CITY OF JOPLIN
COUNCIL AGENDA ITEM

ITEM
Council Bill 2024-111 authorizing the City of Joplin to enter into an agreement and work authorization with Burns & McDonnell Engineering Company, Inc., to conduct a wastewater rate study.

MEETING DATE
March 4, 2024

ORIGINATING DEPT
Public Works / Engineering

ATTACHMENTS
CB 2024-111 Ordinance; Agreement; Work Authorization BMD-24; RFQ Results

REVIEWED BY
Director of Public Works – Daniel Johnson, Director of Finance – Leslie Haase, City Attorney – Peter C. Edwards, Assistant City Manager – Tony Robyn, City Manager – Nicholas Edwards

SUMMARY
This Council Bill approves an Agreement and Work Authorization between the City of Joplin and Burns & McDonnell, Inc. in the not to exceed amount of Sixty-Eight Thousand Four Hundred Twenty Six and 00/100 no/100 Dollars ($68,426.00).

BACKGROUND
The current sewer rates were established in a rate study conducted in 2019 and became effective on January 1, 2020. Council Bill 2019-161 was authorized by the city to incorporate the City's current rate structure for the customers of Joplin. Those rates were set for a five-year period that will end December 31, 2024. A new rate structure is needed that encompasses a wholistic view of the sewer utility's financial needs. A Request for Qualifications was published on January 6, 2024 in the Joplin Globe. Submittals were received by the January 24, 2024 deadline, in accordance with the city's procurement policy. Of the four consulting firms who responded, 1898 & Co., part of Burns & McDonnell, was selected as the most qualified to perform this service. The fees are within industry standards for this type of work. This study will determine rates from 2025 through 2030 based on current debts, forecasted costs for operations and maintenance, along with capital improvements needed over the study period. The City's discharges from the wastewater treatment plants are regulated by the National Pollutant Discharge Elimination System (NPDES) permits issued by the State of Missouri. Burns & McDonnell's scope includes a presentation to Council of their findings and recommendations; detailed scope explanations are contained in Attachment 1 to the Work Authorization.

FUNDING SOURCE
Wastewater Fund

RECOMMENDATION

Staff recommends approval of this council bill on first reading.

CITY		ENGINEER	
CITY OF JOPLIN **602 S. MAIN STREET** **JOPLIN, MO 64801**		Name: Burns & McDonnell Engineering Company, Inc. Address: 9400 Ward Parkway KANSAS CITY, MISSOURI 64114	
Attention:		Attention: David Naumann	
Department:		Phone: 816-822-4207	Fax:
Phone:	Fax:	2024 SEWER RATE STUDY	

AGREEMENT FOR PROFESSIONAL ENGINEERING CONSULTING SERVICES

THIS AGREEMENT made and entered into this _____ day of _____, 20___, by the parties identified above.

WITNESSETH:

THAT, WHEREAS the City of Joplin desires to engage the Engineer to render certain technical and professional services in connection with a project identified on future Work Authorizations to this Agreement.

WHEREAS the Engineer made certain representations and statements to the City with respect to the provision of such services and the City has accepted said proposal; and

WHEREAS the Engineer represents Engineer is licensed by the Missouri Board for Architects, Professional Engineers, and Land Surveyors to perform the services designated under this contract, and further represents that all survey services shall be done under the direction of a Land Surveyor licensed by the Missouri Board for Architects, Professional Engineers, and Land Surveyors.

NOW, THEREFORE, for the considerations herein expressed, it is agreed by and between the City and the Engineer as follows:

1. **Services.** The City agrees to engage the services of the Engineer and the Engineer agrees, upon receipt of each duly executed Work Authorization, to perform the services described in the Work Authorization. The services of the Engineer shall commence as soon as practicable after the execution of a Work Authorization, unless otherwise directed in writing, and shall be undertaken and completed in such sequence as to assure their expeditious completion in the light of the purposes of the contract. The Engineer shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all designs, drawings, specifications, reports, and other services furnished by the Engineer under this Agreement. Approval by the City and other agencies of drawings, designs, specifications, reports, and incidental engineering work or materials furnished hereunder shall not in any way relieve the Engineer of his responsibility for the technical adequacy of his work except as to matters involving peculiar conditions or uses of the property known to the City or other agencies but not to the Engineer.

2. **Term.** The services of the Engineer shall commence as soon as practicable after the execution of this contract, unless otherwise directed in writing, and shall be undertaken and completed in such sequence as to assure their expeditious completion in the light of the purposes of the contract, but in any event, all of the services required hereunder shall be completed as set forth in the schedule for the project which is attached hereto as ***Exhibit A*** of any executed Work Authorization.

3. **Payment.** The City, pursuant to each fully executed Work Authorization, shall pay Engineer the consideration set forth in the Work Authorization, which shall constitute complete payment for the services furnished in connection with the work required to be performed under the Work Authorization.

4. **Exchange of Data**. All information, data, and reports as are in the City's possession and necessary for the carrying out of the work, shall be furnished to the Engineer without charge, and the parties shall cooperate with each other in every way possible in carrying out the scope of services.

5. **Personnel**. The Engineer represents that Engineer will secure at Engineer's own expense; all personnel required to perform the services called for under this contract by Engineer. Such personnel shall not be employees of or have any contractual relationship with the City except as employees of the Engineer. All of the services required hereunder will be performed by the Engineer or under Engineer's direct supervision and all personnel engaged in the work shall be fully qualified and shall be authorized under state and local law to perform such services. None of the work or services covered by this contract shall be subcontracted without the written approval of the City.

6. **Termination of Contract.**

a. Termination for breach. Failure of the Engineer to fulfill Engineer's obligations under this contract in a timely and satisfactory manner in accordance with the schedule and description of services set forth in Exhibit A shall constitute a breach of the contract, and the City shall thereupon have the right to immediately terminate the contract. The City shall give written notice of termination to the Engineer by one of three different means: Facsimile Transmission ("FAX") if Engineer has a FAX number; U.S. Postal Service Mails; or by hand delivering a copy of the same to the Engineer; or may give notice by any combination of the above methods. The date of termination shall be the date upon which notice of termination is hand delivered to Engineer or given by FAX, or the third day following mailing of the notice of termination, whichever first occurs. In the event of termination for breach, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the Engineer under this contract shall at the option of the City become its property, and the Engineer shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials; provided, that the Engineer shall not be relieved of liability to the City for damages sustained by the City by virtue of any such breach of the contract by the Engineer.

b. Right to terminate in the absence of breach. Either party may terminate this contract for any reason, by serving notice of intent to terminate upon the other party by the means specified in paragraph A of this section. Such notice shall specify the date of termination, but in no event shall either party terminate the contract under this provision upon less than thirty (30) days' notice to the other party; provided, that the parties may mutually agree to waive the thirty (30) day requirement and to shorten the time for notice of termination. In the event of termination in the absence of breach, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the Engineer under this contract shall at the option of the City become its property, and the Engineer shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

7. **Conflicts**. No salaried officer or employee of the City, and no member of the City Council shall have a financial interest, direct or indirect, in this contract. A violation of this provision renders the contract void. Any federal regulations, and applicable provisions in Section 105.450 et seq. RSMo. shall not be violated. Engineer covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services to be performed under this contract. The Engineer further covenants that in the performance of this contract no person having such interest shall be employed.

8. **Assignment**. The Engineer shall not assign any interest in this contract and shall not transfer any interest in the same (whether by assignment or novation), without prior written consent of the City thereto. Provided, however, that claims for money due or to become due to the Engineer from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of such assignment or transfer shall be furnished in writing promptly to the City. Any such assignment is expressly subject to all rights and remedies of the City under this agreement, including the right to change or delete activities from the contract or to terminate the same as provided herein, and no such assignment shall require the City to give any notice to any such assignee of any actions which the City may take under this agreement, though City will attempt to so notify any such assignee.

9. **Confidentiality of Documents**. Any reports, data, design, or similar information given to or prepared or assembled by the Engineer under this contract which the City requests to be kept as confidential shall not be made available to any individual or organization by the Engineer without prior written approval of the City.

10. **Discrimination.** The Engineer agrees in the performance of this contract not to discriminate on the ground or because of race, creed, color, national origin or ancestry, sex, religion, handicap, age, or political opinion or affiliation, against any employee of Engineer or applicant for employment and shall include a similar provision in all subcontracts let or awarded hereunder.

11. **Occupational License**: The Engineer shall obtain and maintain an occupational license with the City of Joplin, Missouri, if required by city code and any required state or federal license. The cost for this occupational license shall be borne by the Engineer. No contract will be executed by the City until this occupational license has been obtained and that the Engineer is current on any City taxes is verified.

12. **Compliance with Laws**. Engineer agrees to comply with all applicable federal, state and local laws or rules and regulations applicable to the provision of services and products hereunder. Engineer affirmatively states that payment of all local, state, and federal taxes and assessments owed by Engineer is current.

13. **Affidavit for Contracts Over $5,000.00**. That pursuant to Missouri Revised Statute Sections 285.525 through 285.550, if this contract exceeds the amount of $5,000.00 and Engineer is associated with a business entity, Engineer shall provide an acceptable notarized affidavit stating that the associated business entity is enrolled in and participates in a federal work authorization program with respect to the employees working in connection with the contracted services, and that said business entity does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. Additionally, Engineer must provide documentation for said business entity evidencing current enrollment in a federal work authorization program.

14. **Nonresident/Foreign Contractors**. The Engineer shall procure and maintain during the life of this contract:

a. If the Engineer is a foreign corporation, a certificate of authority to transact business in the State of Missouri from the Secretary of State, unless exempt pursuant to the provisions of Section 351.572 RSMo.

b. A certificate from the Missouri Director of Revenue evidencing compliance with the transient employer financial assurance law, unless exempt pursuant to the provisions of Section 285.230 RSMo.

15. **General Independent Contractor Clause**. This agreement does not create an employee/employer relationship between the parties. It is the parties' intention that the Engineer will be an independent contractor and not the City's employee for all purposes, including, but not limited to, the application of the Fair Labor Standards Act minimum wage and overtime payments, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code, Missouri revenue and taxation laws, Missouri workers' compensation and unemployment insurance laws. The Engineer will retain sole and absolute discretion in the judgment of the manner and means of carrying out the Engineer's activities and responsibilities hereunder. The Engineer agrees that it is a separate and independent enterprise from the public employer, that it has a full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This agreement shall not be construed as creating any joint employment relationship between the Engineer and the City, and the City will not be liable for any obligation incurred by the Engineer, including but not limited to unpaid minimum wages and/or overtime premiums.

16. **City Benefits**. The Engineer shall not be entitled to any of the benefits established for the employees of the City nor be covered by the Worker's Compensation Program of the City.

17. **Liability and Indemnity**. The parties mutually agree to the following:

a. The Engineer shall defend, indemnify, and hold the City harmless from and against all damages, losses, liabilities, expenses, and costs with respect to all claims, including, but not limited to, claims for personal injuries, wrongful death, and damages to property, which may be asserted against the City by any person or entity as the result of Engineer's (or any of Engineer's subcontractors) negligent acts, errors, or omissions in the course of the performance of this contract, provided that the Engineer is not obligated to indemnify or hold harmless the City from the City's own negligence or wrong doing.

b. The Engineer shall indemnify and hold the City harmless from all wages or overtime compensation due its employees in rendering services pursuant to this agreement, including payment of reasonable attorneys' fees and costs in the defense of any claim made under the Fair Labor Standards Act or any other federal or state law.

c. In no event shall the City be liable to the Engineer for special, indirect, or consequential damages, except those caused by the City's gross negligence or willful or wanton misconduct arising out of or in any way connected with a breach of this contract. The maximum liability of the City shall be limited to the amount of money to be paid or received by the City under this contract.

18. **Ownership of Documents.** All files and information will be submitted before or upon final approval and acceptance of the contract documents. All documents, including original drawings, calculations, computer runs, field notes, drawings, estimates, specifications, written design criteria and written reports are and remain the property of the Engineer until such time as this Agreement is, for any reason, terminated, at which time they become the property of the City. The Engineer shall furnish to the City, one set of reproducible record Mylars of drawings, AutoCAD files and copies of estimates, specifications, written reports, and written design criteria, in consideration of which the City will use them fully in connection with the project and will not sell them.

19. **Notices**. All notices required or permitted hereinunder and required to be in writing may be given by FAX or by first class mail addressed to City and Engineer at the addresses shown above. The date of delivery of any notice given by mail shall be the date falling on the third day after the day of its mailing. The date of delivery of notice by FAX transmission shall be deemed to be the date transmission occurs, except where the transmission is not completed by 5:00 p.m. on a regular business day at the terminal of the receiving party, in which case the date of delivery shall be deemed to fall on the next regular business day for the receiving party.

20. **Jurisdiction**. This agreement and every question arising hereunder shall be construed or determined according to the laws of the State of Missouri. Should any part of this agreement be litigated, venue shall be proper only in the Circuit Court of Jasper County, Missouri.

21. **Entire Agreement**. This agreement contains the entire agreement of the parties. No modification, amendment, or waiver of any of the provisions of this agreement shall be effective unless in writing specifically referring hereto and signed by both parties.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year herein stated.

REVIEWED FOR APPROVAL

_____
Name & Title of Staff Project Manager

CERTIFICATE OF DIRECTOR OF FINANCE

I certify that the expenditure contemplated by this document is within the purpose of the appropriation to which it is to be charged and that there is an unencumbered balance of appropriated and available funds to pay, therefore.

_____
Leslie Haase, Director of Finance

APPROVED AS TO FORM

_____
Peter Edwards, City Attorney

Engineer: _Burns & McDonnell Engineering Company, Inc._
By:
By: _____

Printed Name: Chris Underwood, PE

Title: Vice President

Date: _____

_____
Daniel Johnson, P.E.
Public Works Director

Date: _____

CITY		ENGINEER	
CITY OF JOPLIN **602 S. MAIN STREET** **JOPLIN, MO 64801**		Name: Burns & McDonnell Engineering Company, Inc. Address: 9400 Ward Parkway KANSAS CITY, MISSOURI 64114	
Attention:		Attention: David Naumann	
Department:		Phone: 816-822-4207	Fax:
Phone:	Fax:	2024 SEWER RATE STUDY	

WORK AUTHORIZATION NUMBER __BMD-2024 SWR RATE STUDY _____
TO AGREEMENT FOR PROFESSIONAL ENGINEERING CONSULTING SERVICES

City and Engineer agree to amend their Agreement for Professional Engineering Consulting Services to include a scope of work and fees for engineering services, by adding the following terms to their Agreement.

1. **Services**. The City agrees to engage the services of the Engineer and the Engineer agrees to perform the services hereinafter set forth in connection with projects described in ***Exhibit A***.

2. **Addition to Services**. The City of Joplin may add to the Engineer services or delete therefrom activities of a similar nature to those set forth in ***Exhibit A***, provided that the total cost of such work does not exceed the total cost allowance as specified in Paragraph 5 hereof. The Engineer shall undertake such changed activities only upon the direction of the City. All such directives and changes shall be in written form and prepared and approved by the City and shall be accepted and countersigned by the Engineer.

3. **Term**. The services of the Engineer shall commence as soon as practicable after the execution of this contract, unless otherwise directed in writing, and shall be undertaken and completed in such sequence as to assure their expeditious completion in the light of the purposes of the contract, but in any event, all the services required hereunder shall be completed as set forth in the schedule for the project which is attached hereto as ***Exhibit A***.

4. **Costs not to Exceed**. The City of Joplin is limited by law with respect to the amount of money it can pay. Therefore, the City has established a fixed sum for this contract, which cannot be exceeded unless this contract is amended. The Engineer providing services hereunder shall be required to always keep track of the number of hours billable under this contract; and any work more than the fixed sum shall not be eligible for payment. The Engineer shall notify the City if Engineer anticipates that the contract amount may be exceeded, in order to determine whether or not the City is prepared to increase the total compensation. The Engineer shall establish a billing system showing the amount of money remaining on the contract, which shall be shown in each monthly billing.

5. **Payment**.

a. **Conditioned upon acceptable performance**. The City agrees to pay the Engineer in accordance with the terms set forth in ***Exhibit A***, which shall constitute complete compensation for all services to be rendered under this contract; provided, that where payments are to be made periodically to Engineer for services rendered under this contract, the City expressly reserves the right to disapprove in whole or in part a request for payment where the services rendered during the period for which payment is claimed are not performed in a timely and satisfactory manner in accordance with the schedule and description of services set forth in ***Exhibit A***.

b. **Total compensation not to exceed**. It is expressly understood that in no event will the total compensation and reimbursement to be paid to the Engineer under the terms of this work Authorization Number __BMD-2024 SWR RATE STUDY___ exceed the sum of Sixty-Eight Thousand Four Hundred Twenty Six no/100 Dollars ($68,426).

6. **Insurance**. Without limiting any of the other obligations or liabilities of the Engineer, the Engineer shall secure and maintain at its own cost and expense, throughout the duration of this Contract and until the work is completed and accepted by the City of Joplin, insurance of such types and in such amounts as may be necessary to protect it and the interests of the City of Joplin against all

hazards or risks of loss as hereunder specified or which may arise out of the performance of the Contract Documents. The form and limits of such insurance, together with the underwriter thereof in each case, are subject to approval by the City of Joplin. Regardless of such approval, it shall be the responsibility of the Engineer to always maintain adequate insurance coverage during the term of the Contract. Failure of the Engineer to maintain coverage shall not relieve it of any contractual responsibility or obligation or liability under the Contract Documents.

The certificates of insurance, including evidence of the required endorsements hereunder or the policies, shall be filed with the City at the time that this contract is signed by the Engineer. All insurance policies shall provide thirty (30) days written notice to be given by the insurance company in question prior to modification or cancellation of such insurance. Such notices shall be mailed, certified mail, return receipt requested, to:

City of Joplin - Public Works, 602 S. Main, Joplin, MO 64801; and

Such policies shall name the City as an additional insured with limits of liability not less than the sovereign immunity limits for Missouri public entities calculated by the Missouri Department of Insurance as of January 1 each calendar year and published annually in the Missouri Register pursuant to Section 537.610, RSMo.
(See, http://insurance.mo.gov/industry/sovimmunity.php).

As of January 1, 2024, the minimum coverage for the insurance referred to herein shall be as set out below:

a. Workers' Compensation…. Statutory coverage per RSMo 287.010 et seq.
Employer's Liability……. $1,000,000.00

b. Commercial General Liability Insurance, including coverage for Contractual Liability and Independent Contractors Liability. Such coverage shall apply to bodily injury and property damage on an "Occurrence Form Basis" with limits of at least Three Million Three Hundred Seventy Thousand One Hundred Thirty Seven and no/100 Dollars ($3,370,137.00) for all claims arising out of a single accident or occurrence and at least Five Hundred Five Thousand Five Hundred Twenty and no/100 Dollars ($505,520.00) with respect to injuries and/or death of any one person in a single occurrence and an amount not less than at least $1,000,000 for all claims to property arising out of a single occurrence and at least $100,000 to any one owner with respect to damages to property. Engineer agrees that the proceeds of such insurance policy shall first be used to pay any award, damages, costs, and/or attorneys' fees incurred by or assessed against City, its employees, officers and agents, before payment of any award, damages, costs or attorney's fees of Engineer, its employees, officers or agents. Engineer agrees to cause its insurer to name City as an additional insured on such insurance policy, including the City as an additional insured for coverage under its products-completed operations hazard, and said policy shall be primary and noncontributory.

c. Automobile Liability Insurance covering bodily injury and property damage for owned, non-owned and hired vehicles, with limits of at least Three Million Three Hundred Seventy Thousand One Hundred Thirty Seven and no/100 Dollars ($3,370,137.00) for all claims arising out of a single accident or occurrence and at least Five Hundred Five Thousand Five Hundred Twenty and no/100 Dollars ($505,520.00) with respect to injuries and/or death of any one person in a single accident or occurrence.

d. Errors and Omissions Insurance. The Engineer shall maintain a professional liability insurance policy in the amount of $1,000,000.00. This policy shall remain in full force and effect for a period of one year after completion and acceptance by the City of the construction of the project.

e. Subcontracts. In case any or all this work is sublet, the Engineer shall require the subcontractor to procure and maintain all insurance required in subparagraphs (A), (B) and (C) hereof and in like amounts. Engineer shall require all subcontractors with whom it enters into a contract to perform work on this project to protect the City of Joplin through insurance against applicable hazards or risks and shall, upon request of the City, provide evidence of such insurance.

f. Notice. The Engineer and/or subcontractor shall furnish the City prior to beginning the work satisfactory proof of carriage of all the insurance required by this contract, with the provision that policies shall not be canceled, modified or non-renewed without thirty (30) days written notice to the City of Joplin.

g. Legislative or Judicial Changes. In the event the scope or extent of the City's tort liability as a governmental entity as described in Section 537.600 through 537.650 RSMo is broadened or increased during the term of this agreement by legislative or judicial action, the City may require Engineer, upon 10 days written notice, to execute a contract addendum whereby the Engineer

agrees to provide, at a price not exceeding Engineer's actual increased premium cost, additional liability insurance coverage as the City may require to protect the City from increased tort liability exposure as the result of such legislative or judicial action. Any such additional insurance coverage shall be evidenced by an appropriate certificate of insurance and shall take effect within the time set forth in the addendum.

7. All other terms and conditions of the original Agreement shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year herein stated

REVIEWED FOR APPROVAL

_____
Name & Title of Staff Project Manager

CERTIFICATE OF DIRECTOR OF FINANCE

I certify that the expenditure contemplated by this document is within the purpose of the appropriation to which it is to be charged and that there is an unencumbered balance of appropriated and available funds to pay, therefore.

_____
Leslie Haase, Director of Finance

APPROVED AS TO FORM

_____
Peter Edwards, City Attorney

Engineer: Burns & McDonnell Engineering Company, Inc.

By: _____

Printed Name: David Naumann

Title: Senior Project Manager

Date: _____

By: _____
Daniel Johnson, P.E.
Public Works Director

Date: _____

ATTACHMENT NUMBER ONE
EXHIBIT A TO WORK AUTHORIZATION NUMBER BMD-2024 SWR RATE STUDY TO AGREEMENT FOR PROFESSIONAL ENGINEERING CONSULTING SERVICES
(Between the City of Joplin, Missouri and Burns & McDonnell Engineering Company, Inc.)

1. SCOPE OF SERVICES

Burns & McDonnell has been engaged to provide a comprehensive financial planning, cost of service and rate design study for the City's wastewater utility. The proposed scope of work described herein is based substantially on the most recent study completed in 2019. A summary of major tasks is shown below.

- 1.1. Initiate Project
  - 1.1.1. Submit Data Request
  - 1.1.2. Conduct Project Kick-off Meeting via Microsoft Teams
- 1.2. Financial Plan Development
  - 1.2.1. Prepare Revenue Forecast
  - 1.2.2. Project Capital Flow of Funds
  - 1.2.3. Project Operating Revenue Requirements
  - 1.2.4. Review and Finalize Operating Cash Flows Meeting at City Offices
- 1.3. Cost of Service Analysis
  - 1.3.1. Determine Utility Cost Assignments
  - 1.3.2. Allocate Functional Costs to Classes
  - 1.3.3. Review Cost of Service Results
  - 1.3.4. Review Cost of Service Results via Microsoft Teams
- 1.4. Proposed Rate Development
  - 1.4.1. Design Proposed Rates and Pretreatment Fees
  - 1.4.2. Prepare Typical Bill Comparison
  - 1.4.3.Review Proposed Rates via Microsoft Teams
- 1.5. Deliver Study Results
  - 1.5.1. Prepare Draft and Final Reports
  - 1.5.2. Attend Three Public Meetings in Joplin
    - 1.5.2.1. Work Session Presentation to Council
    - 1.5.2.2. Open House Public Meeting
    - 1.5.2.3. Council Meeting Q&A Support When Rates are Adopted

2. TERMS

2.1. Schedule: The services of the Engineer shall commence as soon as practicable after execution of this authorization, unless otherwise directed in writing, and shall be undertaken and completed in the light of the purposes of the authorization, with draft and final reports to be delivered in June and July, respectively.

2.2. Engineer will be compensated on a time and materials basis, but shall not exceed the total compensation amount unless approved in writing by the City.

2.3. In the performance of this study, Engineer will rely upon data provided by the City. Such data will form the basis for future projections. Actual results may vary from future projections in

accordance with future conditions such as weather, economic factors or other variables beyond the control of the Engineer.

3. PAYMENT

3.1. Payment to Engineer shall be at the hourly labor rates and non-labor rates set forth in the attachment Number Two to Exhibit A: "Schedule of Hourly Rates and Expenses"; with a total compensation not to exceed amount of Sixty-Eight Thousand Four Hundred Twenty Six Dollars ($68,426), as set forth in Work Authorization Number _BMD-2024 SWR RATE STUDY_ to the Agreement for Professional Engineering Consulting Services, Section 5.b.

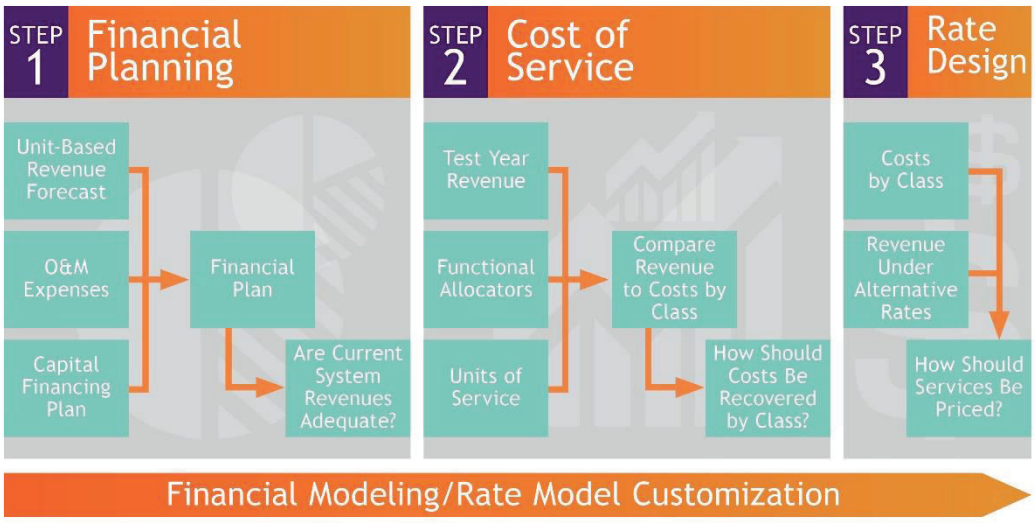
1898 & Co proposes to provide the professional consulting services required by the City of Joplin, Missouri (the City) to conduct a comprehensive financial planning, cost of service and rate design study for the City's wastewater utility. The proposed scope of work described herein is based substantially on the most recent study completed in 2019.

The primary objective of the study is to provide the City with recommended sewer charges that will sustain the financial viability of the system and provide appropriate debt service coverage. Proposed rates will be designed to provide the system with sufficient revenues to meet capital and operating costs over a 5-year study period.

OUR APPROACH TO MUNICIPAL RATE STUDIES

At its most basic level, 1898 & Co.'s rate studies are designed to create a financial roadmap to prudently plan for funding requirements, to defensibly and equitably recover costs, and to implement rate adjustments that achieved utility policy goals and objectives.

Our approach to executing utility rate studies is grounded in the principles established by both the American Water Works Association (AWWA) M1 Rate Manual, and the Water Environment Federation (WEF) Financing and Charges for Wastewater Systems. The three-step approach we follow to complete utility rate studies aligns with industry standards and is depicted below. Our proposed project team has applied this approach in essentially all comprehensive financial planning, cost of service and rate studies we conduct.



► Step 1: Financial Planning provides an indication of the adequacy of the revenue generated by current rates. The results of the financial forecast analysis will answer the questions "Are the existing rates adequate?" and "If not, what level of overall revenue adjustment is needed?"

- Step 2: Cost of Service focuses on assigning cost responsibility to customer classes. Each customer class is allocated an appropriate share of the overall system costs based on the level of service provided. The net revenue requirements (costs to be recovered from rates) identified in Step 1 are allocated to customers in accordance with industry standards and principles and system characteristics.
- Step 3: Rate Design provides for the required revenue recovery. Once the overall level of revenue required is identified and customer class responsibility for that level of revenue is determined, schedules of rates for each rate class are developed that will generate revenues accordingly.

The remainder of this section details the proposed scope of services.

Proposed Work Plan

TASK 1 – INITIATE PROJECT

The objective of Task 1 is to initiate the Study, collecting pertinent data and collaborating with the City to confirm consensus understanding of issues, milestones, communication strategies, and other matters.

An initial data request may be found at the end of this section to identify the information desired to start the study. Requested data is intended to address relevant current financial and operating information including billing summaries, most recently approved budgets, capital improvement plans, covenants associated with existing debt, formal financial policies or goals, fixed asset data, system operating information, and annual financial reports. The request for data is designed to be comprehensive; however, additional information may be requested as the project proceeds.

TASK 1.1 – CONDUCT PROJECT KICK-OFF MEETING

1898 & Co. will initiate the project by conducting a virtual kick-off meeting using Microsoft Teams. This meeting will provide the opportunity for 1898 & Co. to collaborate with key utility staff and gain further understanding of the wastewater utility system. It will also allow 1898 & Co. and the City to discuss the project approach, the various issues to be addressed, and the initial data and information requested. During the meeting, 1898 & Co. will work with the City to finalize the study goals, objectives, and timeline that will result in completion of all tasks and deliverables in accordance with the City's needs.

Task 1 Deliverables and Meetings:

- Deliverables: Initial data request
- Formal Meeting: Project kick off meeting via Microsoft Teams

TASK 2 – FINANCIAL PLAN DEVELOPMENT

The objective of Task 2 is to develop a five-year financial plan that adequately funds the operating and capital requirements, complies with financial management policies, and provides a defensible and implementable plan for the utility to move forward.

1898 & Co. will develop the five-year financial forecast of the wastewater utility operating results. This will determine whether revenues under current rates can be expected to provide adequate funding for future

utility operating and capital costs. The results of this financial forecast will be utilized to define the target annual revenue requirements for the wastewater services.

TASK 2.1 -PREPARE REVENUE FORECAST

Projected annual utility service revenues under existing and planned user charges and rates will be developed. 1898 & Co. will review historical growth in the number of customers by class and then forecast the annual number of customers for each utility rate class for each year of the forecast period.

1898 & Co. will assess trends in billable flow per account for each customer class. Based on the volume analysis and other available information, 1898 & Co. will estimate the future billable flow per customer for each rate class. The estimates of the annual number of customers and the annual billable flow per customer will provide the basis for forecasting annual billed volumes over the study period. The existing schedules of wastewater rates will be applied to the projected billable flow and the estimated numbers of customers to develop forecasted annual wastewater revenues under existing rates for the forecast period.

1898 & Co. will also develop projections of revenues from other existing sources, which may include interest income, penalties, tap fees and other miscellaneous income sources.

TASK 2.2 - PROJECT CAPITAL FLOW OF FUNDS

1898 & Co. will review the capital improvement plan (CIP) and develop a capital planning flow of funds. This plan will acknowledge anticipated sources and uses of capital funds to implement the CIP. Funding sources may include issuance of proposed bonds, loans, connection fees, existing balances, and other sources as applicable. Uses of funds will include the CIP, cost of debt as applicable, and other costs as identified through consultation with the City.

TASK 2.3 - PROJECT OPERATING REVENUE REQUIREMENTS

Projections of annual system operation and maintenance expenses will be developed based on variables that may include projected billed volumes, historical expense levels, existing budgets, inflation estimates, and the input of City staff regarding any planned changes to the operation and maintenance of the utility system.

Annual debt service requirements on any outstanding debt will be included in the operating forecast. To the extent additional financing of expected capital improvements is indicated to be required in Task 2.2, estimates of new debt service requirements will also be incorporated in the forecast. In addition, the impacts of any financial performance requirements or targets, i.e. debt service coverage requirement, reserve levels, target operating ratio, etc., whether imposed internally or externally, will be considered.

Projections of any other wastewater system cash expenditures not included in any of the above categories will also be captured in the financial forecast. Such expenditures often include transfers or routine capital expenditures.

TASK 2.4 - REVIEW AND FINALIZE OPERATING CASH FLOWS

1898 & Co. will summarize the annual forecasts of the wastewater utility revenues from Task 2.1, as well as the projected operating requirements from Task 2.3 in the form of pro-forma cash flow analyses for the

sewer utility. This analysis will identify any annual operating surplus or deficit anticipated during the study period. The total projected annual surplus or deficit will provide an indication of whether the existing rates will generate sufficient revenues to cover the utility's costs for each year of the forecast period and whether an overall revenue adjustment is necessary.

1898 & Co. will review the preliminary forecast results with the City at a meeting at the City offices. During this meeting, 1898 & Co. will review assumptions and results for each component of the cash flow forecast. Following the meeting, the forecast will be updated to reflect applicable feedback received by the City.

Task 2 Deliverables and Meetings:

- Deliverables: Five-Year Wastewater Operating & Capital Funding Plans
- Formal Meeting: Meeting at City Offices to Review and Finalize Cash Flow

TASK 3 –COST OF SERVICE ANALYSIS

The objective of Task 3 is to determine the cost of service based on the revenue requirements developed in Task 2, and to subsequently determine each customer class' responsibility in recovering that cost of service.

The information contained in the financial forecasts developed in Task 2 will be used to determine the corresponding annual revenue requirements. 1898 & Co. will create a cost of service analysis that will equitably allocate the overall revenue requirements to customer classes utilizing the cash basis. An examination of wastewater treatment costs for allocation to the extra strength components of BOD and suspended solids will be conducted. The development of the allocated class cost of service will be consistent with industry standards as promulgated by WEF.

TASK 3.1 – DETERMINE UTILITY COST ASSIGNMENTS

1898 & Co. will functionalize and assign each category of the wastewater system's costs to applicable utility functions. Functions for the wastewater system may include flow, strength, customer accounts, etc.

TASK 3.2 – ALLOCATE FUNCTIONAL COSTS TO CLASSES

Service requirements for each customer class will be estimated for each of the utility cost functions. Unit costs will be applied to each customer class units to assign costs from Task 3.1 to customer classes in accordance with the service provided.

TASK 3.3 – REVIEW COST OF SERVICE RESULTS

1898 & Co. will prepare a comparison of the allocated cost of service results with the projections of revenues under existing rates by class to identify the degree to which existing rates create inequities in the recovery of costs among the rate classes.

TASK 3.4 – REVIEW COST OF SERVICE RESULTS

1898 & Co. will review the cost of service results with the City to discuss appropriate rate strategies and methodologies before proceeding with the rate evaluation and design.

Task 3 Deliverables and Meetings:

- Deliverables: Cost of service allocations to customer classes
- Formal Meeting: Conference call to discuss cost of service results

TASK 4 – PROPOSED RATE DEVELOPMENT

The objective of Task 4 is to develop proposed rates that meet the needs and objectives of the utility.

1898 & Co. will assess the existing rate structure for its performance, overall equity, and ability to meet City objectives for future wastewater rates. 1898 & Co. will take into consideration alternative rate structures from our experience with other sewer utilities. Where appropriate, recommendations will be offered for modifications to the existing rate structure to improve the alignment with City goals and objectives.

1898 & Co. will provide a proposed rate for industrial pretreatment services based on the labor and other expenses incurred by the City to provide its pretreatment program.

1898 & Co. will prepare a comparison of typical bills under both the existing and the proposed rates for each customer class. Additionally, a comparison of typical residential bills will be provided with up to seven other utilities. Comparison utilities will be determined in consultation with the City.

Task 4 Deliverables and Meetings:

- Deliverables: Proposed sewer user charge rates
  Proposed pretreatment program fees
  Typical bill comparison
- Formal Meeting: Conference call to review draft and final proposed rates

TASK 5 – DELIVER STUDY RESULTS

1898 & Co. will summarize the study results in a preliminary report for review by City staff in Adobe PDF form. The report will include recommendations, to be followed by a description of the analysis completed and identification of the key inputs, assumptions, methodology, and results of the study. The draft report will present the financial forecasts, cost-of-service analyses, and rate designs in tabular form.

1898 & Co. will discuss the results of the study in a conference call with City staff. Based upon comments and input from the City, 1898 & Co. will revise the report, as appropriate, and will provide ten copies of the final report to the City. An electronic copy of the report will also be provided in Adobe PDF format.

Following the finalization of the study report, 1898 & Co. will participate in a presentation of the study results to the City Council to explain the details of the report and discuss recommendations. 1898 & Co. will also attend one public open house to address questions and will also attend a City Council session for question and answer support prior to adoption.

Task 5 Deliverables and Meetings:

- ► Deliverables: Draft & final reports, in Adobe PDF format, with ten hard copies Of the final report
- ► Formal Meeting: In person presentation of Study results to City Council
  One public open house
  One City Council Meeting for Q&A When Adopting Rates

Project Schedule

Major Milestone	General Timeline
NTP	Day 1
Kickoff Meeting	Day 5
Draft Financial Plan Review – On Site	Day 45
Finalize Financial Plan	Day 60
Cost of Service Review	Day 75
Review of Draft Rates	Day 90
Draft Report	Day 110
Present Results at Council Work Session	Day 120/TBD
Final Report	Day 130
Public Open House	TBD
Council Session Q&A Support	TBD

Detailed Fee Estimate

Joplin, Missouri
2024 Wastewater Rate Study

Consultant	Task 1 - Initiate Project	Task 2 - Financial Plan Development	Task 3 - Cost of Service Analysis	Task 4 - Proposed Rate Development	Task 5 - Deliver Study Results	Estimated Total Hours	Total Labor & Expense
Dave Naumann	8	22	8	4	20	62	$ 17,670
Alex Craven	8	50	6	10	14	88	$ 19,624
Payton Williams		110	8	24	20	162	$ 30,132
Total Labor [1]	16	182	22	38	54	312	$ 67,426
Expenses $ [2]	$ -	$ 250	$ -	$ -	$ 750	$ -	$ 1,000
Total Project Fees [3]	$ 4,064	$ 38,130	$ 5,106	$ 7,834	$ 13,292		**$ 68,426**

[1] Includes labor fee at standard hourly billing rates.
[2] Expenses include travel, printing and other directly related project costs.

INITIAL DATA REQUEST

Listed below are the key data sets anticipated for the wastewater financial planning, cost of service and rate study.

While this list is intended to be comprehensive, during the conduct of the study, it is possible that additional data may be requested. Information available in electronic format is preferred over hard copy. If information is obtainable from the City's website, a link directing the project team to that data is acceptable.

FINANCIAL REPORTS

1. Audited financial statements for the last 3 years
2. Year-to-date financial statements as may be available
3. Detailed operation and maintenance expenses for the last 3 years
4. A summary of historical revenues for the last 3 years, including user charges, interest income, miscellaneous fees, and other revenues as appropriate
5. Most recent annual budget and any operating budget projections available
6. Existing debt and loan payment schedules
7. Official Statement for most recent bond issue, if applicable
8. The most recent 5-year capital improvement plan
9. Beginning operating and capital fund balances at the start of the most recent fiscal year
10. A spreadsheet or report of itemized fixed assets including account number, description, original cost, accumulated depreciation, annual depreciation, and net book value. The total values should tie to values included in the most recently audited financial statements.
11. Basis for determination of transfers to General Fund, if applicable
12. Financial policies or targets such as debt service coverage ratios, reserve balances, etc as applicable

BILLING AND RATE INFORMATION

13. Current rate schedules
14. A summary of customer accounts, billed wastewater volumes, and revenues by class and meter size for the last three years
15. Three years of monthly billing history for excess strength / monitored customers, including billed volume and strength quantities and related revenues
16. Any special rate/service contracts terms and conditions, as applicable

OPERATING REPORTS

17. Average monthly flow treated at the wastewater treatment plant(s) over the last three years, and average monthly strength loadings (mg/l BOD and SS) of the influent wastewater
18. Amount of wastewater utility resources (labor, equipment, etc) involved in industrial monitoring or high strength management

Attachment Number Two

Schedule of Hourly Rates and Expenses

Position Classification	Classification Level	Hourly Billing Rate
General Office*	5	$74.00
Technician*	6	$94.00
Assistant*	7	$114.00
	8	$156.00
	9	$186.00
Staff*	10	$204.00
	11	$223.00
Senior	12	$252.00
	13	$273.00
Associate	14	$281.00
	15	$283.00
	16	$285.00
	17	$289.00

Unit Cost Rates

Description	Unit Cost
Flow Meter Installation	$500.00/each
Flow Monitoring (minimum 5 meters)	$70.00/meter-day
Rain Gauge Monitoring	$15.00/gauge-day

NOTES:

1. Position classifications listed above refer to the firm's internal classification system for employee compensation. For example, "Associate", "Senior", etc., refer to such positions as "Associate Engineer", "Senior Architect", etc.

2. For any nonexempt personnel in positions marked with an asterisk (*), overtime will be billed at 1.5 times the hourly labor billing rates shown.

3. For outside expenses incurred by Burns & McDonnell, such as authorized travel and subsistence, and for services rendered by others such as subcontractors, the client shall pay the cost to Burns & McDonnell plus 10%.

4. Monthly invoices will be submitted for payment covering services and expenses during the preceding month. Invoices are due upon receipt. A late payment charge of 1.5% per month will be added to all amounts not paid within 30 days of the invoice date.

5. The services of contract/agency and/or any personnel of a Burns & McDonnell subsidiary or affiliate shall be billed to Owner according to the rate sheet as if such personnel is a direct employee of Burns & McDonnell.

6. The rates shown above are effective for services through December 31, 2024, and are subject to revision thereafter.

RFQ Respondents

PROJECT: Sewer Rate Study 2024

Submission Deadline : January 24 , 2024 @ 2:00 pm

Consultants

1898 & Co., part of Burns & McDonnell
Raftelis
Black & Veatch
NewGen Strategies & Solutions

COUNCIL BILL NO. 2024-111 **ORDINANCE NO**

AN ORDINANCE approving an agreement and work authorization with Burns & McDonnell, Inc., Inc. in the amount of of Sixty-Eight Thousand Four Hundred Twenty Six no/100 Dollars ($68,426) for the 2025 Sewer Rate Study project and authorizing the City Manager or his designee to execute the same by and on behalf of the City of Joplin.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JOPLIN, as follows:

Section 1. That the said agreement and work authorization by and between the City of Joplin and Burns & McDonnell, Inc., Inc. in the not to exceed amount of Sixty-Eight Thousand Four Hundred Twenty Six no/100 Dollars ($68,426), a true and accurate copy of said agreement being attached hereto; be and the same is hereby approved.

Section 2. That the City Manager of the City of Joplin, Missouri, or his designee, is hereby authorized and directed to execute said agreement, or agreement in substantially similar form, by and on behalf of the City of Joplin.

Section 3. That upon the final approval and acceptance of the consultant's work under said contract, in substantial conformance with the attached agreement, in writing by the Director of Public Works and his certification to the effect to the Director of Finance, the consultant shall be paid from the Wastewater Fund.

Section 4. That this Council Bill shall have an effective date of March 19, 2024.

Passed by the Council of the City of Joplin, Missouri, this _____ day of

_____, 2024 by a _____ vote.

_____

ATTEST: Douglas W. Lawson, Mayor

_____

Holly Nagy, City Clerk

APPROVED AS TO FORM:

_____

Peter C. Edwards, City Attorney

COUNCIL BILL 2024-111

I hereby certify that a sufficient amount is available in the Wastewater Fund to pay the amounts called for on the basis of the bids received by the City Engineer.

_____

Leslie Haase, Director of Finance