

AMENDMENT NO. 1 TO CONTRACT FOR WATER SERVICE

between

THE BOARD OF WATER COMMISSIONERS OF THE CITY OF SAINT PAUL

and

REGENTS OF THE UNIVERSITY OF MINNESOTA

This **AMENDMENT NO. 1 TO CONTRACT FOR WATER SERVICE** is entered into this 12th day of December, 2023, by and between the **BOARD OF WATER COMMISSIONERS OF THE CITY OF SAINT PAUL**, a municipal corporation of the State of Minnesota (the “Board”), and **REGENTS OF THE UNIVERSITY OF MINNESOTA**, a municipal constitutional corporation (“University”).

WHEREAS, University and the Board entered into a Contract For Water Service dated December 10, 2019 to furnish and provide water to University (the “Agreement”); and

WHEREAS, University and the Board performed a review of wholesale rates pursuant to section 5.01 B of the Agreement that the parties would review fees and charges to be addressed by a Cost of Service Study on a five-year schedule; and

WHEREAS, the parties have reviewed such fees and charges addressed by a Cost of Service Study and at this time desire to further amend the Agreement to provide for revised water charges and rates; and

WHEREAS, Section 8.04 of the Agreement provides for amendments to the Agreement by a written instrument executed by the parties, and this Amendment No. 1 to Contract For Water Service is intended by the parties to be such an instrument.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties mutually agree to amend the Agreement according to the following:

1. Section 5.01 is hereby replaced in its entirety with the following:

SECTION 5.01 Rates

- A. The rates for water sold by the Board to University under this Agreement (“Charges”) shall consist of two components:

- 1) Water Service Base Fee

The Water Service Base Fee is intended to recover the fixed costs incurred by the Board for its provision of water to University. The Water Service

Base Fee shall be charged monthly in accordance with the following yearly schedule:

2023	\$9,600/month (totaling \$115,200)
2024	\$10,600/month (totaling \$127,200)
2025	\$11,400/month (totaling \$136,800)
2026	\$12,000/month (totaling \$144,000)
2027	\$12,700/month (totaling \$152,400)

2) Water Volume Charge

The Water Volume Charge is the product of a rate equal to 92% of the lowest seasonal rate per one hundred (100) cubic feet charged to retail water customers in the City of Saint Paul and the volume of water provided to University at the Points of Delivery. The Water Volume Charge shall be charged at the same time and frequency as the Water Service Base Fee.

- B. The parties agree to review the Charges at the same time and at the same intervals as that of the Board's other wholesale customers, generally every five (5) years, provided that a review may occur prior to such 5-year period if a material change to the Board's retail billing structure is implemented. This review shall include a cost-of-service study, which shall review the return on Board assets, asset allocations and other economic factors. University shall be consulted and provided the opportunity to opine on the methodology of the cost of service study, and, at its election, to perform its own cost of service study at its own expense. All costs for this review (excepting any cost of service study University elects to independently conduct) shall be shared equally by the Board, its other wholesale customers, and University.
- C. Notwithstanding the above, if, whether as a result of such review or otherwise, the Board changes its retail billing structure in any way, either of its own accord or at the requirement of other governmental entities, both parties agree that the Charges will be adjusted. All reasonable effort shall be taken to make sure this adjustment shall not harm University by increasing University's overall cost or harm the Board by decreasing the Board's overall revenue under the contract.
2. The effective date of this Amendment shall be January 1, 2023.
3. The parties acknowledge that the Agreement has been extended for an additional fifteen (15) years as allowed by Section 1.02, with the Term continuing until December 31, 2037.
4. All other provisions of the original Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to Contract For Water Service to be executed as of the day and year first above written.

REGENTS OF THE UNIVERSITY OF MINNESOTA

By _____
Beth Tapp, Director, Purchasing Services

BOARD OF WATER COMMISSIONERS OF THE CITY OF SAINT PAUL

Approved:

By _____
Patrick Shea, General Manager
Saint Paul Regional Water Services

By _____
Mara Humphrey, President

Approved as to form:

By _____
Assistant City Attorney

By _____
Mollie Gagnelius, Secretary

By _____
Todd Hurley, Director
Office of Financial Services