

SUBJECT

BOARD RESOLUTION NO. 17-283

Pertaining to Amendment No. 1 to Omnibus Agreement with the City of Mendota Heights pertaining to water surcharge established by the City and the Board's administration of billing and collection.

BACKGROUND INFORMATION

This proposed amendment is in response to a reduction from 10% to 5% in the water surcharge established by City of Mendota Heights for water supplied to its residents, which the Board bills and collects for the city. The Board will continue the billing and collection of the water surcharge for the City of Mendota Heights at the reduced rate.

Additionally, the Board had been charging a fee to the City of Mendota Heights to recoup its surcharge billing and collection costs at a rate of 2% of the total surcharge billed. The continuation of such a rate would reduce the fee by half.

Therefore, the proposed amendment provides for a new "per water bill issued" fee structure to alleviate the negative impact of this reduction in the water surcharge. The new fee would begin at 26 cents per water bill issued and would be adjusted from time to time by the consumer price index listed in the amendment.

See attached Amendment No. 1 to Omnibus Agreement.

RECOMMENDATION

Approval is recommended.