

RESOLUTION NO. 15-64

**A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE VILLAGE OF VILLA PARK AND STANLEY CONSULTANTS, INC.
FOR A WATER AND WASTEWATER RATE STUDY**

WHEREAS, the Village of Villa Park (the "Village") is duly organized and validly existing non home-rule municipality created in accordance with the Constitution of the State of Illinois of 1970 and the laws of the State; and,

WHEREAS, the Village has a satisfactory relationship with Stanley Consultants, Inc. who performed the prior 2013 rate studies and which have provided a proposal to provide consulting services for an updated water and wastewater rate study at a cost not to exceed \$28,750.00; and,

WHEREAS, the corporate authorities of the Village have determined that it is in the best interests of the Village to enter into an agreement with Stanley Consultants, Inc., as is more particularly set forth in the **Professional Services Agreement** a copy of which is attached hereto as Exhibit A.

NOW THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Villa Park, DuPage County, Illinois, as follows:

1. That the agreement titled **Professional Services Agreement** attached hereto and made a part hereof as Exhibit A be and is hereby approved and the Village Manager is hereby authorized and directed to execute the agreement on behalf of the Village of Villa Park.

2. That this resolution shall be in full force and effect from and after its passage and approval according to law.

RESOLUTION NO. _____

PASSED AND APPROVED THIS 27th DAY OF July, 2015.

VILLAGE OF VILLA PARK



President, Village of Villa Park

ATTEST:


Clerk, Village of Villa Park



ADOPTED this 27th day of July, 2015, pursuant to a roll call vote as

follows:

AYES: 6

NAYS: 0

ABSENT: 1

ABSTAINING: 0



PROFESSIONAL SERVICES AGREEMENT

THIS IS AN AGREEMENT made as of June 15, 2015, between VILLAGE OF VILLA PARK, IL (CLIENT) and STANLEY CONSULTANTS, INC. (CONSULTANT). CLIENT requires Water and Wastewater Rate Study Updates (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, IL

By: Bruce Worthington
Bruce Worthington, Vice President

By: Rich Keehner, Jr.
Rich Keehner, Jr., Village Manager

Attest: Jean A. Kennedy

Attest: James A. Proffitt

Address for giving notices:

8501 WEST HIGGINS ROAD
SUITE 730
CHICAGO, IA 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 RATE STUDY UPDATES
VILLAGE OF VILLA PARK, ILLINOIS

I. **GENERAL**

This project consists of preparing updates to the previous Village of Villa Park (Client) Water and Wastewater Rate Studies that were conducted in 2013. The goals of the studies are to determine rates for each utility to cover current and projected operations, maintenance, and overhead costs, maintain a sufficient operating balance, and provide adequate funding for capital improvement projects. A summary report will include results for both utilities.

II. **BASIC SERVICES**

A. Kick-Off Meeting. Meet, by conference call, with Client to discuss project goals and objectives. Scope and fee is based on discussing both utilities at the same meeting.

B. Stanley Consultants agrees to provide the following services for the **Water Rate Study Update**.

1. Data Collection. Prepare a data request and submit to Client. Data files will be provided in Microsoft Excel format. Data that will be provided by the Client includes:
 - a. Current Water Utility rate ordinance.
 - b. Billing quantities (number of processed billings and number of accounts by customer class; volume of water usage by meter size and customer class) for past three years.
 - c. Financial audit reports for past three years showing revenues and expenses for the Water Utility Fund and any current fiscal year budget and year-to-date financial reports.
 - d. All debt service payment schedules for capital improvements.
 - e. Balance of Operating Fund and all Reserve Funds.
 - f. Five-year proposed capital improvement plan and budgets.
2. Determine Current Usage and Project Usage Quantities. Determine current usage and billing characteristics for each customer class using historical data. The information will include number of billings and volume of metered water usage. Summarize historical data for past three years. Project billing quantities for five years.
3. Review and Project Revenue Requirements. Review three years of historical data and one year of budget data. Data will include revenues, non-operating revenue, operation and maintenance expenses, debt service payments, and capital improvement expenses. Project revenue to be funded from rates for five years.
4. Conduct Cost-of-Service Analysis. Conduct a cost-of-service analysis by assigning expenses (costs) to various water utility functions such as operation and maintenance, debt service and other disbursements. The water utility's costs for providing service will be allocated to the appropriate services including volume, customer charge, cross connection charge, and radio read charge. Calculate unit rates for both User Charge and Capital Financing Charge. Then combine unit rates to develop composite rates for the flow charge, customer charge, cross connection fee and radio read fee. Conduct analysis for each of the next five years to determine rates needed to fund projected operating and capital expenses, and debt service.



5. Design Water Rate. Design phased-in rates for the five-year study period. No changes will be made to the current rate structure.

Deliverable: Rate results to Client for review.

6. Discuss Proposed Rates. Meet with Client to discuss proposed rates and incorporate any changes to the rate structure.

C. Stanley Consultants agrees to provide the following services for the **Wastewater Rate Study Update**.

1. Data Collection. Prepare a data request and submit to Client. Data files will be provided in Microsoft Excel format. Data that will be provided by the Client includes:
 - a. Current Wastewater Utility rate ordinance.
 - b. Billing quantities (number of accounts by customer class and volume of water usage) for past three years.
 - c. Financial audit reports for past three years showing revenues and expenses for the Wastewater Utility Fund and any current fiscal year budget and year-to-date financial reports.
 - d. All debt service payment schedules for capital improvements.
 - e. Balance of Operating Fund and all Reserve Funds.
 - f. Five-year proposed capital improvement plan and budgets.
2. Determine Current Usage and Project Usage Quantities. Determine current usage and billing characteristics for each customer class using historical data. The information will include number of customers and volume of metered water usage. Summarize historical data for past three years. Project billing quantities for five years.
3. Review and Project Revenue Requirements. Review three years of historical data and one year of budget data. Data will include revenues, non-operating revenue, operation and maintenance expenses, debt service payments, and capital improvement expenses. Project revenue to be funded from rates for five years.
4. Conduct Cost-of-Service Analysis. Conduct a cost-of-service analysis by assigning expenses (costs) to various wastewater utility functions such as operation and maintenance, debt service and other disbursements. The wastewater utility's costs for providing service will be allocated to the appropriate services including volume and customer charge. Calculate unit rates for both User Charge and Capital Financing Charge. Then combine unit rates to develop composite rates for the flow charge and customer charge. Conduct analysis for each of the next five years to determine rates needed to fund projected operating and capital expenses, and debt service.

A flat rate to cover storm drainage and flood control management expenses will be incorporated into the wastewater utility rate structure.

5. Design Wastewater Rate. Design phased-in rates for the five-year study period. No changes will be made to the current rate structure.

Deliverable: Rate results to Client for review.



6. Discuss Proposed Rates. Meet with Client to discuss proposed rates and incorporate any changes to the rate structure.

D. Report

1. Prepare Draft Report. The report will summarize recommendations of the rate studies. A consolidated report will include results for both Water and Wastewater Utilities. In addition, the draft report will include:
 - a. Rate analysis spreadsheets that document billing quantities, revenues and expenses, fund reserve balances, unit cost-of-service analysis and rate design.
 - b. Bill comparisons with proposed rates versus existing rates for typical ranges of customer use.
 - c. Comparison of proposed rates with rates of other local similar utilities.
 - d. Frequently asked customer questions that Village Board members should expect in regard to water rate adjustments.

Deliverable: Electronic copy of draft report to Client for review.

2. Meet to Review Draft Report. Meet, by conference call, with Client staff to review draft report.
3. Prepare Final Report. Incorporate any mutually-agreed-to changes into the Final report. Finalize report and recommendations.

Deliverable: Two (2) copies and one electronic PDF file of the final report to Client.

Present Rate Study Results. Present Water and Wastewater rate recommendations at one Village Board meeting.

III. ADDITIONAL SERVICES

The following Additional Services are not included in Basic Services and are at CLIENT'S option. 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 by CLIENT.

- A. Attend additional meetings beyond what has been identified in Basic Services.
- B. Evaluate additional rate study scenarios beyond what has been identified in Basic Services.
- C. Update utility ordinances.
- D. Assist with full development of a storm water utility and dedicated user rate.
- E. Conduct public outreach and educational seminars.



EXHIBIT 2
COMPENSATION

WATER AND WASTEWATER RATE STUDY UPDATES
VILLAGE OF VILLA PARK, ILLINOIS

1. Compensation for BASIC SERVICES:

Compensation for the BASIC SERVICES performed by CONSULTANT in accordance with Scope of Services shall be a lump-sum amount of \$28,750.

2. Compensation for ADDITIONAL SERVICES:

Compensation for ADDITIONAL SERVICES shall be on an HOURLY basis for DIRECT LABOR PLUS REIMBURSABLE EXPENSES, in accordance with the current "*Hourly Fees and Charges Fiscal Year 2015-2016*" (Form BC_C 15-16).



1. CLIENT'S RESPONSIBILITIES

1.1 Name CLIENT's representative with authority to receive information and transmit instructions for CLIENT.

1.2 Provide CLIENT's requirements for project, including objectives and constraints, design and construction standards, bonding and insurance requirements, and contract forms.

1.3 Provide available information pertinent to project upon which CONSULTANT may rely.

1.4 Arrange for access by CONSULTANT upon public and private property, as required.

1.5 Examine documents presented by CONSULTANT, obtain legal and other advice as CLIENT deems appropriate, and render written decisions within reasonable time.

1.6 Obtain consents, approvals, licenses, and permits necessary for project.

1.7 Advertise for and open bids when scheduled.

1.8 Provide services necessary for project but not within scope of CONSULTANT's services.

1.9 Indemnify CONSULTANT, its employees, agents, and consultants against claims arising out of CONSULTANT's design, if there has been a deviation from the design beyond the CONSULTANT's control or failure to follow CONSULTANT's recommendation and such deviation or failure caused the claims.

1.10 Promptly notify CONSULTANT when CLIENT learns of contractor error or any development that affects scope or timing of CONSULTANT's services.

2. PERIOD OF SERVICE

2.1 CONSULTANT is not responsible for delays due to factors beyond its control.

2.2 If CLIENT requests changes in project, compensation for and time of performance of CONSULTANT's services shall be adjusted appropriately.

3. CONSTRUCTION COST AND COST ESTIMATES

3.1 **Construction Cost.** Construction cost means total cost of entire project to CLIENT, except for CONSULTANT's compensation and expenses, cost of land, rights-of-way, legal and accounting services, insurance, financing charges, and other costs which are CLIENT's responsibility as provided in this Agreement.

3.2 **Cost Estimates.** Since CONSULTANT has no control over cost of labor, materials, equipment or services furnished by others, over contractors' methods of determining prices, or over competitive bidding or market

conditions, its estimates of project construction cost will be made on the basis of its employees' experience and qualifications and will represent their best judgment as experienced and qualified professionals, familiar with the construction industry. CONSULTANT does not guarantee that proposals, bids, or actual construction cost will not vary from its estimates of project cost.

4. GENERAL

4.1 Termination.

4.1.1 Either party may terminate their obligation to provide further services upon twenty (20) days' written notice, after substantial default by other party through no fault of terminating party.

4.1.2 CLIENT may terminate CONSULTANT's obligation to provide further services upon twenty (20) days' written notice if project is abandoned. In such event, progress payments due CONSULTANT for services rendered, plus unpaid reimbursable expenses and termination charge, shall constitute total compensation due.

4.2 Reuse of Documents.

4.2.1 All tangible items prepared by CONSULTANT are instruments of service, and CONSULTANT retains all copyrights. CLIENT may retain copies for reference, but reuse on another project without CONSULTANT's written consent is prohibited. CLIENT will indemnify CONSULTANT, its employees, agents, and consultants against claims resulting from such prohibited reuse. Said items are not intended to be suitable for completion of this project by others.

4.2.2 Submittal or distribution of items in connection with project is not publication in derogation of CONSULTANT's rights.

4.3 Payment.

4.3.1 CONSULTANT shall submit a monthly statement for services rendered and reimbursable expenses incurred. CLIENT shall make prompt monthly payments.

4.3.2 If CLIENT fails to make payment within thirty (30) days after receipt of statement, interest at maximum legal rate or at a rate of 18%, whichever is less, shall accrue; and, in addition, CONSULTANT may, after giving seven (7) days' written notice, suspend services until it has been paid in full all amounts due it.

4.3.3 CLIENT has provided or shall provide for payment from one or more lawful sources of all sums to be paid to CONSULTANT.

4.3.4 CONSULTANT's compensation shall not be reduced on account of any amounts withheld from payments to contractors.

4.3.5 If services performed by CONSULTANT are subject to state or local sales taxes, said taxes will be reflected in the invoices and remitted according to state law. If CLIENT claims a status that would make the transaction exempt, then CLIENT shall provide appropriate proof of exempt status to CONSULTANT.

4.4 **Controlling Law.** Agreement shall be governed by Illinois law.

4.5 **Successors and Assigns.**

4.5.1 The parties bind themselves, their successors, and legal representatives to the other party and to successors and legal representatives of such other party, in respect to all covenants and obligations of this Agreement.

4.5.2 Neither party shall assign, sublet, or transfer any interest in this Agreement without written consent of the other, provided CONSULTANT may employ such independent consultants, associates, and subcontractors as it may deem appropriate.

4.5.3 Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the parties.

4.6 **CONSULTANT's Accounting Records.** Records of CONSULTANT's personnel time, reimbursable expenses, and accounts between parties shall be kept on a generally-recognized accounting basis.

4.7 **Separate Provisions.** If any provisions of this Agreement shall be held to be invalid or unenforceable, remaining provisions shall be valid and binding.

4.8 **Waiver.** No waiver shall constitute a waiver of any subsequent breach.

4.9 **Warranty.**

4.9.1 CONSULTANT shall use reasonable care to reflect requirements of all applicable laws, rules, or regulations of which CONSULTANT has knowledge or about which CLIENT specifically advises in writing, which are in effect on date of Agreement. CONSULTANT INTENDS TO RENDER SERVICES IN ACCORDANCE WITH GENERALLY ACCEPTED PROFESSIONAL STANDARDS, BUT NO OTHER WARRANTY IS EXTENDED, EITHER EXPRESS OR IMPLIED, IN CONNECTION WITH SUCH SERVICES. CLIENT's rights and remedies in this Agreement are exclusive.

4.9.2 CONSULTANT shall not be responsible for contractors' construction means, methods, techniques, sequences, or procedures, or for contractors' safety precautions and programs, or for contractors' failure to perform according to contract documents.

4.9.3 The CONSULTANT believes that any computer software provided under this Agreement is suitable for the intended purpose, however, it does not warrant the suitability, merchantability, or fitness for a particular purpose of this software.

4.10 **Period of Repose.** Any applicable statute of limitations shall commence to run and any alleged cause

of action shall be deemed to have accrued not later than completion of services to be performed by CONSULTANT.

4.11 **Indemnification.** To the fullest extent permitted by law, CONSULTANT shall indemnify and hold harmless CLIENT, CLIENT's officers, directors, partners, employees, and agents from and against any and all claims for bodily injury and for damage to tangible property caused solely by the negligent acts or omissions of CONSULTANT or CONSULTANT's officers, directors, partners, employees, agents, and CONSULTANT's consultants in the performance and furnishing of CONSULTANT's services under this Agreement. Any indemnification shall be limited to the terms and amounts of coverage of the CONSULTANT's insurance policies and Section 4.12, Limitation of Liability.

To the fullest extent permitted by law, CLIENT shall indemnify and hold harmless CONSULTANT, CONSULTANT's officers, directors, partners, employees, and agents and CONSULTANT's consultants from and against any and all claims for bodily injury and for damage to tangible property caused solely by the negligent acts or omissions of CLIENT or CLIENT's officers, directors, partners, employees, agents, and CLIENT's consultants with respect to this Agreement on the Project. In addition to the indemnity provided under this section, and to the fullest extent permitted by law, CLIENT shall indemnify and hold harmless CONSULTANT and its officers, directors, partners, employees, and agents and CONSULTANT's consultants from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) caused by, arising out of, or relating to the presence, discharge, release, or escape of asbestos, PCBs, petroleum, hazardous waste, or radioactive material at, on, under, or from the Project site.

4.12 **Limitation of Liability.** TO THE FULLEST EXTENT PERMITTED BY LAW, AND NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE TOTAL LIABILITY, IN THE AGGREGATE, OF THE CONSULTANT (INCLUDING ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND SUCONSULTANTS), TO CLIENT AND ANYONE CLAIMING BY, THROUGH OR UNDER CLIENT, FOR ANY AND ALL CLAIMS, LOSSES, COSTS, OR DAMAGES WHATSOEVER ARISING OUT OF, RESULTING FROM, OR IN ANY WAY RELATED TO THE PERFORMANCE OF SERVICES UNDER THIS AGREEMENT FROM ANY CAUSES, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, PROFESSIONAL ERRORS OR OMISSIONS, OR WARRANTIES EXPRESSED OR IMPLIED, OF CONSULTANT OR CONSULTANT'S CONSULTANTS, SHALL NOT EXCEED \$100,000 OR THE TOTAL COMPENSATION RECEIVED BY CONSULTANT, WHICHEVER IS GREATER. THIS LIMITATION INCLUDES LIABILITY UNDER SECTION 4.11.

4.13 **Extent of Agreement.** This Agreement represents the entire agreement between the parties and may be amended only by written instrument signed by both parties.

4.14 Subrogation Waiver. The parties waive all rights against each other, and against contractors, consultants, agents, and employees of the other for damages covered by any property insurance during construction, and each shall require similar waivers from their contractors, consultants, and agents.



Stanley Consultants

HOURLY FEES AND CHARGES

Fiscal Year 2015-2016

I. Compensation for office-based personnel in the contiguous United States for time in the performance of the work shall be in accordance with the following Hourly Fees:

Classification	Hourly Fee	Classification	Hourly Fee	Classification	Hourly Fee
BC-1	37.00	BC-11	123.00	BC-21	237.00
BC-2	45.00	BC-12	134.00	BC-22	250.00
BC-3	54.00	BC-13	145.00	BC-23	263.00
BC-4	62.00	BC-14	156.00	BC-24	276.00
BC-5	70.00	BC-15	166.00	BC-25	290.00
BC-6	79.00	BC-16	177.00	BC-26	305.00
BC-7	87.00	BC-17	189.00	BC-27	318.00
BC-8	95.00	BC-18	200.00	BC-28	405.00
BC-9	104.00	BC-19	212.00		
BC-10	113.00	BC-20	225.00		

Travel time in the interest of the work and away from the assigned office, either local or intercity, will be charged in accordance with the foregoing schedule. When traveling by public carrier, the maximum charge will be eight hours per day.

II. Compensation for items of expense and other charges incurred in connection with the performance of the work shall be in accordance with the following schedule:

Automobile	\$0.65/mile
Automobile Assigned to Project Site	\$46.00/cal. day
Four-Wheel Drive Vehicles	\$0.80/mile
Four-Wheel Drive Vehicles Assigned to Project Site	\$56.00/cal. day
Ground Transportation (rental car, taxi, etc.)	At Cost Plus 10%
Air Travel (commercial and charter)	At Cost Plus 10%
Living Expenses (away from assigned office)	At Cost Plus 10%
Telephone and Facsimile	At Cost Plus 10%
Equipment Rental	At Cost Plus 10%
Laboratory Work	At Cost Plus 10%
Soils Testing and Analysis	At Cost Plus 10%
Outside Photographic Work	At Cost Plus 10%
Duplicating Work	(schedule supplied upon request)
Technical Testing and Surveying Equipment	(schedule supplied upon request)

III. Compensation for purchases, items of expense, and other charges not scheduled above, incurred in connection with the performance of the work, shall be at cost plus 10%.

IV. Interest at the rate of 1½% per month will be charged on invoices not paid within 30 days.

V. Charges are subject to revision on or after March 26, 2016.



WATER AND WASTEWATER RATE STUDY UPDATES SCOPE OF SERVICES

I. GENERAL

This project consists of preparing updates to the previous Village of Villa Park (Client) Water and Wastewater Rate Studies that were conducted in 2013. The goals of the studies are to determine rates for each utility to cover current and projected operations, maintenance, and overhead costs, maintain a sufficient operating balance, and provide adequate funding for capital improvement projects. A summary report will include results for both utilities.

II. BASIC SERVICES

- A. Kick-Off Meeting. Meet, by conference call, with Client to discuss project goals and objectives. Scope and fee is based on discussing both utilities at the same meeting.

- B. Stanley Consultants agrees to provide the following services for the **Water Rate Study Update**.
 1. Data Collection. Prepare a data request and submit to Client. Data files will be provided in Microsoft Excel format. Data that will be provided by the Client includes:
 - a. Current Water Utility rate ordinance.
 - b. Billing quantities (number of processed billings and number of accounts by customer class; volume of water usage by meter size and customer class) for past three years.
 - c. Financial audit reports for past three years showing revenues and expenses for the Water Utility Fund and any current fiscal year budget and year-to-date financial reports.
 - d. All debt service payment schedules for capital improvements.
 - e. Balance of Operating Fund and all Reserve Funds.
 - f. Five-year proposed capital improvement plan and budgets.

 2. Determine Current Usage and Project Usage Quantities. Determine current usage and billing characteristics for each customer class using historical data. The information will include number of billings and volume of metered water usage. Summarize historical data for past three years. Project billing quantities for five years.

 3. Review and Project Revenue Requirements. Review three years of historical data and one year of budget data. Data will include revenues, non-operating revenue, operation and maintenance expenses, debt service payments, and capital improvement expenses. Project revenue to be funded from rates for five years.

 4. Conduct Cost-of-Service Analysis. Conduct a cost-of-service analysis by assigning expenses (costs) to various water utility functions such as operation and maintenance, debt service and other disbursements. The water utility's costs for providing service will be allocated to the appropriate services including volume, customer charge, cross connection charge, and radio read charge. Calculate unit rates for both User Charge and Capital Financing Charge. Then combine unit rates to develop composite rates for the flow charge, customer charge, cross connection fee and radio read fee. Conduct analysis for each of the next five years to determine rates needed to fund projected operating and capital expenses, and debt service.

 5. Design Water Rate. Design phased-in rates for the five year study period. No changes will be made to the current rate structure.



Deliverable: Rate results to Client for review.

6. Discuss Proposed Rates. Meet with Client to discuss proposed rates and incorporate any changes to the rate structure.

C. Stanley Consultants agrees to provide the following services for the **Wastewater Rate Study Update.**

1. Data Collection. Prepare a data request and submit to Client. Data files will be provided in Microsoft Excel format. Data that will be provided by the Client includes:
 - a. Current Wastewater Utility rate ordinance.
 - b. Billing quantities (number of accounts by customer class and volume of water usage) for past three years.
 - c. Financial audit reports for past three years showing revenues and expenses for the Wastewater Utility Fund and any current fiscal year budget and year-to-date financial reports.
 - d. All debt service payment schedules for capital improvements.
 - e. Balance of Operating Fund and all Reserve Funds.
 - f. Five-year proposed capital improvement plan and budgets.
2. Determine Current Usage and Project Usage Quantities. Determine current usage and billing characteristics for each customer class using historical data. The information will include number of customers and volume of metered water usage. Summarize historical data for past three years. Project billing quantities for five years.
3. Review and Project Revenue Requirements. Review three years of historical data and one year of budget data. Data will include revenues, non-operating revenue, operation and maintenance expenses, debt service payments, and capital improvement expenses. Project revenue to be funded from rates for five years.
4. Conduct Cost-of-Service Analysis. Conduct a cost-of-service analysis by assigning expenses (costs) to various wastewater utility functions such as operation and maintenance, debt service and other disbursements. The wastewater utility's costs for providing service will be allocated to the appropriate services including volume and customer charge. Calculate unit rates for both User Charge and Capital Financing Charge. Then combine unit rates to develop composite rates for the flow charge and customer charge. Conduct analysis for each of the next five years to determine rates needed to fund projected operating and capital expenses, and debt service.

A flat rate to cover storm drainage and flood control management expenses will be incorporated into the wastewater utility rate structure.

5. Design Wastewater Rate. Design phased-in rates for the five year study period. No changes will be made to the current rate structure.

Deliverable: Rate results to Client for review.

6. Discuss Proposed Rates. Meet with Client to discuss proposed rates and incorporate any changes to the rate structure.



D. Report

1. Prepare Draft Report. The report will summarize recommendations of the rate studies. A consolidated report will include results for both Water and Wastewater Utilities. In addition, the draft report will include:
 - a. Rate analysis spreadsheets that document billing quantities, revenues and expenses, fund reserve balances, unit cost-of-service analysis and rate design.
 - b. Bill comparisons with proposed rates versus existing rates for typical ranges of customer use.
 - c. Comparison of proposed rates with rates of other local similar utilities.
 - d. Frequently asked customer questions that Village Board members should expect in regards to water rate adjustments.

Deliverable: Electronic copy of draft report to Client for review.

2. Meet to Review Draft Report. Meet, by conference call, with Client staff to review draft report.
3. Prepare Final Report. Incorporate any mutually-agreed-to changes into the Final report. Finalize report and recommendations.

Deliverable: Two (2) copies and one electronic PDF file of the final report to Client.

Present Rate Study Results. Present Water and Wastewater rate recommendations at one Village Board meeting.

III. ADDITIONAL SERVICES

The following Additional Services are not included in Basic Services and are at CLIENT'S option. 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 by CLIENT.

- A. Attend additional meetings beyond what has been identified in Basic Services.
- B. Evaluate additional rate study scenarios beyond what has been identified in Basic Services.
- C. Update utility ordinances.
- D. Assist with full development of a storm water utility and dedicated user rate.
- E. Conduct public outreach and educational seminars.