

CITY OF LAKE ELMO
WASHINGTON COUNTY, MINNESOTA

RESOLUTION NO. 2006-030

WHEREAS, the City of Lake Elmo and Chris Riley Utilities, Inc. (the "Contractor"), entered into an agreement on or about April 5, 2005, regarding the construction of certain items related to the City's Water System Interconnect Project, Phase I; and

WHEREAS, the City and Chris Riley Utilities, Inc., entered into an agreement on or about Sept. 20, 2005, regarding the construction of certain items related to the City's Water System Interconnect Project, Phase III; both agreements being referred to herein as the "Contracts"; and

WHEREAS, in November 2005, the City agreed to extend the completion date for Phase III; and

WHEREAS, the City Staff sent the Contractor a Notice of Termination of the Contracts on March 15, 2006, a copy of which was also sent to Travelers Casualty and Surety Company (the "Surety"), which was listed as the surety under the performance bond given with respect to both Phase I and Phase III; and

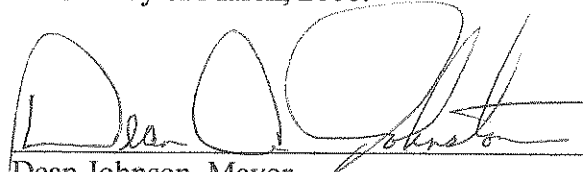
WHEREAS, the City Staff has had some contact with the Surety which has acknowledged the receipt of the claim on the performance bonds; and

WHEREAS, the City Council has received a report from the City Staff concerning the matters stated above.

NOW, THEREFORE, BE IT RESOLVED,

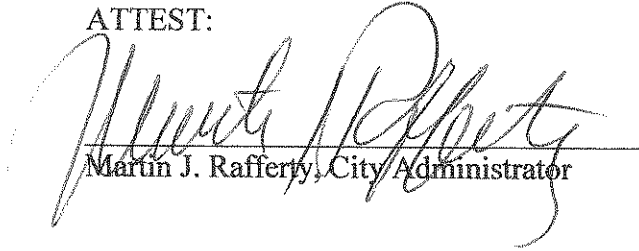
1. The City Council hereby confirms and ratifies the action taken by the City Staff as set forth in the City Engineer's letters dated March 15, 2006, which letters initiated the termination of the Contracts as referred to above.
2. The City Council hereby authorizes and directs the City Staff to initiate or continue action with respect to the City's claim on the performance bonds.
3. If the Surety determines that it will not complete the performance on the Contracts, the City Council hereby authorizes and directs the City Staff, if necessary, to take whatever steps are required to advertise for bids pursuant to Minn. Stat. §429, or otherwise, to undertake and finish the work necessary to complete Phase I and Phase III of the City's Water System Interconnect Project.

ADOPTED by the Lake Elmo City Council this 21st day of March, 2006.



Dean Johnson, Mayor

ATTEST:



Martin J. Raftery, City Administrator