AGREEMENT FOR WATER SERVICE between BOARD OF WATER COMMISSIONERS OF THE CITY OF SAINT PAUL and CITY OF MINNEAPOLIS

This **AGREEMENT** is made and entered into on this ___day of ______, 2017, by and between the **BOARD OF WATER COMMISSIONERS OF THE CITY OF SAINT PAUL** ("Board"), a municipal corporation under the laws of the State of Minnesota, and the **CITY OF MINNEAPOLIS** ("Minneapolis"), a Minnesota home rule charter city.

WITNESSETH:

WHEREAS, the parties desire a connection between their water distribution systems in order to provide each other with water service under limited conditions; and

WHEREAS, staff from both parties have determined that such a connection is feasible and in the interest of both parties;

NOW, THEREFORE in consideration of the mutual covenants contained herein, the Board and Minneapolis do hereby agree as follows:

1. CONSTRUCTION AND OWNERSHIP OF CONNECTION

Construction of the connection vault and connection appurtenances has been accomplished by contract awarded by Metropolitan Council for its CC-LRT East project. The vault and connection appurtenances are jointly owned by the Board and Minneapolis. The location and details of construction are described and depicted in Exhibit A, attached hereto and incorporated herein. Costs to provide the labor and materials necessary to complete the connection between the two water systems shall be jointly shared by the parties. Completion of the connection shall be in accordance with AWWA standards. Costs to provide apparatus needed for metered usage, as provided for in Section 2 of this Agreement, shall be borne by the providing party.

2. WATER SERVICE

Subject to the terms of this Agreement, each party may allow for water service to the other party. Such water service shall be additionally subject to the ordinary and usual industry

rules and regulations related to system operation adhered to by either party now and in the future. Water shall at all times conform to drinking water standards set by the MDH and the United States Environmental Protection Agency for potable water - the providing party is responsible for water quality up until their system isolation valve and the receiving party is responsible for water quality beginning at their isolation valve. The very act of accepting water by the receiving party shall be considered acknowledgement by the receiving party of acceptable water quality.

It is understood that the parties cannot guarantee water pressure and volume, as that is determined by the availability of the same from each system. Installation of apparatus such as pressure reducing valves, booster pumps, or backflow prevention devices must be inspected by the providing party's damage prevention personnel before water is supplied. The providing party reserves the right to limit flow rate, time, and volume of water supply. Use of the water shall at all times conform to rules for usage in the system providing the water service.

In the event water service is used for a period of longer than 30 days, the providing party may exercise the right to install a meter on the connection and charge the receiving party in accordance with Section 5 of this Agreement.

3. EMERGENCY USE OF THE CONNECTION

If the Minneapolis Director of Water Treatment and Distribution Services Division and Saint Paul Regional Water Services General Manager agree that an emergency situation exists or is imminent, personnel from both parties shall immediately proceed to the site of the connection. The receiving and providing parties shall both take the necessary steps to disinfect the connection and pipe section as per AWWA standards. The receiving and providing parties shall then open their respective valves as required to accomplish the connection to the adjacent system. Once the connection has been made, the party providing emergency water service will notify the Minnesota Department of Health ("MDH") of the confluence of the two water systems as soon as is practicable. Within 72 hours of the accomplished connection, the parties will also exchange their most recent water quality reports and officers from each party must collaboratively review the same for issues that may affect each system. The receiving party must adhere to any conditions imposed by the providing party that result from such review.

The party receiving emergency water shall use its best effort to resolve the emergency situation as soon as possible and to discontinue its use of the emergency water service when emergency conditions no longer exist, as determined by the providing party.

4. OTHER USE OF THE CONNECTION

Requests for the use of the connection in cases other than emergencies shall be made in accordance with Section 11 of this Agreement. Such requests shall include the reason(s) for the use of the connection, anticipated volume of water requested per day, and an estimated timeframe of use. Conditions for such use are set forth in this Section 4.

No other use of the connection shall occur without prior approval from Saint Paul Regional Water Services General Manager, or designee if the Board is the providing party, or the Minneapolis Director of Water Treatment and Services Division, or designee if Minneapolis is the providing party. In deciding whether to grant such approval, the General Manager or Director or designee as the case may be may consider factors such as the nature and extent of the request and the current status, quality and availability of the water system. This approval shall be considered ongoing until rescinded by the General Manager or Director or designee as the case may be.

The parties must exchange their most recent water quality reports and officers from each party must collaboratively review the same for issues that may affect each system. The receiving party must adhere to any conditions imposed by the providing party that result from such review.

After approval has been granted by the providing party and prior to supplying water, the receiving party must notify the MDH of the confluence of the two water systems.

Once the MDH has been notified, personnel from both parties shall proceed to the site of the connection. The receiving and providing parties shall both take the necessary steps to disinfect the connection and pipe section as per AWWA standards. The receiving and providing parties shall then open their respective valves required to accomplish the connection to the adjacent system.

5. USAGE CHARGE

During calendar year 2017, the charge for use of the connection and all water used shall be \$1,700.00 per day for each and every day or portion thereof that the connection is in use and shall increase by 3% each year after 2017. This charge shall apply to the party that requested the service, be it the Board or Minneapolis. In the event one of the parties installs a meter for metered usage, as provided for in Section 2 of this Agreement, the aforementioned \$1,700 per day charge shall be replaced by a volumetric charge to be comprised of the metered usage multiplied by the highest retail rate charged by either party.

6. MAINTENANCE AND REPAIR

Each party shall perform all routine and necessary maintenance (as per AWWA standards and practices), repair, and replacement of their particular connection components at its sole expense. Each party shall share equally in the cost of maintenance, repair, replacement, relocation, and abandonment of the connection vault and appurtenances therein.

7. INDEMNIFICATION

The Board shall forever indemnify and save harmless, protect and defend Minneapolis, its employees and agents from any or all liability, suits or demands, including the legal defense thereof, for bodily injuries, including death, or property damages, including loss of use, arising out of any activity by the Board or the Board's employees and agents under this Agreement.

Minneapolis shall forever indemnify and save harmless, protect and defend the Board, its employees and agents, and the City of Saint Paul, and its employees and agents, from any or all liability, suits or demands, including the legal defense thereof, for bodily injuries, including death, or property damages, including loss of use, arising out of any activity by Minneapolis or Minneapolis's employees and agents under this Agreement.

8. TERM

This Agreement shall be effective upon the date first written and shall remain in effect until and through September 1, 2047, unless earlier cancelled pursuant to Section 9 of this Agreement. This Agreement shall be automatically renewed until and through September 1,

2077, unless earlier cancelled pursuant to Section 9 of this Agreement, or unless either the Board or Minneapolis gives written notice, as provided in Section 11 of this Agreement, of intent to not renew the Agreement for a second term of 30 years. Any such notice shall be given on or prior to September 1, 2044 and on or after September 1, 2042. If such notice of intent to not renew is timely given pursuant to Section 11 of this Agreement, the Agreement shall expire at the end of the day on September 1, 2047. Both parties shall have a continuing obligation, however, to comply with the indemnification provisions of this Agreement contained in Section 7 of this Agreement.

9. CANCELLATION OF AGREEMENT

Irrespective of any other condition contained herein, the parties agree that this Agreement may be canceled only by mutual agreement of the parties. Upon cancellation of this Agreement, the connection vault shall remain in place and each party shall continue to perform and share equally in the cost of all routine and necessary maintenance of the vault and appurtenances therein, in accordance with Section 6 of this Agreement during the term of the Agreement provided for in Section 8 of this Agreement.

10. AMENDMENTS

The Board and Minneapolis agree that from time to time changes to this Agreement may be necessary. The parties agree that any such changes shall be in the form of written amendments to this Agreement and shall be valid only when duly approved and executed by both parties.

11. NOTICE

In all instances other than an emergency situation as described in Section 3 of this Agreement, any notice, request, demand, statement or consent required or permitted to be given hereunder shall be in writing, shall be signed by or on behalf of the party giving notice, and shall be personally delivered or sent by express service, or certified or registered mail, return receipt requested, postage prepaid, to the other party to the respective address given herein below:

If to Board: General Manager Saint Paul Regional Water Services 1900 Rice St Saint Paul, Minnesota 55113

If to Minneapolis:
Director
Water Treatment & Distribution Services
City of Minneapolis
350 South 5th Street, Room 203
Minneapolis, MN 55415

Any such notice given as aforesaid shall be conclusively deemed to have been given and received on the day on which such notice was delivered. Either party may, from time to time, furnish in writing to the other party such notice of a change in the address or individual to whom such notices are to be given.

12. DEFINITIONS

"AWWA" means the American Water Works Association, presently headquartered in Denver, Colorado.

[The remainder of this page is left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

Approved:	BOARD OF WATER COMMISSIONERS OF THE CITY OF SAINT PAUL
ByStephen P. Schneider, General Manager Saint Paul Regional Water Services	By Matt Anfang, President
Approved as to form:	By
ByLisa Veith, Assistant City Attorney	Todd Hurley, Director Office of Financial Services
Approved as to form:	CITY OF MINNEAPOLIS
ByAssistant City Attorney	By Glen Gerads, Director Water Treatment & Distribution Services
	ByFinance Office

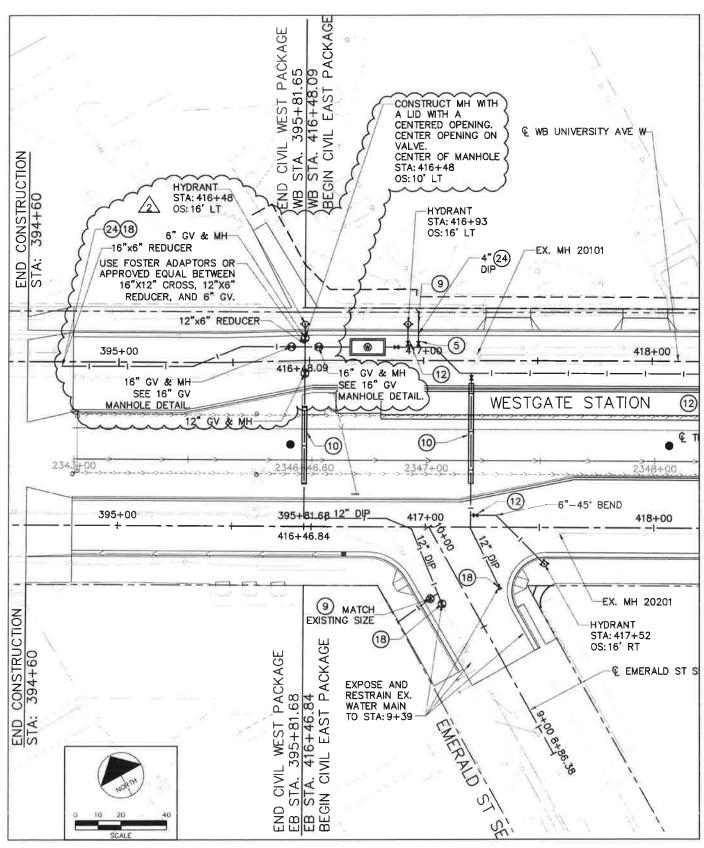


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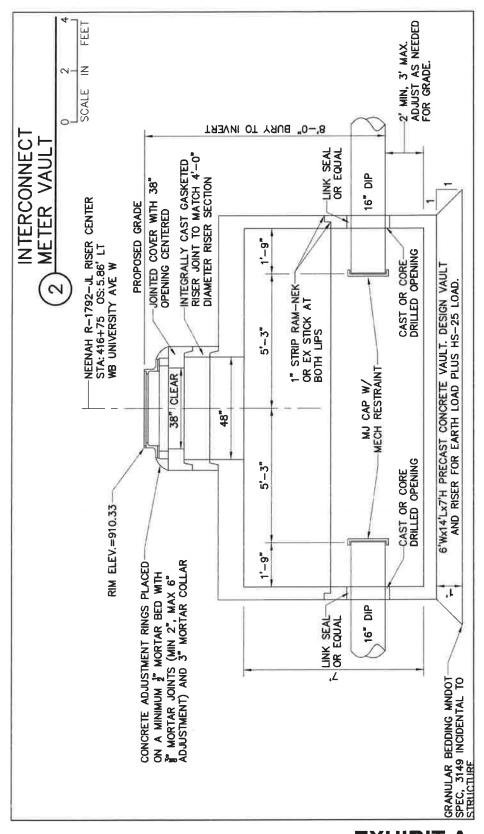


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