

**Kandiyohi Power Cooperative
and
Kandiyohi County on behalf of the
Glacial Lakes Sanitary Sewer and Water District (GLSSWD)**

AREA LAKES AGREEMENT FOR METERING AND BILLING SERVICES

Agreement made as of this 17th day of November, 2020, by and between Kandiyohi County on behalf of the Glacial Lakes Sanitary Sewer and Water District, a public body corporate and politic herein referred to as “GLSSWD” and Kandiyohi Power Cooperative, a Minnesota cooperative association herein referred to as “KPC”.

RECITALS

- GLSSWD provides sanitary sewer collection and treatment service to residents and businesses within its Diamond Lake, Tri Lakes, and Lake Florida areas, herein referred to as the “Lakes Areas”.
- KPC provides electric power to its members within its service territory.
- In the Lakes Areas where the service territory of GLSSWD lies within the service territory of KPC, all or most of the residents and businesses served by GLSSWD are also customers of KPC.
- GLSSWD desires to contract with KPC for metering and billing of GLSSWD Services for the Lakes Area service territory. KPC is willing to provide such metering and billing services on conditions set herein.

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

**ARTICLE I
INSTALLATION OF METERS**

KPC will replace and install, at each residential or commercial location at which GLSSWD provides service, a meter to measure the sewer usage amounts of each residential or commercial account. All costs of purchasing, installing, and maintaining the meters will be paid by KPC. All meters and other equipment installed by KPC will remain the property of KPC.

**ARTICLE II
MONITORING AND BILLING**

KPC shall electronically monitor each meter and shall include on its monthly statement to its customers the billing information for the GLSSWD services. KPC shall provide GLSSWD access to the electric meters electronically, copies of billing information, and monthly reports. A 10% late pay penalty will be applied to the GLSSWD customer's sewer meter balance. This amount will be separate from the electric meter use.

**ARTICLE III
COLLECTION AND PAYMENT**

All amounts collected by KPC for GLSSWD services shall be paid to GLSSWD within 10 days of receipt by KPC.

**ARTICLE IV
FEE FOR SERVICES**

**Lakes Area
Diamond, Tri Lakes, Bunny Park, and Lake Florida**

For its services described in Articles I, II and III above, KPC will be paid a fee of \$2.72 per installed electric and water meter per month with a guaranteed monthly minimum fee based on the total number of meters in place that month with a minimum fee of \$1811.52. The minimum fee will be applied beginning January 1, 2021. On the first day of each year of the term of this agreement thereafter, the minimum fee will be increased by an amount equal to two percent (2%-carried to the 3rd digit) of the then prevailing rate. The guaranteed monthly minimum shall also increase at the same rate.

**ARTICLE V
TERM**

The initial term of this agreement shall be ten (10) years commencing on January 1st, 2021 and terminating on January 1st, 2031. After the initial term, this agreement shall automatically extend for consecutive one (1) year terms unless either party gives the other party written notice, at least sixty (60) days prior to the end of the initial term or of any annual extension, of its intention to terminate this agreement.

**ARTICLE VI
EARLY TERMINATION WITHOUT CAUSE**

GLSSWD may terminate this agreement at any time prior to the termination date, for any reason, upon sixty (60) days written notice to KPC of its intention to do so. However, in the event of early termination, except as a result of a default by KPC pursuant to Article XI hereof, GLSSWD agrees to pay to KPC an early termination fee equal to KPC's undepreciated fixed costs as shown in Addendum 1, plus three months' additional meter fees. The three months' additional meter fees would be calculated by using the last month's actual number of installed meters' times the monthly meter fee.

**ARTICLE VII
KPC COSTS**

KPC shall be responsible for all of its costs relating to the services provided under this agreement, including, but not limited to, employee wages and benefits and repair and maintenance of equipment.

**ARTICLE VIII
MAINTENANCE OF METERS**

KPC agrees to maintain the meters in accordance with current maintenance policy. Any meter that is found to be faulty will be replaced or repaired within 3 working days. However, KPC shall not be responsible to GLSSWD for any fees owed to GLSSWD for services provided to its customers, which, due to a malfunction in a meter, are not properly metered or billed unless such malfunction is a direct result of negligence by KPC, or a failure to replace or repair equipment as provided by this article.

**ARTICLE IX
COLLECTION OF DELINQUENT ACCOUNTS**

KPC shall have no obligation to collect any unpaid fees owed to GLSSWD for services provided to its customers beyond the billing described in Article II hereof. Any further collection efforts shall be conducted by GLSSWD at its own expense.

**ARTICLE X
ADDITIONAL SERVICES**

Any services provided by KPC to GLSSWD or to customers of GLSSWD which are beyond those described in this agreement shall be billed by KPC at rates agreed upon by both parties prior to such service and paid by GLSSWD over and above the fee set forth in this agreement.

**ARTICLE XI
REMEDIES FOR DEFAULT**

In the event of a default, by either party, of any of the terms of this agreement, which default is not cured within thirty (30) days of written notice thereof by the non-defaulting party, the non-defaulting party may, without further notice, immediately terminate this agreement without any further liability to the defaulting party. In addition, the defaulting party shall be liable to the non-defaulting party for any damages or costs, including reasonable attorney fees, incurred by the non-defaulting party as a result of the default.

**ARTICLE XII
INDEMNIFICATION**

Each party shall indemnify the other party against all claims, damages, losses and expenses, including reasonable attorney fees, arising out of this agreement that are caused in whole or in part by the indemnifying party's negligent act or omission.

**ARTICLE XIII
ASSIGNMENT**

This agreement shall not be assigned, in whole or in part by either party without the prior written consent of the other party.

**ARTICLE XIV
APPLICABLE LAW**

This agreement, and any disputes arising out of or related to this agreement, shall be construed under the laws of the State of Minnesota.

**ARTICLE XV
OTHER AGREEMENTS/MODIFICATIONS**

This agreement constitutes the entire agreement between the parties and supersedes all other agreements between the parties, either written or oral, relating to the same subject matter. Upon the signing of this Agreement the Lake Florida, Tri-Lakes and Diamond Lake Agreements are terminated.

No modification or amendment of this agreement shall be effective unless it is in writing signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

GLACIAL LAKES SANITARY
SEWER and WATER DISTRICT

KANDIYOHI POWER COOPERATIVE

By _____
Mark Thompson
Kandiyohi County Auditor

By _____
Sonja Bogart
Chief Executive Officer

By _____
Harlan Madsen, Chairman
Kandiyohi County Board of Commissioners