

WATER SERVICE AND PURCHASE AGREEMENT

THIS CONTRACT, made and entered into this _____ day or _____ 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 July 29, 2002, the Seller and Purchaser entered into a Sewer Wastewater Service and Purchase Agreement with a term of twenty-five and which described the relationship between the Seller and Purchaser related to providing water service for 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 with a term of twenty years 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

A. This contract shall be for an initial term from the date of the Effective Date listed above until December 31, 2049 (the "Initial Term"), unless terminated earlier as hereinafter provided.

B. Unless terminated in writing by Purchaser or Seller, based upon an uncured event of default of either party, this Contract shall be automatically renewed for successive five (5) year terms after the Initial Term ("Renewal Terms") with the final Renewal Term terminating on December 31, 2049. Such written notice to terminate the Contract by Purchaser or Seller must be provided in accordance with Paragraph 9 of this Contract.

2. Water Service

A. Seller hereby agrees to allow Purchaser to connect to Seller's water distribution system in order to provide public water service to the *The Ponds* as described in Exhibit A and depicted in Exhibit B attached hereto (the "Development"). Such water service to the Development ("Water Service") shall be provided at the rates specified in Section 3

below. The quality of this water shall equal the quality of water supplied by Seller to its other consumers; provided, however, that Seller makes no representations, express or otherwise, as to the quality of water provided to the Purchaser.

B. Water Service under this Contract shall be purchased in the name of the Purchaser, and not a separate entity. The Purchaser will be responsible for payment to the Seller for the Water Service.

C. A water service district shall be established which shall encompass the Development. Water Service will be provided only to the Development as provided in this Contract. The Development area may be expanded to include other property by mutual written agreement of the Parties.

D. Water service shall be limited to residential uses, uses related to the golf course facilities within the Development, and any public facilities owned and operated by Purchaser or any department thereof, and shall not include general commercial or industrial uses. The responsibility for enforcement of this provision rests with the Purchaser.

E. There shall be no individual private wells located within the Development, except the golf course irrigation well and any City park irrigation systems. No irrigation wells shall be used for potable water purposes. All potable water within the Development shall exclusively be provided under the terms and conditions of this Contract.

3. Rates

A. Subject to paragraph C of Section 3, Seller hereby agrees to provide the Water Service to Purchaser at a rate that shall always be equal the rate charged residential users in St. Francis for public water service, per one thousand (1,000) gallons of water, as measured through the master water meter (the "Metered Rate"). The Purchaser shall also pay a base rate equal to the number of equivalent connections, times the base rate charged to the residents of the Seller (the "Base Rate"). The Base Rate as of the Effective Date is based on 208 connections. Additional connections shall be added to the Base Rate when the Purchaser authorizes the first building permit in any development occurring within the Development. Connections shall be removed from the Base Rate when the connection is capped as part of the demolition of the associated primary structure.

B. Subject to paragraph C of Section 3, it is further agreed that Metered Rate and Base Rate may be adjusted, to reflect the increased costs of Seller's water production, including cost of power, water treatment, water treatment chemicals and other direct and indirect costs related to the production of water. These adjustments shall further reflect overall increases in direct, indirect, administrative and other costs of water production, 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 water users in The Development of any proposed rate adjustments, and that such users will also be afforded a reasonable opportunity for comment.

C. It is understood between the parties that in order for Seller to supply the Water Service at the volume and pressure requested by Purchaser, and otherwise fulfill its obligations and responsibilities under the Contract, it may be necessary for Seller to dedicate financial and/or capital improvements and/or modifications to its public water system. It is further mutually agreed, notwithstanding any contrary provision or provisions, that in the event that Seller makes the determination, in Seller's discretion, that the water provided to its consumers, including Purchaser, needs to be treated, or that the Seller's water facilities need to be modified, changed or improved for the benefit of all users, including Purchaser, Purchaser agrees to share all costs necessary to achieve those objectives proportionally, based on the percentage of Purchaser's equivalent connections in relation to the total equivalent connections of Seller, Purchaser and any other users of Seller's public water facilities.

D., The Purchaser shall pay to the Seller a Water-Access Charge ("WAC") at a rate that shall always be equal to the then in effect WAC charged to builders in St. Francis for each equivalent water connection for Water Service.

4. Water System Facilities

A. The Water Service delivered to Purchaser by Seller shall be measured by a single master meter, with the cost of said meter, including furnishing, installation including replacement, and maintenance, to be borne by, and be the responsibility of, the Purchaser. Prior to performing work related to the installation, replacement, and maintenance of the water meter, Seller shall receive written consent from Purchaser to the cost thereof, such consent not to be unreasonably withheld. The Seller shall own and retain title to said meter. The Seller obtained an easement form the Purchaser for access to the Development to allow installation including replacement, maintenance and reading of the meter and such easement is included in Exhibit .

B. The Purchaser shall be responsible for the operation, repair and maintenance of the water distribution system within the Development to be served by the Water Service. All such equipment and facilities within the Development shall conform to the applicable laws and regulations of the State of Minnesota and the United States, including the Minnesota Department of Health. Purchaser shall also be responsible for all testing and all analytical work for the water distribution system within the Development, as required by the Minnesota Department of Health.

C. The Purchaser shall keep reliable records of water main construction and number of connections, and such records shall be subject to reasonable inspection by representatives of the Seller.

D. The expense of the connection point or points on the Seller's public water facilities shall be borne by Purchaser.

E. The Purchaser shall cooperate with the Seller to provide additional water main looping from the Development to the existing public water system within the territorial limits of the Seller for the purpose of enhancing fire flows, providing greater reliability and providing better water quality. Such additional looping shall substantially follow the design attached as Exhibit C to this Contract.

5. Water Shortage

In the event Seller determines to impose a water ban or similar restrictions upon usage of its public water system within its territorial limits, such water ban or restrictions shall also apply to the Water Service provided to Purchaser hereunder, and Purchaser shall be obligated to enforce such water ban or restrictions within its territorial jurisdiction to the same extent as Seller.

6. Meter Reading and Billing

Monthly readings of the master meter described in Section 4(A) above shall be made by the Seller on the last working day of each month. 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 thirtieth (30th) day of that month at the address provided in Section 11. Purchaser agrees that Seller shall only credit Purchaser for Water Service used by firefighters of the City of Oak Grove provided such use is documented in writing to Seller.

7. Liability of Seller

The Seller shall not be liable for reasonable interruption in service, or for failure to deliver Water Service hereunder resulting from the failure of supply, inability to secure necessary processing materials, breakdown or damage to processing, pumping, transmission, storage or distribution facilities, work stoppage or other conditions beyond the control of the Seller.

8. Indemnification

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 the Water Service supplied pursuant to this Contract, from the use, installation, maintenance, modification and repair of its facilities and from any and all claims arising from the interruption of service or termination of service, except to the extent such claims, demands, or damages are the result of intentional misconduct or gross negligence on the part of the Seller, its agents or assigns.

9. Termination and Default

Either party shall have the right to terminate this Contract in the event that the other party fails to comply with any of the terms and conditions of this Contract upon three hundred sixty-five (365) days written notice to the defaulting party provided in accordance with Section 11. In the event the Purchaser fails to pay charges lawfully due to the Seller under the terms of this Contract, this shall constitute an event of default under the Contract by the Purchaser and the Seller shall have the right to terminate Water Service upon thirty (30) days' written notice. The Contract may be terminated only after such notice is provided to the defaulting party, and the defaulting party shall have a reasonable opportunity after such notice to correct and cure any condition which is cited by the other party as a cause for termination of the Contract. Upon such cure, Water Service shall continue in accordance with the terms of this Contract.

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
23671 St. Francis Blvd, P0730
St. Francis, MN 55070
Attn: City Administrator

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

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 July 29, 2002 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

EXHIBIT A

LEGAL DESCRIPTION FOR DEVELOPMENT:

Lot 1, Block 1, Lots 1-17, Block 2, Lots 1-10, Block 3, Lots 1-4, Block 4, Lots 1-12, Block 5, Lots 1-12, Block 6, Lots 1-12, Block 7, and Outlots A through H, The Ponds, according to the recorded plat thereof, Anoka County, Minnesota.

and

(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