



Request for Council Action

TO: Mayor and City Council

THROUGH: Finance Committee
Tim Murray, City Administrator

FROM: Jeanne Day, Finance Director

MEETING DATE: February 25, 2020

SUBJECT: Resolution 2020-025 Renewal of Roberds Lake Sanitary Sewer Utility Billing Services Agreement

Background:

The City has been providing utility billing services to Rice County for the Roberds Lake Sanitary Sewer District (RLSSD) for the past two years. The arrangement has been running smoothly for both parties. The City has collected a monthly administrative fee of \$594 for providing these billing services. The agreement in place has a two-year term, with a renewal option if not terminated by either party.

There has been an increase in the number of customers being billed from 194 to 196 since the billing began in February 2018. The City would like to amend the agreement with no increase to the monthly administrative fee of \$594 for a five-year term instead of two-year terms as in the past. The administrative fees cover the associated cost to process the monthly utility bills along with a significant margin for providing the services to the County.

The services agreement renewal was reviewed by the Finance Committee at the February 18, 2020 meeting and County staff has also reviewed the agreement. County staff reported that the changes are acceptable and the Agreement will be signed by the County Administrator as there are no changes.

Recommendation:

Staff recommends approval of Resolution 2020-025 Roberds Lake Sanitary Sewer District Utility Billing Services Agreement.

Attachments:

- Resolution 2020-025
- Roberds Lake Sanitary Sewer District Utility Billing Services Agreement

CITY OF FARIBAULT

RESOLUTION #2020-025

**RENEWAL OF ROBERDS LAKE SANITARY SEWER UTILITY BILLING
SERVICES AGREEMENT**

WHEREAS the County and the City have previously entered into an agreement to treat wastewater from the RLSSD, entitled Sanitary Sewer System Interconnection Agreement by and between the City of Faribault and the County of Rice dated December 18, 2012 (“Interconnection Agreement”); and

WHEREAS, the City has been providing utility billing services to the County in 2016 and 2017 as agreed in the Billing Services Agreement dated November 10, 2015; and

WHEREAS, the City has been providing utility billing services to the County in 2018 and 2019 as agreed in the Billing Services Agreement dated February 27, 2018.

NOW, THEREFORE BE IT RESOLVED, that the City and the County would like to renew the billing services agreement for the period of January 1, 2020 through December 31, 2024 along with the terms of the attached agreement with this resolution as “Exhibit A”.

Date Adopted: February 25, 2020

Faribault City Council

Kevin F. Voracek, Mayor

ATTEST:

Timothy C. Murray, City Administrator

**City of Faribault and County of Rice, Utility Billing Services Agreement
for Roberds Lake Sanitary Sewer District**

This Billing Services Agreement Renewal for the Roberds Lake Sanitary Sewer System (herein “Agreement”), is made and entered into this 10th day of March, 2020, by and between City of Faribault, a Minnesota municipal corporation (herein, “City”), whose address is 208 1st Avenue NW, Faribault, MN 55021 and the County of Rice, a body politic and corporate, of the State of Minnesota (herein, “County”) on behalf of the Roberds Lake Sanitary Sewer District (herein “RLSSD”), whose address is 320 3rd Street NW, Faribault, MN 55021 for utility billing services pursuant to the terms of this Agreement from January 1, 2020 through December 31, 2024.

1. **Purpose.** The County and the City have mutually determined that the most efficient method for the County to process and bill sanitary sewer customers in the RLSSD is to contract with the City for those services. This Agreement outlines the rights and responsibilities of each party.

2. **Scope of Services.** The City, through its Finance Department, shall provide utility billing services to Rice County for the RLSSD as specified in the “Rice County Utility Billing Agreement for Roberds Lake Sanitary Sewer Collection System” attached hereto as Exhibit “A” and incorporated herein by reference.

3. **Effective Date and Term of Agreement.** This Agreement Renewal shall be effective from March 1, 2018 to December 31, 2019, and may be terminated, in writing, by one or both parties in accordance with the termination provisions of this Agreement. This Agreement will renew automatically on a year-by-year basis with an administrative fee increase equal to the cost of living factor used by the City.

4. **Assignment.** The City may assign its duties and responsibilities under this Agreement upon 30 days’ written notice to the County.

5. **Termination.**

a. Either party may terminate this Agreement with or without cause, upon 90 days’ written notice to the other party.

b. If this Agreement is terminated in writing by either party, the City shall prepare and submit a final invoice within 30 days of the date of termination. This invoice shall include all amounts charged and outstanding under this Agreement, and the County shall remit payment to the City within 30 days of receipt of such invoice.

6. **Amendments.** No amendments or modifications may be made to this Agreement unless such changes or modifications are made in writing and signed by both parties.

7. **City’s Responsibilities.**

a. The City is responsible for providing the services identified in Exhibit A. If both parties agree to any changes to the services outlined in Exhibit A, such changes shall be made in writing and signed by both parties.

b. The City warrants that it has the experience and ability to perform the services required by this Agreement in accordance with Exhibit A, and that said services shall be performed in a competent and timely manner.

c. The City shall provide a monthly statement accounting for transactions associated with preparation of the County invoice and net amount charged.

8. County's Responsibilities.

a. The County will provide the City with all necessary billing information in a timely manner. The County shall be solely responsible for any failure to provide City with billing information in time to allow City to carry out the services contained herein. Any written changes made to this Agreement shall include any change in processing or pricing.

b. The County will provide written notification to City of any change in billing rates, policies, collection terms or any other related information at least 30 days prior to the billing period in which the County desires the changes to become effective.

c. The County shall compensate the City monthly as identified in Exhibit A along with balances owed to the City for sewer connection services or any other fees as provided for or required by the Interconnection Agreement.

d. The County is solely responsible for the maintenance and operation of the RLSSD and the City shall have no financial or other obligation to the RLSSD other than to prepare utility bills and collect payments as identified in Exhibit A.

9. Indemnification and Hold Harmless. The County shall defend and indemnify the City and hold the City harmless from and against any and all claims incurred by the City by reason of an act or omission on the part of the County, its agents, contractors, officials and employees, including the payment of reasonable attorneys' fees and costs for damages to property and injury or death to persons, including any payments made under any workers' compensation law or any plan for employees' disability and death benefits, which may arise out of or be caused by or-in connection with the services and responsibilities provided under this Agreement.

10. Data Practices. The County and City agree to comply with the Minnesota Government Data Practices Act Minnesota Statutes Chapter 13 ("MGDPA"), and all other applicable state and federal laws relating to data privacy or confidentiality in either parties' performance of this Agreement. The parties will immediately notify one another in the event a data request is made under the MGDPA, and the parties hereby agree to cooperate in responding to any lawful requests for information.

11. Audits. The parties hereto agree that they will comply with any reasonable and lawful audit request made by either party, or the office of the State or Legislative Auditor. As part of an audit request, the parties shall provide reasonable access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, and records that are relevant and involve transactions relating to this Agreement.

12. **Applicable Law.** The law of the State of Minnesota shall govern all interpretations of this Agreement, and the appropriate venue and jurisdiction for any litigation that may arise under this Agreement will be in and under those courts located within the County of Rice, State of Minnesota, regardless of the place of business, residence or incorporation of the Contractor.

13. **Notices.** Any notice or demand authorized or required under this Agreement shall be in writing and shall be sent by certified mail to the other party at the locations listed herein:

To the City: City of Faribault
208 1st Avenue NW
Faribault, MN 55021
Attn: City Administrator

To the County: County of Rice
320 3rd Street NW
Faribault, MN 55021
Attn: County Administrator

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IN WITNESS WHEREOF, the City of Faribault and Rice County have duly executed this Agreement as of the day and year written above.

CITY OF FARIBAULT

BY THE CITY COUNCIL

Mayor

Attest: _____
City Administrator

COUNTY OF RICE

BY THE COUNTY BOARD

County Administrator

EXHIBIT A



**Rice County Utility Billing Agreement
for Roberds Lake Sanitary Sewer
Collection System**

February 18, 2020

Prepared by:
Jeanne Day, Finance Director

Introduction

The City of Faribault has been providing utility billing services to the County for the RLSSD from March 2016 through December 2019. The total number of monthly bills managed by the City has increased by six additional accounts during the past two years. The customers of RLSSD have been using multiple payment methods offered by the City, with 58% taking advantage of the electronic payment options. The utility billing services agreement between the City and County has promoted a positive, cooperative working relationship which has been in the best interest of the communities served.

Services offered

The City will continue to provide monthly utility billing services including printing, mailing, collection, reporting and maintenance of customer accounts for the RLSSD. The following services are outlined below:

1. Preparation and mailing of monthly bills on, or about, the 10th of each month. Customers may choose to receive their utility bills electronically as an option provided online through the City's website.
2. The City will provide electronic viewing of customers' account history and current balances through a link from the City's website.
3. Payments will be collected in person at City Hall by check, cash, debit or credit card; by deposit into the drop box located in the City Hall parking lot; electronically through the Automated Clearing House (ACH) direct debit option; by credit or debit card online through the City's website or by mail delivered to City Hall. Payments will *not* be accepted by telephone. (In order to qualify for the lowest utility rate charged for credit card transactions, the City does not include a convenience fee to the customer).
4. Penalties will be calculated and applied to customer accounts for any delinquent balances each month.
5. Monthly reports will be provided to the County which will include current billing detail and aging information for delinquent accounts.
6. A payment will be generated and sent to the County after the second Council Meeting each month which is scheduled for the fourth Tuesday of each month. The payment will include the previous month's receipts less the Sewer Disposal Fee and the Administrative Fee.

The services described above are subject to change as warranted by the service provider in connection with software upgrades or uncontrolled vendor regulations. The County will be notified of any significant change in advance.

Fees and service terms

The fees for billing and collection services for the RLSSD by the City of Faribault are noted below.

Service to be Provided	Fees	Service Terms	Payment Schedule	Primary Contact at City of Faribault
Create and order billing statements and delinquent notices for RLSSD	Actual cost +10% handling fee	One-time (will not be charged if County provides all forms)	As needed to maintain inventory	Ann Remold
Billing, printing, mailing, processing fees, collection, account maintenance and administration	\$594.00	Monthly	Monthly	Ann Remold

Billing information

The monthly billing amounts for commercial users will be provided to the City by the County on, or before, the third business day of each month. Any changes to rates for the RLSSD customer accounts will be provided to the City Finance Department 60 days in advance of the effective billing date. The County will be responsible to provide to the City accurate and timely information for RLSSD customer accounts, including foreclosures and bankruptcy documentation. The County will be responsible to review the reports provided by the City for accuracy and report any concerns to the City Finance Department at the earliest opportunity.
