

Agreement #02-04090-I

**AMENDMENT NO. 1 to CONTRACT FOR WATER SERVICES
between
BOARD OF WATER COMMISSIONERS
and
CITY OF LITTLE CANADA**

This **AMENDMENT NO. 1 TO CONTRACT FOR WATER SERVICES** is entered into this _____ day of _____, 2014, 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 the **CITY OF LITTLE CANADA**, a municipal corporation of the State of Minnesota ("Little Canada").

WITNESSETH:

WHEREAS, Little Canada and the Board entered into a Contract for Water Services dated November 27, 2006, to furnish and provide water to Little Canada (the "Agreement"); and

WHEREAS, the parties desire at this time to amend the Agreement to provide for revised water charges and rates for such water, and to resolve any outstanding issues and claims regarding said rates and charges; and

WHEREAS, SECTION 10.04 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 Services 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 7.01 is hereby replaced in its entirety with the following:

SECTION 7.01 Charges

- A. The charges for water sold by the Board to Little Canada 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 Little Canada. The Water Service Base Fee shall be \$7,800 per month and shall be charged monthly.

- 2) Water Volume Charge

The Water Volume Charge is the product of a rate equal to 65% 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 Little Canada at the Point 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 every five (5) years or if a significant 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. All costs for this review shall be shared equally by the Board and Little Canada. The same methodology shall be used as in the Cost of Service Study to Serve Wholesale Customers prepared for Saint Paul Regional Water Services in February 2013.
- C. Little Canada may conduct additional cost of service studies, if desired, at its own cost, using the same methodology referenced in Section 7.01.B. The Board may, if requested by Little Canada, consider the results of any such study and determine whether to amend the Charges set forth in Section 7.01.A.
- C. Notwithstanding the above, if, whether as a result of such review or otherwise, the Board materially changes its retail billing structure, either of its own accord or at the requirement of other governmental entities, both parties agree that the Charges will be adjusted by the Board. All reasonable effort shall be taken to make sure this adjustment shall not harm Little Canada by increasing Little Canada's overall cost, and shall not harm the Board by decreasing the Board's overall revenue under the contract.

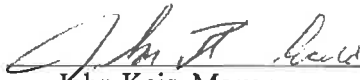
2. The effective date of this Amendment shall be January 1, 2013.

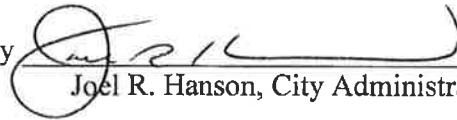
3. All provisions of the original Agreement shall remain in full force and effect. Little Canada now hereby waives and fully releases and dismisses any and all claims whatsoever that it is, or ever was, entitled to a volume discount under the original Agreement; and furthermore waives and fully releases and dismisses any and all claims whatsoever that any prior rates paid under the Agreement, or the rates agreed to above, constitute overcharging of Little Canada in any way. Little Canada agrees to dismiss, with prejudice, any currently pending lawsuit against the Board, and has entered into this Amendment No. 1 to Contract for Water Services with the advice of and full consultation with legal counsel.

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

CITY OF LITTLE CANADA

By 
John Keis, Mayor

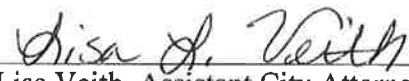
By 
Joel R. Hanson, City Administrator

Approved:

By _____
Stephen P. Schneider, General Manager
Saint Paul Regional Water Services

By _____
Matt Anfang, President

Approved as to form:

By 
Lisa Veith, Assistant City Attorney

By _____
Mollie Gagnelius, Secretary

By _____
Todd Hurley, Director
Office of Financial Services