City of Carroll

112 E. 5th Street Carroll, Iowa 51401-2799 (712) 792-1000 FAX: (712) 792-0139

MEMO TO: Mike Pogge-Weaver, City Manager MJP-W

FROM: Randall M. Krauel, Director of Public Works RMK

DATE: June 19, 2019

SUBJECT: Sewer Utility Fund Rate Analysis

The Carroll County Solid Waste Management Commission currently discharges landfill leachate into the City's wastewater treatment system under an Iowa Department of Natural Resources Operation Permit Treatment Agreement. The Commission has had violations to the effluent limitations contained in the Agreement. The Commission has requested an amendment to the Agreement.

It is recommended that the first step in the review of the Commission's requested amendment is to perform a Sewer Utility Fund rate analysis to determine cost of treatment.

A proposal to perform a Sanitary Sewer Rate Study has been requested and received from Veenstra & Kimm, Inc., copy attached.

The Scope of Project is detailed in the proposal and summarized as follows:

- Review past and project future revenues and expenditures.
- Prepare cost of service analysis.
- Evaluate large industrial user cost of service and revenue.
- Propose recommended modifications to the sewer rate structure.

Compensation is a maximum fee for services included in the Agreement, not to exceed $18,800.00.

Time of completion includes submittal of a draft report by October 31, 2019.

RECOMMENDATION: Mayor and City Council consideration of the Resolution accepting the Professional Engineering Services Proposal of Veenstra & Kimm, Inc. for a Sanitary Sewer Rate Study.

RMK:ds

attachments (2)

1869 Carroll 2019 150 YEARS

RESOLUTION NO. _____

RESOLUTION ACCEPTING THE PROFESSIONAL ENGINEERING SERVICES PROPOSAL OF VEENSTRA & KIMM, INC. FOR A SANITARY SEWER RATE STUDY.

WHEREAS, Chapter 17 of the Code of Ordinances of the City of Carroll, Iowa, provides that contracts made by the City be approved by the City Council; and,

WHEREAS, a Professional Engineering Services Proposal for the development of a Sanitary Sewer Rate Study has been prepared by Veenstra & Kimm, Inc.; and,

WHEREAS, the City Council has determined that the Professional Engineering Services Proposal is in the best interests of the City and the residents thereof.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carroll, Iowa, that the Professional Engineering Services Proposal of Veenstra & Kimm, Inc. for a sanitary sewer rate study is approved, and the Mayor and City Clerk are authorized to execute the Proposal on behalf of the City.

Passed and approved by the Carroll City Council this 24th day of June, 2019.

CITY COUNCIL OF THE
CITY OF CARROLL, IOWA

By: _____
Eric P. Jensen, Mayor

ATTEST:

By: _____
Laura A. Schaefer, City Clerk

VEENSTRA & KIMM, INC.
3000 Westown Parkway • West Des Moines, Iowa 50266-1320
515-225-8000 • 515-225-7848 (FAX) • 800-241-8000 (WATS)

June 19, 2019

Randy Krauel
Public Works Director
City of Carroll
112 East Fifth Street
Carroll, Iowa 51401-2799

CITY OF CARROLL, IOWA
SANITARY SEWER RATE STUDY
PROFESSIONAL ENGINEERING SERVICES

Veenstra and Kimm, Inc. is pleased to provide this proposal for professional engineering services relating to the Sanitary Sewer Rate Study for the City of Carroll. We have developed the following scope of services for the project.

1. **SCOPE OF PROJECT.** It is understood and agreed the Project shall consist of the analysis and evaluation of the existing sewer charge rates. The scope of the Project will include, but not necessarily be limited, to the following tasks:

   a. Review of income and expenditures for the sewer enterprise fund for the 4 year period since July 1, 2015.

   b. Development of projections of future revenue requirements and expenses in the sewer enterprise fund for a 5 year period.

   c. Review of the anticipated capital improvements funded by the sewer enterprise fund for a 5 year period, including improvements financed by reserves and debt financing.

   d. Prepare letter report on expenses and revenue requirements.

   e. Prepare letter report on the cost of service analysis.

   f. Review of sewer use charge income by major customer classification over the prior 4 year period.

g. Review of existing sewer use rate model to determine the need for adjustments or modifications.

h. In consultation with City staff, identify proposed modifications in the sewer use rate structure.

i. Evaluate the impact on sewer use revenues from changes in the agreements with the largest industrial users.

j. In consultation with the City staff identify proposed sewer use rates. The sewer use rates may incorporate the concept of periodic increases incorporated in a single rate ordinance.

k. Evaluate the impact on recommended sewer use rates from various levels of revenue from the largest industrial users.

l. Prepare letter report on the recommended rate alternative.

m. Summarize the findings and recommendations in a report to be reviewed with the City in both draft and final format.

n. If requested, present the findings of the analysis to the City Council or representatives of the City Council.

2. **PROJECT DATA.** The City shall provide all available records and information which would assist the Engineers in the completion of the study. It is understood and agreed the Engineers shall be primarily responsible for review of existing data.

3. **CONFERENCES.** During the course of the performance of the study, the Engineers will meet with City staff on a regular basis to review the data evaluation and recommendations of the Project.

4. **REPORT.** The Engineers shall provide 5 copies of the preliminary draft report and 10 copies of the final report.

5. **COMPENSATION.** The City of Carroll shall compensate the Engineers for its services by the payment of the Engineers' standard hourly fees, plus reimbursement of direct out-of-pocket expenses.

   a. The maximum fee for services under this Agreement shall not exceed the sum of Eighteen Thousand Eight Hundred Dollars ($18,800). The standard hourly fees of the Engineers are shown in attached Exhibit A.

   It is understood and agreed the maximum fee is based on the concept of no major structural modifications in the sewer user charge rates. If the scope of work requires more significant activities related to the user charge structure, the maximum fee may be adjusted by mutual agreement.

6. **PAYMENT.** The fees for professional services as set forth in **5. COMPENSATION** shall be billed and payable monthly during the course of the performance of services under this Agreement.

7. **TIME OF COMPLETION.** The Engineers shall complete all services, through and including the preparation and presentation of the final report as follows:

   a. Draft report on rate study: October 31, 2019.

   It is understood the completion date may be modified by mutual agreement.

8. **SERVICES NOT INCLUDED.** Services not included under this Agreement include the following:

   a. Major structural changes in the sewer use rate structure.

9. **CHANGES.** If, after the report is completed and approved by the City, the Engineers are required to change the report because of changes made by the City, the Engineers shall receive additional compensation for making such changes. The compensation for such changes shall be based upon the standard hourly fees plus expenses for personnel of the Engineers actually engaged in making the changes.

10. EXTRA WORK. Fees stated in this Agreement cover the specific services outlined in this Agreement for the Project. If the City requires additional services of the Engineers in connection with the Project, such additional compensation shall be at the standard hourly fees for personnel of the Engineers, plus expenses for personnel engaged in the authorized extra work. The fee for such services shall be billed and payable monthly.

If you have any questions or require additional information, please contact us at 800-241-8000.

This letter may be made an agreement by affixing the proper date and signatures in the spaces below and returning one copy to us.

VEENSTRA & KIMM, INC.

Forrest Aldrich

Forrest S. Aldrich

0-03

Accepted this _____ day of _____, 2019.

CITY OF CARROLL, IOWA

By _____
Mayor

ATTEST:

By_____
City Clerk

EXHIBIT A
VEENSTRA & KIMM, INC.
HOURLY RATES BY EMPLOYEE CLASSIFICATION
(Effective July 2019)

Management I	$175.00
Management II	172.00
Process Engineer	196.00
Engineer I-A	175.00
Engineer I-B	165.00
Engineer I-C	157.00
Engineer I-D	150.00
Engineer II-A	143.00
Engineer II-B	132.00
Engineer III-A	125.00
Engineer III-B	120.00
Engineer III-C	117.00
Engineer IV	113.00
Engineer V	105.00
Engineer VI	102.00
Engineer VII	94.00
Engineer VIII	90.00
Engineer IX	84.00
Engineer X	76.00
Engineer XI	69.00
Engineer XII	63.00
Accountant I	104.00
Accountant II	62.00
IT I	128.00
IT II	80.00
Design Technician I	100.00
Architect	100.00
Planner I	111.00
Planner II	78.00
Planner III	72.00
Drafter IA	99.00
Drafter IB	92.00
Drafter II	86.00
Drafter III	81.00
Drafter IV	75.00
Drafter V	63.00
Drafter VI	60.00
Drafter VII	47.00
Clerical I	91.00
Clerical II	63.00
Clerical III	55.00

Clerical IV	48.00
Clerical V	38.00
Construction Manager	170.00
Surveyor I	120.00
Surveyor II	99.00
Technician I	88.00
Technician II	81.00
Technician III	74.00
Technician IV	72.00
Technician V	65.00
Technician VI	60.00
Technician VII	51.00
Technician VIII	45.00
Technician IX	37.00
Building Inspector I	157.00
Building Inspector I-A	111.00
Building Inspector II	86.00
Building Inspector III	63.00
Robotics	30.00/Hour
GPS	30.00/Hour
Leica Total Station	20.00/Hour
Total Station Robotics	15.00/Hour
Tablet	45.00/Hour
Fluoroscope	50.00/Hour
4-Wheeler	45.00/Hour
Mileage	.545¢/Mile