

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winqest
District General Manager

FROM: Brad Underwood, P.E.
Director of Public Works

SUBJECT: Review, discuss and possibly approve a Professional Services Contract for Public Utility Rate Study for Provision of Water and Sewer Services; Vendor: HDR Engineering, Inc.; Amount: \$74,935; Fund 200 (Utilities)

DATE: September 2, 2021

I. RECOMMENDATION

That the Board of Trustees makes a motion to:

1. Authorize a Professional Services Contract for a Public Utility Rate Study for Provision of Water and Sewer Services; HDR Engineering, Inc.; Amount: \$74,935; Fund 200 (Utilities).
2. Authorize Staff to execute the contract documents.

II. BACKGROUND

The last approved rate increase was passed by the Board of Trustees on April 10, 2019. At their meeting of February 26, 2020, the Board of Trustees reviewed and discussed the District's 2020 Utility Rate Study and further approved a motion to set the required public hearing for April 14, 2020. At the conclusion of the public hearing, the Board considered public testimony, as well as the impacts of the emerging COVID-19 pandemic, and the Board collectively decided to defer the proposed 2020/21 utility rate increase to a future date.

At the January 13, 2021 Board of Trustees meeting, the Board considered options relative to implementing utility rate increases to support ongoing operations and capital program requirements. The options included resuming the process for implementing the originally proposed 2020/21 utility rates or deferring action, pending completion of a utility rate study. The Board did not select to resume the process of the originally proposed 2020/21 utility rate increase. The preference was to proceed with a third party rate analysis. In order to achieve the Board's preference, funds were added to the sewer and water operating budgets for FY 2021/22 to hire a consultant to perform a rate analysis for utility operations and capital program requirements.

On July 9, 2021 the Request for Proposals (RFP) was published. The District received three (3) proposals from vendors by the submittal deadline on July 29, 2021. The selection committee evaluated the proposals received and interviewed two (2) of the candidates. After

completing interviews, HDR Engineering, Inc. was selected as the most qualified consultant to perform the Scope of Work for the District.

The Public Utility Rate Study for Provision of Water and Sewer Services is intended to establish 5-year water and sewer utility rates for all customer types. Their findings will be documented in a final written report and presentation to the Board of Trustees. The full scope of work is attached for reference.

In accordance with Board Policy 3.1.0., 0.15 Consent Calendar, this item is included on the Consent Calendar as it is routine business of the District and within the currently approved District Budget.

III. BID RESULTS

This item was competitively bid through a Request for Proposals process. Bids were received from HDR Engineering Inc., Farr West Engineering, and Hansford Economic Consulting, LLC. HDR Engineering was selected as the most qualified candidate, through a weighted evaluation process, and is being proposed for award of the contract.

IV. FINANCIAL IMPACT AND BUDGET

The recommendation included in this agenda item would result in expenditure of up to \$74,935 in support of the proposed contract. Funding is provided in the adopted FY2021/22 sewer and water operating budgets for this purpose within the Utility Fund (Fund 200).

V. ALTERNATIVES

Not award contract for Public Utility Rate Study Proposal and use current internal rate model to perform analysis for utility operations and capital program requirements.

VI. COMMENT

This contract has been reviewed and approved by District General Counsel Joshua Nelson

VII. BUSINESS IMPACT

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

Attachments:

HDR Engineering Inc. Short Form Agreement which includes:

- ✓ Scope of Work
- ✓ Schedule
- ✓ Cost Proposal

SHORT FORM AGREEMENT
between
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
and
HDR ENGINEERING, INC.
for
PROFESSIONAL SERVICES

This Agreement is made as of Date between **INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT (IVGID)**, hereinafter referred to as "Owner," and **HDR ENGINEERING, INC.**, hereinafter referred to as "Consultant." Owner intends to complete the Project(s) as described in Attachment A, Consultant's Scope of Work and Proposed Work Schedule, and as amended from time to time, hereinafter referred to as the "Project."

1.0 BASIC SERVICES

The Consultant shall perform the following tasks and additional services as may be included from time to time by Additional Services Addendums (ASAs) to this Agreement in accordance with Paragraph 4.2, Additional Services:

Basic Services are as described in Attachment A, the original Request for Proposals dated July 9, 2021 together with Attachment B, Consultant's Scope of Work. Services essentially consist of professional services in connection with the study of utility rates for the Incline Village General Improvement District (IVGID or District).

All documentation, drawings, reports and invoices submitted for this project will include IVGID Purchase Order Number TBD.

2.0 OWNER'S RESPONSIBILITIES

Owner shall do the following in a timely manner so as not to delay the services of Consultant:

- 2.1** Designate in writing a person to act as Owner's representative with respect to services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, and interpret and define Owner's policies and decisions with respect to Consultant's services for the Project.
- 2.2** Assist Consultant by placing at Consultant's disposal existing data, plans, reports and other information known to, in possession of, or under control of Owner which are relevant to the execution of Consultant's duties on the Project. Also, provide all criteria and full information as to Owner's requirements for the Project, including design criteria, objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations.

3.0 PERIODS OF SERVICE

3.1 **General.** The provisions of Section 3 and the various rates of compensation for Consultant's services provided for elsewhere in this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of the Services contained herein. Consultant's obligation to render services hereunder will extend for a period which may reasonably be required for the performance of Consultant's services and required extensions thereto. If specific periods of time for rendering services are set forth or specific dates by which services are to be completed are provided and if such dates are exceeded through no fault of Consultant, all rates, measures, and amounts of compensation provided herein shall be subject to equitable adjustment pursuant to Section 5.9.

3.2 Consultant agrees to exercise diligence in the performance of its services consistent with the agreed upon schedule, which is based upon an anticipated completion date of no later than **December 31, 2021**, subject, however, to the exercise of the generally accepted standard of care for performance of services.

4.0 PAYMENT TO CONSULTANT

4.1 **Methods of Payment for Services and Expenses of Consultant**

Compensation Terms Defined

"Reimbursable Expenses" shall mean the actual expenses incurred directly or indirectly in reconnection with the Project, including, but not limited to subconsultants or subconsultant costs, transportation and subsistence incidental thereto, obtaining bids or proposals from Consultant(s), toll telephone calls, express mail and telegrams, reproduction of Reports, Drawings, Specifications, Bidding Documents, and similar Project-related items in addition to those required under Section 1. In addition, Reimbursable Expenses will also include expenses incurred for main frame computer time and other highly specialized equipment, including photographic production.

Basis and Amount of Compensation for Basic Services. Compensation shall be as indicated in Attachment A, with a total amount of **Seventy-Four Thousand, Nine Hundred Thirty-Five Dollars (\$74,935.00)**, to be billed on a time and materials basis. In no event shall compensation for any Activity identified in Attachment A exceed the amount set forth in the attachment.

4.2 **Basis and Amount of Compensation for Additional Services**

Compensation for additional services shall be on the basis agreed upon at the time of request for additional services. The estimated amount of additional services will be determined at the time the additional services are requested.

4.3 Intervals of Payments

Payments to Consultant for Basic and Additional Services rendered and Reimbursable Expenses incurred shall be made once every month by Owner. Consultant's invoices will be submitted once every month and will be based upon total services completed at the time of billing. Owner shall make prompt payments in response to Consultant's invoices. Invoices shall be sent to invoices@ivgid.org with a copy sent to RLR@ivgid.org.

4.4 Other Provisions Concerning Payments

If Owner fails to make any payment due Consultant for services and expenses within 30 days after receipt of Consultant's statement, the amounts due Consultant will be increased at the rate of one percent (1%) per month from date of Owner's receipt of invoice.

If the Project is suspended or abandoned in whole or in part for more than 90 days, Consultant shall be compensated for all services performed prior to receipt of written notice from the Owner of such suspension or abandonment, together with Reimbursable Expenses then due.

If any items in any invoices submitted by Consultant are disputed by Owner for any reason, including the lack of supporting documentation, Owner may temporarily delete the disputed item and pay the remaining amount of the invoice. Owner shall promptly notify Consultant of the dispute and request clarification and/or remedial action. After any dispute has been settled, Consultant shall include the disputed item on a subsequent regularly scheduled invoice or on a special invoice.

5.0 GENERAL CONSIDERATIONS

5.1 Termination

This Agreement may be terminated in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this Agreement through no fault of the terminating party. However, no termination for default may be initiated unless the other party is given a ten (10) calendar day cure period after written notice (delivery by certified mail, return receipt requested) of intent to terminate.

This Agreement may be terminated in writing (delivered by certified mail, return receipt requested) by Owner for its convenience.

Upon any termination, Consultant shall (1) promptly discontinue all Services affected (unless a termination notice from Owner directs otherwise); and (2) deliver or otherwise make available to Owner upon full payment for services rendered to the date of termination, all documents, data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by Consultant in performing this Agreement, whether such materials are completed or in process. All payments due Consultant at termination shall be made by Owner.

5.2 Ownership of Documents

The original documents, plans, electronic files, studies or reports prepared under this Agreement, for which the Owner pays compensation to the Consultant, except for working notes and internal documents, shall become and remain the property of the Owner, and upon payment of said compensation, shall be surrendered to the Owner upon the completion of the Work under this Agreement or on the completion of specific phases of the Work, if requested by the Owner. All deliverables in Attachment A shall be provided to Owner regardless of whether requested by Owner. The Consultant may retain copies of said work in their files, but such work shall not be released to any other party or reused by the Consultant without the express written consent of the Owner. Reuse of any of these drawings, specifications or other work products of the Consultant by the Owner for other than the specific project covered in this Agreement without the written permission of the Consultant shall be at the Owner's risk, provided that the Consultant shall not be liable for any claims or damages arising out of such unauthorized reuse by the Owner or by other's actions through the Owner.

5.3 Insurance

All certificates shall provide for a minimum written notice of thirty (30) days to be provided to District in the event of material change, termination or non-renewal by either Contractor or carrier.

Professional Liability Insurance:

Consultant shall maintain professional liability insurance for protection against claims arising out of performance of services under this Agreement caused by negligent acts, errors, or omissions for which "PROFESSIONAL SERVICES" is legally liable for a period of five (5) years thereafter, if available and reasonably affordable. The professional liability policy shall provide a minimum coverage of \$1,000,000 per claim/annual aggregate. Consultant shall maintain the existing retroactive date on all future policies with the same insurance company and attempt to do so if Consultant changes insurance companies. In the event that Consultant goes out of business during the instant period, Consultant shall purchase, at the request of Owner, an extended reporting period.

Should Consultant's normal professional liability coverage be less than the minimum required amount, Consultant may purchase project insurance or obtain a rider on his normal policy in an amount sufficient to bring Consultant's coverage up to minimum requirements.

Commercial Insurance:

Contractor shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the Contractor, his/her agents, representatives, employees, or subcontractors. Contractor shall purchase General Liability, Auto Liability, Workers' Compensation, and Professional Liability Insurance (if applicable) coverage as required.

General Liability:

Contractor shall purchase General Liability including appropriate Auto Liability with a \$1,000,000 combined single limit per occurrence, for bodily injury, personal injury and property damage. Contractor shall have a Certificate of Insurance issued to the INCLINE VILLAGE GENERAL

IMPROVEMENT DISTRICT naming it as additional insured, and indicating coverage types, amounts and duration of the policy.

Workman's Compensation:

It is understood and agreed that there shall be no Industrial Insurance coverage provided for the Contractor or any Subcontractor by the District; and in view of NRS 616.280 and 617.210 requiring that Contractor comply with the provisions of Chapters 616 and 617 of NRS, Contractor shall, before commencing work under the provisions of this Agreement, furnish to the District a Certificate of Insurance from an admitted insurance company in the State of Nevada.

5.4 Controlling Law

This Agreement is to be governed by and construed in accordance with the Laws of the State of Nevada.

5.5 Successors and Assigns

The parties hereby bind their respective partners, successors, executors, administrators, legal representatives, and, to the extent permitted by this section 5.5, their assigns, to the terms, conditions, and covenants of this Agreement.

Neither Owner nor Consultant shall assign, sublet, or transfer any rights under or interest in this Agreement (including, but without limitation, monies that may become due or monies that are due) without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law.

Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent Consultant from employing such independent professional associates, subconsultants, and consultants as Consultant may deem appropriate to assist in the performance of Services.

Except as may be expressly stated otherwise in this Agreement, nothing under this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than Owner and Consultant, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of Owner and Consultant and not for the benefit of any other party.

5.6 Dispute Resolution

This Agreement to engage in alternate dispute resolution ("ADR") pursuant to NRS 338.150 and any other Agreement or consent to engage in ADR entered into in accordance herewith as provided in this Section 5.6 will be specifically enforceable under the prevailing Nevada law in the Second Judicial District Court of the State of Nevada in and for the County of Washoe, if the parties mutually agree to such ADR. Any mediation shall occur in Incline Village, Washoe County, Nevada. The mediation shall be conducted through the American Arbitration Association (AAA) and be governed by the AAA's Mediation Procedures.

The mediator is authorized to conduct separate or ex parte meetings and other communications with the parties and/or their representatives, before, during and after any scheduled mediation

conference. Such communications may be conducted via telephone, in writing, via email, online, in person or otherwise.

Owner and Consultant are encouraged to exchange all documents pertinent to the relief requested. The mediator may request the exchange of memorandum on all pertinent issues. The mediator does not have the authority to impose a settlement on the parties but such mediator will attempt to help Owner and Consultant reach a satisfactory resolution of their dispute. Subject to the discretion of the mediator, the mediator may make oral or written recommendations for settlement to a party privately, or if the parties agree, to all parties jointly.

Owner and Consultant shall participate in the mediation process in good faith. The mediation process shall be concluded within sixty (60) days of a mediator being assigned.

In the event of a complete settlement of all or some issues in dispute is not achieved within the scheduled mediation session(s), the mediator may continue to communicate with the parties, for a period of time, in an ongoing effort to facilitate a complete settlement. Any settlement agreed upon during mediation shall become binding if within thirty (30) days after the date that any settlement agreement is signed, either the Owner or Consultant fails to object or withdraw from the agreement. If mediation shall be unsuccessful, either Owner or Consultant may then initiate judicial proceedings by filing suit. Owner and Consultant will share the cost of mediation equally unless agreed otherwise.

5.7 Equal Employment and Non-Discrimination

In connection with the Services under this Agreement, Consultant agrees to comply with the applicable provisions of State and Federal Equal Opportunity statutes and regulations.

5.8 Indemnification and Legal Fees

Consultant agrees to defend, indemnify and hold harmless the public body, and the employees, officers and agents of Owner from any liabilities, damages, losses, claims, actions or proceedings, including, without limitation, reasonable attorneys' fees and costs, to the extent that such liabilities, damages, losses, claims, actions or proceedings are caused by the alleged negligence, alleged negligent errors, alleged negligent omissions, recklessness or intentional misconduct of the Consultant or the employees or agents of Consultant in the breach of performance of the contract. If the insurer by which the Consultant is insured against professional liability does not so defend Owner and the employees, officers and agents of Owner and the Consultant is adjudicated to be liable by a trier of fact, the trier of fact shall award reasonable attorney's fees and costs to be paid to Owner by the Consultant in an amount which is proportionate to the liability of the design Consultant. As used in this section, "agents" means those persons who are directly involved in and acting on behalf of Owner or Consultant, as applicable, in furtherance of the contract or the public work to which the contract pertains.

As respects all acts or omissions which do not arise directly out of the performance of professional services, including but not limited to those acts or omissions normally covered by general and automobile liability insurance, Consultant agrees to indemnify, defend (at Owner's option), and hold harmless Owner, its officers, agents, employees, and volunteers from and against any and all claims, demands, defense costs, or liability arising out of any acts or omissions of Consultant (or Sub-contractor, if any) while acting under the terms of this Agreement; excepting those which arise out of the negligence, errors, omissions, recklessness or intentional misconduct of the employees, officers or agents of Owner.

The obligations of each indemnifying party hereunder shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this section. The indemnification shall not be diminished or limited in any way to the total limits of insurance required in this contract or otherwise available to the indemnifying party. If the liability is asserted by an employee of an indemnifying party, the indemnification herein is not limited to damages, compensation or benefits payable by or for the indemnifying party under worker's compensation acts, disability benefit acts or other employee benefit acts. Each indemnifying party shall be permitted to participate, if it chooses, in the defense of any action claiming liability, even if the indemnified party is indemnified hereunder. Either party may set off any of its rights under this subsection against any consideration it provides under this agreement. The obligations to indemnify and save harmless herein survive the expiration or termination of this Agreement.

The prevailing party in any litigation between Owner and Consultant regarding this Agreement shall be entitled to recover its reasonable attorneys' fees and costs. The hourly rate for such fees shall not exceed the rate paid by Owner.

5.9 Changes and Modifications

The parties agree that no change or modification to this Agreement, or any attachments hereto, shall have any force or effect unless approved by both parties in a written amendment to this Agreement. Such amendment shall be authorized and signed in the same manner as this Agreement.

5.10 Licenses

Consultant shall have a Washoe County business license, and all appropriate Consultant's licenses and certifications for the services to be performed.

5.11 Severability

In the event any provision of this Agreement shall be held invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties.

5.12 Waiver

One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

5.13 Extent of Agreement

This Agreement, including all Attachments, and any and all amendments, modifications, and supplements duly executed by the parties in accordance with this Agreement, govern and supersede any and all inconsistent or contradictory terms, prior oral or written representations or understandings, conditions, or provisions set forth in any purchase orders, requisition, request for proposal, authorization of services, notice to proceed, or other form or document issued by Owner with respect to the Project or Consultant's services.

5.14 Neither Party to this Agreement shall be liable to the other Party for any special, incidental, indirect, or consequential damages (including but not limited to loss of profits or revenue; loss of use or opportunity; loss of good will; cost of substitute facilities, goods, or services; and/or cost of

capital) arising out of, resulting from, or in any way related to the Project, the work or this Agreement from any cause or causes, including but not limited to any such damages caused by negligence, errors or omissions, strict liability or breach of contract.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and date of the year first set forth above.

OWNER:
INCLINE VILLAGE G. I. D.
Agreed to:

CONTRACTOR:
HDR Engineering, Inc.
Agreed to:

By: _____
Brad B. Underwood, P. E.
Director of Public Works

By: _____
Signature of Authorized Agent

Print or Type Name and Title

Date

Date

Reviewed as to Form:

Joshua Nelson
District General Counsel

If Contractor is a corporation, attach evidence of authority to sign.

Date

Owner's address for giving notice:
INCLINE VILLAGE G. I. D.
893 Southwood Boulevard
Incline Village, Nevada 89451
775-832-1267- Engineering Division

Contractor's address for giving notice:
HDR Engineering, Inc.
2365 Iron Point Road, Suite 300
Folsom, California 95630

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
REQUEST FOR PROPOSALS (RFP)
A PUBLIC UTILITY RATE STUDY FOR PROVISION OF
WATER AND SEWER SERVICES

July 9, 2021

BACKGROUND INFORMATION

The Incline Village General Improvement District (IVGID) wishes to retain the services of a qualified consulting resource with 5 years of relevant and documented experience in water and sewer utility rate studies and models. The consultant will provide professional services in connection with the study of utility rates for the Incline Village General Improvement District (IVGID or District). IVGID anticipates selecting a firm and making final Contract Award by our Board of Trustees on or around August 25, 2021.

The District owns, operates and maintains the following water and sewer system infrastructure to meet or exceed Federal EPA and State of Nevada regulations. The District has a comprehensive preventative maintenance program as part of its asset management program for all of the pipes, pumps, motors, valves, generators, instruments and other equipment and appurtenances. This will be a professional services contract in the State of Nevada. No engineering services as defined by Nevada Revised Statute 625 are anticipated.

Water System

- Ultraviolet & ozone water treatment plant able to treat up to 8.5 million gallons daily
- 100 miles of water mains between 4" to 24"
- 753 fire hydrants, 12 IVGID fire hydrants, and 106 private fire hydrants
- 2,031 gate valves
- 13 potable water tanks providing 7 million gallons of storage
- 13 water pumping stations with 26 pressure zones
- Service connections to over 4,440 water meters

Sewer System

- 105 Miles of gravity lines and 14 miles of sewer force mains between 6" to 24"
- 1,926 sewer manholes
- 20 sewer pump stations
- A wastewater treatment plant able to treat up to 2.1 million gallons daily
- 20 Miles of effluent pipeline to Carson Valley
- A 900-acre wetland site located in the Carson Valley for effluent water

Season/Service Period

- Water and sewer distribution and treatment is staffed and operated 24/7.
- Administration and customer service hours are weekdays, 8 a.m. to 4:30 p.m., excluding holidays.

Water and Sewer Service Measures

- The District reads over 4,440 water meters and prepares utility bills monthly for the various customer classes (i.e. residential, multi-family, commercial, IVGID, etc.). Water and sewer production and staffing levels are also maintained.

This Request for Proposals (RFP) describes the rate study objectives, and includes an outline of the scope of services to be completed. The proposed schedule is preliminary and subject to modification. RFP submittal requirements are outlined, and the selection process is described.

Current rate information is available on the District webpage:

<https://www.yourtahoeplace.com/public-works/rates-billing/about-rates-billing>

GENERAL INFORMATION

1. IVGID invites qualified firms to submit proposals for the **Public Utility Rate Study for the Provision of Water and Sewer Services**. Proposals shall be submitted in accordance with the documents and requirements as set forth in this RFP. The Contract that will result from this RFP will include what is indicated in the Proposal Format section of this RFP.
2. A District Review and Selection Committee will evaluate the proposals submitted.
3. During evaluation, the District Review and Selection Committee reserves the right, where it may serve the District's best interest, to request additional information or clarification from the Proposer, or to allow corrections of errors or omissions. Oral interviews **may** be conducted by the District Review and Selection Committee for the Consultants who submit a Proposal and were short listed. If interviews are held, only the firm(s) whose proposals most closely meet the District's requirements will be interviewed.
4. Submission of a proposal indicates acceptance by the Proposer of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted, and confirmed in the resultant contract between IVGID and the selected firm.
5. The use of the terms "firm," "proposer," and "consultant" refer to Proposer with certified personnel, doing business in the United States and with business license paid to Washoe County after selection of the firm. With this type of project, the District may accept one or more firms teaming up for joint venture with a Nevada-based firm to prepare the required services, but the District will recognize such a consortium as a single entity only with one juridical personality.
6. There is no expressed or implied intent or obligation for IVGID to reimburse responding firms for any expenses incurred in preparing proposals, as well as, travel expenses during interviews (if required) in response to this RFP.
7. IVGID shall reserve the right to terminate any agreement resultant from this solicitation and subsequent action for cause but not limited to inadequacy of performance.

PROJECT STUDY OBJECTIVES

A rate model will be prepared. Services will include redrafting of Water and Sewer Ordinances, the Schedule of Service Charges addressing rates, and a public hearing.

The rate study to be prepared as part of this work effort is intended to establish 5-year water and sewer utility rates for all customer types that will achieve the following objectives:

1. Provide cost-of-service analyses that identify both the direct and indirect cost of providing water and sewer services with established and anticipated standards and regulations.
2. Ensure that the revenues generated by the utility rates are adequate to maintain operations at current service levels over the five-year planning horizon for the rate study, and incorporate, where appropriate, recommendations from the District's recently completed Utilities Management Review and Asset Assessment.
3. Address the funding for capital programs in the maintenance of infrastructure by incorporating reasonable projections for facility replacement within the revenue requirements and rate calculations.
4. Provide recommendation alternatives based on cash funding versus bond funding of capital expenditures.
5. Evaluate and select a rate structure, or modification to the District's current rate structure, that will continue to encourage water conservation, ensure that rate structures fairly distribute the cost of services across categories of users, are easy for customers to understand, and phase rate increases to minimize rate change impacts.
6. Incorporate policies with respect to adequate reserves for operations, rate stabilization, future treatment requirements, and capital improvements.
7. Provide comparative benchmarking analysis of proposed water and sewer user rates (to include additional fees shown on IVGID's fee schedule) with other area water and sewer service providers to ensure accurate like for like comparison.

RFP DOCUMENTS

A complete copy of this RFP, together with a ZIP file of PDFs for the prior 5 years of District rate studies, may be obtained at the District's Planet Bids website, <https://www.planetbids.com/portal/portal.cfm?CompanyID=30437>.

SCOPE OF WORK

1. Conduct an in-person kickoff meeting with IVGID Administrative staff to review background information, including but not limited to:
 - Regulatory requirements, bond covenants, and other contractual requirements;
 - Operational and capital improvement needs;
 - Historical revenues, usage, expenses, debt service requirements, reserve policies, billing and collection procedures, rates and charges, and customer information;
 - Projected revenues, usage, expenses, debt service, reserve policies, billing and collection procedures, rates and charges, and customer information;
 - Findings from Utilities Management Review & Asset Management Assessment;
 - District Master Plan; and

- Other applicable information, as deemed necessary by the consultant and/or IVGID to fully inform the consultant of the District's current financial situation, rate and fee structure, and ability to finance capital projects.
- 2. During the course of the study schedule, one (1) additional in-person meeting may be required with District staff, in addition to the kick-off meeting. Any additional meetings needed will be conducted via teleconferencing.
- 3. Develop a financial model for the District's utility operations, taking into account factors such as capital improvement program, operating costs, regulatory changes and other issues that may affect the financial integrity of the District. Prepare financial cash flows, long-range forecasts and projections to span ten years. Review with District staff for agreement on assumptions, interpretation of data and completeness of approach. Electronic files of the worksheets generated for these forecasts shall be provided to the District for future reference and use.
- 4. Review current billing policies, processes, procedures, and bill format versus industry benchmarks and best practices.
- 5. Review and design, as necessary, rate structures, fees and any other service charges needed for IVGID to meet current and five-year CIP goals, debt service, and operational expenses.
- 6. The recommended rate structure(s) shall be planned for a period of at least five (5) years.
- 7. Develop the corresponding rate model and provide in electronic format to the District for future use.
- 8. Evaluate utility ordinance language addressing rates, and redraft the Ordinance as necessary to meet the final recommendations.
- 9. Perform an analysis of the various reserves, restricted account and fund balances, and make recommendations for appropriate levels.
- 10. Evaluate the existing District connections, retroactive capital improvements, capacity, connection, inspection fees, and other miscellaneous charges and provide recommendations.
- 11. Ensure any proposed rate structure can be handled by the District's existing billing system.
- 12. In the event that significant rate changes are necessary, provide implementation strategies to reduce adverse impact on specific consumer groups (i.e. full-time versus part-time residential users). The benefits of any proposed modifications shall be weighed against the financial impacts on ratepayers.
- 13. Provide a detailed project schedule, including milestones, major activities, and deliverables for all aspects of the project.
- 14. Provide monthly progress reports to accompany each invoice.
- 15. Prepare and present a preliminary report with sufficient detail to define the alternative rate structures, supported by a rate model, for staff review and comment. The detail will encompass the present rate structure, timing of future increases, capital improvement funding, and reserve balances. The Director of Public Works must accept the preliminary rate study prior to the public process.

16. Prepare a final draft report, with recommendations and five-year financial forecast, and develop necessary materials for presentation to the District's Board of Trustees. Attendance by Consultant will be required at a Board of Trustees meeting to present findings and rate recommendations.
17. Submit all reports and models electronically using Microsoft Office and PDF formats.

STUDY ELEMENTS

In making rate structure recommendations, the final report shall explicitly include the following elements and analyses, as well as any other elements generally included or required by industry standard:

1. A brief physical description of the District's utility system;
2. Current and potential service area description, including population characteristics;
3. Overview of financial operations over the last five years;
4. Annual operating income, rate of return, and cash flow targets;
5. Annual contingency account balances and level of liquidity;
6. Recommendations for changes to billing policies and practices, if any;
7. Comprehensive Summary of Rate and Fee Structure(s): Assess performance of each alternative rate structure and provide recommendation of the optimal rate structure;
8. Local rate comparisons; and
9. Supporting data.

OWNER RESPONSIBILITIES

1. Detailed information regarding its operations, locations, facilities, etc.
2. Documentation and commentary regarding current assets.
3. Customer data, billing and usage information.
4. Financial data of budget revenues and expenditures, and capital improvement plan.
5. Existing debt schedules.
6. Current Utilities Management Review & Asset Assessment report.
7. District reserve policies.
8. District Master Plan.
9. Any other data deemed necessary and that the District has available.
10. Project management support.

SCHEDULE

RFP Phase

Release of RFP	July 9, 2021
Question Submittal Deadline	July 22, 2021 @ 4:00 p.m.
RFP Submittal Deadline	July 29, 2021 @ 4:00 p.m.
Shortlist Notification	August 5, 2021
Selection/Notification	August 12, 2021
Anticipated IVGID Board Award	August 25, 2021

Work Phase - Anticipated Dates

Award Professional Services Contract	August 26, 2021
Notice to Proceed	August 30, 2021
Start of Analysis	September 1, 2021
Anticipated Project Analysis Completion	November 10, 2021

PROPOSAL FORMAT

Proposal shall include a title page showing the RFP subject, the firm's name, address, telephone number and e-mail of a contact person. The Proposal must be received on or before the date and time set for receipt of proposals.

Proposals shall be clear, straightforward, and not exceed thirty (30) pages in length, minimum 11-point font on 8.5x11 paper if printed out, including resumes. Company brochures can be provided as an appendix to the 30 pages referenced above but shall not exceed four (4) pages.

Consultant will be selected through a qualifications-based selection process, based on the criteria below. Project experience with IVGID is not required.

1. Transmittal Letter with Consultant's name, general introduction, specified years in professional service, brief statement that the proposer's understanding of the services to be performed, a positive commitment to perform the service within the time period, principal-in-charge, address, and telephone number.

2. Experience of the Consultant

Describe the experience and qualifications of the Consultant in providing services for similar projects. The selected Consultant will be required to have a complete understanding and expertise in industry (AWWA) standard procedures. Provide a list of not less than three (3) and no more than six (6) client references for which services similar to those outlined in this RFP have recently been provided. For each project listed, provide:

- Description of the project including project owner, location and scope.
- Project's original contract value, final contract value, and reason for variance.
- Project's start date, projected completion date, completion date, and reason for variance.
- Project contact name, phone number and email address, for potential reference follow-up by IVGID.

3. Experience of Key Personnel

Describe the experience and qualifications in providing services for similar projects of the project team expected to be assigned to this project. For each key person identified, list their length of time with the firm. Discuss the availability of key personnel with respect to current and projected workloads. Provide a project team organization chart demonstrating how the team will work together. If sub-consultants are to be part of the team, provide similar information for their team members and how they fit into the organization chart.

4. Project Understanding and Approach

Describe your firm's understanding of the District's need for this project, including important considerations such as project issues and challenges. Describe the team's approach to the project, including important considerations such as scope, schedule, and budget. Provide a detailed schedule that incorporates target dates and deliverables through final approval of recommended rates.

5. Technical Capacity

Consultant demonstrates that the knowledge, skills and abilities to perform the specifications of the RFP exist within its organization.

6. Cost Proposal – Not included in page count

As part of the Cost Proposal, firms should provide a **detailed scope of work, resource levels, the cost/billing rates** to be charged to the District, and a **not to exceed proposed project cost**. The Cost Proposal shall also identify direct labor costs and expenses, including travel and other direct expenses.

Rates by Partner, Supervisory and Staff: The cost proposal shall include detailed information regarding the estimated number of hours to be dedicated to the District's engagement, delineated by staffing level and the hourly rate of each.

The Cost Proposal and scope of work may be subject to negotiation, in order to meet the District's requirements and budgets.

SELECTION CRITERIA

The District will rank the Consultants based on the Proposals received; this may include formal interview(s) of the most qualified candidates. The District may conduct a due diligence review on the Consultant receiving the highest evaluation.

The District will enter into negotiations with the most qualified Consultant and execute a Professional Services Agreement upon completion of negotiation of fees, contract terms, and District Board of Trustees approval. If an acceptable agreement cannot be reached with the highest ranked Consultant, the District shall proceed to negotiate with the next highest ranked Firm and so on until an acceptable agreement is negotiated or the District, in its sole discretion, elects to terminate the solicitation.

SAMPLE PROFESSIONAL SERVICES AGREEMENT

A sample copy of the District's standard Professional Services Agreement is included with this RFP as Attachment 1. Although contract modifications may be included within the

proposal, please be advised that as a general rule, the District does not make but minor modifications.

QUESTIONS AND CONTACTS

All questions should be directed through the District's Planet Bids portal. For assistance with Planet Bids or downloading of documents, contact:

Ronnie Rector, Public Works Contracts Administrator
Phone: 775-832-1267
Email: rlr@ivgid.org

Questions regarding the requested services or the contents of this RFP must be submitted through Planet Bids by 4:00 p.m. on July 22, 2021. All questions will be answered and copies of both the question and answer will be posted on the Planet Bids site and emailed to all parties registered within Planet Bids for this RFP.

SUBMITTAL

Interested parties shall electronically submit a pdf file of their Proposal by no later than 4:00 p.m. July 29, 2021, through Owner's Planet Bids website, <https://www.planetbids.com/portal/portal.cfm?CompanyID=30437>, and will be subject to the terms, conditions and scope of services herein stipulated and/or attached hereto. Planet Bids will automatically refuse any proposals submitted after this time.

Confidentiality: All documents and other information submitted in response to this RFP, including, without limitation, a Proposal, are confidential and will not be disclosed until notice of intent to award the contract is issued.

SHORT FORM AGREEMENT
 between
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 and
 X
 for
PROFESSIONAL SERVICES

This Agreement is made as of ~~date~~ between **INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT (IVGID)**, hereinafter referred to as "Owner," and X, hereinafter referred to as "Consultant." Owner intends to complete the Project(s) as described in Attachment A, Consultant's Scope of Work and Proposed Work Schedule, and as amended from time to time, hereinafter referred to as the "Project."

1.0 BASIC SERVICES

The Consultant shall perform the following tasks and additional services as may be included from time to time by Additional Services Addendums (ASAs) to this Agreement in accordance with Paragraph 4.2, Additional Services:

Basic Services are as described in Attachment A, essentially consisting of ~~short~~ project description.

All documentation, drawings, reports and invoices submitted for this project will include IVGID Purchase Order Number TBD.

2.0 OWNER'S RESPONSIBILITIES

Owner shall do the following in a timely manner so as not to delay the services of Consultant:

- 2.1 Designate in writing a person to act as Owner's representative with respect to services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, and interpret and define Owner's policies and decisions with respect to Consultant's services for the Project.
- 2.2 Assist Consultant by placing at Consultant's disposal existing data, plans, reports and other information known to, in possession of, or under control of Owner which are relevant to the execution of Consultant's duties on the Project. Also, provide all criteria and full information as to Owner's requirements for the Project, including design criteria, objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations.

SFA - Company Name

Title of Project

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3.0 PERIODS OF SERVICE

3.1 **General.** The provisions of Section 3 and the various rates of compensation for Consultant's services provided for elsewhere in this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of the Services contained herein. Consultant's obligation to render services hereunder will extend for a period which may reasonably be required for the performance of Consultant's services and required extensions thereto. If specific periods of time for rendering services are set forth or specific dates by which services are to be completed are provided and if such dates are exceeded through no fault of Consultant, all rates, measures, and amounts of compensation provided herein shall be subject to equitable adjustment pursuant to Section 5.9.

3.2 Consultant agrees to exercise diligence in the performance of its services consistent with the agreed upon schedule, which is based upon an anticipated completion date of no later than ~~date~~, subject, however, to the exercise of the generally accepted standard of care for performance of services.

4.0 PAYMENT TO CONSULTANT

4.1 Methods of Payment for Services and Expenses of Consultant

Compensation Terms Defined

"Reimbursable Expenses" shall mean the actual expenses incurred directly or indirectly in connection with the Project, including, but not limited to subconsultants or subconsultant costs, transportation and subsistence incidental thereto, obtaining bids or proposals from Consultant(s), toll telephone calls, express mail and telegrams, reproduction of Reports, Drawings, Specifications, Bidding Documents, and similar Project-related items in addition to those required under Section 1. In addition, Reimbursable Expenses will also include expenses incurred for main frame computer time and other highly specialized equipment, including photographic production.

Basis and Amount of Compensation for Basic Services. Compensation shall be as indicated in Attachment A, with a total amount of ~~X Dollars (\$X)~~, to be billed on a time and materials basis as indicated in Attachment "A" ~~for~~ as a fixed fee based on percentage complete measured against the estimated time schedule set forth in Attachment A. In no event shall compensation for any Activity identified in Attachment A exceed the amount set forth in the attachment. The fixed fee shall include Reimbursable Expenses, and Consultant shall not request or receive any additional payments for such expenses

4.2 Basis and Amount of Compensation for Additional Services

Compensation for additional services shall be on the basis agreed upon at the time of request for additional services. The estimated amount of additional services will be determined at the time the additional services are requested

SFA - Company Name

Title of Project

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4.3 Intervals of Payments

Payments to Consultant for Basic and Additional Services rendered and Reimbursable Expenses incurred shall be made once every month by Owner. Consultant's invoices will be submitted once every month and will be based upon total services completed at the time of billing. Owner shall make prompt payments in response to Consultant's invoices. Invoices shall be sent to invoices@ivqid.org with a copy sent to RLR@ivqid.org.

4.4 Other Provisions Concerning Payments

If Owner fails to make any payment due Consultant for services and expenses within 30 days after receipt of Consultant's statement, the amounts due Consultant will be increased at the rate of one percent (1%) per month from date of Owner's receipt of invoice.

If the Project is suspended or abandoned in whole or in part for more than 90 days, Consultant shall be compensated for all services performed prior to receipt of written notice from the Owner of such suspension or abandonment, together with Reimbursable Expenses then due.

If any items in any invoices submitted by Consultant are disputed by Owner for any reason, including the lack of supporting documentation, Owner may temporarily delete the disputed item and pay the remaining amount of the invoice. Owner shall promptly notify Consultant of the dispute and request clarification and/or remedial action. After any dispute has been settled, Consultant shall include the disputed item on a subsequent regularly scheduled invoice or on a special invoice.

5.0 GENERAL CONSIDERATIONS

5.1 Termination

This Agreement may be terminated in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this Agreement through no fault of the terminating party. However, no termination for default may be initiated unless the other party is given a ten (10) calendar day cure period after written notice (delivery by certified mail, return receipt requested) of intent to terminate.

This Agreement may be terminated in writing (delivered by certified mail, return receipt requested) by Owner for its convenience.

Upon any termination, Consultant shall (1) promptly discontinue all Services affected (unless a termination notice from Owner directs otherwise); and (2) deliver or otherwise make available to Owner upon full payment for services rendered to the date of termination, all documents, data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by Consultant in performing this Agreement, whether such materials are completed or in process. All payments due Consultant at termination shall be made by Owner.

5.2 Ownership of Documents

Alternate - The original documents, plans, electronic files, studies or reports prepared under this Agreement, for which the Owner pays compensation to the Consultant, except for working notes and internal documents, shall become and remain the property of the Owner, and upon payment of said compensation, shall be surrendered to the Owner upon the completion of the Work under this Agreement or on the completion of specific phases of the Work, if requested by the Owner. All deliverables in Attachment A shall be provided to Owner regardless of whether requested by Owner. The Consultant may retain copies of said work in their files, but such work shall not be released to any other party or reused by the Consultant without the express written consent of the Owner. Reuse of any of these drawings, specifications or other work products of the Consultant by the Owner for other than the specific project covered in this Agreement without the written permission of the Consultant shall be at the Owner's risk, provided that the Consultant shall not be liable for any claims or damages arising out of such unauthorized reuse by the Owner or by other's actions through the Owner.

Alternate for architectural services contracts: Drawings and specifications remain the property of the Consultant. Copies of the drawings and specifications retained by Owner may be utilized only for his/her use and for occupying the project for which they were prepared, and not for the construction of any other project.

5.3 Professional Liability Insurance

Consultant shall maintain professional liability insurance for protection against claims arising out of performance of services under this Agreement caused by negligent acts, errors, or omissions for which "PROFESSIONAL SERVICES" is legally liable for a period of five (5) years thereafter, if available and reasonably affordable. The professional liability policy shall provide a minimum coverage of \$1,000,000. Consultant shall maintain the existing retroactive date on all future policies with the same insurance company and attempt to do so if Consultant changes insurance companies. In the event that Consultant goes out of business during the instant period, Consultant shall purchase, at the request of Owner, an extended reporting period.

Should Consultant's normal professional liability coverage be less than the minimum required amount, Consultant may purchase project insurance or obtain a rider on his normal policy in an amount sufficient to bring Consultant's coverage up to minimum requirements.

5.4 Controlling Law

This Agreement is to be governed by and construed in accordance with the Laws of the State of Nevada.

5.5 Successors and Assigns

The parties hereby bind their respective partners, successors, executors, administrators, legal representatives, and, to the extent permitted by this Section 5.5, their assigns, to the terms, conditions, and covenants of this Agreement.

Neither Owner nor Consultant shall assign, sublet, or transfer any rights under or interest in this Agreement (including, but without limitation, monies that may become due or

monies that are due) without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law.

Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent Consultant from employing such independent professional associates, subconsultants, and consultants as Consultant may deem appropriate to assist in the performance of Services.

Except as may be expressly stated otherwise in this Agreement, nothing under this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than Owner and Consultant, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of Owner and Consultant and not for the benefit of any other party.

5.6 Dispute Resolution

This Agreement to engage in alternate dispute resolution ("ADR") pursuant to NRS 338.150 and any other Agreement or consent to engage in ADR entered into in accordance herewith as provided in this Section 5.6 will be specifically enforceable under the prevailing Nevada law in the Second Judicial District Court of the State of Nevada in and for the County of Washoe. Any dispute arising under this contract will be sent to mediation. Any mediation shall occur in Incline Village, Washoe County, Nevada. The mediation shall be conducted through the American Arbitration Association (AAA) and be governed by the AAA's Mediation Procedures.

The mediator is authorized to conduct separate or ex parte meetings and other communications with the parties and/or their representatives, before, during and after any scheduled mediation conference. Such communications may be conducted via telephone, in writing, via email, online, in person or otherwise.

Owner and Consultant are encouraged to exchange all documents pertinent to the relief requested. The mediator may request the exchange of memorandum on all pertinent issues. The mediator does not have the authority to impose a settlement on the parties but such mediator will attempt to help Owner and Consultant reach a satisfactory resolution of their dispute. Subject to the discretion of the mediator, the mediator may make oral or written recommendations for settlement to a party privately, or if the parties agree, to all parties jointly.

Owner and Consultant shall participate in the mediation process in good faith. The mediation process shall be concluded within sixty (60) days of a mediator being assigned.

In the event of a complete settlement of all or some issues in dispute is not achieved within the scheduled mediation session(s), the mediator may continue to communicate with the parties, for a period of time, in an ongoing effort to facilitate a complete settlement. Any settlement agreed upon during mediation shall become binding if within thirty (30) days after the date that any settlement agreement is signed, either the Owner or Consultant fails to object or withdraw from the agreement. If mediation shall be unsuccessful, either Owner or Consultant may then initiate judicial proceedings by filing suit. Owner and Consultant will share the cost of mediation equally unless agreed otherwise.

SFA – Company Name

Title of Project

SFA-5

5.7 Equal Employment and Non-Discrimination

In connection with the Services under this Agreement, Consultant agrees to comply with the applicable provisions of State and Federal Equal Opportunity statutes and regulations.

5.8 Indemnification and Legal Fees

Consultant agrees to defend, indemnify and hold harmless the public body, and the employees, officers and agents of Owner from any liabilities, damages, losses, claims, actions or proceedings, including, without limitation, reasonable attorneys' fees and costs, to the extent that such liabilities, damages, losses, claims, actions or proceedings are caused by the negligence, errors, omissions, recklessness or intentional misconduct of the Consultant or the employees or agents of Consultant in the breach of performance of the contract. If the insurer by which the Consultant is insured against professional liability does not so defend Owner and the employees, officers and agents of Owner and the Consultant is adjudicated to be liable by a trier of fact, the trier of fact shall award reasonable attorney's fees and costs to be paid to Owner by the Consultant in an amount which is proportionate to the liability of the design Consultant. As used in this section, "agents" means those persons who are directly involved in and acting on behalf of Owner or Consultant, as applicable, in furtherance of the contract or the public work to which the contract pertains.

As respects all acts or omissions which do not arise directly out of the performance of professional services, including but not limited to those acts or omissions normally covered by general and automobile liability insurance, Consultant agrees to indemnify, defend (at Owner's option), and hold harmless Owner, its officers, agents, employees, and volunteers from and against any and all claims, demands, defense costs, or liability arising out of any acts or omissions of Consultant (or Sub-contractor, if any) while acting under the terms of this Agreement; excepting those which arise out of the negligence, errors, omissions, recklessness or intentional misconduct of the employees, officers or agents of Owner.

The obligations of each indemnifying party hereunder shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this section. The indemnification shall not be diminished or limited in any way to the total limits of insurance required in this contract or otherwise available to the indemnifying party. If the liability is asserted by an employee of an indemnifying party, the indemnification herein is not limited to damages, compensation or benefits payable by or for the indemnifying party under worker's compensation acts, disability benefit acts or other employee benefit acts. Each indemnifying party shall be permitted to participate, if it chooses, in the defense of any action claiming liability, even if the indemnified party is indemnified hereunder. Either party may set off any of its rights under this subsection against any consideration it provides under this agreement. The obligations to indemnify and save harmless herein survive the expiration or termination of this Agreement.

The prevailing party in any litigation between Owner and Consultant regarding this Agreement shall be entitled to recover its reasonable attorneys' fees and costs. The hourly rate for such fees shall not exceed the rate paid by Owner.

SFA – Company Name

Title of Project

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5.9 Changes and Modifications

The parties agree that no change or modification to this Agreement, or any attachments hereto, shall have any force or effect unless approved by both parties in a written amendment to this Agreement. Such amendment shall be authorized and signed in the same manner as this Agreement.

5.10 Licenses

Consultant shall have a Washoe County business license, and all appropriate Consultant's licenses and certifications for the services to be performed.

5.11 Severability

In the event any provision of this Agreement shall be held invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties.

5.12 Waiver

One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

5.13 Extent of Agreement

This Agreement, including all Attachments, and any and all amendments, modifications, and supplements duly executed by the parties in accordance with this Agreement, govern and supersede any and all inconsistent or contradictory terms, prior oral or written representations or understandings, conditions, or provisions set forth in any purchase orders, requisition, request for proposal, authorization of services, notice to proceed, or other form or document issued by Owner with respect to the Project or Consultant's services.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and date of the year first set forth above.

**OWNER:
INCLINE VILLAGE G. I. D.
Agreed to:**

**CONTRACTOR:
Agreed to:**

By: _____
Brad B. Underwood, P. E.
Director of Public Works

By: _____
Signature of Authorized Agent

Print or Type Name and Title

Date

Date

Reviewed as to Form:

Joshua Nelson
District General Counsel

If Contractor is a corporation, attach evidence of authority to sign.

Date

Owner's address for giving notice:
INCLINE VILLAGE G. I. D.
893 Southwood Boulevard
Incline Village, Nevada 89451
775-832-1267- Engineering Div.
Phone

Contractor's address for giving notice:



Scope of Services

Task 1. Initial Project Kick-Off Meeting

Task Objective: Bring the HDR project team and IVGID management and staff together at the start of the project to make sure that the parties have a mutual understanding of the goals, objectives, issues, and concerns related to the study.

Task Approach:

- ✓ Schedule an initial project meeting at IVGID's office.

Expected IVGID Staff Support:

- ✓ Have their key management/project team members attend a two-hour kick-off meeting
- ✓ Confirm IVGID's goals and objectives for the study.
- ✓ Review and provide background on IVGID's financial policies, financial background, Utilities Management Review & Asset Management Assessment, and Master/Capital Plans.

Deliverables:

- ✓ Summary memo outlining the study objectives, issues, and concerns.
- ✓ Face-to-face meeting to get the study off to a positive start.

Key Issues Associated with Task 1: The initial project meeting is important to the overall success of the study since it provides a key foundation for the rate study process (project team coordination). This meeting allows both parties to discuss in detail the overall goals and objectives for the water and sewer rate study, and at the same time discuss issues and concerns that either party may have. It is proposed that the initial project meeting be approximately two hours in length. The initial project meeting will be held at IVGID's office.

Task 2. Written Data Request

Task Objective: Provide a written data request detailing the data and information required for the study.

Task Approach:

- ✓ Provide a detailed written data request to IVGID, segregated by utility.
- ✓ Identify and quickly resolve problem areas.

Expected IVGID Staff Support:

- ✓ Gather the data requested in the written data request provided by HDR.
- ✓ Discuss data constraints or outstanding data needs with HDR.

Deliverables:

- ✓ An initial written data request to IVGID and identification of data constraints.
- ✓ Documentation of data received and outstanding data needs.

Key Issues Associated with Task 2: HDR will provide a written data request to IVGID prior to the initial project meeting so that it can be discussed at the meeting and problem areas quickly resolved. The data and information requested for this study should be, for the most part, readily available information (e.g., financial, statistical, customer). HDR will review the data and information and will provide IVGID with documentation of the data received along with further questions or clarifications.

Task 3. Review of IVGID’s Financial/Rate Policies and Other Relevant Documents

Task Objective: Review IVGID’s existing financial/rate setting policies to determine the financial planning criteria to be used in developing IVGID’s rate study. In addition, review other relevant information and documents (e.g., facility/master/capital improvement plans).

Task Approach:

- ✓ Review the existing written financial/rate setting policies of IVGID’s utilities.
- ✓ As appropriate, discuss and recommend reserve funding levels based upon customary industry practices.
- ✓ Review other planning documents relevant to this study.

Expected IVGID Staff Support:

- ✓ Provide a copy of IVGID’s existing written, or unwritten, financial policies and planning/CIP documents.
- ✓ As needed, respond to questions concerning the data and information provided.

Deliverables:

- ✓ A review of IVGID’s existing written financial/rate setting policies.
- ✓ Review of other relevant financial and planning documents.
- ✓ Provide a summary memo confirming current policies and noting additional policies for IVGID to consider.

Key Issues Associated with Task 3: As a part of this task, HDR will review IVGID’s existing written financial policies. We will familiarize ourselves with IVGID’s policies and planning criteria, and, as appropriate, provide recommendations for additional policies or possible modifications to the existing policies. This will include items such as target ending reserve levels, adequate funding of renewal, and replacement needs. It is important to understand that this task is not developing a specific set of written financial or rate setting policies for IVGID. Rather, this task is intended to gain an understanding of the level of written policy direction already provided within the financial planning and rate setting process.

Task 4. Revenue Requirement Analysis (Water and Sewer)

Task Objective: Using a “generally accepted” rate-setting methodology, develop a revenue requirement analysis for each utility for a projected 10-year period, with a focus on the first 5 years. The revenue requirement analyses will establish the cost-based ‘level’ of revenue to be collected from rates (O&M and capital). Using IVGID’s capital improvement plans, a capital funding plan will be developed to maximize funds available for capital projects while minimizing overall rate impacts. If necessary, a plan to transition rates to cost-based levels will be

developed. The analysis will also examine key financial performance indicators such as debt service coverage and reserve levels.

Task Approach:

- ✓ Utilize the current budget for each utility and a “cash basis” methodology to accumulate costs.
- ✓ Develop a financial/rate model to project revenues and expenditures (operating and capital costs) for a 10-year period, with the focus on the next 5-year period.
- ✓ Develop a capital funding plan for IVGID’s water and sewer CIP and evaluate the financial/rate impacts of different CIP funding sources. Incorporate into the capital funding plan a consistent annual funding source for renewal and replacement capital projects.
- ✓ Utilize IVGID’s financial policies and financial planning criteria (e.g., reserves, DSC) and recent utility review/benchmarking.
- ✓ If needed, develop a rate transition plan to smoothly adjust the overall levels of rate revenues.

Expected IVGID Staff Support:

- ✓ Provide as-needed assistance to clarify IVGID’s data and information.
- ✓ Provide as-needed data refinements or additional data.
- ✓ Attend a 3- to 4-hour project meeting/video conference to review the draft revenue requirement analysis.
- ✓ Provide input for alternative scenarios to be reviewed (developed).

Deliverables:

- ✓ A water and sewer revenue requirement analysis for a projected 10-year period, with the focus on the first 5 years, that considers the necessary operating and capital needs of each utility.
- ✓ A capital financing plan within the revenue requirement analysis, utilizing IVGID’s capital improvement plans which attempts to maximize capital expenditures while minimizing the rate impacts to customers over time.
- ✓ If needed, a rate transition plan to “phase in” needed rate adjustments.
- ✓ Recommendations regarding key financial indicators (e.g., debt service coverage, capital funding/replacement through rates, reserve levels).
- ✓ One 3- to 4-hour meeting to review draft results of the revenue requirements.

Key Issues Associated with Task 4: The revenue requirement analysis is the first major analytical portion of the comprehensive rate study process. This task considers the prudent and proper funding for O&M and capital expenditures and evaluates the need for rate adjustments over the time period selected. The various analytical steps are described below.

TIME PERIOD—The financial model and revenue requirement analysis for each utility will be developed for a 10-year projected time period, with a focus on the first 5 years.

REVENUE REQUIREMENT METHODOLOGY—A “cash basis” methodology will be used for each utility. As shown in Figure 1 in the upper yellow box, a “cash basis” revenue requirement methodology sums operation and maintenance expenses, taxes/transfer payments, debt service

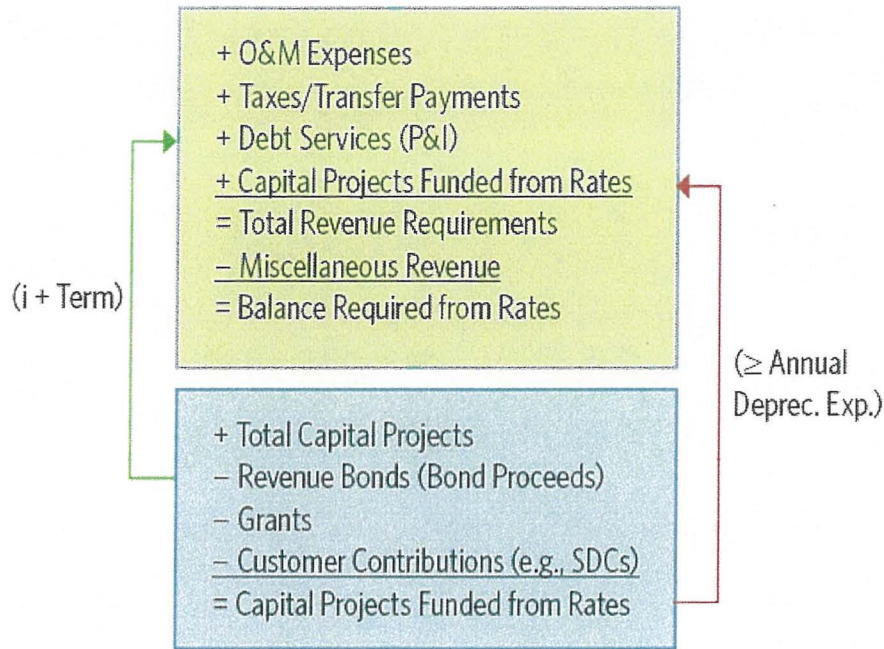


FIGURE 1: Cash Basis Revenue Requirement and Capital Planning Methodology

(P+I), and capital projects funded from rates. This produces the total revenue requirement. The total revenue requirement, minus miscellaneous revenues, produces the balance of funds required from rates. Stated another way, the balance of funds from rates represents an adequate level of rate revenues to meet the operating and capital needs of the utility.

ACCUMULATION OF REVENUES AND EXPENSES—Revenue requirements are composed of two major types of expenses or costs: operating costs and capital costs. Operating costs are generally projected from historical or budgeted costs, using escalation factors for future costs, and adjusted for known changes in operations (e.g., changes in levels of service/personnel, operating costs, growth/expansion). HDR will begin with IVGID’s current adopted water and sewer budget and project costs into the future using escalation factors for the various types of costs that IVGID incurs (e.g., labor, benefits, electricity, chemicals). Operating costs will also be analyzed and adjusted for changes in service levels or customer growth.

The starting point for projecting capital expenditures will be IVGID’s capital improvement plans for each utility. In the financial planning process, consideration must be given to maximizing the capital improvement expenditures, while minimizing rates to the utility’s customers. A more detailed view of the basic framework used to analyze capital improvement funding is shown below in Figure 2.

Figure 2. Overview of the Methodology for Developing a Capital Funding Plan

- + Total Capital Projects (From Water and Sewer Capital Improvement Plans):**
 - ✓ Renewal and Replacement Capital Projects
 - ✓ Legally Mandated (Regulatory) Capital Projects
 - ✓ System Growth and Expansion Capital Projects

- Outside Funding Sources:**
 - ✓ Capital Reserves
 - ✓ Grants
 - ✓ Low-Interest Loans (State and/or Federal)
 - ✓ Connection Fees/Contributed Capital
 - ✓ Borrowed Funds/Long Term Debt (e.g., Low-Interest Loans, Revenue Bond)

- = Capital Projects Financed with Rate Revenues (≤ Depreciation Expense)**

The capital (improvement) funding plan is developed on a year-by-year basis for the projected 10-year period. The capital projects are listed by year with the estimated (planned) outside funding sources for each project. The balance of projects not funded by the available sources of funds must be financed from a combination of long-term debt and rates (or deferred). It is the balancing of the use of long-term debt to the impact upon rates that is critical to the analysis. The above framework provides the proper approach to evaluate the financial/rate implications of the planned capital improvements. HDR will work closely with IVGID to evaluate the current levels of funding for replacement capital and develop a long-term plan to increase funding to appropriate and adequate levels.

FINANCIAL PLANNING CRITERIA—HDR will develop the revenue requirement analyses to be consistent with IVGID’s financial policies (See Task 3), current rate (bond) covenants, industry customary practices and reflect the District’s recently completed utility review/benchmarking study. HDR will use financial targets based upon either IVGID’s current written policies, or absent clear policy direction, industry customary practices.

SUMMARIZE THE RESULTS AND DEVELOP RATE TRANSITION PLAN—The revenue requirement analysis is designed to provide an understanding of the total costs to operate each utility from year to year. While the analysis is very detailed, an important step is to summarize those results and findings into an easy to understand format. HDR will develop summary tables for the revenue requirement analysis that should provide easy to understand findings and results (Figure 3).

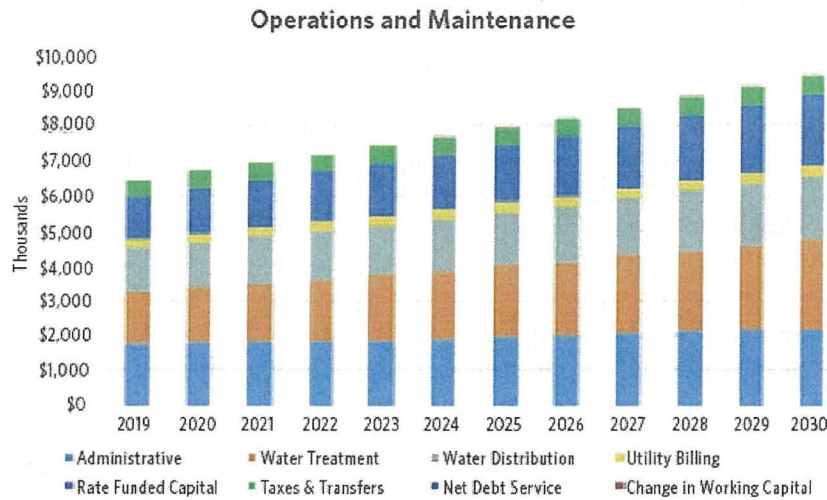


FIGURE 3: HDR rate models clearly display the costs and rate impacts of various operating and capital components.

Another important element of the study is the potential need for a rate transition plan. If needed, HDR will develop a rate transition plan to smoothly transition the rates over time, given the various funding requirements and constraints of the analysis. IVGID, within their RFP, suggested establishing rates for up to a 5-year period. In HDR’s experience, 5 years is typically the longest time period for which utilities establish and adopt rates.

INTERNAL REVIEW MEETING(S)—As the study progresses, HDR will meet with IVGID project team to review the draft results of the revenue requirement analyses. The objective of the internal review meeting is to provide IVGID with an understanding of the overall methodology, while reviewing the various key inputs and assumptions of the analysis. In this way, IVGID staff will clearly understand the approach and methodology used by HDR to develop the analysis, and gain IVGID staff confirmation of the key inputs and assumptions. Based on input from IVGID project team, the revenue requirements will be finalized.

Task 5. Cost of Service Analysis (Water and Sewer)

Task Objective: Using generally accepted methodologies, and IVGID’s specific and unique water and sewer system and customer characteristics, equitably distribute the water and sewer revenue requirement to the various customer classes of service (e.g., residential, commercial) and develop cost-based average unit costs for the eventual purpose of designing proposed rates. The cost of service analysis should provide both fixed and variable (consumption) average unit costs, which are the starting point for designing final proposed rate designs.

Task Approach:

- ✓ Utilize generally accepted water and sewer cost of service methodologies to equitably distribute IVGID’s revenue requirement to IVGID’s various customer classes of service.
- ✓ Summarize the results of the analysis and develop average unit costs.

Expected IVGID Staff Support:

- ✓ Discuss IVGID's water and sewer system and facilities.
- ✓ Attend a half-day meeting/video conference to review the draft results of the cost of service analysis.
- ✓ Review the key assumptions and results of the water and sewer cost of service analysis.

Deliverables:

- ✓ An equitable allocation of IVGID's test period water and sewer revenue requirements.
- ✓ Average unit costs (e.g., \$/customer/month, \$/1,000 gallons, \$/lb TSS and BOD).
- ✓ Meeting/video conference to review the draft final cost of service summary and recommendations.

Key Issues Associated with Task 5: In simplified terms, a cost of service analysis equitably distributes the revenue requirement between the various customer classes of service. The basis for establishing rates that are fair, equitable, and defensible has traditionally been cost of service principles and methodologies. Generally accepted cost of service methodologies are discussed in detail within the AWWA M-1 Manual, *Principles of Utility Rates, Fees and Charges* and the Water Environment Federation's Manual of Practice No. 27, *Financing and Charges for Wastewater Systems*. IVGID has noted that they have used the "commodity/demand" method in the past to establish their water rates.

Within a cost of service analysis, the revenue requirements are functionalized, allocated and distributed to the various customer classes of service (e.g., residential, commercial). The basic steps of a water and/or sewer cost of service analysis is described in more detail below.

FUNCTIONALIZATION—The preliminary arrangement of costs according to functions performed by the water or sewer system. For a water utility, the major functions are usually defined as source of supply, treatment, pumping, transmission, and distribution. For a sewer utility, the major functions are usually defined as collection, pumping and treatment. A utility's chart of accounts (i.e., accounting/budgeting system) typically provides functionalized data.

ALLOCATION—The process of allocating the functionalized costs to the various types of cost components or a water utility, these generally include commodity (total flow), demand (peak use), public fire protection, and customer-related cost components. For a sewer utility, these generally include flow, strength (total suspended solids and biochemical oxygen demand) and customer-related cost components. In the allocation process, each functionalized cost is assigned to a cost component based upon the reason why the cost was incurred (e.g., to meet a flow/volume requirement).

DISTRIBUTION—Given the allocation of costs to the various cost components, they are equitably distributed to the various customer classes of service using prescribed distribution techniques. For example, water commodity costs are equitably distributed on the basis of the total annual consumptive use for each class of service.

Provided below is a discussion of the major steps associated with the cost of service analysis.

Step 1. Selection of Test Period—A cost of service analysis typically reviews a one-year period to establish cost-based rates. For cost of service purposes, allocating the water and sewer 2022 revenue requirement would appear to be appropriate.

Step 2. Selection of the Method to Accumulate Costs—The “cash basis” revenue requirement developed in Task 4 will be equitably distributed within the cost of service analysis.

Step 3. Functionalization and Allocation of Expenses—Functionalization refers to the arrangement of the water and sewer cost data into its basic cost categories. Given functionalized water and sewer costs, the costs are then allocated to their various cost components based upon the reason why the cost was incurred. For example, allocation determines whether a specific water cost was incurred to meet a commodity, demand, customer, or fire protection-related need. For the sewer costs, they may be allocated to the cost components of volume (flow), strength (BOD, TSS), or a customer-related need. The allocation of IVGID’s water and sewer costs will be based upon generally accepted cost of service techniques and the specific system characteristics of IVGID’s water and sewer systems.

The basis for establishing rates that are fair, equitable, and defensible has traditionally been cost of service principles and methodologies.

Step 4. Determination of Classes of Service—IVGID currently serves residential and commercial customers, including IVGID facilities and snowmaking. As a part of this task/step, HDR will review with IVGID the issue of the classes of service to be used in this analysis.

Step 5. Review of Customer Consumptive/Volumetric Use—An important objective of the cost of service is to equitably distribute the costs to each class of service. In other words, consumption and flow-related costs should be equitably distributed between the various classes of service based upon the total annual consumptive use (water) or flow contributions (sewer) of each class of service. HDR will work with IVGID to review historical billing data and develop equitable distribution factors.

Finally, the cost basis for a tiered water rate structure is typically justified by the peak capacity patterns of the high-use customers. That is, their average use to peak use is typically higher than customers in lower tiers, thus they should be distributed a greater proportion of demand/capacity-related costs. This in turn produces a higher average unit cost for the upper tiers. As a part of this evaluation of customer consumption patterns, HDR will review in detail the peak capacity usage characteristics by tier size.

Step 6. Distribution of Expenses—The next step is to distribute each of the allocated costs to the various customer classes of service using distribution factors. HDR will develop water and sewer distribution factors that are “equitable” to customers, and which rely upon IVGID-specific data whenever possible.

Step 7. Summary of the Cost of Service—From the above process, a summary page of the water and sewer cost of service study is developed. The summary page compares the difference between the current level of rate revenues received from each class of service, and the equitably distributed cost of service for each class. This provides an understanding of the relationship between the costs each customer class of service places on the system and the

revenues received from the customers. From this summary, a determination can be made as to the revenue/rate adjustments, by class of service, which are reflective of cost responsibility.

Step 8. Development of Average Unit Costs—The cost of service provides the allocation of costs to each class of service, but it also provides average unit costs, or cost-based rates (e.g., \$/customer month, \$/HCF, \$/pound of BOD or TSS). These cost-based rates are used as the starting point for the development of the final proposed water and sewer rates. Average unit costs also provide IVGID with an understanding of the cost/rate relationship between fixed and variable costs.

INTERNAL REVIEW MEETING(S)—As the study progresses, HDR will meet IVGID project team to review the draft results of the cost of service analyses. The objective of the internal review meeting is to provide IVGID with an understanding of the overall methodology, while reviewing the various key inputs and assumptions of the analysis. In this way, IVGID staff will clearly understand the approach and methodology used by HDR to develop the analysis, and gain IVGID staff confirmation of the key inputs and assumptions. Based on input from IVGID project team, the cost of service will be finalized.

From the cost of service analysis above, IVGID will have a far better understanding of the cost-basis for the water and sewer rates to be developed in Task 6.

Task 6. Development of the Water and Sewer Rate Designs

Task Objective: Utilize the cost information developed as a part of the previous tasks to develop water and sewer rate design alternatives, for a 5-year period. As appropriate, develop rate structure alternatives to address IVGID's rate design goals and objectives, while providing rates which recover the cost of providing service. Develop bill comparisons for each rate design to demonstrate the potential bill impacts from a change in a rate structure or the level of the rates. Compare and contrast IVGID's present and proposed rates to neighboring utilities.

Task Approach:

- ✓ Utilize the results of the water and sewer revenue requirement analysis and cost of service analysis to establish the overall level of revenue adjustments to IVGID's water and sewer rates.
- ✓ Review IVGID's rate design goals and objectives (e.g., revenue stability, ease of administration, ease of customer understanding, conservation/efficient use, encourage economic development).
- ✓ Review current billing policies and practices to industry customary practices.
- ✓ Review IVGID's existing water and sewer rate structures and discuss with IVGID potential alternatives.
- ✓ Develop water and sewer rate design alternatives that meet IVGID's objectives and are cost-based and equitable. Rates should be developed for a 5-year period.
- ✓ Develop customer bill comparisons to demonstrate the potential bill impacts over varying levels of usage.
- ✓ Compare and contrast IVGID's present and proposed water and sewer rates to neighboring utilities.

- ✓ Review ordinance language regarding rates and provide suggested markup language for the proposed rates.

Expected IVGID Staff Support:

- ✓ Discuss IVGID's rate design goals and objectives and discuss potential rate structure alternatives.
- ✓ Review rate designs for appropriateness, provide direction for preferred alternatives.
- ✓ Confirm that rate design alternatives are compatible with the IVGID's current billing system.
- ✓ Provide a suggested list of suggested neighboring utilities for comparative purposes.

Deliverables:

- ✓ Review of IVGID's current water and sewer rates, along with billing policies and practices.
- ✓ Development of proposed water and sewer rates for a 5-year period (annual adjustments).
- ✓ Collaborate with District staff on the compatibility of rate design alternatives with the District's current billing system.
- ✓ Bill comparisons and graphs for the developed rate design alternatives.
- ✓ Bill comparisons to neighboring utilities.
- ✓ Review ordinance language regarding utility rates and provide suggested markup language for the proposed rates.

Key Issues Associated with Task 6: The development of proposed water and sewer rate designs is the final analytical task of the comprehensive rate study process. IVGID currently has a single water and sewer rate structure that is differentiated by meter size. The rate structures contain a base charge and a consumption (usage) charge.

IVGID has indicated that the water rates must continue to encourage conservation. HDR will work with IVGID to better understand their specific rate design goals and objectives for this task. HDR will review the current rate structures and evaluate them against industry customary practices and current trends. IVGID's water and sewer rates are contemporary in their structure, but HDR believes they could be summarized and communicated in a clearer fashion. As a part of this task, HDR will review the current water and sewer rate structures with IVGID staff and discuss potential alternative rate structures. The developed rate alternatives will be designed to collect the appropriate level of revenue. For each developed rate design alternative, HDR will provide bill comparisons to demonstrate the bill impacts to customers at various levels of consumptive use. Each rate design will be discussed with IVGID staff to review the compatibility with the current billing system. In addition, HDR will provide a bill comparison to neighboring utilities to provide an understanding of the competitiveness of IVGID's present and proposed water and sewer rates. Finally, HDR will discuss the potential impacts from the changes in IVGID's water and sewer rates (e.g., administrative ease, customer understanding, revenue stability, conservation).

At the conclusion of this task, HDR will provide a recommendation on the water and sewer rate structures and recommended rates for adoption. The proposed water and sewer rates will be developed for a 5-year period.

Task 7. Review of Current Fees and Charges

Task Objective: Review the current connection, retroactive capital improvement, capacity, inspection, and other fees and provide recommendations.

Task Approach:

- ✓ Review and provide recommendations on IVGID’s miscellaneous water and sewer fees.
- ✓ Review the miscellaneous fees for appropriateness and reasonableness.
- ✓ As relevant, discuss the current industry policies and trends related to the miscellaneous fees.

Expected IVGID Staff Support:

- ✓ Provide a copy of the current miscellaneous fees and the approach to establishing the fees.

Deliverables:

- ✓ Provide recommendations on the appropriateness and approach to establishing the current miscellaneous fees.
- ✓ Discuss the current industry policies and trends related to the miscellaneous fees.

Key Issues Associated with Task 7: HDR will collaborate with IVGID to review the miscellaneous fees. At this time, the approach will include the fees for retroactive capital improvements, capacity, connection, inspection, and other miscellaneous fees and charges. HDR will review the approach to developing these charges, current industry approaches, and recommend, as necessary, updates to the various fees. The review will also provide IVGID with additional fees that are common in the water and sewer industry.

Task 8. Written Report

Task Objective: Provide a written report to summarize the findings, conclusions, and recommendations of the water and sewer rate study.

Task Approach:

- ✓ Develop a draft water and sewer report for review and comment by IVGID.
- ✓ Incorporate changes or comments from the draft final report into the final report.
- ✓ Provide a Microsoft Word and Adobe PDF copy of the draft and final report.

Expected IVGID Staff Support:

- ✓ Review and comment on the draft written water and sewer report.

Deliverables:

- ✓ A draft final and final written water and sewer report.
- ✓ A Microsoft Word and Adobe PDF file of the draft and final written report.

Key Issues Associated with Task 8: Upon completion of the technical analyses, HDR will

develop a draft final report. HDR's written reports are intended to be comprehensive in nature and document the activities undertaken as a part of the project, along with our findings, conclusions, and recommendations. Attached to the report will be the exhibits developed as a part of the study (revenue requirements, cost of service, rate design, and miscellaneous fees). IVGID will review the draft final report and provide comments/corrections to HDR. Based upon IVGID feedback, HDR will develop the final water and sewer report.

Task 9. Public Presentations

Task Objective: Provide effective public presentations (assumes two meetings) of the findings, conclusions and recommendations of the rate study to IVGID Board of Trustees and the public (ratepayers).

Task Approach:

- ✓ Develop the presentation materials of the water and sewer rate study
- ✓ HDR's project manager, Shawn Koorn, will attend the public meetings/presentations.

Expected IVGID Staff Support:

- ✓ Review and comment on the proposed handouts for the public meetings.

Deliverables:

- ✓ Up to two public presentations to present the finding, conclusions, and recommendations of the rate study.

Key Issues Associated with Task 9: To effectively communicate the results of the study, HDR recommends at least two public meetings. This includes a presentation on the results of the study, and the public hearing to establish the final rates. HDR will prepare handouts and Shawn Koorn, HDR's project manager, will be present to provide the presentations. Should additional public meetings or presentations be required, they will be provided on a time and material basis.

Task 10. Rate Models

Task Objective: Develop spreadsheet financial/rate models to conduct the study. The water and sewer models will be developed in Microsoft Excel and be non-proprietary. At the conclusion of the study, the models developed as a part of this study will be provided to IVGID for their use.

Task Approach:

- ✓ Develop a 10-year financial/rate model for the study using Microsoft Excel.
- ✓ Develop the model specifically for IVGID, utilizing their chart of accounts and specific facility information.

Expected IVGID Staff Support:

- ✓ Review with HDR the requested features of the model.

Deliverables:

- ✓ A copy of the computer spreadsheet model(s) used to develop IVGID's rate study.

Key Issues Associated with Task 10: HDR will develop financial/rate models for IVGID's water and sewer rate studies based on Microsoft Excel. The model will be specifically developed for IVGID's utilities. Our financial/rate models are designed and intended to be technically sophisticated, yet easy to use and update. At the conclusion of the study, HDR will provide the models to IVGID.

Task 11. Project Administration/Quality Assurance/Quality Control (QA/QC)

Task Objective: Provide effective project management and administration of the study. Provide QA/QC review and evaluation of the study and technical analyses.

Task Approach:

- ✓ Project manager is responsible for project administration and technical analyses.
- ✓ HDR QA/QC procedures and documentation will be used. HDR project manager is responsible for meeting and fulfilling QC requirements.

Expected IVGID Staff Support:

- ✓ •IVGID's project manager work closely with HDR's project manager to coordinate the study and address any issues.

Deliverables:

- ✓ Project administration – HDR project manager provides updates to IVGID's project manager on the status of the study through monthly progress reports.
- ✓ QA/QC review process provided for the study and technical analyses.

Key Issues Associated with Task 11: HDR's project manager is responsible for the overall quality of the study and meeting the expectations of our clients. Our successful projects are accomplished through our project manager's close coordination and communication with clients' project managers. Finally, HDR has a specific and detailed QA/QC process for our projects. This study will be reviewed using HDR's company-wide QA/QC Program. The QA/QC processes and reviews are internally documented.

Project Time Schedule

As a part of IVGID’s RFP, a general project time schedule was delineated. IVGID has proposed a starting date of September 1, 2021, and an anticipated project completion date (i.e., final report) of November 10, 2021. Given those parameters, HDR developed the proposed project time schedule, delineated by task (Figure 4).

As can be seen from Figure 4, HDR has provided a schedule which complies with IVGID’s schedule for completion of the analyses. A project time schedule of approximately 70 days to conduct the analyses and develop the final written report is an aggressive schedule.

Generally, comprehensive water and sewer rate studies of this complexity require 90 to 120 days to complete. A key input to IVGID’s study is the data and information required before HDR can begin the analysis. The ability to complete IVGID’s study in the requested time frame hinges on IVGID providing the necessary data and information to HDR in a prompt and timely manner. Any delays in providing to HDR this critical data will potentially cause delays in the completion of the study. The proposed schedule also leaves very limited time for internal IVGID review and decision making. However, HDR will be committed to meeting this proposed project time schedule.

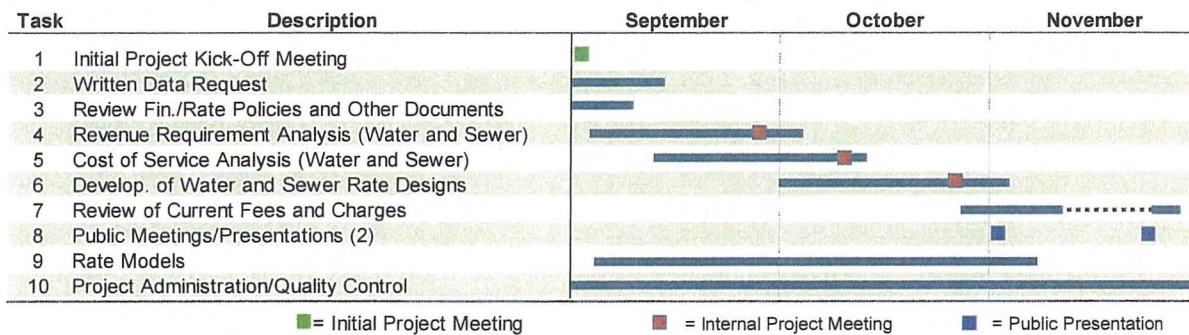


FIGURE 4: Project Schedule



Cost Proposal

The estimated project fees were developed based upon the previously discussed scope of services and current 2021 hourly billing rates for each individual.

Rate Schedule

For the proposed study, the following hourly billing rates were used to establish the proposed fees for the study. These rates will be in effect through the course of the study (through 2021).

INDIVIDUAL	PROJECT ROLE	HOURLY RATE
Kevin Calderwood	Principal-in-Charge	\$300.00/hour
Shawn Koorn	Project Manager	\$295.00/hour
Tom Gould	QA/QC	\$295.00/hour
Tom Hoffman	Engineering Assistance	\$160.00/hour
Josiah Close	Financial/Rate Analyst	\$165.00/hour

The billing rates shown above cover payroll cost, employee benefits, and HDR overhead and profit.

Expenses

In-House Expenses

Vehicle Mileage	Current Federal Travel Regulation (FTR)
Black/white Photocopies (per copy)	\$0.05 to \$0.09
Color Copies (per copy)	\$0.15 to \$0.30

No markup on expenses. Other direct expenses (e.g., parking, mileage, airfare) will be billed at cost.

Estimated Project Fee

The estimated fees have been broken down by tasks identified in Exhibit A – Scope of Services, and include the hourly rates by team member, as well as other direct costs (expenses) anticipated for the water and sewer rate study. Provided on the following page is a summary of the estimated project fees for the scope of services developed for the District.



TASK #	TASK DESCRIPTION	TOTAL
1	Initial Project Kick-Off Meeting	\$2,770
2	Written Data Request	\$1,580
3	Review of IVGID’s Financial/Rate Policies/Other Documents	\$1,250
4	Revenue Requirement Analysis (Water and Sewer)	\$17,500
5	Cost of Service Analysis (Water and Sewer)	\$12,900
6	Development of Water and Sewer Rate Designs	\$9,850
7	Review of Current Fees and Charges	\$5,990
8	Written Report	\$5,660
9	Public Meetings/Presentations (2)	\$7,240
10	Rate Models	\$1,580
11	Project Administration/QA/QC	\$5,300
TOTAL LABOR		\$71,620
Plus: EXPENSES		\$3,315
TOTAL LABOR AND EXPENSE COST ESTIMATE		\$74,935

The above fees are based upon the scope of services detailed and discussed above. HDR is willing to negotiate a final fee for the study based on a final scope of services. HDR is willing to enter into a “not to exceed” cost of \$74,935 for the scope of services described in Exhibit A. Should IVGID request additional services under this contract, the services will be provided at the hourly billing rates noted above. Portions of this fee proposal can be expanded or reduced in conformance with scope adjustments and as mutually agreed upon in writing by IVGID and HDR.

Payment for Services

HDR proposes that fees will be billed monthly on a time-and-material basis in accordance with the unit prices described in the above price proposal. While our services will be billed on a time and material basis, HDR has offered to enter into a “not to exceed” agreement for these services