incorporated by reference.

This transfer will be effective on or about January 7, 2015. No provision in this Agreement shall limit or prohibit the GRPUC from exercising its rights under governing law to acquire electric service at any time for any area not specifically subject to and governed by this Agreement.

2. **Facilities Transferred.** The facilities in the Transferred Area to be transferred by LCP to the GRPUC are AS IS and consist of poles, wires, cables, transformers, and other miscellaneous hardware necessary to provide service to the existing customers, excluding electric meters and to which LCP represents that it holds good and marketable title. The GRPUC shall pay to LCP for such facilities as of December 10, 2014 the amount of \$44,468.00, which is the original cost less depreciation. Payment for all of these transferred facilities shall be made on the date of the transfer.

3. **Payment.** As settlement payment and in consideration of the covenants, releases and representations made by LCP herein, GRPUC agrees to make the following payments to LCP:

a. a one-time, lump-sum payment in the amount of one hundred thirty-five thousand dollars (\$135,000), related to all existing LCP customers who receive electric service at the date of transfer; and

b. an annual amount equal to the result of multiplying thirty (30) mills (\$0.030) times each kilowatt hour of electric energy sold by GRPUC to each additional new customer to whom GRPUC provides retail electric service in the Transferred Area starting with the date of transfer and continuing thereafter until the tenth anniversary of the transfer date. Any payment made under this Paragraph 3(b) must not duplicate the payment made under Paragraph 3(a). Payments under Paragraph 3(b) will be made by March 15 of each year for energy sales made during the previous calendar year, based upon GRPUC's meter readings, as made in the ordinary course of its utility business.

4. **Integration Expenses.** The GRPUC will pay LCP for the reasonable costs that are actually incurred to integrate LCP's existing distribution facilities into the its remaining distribution system, after transferring the Transferred Area to the GRPUC, which LCP estimates to be \$1,956.00. Upon request, LCP will provide GRPUC actual cost data in sufficient detail to allow GRPUC assurance of the actual integration expense incurred by LCP.

5. **Map of Service Territories.** The parties will cooperate to promptly produce a map that shows their respective service territories after the completion of the service territory transfers provided for in this Agreement. On behalf of both parties, the GRPUC will file this revised service territory map with the Minnesota Public Utilities Commission.

6. **Release.** The parties do hereby each unconditionally release and waive any and all claims, known or unknown, that they may now have or have in the future arising from any action or omission of the parties or any fact or circumstance first occurring prior to the date hereof, whether or not continuing in nature, which relate to or arise from the right of either party to provide electric service to any particular third party or area within the service territory subject to this Agreement.

7. **Indemnification.** The GRPUC hereby agrees to indemnify and hold LCP harmless from any and all claims, actions, or causes of action (Claims) made by any third party against LCP arising from LCP's transfer of its service territory to the GRPUC as described in paragraph 1 of this agreement and LCP's transfer of its facilities to the GRPUC as described in Paragraph 2 of this Agreement, except any Claims arising from LCP's misconduct or negligence. LCP hereby agrees to indemnify and hold GRPUC harmless from any and all Claims made by any third party against GRPUC arising from LCP's transfer of its service territory to the GRPUC as described in paragraph 1 of this agreement and LCP's transfer of its facilities to the GRPUC as described in Paragraph 2 of this Agreement, except any Claims arising from GRPUC's misconduct or negligence. Notwithstanding anything to the contrary in this Agreement, GRPUC does not waive any statutory limited immunity from municipal tort liability available to it under Minnesota Statutes, Chapter 466 or Minnesota law.

8. **Customer Notification.** The parties will cooperate fully in arranging for the transfer of service and facilities, including adequate notice to LCP customers of the transfer. These customers will be given not less than 14 days notice of their transfer to the GRPUC.

9. **Cooperation.** The parties will take all other actions reasonably necessary to implement the terms and conditions of this Agreement. Both parties will defend this Agreement before the Minnesota Public Utilities Commission and Minnesota Department of Commerce if questioned or challenged in any respect.

10. **General Provisions.** This Agreement (including recitals and exhibits) constitutes the entire Agreement between the parties and supersedes all prior agreements and understandings, oral and written, between the parties hereto with respect to the specific subject matter hereof. No amendment, modification or waiver of, or consent with respect to any provision of this Agreement shall be effective unless the same shall be in writing and signed by all parties. The parties agree that they participated equally in, and are jointly responsible for, the drafting of this Agreement. In the event of any dispute, any ambiguity in this Agreement shall not be construed against either party. Headings are provided for convenience and are not a part of this Agreement. If any provision in this Agreement is determined by any court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired. This Agreement may be executed in counterpart copies by the parties and each counterpart, when taken together with the other, shall be deemed one and the same executed Agreement.

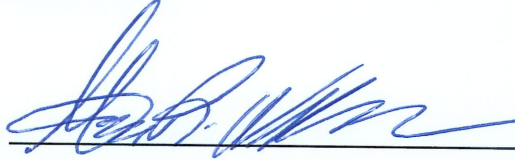
11. **Authority.** Each party is fully authorized to execute and carry out the terms and provisions of this Agreement.

(Continued on Page 5)

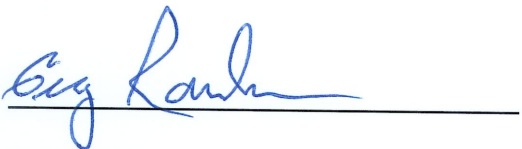
IN WITNESS WHEREOF, this Agreement has been executed by duly authorized officer/officers on behalf of each of the parties.

**GRAND RAPIDS PUBLIC UTILITIES
COMMISSION**

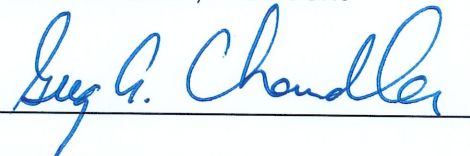
LAKE COUNTRY POWER

By: 

Steven Welliver, President

By: 

Greg Randa, General Manager

By: 

Greg Chandler, Secretary

By: _____

ANNEXATION AREAS

EXHIBIT B

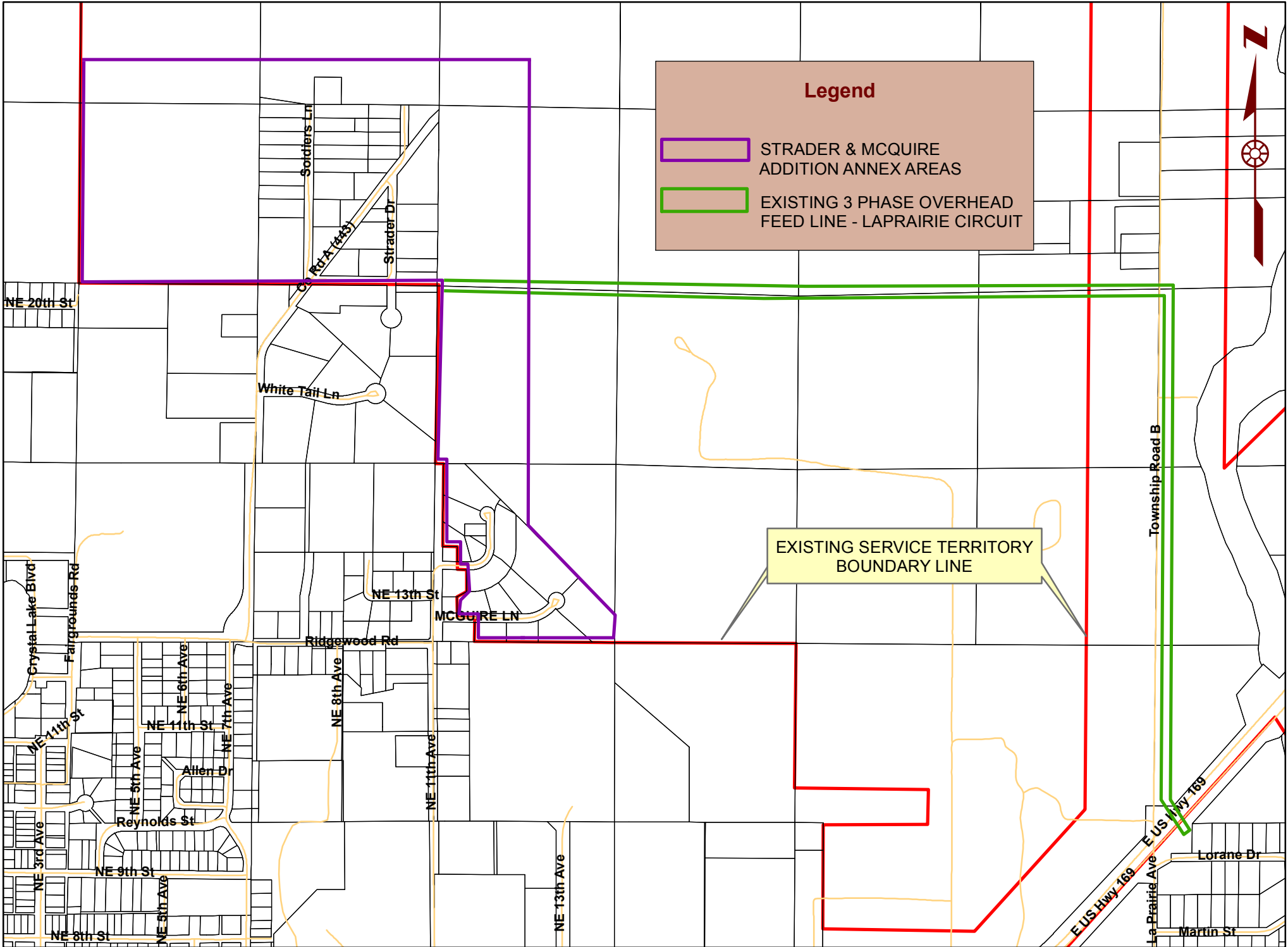


EXHIBIT C

OA-658-9 Grand Rapids
Joint Resolution Signed 11-9-09

STATE OF MINNESOTA

OFFICE OF ADMINISTRATIVE HEARINGS

| | | |
|---|---|---------------------------|
| IN THE MATTER OF THE ORDERLY ANNEXATION |) | |
| AGREEMENT BETWEEN THE CITY OF GRAND |) | <u>FINDINGS OF FACT</u> |
| RAPIDS AND GRAND RAPIDS TOWNSHIP |) | <u>CONCLUSIONS OF LAW</u> |
| PURSUANT TO MINNESOTA STATUTES 414 |) | <u>AND ORDER</u> |

The joint resolution for orderly annexation submitted by the City of Grand Rapids and Grand Rapids Township was reviewed for conformity with applicable law. The undersigned Assistant Chief Administrative Law Judge, acting under a delegation from the Chief Administrative Law Judge, hereby makes and files the following Findings of Fact, Conclusions of Law, and Order.

FINDINGS OF FACT

1. A joint resolution for orderly annexation was adopted by the City of Grand Rapids and Grand Rapids Township pursuant to Minnesota Statutes § 414.0325 and duly filed with the Office of Administrative Hearings-Municipal Boundary Adjustments.

2. A joint resolution adopted and submitted by the City of Grand Rapids and Grand Rapids Township, requests annexation of part of the designated area described as follows:

- SECTION 2 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE,
- ALL OF SECTION 3 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE,
- ALL OF SECTION 4,
- ALL OF SECTION 5,
- ALL OF SECTION 6,
- SECTION 7 LESS SW ¼ - SE ¼ AND SE ¼ - SE ¼ ,
- SECTION 8 LESS SW ¼ - SW ¼, SE ¼ - SW ¼ & SE ¼,
- ALL OF SECTION 9 EXCLUDING ANY AREAS IN THE CITY OF GRAND RAPIDS

- ALL OF SECTION 10,
- ALL OF SECTION 11 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE,
- ALL OF SECTION 14 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE, EXCLUDING THAT AREA DESIGNATED FOR ANNEXATION BY THE CITY OF LAPRAIRIE (MBA DOCKET OA-839),
- SECTION 15 LESS SW ¼ - SW ¼, SE ¼ - SW ¼ & NW ¼ - SW ¼ & W 208 FT. OF SW ¼ - SE ¼ LESS S 1114.80 FT,
- NW ¼ - NE ¼ & NE ¼ - NE ¼ OF SECTION 16,
- SECTION 18 LYING SOUTH OF BLANDIN RESERVOIR,
- SECTION 19 LYING SOUTHWEST OF BLANDIN RESERVOIR,
- NW 1/4 – NE 1/4 OF SECTION 22,
- ALL OF SECTION 26 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE OR LAPRAIRIE,
- ALL SECTION 27 EXCLUDING ANY AREAS IN THE CITY OF GRAND RAPIDS OR LAPRAIRIE,
- NE ¼ - NW ¼ & E 1/2 OF SECTION 34, AND
- ALL OF SECTION 35 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE.

NOTE: ALL SECTIONS ARE LOCATED WITHIN GRAND RAPIDS TOWNSHIP T55N R25W).

3. Minnesota Statutes §414.0325, subd. 1(h) states that in certain circumstances the Chief Administrative Law Judge may review and comment, but shall within 30 days order the annexation pursuant to the terms of a joint resolution for orderly annexation.

4. The joint resolution contains all the information required by Minnesota Statutes §414.0325, subd. 1(h), including a provision that the Chief Administrative Law Judge may review and comment but shall order the annexation within 30 days in accordance with the terms of the joint resolution.

CONCLUSIONS OF LAW

1. The Office of Administrative Hearings has duly acquired and now has jurisdiction of the within proceeding.

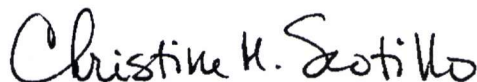
2. An order should be issued by the Assistant Chief Administrative Law Judge annexing the area described herein.

ORDER

1. The property described in Findings of Fact 2 is annexed to the City of Grand Rapids, the same as if it had originally been made a part thereof.
2. Pursuant to Minnesota Statutes §414.036, no reimbursement shall be made to the Township of Grand Rapids by the City of Grand Rapids in accordance with the terms of the Joint Resolution signed by the City and Township on November 9, 2009.
3. Pursuant to Minnesota Statutes §414.035, the tax rate on the property herein ordered annexed shall be pursuant to Paragraphs 12 and 13 of the Joint Resolution for Orderly Annexation signed by the City of Grand Rapids on December 13, 1999 and the Township of Grand Rapids December 7, 1999; and Paragraph 6 of the Joint Resolution signed by the City of Grand Rapids and the Township of Grand Rapids November 9, 2009.
4. The effective date of this Order is midnight on December 31, 2009, as stated in Paragraph 8 of the Joint Resolution signed by the City of Grand Rapids and the Township of Grand Rapids November 9, 2009.

Dated this 17th day of December, 2009.

For the Assistant Chief Administrative Law Judge
P. O. Box 64620
St. Paul, Minnesota 55164-0620



Christine M. Scotillo
Executive Director
Municipal Boundary Adjustments

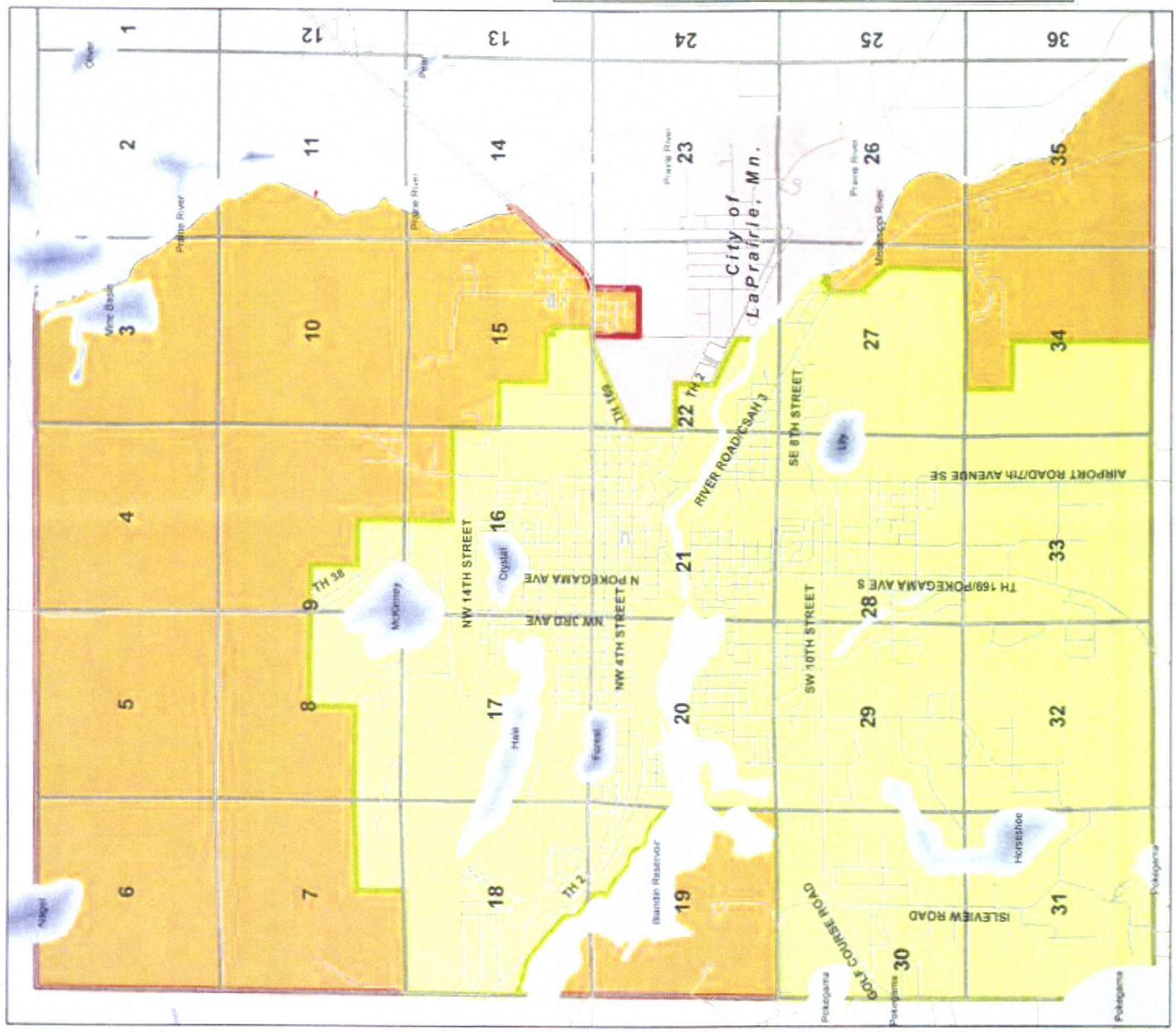
REC'D BY
MESA
DEC 1 0 2009



**City of Grand Rapids, MN
2010 ANNEXATION MAP**

Annexation Area Key

- Current City Limits
- 2010 City Limits
- City of LaPrairie
- 2010 - Annexation Area 6



ANNEXATION AREA 6 ENCOMPASSES APPROXIMATELY 7,030 ACRES

- NOTE: ALL SECTIONS ARE LOCATED WITHIN GRAND RAPIDS TOWNSHIP (T55N R25W)
- SECTION 2 LYING SOUTH AND WEST OF THE PRAIRIE RIVER.
- ALL OF SECTION 3 LYING WEST OF THE PRAIRIE RIVER.
- ALL OF SECTION 4
- ALL OF SECTION 5
- ALL OF SECTION 6
- SECTION 7 LESS SW-SE AND SE-SE
- SECTION 8 LESS SW-SW, SE-SW & SE 1/4
- SECTION 9 LESS THE PLAT OF ELM ACRES AND GOVT. LOT 2
- ALL OF SECTION 10
- GOVT. LOT 5, 6, 7 & 8 OF SECTION 11
- GOVT. LOT 6, 7 & 8 OF SECTION 14
- SECTION 15 LESS SW-SW, SE-SW & NW-SW & W 208 FT. OF SW-SE LESS S 1114.80 FT.
- NW-NE & NE-NE OF SECTION 16
- SECTION 18 LYING SOUTH OF BLANDIN RESERVOIR
- SECTION 19 LYING SOUTHWEST OF BLANDIN RESERVOIR
- NW-NE OF SECTION 22
- SECTION 26 LYING SOUTHWEST OF THE MISSISSIPPI RIVER
- SECTION 27 LYING SOUTHWEST OF THE MISSISSIPPI RIVER AND LYING EAST OF THE EXISTING CITY LIMITS

MUNICIPAL BOUNDARY ADJUSTMENT OA AGREEMENT: OA-658

Identifier

The docket number which identifies the Orderly Annexation agreement:
OA-658

Coverage

Cities and Townships which are parties to the Orderly annexation agreement:
Itasca County-Township of Grand Rapids; Itasca County-City of Grand Rapids

Date Accepted

Date on which MBA accepted the agreement: February 11, 2000

State Agency Order

Was this agreement established by state agency order?: No

Open Agreement

Was this an open agreement: Yes

Entire Area Annexed

Was the entire area annexed: No

Acreage

Acreage designated in the original agreement:
17346.000

Affirming Statement

Was an affirming statement included in the agreement: Yes

Reimbursement by Acre Fee

If a reimbursement by acre fee exists, what is the amount per acre: No

Tax Rate Step-up

Is there a tax rate step-up for landowners?: Yes

Step up description

Describe the tax rate step-up for landowners:
Five years.

Debt

Does debt/ special assessment language exist?: No

Planning

Was planning addressed within the agreement in accordance with 414.0325 Subd. 5: Yes

Planning Type

Type of planning: Joint

Initiation

Was the method for initiating subsequent annexations addressed?: Yes

Initiation type

Type of method for subsequent annexations: Conditional municipal

Taxing

Does the agreement include an urban/ rural taxing district?: No

Special Taxing District

Does this agreement include a special taxing district?: No

Green Acres

Does this agreement include Green Acres?: No

Exception to time frame

Description of any exception to the time frame:
Exception to time limit to annex

Comments

Additional information regarding this orderly annexation agreement:
Areas shall be subject to annexation accord to this schedule. Area 1 - Immediately Annexed Area 2 - July 1, 2002
Area 3 - July 1, 2004 Area 4 - July 1, 2006 Area 5 - July 1, 2008 Area 6 - December 6, 2009 Certain Events to
Annex: Areas will be annexed according the a specific time schedule unless: (1) The property owner(s) petition for
annexation; (2) Service Extension is required by a State Agency or Court Order; (3) The land is owned by the City;
(4) The land is completely surrounded by property that is within the City. Note: Designates entire Township except
small part to go to La Prairie.

[Return to Docket List](#)

JOINT RESOLUTION

REC'D BY
MBA

DEC 10 2008

IN THE MATTER OF THE ORDERLY ANNEXATION BETWEEN
THE CITY OF GRAND RAPIDS AND GRAND RAPIDS TOWNSHIP
PURSUANT TO MINNESOTA STATUTES § 414.0325

WHEREAS, the City of Grand Rapids and Grand Rapids Township designate for orderly annexation pursuant to Joint Resolution for Orderly Annexation Agreement 99-106, (File No. OA-658) the following described lands located within Grand Rapids Township, County of Itasca, Minnesota:

- SECTION 2 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE,
- ALL OF SECTION 3 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE,
- ALL OF SECTION 4,
- ALL OF SECTION 5,
- ALL OF SECTION 6,
- SECTION 7 LESS SW ¼ -SE ¼ AND SE ¼ -SE ¼,
- SECTION 8 LESS SW ¼ -SW ¼ , SE ¼ -SW ¼ & SE ¼ ,
- All OF SECTION 9 EXCLUDING ANY AREAS IN THE CITY OF GRAND RAPIDS
- ALL OF SECTION 10,
- ALL OF SECTION 11 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE,
- ALL OF SECTION 14 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE,
EXCLUDING THAT AREA DESIGNATED FOR ANNEXATION BY THE CITY
OF LAPRAIRIE (MBA DOCKET OA-839),
- SECTION 15 LESS SW ¼ -SW ¼ , SE ¼ -SW ¼ & NW ¼ -SW ¼ & W 208 FT. OF
SW ¼ -SE ¼ LESS S 1114.80 FT,
- NW ¼ -NE ¼ & NE ¼ -NE ¼ OF SECTION 16,
- SECTION 18 LYING SOUTH OF BLANDIN RESERVOIR,
- SECTION 19 LYING SOUTHWEST OF BLANDIN RESERVOIR,
- NW1/4-NE1/4 OF SECTION 22,
- ALL OF SECTION 26 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE
OR LAPRAIRIE,
- ALL SECTION 27 EXCLUDING ANY AREAS IN THE CITY OF GRAND RAPIDS
OR LAPRAIRIE,
- NE ¼ -NW ¼ & E 1/2 OF SECTION 34, AND
- ALL OF SECTION 35 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE.

- **NOTE:** ALL SECTIONS ARE LOCATED WITHIN GRAND RAPIDS TOWNSHIP (T55N R25W).

and,

WHEREAS, the City of Grand Rapids and Grand Rapids Township are in agreement as to the orderly annexation of the unincorporated land described; that both believe it will be to their benefit and to the benefit of their respective residents; and

WHEREAS, Minnesota Statutes § 414.0325 provides a procedure whereby the City of Grand Rapids and Grand Rapids Township may agree on a process of orderly annexation of a designated area; and

WHEREAS, a Notice of Intent to include property in an orderly annexation area was published pursuant to the requirements of Minnesota Statutes § 414.0325 Subd. 1b; and

WHEREAS, the City of Grand Rapids and Grand Rapids Township have agreed to all the terms and conditions for the annexation of the above-described lands within this document and the signatories hereto agree that no alteration of the designated area is appropriate and no consideration by the Chief Administrative Law Judge is necessary. The Chief Administrative Law Judge may review and comment, but shall within thirty (30) days, order the annexation in accordance with the terms of the resolution.

NOW, THEREFORE, BE IT RESOLVED, jointly by the City Council of the City of Grand Rapids and the Township Board of Grand Rapids Township as follows:

1. **Property.** That the following described lands in Grand Rapids Township are subject to orderly annexation pursuant to Minnesota Statutes § 414.0325, and that the parties hereto designate those areas for orderly annexation, to wit:

- SECTION 2 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE,
- ALL OF SECTION 3 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE,
- ALL OF SECTION 4,
- ALL OF SECTION 5,
- ALL OF SECTION 6,
- SECTION 7 LESS SW ¼ -SE ¼ AND SE ¼ -SE ¼,
- SECTION 8 LESS SW ¼ -SW ¼, SE ¼ -SW ¼ & SE ¼,
- All OF SECTION 9 EXCLUDING ANY AREAS IN THE CITY OF GRAND RAPIDS
- ALL OF SECTION 10,
- ALL OF SECTION 11 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE,
- ALL OF SECTION 14 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE,
EXCLUDING THAT AREA DESIGNATED FOR ANNEXATION BY THE CITY
OF LAPRAIRIE (MBA DOCKET OA-839),
- SECTION 15 LESS SW ¼ -SW ¼, SE ¼ -SW ¼ & NW ¼ -SW ¼ & W 208 FT. OF
SW ¼ -SE ¼ LESS S 1114.80 FT,
- NW ¼ -NE ¼ & NE ¼ -NE ¼ OF SECTION 16,
- SECTION 18 LYING SOUTH OF BLANDIN RESERVOIR,
- SECTION 19 LYING SOUTHWEST OF BLANDIN RESERVOIR,
- NW1/4-NE1/4 OF SECTION 22,
- ALL OF SECTION 26 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE
OR LAPRAIRIE,
- ALL SECTION 27 EXCLUDING ANY AREAS IN THE CITY OF GRAND RAPIDS
OR LAPRAIRIE,
- NE ¼ -NW ¼ & E 1/2 OF SECTION 34, AND
- ALL OF SECTION 35 EXCLUDING ANY AREAS IN THE CITY OF COLERAINE.

- **NOTE:** ALL SECTIONS ARE LOCATED WITHIN GRAND RAPIDS TOWNSHIP
(T55N R25W).

2. **Acreage/Population/Usage.** That the designated area consists of approximately 7,030 acres, the population in the subject area is 600, and the land use type is residential and agricultural.

3. **Jurisdiction.** That Grand Rapids Township and the City of Grand Rapids, by submission of this joint resolution to the Municipal Boundary Adjustment Unit of the Office of Administrative Hearings, confers jurisdiction upon the Chief Administrative Law Judge so as to accomplish said orderly annexation in accordance with the terms of this resolution.

4. **Need.** That the above-described property is urban or suburban or about to become so, and since the City of Grand Rapids is capable of providing services to this area within a reasonable time, the annexation would be in the best interest of the area.

5. **Planning:** Areas annexed to the City of Grand Rapids pursuant to this Joint Resolution for Orderly Annexation shall become subject to City of Grand Rapids ordinances as such ordinances exist at the time of annexation or as such ordinances may from time to time thereafter be amended by the City Council.

The Town and City agree that all land use controls within the areas designated herein for orderly annexation shall be consistent with City ordinances and give full effect to the terms and conditions provided for in this Joint Resolution for Orderly Annexation. The Town and City agree that enforcement of official land use controls within all designated areas for orderly annexation shall be by the City.

This is the final phase of a orderly annexation pursuant to Joint Resolution for Orderly Annexation Agreement 99-106, (File No. OA-658). As such, when accepted all zoning authority shall be within the jurisdiction of the City of Grand Rapids. Accordingly, all zoning regulations adopted by the City of Grand Rapids shall be binding upon the above-described property.

6. **Differential Taxation:** Minnesota Planning or its successor shall, subject to the provisions of Minnesota Statutes Sec. 414.035, and subject to Paragraph No. 13 of this Joint Resolution for Orderly Annexation, in its order annexing an area designated for orderly annexation as provided in Paragraph No. 1, provide that the tax rate on an annexed area shall be increased in substantially equal portions over a period of five (5) years to equalize the tax rate on the property already within the City of Grand Rapids.

The tax capacity rate to be applied to an annexed area shall be called the "Differential Tax Capacity Rate." For each tax year from the year of annexation through five years thereafter, the Itasca County Auditor shall determine the difference between the City's Tax Capacity Rate and the Township's Tax Capacity Rate, and calculate the "Differential Tax Capacity Rate" as follows:

| | |
|--------------------------|---|
| Year of Annexation | Township's Tax Capacity Rate + 20% of the Difference |
| 1 Year After Annexation | Township's Tax Capacity Rate + 40% of the Difference |
| 2 Years After Annexation | Township's Tax Capacity Rate + 60% of the Difference |
| 3 Years after Annexation | Township's Tax Capacity Rate + 80% of the Difference |
| 4 Years after Annexation | Township's Tax Capacity Rate + 100% of the Difference |

In subsequent years thereafter, the annexed areas shall continue to be taxed at the rate of the City of Grand Rapids.

7. Municipal Reimbursement. Minnesota Statutes § 414.036.

The City of Grand Rapids and Grand Rapids Township have reviewed Minn. Stat. 414.036, and agree that due to the provisions of Joint Resolution 99-106 there is no need to reimburse Grand Rapids Township for loss of taxable property;

The City of Grand Rapids and Grand Rapids Township agree that Joint Resolution 99-106 is a full and complete annexation of all town properties, resulting in a complete dissolution of Grand Rapids Township;

Due to the fact that Grand Rapids Township will be permanently dissolved, both the City of Grand Rapids and Grand Rapids Township hereby agree by this Joint Resolution to waive the requirements of Minn. Stat. 414.036, and Grand Rapids Township does hereby specifically waive any reimbursement by the City of Grand Rapids, to Grand Rapids Township, regarding the loss of taxable property.

8. Review and Comment. The City of Grand Rapids and Grand Rapids Township agree that upon receipt of this resolution, passed and adopted by each party, the Chief Administrative Law Judge may review and comment, but shall within thirty (30) days, order the annexation in accordance with the terms of the resolution and said annexation shall occur at midnight on December 31, 2009.

Adopted by affirmative vote of all the members of the Grand Rapids Township Board of Supervisors this 9th day of NOV. 2009.

GRAND RAPIDS TOWNSHIP

By: *Reeg Johnson*
Chairperson
Board of Supervisor

ATTEST:

By: *Maucha Gostovic*
Township Clerk

Adopted by affirmative vote of the City Council of Grand Rapids, this 9th day of November 2009.

CITY OF GRAND RAPIDS

By: *Dale Adams*
Dale Adams, Mayor

ATTEST:

By: *Shawn Gillen*
Shawn Gillen, City Administrator

Approved this 9th day of November 2009.

REC'D BY
MBA

DEC 10 2009

EXHIBIT D

January 20, 2015

Re: Notice of Minnesota Public Utilities Commission Proceeding
MPUC Docket No: _____

Dear Customer:

As you know, the Grand Rapids Public Utilities Commission (GRPUC) recently began providing your electric service. Before this transition, Lake Country Power served the area where you are located. GRPUC is in the process of formally updating the electric service maps on file with the Minnesota Public Utilities Commission (MPUC) to reflect that GRPUC is the electric service provider. This letter provides information concerning that proceeding before the MPUC.

The MPUC is a state agency with jurisdiction over electric service territory boundaries. The MPUC requires that all customers located in an area involved in a change in the service territory maps be formally notified of the proceeding in which the service territory maps will be approved. This letter provides that formal notice.

If you wish to address the MPUC concerning this change in maps, you may write to the MPUC at 121 Seventh Place E., Suite 350, Saint Paul, Minnesota 55101, or call 651-296-7124. You should reference MPUC Docket No. _____. You may contact the MPUC Consumer Affairs Office at 651-296-0406 or consumer.puc@state.mn.us if you have questions at any time. It is completely optional and voluntary to contact the MPUC.

The GRPUC values your business and will continue to strive to provide the highest quality service. Please contact me (218-326-7188) if you have any questions.

Respectfully,

Anthony T. Ward
General Manager

CC: Greg Randa (Lake Country Power)