

SUBJECT

BOARD RESOLUTION NO. 18-770

Pertaining to a Contract for Water Service Agreement with the City of Mendota.

BACKGROUND INFORMATION

This Agreement is to be effective May 8, 2018 with a term of twenty years. The prior Contract for Water Service with the City of Mendota had a term of twenty years and expired June 12, 2014. Water service has been provided to Mendota since that time without a contract. This new contract differs from the prior one in the following ways:

1. The City of Mendota Heights no longer needs to be a party to the agreement since the Board acquired their system effective December 27, 2015.
2. Installation and maintenance of a pressure reducing valve, along with its appurtenant improvements, is required to bring pressures in Mendota's mains to a range of operating levels acceptable to the Board.
 - a. Responsibilities for the cost of this installation shall be shared, with 80% of the actual costs borne by Mendota. The remaining 20% shall be the responsibility of the Board. Payment by Mendota for their portion of these costs will be paid to the Board annually in five equal installments to be paid January 1st of each year from 2019 through 2023.
 - b. Board shall be responsible for the ongoing maintenance of the pressure reducing valve and its appurtenances.
 - c. If replacement of any portion of the valve or its appurtenances is required, those costs shall be apportioned the same 80/20 split as the initial installation.
3. If the Board recommends replacement of any waterworks as a part of a public street project and if Mendota determines that such replacement is unnecessary at that time, Mendota shall be responsible for any extraordinary future costs related to the postponement of such replacements.

See proposed Contract for Water Service Agreement.

RECOMMENDATION

Approval is recommended.