



July 18' 2012

Mr. Kurt Ulrich  
City Administrator  
City of Ramsey  
7550 Sunwood Dr.  
Ramsey, MN 55303

Dear Mr. Ulrich:

Pursuant to our many discussions on the matter, PSD requests reimbursement for services performed on the city's behalf. The following information describes the background of the unpaid invoice.

In 2006, toward the end of construction of the Ramsey Professional Building, Rehbein Companies, the contractor, determined that the City's manhole and stub below Sunwood Drive was installed 11" below the elevation designated in construction plans. This difference of 11" had to be corrected before any property owner, including Ramsey Professional Building, could be connected to the sanitary line. This required that the contractor to change the slope and elevation of the city's infrastructure. PSD contacted the City Administrator and made him aware of this issue. The City Administrator then requested Rehbein to correct the issue. Unfortunately, Rehbein was already owed \$6 million from the developer who eventually filed for bankruptcy. As a result, Rehbein could not perform the service unless it was pre-paid for the work.

It is difficult for a government entity to pre-pay for a service. Accordingly, the City Administrator called PSD and asked that it include the city's corrective work with the PSD work being performed by Rehbein. The City Administrator promised that the bill would be promptly paid. Pursuant to this agreement, PSD requested Rehbein to correct the manhole and pipe elevations.

In 2007, after the work had been completed and Rehbein's invoice was paid, PSD submitted the bill to City. We heard no response, and resubmitted it again in 2008. The city replied that it needed to audit all of the work on the project, including the corrective work by Rehbein. Brian Olson, the Director of Public Works, performed the audit, and concluded that the invoice should be paid by the City. Even though Mr. Olson recommended that the invoice be paid, the City failed to do so.

7533 Sunwood Drive, Suite 220  
Ramsey, MN 55303

Phone: (763) 427-5955


Fax: (763) 427-4151

[www.psdlanddevelopment.com](http://www.psdlanddevelopment.com)

I enclose a copy of the Rehbein's invoice and its AIA application and certificate for payment. PSD paid the invoice in the fall of 2006.

We would like to be reimbursed for this work pursuant to the agreement with the City Administrator and pursuant to the audit of Mr. Olson. It would be helpful if we can get this issue behind us so that we can move forward to more productive projects.

Sincerely,



James Deal



8651 Naples Street N.E.  
Blaine, MN 55449  
office: 763.784.0657  
fax: 763.784.6001  
www.rehbein.com

September 20, 2006

Curt Martinson  
7333 Sunwood Drive  
Ramsey, MN 55303

Phone 763 427 3770  
Cell 612 670 0576  
Fax 763 427 6473

RE: RTC 11<sup>th</sup> Addition  
Changes not in Contract

Add sanitary manhole due to miss aligned sanitary stub from Sunwood			<del>\$2910.00</del>
Rebuild invert of existing manhole in parking lot due to incorrect elevation and hook up to storm. CBMH 1103			
Foreman	2hr	\$74.00	\$148.00
Backhoe	2hr	\$163.00	\$326.00
Loader	2hr	\$151.00	\$302.00
Labor	6hr	\$63.00	\$378.00
3 Pcs 21" RCP		\$145.00	<u>\$435.00</u>
		<b>Total</b>	<del>\$4499.00</del>

Please issue a change order in this amount.  
Please call if you have any questions.

Paul Houle  
  
Project Manager

**APPLICATION AND CERTIFICATION FOR PAYMENT** AIA DOCUMENT G702

TO : PDS, L.L.C.  
7333 Sunwood Drive  
Ramsey, MN 55303-5119

PROJECT: 11th Addition - Ramsey Town Center  
Ramsey Minnesota

APPLICATION NO: 2

PERIOD TO: 11/6/2006

OWNER  
ARCHITECT  
CONTRACTOR

FROM CONTRACTOR Glenn Rehbein Excavati VIA ARCHITECT:  
8651 Naples Street N.E.  
Blaine, MN 55449

PROJECT NOS:  
CONTRACT DATE: 8/21/2006

CONTRACT FOR:

**CONTRACTOR'S APPLICATION FOR PAYMENT**

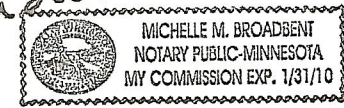
Application is made for payment, as shown below, in connection with the Contract.  
Continuation Sheet, AIA Document G703, is attached.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

1. ORIGINAL CONTRACT SUM	\$	294,833.00
2. Net change by Change Orders	\$	1,840.00
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$	296,673.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	287,827.00
5. RETAINAGE:		
a. 0.00 % of Uncomplete (Column D + E on G703)		0.00
b. % of Stored Mate (Column F on G703)		0.00
Total Retainage (Lines 5a + 5b or Total in Column I of G703)	\$	0.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$	287,827.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)		
	\$	194,564.20
8. CURRENT PAYMENT DUE	\$	93,262.80
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)		75,508.00

CONTRACTOR:

By: Michelle M. Broadbent Date: 11-6-06  
 State of: Minnesota  
 County of: Anoka  
 Subscribed and sworn to before me this 06th day of November 2006  
 Notary Public: Michelle M. Broadbent  
 My Commission expires: 11/31/10



**ARCHITECT'S CERTIFICATE FOR PAYMENT**

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED .....\$ 287,827.00

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT:

By: \_\_\_\_\_ Date: \_\_\_\_\_

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$4,499.00	
Total approved this Month	\$2,080.00	(\$4,739.00)
<b>TOTALS</b>	<b>\$6,579.00</b>	<b>(\$4,739.00)</b>
NET CHANGES by Change Order	\$1,840.00	