

SUBJECT

BOARD RESOLUTION NO. 17-1980

Pertaining to Amendment No. 2 to Contract For Water Services with the City of Roseville to revise water charges.

BACKGROUND INFORMATION

This amendment establishes revised fees and charges for water sold to the City of Roseville, effective January 1, 2018. Those proposed fees and charges reflect the findings of the November 2017 Cost of Service Study.

Effective January 1, 2013, the Board amended its rate structure for both retail and wholesale accounts and changed from a rate structure based solely on volume to a two-component rate structure consisting of a water service base fee and a water volume rate.

Amendment No. 1 to Contract For Water Services with Roseville effective January 1, 2013 followed the two-component structure. It also provided that after a five-year period, the parties would review fees and charges to be addressed by a Cost of Service Study, including the Board's return on assets, asset allocations and other economic factors.

The parties reviewed a November 2017 Cost of Service Study and approved new recommended fees and charges to be effective January 1, 2018.

	<u>Water Service Monthly Base Fee</u>	<u>Water Volume Monthly Charge</u>
Amendment No. 1 2013	\$46,000	70% of lowest Saint Paul seasonal rate
Amendment No. 2 Proposed 2018	\$54,000	60% of lowest Saint Paul seasonal rate

All other provisions of the original Contract remain in full force and effect.

RECOMMENDATION

Approval is recommended.