

STEP PROGRAM OPERATING AGREEMENT 2024-25

THIS OPERATING AGREEMENT (hereinafter referred to as the “agreement”) for July 1, 2024, to June 30, 2025, by and between Howard Lake-Waverly-Winsted School District #2687 (HLWW District) and Meeker and Wright Special Education Cooperative #938 (MAWSECO) for the STEP Program, located within a building owned by Howard Lake-Waverly-Winsted District #2687, 720 9th Avenue, Howard Lake, Minnesota.

1. USE

The Premises shall be used by the STEP Program for the purpose of education services and shall consist of agreed upon space at the Howard Lake-Waverly-Winsted building.

2. BASE RENTAL FEE/OPERATING COSTS

MAWSECO agrees to pay HLWW District the sum of \$37,977 (based on 3,688 square feet for the STEP program, plus 2,684 square feet for use of the commons area, for a total of 6,372 square feet) for this period upon being billed during the months of September through May. The annual increase each year will be based on the previous fiscal year’s average Consumer Price Index, or a percentage mutually agreed upon between HLWW District and MAWSECO. The operating cost is incorporated into the STEP Program’s annual budget and billed to participating school districts. In addition, the STEP program will be billed for operating costs in the amount of \$11,028 annually, for a total fee of \$49,005. (A spreadsheet is attached which shows the estimated allocation of costs.) In July of each year the spreadsheet will be updated with actual costs for the previous fiscal year and a final invoice or credit will be provided to MAWSECO.

3. UTILITIES AND SERVICES

The HLWW District shall allocate costs for custodial supplies, fire protection, garbage removal, gas, electricity, insurance, internet, pest control, and water/sewer. In addition, HLWW will assess an amount each year towards a capital reserve fund. The STEP program will pay any costs incurred for use of HLWW District vehicles or bus costs, which will be billed separately to MAWSECO. Custodial staff for the STEP program area will be paid by MAWSECO.

4. INSURANCE

The HLWW District and MAWSECO will each keep in force at their own and separate expense, for so long as this agreement remains in effect, public liability insurance with respect to the Premises in which both HLWW District and MAWSECO shall be named as additional insured and in form acceptable to the other party, within minimum limits of \$500,000 on account of bodily injury or death of one person, and \$1,500,000 on account of bodily injuries or death of more than one person as the result of any one accident or disaster. Each party will further deposit with the other, the acceptable evidence that such insurance is in effect, which evidence shall provide that the other party shall be notified in writing thirty (30) days prior to cancellation, material change, or failure to renew the insurance. If either party shall not comply with its covenants, agrees to pay the premium for such insurance promptly upon the demand of the other party.

5. OTHER USES

The STEP Program may utilize other facilities at the HLWW building such as the commons area and physical education facilities.

6. REPAIR OF DAMAGED PROPERTY

If the premises upon which the building is sited are damaged as a result of STEP Program's negligence or the negligence of the employees, agents, students, or invitees and, in the event the HLWW District must repair said damage, MAWSECO shall reimburse the HLWW District for damage.

7. DAMAGE BY FIRE OR OTHER CASUALTY

In case the building in which the premises are situated shall be partially or totally destroyed by fire or other casualty insurable under standard fire and extended coverage insurance so as to become partially or totally untenable, the same shall be repaired as speedily as possible at the expense of the HLWW District unless the District shall elect not to rebuild. A proportionate part of this cost shall be abated upon the time and to the extent the premises are untenable.

8. REASONABLE WEAR

Except for reasonable wear and tear, the HLWW District agrees to maintain the facility in a condition similar to when the facility was first occupied. Damages in excess of reasonable wear and tear will be repaired by the HLWW District at the expense of MAWSECO.

9. DURATION

This agreement shall be in force and effect upon its execution by the respective parties following authorization by their respective Governing Boards and shall remain in force until officially terminated by the HLWW District and the MAWSECO Board with a six-month notice. The year shall commence July 1, 2024, through June 30, 2025.

10. BINDING EFFECT

This agreement shall be binding upon the parties and their successors. Each party may transfer its interest in this agreement by mutual consent of the other party.

Howard Lake-Waverly-Winsted School District

#2687 Howard Lake, MN



Superintendent – Nate Walbruch

Date: 5/3/24

Meeker and Wright Special Education Cooperative

#938 Howard Lake, MN

Melissa Hanson
Melissa Hanson (May 7, 2024 15:48 CDT)

Director – Melissa Hanson

Date: May 7, 2024






Lease Agreement STEP 2024-25

Final Audit Report

2024-05-07

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