

# Exhibit 1

## **BILL OF SALE AND TRANSFER AGREEMENT, ASSIGNMENT AND ASSUMPTION OF LIABILITIES**

THIS AGREEMENT made this \_\_\_\_ day of \_\_\_\_\_, 2025, (the “Effective Date”) by and between the City of Duluth, a municipal corporation (“City”) and the Sanitary Board of the Western Lake Superior Sanitary District, a public corporation and political subdivision (“WLSSD”).

### **RECITALS**

WHEREAS, WLSSD is a regional Sanitary Board established by Minnesota Statutes Chapter 458D which operates and maintains a system of interceptor sewer facilities in the region that it serves, including Duluth.

WHEREAS, WLSSD also owns and operates a water line conveying water from a Duluth water main on Superior Street across various parcels of property, Interstate 35 and adjoining railroad tracks, to the WLSSD’s facilities adjoining Courtland Street (the “District Facilities”).

WHEREAS, the City operates within its boundaries a system of water supply lines that provide residential and industrial water to its customers and WLSSD receives its water supply from the City.

WHEREAS, the City and WLSSD have agreed on the transfer of a certain water line and other appurtenances identified on Exhibit A attached hereto (collectively the “Water Line”) to the end that the transfer will result in the City owning and operating the Water Line which supplies water to the District Facilities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and WLSSD hereby agree as follows:

1. Recitals. The foregoing recitals are correct and incorporated herein.
2. Transfer and Assignment. WLSSD does hereby sell, assign, convey, grant, transfer, and deliver to the City in “AS IS” condition all of WLSSD’s respective rights, title and interest in and to the Water Line, including approximately 1453 feet of 12-inch ductile iron pipe as shown in blue on the Exhibit A attached hereto, free and clear of all liens.
3. Acceptance and Assumption. The City hereby accepts the foregoing transfer and assignment, and assumes all obligations of any kind or nature growing out of the ownership and operation of the Water Line, first arising from and after the Effective Date. Notwithstanding anything herein to the contrary, all liabilities of WLSSD that are not expressly assumed herein, are expressly excluded from the liabilities and obligations being assumed by the City. The parties agree that transfer of the Water Line to Duluth results in ownership and operation consistent with the function of Duluth in providing water utilities to the District Facilities.

4. Assignor's Indemnification. WLSSD agrees to indemnify, defend, and hold the City harmless from and against any claims asserted against the City in connection with the Water Line and shall reimburse the City for any costs and expenses incurred in connection with such claims, including reasonable attorneys' fees related to such claims, to the extent such claims arise out of the failure of WLSSD to comply with or to perform any obligation with respect to the Water Line, or WLSSD's failure to timely perform, accruing prior to the Effective Date

5. Assignee's Indemnification. The City will indemnify and hold harmless WLSSD from liability of any kind or nature growing out of the ownership or operation of the Water Line, arising from and after the Effective Date. The liability of the City is limited to the extent set forth in Minnesota Statutes Chapter 466.

6. Miscellaneous.

a. Governing Law. This Agreement shall be governed by and construed under and in accordance with the internal Laws of the State of Minnesota.

b. Headings. The headings in this Agreement are inserted for convenience only and shall not constitute a part hereof.

c. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

d. Counterparts; Facsimile Signature. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement. Each of the parties to this Agreement agrees that a signature affixed to a counterpart of this Agreement and delivered by facsimile or other electronic transmission by any person is intended to be its, his or her signature and shall be valid, binding and enforceable against such person.

*(signature page to follow)*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first written above.

CITY OF DULUTH

WESTERN LAKE SUPERIOR  
SANITARY DISTRICT

By: \_\_\_\_\_  
Roger Reinert, Mayor

By: \_\_\_\_\_  
Julene Boe  
Board Chair

ATTEST:

By: \_\_\_\_\_  
\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
Marcia Podratz  
Board Secretary

Date: \_\_\_\_\_

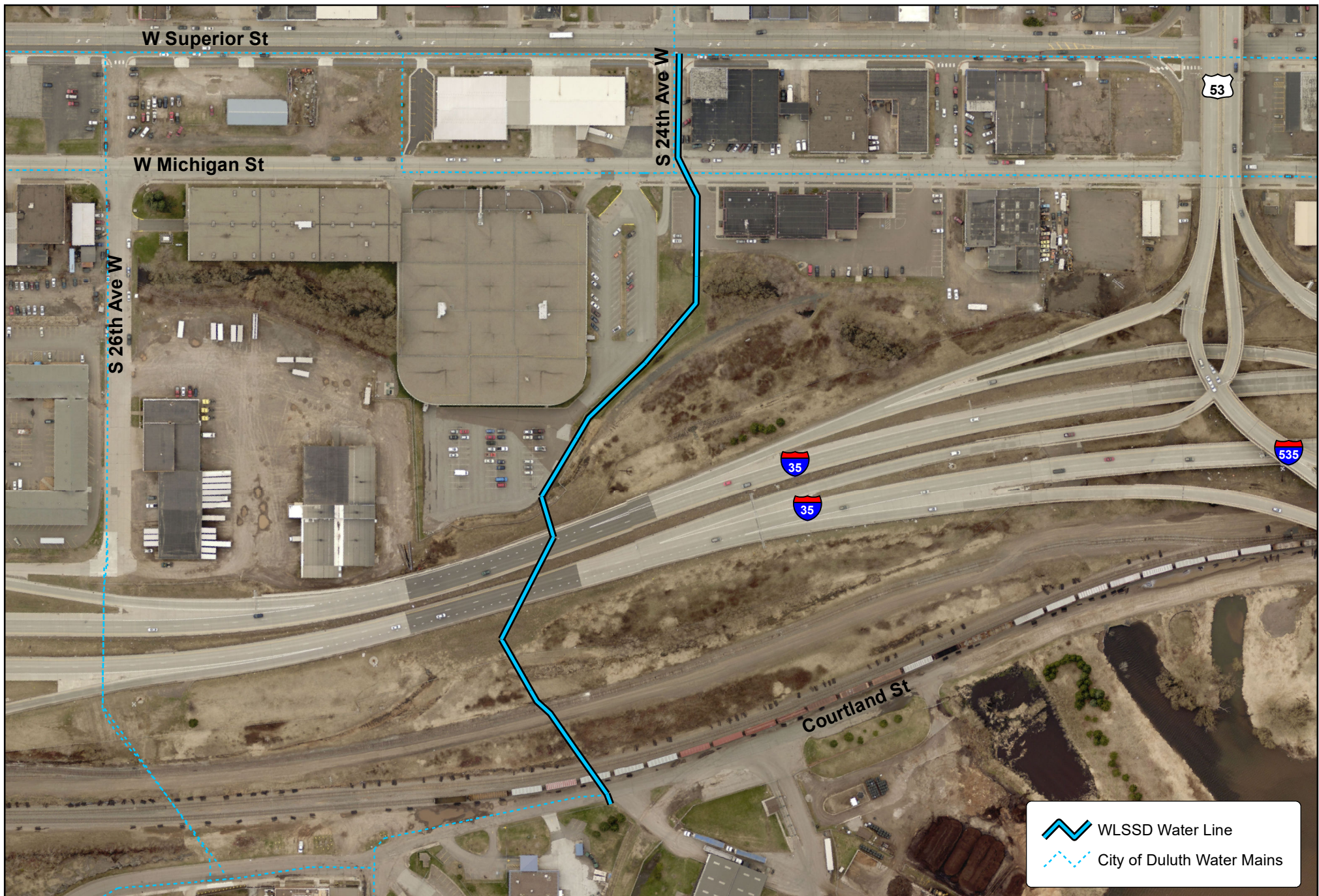
COUNTERSIGNED:

\_\_\_\_\_  
City Auditor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney





0 125 250 500 Feet

## Exhibit A Water Line

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**WESTERN LAKE SUPERIOR SANITARY DISTRICT**

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Web Address: [www.wlssd.com](http://www.wlssd.com)

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