

SEWER WASTEWATER SERVICE AND PURCHASE AGREEMENT

THIS CONTRACT, made and entered into this _____ day of _____, 2024, hereinafter referred to as “Effective Date,” by and between the City of Saint Francis, a municipal corporation located in Anoka County, Minnesota, hereinafter referred to as “Seller,” and the City of Oak Grove, a municipal corporation located in Anoka County, Minnesota, hereinafter referred to as “Purchaser.”

WHEREAS, on March 25, 2019, the Seller and Purchaser entered into a Sewer Wastewater Service and Purchase Agreement with a term of twenty years and which described the relationship between the Seller and Purchaser related to wastewater collection and processing for the area of the city of Oak Grove described as the Ponds development; and

WHEREAS, the Purchaser and Seller also previously entered into a Water Services and Purchase Agreement dated July 29, 2002 which described the relationship between the Seller and Purchaser related to the water distribution for The Ponds Development; and

WHEREAS, the parties desire to extend both agreements and sync the terms of both agreements to expire on December 31, 2049.

WITNESSETH:

That the said parties, in consideration of the mutual covenants and agreements hereinafter set forth, have agreed to and with each other as follows:

1. Term of Contract

This contract shall be for a Term from the date of the Effective Date listed above until December 31, 2049, unless terminated earlier as hereinafter provided. This contract may be terminated pursuant to the provisions of Section 8, or may be terminated upon one hundred and eighty (180) days’ written notice by either party if federal or state laws or regulations are enacted or promulgated which substantially affect rights, duties or obligations of either party, or both parties, under this contract.

2. Sewer Waste Water Service

A. Seller hereby agrees to allow Purchaser to connect to Seller’s wastewater collection and processing system, hereinafter referred to as “Waste Water Treatment Facility” or “WWTF,” in order to service “The Ponds Development Area,” as defined in paragraph C below, at rates governed by Section 3. As long as all terms and conditions of this contract are complied with, Seller will exercise best efforts to provide sanitary sewer collection system and service up to the connection point between its WWTF and The Ponds Development Area. The connection point shall be defined as manhole “O” which is represented on sheet 33 of 41 of the Record Plans for the 2015 Bridge Street Utility Improvements as shown in Exhibit B.

B. Sewer waste water service under this contract will be provided by the Seller to the

Purchaser, and not to a separate entity or person including the residents of the Ponds subdivision. The Purchaser will be responsible for payment to the Seller for sewer wastewater services under this contract. The Purchaser shall be responsible for any billings to end users of the sewer wastewater services in The Ponds Development Area.

C. A sewer wastewater service district is established, hereinafter referred to as “The Ponds Development Area” (see “Exhibit A” for legal description of). Sewer wastewater service will be provided only to The Ponds Development Area as provided in this contract. The Purchaser may request, and the Seller shall consider, an expansion of The Ponds Development Service Area and the extension of services to such additional areas. In addition, the Purchaser may allow up to an additional forty (40) single family residential homes located within the Ponds Development Area to connect to the WWTF. Sewer wastewater service shall be for residential uses only. Sewer wastewater service outside of The Ponds Development Area may be permitted upon the mutual agreement of both the Seller and the Purchaser.

D. Other or Expanded Users. The parties agree that as of the effective date of this Agreement there are no other users than single family residential within The Ponds Development Service Area. Seller reserves the right to refuse to enter a service agreement with any Other or Expanded Users. Sewer wastewater service outside The Ponds Development Area may be permitted upon the mutual agreement of both the seller and purchaser.

The parties agree that this contract shall apply to residences located within The Ponds Development Area, as may be modified from time to time. Seller agrees that it will not unreasonably withhold its consent to a requested expansion of the service area, providing that the WWTF and collection system is reasonably adequate to provide conveyance and treatment for the additional area. This would also include consideration of public, institutional, commercial or industrial uses.

3. Rates

A. Seller hereby agrees to provide sewer wastewater service to Purchaser at a sewer base rate set at an equivalent rate charged to residents of St. Francis, and a usage fee rate equivalent to that charged to the residents of St. Francis. As of the effective date of this agreement, the City of St. Francis charges a monthly base rate, a monthly usage rate based on water consumption and offers the “Lookback Program” to St. Francis residents (residential rates for May-Oct are based on the average water consumption for Jan-March). This may be amended from time to time and all rates charged to The Ponds Development will be consistent with the rates charged to St. Francis residents for the duration of this agreement.

B. Seller may adjust its sewer wastewater rates to reflect increased costs of Seller's sewer wastewater processing, including cost of power, wastewater treatment, wastewater treatment chemicals and other direct and indirect costs related to the processing of waste water, as well as overall increases in direct, indirect, administrative and other costs of wastewater processing, including, but not limited to: labor; supplies; construction; repair; improvement; fuel; power; transportation; employee benefits; contractual services; replacement; treatment plant construction and maintenance; and general administrative expenses. Seller will provide written notice of any proposed rate or fee adjustment of 10% or more to Purchaser at least forty-five (45) days prior to the proposed effective date of such adjustment, and shall afford Purchaser the opportunity to comment. Seller acknowledges and agrees that Purchaser may notify all sewer service users in The Ponds Development Area of any proposed rate adjustments, and that such users will also be afforded a reasonable opportunity for comment.

C. Purchaser shall pay Seller the following:

- (1) \$4,284 for any new sewer connections made within The Ponds Service Area upon full execution of this agreement, provided that such connection charge amount is subject to change per the St. Francis Fee Schedule set annually, but will reflect the same Sewer Access Charge that is charged in the City of St. Francis. The parties acknowledge and agree that Purchaser will collect this payment amount, prior to or at the time of connection, from each newly connected user of the WWTF and will pay Seller within 30 days of collection.

4. Sewer Wastewater System Facilities

A. Connection Construction: Purchaser will purchase, install and maintain at its own expense, all sanitary sewer system components plus all equipment necessary to continue the connection to Purchaser's sanitary sewer to Seller's wastewater collection system. Seller shall review and approve all construction plans for any portion of the collection system located within the Ponds Development modified after the effective date of this contract.

B. The Purchaser shall be responsible for the operation, repair and maintenance of the sewer wastewater collection system and equipment within The Ponds Development Area, to the point of connection to the Seller's wastewater collection system. All such equipment and facilities shall conform to the applicable laws and regulations of the State of Minnesota and the United States, including the Minnesota Department of Health and Minnesota Pollution Control Agency. Purchaser shall also be responsible for all testing, flow monitoring, and all analytical work for the sewer wastewater collection system within The Ponds Development, as required by the Minnesota Pollution Control Agency, or other regulatory agency as may be subject to change. Purchaser shall be responsible for any penalties or violation fees from the Minnesota Pollution Control Agency or other similar agency if such penalties or violation fees are due to Purchaser's action or inaction. Purchaser shall also be responsible for any current or future fees from the extension or expansion of the collection system, imposed by the Minnesota Pollution Control Agency or other similar agency.

C. The Purchaser shall keep reliable records of sewer wastewater main construction and a current list of the number of connections. Such records shall be subject to reasonable inspection by representatives of the Seller.

D. Purchaser shall provide a certified collection system operator as required by the Minnesota Pollution Control Agency.

E. Purchaser agrees to provide Seller with right of access for wastewater sampling and monitoring as needed.

F. The Seller shall keep reliable records of sewer wastewater main maintenance and wastewater treatment operations. Such records shall be subject to reasonable inspection by representatives of the Seller.

5. Meter Reading and Billing

A. Monthly readings of the master drinking water meter measuring total flow from The

Ponds Development Area to Seller's WWTF shall be made by the Purchaser and Seller on the last working day of each month. The parties shall reasonably cooperate in scheduling such readings. Billings by the Seller shall be mailed to the Purchaser on or before the tenth (10th) day of the following month and payment on such bills shall be made by the Purchaser to the Seller on or before the twentieth (20th) day of that month at the address provided in Section 10.

B. Infiltration and Inflow: Purchaser will cooperate with Seller and all applicable agencies to eliminate infiltration and inflow into facilities serving The Ponds Development Area. Purchaser shall monitor infiltration and inflow during routine maintenance and review of the collection system and report any findings of the infiltration and inflow to the Seller immediately.

6. Liability of Seller

Except as provided in paragraph 7, the Seller shall not be liable to Purchaser for reasonable interruption in service, or for failure to deliver sewer wastewater processing resulting from the failure of capacity, inability to secure necessary processing materials, breakdown or damage to processing, pumping, transmission, storage or collection facilities, work stoppage or other conditions beyond the control of the Seller.

7. Indemnification

The Seller agrees to indemnify and hold the Purchaser harmless from any and all claims or demands for damages arising out of or which may result from the WWTF and service supplied pursuant to this contract, except as may arise out of or result from facilities under the Purchaser's ownership and control, and from the use, installation, maintenance, modification and repair of its facilities, and from any and all claims arising from the interruption of service, sewer back-ups, or termination of service arising out of or resulting from its WWTF.

The Purchaser agrees to indemnify and hold the Seller harmless from any and all claims or demands for damages arising out of or which may result from facilities under the Purchaser's ownership and control, and from the use, installation, maintenance, modification and repair of its facilities and from any and all claims arising from the interruption of service, sewer back-ups, or termination of service arising out of such facilities.

8. Termination and Default

Either party shall have the right to terminate the water service provided to the Purchaser by the Seller in the event that the other party fails to comply with any of the terms and conditions of this contract upon one hundred eighty (180) days' written notice, such written notice to be provided in accordance with Section 10. In the event the Purchaser fails to pay charges lawfully due to the Seller under the terms of this contract, this shall constitute default of the contract by the Purchaser and the Seller shall have the right to terminate sewer wastewater service. However, such service may be terminated only after reasonable notice to the Purchaser, and the Purchaser shall have a reasonable opportunity after such notice to correct and cure any condition which is cited by the Seller as a cause for termination of sewer wastewater service.

9. Annexation.

Nothing herein changes the parties' annexation rights pursuant to applicable law provided, however, that Seller shall not initiate a petition for annexation of The Ponds Development Area.

Moreover, the parties agree that all wastewater facilities in the Ponds Development Area are owned by Purchaser and Purchaser would need to convey such assets to Seller in order for Seller to assume ownership thereof.

10. Enforcement and Attorneys' Fees

In the event that either party to this contract shall bring a claim to enforce any rights hereunder, the prevailing party shall be entitled to recover costs and reasonable attorneys' fees incurred as a result of such claim.

11. Notices

All notices hereunder must be in writing and shall be deemed validly given if delivered personally or if sent by certified mail, return receipt requested, addressed as follows (or any other address that the party to be notified may have designated to the sender by like notice):

If to Seller: City of St. Francis
 Attn: City Administrator
 4058 St. Francis Blvd. NW
 St. Francis, MN 55070

If to Purchaser: City of Oak Grove
 Attn: City Administrator
 19900 Nightingale Street NW
 Oak Grove, MN 55011

12. Authority

Each of the individuals executing this contract on behalf of the Seller or the Purchaser represents to the other party that such individual is authorized to do so.

13. Binding Effect.

This contract shall extend to and bind the heirs, personal representatives, successors and assigns of the parties hereto.

14. Complete Contract; Amendments.

This contract constitutes the entire agreement and understanding of the parties and supersedes all offers, negotiations, and other agreements of any kind. There are no representations or understandings of any kind not set forth herein. Any modification of or amendment to this contract must be in writing and executed by both parties.

15. Governing Law.

This contract shall be construed in accordance with the laws of the State of Minnesota.

16. Severability.

If any term of this contract is found to be void or invalid, such invalidity shall not affect the remaining terms of this contract, which shall continue in full force and effect.

17. Termination of Previous Agreement

Upon execution of this contract, the contract between Seller and Purchaser dated March 25, 2019 is terminated and replaced by this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and affixed their respective seals the day and year first above written.

SELLER:

CITY OF ST. FRANCIS

By: _____
Joe Muehlbauer
Mayor

By: _____
Jenni Wida
City Clerk/Treasurer

PURCHASER:

CITY OF OAK GROVE

By: _____
Weston Rolf
Mayor

By: _____
Britt Pease
Deputy City Clerk

STATE OF MINNESOTA)

COUNTY OF _____)
)SS

The foregoing instrument was acknowledged before me this ____ day of _____, 2024, by Joe Muehlbauer and Jenni Wida, the Mayor and City Clerk/Treasurer, respectively, of the City of St. Francis, on behalf of the City.

Notary Public

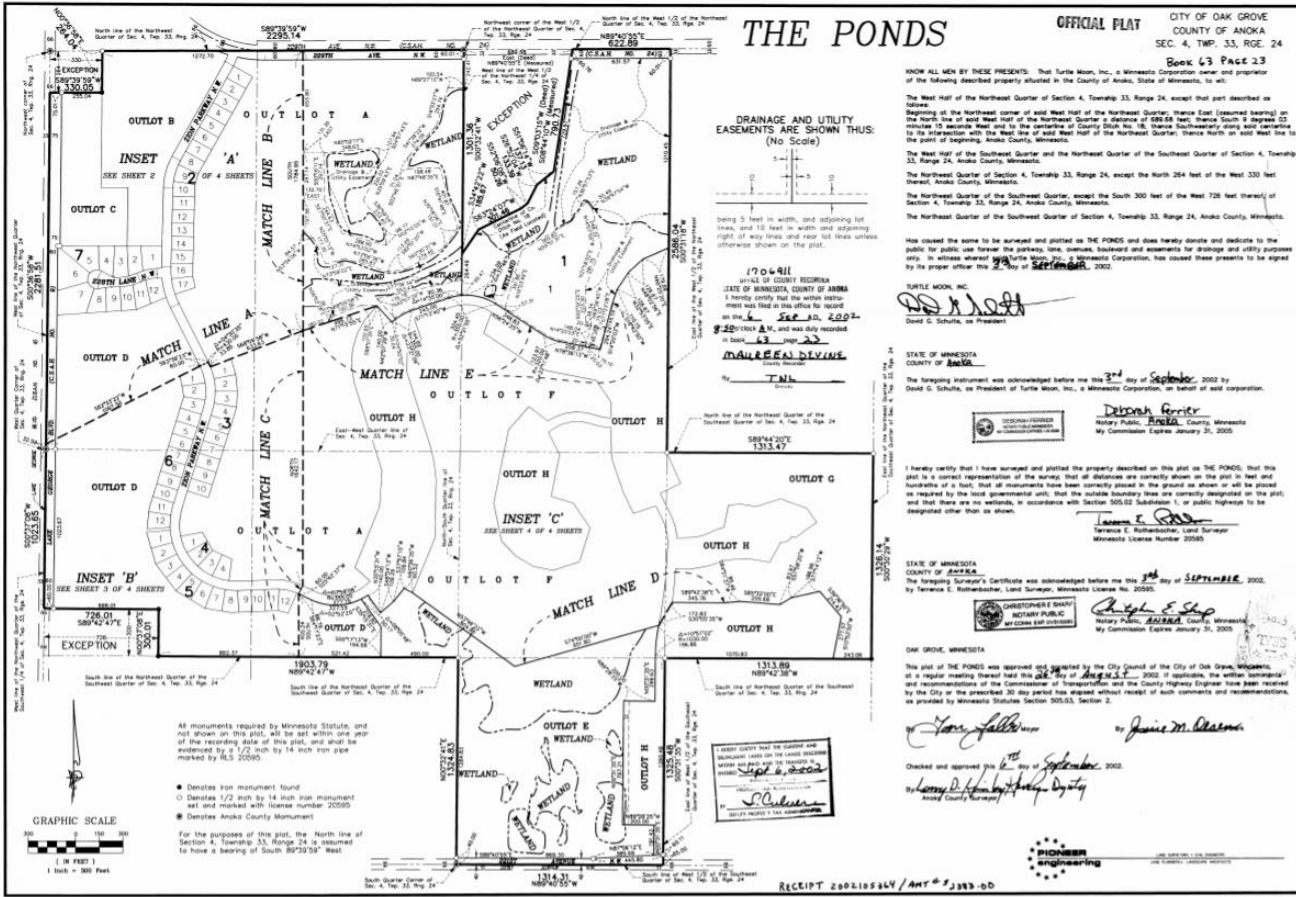
STATE OF _____)
)SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024, by Weston Rolf and Britt Pease, the Mayor and Deputy City Clerk, of the City of Oak Grove, on behalf of said City.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION FOR THE PONDS



(Added by Agreement on / /24)

PID 04-33-24-44-0001

SE1/4 OF SE1/4 OF SEC 4 TWP 33 RGE 24, EX RD, SUBJ TO EASE OF REC

EXHIBIT B