

AMENDMENT NO. 2
To
OMNIBUS AGREEMENT BETWEEN THE
BOARD OF WATER COMMISSIONERS OF THE CITY OF SAINT PAUL
And
CITY OF MENDOTA HEIGHTS

This **AMENDMENT NO. 2 TO OMNIBUS AGREEMENT** (“Agreement”) entered into this 6th day of January 2026, by and between the **BOARD OF WATER COMMISSIONERS**, a municipal corporation of the State of Minnesota (the “Board”), and the **CITY OF MENDOTA HEIGHTS**, a municipal corporation of the State of Minnesota (“Mendota Heights”).

WITNESSETH:

WHEREAS, Mendota Heights and the Board entered into an Omnibus Agreement dated December 8, 2015 for the provision of water service by the Board to properties within Mendota Heights (the “Contract”); and

WHEREAS, Article VIII of the Agreement allows the Board provide a water surcharge to properties within Mendota Heights to establish a water surcharge for water on its behalf; and

WHEREAS, Article XII of the Agreement allows for amendments to the original agreement, provided that said changes are in the form of duly approved and executed written addenda to the Agreement, and that this Amendment No. 2 to Agreement is intended by the parties to be such an addendum; and

WHEREAS, in 2017 the parties entered into Amendment no. 1 to the Contract which provided for a change in the water surcharge established by Mendota Heights for properties within its city limits from 10% to 5% and to change the method used by the Board to administer the billing of said surcharge.

WHEREAS, the parties desire to further amend the Contract to provide for a change in the water surcharge established by Mendota Heights for properties within its city limits from 5% to 2.5% and to change the method used by the Board to administer the billing of said surcharge.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties mutually agree to amend the Contract as follows:

- I. **Article VIII. Section 4. WATER SURCHARGE, as amended by Amendment No. 1**, is deleted in its entirety and replaced with the following:

Section 4. WATER SURCHARGE

1. Mendota Heights has established a water surcharge equal to two and one-half percent (2.5%) of the Water Service Base Fee and Water Usage Charge imposed for water supplied to properties within the City of Mendota Heights ("Mendota Heights Water Surcharge").
2. Effective January 1, 2026, Mendota Heights will pay the Board a monthly payment equal to 36 cents (\$0.36) per water bill issued the prior month for properties within the city limits of Mendota Heights ("Billing Fee"). The Billing Fee shall be annually adjusted effective each successive January 1 ("Annual Adjustment"). The Billing Fee will also be adjusted January 1, 2027, and each subsequent five years thereafter to correct for rounding ("Rounding Adjustment"). The Annual Adjustment shall be calculated by the end of each year and shall be the quotient of the current year July CPI over the past year July CPI multiplied by the current Billing Fee and rounded to the closest one cent. If such quotient in the CPI results in a number less than one, the Billing Fee will not be adjusted.
3. The Rounding Adjustment shall be the quotient of the current year July CPI over the July CPI of five years' prior multiplied by the current Surcharge Fee and rounded to the closest one cent. If such quotient in the CPI results in a number less than one, the Surcharge Fee will not be adjusted.
4. "CPI" is the Bureau of Labor Statistics Table 1 Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, by expenditure category, using the Unadjusted

indexes "All items" (top line of the expenditure category).

5. The Board will send a monthly payment to Mendota Heights equal to the amount of Mendota Heights Water Surcharge during the month (less the current Surcharge Fee) on or before the 15th day of the following month.
- II. The provisions of this Amendment are retroactively effective to all billing after January 1, 2026.
 - III. Except as modified herein, the terms of the Contract shall remain in full force and effect.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to Contract to be executed as of the day and year first above written.

Approved:

BOARD OF WATER COMMISSIONERS

Racquel Vaske, General Manager
Saint Paul Regional Water Services

By _____
Chris Tolbert, President

Approved as to Form:

By _____
Mollie Gagnelius, Secretary

Cristina Cruz-Jennings,
Assistant City Attorney

By _____
Laura Logsdon, Interim Director
Office of Financial Services

CITY OF MENDOTA HEIGHTS

By _____
Stephanie B. Levine, Mayor

By _____
Cheryl Jacobson, City
Administrator