Canton City Council
October 14 – Following Public Hearing
Regular Meeting Agenda

1. Call to order
2. Pledge of Allegiance
3. Approval of agenda
4. Consent agenda
    a) Approval of September 9, 2026 Regular Meeting Minutes
    b) Approval of October Disbursements
    c) Approval of ZZ Tap liquor license renewal application

5. Public comments
6. Reports
    a) Mayor
    b) Clerk & Deputy Clerk
    c) Public Works
    d) Fire Department
    e) Police
    f) Planning Commission
    g) Other

7. Old business
    a) Consider approval of State of Minnesota Lead Service Line Replacement Program Master Loan (Bond Purchase) and/or Grant Agreement
    b) Consider Resolution 2026-20: Authorizing the Issuance and Sale of a $383,387 Taxable Grant Anticipation Revenue Note Series 2026C and Providing for its payment
    c) Consider approval of Change Order #1 Water Tower Restoration and Improvements
    d) Consider approval of Pay Request #1 Water Tower Restoration and Improvements ($332,500 to Tankez Coating)

8. New business
    a) Consider approval of Resolution 2026-21: Benefit level increase in the Statewide Volunteer Firefighter (SVF) Plan
    b) Consider temporary closure of Canton Ave between Main St. and Ash St from Saturday December 12 at 8 am till Sunday December 13 at Noon for Santa Days Canton Crawl
    c) Consider temporary closure of Main Street on December 12 for Santa Day Lighted Parade
    d) Consider approval of land use variance request for Craig & Diane Fishel
    e) Consider temporary closure of Canton Ave between Main St and Ash St from 12pm-5pm on Saturday October 17 for UTV ride
    f) Consider approval of Promissory Note Second Extension Agreement with the Canton Historical Society

9. Adjourn

Upcoming Dates:

Regular City Council Meeting	November 10
Veterans Day – City Office Closed	November 11

Canton City Council Regular Meeting Minutes
September 9, 2026

Members present: Kristy Ziegler, George Hafner, Jen Dowling, Jeremy Hanson
Members absent: Jason Magnuson
City staff present: Anne Koliha, Jon Nordsving, Barb Kerns, Jim Davis
Visitor(s) present: Sabine Hafner, Stuart Fishbaugher, Daren Sikkink (WHKS)

Mayor Ziegler called the regular meeting to order at 6:00 p.m.

Motion by Dowling, seconded by Hanson to approve the agenda; motion carried.

Consent Agenda

a) Approval of August 12, 2026 Public Hearing Minutes (Wellhead Protection Plan)
b) Approval of August 12, 2026 Public Hearing Minutes (Variance Request)
c) Approval of August 12, 2026 Regular Meeting Minutes
d) Approval of September Disbursements

Motion by Dowling, seconded by Hafner to approve the consent agenda, motion carried.

Public comments: Stuart Fishbaugher expressed concerns of how some properties are a mess

Reports:

Mayor: Mayor Ziegler reported: Streets Project: As I have said before, please keep an eye out for information regarding the streets project. From the outside looking in, it probably looks like nothing is happening. I have to admit, I would have never guessed the amount of paperwork, reviews, approvals and timelines that go into a project like this. Since we are trying to get as many grants as possible to help fund a project that involves millions of dollars, we have to work with their timelines and requirements. Online Safety: Online safety has been a big topic this year. We have talked about phishing, quishing, smishing, vishing, and malvertising. If you aren't familiar with these terms, I encourage you to do a little research and learn how to protect yourself. I remember when caller ID first came out thinking it was the best thing in the world. Now I can't even assume that the number showing on my phone is actually who is calling. It can say your local bank, church or Sheriff's Office and still not be them. We live in a world now where we have to verify before trusting. One thing I want everyone to know: I will never send an unexpected email directly to a resident, and I will not text links to residents. If you receive something claiming to be from me that you aren't expecting, please don't click on anything or respond until you have verified it. School Is Back: School has started again, and our community is unique when it comes to school buses. We have buses from several different schools coming into our community every day to pick up and drop off some very precious cargo. Please be mindful and patent around the buses and our kids Some of these kids are pretty excited to see their friends and may not always by paying attention to what is happening around them. Parents, please take a few minutes to review road and bus safety with your children.
Deputy Clerk: Deputy Clerk Kerns reported: none
Clerk: Clerk Koliha reported: Continued work on the Street/Utility Improvement Project with bid opening and working with financial people. The Lead Service Line Replacement project had bid opening and continued work with WHKS regarding getting service line agreement for properties. Had a concern from a resident regarding no speed limit sign on the north end of Main St when turning off Hwy 52 and

heading into town – contacted the County since Main St is a County Road and they will and have already got a 30 mph speed limit sign put up.

Public Works: Nordsving reported: The water tower should be back online next week just waiting on some parts for final repairs and also to install the mixer. MPCA has implemented some new sampling to occur at the sewer plant so will see increase in lab costs. Also tried to allow Ness Pumping to dump into sewer plant but that is did not work as disrupted things at the plant so this will not be allowed any more.

Fire Department: Davis reported that the department has a tanker truck out of service at this time as it needs new brakes and air bags along with replacement of a fuse block. Fire Department plans to have truck in the parades for Steam Engine Days.

Police: see written report

Planning Commission: Clerk Koliha reported that the planning commission met to follow up on setbacks for a storage shed and to send another letter to property owner with deadline for compliance. Also the Commission is working to finish up review of the updated Zoning Ordinance.

Other: none

Old Business

a) Considerations for Mitson House lot
Clerk Koliha informed council that a resident had reached out inquiring about what the council had decided to do with the lot. Mayor Ziegler asked council if anyone had received any ideas for the lot. Council wishes to keep the lot as is at this time.

b) Consider approval of Resolution 2026-15: Awarding and Approving Bid for 2026-2027 Utility Improvements
Daren Sikkink from WHKS presented a tabulation of the bids received for the project which was 2 bidders and recommends the low bid for the project.
Motion by Dowling, seconded by Hanson to approve Resolution 2026-15: Awarding and Approving Bid for 2026-2027 Utility Improvements pending review and concurrence from USDA-RD; motion carried.

c) Consider approval of Resolution 2026-16: Awarding and Approving Bid for 2026 Lead Service Line Replacement
Daren Sikkink from WHKS presented a tabulation of the bids received for the project and discussed how they reached out to references and other completed projects that the low bidder had completed and recommends going with the low bid contractor.
Motion by Hafner, seconded by Dowling to approve Resolution 2026-16: Awarding and Approving Bid for 2026 Lead Service Line Replacement; motion carried.

d) 2027 Preliminary Budget Review
Clerk Koliha reviewed the 2027 Preliminary Budgets for the General Fund, Water Fund and Sewer Fund with council.

New Business

a) Consider approval of Resolution 2026-17: Establishing the 2027 Preliminary Tax Levy
Motion by Hafner, seconded by Dowling to approve Resolution 2026-17: Establishing the 2027 Preliminary Tax Levy; motion carried.

b) Discussion regarding frequency of recycling pickup (95 gallon totes – every other week)
Clerk Koliha reviewed the request by Richard's Sanitation to go to every other week recycling pick up. Motion by Hafner, seconded by Hanson to approve the switch for recycling pick up to every other week as requested by Richard's Sanitation; motion carried.

c) Consider approval of Resolution 2026-18: Certify Unpaid Charges
Motion by Dowling, seconded by Hanson to approve Resolution 2026-18: Certify Unpaid Charges; motion carried.

d) Consider approval of Resolution 2026-19: Tax Forfeited Property
Motion by Hafner, seconded by Dowling to approve Resolution 2026-19: Tax Forfeited Property; motion carried.

Motion by Dowling, seconded by Hanson to adjourn the meeting at 6:31 p.m.; motion carried.

October 2026 Disbursements

General Fund			
Acentek	$	224.81	Phone & Internet Services (City Hall/Town Hall)
Canon Financial*	$	67.00	Copier monthly lease contract
MiEnergy	$	75.01	Electric: City Hall
MiEnergy	$	80.21	Electric: Town Hall
MiEnergy	$	36.49	Electric: Bus Shed
MiEnergy	$	531.51	Electric: Street Lights
MiEnergy	$	64.26	Electric: Welcome Sign
MiEnergy	$	47.60	Electric: Ball Field
MN Energy Resources*	$	22.12	Gas: City Hall
MN Energy Resources*	$	19.33	Gas: Maintenance Shop
MN Energy Resources*	$	50.10	Gas: Town Hall
Nordsving, Jon	$	50.00	Cell phone stipend
Tri-State Business Machines	$	33.00	Copier monthly contract
Banyon Data Systems	$	1,730.00	Annual Support Fee
Nethercut Schieber Attorney	$	35.00	election ballot review
Hi-Viz Safety by Midwest Patch	$	1,160.00	8 - 8ft I-beam Barricades
Bruening Rock Products	$	347.80	road rock
Village Farm & Home	$	52.97	supplies
Fillmore County Journal	$	36.63	Public Hearing Notice - Fishel Variance
Total General Fund Disbursements	**$**	**4,663.84**	
Water Fund			
Acentek	$	41.23	Phone dialer system
Gopher State One Call	$	4.05	Locates
MiEnergy	$	1,921.36	Electric: Pump House
Banyon Data Systems	$	477.50	Annual Support Fee
WHKS	$	12,000.00	2026 LSLR Engineering services
Nethercut Schieber Attorney	$	105.00	water tower emails and letter
Village Farm & Home	$	13.99	paddlock for water tower hatch
Total Water Disbursements	**$**	**14,563.13**	
Sewer Fund			
Acentek	$	116.13	Phone & Internet: WWTF
MiEnergy	$	742.05	Electric: WWTF
Utility Consultants	$	1,806.26	Samples
Village Farm & Home	$	7.97	bleach & distilled water
Banyon Data Systems	$	477.50	Annual Support Fee
Total Sewer Disbursements	**$**	**3,149.91**	
Garbage Fund			
Richard's Sanitation	$	3,291.60	Monthly service charge
Richard's Sanitation	$	72.66	Dumpster at Ballfield
Total Garbage Disbursements	**$**	**3,364.26**	
Fire Department			
Acentek	$	64.95	Interenet services
MiEnergy	$	97.48	Electric: Fire Hall
MiEnergy	$	124.91	Electric: Cooler
MN Energy Resources*	$	26.71	Gas: Fire Hall
Bronson Mobile Repair	$	420.00	service call to check out tanker
Total Fire Department Disbursements	**$**	**734.05**	
Streets Project (Water & WWTF Systems)			
WHKS	$	10,555.76	Engineering (August 2026)
Total Streets Project Disbursments	**$**	**10,555.76**	
Total Monthly Disbursements	**$**	**37,030.95**	*EFT Payments

FILLMORE COUNTY SHERIFF

Office of the
FILLMORE COUNTY SHERIFF
JOHN DEGEORGE Sheriff
LANCE BOYUM Chief Deputy
901 Houston St. NW
PRESTON, MN 55965-1080

Tel: 507-765-3874
Emergency Dial 911
Fax: 507-765-2703

Date: October 1st, 2026

To: Canton City Council

From: Tim Melver, Deputy Sheriff
John DeGeorge, Fillmore County Sheriff

Re: September 2026 Monthly Council Report

Calls for Service / Patrol Activity:

Reported Date	Title	Street Name
2026-09-01	Warrant	OAK ST
2026-09-01	Information	FILLMORE AVE
2026-09-03	Traffic	Highway 52
2026-09-06	Traffic	HIGHWAY 52
2026-09-07	Civil	3RD ST
2026-09-11	Crash	HWY 52
2026-09-14	Information	Fillmore Ave
2026-09-17	Traffic	Highway 52
2026-09-25	Traffic	Highway 52
2026-09-26	Traffic	Highway 52
2026-09-30	Animal Complaint	HIGHWAY 52

Docusign Envelope ID: FC43EC8B-1B35-8747-83A1-56CC91CD40A7

State of Minnesota

Lead Service Line Replacement Program
Master Loan (Bond Purchase) and/or Grant Agreement
Canton_LSLR_00

This Master Loan (Bond Purchase) and/or Grant Agreement ("Master Contract") is between the State of Minnesota, acting through its Chair of the Public Facilities Authority ("Authority") and the City of Canton ("Recipient"). The Authority and Recipient may be referred to jointly as "Parties."

RECITALS

1. Pursuant to Minnesota Statutes § 446A.04, Subd. 6a: the Authority may make and contract to make loans and grants to eligible recipients to finance projects that the eligible recipient may construct or acquire. The Authority may acquire or contract to acquire notes and bonds issued by eligible recipients to finance those projects.

2. Pursuant to Minnesota Statutes §§ 446A.077 and 446A.081 the Authority is empowered to enter into this Master Contract and subsequent Project Orders to provide grants and zero percent loans to eligible recipients for eligible costs under the Authority's Lead Service Line Replacement Program.

3. The Authority will issue a "Project Order" pursuant to this Master Contract to encumber specific loan and/or grant dollar amounts for each Project.

4. The Recipient represents that it is duly qualified and agrees to perform all services described in this Master Contract and all Project Orders to the satisfaction of the Authority. Pursuant to Minnesota Statutes § 16B.98, Subd. 1, the Recipient agrees to minimize administrative costs as a condition of this Master Contract. For this Master Contract, no administrative costs will be allowed without prior Authority approval.

5. The Recipient agrees to comply with the grants management policies and procedures created pursuant to Minnesota Statutes § 16B.97, Subd. 4(a)(1).

6. The Recipient acknowledges that payments by the Authority to the Recipient under this Master Contract may be made from federal funds obtained by the Authority through Section 1452 of the Safe Drinking Water Act as amended. The Recipient is responsible for complying with all federal requirements imposed from time to time on these funds and accepts full financial responsibility for any requirements imposed by the Recipient's failure to comply with federal requirements. Exhibit A contains a not necessarily complete list of federal requirements.

DEFINITIONS

Defined Terms. As used in this Master Contract and each Project Order, each of the following terms will have the meaning set forth below after each term (each meaning to be equally applicable to both the singular and plural forms of the terms defined), unless the context specifically indicates otherwise:

"Act" means Minnesota Statutes, Chapter 446A, as amended.

"Authority" means the Minnesota Public Facilities Authority as created pursuant to the Act.

"Debt Grant" means a grant under a specific Project Order for Project Order Costs-Debt Service.

"Loan" means the portion of a specific Project Order paid out to the Recipient as a Loan under the Act that is evidenced by a Note and to be repaid by a Debt Grant.

"LSLR" means Lead Service Line Replacement.

"LSLR Substantial Completion Date" for a Project Order means the date the Recipient certifies to the MDH and the Authority, on a form prescribed by the Authority, that no further Project Costs except Project Costs-Post Substantial Completion for the Project Order will be submitted.

"LSLR Program" means the program created pursuant to Minnesota Statutes §§ 446A.077 and 446A.081.

"Master Contract" means this Master Loan (Bond Purchase) and/or Grant Agreement, between the Authority and the Recipient as amended or supplemented by each Project Order for each Project that has been approved by the Authority for funding under the LSLR Program.

"MDH" means the Minnesota Department of Health.

"MDH Project Certification" means MDH's approval to the Authority that all applicable technical requirements have been met in accordance with Minnesota Rules part 4720.9060, and includes the list of associated property addresses for lead service line replacement.

"Note" means each Taxable Grant Anticipation Revenue Note issued by a Recipient to the Authority, to evidence its obligation to repay the Loan from a specific Project Order, from proceeds of a Debt Grant from that same Project Order.

"Parties" means collectively the Authority and the Recipient.

"Project" means the LSLR activities spelled out under a specific Project Order.

"Project Costs" means eligible LSLR Program costs for a Project, within these categories:

1. "Project Costs-Construction" means costs related to construction activities, including but not limited to planning, design, and engineering, and site restoration, as described in Minnesota Statutes § 446A.077, Subd. 4(a)(1) and 4(a)(4).
2. "Project Costs-Debt Service" means the required debt service payments under a specific Project Order as pursuant to Minnesota Statutes § 446A.077, Subd. 4(a)(2) as required under the terms of the Note.
3. "Project Costs-Non-Construction" means costs under specific Project Orders related to providing information to residents on the benefits of removing lead service lines as pursuant to Minnesota Statutes § 446A.077, Subd. 4(a)(3) and other eligible non-construction costs including but not limited to water testing and temporary lead abatement costs.

4. "Project Costs-Post Substantial Completion" means those Project Costs-Construction and Project Costs-Non-Construction incurred after the LSLR Substantial Completion Date.

"Project Grant" means a grant under a specific Project Order to reimburse the recipient for Project Order Costs-Construction and Project Order Costs-Non-Construction.

"Project Order" means a LSLR Program contract issued by the Authority to the Recipient pursuant to this Master Contract to:

- identify the scope of a Project (both budget and explicit property addresses),
- encumber dollar amounts for Project Costs,
- describe the Loan (if any) repayment terms,
- identify the Project Order Managers.

"Project Order Manager" means (i) for the Authority, the authorized representative(s) of the Authority identified in a Project Order, and (ii) for the Recipient, the authorized representative(s) of the Recipient identified in a Project Order.

"Recipient" means the City of Canton.

"Recipient Resolution" means both (i) the resolution of the governing body of the Recipient authorizing the execution and delivery of this Master Contract, and (ii) a resolution of the governing body of the Recipient accepting a specific Project Order and authorizing the execution and delivery of a specific Project Order and providing for the issuance of the related Note and Loan for such Project related to such Project Order.

STANDARD TERMS AND CONDITIONS

1 Term of Master Contract

1.1 Effective date

September 18, 2026, or the date the Authority obtains all required signatures under Minnesota Statutes § 16C.05, Subd. 2, whichever is later. Per Minnesota Statutes § 16B.98, Subd. 7, no payments will be made to the Recipient until this Master Contract is fully executed.

1.2 Expiration date

June 30, 2033, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

1.3 Project Order Contracts

The term of work under Project Order contracts issued under this Master Contract may not extend beyond the expiration date of this Master Contract.

1.4 Survival of Terms

The following clauses survive the expiration or cancellation of this Master Contract: 8. Liability; 9. State Audits; 10. Government Data Practices and Intellectual Property; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; and 15 Data Disclosure.

2 Recipient's Duties

The Recipient, who is not a state employee, will complete work under the LSLR Project as detailed in each Project Order issued pursuant to this Master Contract, in compliance with applicable federal and state laws, regulations or rules.

3 Time

The Recipient must comply with all the time requirements described in this Master Contract and each Project Order.

4 Consideration and Payments

4.1 Consideration

The Authority will pay for all services satisfactorily performed by the Recipient under each Project Order issued pursuant to this Master Contract as follows:

(a) Project Order disbursements

Each disbursement request and related invoice backup must be for a specific Project Order.

(b) Delivery of Note

If a Project Order includes a Loan, then no funds will be disbursed by the Authority to the Recipient until the Recipient has delivered its Note to the Authority for that Project Order.

(c) Reimbursement for Project Costs

(1) Construction

Reimbursement for costs related to Project Costs-Construction for each property address will be paid only after that property's LSLR has been fully completed including any publicly and privately owned portions.

(2) Non-Construction

Reimbursement for costs related to Project Costs-Non-Construction will be paid after the Authority approves the related disbursement request.

(3) Debt Service

The Debt Grant will be paid only after MDH and the Authority have accepted the Recipient's certification of the LSLR Substantial Completion Date for a Project Order, and arrangements are made for the Recipient to immediately pay to the Authority, upon receipt of the Debt Grant, the agreed upon amount to pay off the Loan.

(d) Total obligation of the Authority

Each Project Order will identify the total obligation of the Authority pursuant to that Project Order, detailing the portions of the total obligation for a) Project Costs-Construction, b) Project Costs-Non-Construction, and c) Project Costs-Debt Service.

4.2 *Payment*

All Recipient disbursement requests will be promptly paid after Authority approval and must be submitted on forms prescribed by the Authority and include all requested backup. The Authority may withhold or disallow all or part of the amount requested if the Authority determines the request is not in compliance with this Master Contract and the applicable Project Order, and/or applicable federal and state laws, regulations or rules as then in effect.

4.3 State Contracting and Bidding Requirements

Pursuant to Minnesota Statutes § 471.345, grantees that are municipalities as defined in Subd. 1 must follow the law.

(a) For projects that include construction work of $25,000 or more, prevailing wage rules apply pursuant to Minnesota Statutes §§ 177.41 through 177.44. These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole.

(b) The grantee must not contract with vendors who are suspended or debarred in Minnesota:

https://mn.gov/admin/osp/government/suspended-debarred/index2.jsp

5 Conditions of Payment

All services provided by the Recipient under this Master Contract and each Project Order must be performed to the Authority's satisfaction, as determined at the sole discretion of the Authority's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Recipient will not receive payment for work found by the Authority to be unsatisfactory or performed in violation of federal, state, or local law.

6 Authorized Representatives and Project Order Managers

6.1 *Authorized Representatives*

The Authority's Authorized Representative is Drew Brooksbank, Loan Officer Sr, (651) 259-7131, Drew.Brooksbank@state.mn.us or his/her successor, and has the responsibility to monitor the Recipient's performance and the authority to accept the services provided under this Master Contract. If the services are satisfactory, the Authority's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Recipient's Authorized Representative is Jon Nordsving, Public Works Director, (507)743-5000, publicworks@cantonmn.com or his/her successor. If the Recipient's Authorized Representative changes at any time during this Master Contract, the Recipient must immediately notify the Authority.

6.2 *Project Order Managers*

Project Order Managers will be identified in each Project Order.

The Authority's Project Order Manager will be the Authority's primary contact for the Project and will review disbursement requests.

The Recipient's Project Order Manager will be the individual authorized to sign off on disbursement requests. If the Recipient's Project Order Manager changes at any time during the Project Order contract, the Recipient must immediately notify the Authority.

7 Assignment Amendments, Waiver, and Master Contract Complete

7.1 *Assignment*

The Recipient shall not assign or transfer any rights or obligations under this Master Contract without the prior written consent of the Authority. The rights of the Authority may be approved by the same parties who executed and approved this Master Contract, or their successors in office.

7.2 *Amendments*

Any amendments to this Master Contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Master Contract, or their successors in office.

7.3 *Waiver*

If the Authority fails to enforce any provision of this Master Contract, that failure does not waive the provision or the Authority's right to enforce such provision in the future. Except where required by law, the Authority may waive any provision of this Master Contract or a Project Order in a writing signed by the Authority's Project Order Manager.

7.4 *Contract Complete*

This Master Contract and any Project Order contracts contain all negotiations and agreements between the Authority and the Recipient. No other understanding regarding this Master Contract and subsequent Project Order, whether written or oral, may be used to bind either party.

7.5 Nature of Project Orders

The Project Orders are supplements to this Master Contract. This Master Contract and the Project Orders shall be interpreted together. No other understanding regarding this Master Contract and subsequent Project Order, whether written or oral, may be used to bind either party.

8 Liability

Each party shall be responsible for its own acts and omissions and the results thereof to the extent authorized by law and shall not be responsible for the other party's acts and omissions and the results thereof. The Authority's liability is governed by the Minnesota Tort Claims Act, Minnesota Statutes § 3.736 and other applicable laws. The Recipient's liability shall be governed by the provisions of Minnesota Statutes, Chapter 466 or other applicable law.

9 State Audits

Under Minnesota Statutes § 16B.98, Subd. 8, the Recipient's books, records, documents, and accounting procedures and practices of the Recipient or other party relevant to this Master Contract or transaction are subject to examination by the Commissioner of Administration, by the Authority and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this Master Contract, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

10 Government Data Practices and Intellectual Property Rights

10.1 *Government Data Practices*

The Recipient and Authority must comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as it applies to all data provided by the Authority under this Master Contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Recipient under this Master Contract. The civil remedies of Minnesota Statutes § 13.08 apply to the release of the data referred to in this clause by either the Recipient or the Authority. If the Recipient receives a request to release the data referred to in this Clause, the Recipient must immediately notify the Authority. The Authority will give the Recipient instructions concerning the release of the data to the requesting party before the data is released. The Recipient's response to the request shall comply with applicable law.

11 Workers Compensation

The Recipient certifies that it is in compliance with Minnesota Statutes § 176.181, Subd. 2, pertaining to workers' compensation insurance coverage. The Recipient's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the Authority's obligation or responsibility.

12 Publicity and Endorsement, State Requirements

12.1 *Publicity*

Any publicity regarding the subject matter of this Master Contract must identify the Authority as the sponsoring agency and must not be released without prior written approval from the Authority's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Recipient individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Master Contract. All projects primarily funded by state grant appropriations must publicly credit the State of Minnesota, including on the Recipient's website when practicable.

12.2 *Endorsement*

The Recipient must not claim that the Authority endorses its products or services.

13 Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this Master Contract. Venue for all legal proceedings out of this Master Contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14 Termination

14.1 *(a) Termination by the Authority*

The Authority may immediately terminate this Master Contract with or without cause, upon 30 days' written notice to the Recipient. Upon termination, the Recipient will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

(b) Termination by The Commissioner of Administration

The Commissioner of Administration may unilaterally cancel this Master Contract if further performance under the agreement would not serve agency purposes or is not in the best interest of the Authority.

14.2 ***Termination for Cause***

The Authority may immediately terminate this Master Contract if the Authority finds that there has been a failure to comply with the provisions of this Master Contract, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. The Authority may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

14.3 ***Termination for Insufficient Funding***

The Authority may immediately cease awarding Project Orders under this Master Contract if:

(a) Funding for federal grants to the Authority for the LSLR Program are withdrawn.

(b) It does not obtain funding from the Minnesota Legislature or existing funding is withdrawn.

(c) Or, if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Recipient. The Authority is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Recipient will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The Authority will not be assessed any penalty if the Master Contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The Authority must provide the Recipient notice of the lack of funding within a reasonable time of the Authority's receiving that notice.

15 Data Disclosure

Under Minnesota Statutes § 270C.65, Subd. 3, and other applicable law, the Recipient consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the Authority, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Recipient to file state tax returns and pay delinquent state tax liabilities, if any.

The remainder of this page is left blank intentionally

Recipient name: The City of Canton
Authority Contract ID: Canton_LSLR_00

The Authority and the Recipient have caused this Master Contract to be duly executed by their duly authorized undersigned representatives. Statutory Cities must execute this Project Order contract as provided in Minnesota Statutes § 412.201, as amended. Home Rule Charter Cities must execute this Master Contract as provided in Minnesota Statutes, Chapter 410, as amended.

1. State Encumbrance verification: *Individual certifies that funds have been encumbered as required by MN Statute § 16A.15.*

By Signed by: Melissa Ralph 49A028F9C972459...
Name Melissa Ralph
Date 9/28/2026
Title MPFA Encumbrance Signer

3. State Agency-MN Public Facilities Authority.

By
Name Matt Varilek
Date 09/25/2026
Title Chair, or delegate

2. Recipient:

By
Name
Date
Title Mayor

By
Name Anne Koliha
Date
Title City Clerk

Exhibit A, Additional State and Federal Requirements

In addition to requirements stated in the body of this Master Contract, the Recipient must comply with certain state and federal laws, rules and regulations, including but not limited to those identified in this exhibit.

State:

Minnesota Statutes § 181.59, Discrimination on Account of Race, Creed, or Color Prohibited in Contract.

Minnesota Statutes § 16C.285, Responsible Contractor Requirements.

Minnesota Statutes § 574 .26 to 574.32, the Public Contractors' Performance and Payment Bond Act, as applicable.

Minnesota Statutes § 290.9705, Surety Deposits Required for Construction Contracts.

Minnesota Statutes § 363A.36, Certificates of Compliance for Public Contracts.

Federal:

Section 1452 of the Safe Drinking Water Act (Public Law 93-523) as amended.

Safe Drinking Water Act amendments of 1990 (42 U.S. Code § 7601). Encourages recipients to award construction, supply and professional service contracts to minority, women's business enterprises (MBE/WBE's) and small businesses and requires recipients to utilize affirmative steps in procurement.

Safe Drinking Water Act amendments of 2018 by America's Water Infrastructure Act that requires all of the iron and steel products used in the CWSRF and DWSRF Projects are to be produced in the United States ("Use of American Iron and Steel Requirement"), unless (i) the Borrower has requested and obtained a waiver from the Environmental Protection Agency pertaining to the Project or (ii) the MPFA has otherwise advised the Borrower in writing that the American Iron and Steel Requirement is not applicable to the project.

Safe Drinking Water Act amendments related to Federal Build America, Buy America (BABA): The Recipient is subject to the Buy America Sourcing requirements under the BABA provisions of the Infrastructure Investment and Jobs Act (IIJA) (PUBLIC LAW 117-58 §§70911-70917) unless the project has been granted a waiver from the EPA.

National Environmental Policy Act (PUBLIC LAW 91-190 (1970)); National Historic Preservation Act (PUBLIC LAW 89-665 as amended, 80 Stat. 917 (1966)); Archeological and Historic Preservation Act (PUBLIC LAW 93-291(1974)); Protection of Wetlands, Executive Order No. 11990 (1977), as amended by Executive Order No. 12608 (1997); Flood Plain

Management, Executive Order No 11988 (1977), as amended by Executive Order No. 12148 (1979); Farmland Protection Policy Act (PUBLIC LAW No 97-98 (1981)); Coastal Zone Management Act (PUBLIC LAW 92-583 (1972), as amended); Coastal Barriers Resources Act (PUBLIC LAW 97-378, 96 Stat 1653 (1982)); Wild and Scenic Rivers Act (PUBLIC LAW 90-542, 82 Stat. 913 (1968)); Endangered Species Act (PUBLIC LAW 93-205 (1973), as amended); Essential Fish Habitat Consultation Process under the Magnuson-Stevens Fishery Conservation and Management Act (PUBLIC LAW 94-265 (1976), as amended) and; Clean Air Act Conformity (PUBLIC LAW 95-95 (1977), as amended).

Title VI of the Civil Rights Act of 1964 (P.L 88-352), Section 13 of the Federal Water Pollution Control Act Amendments of 1972 (33 U.S.C. Sec. 1251), Section 504 of the Rehabilitation Act of 1973 (PUBLIC LAW 93-1123, 87 Stat. 355, 29 U.S.C. Sec. 794), The Age Discrimination Act of 1975 (PUBLIC LAW 94-135 Sec. 303, 89 Stat. 713, 728, 42 U.S.C. Sec. 6102), and subsequent regulations, ensures access to facilities or programs regardless of race, color, national origin, sex, age or handicap.

Federal Executive Order 11246, as amended by Executive Orders 11375 and 12086 and subsequent regulations. Prohibits employment discrimination on the basis of race, color, religion, sex or national origin. Inclusion of the seven clauses in Section 202 of E. O. 11246 as amended by E. O. 11375 and 12086 are required in all project related contracts and subcontracts over $10,000.

Federal Executive Orders 11625, 12138 and 12432; 40 CFR part 33 Participation by Disadvantaged Business Enterprises in Procurement under Environmental Protection Agency (EPA) Financial Assistance Agreements; Section 129 of P. L. 100-590 Small Businesses Reauthorization & Amendment Act of 1988; Public Law 102-389 (42 U.S.C. 437d); a 1993 appropriations act ; Public Law 101-549, Title X of the Clean Air Acts.

Federal Executive Orders 12549 and 12689, Subpart C of 2 CFR Part 180 and 2 CFR Part 1532 entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons)." Prohibits entering into contracts or sub-contracts with individuals or businesses that are debarred or suspended. Borrowers are required to check and keep a record of the status of all contractors (construction and professional services) and must require contractors to check and keep a record of the status of subcontractors for contracts expected to be equal to or over $25,000 via this internet address below (or search the internet for System for Award Management):

SAM.gov | Home

2 CFR part 200, Subpart F, which establishes audit requirements for state and local units of governments receiving federal funds.

2 CFR part 200.216 which prohibits the use of certain telecommunications and video surveillances services or equipment.

40 CFR Part 35, Subpart L, Section 35.3550(i) require Borrowers to maintain project accounts in accordance with generally accepted government accounting standards (GAAP), and to issue annual financial statements that include the reporting of infrastructure assets in accordance with GASB 34.

Section 504 of the Federal Rehabilitation Act of 1973, the Americans with Disabilities Act. Requires that all public spaces and programs be designed and constructed to be accessible to the physically handicapped.

Section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)). Requires that all laborers and mechanics employed by contractors or subcontractors be paid wages at rates not less than those prevailing for the same type of work as determined by the U. S. Secretary of Labor in accordance with the federal Davis-Bacon Act (46 Stat. 1494; 40 U.S.C., sec. 276a through 276a-5). Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Davis-Bacon Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276c).

To be eligible for LSLR Program funding, the lead service lines must be replaced in their entirety.

The Recipient will post a physical sign at the project site during the construction phase to inform the public that the project funding was made available by the State of Minnesota and the Federal Infrastructure Investment and Jobs Act.

State of Minnesota
County of Fillmore

City of Canton

Resolution #2026-20

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A $383,387 TAXABLE GRANT ANTICIPATION REVENUE NOTE SERIES 2026C, AND PROVIDING FOR ITS PAYMENT

BE IT RESOLVED, by the City Council of the City of Canton, Fillmore County, Minnesota (the "City" or "Issuer"), as follows:

Section 1. Note Purpose and Authorization.

1.01 Under and pursuant to the provisions of Minnesota Statutes, Sections 444.075, 475.61, subdivision 5, Chapter 475, and other pertinent provisions of said statutes, the City is authorized to issue its revenue note to provide funds for the payment of costs of improvements to the municipal water utility (the "Water Utility"). The City has applied for and received a commitment from the Minnesota Public Facilities Authority (the "PFA") for a grant and loan for the payment of improvements to the Water Utility, for replacement of lead service lines as identified in the City's applications to the Authority (the "Project").

1.02 The City authorizes the issuance and sale of a taxable grant anticipation note to be designated the "Taxable Grant Anticipation Note, Series 2026C" in the principal amount of $383,387 (the "Note") for the Project to the PFA, in substantially the form attached hereto as Exhibit A, pursuant to a Minnesota Public Facilities Authority Master Loan (Bond Purchase) and/or Grant Agreement dated September 18, 2026, between the PFA and the City (the "Master Agreement") and the Project Order ID Canton_LSLR_00 (MDH Project ID 1230001-1) between the PFA and the City (the "Project Order"). The Master Agreement is attached hereto as Exhibit B, and is ratified or authorized and approved, as applicable.

1.03 The principal of the Note shall be paid primarily from the LSLR Grant (defined below), Net Revenues (defined below) of the Water Utility, or long-term definitive obligations which the City shall offer for sale in advance of the maturity of the Note if not paid from the LSLR Grant or Net Revenues.

1.04 Pursuant to the Project Order, the PFA will award a grant to the City in the amount of the Note (the "LSLR Grant"), which will be used to pay the principal of the Note.

Section 2. Execution and Delivery of Note, Master Agreement, and Project Order.

2.01 The Note to be issued hereunder shall be dated as of the date of delivery to PFA, shall be issued in the principal amount of $383,387, in fully registered form and lettered and numbered R-1. The Note shall not bear interest. The Note is payable as to principal only on the Maturity Date, as set forth on Exhibit A to the Note. If the principal only payments are paid by check and mailed to the registered holder of the Note, such payment shall be mailed by the City at least five business days prior to the payment date.

2.02 The Note shall be prepared for execution in accordance with the approved form and shall be signed by the manual signature of the Mayor and attested by the manual signature of the Clerk-Treasurer. In case any officer whose signature shall appear on the Note shall cease to be an officer before delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. The Master Agreement and the Project Order shall be prepared for execution in accordance with the approved form and shall be signed by the manual or electronic signature of the Mayor and attested by the manual or electronic signature of the Clerk-Treasurer. All actions of the officers of the City regarding the Master Agreement and Project Order are ratified, confirmed and approved as of the date of the Master Agreement or Project Order.

2.03. The City will cause to be kept at its offices a register in which, subject to such reasonable regulations as the City may prescribe, the City shall provide for the registration of transfers of ownership of the Note. The Note shall be initially registered in the name of the PFA and shall be transferable upon the register by the PFA in person or by its agent duly authorized in writing, upon surrender of the Note, together with a written instrument of transfer satisfactory to the Clerk-Treasurer, duly executed by the PFA or its duly authorized agent.

2.04. Delivery of the Note shall be made at a place mutually satisfactory to the City and the PFA. The Note shall be furnished by the City without cost to the PFA. The Note, when prepared in accordance with this Resolution and executed, shall be delivered to the PFA by and under the direction of the Clerk-Treasurer. Disbursement of the proceeds of the Note shall be made pursuant to the Master Agreement and Project Order.

2.05. In the event of an inconsistency between a provision of this Resolution and a provision of the Master Agreement, the provision of the Master Agreement shall govern.

Section 3. Accounts and Tax Levies.

3.01. Water Fund. The Issuer covenants and agrees with the holder of the Note as follows:

(i) It will impose and collect just and equitable charges for all use and for the availability of all facilities of the Water Utility at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining such Water Utility, and also to produce Net Revenues, which together with other funds of the Issuer pledged herein, will be at least adequate at all times to pay the principal on the Note and the principal interest on all other notes and bonds heretofore or hereafter issued and made payable from said Net Revenues, and will operate the Water Utility and segregate and account for the revenues thereof as provided in this Section.

(ii) It will place all such charges for the use and availability of the Water Utility, when collected, and all money received from the sale of any facilities or equipment of the Water Utility in the Water Utility fund (the "Water Fund"). Except as provided in this Section, this Water Fund shall be used only to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Water Utility, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time. Sums in excess of those required to make such payments and maintain such revenues constitute the net revenues ("Net Revenues") a portion of which are herein pledged and appropriated to pay the principal of when due on the Note.

(iii) Surplus Water Utility revenues from time to time received in the Water Fund, in excess of payments due from and reserves required to be maintained in the Water Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Water Utility, for the prepayment and redemption of notes and bonds constituting a lien on the Water Utility, and for any other proper municipal purpose consistent with policies established by resolution of the City Council.

3.02 There are created in the Fund the following accounts: the 2026C Minnesota Public Facilities Authority Note Construction Account (the "Construction Account") and the 2026C Minnesota Public Facilities Authority Note Debt Service Account (the "Debt Service Account") which shall be separate restricted accounts in the Water Fund until the Note has been fully paid.

(i) Construction Account. Each disbursement of proceeds of the Note which is received pursuant to the terms of the Master Agreement and Project Order shall be credited to the Construction Account. Monies on deposit in the Construction Account shall be used from time to time to pay the capital costs of the Project, including but not limited to costs of planning, engineering, legal, financial advisory, and other professional services, printing and publication costs, and costs of issuance of the Note, as such

payments become due. Upon completion of the Project, any amounts left in the Construction Account shall be transferred to the Debt Service Account.

(ii) Debt Service Account. The money in the Debt Service Account shall be used for no purpose other than the payment of principal of the Note and other notes similarly authorized; provided, however, that if any payment of principal shall become due when there is not sufficient money in the Debt Service Account, the Clerk-Treasurer shall pay the same from any other funds of the Issuer and said funds shall be reimbursed for such advance from the Debt Service Account when a sufficient balance is available therein. The Issuer irrevocably appropriates the LSLR Grant to the Debt Service Account for payment of the principal the Note. If proceeds of the LSLR Grant are insufficient to pay principal of the Note when due, the Clerk-Treasurer shall transfer from the Water Fund to the Debt Service Account amounts of Net Revenues which together with proceeds of additional temporary obligations or definitive obligations are sufficient for payment of principal then due on the Note.

3.03. Investments. Monies on deposit in the Construction Account and the Debt Service Account may, at the discretion of the Clerk-Treasurer, be invested in any securities permitted by Minnesota Statutes, Chapter 118A and in accordance with resolutions of the Issuer; provided, however, such investments shall mature at such times and in such amounts as will permit payments by the Issuer for authorized purposes, when due.

3.04 In accordance with its statutory duties under Minnesota Statutes, Section 475.61, Subdivision 5, the City covenants and agrees with the holders of the Note that if the Note cannot be paid at maturity from the LSLR Grant and Net Revenues or from other funds appropriated by the City, the Note will be paid from the proceeds of definitive obligations which the City Council shall offer for sale in advance of the maturity of the Note.

Section 4. Certificate of Proceedings.

4.01 The Clerk-Treasurer is directed to file with the county auditor a certified copy of this resolution and such other information as the county auditor may require, and to obtain from the county auditor a certificate stating that the Note herein authorized has been duly entered on his register.

4.02 The officers of the City are authorized and directed to prepare and furnish to the purchaser and to bond counsel certified copies of all proceedings and records of the City relating to the authorization and issuance of the Note and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Note as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the City as to the correctness of facts recited therein and the actions stated therein to have been taken.

Approved by the Council on October 14, 2026.

_____

Mayor – Kristy Ziegler

Attest:

_____

Clerk-Treasurer – Anne Koliha

EXHIBIT A
(Form of Note)
UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF FILLMORE

CITY OF CANTON

TAXABLE GRANT ANTICIPATION REVENUE NOTE, SERIES 2026C

R-1 **$383,387**

Date of Note: _____, 2026
Final Maturity Date: June 30, 2027

FOR VALUE RECEIVED, the CITY OF CANTON, Fillmore County, Minnesota, a duly organized and existing municipal corporation and political subdivision of the State of Minnesota (the "City"), and whose office address is 106 North Main Street, Canton, Minnesota 55922, for value received, promises to pay to the MINNESOTA PUBLIC FACILITIES AUTHORITY, its successors or registered assigns (the "Lender") at its offices in St. Paul, Minnesota, or such other place as the Lender may designate in writing, the principal sum of THREE HUNDRED EIGHTY-THREE THOUSAND THREE HUNDRED EIGHTY-SEVEN ($383,387) or such portion thereof as is disbursed to the City (the "Loan"), pursuant to the Minnesota Public Facilities Authority Master Loan (Bond Purchase) and/or Grant Agreement between the City and the Lender dated September 18, 2026 (the "Master Agreement") and Project Order ID Canton_LSLR_00 (MDH Project ID 1230001-1) (the "Project Order").

No interest shall be payable on this Note. Principal on this Note is payable on the Maturity Date. Principal is payable in lawful money of the United States of America by check or draft directly to the registered owner hereof shown on this Note registration records maintained by the City, and shall be made upon presentation and surrender of this Note when due. If the principal payment is paid by check and mailed to the Lender, such payment shall be mailed by the City at least five business days prior to the payment date.

This Note is issued pursuant to the authority contained in Minnesota Statutes, Chapter 475, Sections 444.075 and 475.61, subdivision 5, and all other laws thereto enabling, for the purpose of providing funds for improvements to the water utility system consisting of replacement of lead pipes. The Note is payable primarily from a grant to be received by the City pursuant to the Project Order (the "Grant"), and if the Grant is insufficient to pay the Note, from the net revenues to be derived from the operation of the municipal water utility of the City, and from the proceeds of permanent bonds or additional temporary bonds which the City shall offer for sale in advance of the maturity of this Note, all as set forth in the Resolution dated October 14, 2026, to which reference is made for a full statement of rights and powers thereby conferred. In the Resolution,

the City has pledged and appropriated the Grant proceeds and net revenues to be derived from the operation of the municipal water utility in excess of normal, reasonable and current costs of the operation and maintenance of the utility, for the payment of the principal when due of the Note, and the net revenues of the principal and interest on all other bonds and notes heretofore or hereafter issued and made payable from said net revenues, and has covenanted and agreed that it will impose and collect just and equitable charges for all use and for the availability of all facilities of the municipal water utility at the times and in the amounts required to pay the normal, reasonable and current expenses of operating and maintaining such facilities, and also to produce net revenues, together with the Grant, at least adequate at all times to pay the principal due on the Note.

This Note is subject to redemption at the written consent of Lender, in whole or in part on such dates and at such prices and upon such other terms as are specified in the Master Agreement and Project Order.

This Note is transferable by the registered owner hereof upon surrender of this Note for transfer at the office of the City duly endorsed and accompanied by a written instrument of transfer in form satisfactory to the City and executed by the registered owner hereof or the owner's attorney duly authorized in writing. The City may deem and treat the person in whose name this Note is last registered upon the books of the City, with such registration noted on this Note, as the absolute owner hereof for the purpose of receiving payment of or on account of the principal balance, redemption price or interest and for all other purposes; all such payments so made to the registered holder or upon the order thereof shall be valid and effectual to satisfy and discharge the liability upon this Note to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Note in order to make it a valid and binding special obligation of the City in accordance with its terms have been done and do exist in form, time, and matter as so required; and that the issuance of this Note does not cause the indebtedness of the City to exceed any constitutional or statutory limitation.

Additional provisions of this Note are contained in the Master Agreement and Project Order and such provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the City has caused this Note to be executed in its name by the manual signatures of its Mayor and Clerk-Treasurer as of the date of Note set forth above.

_____
Mayor

ATTEST:

_____
Clerk-Treasurer

PROVISIONS AS TO REGISTRATION

The ownership of the unpaid principal balance of this Note and the interest accruing thereon is registered on the books of the City of Canton, Minnesota, in the names of the holders last noted below.

Date of Registration	Name and Address of Registered Owner	Signature of Clerk-Treasurer
__/__/2026	State of Minnesota Public Facilities Authority First National Bank Building 332 Minnesota Street, Suite E200 St. Paul, MN 55101-1351 Federal Tax I.D. No.: 41-6007162	_____

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Note and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Note on the books kept for registration of the within Note, with full power of substitution in the premises.

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

The Clerk-Treasurer will not effect transfer of this Note unless the information concerning the assignee requested below is provided.

Name and Address: _____

_____

_____

Taxpayer Identification No.: _____

EXHIBIT B

(Master Loan (Bond Purchase) and/or Grant Agreement)

Docusign Envelope ID: FC43EC8B-1B35-8747-83A1-58CC91CD40A7

MINNESOTA
PUBLIC FACILITIES AUTHORITY

State of Minnesota

Lead Service Line Replacement Program
Master Loan (Bond Purchase) and/or Grant Agreement
Canton_LSLR_00

This Master Loan (Bond Purchase) and/or Grant Agreement ("Master Contract") is between the State of Minnesota, acting through its Chair of the Public Facilities Authority ("Authority") and the City of Canton ("Recipient"). The Authority and Recipient may be referred to jointly as "Parties."

RECITALS

1. Pursuant to Minnesota Statutes § 446A.04, Subd. 6a: the Authority may make and contract to make loans and grants to eligible recipients to finance projects that the eligible recipient may construct or acquire. The Authority may acquire or contract to acquire notes and bonds issued by eligible recipients to finance those projects.

2. Pursuant to Minnesota Statutes §§ 446A.077 and 446A.081 the Authority is empowered to enter into this Master Contract and subsequent Project Orders to provide grants and zero percent loans to eligible recipients for eligible costs under the Authority's Lead Service Line Replacement Program.

3. The Authority will issue a "Project Order" pursuant to this Master Contract to encumber specific loan and/or grant dollar amounts for each Project.

4. The Recipient represents that it is duly qualified and agrees to perform all services described in this Master Contract and all Project Orders to the satisfaction of the Authority. Pursuant to Minnesota Statutes § 16B.98, Subd. 1, the Recipient agrees to minimize administrative costs as a condition of this Master Contract. For this Master Contract, no administrative costs will be allowed without prior Authority approval.

5. The Recipient agrees to comply with the grants management policies and procedures created pursuant to Minnesota Statutes § 16B.97, Subd. 4(a)(1).

6. The Recipient acknowledges that payments by the Authority to the Recipient under this Master Contract may be made from federal funds obtained by the Authority through Section 1452 of the Safe Drinking Water Act as amended. The Recipient is responsible for complying with all federal requirements imposed from time to time on these funds and accepts full financial responsibility for any requirements imposed by the Recipient's failure to comply with federal requirements. Exhibit A contains a not necessarily complete list of federal requirements.

DEFINITIONS

Defined Terms. As used in this Master Contract and each Project Order, each of the following terms will have the meaning set forth below after each term (each meaning to be equally applicable to both the singular and plural forms of the terms defined), unless the context specifically indicates otherwise:

"Act" means Minnesota Statutes, Chapter 446A, as amended.

"Authority" means the Minnesota Public Facilities Authority as created pursuant to the Act.

"Debt Grant" means a grant under a specific Project Order for Project Order Costs-Debt Service.

"Loan" means the portion of a specific Project Order paid out to the Recipient as a Loan under the Act that is evidenced by a Note and to be repaid by a Debt Grant.

"LSLR" means Lead Service Line Replacement.

"LSLR Substantial Completion Date" for a Project Order means the date the Recipient certifies to the MDH and the Authority, on a form prescribed by the Authority, that no further Project Costs except Project Costs-Post Substantial Completion for the Project Order will be submitted.

"LSLR Program" means the program created pursuant to Minnesota Statutes §§ 446A.077 and 446A.081.

"Master Contract" means this Master Loan (Bond Purchase) and/or Grant Agreement, between the Authority and the Recipient as amended or supplemented by each Project Order for each Project that has been approved by the Authority for funding under the LSLR Program.

"MDH" means the Minnesota Department of Health.

"MDH Project Certification" means MDH's approval to the Authority that all applicable technical requirements have been met in accordance with Minnesota Rules part 4720.9060, and includes the list of associated property addresses for lead service line replacement.

"Note" means each Taxable Grant Anticipation Revenue Note issued by a Recipient to the Authority, to evidence its obligation to repay the Loan from a specific Project Order, from proceeds of a Debt Grant from that same Project Order.

"Parties" means collectively the Authority and the Recipient.

"Project" means the LSLR activities spelled out under a specific Project Order.

"Project Costs" means eligible LSLR Program costs for a Project, within these categories:

1. "Project Costs-Construction" means costs related to construction activities, including but not limited to planning, design, and engineering, and site restoration, as described in Minnesota Statutes § 446A.077, Subd. 4(a)(1) and 4(a)(4).
2. "Project Costs-Debt Service" means the required debt service payments under a specific Project Order as pursuant to Minnesota Statutes § 446A.077, Subd. 4(a)(2) as required under the terms of the Note.
3. "Project Costs-Non-Construction" means costs under specific Project Orders related to providing information to residents on the benefits of removing lead service lines as pursuant to Minnesota Statutes § 446A.077, Subd. 4(a)(3) and other eligible non-construction costs including but not limited to water testing and temporary lead abatement costs.

4. "Project Costs-Post Substantial Completion" means those Project Costs-Construction and Project Costs-Non-Construction incurred after the LSLR Substantial Completion Date.

"Project Grant" means a grant under a specific Project Order to reimburse the recipient for Project Order Costs-Construction and Project Order Costs-Non-Construction.

"Project Order" means a LSLR Program contract issued by the Authority to the Recipient pursuant to this Master Contract to:

- identify the scope of a Project (both budget and explicit property addresses).
- encumber dollar amounts for Project Costs.
- describe the Loan (if any) repayment terms.
- identify the Project Order Managers.

"Project Order Manager" means (i) for the Authority, the authorized representative(s) of the Authority identified in a Project Order, and (ii) for the Recipient, the authorized representative(s) of the Recipient identified in a Project Order.

"Recipient" means the City of Canton.

"Recipient Resolution" means both (i) the resolution of the governing body of the Recipient authorizing the execution and delivery of this Master Contract, and (ii) a resolution of the governing body of the Recipient accepting a specific Project Order and authorizing the execution and delivery of a specific Project Order and providing for the issuance of the related Note and Loan for such Project related to such Project Order.

STANDARD TERMS AND CONDITIONS

1 Term of Master Contract

1.1 Effective date

September 18, 2026, or the date the Authority obtains all required signatures under Minnesota Statutes § 16C.05, Subd. 2, whichever is later. Per Minnesota Statutes § 16B.98, Subd. 7, no payments will be made to the Recipient until this Master Contract is fully executed.

1.2 Expiration date

June 30, 2033, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

1.3 Project Order Contracts

The term of work under Project Order contracts issued under this Master Contract may not extend beyond the expiration date of this Master Contract.

1.4 Survival of Terms

The following clauses survive the expiration or cancellation of this Master Contract: 8. Liability; 9. State Audits; 10. Government Data Practices and Intellectual Property; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; and 15 Data Disclosure.

2 **Recipient's Duties**

The Recipient, who is not a state employee, will complete work under the LSLR Project as detailed in each Project Order issued pursuant to this Master Contract, in compliance with applicable federal and state laws, regulations or rules.

3 **Time**

The Recipient must comply with all the time requirements described in this Master Contract and each Project Order.

4 **Consideration and Payments**

4.1 Consideration

The Authority will pay for all services satisfactorily performed by the Recipient under each Project Order issued pursuant to this Master Contract as follows:

(a) Project Order disbursements

Each disbursement request and related invoice backup must be for a specific Project Order.

(b) Delivery of Note

If a Project Order includes a Loan, then no funds will be disbursed by the Authority to the Recipient until the Recipient has delivered its Note to the Authority for that Project Order.

(c) Reimbursement for Project Costs

(1) Construction

Reimbursement for costs related to Project Costs-Construction for each property address will be paid only after that property's LSLR has been fully completed including any publicly and privately owned portions.

(2) Non-Construction

Reimbursement for costs related to Project Costs-Non-Construction will be paid after the Authority approves the related disbursement request.

(3) Debt Service

The Debt Grant will be paid only after MDH and the Authority have accepted the Recipient's certification of the LSLR Substantial Completion Date for a Project Order, and arrangements are made for the Recipient to immediately pay to the Authority, upon receipt of the Debt Grant, the agreed upon amount to pay off the Loan.

(d) Total obligation of the Authority

Each Project Order will identify the total obligation of the Authority pursuant to that Project Order, detailing the portions of the total obligation for a) Project Costs-Construction, b) Project Costs-Non-Construction, and c) Project Costs-Debt Service.

4.2 Payment

All Recipient disbursement requests will be promptly paid after Authority approval and must be submitted on forms prescribed by the Authority and include all requested backup. The Authority may withhold or disallow all or part of the amount requested if the Authority determines the request is not in compliance with this Master Contract and the applicable Project Order, and/or applicable federal and state laws, regulations or rules as then in effect.

4.3 State Contracting and Bidding Requirements

Pursuant to Minnesota Statutes § 471.345, grantees that are municipalities as defined in Subd. 1 must follow the law.

(a) For projects that include construction work of $25,000 or more, prevailing wage rules apply pursuant to Minnesota Statutes §§ 177.41 through 177.44. These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole.

(b) The grantee must not contract with vendors who are suspended or debarred in Minnesota:

https://mn.gov/admin/osp/government/suspended-debarred/index2.jsp

5 Conditions of Payment

All services provided by the Recipient under this Master Contract and each Project Order must be performed to the Authority's satisfaction, as determined at the sole discretion of the Authority's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Recipient will not receive payment for work found by the Authority to be unsatisfactory or performed in violation of federal, state, or local law.

6 Authorized Representatives and Project Order Managers

6.1 *Authorized Representatives*

The Authority's Authorized Representative is Drew Brooksbank, Loan Officer Sr, (651) 259-7131, Drew.Brooksbank@state.mn.us or his/her successor, and has the responsibility to monitor the Recipient's performance and the authority to accept the services provided under this Master Contract. If the services are satisfactory, the Authority's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Recipient's Authorized Representative is Jon Nordsving, Public Works Director, (507)743-5000, publicworks@cantonmn.com or his/her successor. If the Recipient's Authorized Representative changes at any time during this Master Contract, the Recipient must immediately notify the Authority.

6.2 *Project Order Managers*

Project Order Managers will be identified in each Project Order.

The Authority's Project Order Manager will be the Authority's primary contact for the Project and will review disbursement requests.

The Recipient's Project Order Manager will be the individual authorized to sign off on disbursement requests. If the Recipient's Project Order Manager changes at any time during the Project Order contract, the Recipient must immediately notify the Authority.

7 **Assignment Amendments, Waiver, and Master Contract Complete**

7.1 *Assignment*

The Recipient shall not assign or transfer any rights or obligations under this Master Contract without the prior written consent of the Authority. The rights of the Authority may be approved by the same parties who executed and approved this Master Contract, or their successors in office.

7.2 *Amendments*

Any amendments to this Master Contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Master Contract, or their successors in office.

7.3 *Waiver*

If the Authority fails to enforce any provision of this Master Contract, that failure does not waive the provision or the Authority's right to enforce such provision in the future. Except where required by law, the Authority may waive any provision of this Master Contract or a Project Order in a writing signed by the Authority's Project Order Manager.

7.4 *Contract Complete*

This Master Contract and any Project Order contracts contain all negotiations and agreements between the Authority and the Recipient. No other understanding regarding this Master Contract and subsequent Project Order, whether written or oral, may be used to bind either party.

7.5 Nature of Project Orders

The Project Orders are supplements to this Master Contract. This Master Contract and the Project Orders shall be interpreted together. No other understanding regarding this Master Contract and subsequent Project Order, whether written or oral, may be used to bind either party.

8 **Liability**

Each party shall be responsible for its own acts and omissions and the results thereof to the extent authorized by law and shall not be responsible for the other party's acts and omissions and the results thereof. The Authority's liability is governed by the Minnesota Tort Claims Act, Minnesota Statutes § 3.736 and other applicable laws. The Recipient's liability shall be governed by the provisions of Minnesota Statutes, Chapter 466 or other applicable law.

9 **State Audits**

Under Minnesota Statutes § 16B.98, Subd. 8, the Recipient's books, records, documents, and accounting procedures and practices of the Recipient or other party relevant to this Master Contract or transaction are subject to examination by the Commissioner of Administration, by the Authority and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this Master Contract, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

10 Government Data Practices and Intellectual Property Rights

10.1 *Government Data Practices*

The Recipient and Authority must comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as it applies to all data provided by the Authority under this Master Contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Recipient under this Master Contract. The civil remedies of Minnesota Statutes § 13.08 apply to the release of the data referred to in this clause by either the Recipient or the Authority. If the Recipient receives a request to release the data referred to in this Clause, the Recipient must immediately notify the Authority. The Authority will give the Recipient instructions concerning the release of the data to the requesting party before the data is released. The Recipient's response to the request shall comply with applicable law.

11 Workers Compensation

The Recipient certifies that it is in compliance with Minnesota Statutes § 176.181, Subd. 2, pertaining to workers' compensation insurance coverage. The Recipient's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the Authority's obligation or responsibility.

12 Publicity and Endorsement, State Requirements

12.1 *Publicity*

Any publicity regarding the subject matter of this Master Contract must identify the Authority as the sponsoring agency and must not be released without prior written approval from the Authority's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Recipient individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Master Contract. All projects primarily funded by state grant appropriations must publicly credit the State of Minnesota, including on the Recipient's website when practicable.

12.2 *Endorsement*

The Recipient must not claim that the Authority endorses its products or services.

13 Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this Master Contract. Venue for all legal proceedings out of this Master Contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14 Termination

14.1 *(a) Termination by the Authority*

The Authority may immediately terminate this Master Contract with or without cause, upon 30 days' written notice to the Recipient. Upon termination, the Recipient will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

(b) Termination by The Commissioner of Administration
The Commissioner of Administration may unilaterally cancel this Master Contract if further performance under the agreement would not serve agency purposes or is not in the best interest of the Authority.

14.2 *Termination for Cause*
The Authority may immediately terminate this Master Contract if the Authority finds that there has been a failure to comply with the provisions of this Master Contract, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. The Authority may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

14.3 *Termination for Insufficient Funding*
The Authority may immediately cease awarding Project Orders under this Master Contract if:

(a) Funding for federal grants to the Authority for the LSLR Program are withdrawn.
(b) It does not obtain funding from the Minnesota Legislature or existing funding is withdrawn.
(c) Or, if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Recipient. The Authority is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Recipient will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The Authority will not be assessed any penalty if the Master Contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The Authority must provide the Recipient notice of the lack of funding within a reasonable time of the Authority's receiving that notice.

15 Data Disclosure
Under Minnesota Statutes § 270C.65, Subd. 3, and other applicable law, the Recipient consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the Authority, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Recipient to file state tax returns and pay delinquent state tax liabilities, if any.

The remainder of this page is left blank intentionally

Recipient name:	The City of Canton
Authority Contract ID:	Canton_LSLR_00

The Authority and the Recipient have caused this Master Contract to be duly executed by their duly authorized undersigned representatives. Statutory Cities must execute this Project Order contract as provided in Minnesota Statutes § 412.201, as amended. Home Rule Charter Cities must execute this Master Contract as provided in Minnesota Statutes, Chapter 410, as amended.

1. State Encumbrance verification: *Individual certifies that funds have been encumbered as required by MN Statute § 16A.15.*

By Signed by: Melissa Ralph

Name Melissa Ralph

Date 9/28/2026

Title MPFA Encumbrance Signer

2. Recipient:

By

Name

Date

Title Mayor

By

Name Anne Kolina

Date

Title City Clerk

3. State Agency-MN Public Facilities Authority.

By

Name Matt Varilek

Date 09/25/2026

Title Chair, or delegate

Exhibit A, Additional State and Federal Requirements

In addition to requirements stated in the body of this Master Contract, the Recipient must comply with certain state and federal laws, rules and regulations, including but not limited to those identified in this exhibit.

State:

Minnesota Statutes § 181.59, Discrimination on Account of Race, Creed, or Color Prohibited in Contract.

Minnesota Statutes § 16C.285, Responsible Contractor Requirements.

Minnesota Statutes § 574 .26 to 574.32, the Public Contractors' Performance and Payment Bond Act, as applicable.

Minnesota Statutes § 290.9705, Surety Deposits Required for Construction Contracts.

Minnesota Statutes § 363A.36, Certificates of Compliance for Public Contracts.

Federal:

Section 1452 of the Safe Drinking Water Act (Public Law 93-523) as amended.

Safe Drinking Water Act amendments of 1990 (42 U.S. Code § 7601). Encourages recipients to award construction, supply and professional service contracts to minority, women's business enterprises (MBE/WBE's) and small businesses and requires recipients to utilize affirmative steps in procurement.

Safe Drinking Water Act amendments of 2018 by America's Water Infrastructure Act that requires all of the iron and steel products used in the CWSRF and DWSRF Projects are to be produced in the United States ("Use of American Iron and Steel Requirement"), unless (i) the Borrower has requested and obtained a waiver from the Environmental Protection Agency pertaining to the Project or (ii) the MPFA has otherwise advised the Borrower in writing that the American Iron and Steel Requirement is not applicable to the project.

Safe Drinking Water Act amendments related to Federal Build America, Buy America (BABA): The Recipient is subject to the Buy America Sourcing requirements under the BABA provisions of the Infrastructure Investment and Jobs Act (IIJA) (PUBLIC LAW 117-58 §§70911-70917) unless the project has been granted a waiver from the EPA.

National Environmental Policy Act (PUBLIC LAW 91-190 (1970)); National Historic Preservation Act (PUBLIC LAW 89-665 as amended, 80 Stat. 917 (1966)); Archeological and Historic Preservation Act (PUBLIC LAW 93-291(1974)); Protection of Wetlands, Executive Order No. 11990 (1977), as amended by Executive Order No. 12608 (1997); Flood Plain

Management, Executive Order No 11988 (1977), as amended by Executive Order No. 12148 (1979); Farmland Protection Policy Act (PUBLIC LAW No 97-98 (1981)); Coastal Zone Management Act (PUBLIC LAW 92-583 (1972), as amended); Coastal Barriers Resources Act (PUBLIC LAW 97-378, 96 Stat 1653 (1982)); Wild and Scenic Rivers Act (PUBLIC LAW 90-542, 82 Stat. 913 (1968)); Endangered Species Act (PUBLIC LAW 93-205 (1973), as amended); Essential Fish Habitat Consultation Process under the Magnuson-Stevens Fishery Conservation and Management Act (PUBLIC LAW 94-265 (1976), as amended) and; Clean Air Act Conformity (PUBLIC LAW 95-95 (1977), as amended).

Title VI of the Civil Rights Act of 1964 (P.L 88-352), Section 13 of the Federal Water Pollution Control Act Amendments of 1972 (33 U.S.C. Sec. 1251), Section 504 of the Rehabilitation Act of 1973 (PUBLIC LAW 93-1123, 87 Stat. 355, 29 U.S.C. Sec. 794), The Age Discrimination Act of 1975 (PUBLIC LAW 94-135 Sec. 303, 89 Stat. 713, 728, 42 U.S.C. Sec. 6102), and subsequent regulations, ensures access to facilities or programs regardless of race, color, national origin, sex, age or handicap.

Federal Executive Order 11246, as amended by Executive Orders 11375 and 12086 and subsequent regulations. Prohibits employment discrimination on the basis of race, color, religion, sex or national origin. Inclusion of the seven clauses in Section 202 of E. O. 11246 as amended by E. O. 11375 and 12086 are required in all project related contracts and subcontracts over $10,000.

Federal Executive Orders 11625, 12138 and 12432; 40 CFR part 33 Participation by Disadvantaged Business Enterprises in Procurement under Environmental Protection Agency (EPA) Financial Assistance Agreements; Section 129 of P. L. 100-590 Small Businesses Reauthorization & Amendment Act of 1988; Public Law 102-389 (42 U.S.C. 437d); a 1993 appropriations act ; Public Law 101-549, Title X of the Clean Air Acts.

Federal Executive Orders 12549 and 12689, Subpart C of 2 CFR Part 180 and 2 CFR Part 1532 entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons)." Prohibits entering into contracts or sub-contracts with individuals or businesses that are debarred or suspended. Borrowers are required to check and keep a record of the status of all contractors (construction and professional services) and must require contractors to check and keep a record of the status of subcontractors for contracts expected to be equal to or over $25,000 via this internet address below (or search the internet for System for Award Management):

SAM.gov : Home

2 CFR part 200, Subpart F, which establishes audit requirements for state and local units of governments receiving federal funds.

2 CFR part 200.216 which prohibits the use of certain telecommunications and video surveillances services or equipment.

40 CFR Part 35, Subpart L, Section 35.3550(i) require Borrowers to maintain project accounts in accordance with generally accepted government accounting standards (GAAP), and to issue annual financial statements that include the reporting of infrastructure assets in accordance with GASB 34.

Section 504 of the Federal Rehabilitation Act of 1973, the Americans with Disabilities Act. Reqnires that all public spaces and programs be designed and constructed to be accessible to the physically handicapped.

Section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)). Requires that all laborers and mechanics employed by contractors or subcontractors be paid wages at rates not less than those prevailing for the same type of work as determined by the U. S. Secretary of Labor in accordance with the federal Davis-Bacon Act (46 Stat. 1494; 40 U.S.C., sec. 276a through 276a-5). Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Davis-Bacon Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276c).

To be eligible for LSLR Program funding, the lead service lines must be replaced in their entirety.

The Recipient will post a physical sign at the project site during the construction phase to inform the public that the project funding was made available by the State of Minnesota and the Federal Infrastructure Investment and Jobs Act.

CHANGE ORDER NO.: 1

Owner:	City of Canton, Minnesota	Owner's Project No.:	10208
Engineer:	WHKS & Co.	Engineer's Project No.:	10208
Contractor:	Tankez Coatings, Inc	Contractor's Project No.:	
Project:	Canton Utilities and Streets Project – Water Tower Restoration and Improvements		
Contract Name:	Canton Utilities and Streets Project – Water Tower Restoration and Improvements		
Date Issued:	10/06/2026	Effective Date of Change Order:	10/14/2026

The Contract is modified as follows upon execution of this Change Order:

Description:

1. **Description of change(s) to be made:**
    a. Add the following attached Rural Development forms and documents to the project documents:
        i. *AFFIRMATIVE STEPS ON SMALL, MINORITY, AND WOMEN SUPPLIERS AND SERVICES*
        ii. *RUS BULLETIN 1780-26 ATTACHMENT A.5 – ENGINEER'S CERTIFICATIONS*
        iii. *NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS FOR CERTIFICATIONS OF NON-SEGREGATED FACILITIES*
        iv. *GOALS FOR MINORITY UTILIZATION IN EACH CONSTRUCTION CRAFT AND TRADE*
        v. *GOALS AND TIMETABLES FOR MINORITIES AND WOMEN*
        vi. *CERTIFICATE OF FINAL APPROVAL*
        vii. *EXEMPTION FROM SURETY DEPOSITS FOR NON-MINNESOTA CONTRACTORS*
        viii. *CONTRACTOR AFFADAVIT*
        ix. *PROGRESS SCHEDULE EXAMPLE*
        x. *TEMPORARY CONSTRUCTION SIGN FOR USDA RURAL DEVELOPMENT PROJECTS*
    b. Remove "MN PREVAILING WAGE RATES" from the project documents.
    c. Include the demolition and in-kind replacement of the existing tank wall ladder, painted as a part of the tank wall with matching paint system and color.
    d. Allow the substitution of mild or carbon steel for all piping material callouts within the plan sheets, painted as a part of the water tower with matching paint system and color.
    e. Change the existing overflow detail utilizing a gutter to the proposed detail on updated Plan Sheet No. 5 utilizing a traditional overflow with a 90° bend.
    f. Update the tank leg support detail to include the addition of plastic bearing pads.
    g. Extend the date of Final completion by one (1) month from 11/13/2026 to 12/11/2026.

2. **Reason for ordering change(s):**
    a. The forms were added to meet Rural Development project requirements.
    b. Due to no additional funding sources outside the Rural Development grant/loan package, MN prevailing wage rates were removed from the project as there is no requirement for them. See attached form signed by the City's attorney stating that inclusion of prevailing wage rates had no impact on the bidding process.
    c. The demolition and replacement of the tank wall ladder is being added due to safety concerns around the condition and placement of the current tank wall ladder.

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d. Allowing use of painted mild or carbon steel was included to avoid dissimilar metal connections and allow for welding of the overflow pipe onto the exterior tank wall and catwalk.
e. The changes to the proposed overflow detail are per Minnesota Department of Health (MDH) guidance.
f. The bearing pads were added to prevent any potential abrasion of paint due to tower movement.
g. The manufacturer of the tower's proposed new safety climb is having issues with delivery of equipment. The extension prevents overrun of the Final Completion date.

3. **Settlement for the cost of the above change is to be made as follows:**
   a. Contract Price shall be increased by $748.10 (temporary construction sign).
   b. Contract Price shall not be affected.
   c. Contract price shall be increased by $4,000.00
   d. Contract price shall not be affected.
   e. Contract price shall not be affected.
   f. Contract price shall be increased by $123.50
   g. Contract price shall not be affected.

4. **This time increase for the change order, by item, is as follows:**
   a. No change in contract dates.
   b. No change in contract dates.
   c. No change in contract dates.
   d. No change in contract dates.
   e. No change in contract dates.
   f. No change in contract dates.
   g. The contract date for substantial completion will be increased by one month from 11/13/2026 to 12/11/2026.

5. **Attachments:**
   a. SPECIFICATION ITEMS:
      1. Attachment Including all Rural Development Forms and Documents included in Specification Item 1.
   b. PLAN ITEMS:
      1. Updated Plan Sheet No. 5 with proposed modifications.
   c. ADDITIONAL:
      1. Invoices for proposed contract price modification items.
      2. Letter from City Attorney stating that inclusion of prevailing wage rates had no impact on the bidding process.

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Change in Contract Price	Change in Contract Times
Original Contract Price: $ 390,000.00	Original Contract Times: Substantial Completion: 10/02/2026 Ready for final payment: 11/13/2026
Increase from previously approved Contract Documents to Change Order No. 1 $ $4,871.60	**No Change** from previously approved Contract Documents to Change Order No. 1: Substantial Completion: 10/02/2026 Ready for final payment: 11/13/2026
Contract Price prior to this Change Order: $ $390,000.00	Contract Times prior to this Change Order: Substantial Completion: 10/02/2026 Ready for final payment: 11/13/2026
Increase for this Change Order: $ $4,871.60	Increase for this Change Order: Substantial Completion: 10/02/2026 Ready for final payment: 12/11/2026
Contract Price incorporating this Change Order: $ $394,871.60	Contract Times with all approved Change Orders: Substantial Completion: 10/02/2026 Ready for final payment: 12/11/2026

Recommended by Engineer (if required)	Authorized by Contractor
By:	
Title:	
Date:	
Authorized by Owner	**Approved by Funding Agency (if applicable)**
By:	
Title:	
Date:	

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2905 South Broadway
Rochester, MN 55904-5515
Phone: 507.288.3923
Fax: 507.288.2675
Email: rochester@whks.com
Website: www.whks.com

whks
engineers + planners + land surveyors

October 7, 2026

Mrs. Anne Koliha
City Clerk
City of Canton
106 Main St N
Canton, MN 55922

RE: Canton, MN
Water Tower Restoration and Improvements
Pay Request 1

Dear Mrs. Koliha:

Enclosed is Pay Request No. 1 for work on the above referenced project. We recommend payment in the amount of $332,500.00 to:

Tankez Coatings, Inc.
2221 Loving Ave
Fort Worth, TX 76164

Please contact me if you have any questions.

Sincerely,

WHKS *& co.*

Kevin Graves, P.E.

Digitally signed by Kevin Graves, P.E.
DN: C=US, E=kgraves@whks.com, O=WHKS, OU=Senior Associate, CN="Kevin Graves, P.E."
Reason: I am approving this document
Date: 2026.10.08 16:21:23-05'00'

Kevin Graves
P.E. | Senior Associate

KJG/vjh

cc: Daren Sikkink, WHKS
Ryan Rieckman, USDA Rural Development
Kyle Boelter, USDA Rural Devleopment

Contractor's Application for Payment

Owner:	City of Canton, Minnesota	**Owner's Project No.:**	
Engineer:	WHKS & Co.	**Engineer's Project No.:**	10208
Contractor:	Tankez Coatings, Inc.	**Contractor's Project No.:**	
Project:	Canton Utilities and Streets Project - Water Tower Restoration and Improvements		
Contract:			
Application No.:	1	**Application Date:**	10-01-2026
Application Period:	From 08-06-2026	to	10-01-2026

1. Original Contract Price	$ 390,000.00
2. Net change by Change Orders	$ -
3. Current Contract Price (Line 1 + Line 2)	$ 390,000.00
4. Total Work completed and materials stored to date (Sum of Column G Lump Sum Total and Column J Unit Price Total)	$ 350,000.00
5. Retainage	
a. 5% X $ 350,000.00 Work Completed	$ 17,500.00
b. 5% X $ n/a Stored Materials	$ n/a
c. Total Retainage (Line 5.a + Line 5.b)	$ 332,500.00
6. Amount eligible to date (Line 4 - Line 5.c)	$ 0.00
7. Less previous payments (Line 6 from prior application)	
8. Amount due this application	$ 332,500.00
9. Balance to finish, including retainage (Line 3 - Line 4)	$ 57,500.00

Contractor's Certification

The undersigned Contractor certifies, to the best of its knowledge, the following:
(1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;
(2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such liens, security interest, or encumbrances); and
(3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

Contractor: Tankez Coatings, Inc.

Signature: [signature] **Date:** 10-01-2026

Recommended by Engineer		Approved by Owner	
By:	Kevin Graves	By:	
Title:	Senior Associate	Title:	
Date:	10/07/26	Date:	
Approved by Funding Agency			
By:		By:	
Title:		Title:	
Date:		Date:	

EJCDC C-620 (Rev. 1) Contractor's Application for Payment
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Progress Estimate - Lump Sum Work

Contractor's Application for Payment

Owner:	City of Canton, Minnesota	Owner's Project No.:	
Engineer:	WHKS & Co.	Engineer's Project No.:	10208
Contractor:	Tankez Coatings, Inc.	Contractor's Project No.:	
Project:	Canton Utilities and Streets Project - Water Tower Restoration and Improvements		
Contract:			

Application No.: 1 Application Period: From 08-06-2026 to 10-01-2026 Application Date: 10-01-2026

A	B	C	D	E	F	G	H	I
Item No.	Description	Scheduled Value ($)	Work Completed: (D + E) From Previous Application ($)	Work Completed: This Period ($)	Materials Currently Stored (not in D or E) ($)	Work Completed and Materials Stored to Date (D + E + F) ($)	% of Scheduled Value (G / C) (%)	Balance to Finish (C - G) ($)
	Original Contract							
1	Preparation and Coating Interior	$77,000.00	0	$77,000.00	n/a	$77,000.00	100%	$0.00
2	Preparation and Coating Exterior	$180,000.00	0	$180,000.00	n/a	$180,000.00	100%	$0.00
3	Overflow Pipe Modification	$30,000.00	0	$30,000.00	n/a	$30,000.00	100%	$0.00
4	Mixer	$40,000.00	0	$20,000.00	n/a	$20,000.00	50%	$20,000.00
5	Containment System	$35,000.00	0	$35,000.00	n/a	$35,000.00	100%	$0.00
6	Stainless Steel Fall Arrest System	$20,000.00	0	$0.00	n/a	$0.00	0%	$20,000.00
7	Exterior Rail Around Roof Hatch and Ladder	$8,000.00	0	$8,000.00	n/a	$8,000.00	100%	$0.00
	Original Contract Totals	$ 390,000.00	$ 0.00	$ 350,000.00	$ -	$ 350,000.00	89.7%	$ 40,000.00

EJCDC C-620 (Rev. 1) Contractor's Application for Payment
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Scheudlue of Values
Updated 8-06-26

Contractor:	Tankez Coatings, Inc.
Owner:	Canton, MN
Project :	WATER TOWER RESTORATION AND IMPROVEMENTS
Total Price:	$390,000.00

Item	Description	Quanity	Each Price	Total Price
1	Prep & Paint Interior	1	$77,000.00	$77,000.00
2	Prep & Paint Exterior	1	$180,000.00	$180,000.00
3	Overflow Pipe Modification	1	$30,000.00	$30,000.00
4	Mixer	1	$40,000.00	$40,000.00
5	Containment	1	$35,000.00	$35,000.00
6	Stainless Steel Fall Arrest System	1	$20,000.00	$20,000.00
7	Exterior Rail Around Roof Hatch and Ladder	1	$8,000.00	$8,000.00
				$390,000.00

State of Minnesota
County of Fillmore

City of Canton

Resolution #2026-21

A RESOLUTION FOR THE BENEFIT LEVEL INCREASE IN THE STATEWIDE VOLUNTEER FIREFIGHTER (SVF) PLAN

WHEREAS, the City previously authorized the fire department to join the Statewide Volunteer Firefighter (SVF) Plan administered by the Public Employees Retirement Association (PERA); and

WHEREAS, the City requested and obtained a cost analysis of increasing the benefit level for firefighters who are vested in the SVF Plan from PERA not more than 120 days ago; and

WHEREAS, the City understands that Minnesota statues do no have provisions for a decrease in benefit levels; and

WHEREAS, the City highly values the contributions of city fire department members to the safety and well-being of our community and wishes to safeguard their pension investments in a prudent manner.

NOW, THEREFORE BE IT RESOLVED by the city council of Canton, Minnesota:

1. The city hereby approves an increase in the benefit level for who have completed the fire department's minimum required years of service for vesting as a member of the SVF Plan administered by PERA at the $1,200 benefit level per year of service, effective January 1, 2027; and
2. The city clerk and mayor are hereby authorized to execute all documents necessary to bring this resolution into effect.

Whereupon said resolution was declared duly passed and adopted by the City Council of Canton, Minnesota this 14th day of October 2026.

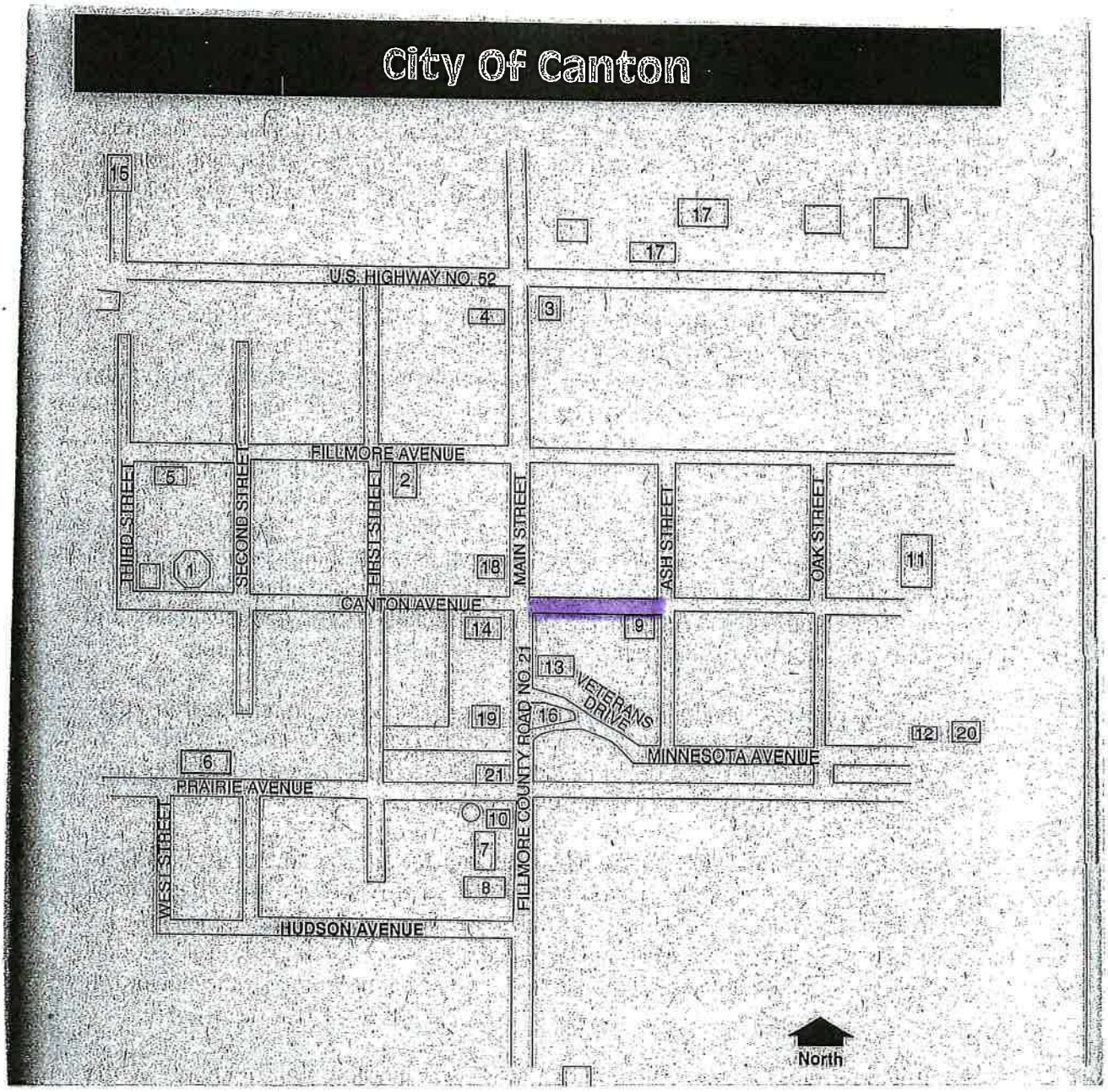
_____

Kristy Ziegler, Mayor

ATTEST:

_____

Anne Koliha, City Clerk



Temporary Street Closure

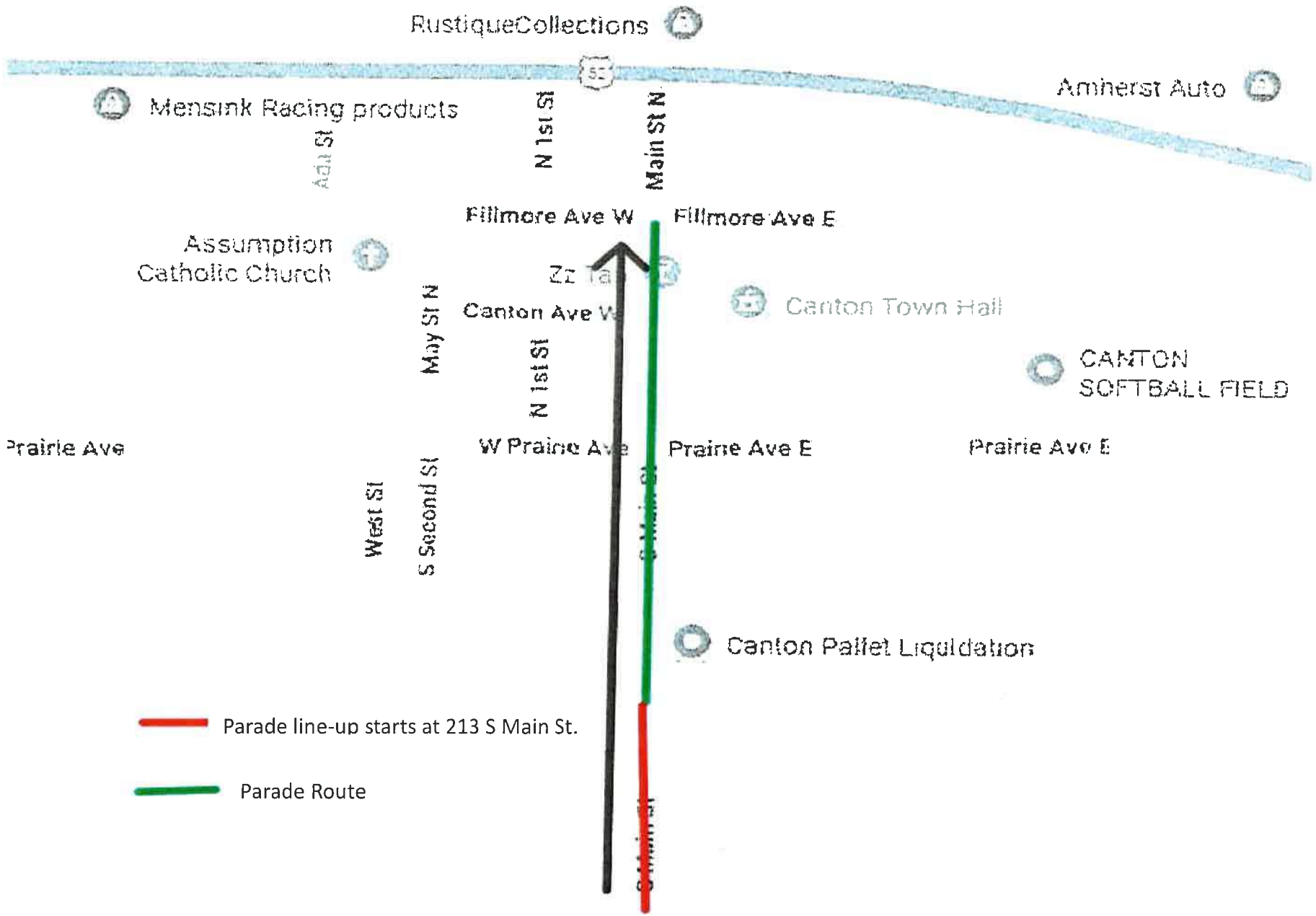
December 12 @ 8am till Dec 13 @ 12pm

Canton Crawl - part of Santa Days

Canton Avenue between Main St and Ash St

Canton Santa Days Parade

Saturday December 12 at 6:30 PM



Promissory Note Extension Request

October 1, 2026

To: City of Canton

The Canton Historical Society requests the City of Canton to extend the due date of the promissory note in the amount of $5,000 for a second extension term, extending the note due date to October 14, 2031 with the same current terms.

Greg Turner

Treasurer

Canton Historical Society

PROMISSORY NOTE SECOND EXTENSION AGREEMENT

Borrower: Canton Historical Society Lender: City of Canton

Principal Amount: $5,000.00

This Promissory Note Extension Agreement, hereinafter referred to as "Extension Agreement," entered into this 14th day of October, 2026, by and between Canton Historical Society ("Borrower"), and City of Canton ("Lender"),

WHEREAS, the Borrower and Lender have entered into a Promissory Note dated October 18, 2016 for the amount of Five Thousand Dollars ($5,000), hereinafter referred to as the "Note". The Note is due and payable without interest on the unpaid principal and repaid in full on October 14, 2021.

WHEREAS, Borrower requested an extension of the original Note to the Lender whom approved the extension for an additional five (5) years with same terms on October 13, 2021.

WHEREAS, Borrower and Lender have entered into an Extension Agreement dated July 19, 2022 for the amount of Five Thousand ($5,000), hereinafter referred to as the "Note". The Note is due and payable on October 14, 2026.

WHEREAS, Borrower and Lender desire to enter into this Second Extension Agreement in order to extend the date when all the outstanding principal is due and payable to ten (10) years from the original date of the Note.

NOW, THEREFORE, it is duly agreed by both Borrower and Lender to extend the due date of the Note to October 14, 2031.

All other provisions of the original Note shall prevail unless otherwise written.

IN WITNESS WHEREOF, the undersigned Borrower and Lender have duly executed this Extension Agreement, extending the due date of the Note as of the 14th day of October, 2026.

Borrower:

_____Date:_____

Greg Turner, Treasurer
Canton Historical Society

Lender:

_____Date:_____

Anne Koliha, Clerk
City of Canton

PROMISSORY NOTE

Borrower: Canton Historical Society, Canton MN 55922 (the "Borrower")

Lender: City of Canton, Canton MN 55922 (the "Lender")

Principal Amount: $5,000.00

1. For value received, the Borrower promises to pay the Lender the principal sum of $5,000.00, without interest payable on the unpaid principal.

2. This Note will be repaid in full by October 14, 2026.

3. At any time while not in default under this Note, the Borrower may pay the outstanding balance then owing under this Note to the Lender without further bonus or penalty.

4. All costs and expenses including, and without limitation, the complete legal costs incurred by the Lender in enforcing this Note as a result of any default by the Borrower, will be added to the principal then outstanding and will immediately be paid by the Borrower.

5. If any term, covenant, condition or provision of this Note is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Note will no way be affected, impaired or invalidated as a result.

6. This Note will be construed in accordance with and governed by the laws of the State of Minnesota.

7. This Note will ensure to be the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Borrow and the Lender. The Borrower waives presentment for payment, notice of non-payment, protest and notice of protest.

In witness whereof the parties have duly affixed the signatures under this seal on this 19 day of ~~June~~ July, 2022.

City of Canton

Clerk/Treasurer

Canton Historical Society

Gregory H. Turner
Treasurer

NOTARY ACKNOWLEDGEMENT

State of Minnesota
County of Fillmore

This instrument was acknowledged before me on this 19 day of ~~June~~ July, 2022, by the City of Canton.

Sandra M Benson
Notary Public

My commission expires Jan 31, 2025

SANDRA M. BENSON
Notary Public-Minnesota
My Commission Expires Jan 31, 2025

PROMISSORY NOTE

Borrower: Canton Historical Society of Canton, MN, 55922 (the "Borrower")

Lender: Canton Bike Trail Fund, City of Canton, Canton, MN, 55922 (the Lender")

Principal Amount: $5,000.00 USD

1. FOR VALUE RECEIVED, the Borrower promises to pay to the Lender at such address as may be provided in writing to the Borrower, the principal sum of $5,000.00 USD, without interest payable on the unpaid principal.

2. This Note will be repaid in full on October 14th, 2021.

3. At any time while not in default under this Note, the Borrower may pay the outstanding balance then owing under this Note to the Lender without further bonus or penalty.

4. All costs, expenses and expenditures including, and without limitation, the complete legal costs incurred by the Lender in enforcing this Note as a result of any default by the Borrower, will be added to the principal then outstanding and will immediately be paid by the Borrower.

5. If any term, covenant, condition or provision of the Note is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of the Note will in no way be affected, impaired or invalidated as a result.

6. This Note will be construed in accordance with and governed by the laws of the State of Minnesota.

7. This Note will enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Borrower and the Lender. The Borrower waives presentment for payment, notice of non-payment, protest and notice of protest.

IN WITNESS WHEREOF the parties have duly affixed the signatures under seal on this 18th day of October, 2016.

SIGNED, SEALED, AND DELIVERED

this 18th day of October, 2016

Canton Historical Society

Officer: Kathleen A. Haynes

Officer: