



**PROFESSIONAL SERVICES AGREEMENT**

THIS IS AN AGREEMENT made as of May 21, 2012, between VILLAGE OF VILLA PARK, ILLINOIS (CLIENT) and STANLEY CONSULTANTS, INC. (CONSULTANT). CLIENT intends to Water & Sewer Rate Study (hereinafter called "project").

CLIENT and CONSULTANT agree:

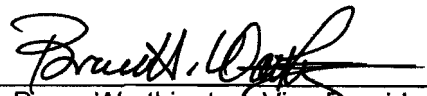
1. **Scope of Services.** CONSULTANT shall perform professional services as stated in Exhibit 1.
2. **Compensation.** CLIENT shall compensate CONSULTANT for CONSULTANT's services as stated in Exhibit 2.
3. **Terms and Conditions.** CONSULTANT shall provide professional services in accordance with the terms and conditions stated in Exhibit 3. If client issues a purchase order or other document to initiate the commencement of services hereunder, it is agreed that any terms and conditions appearing thereon shall have no application and only the provisions of this Agreement shall automatically apply.
4. CLIENT has provided or shall provide for payment from one or more lawful sources of all sums to be paid to CONSULTANT.
5. Following exhibits are attached to and made part of this Agreement:

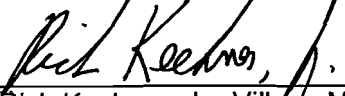
- Exhibit 1 - Scope of Services
- Exhibit 2 - Compensation
- Exhibit 3 - Standard Terms and Conditions

IN WITNESS WHEREOF, the parties below have executed this Agreement as of the day and year first above written.

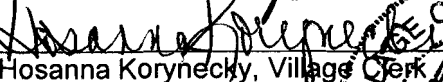
STANLEY CONSULTANTS, INC.

VILLAGE OF VILLA PARK, ILLINOIS

By:   
Bruce Worthington, Vice President

By:   
Rich Keehner, Jr., Village Manager

Attest:   
Robert Lewis, Project Principal

Attest:   
Hosanna Korynecky, Village Clerk

Address for giving notices:  
8501 WEST HIGGINS ROAD  
SUITE 730  
CHICAGO, IL 60631-2801

Address for giving notices:  
VILLAGE OF VILLA PARK  
20 SOUTH ARDMORE  
VILLA PARK, IL 60181-2610



If CLIENT is a public body, attach evidence of authority to sign and resolution or other document authorizing execution of AGREEMENT.

## Exhibit 1

### SCOPE OF SERVICES

#### Water and Wastewater Utility Services Village of Villa Park, Illinois

#### **PART 1 - BASIC SERVICES**

Upon written authorization from CLIENT to proceed, the CONSULTANT shall perform Basic Services related to the following four sub-projects:

- Water and Wastewater Rate Studies
- Storm Water Utility Development

The Basic Services consist of the tasks described below.

#### **A. Water and Wastewater Rate Studies**

The approach for the rate analyses will involve the following tasks performed for two separate studies and reports that will be conducted concurrently.

- 1.1 Request Historical Data and Review Data
  - 1.1.1 Prepare and submit a data request to the CLIENT. CONSULTANT requests that any data files be provided in Microsoft Office Excel format.
  - 1.1.2 Review data to determine actual billing procedures and system characteristics for billing classifications and quantities, revenues and expenses.
  - 1.1.3 Review existing water and wastewater rates and related ordinances and recommend modifications when appropriate.
- 1.2 Meeting to Discuss Rate Setting Philosophy
  - 1.2.1 Conference call with CLIENT to review data and discuss rate setting philosophies that significantly influence the rate studies, including cost-of-service analysis and rate design approach.
- 1.3 Usage and Billing Characteristics
  - 1.3.1 Determine current usage and billing characteristics for each customer class using historical data including number of customers and volume of metered water usage by meter size or metered wastewater usage where applicable.
  - 1.3.2 Summarize historical data for the past three years.
- 1.4 Review and Project Revenue Requirements
  - 1.4.1 Review three years of historical data and one year of budget data for operating and capital costs and revenue.
  - 1.4.1 Project revenues, non-operating revenue, operation and maintenance expenses, debt service payments, and capital improvement expenses to be funded from rates.

- 1.5 Conduct Cost-of-Service Analysis
  - 1.5.1 Conduct cost-of-service analysis by assigning expenses (costs) to various water and wastewater utility functions such as operation and maintenance, debt service, and other disbursements.
  - 1.5.2 Allocate water and wastewater utility's costs for providing service to the appropriate services (volume and customer).
  - 1.5.3 Calculate unit rates for both the User Charge and Fixed Capital Financing.
  - 1.5.4 Combine unit rates to develop a composite rate.
  - 1.5.1 Conduct analysis for each of the next five years to determine rates needed to fund projected operating and capital expenses.
- 1.6 Design Water and Wastewater Rates
  - 1.6.1 Develop two rate structure options based on results of the cost-of-service analysis and discussion with the CLIENT.
  - 1.6.2 Design the first rate structure using year five cost-of-service results.
  - 1.6.3 Design the second rate structure with phased-in rates over the five year study period.
  - 1.6.4 Present proposed rates and operating results including overall net income and fund balance with both proposed rate structures to CLIENT for review.
  - 1.6.5 Conference call with CLIENT to discuss proposed rates after CLIENT's review.
  - 1.6.6 Make any mutually agreed changes to the rate structures.
- 1.7 Prepare Draft Reports
  - 1.7.1 Prepare draft reports that summarize assumptions, approach, and recommendations of the cost-of-service analysis and rate design studies. Draft reports will include:
    - Rate analysis spreadsheets that document billing quantities, revenues and expenses, fund reserve balances, unit cost-of-service analysis and rate design.
    - Bill comparisons with proposed rates versus existing rates for typical ranges of customer use.
    - Comparison of proposed rates with rates of other local similar utilities.
    - Recommended procedures for implementing and updating rates to reduce rate increase impact.
  - 1.7.2 Submit two copies (2) of draft reports to CLIENT for review and comment.
- 1.8 Prepare Final Reports
  - 1.8.1 Incorporate CLIENT comments and any mutually-agreed-to changes into final reports.
  - 1.8.1 Submit ten copies of final reports to CLIENT.
- 1.9 Present Results
  - 1.9.1 Present cost-of-service results and rate recommendations at up to two (2) meetings.

## **B. Storm Water Utility Development**

Stanley Consultants will assist the Village of Villa Park with establishing a storm water utility. The purpose of the utility is to provide services for storm drainage and flood control management. The utility will be financed, at least in part, by dedicated user charges

Establishment of a storm water utility is accomplished by developing four tracks: Program, Public, Finance, and Database. The Program Track will include development of the storm water utility concept. The Public Education Track will include a community outreach plan that provides the means to educate the public on the purpose and goals of the storm water program. The Finance Track will include measuring impervious areas, determining user rate and charges, development of financial policies and legal issues. The Database Track will include establishing the data collection and reporting system and identifying customer service issues.

The Basic Services include the Program Track. The subsequent three tracks are described below under Additional Services and will be conducted only when authorized by CLIENT.

### **1.1 Program Track**

1.1.1 Conference call with CLIENT to establish storm water program objectives.

- Define goals of the process.
- Identify pieces of existing storm water program.
- Identify storm water drainage and flood control problems and needs.
- Identify 5-year storm water management program priorities.

1.1.2 Perform cost-of-service analysis.

- Review current storm water related operating expenses and project revenue requirements, including O&M and proposed capital projects, based on CLIENT information.
- Establish functional and cost categories.

1.1.3 Identify organizational issues.

- Plan program to meet priorities within budget and staff constraints.
- Project scheduling of program.

1.1.4 Refine program & take steps to initiate program start up.

1.2 The following information and data is used to the extent available for Development of the Storm Water Utility. Information and data is to be provided by the CLIENT.

1.2.1 Breakdown of expenses related to the storm water management system.

1.2.2 Proposed capital improvements budget.

1.2.3 ArcGIS Geodatabase with parcel feature classes and planimetrics.

1.2.4 County tax database.

1.2.5 Digital aerial photography.

## PART 2 - ADDITIONAL SERVICES

The following Additional Services are not included in Basic Services and are at the CLIENT'S option. Other services not in Basic Services also constitute Additional Services. These services, if exercised by CLIENT and agreed to by CONSULTANT, shall be paid for in addition to compensation for Basic Services. CONSULTANT is not authorized to proceed with performance of any Additional Services unless they are duly authorized, in writing, by CLIENT.

- A. Additional meetings beyond those stated in the Scope of Services.
- B. Evaluate additional alternative water and wastewater rate structure scenarios.
- C. Public outreach and educational seminars, other than stated for the Storm Water Utility Development.
- D. Water or wastewater utility ordinance updates.
- E. Configuration and setup of geographic information system for CLIENT use.
- F. Full development of the storm water utility and associated rates including the following additional tracks:
  - 1.1 Public Education Track
    - 1.1.1 Assist CLIENT with formation and facilitation of a citizen stakeholder group with up to four (4) meetings.
    - 1.1.2 Define public information and education plan that will concentrate on storm water management system issues facing the Village, benefits for implementing system improvements, costs associated with these issues, and options the Village has to address these costs. Implementation of the public education campaign will include the following tasks:
      - Develop general education using stakeholder (business and residential) meetings & preparation of periodic reports.
      - Develop news releases and informational brochure for new rate with explanation of reasons, benefits, and impacts.
      - Develop informational presentation and display boards on new charge, a typical Q&A handout, and a Power Point presentation that is customized for each rate payer group and meeting(s).
      - Prepare and present new data to various ratepayer groups, including industrial, commercial and multi-family residences, churches and schools (up to five (5) meetings).
      - Provide customer service support by answering billing questions and addressing customer issues during start-up period with up to twenty (20) hours.
    - 1.1.3 Identify requirements for providing effective customer service.
    - 1.1.4 Establish customer service process to be continued by CLIENT even after program is approved.
  - 1.2 Finance Track
    - 1.2.1 Assess funding policies and legal issues.
    - 1.2.2 Gather data that includes county tax database, aerial maps, and Village planimetrics identifying impervious areas.
    - 1.2.3 Perform rate structure analysis.

- Establish a rate structure that charges fair and equitable rates to all customers based on approximate measure of contribution of runoff from each property to the storm water system that must be managed.
  - Utilize county tax database to tabulate parcel size for all residential properties.
  - Utilize county tax database and aerial maps to measure impervious areas for a representative sample of single family residential properties. Use sampling to determine size of one Equivalent Residential Unit (ERU).
  - Utilize county tax database, aerial maps and ArcGIS database with planimetrics to quantify impervious areas for all residential properties larger than two acres, and all multi-family, agricultural, commercial, industrial, and tax exempt properties.
  - Assign number of ERUs to all properties.
  - Design a storm water utility rate per ERU that generates adequate revenue to cover projected expenses not met from other sources.
  - Determine charges for property based on impervious area.
  - Project revenue with new rate.
- 1.2.4 Evaluate modification factors and service fee credits.
- 1.2.5 Assist with development of a new storm water rate ordinance, in coordination with the Village Attorney and representatives of storm water utility management, which will address the rate method, basis, and modifiers such as credits and exemptions, and the appeals process.
- 1.3 Database Track
- 1.3.1 Provide database consisting of impervious area, number of ERUs and charges for each parcel.
- 1.3.2 Assist CLIENT with billing issues:
- Establish master account file and billing data.
  - Develop billing system.
- 1.3.3 Develop baseline for inquiry and complaint responses.
- 1.4 Storm Water Report
- 1.4.1 Write a draft report summarizing the preliminary findings of the above work in text and table form. Provide two (2) copies of the draft report to the CLIENT.
- 1.4.2 Attend meeting and review the draft report of findings with CLIENT staff. Refine draft report based on CLIENT input.
- 1.4.3 Finalize the report and recommendations. Provide ten (10) copies of the final report to the CLIENT.
- 1.4.4 Present the findings and recommendations of the study at one Village staff meeting and one Village Board meeting.
- 1.5 Arrange meeting locations and set ups.
- 1.6 Identify and quantify impervious areas not already included in the Village's ArcGIS planimetrics database.
- 1.7 Coordinate with the utility billing system manager to generate the master account file including testing of sample bills.