Attachment A
TASK ORDER No. 15.2
2015 Utility Rate Study Update

City of Cedar Hills (OWNER)

Task Order No. 15.2 is issued by the City of Cedar Hills (herein called OWNER) pursuant to the General Services Agreement between the OWNER and Bowen Collins & Associates, Inc. (herein called ENGINEER) dated May 7, 2007.

1. **SERVICES**
   2015 Utility Rate Study Update. The ENGINEER will perform a rate study update in accordance with the scope of services outlined in the attached proposal.

2. **COMPENSATION**
   On a time and materials using Bowen Collins & Associates (BC&A) standard billing rates in accordance with the General Services Agreement. Per the attached proposal, the fee for the project will not exceed $7,700 unless modifications to the scope and fee are authorized in writing by the OWNER.

3. **PERIOD OF SERVICES**
   For the contractual purposes, the period of services shall be defined as March 1, 2015 to July 1, 2015. Most of the work is expected to be completed prior to June of 2015.

4. **DELIVERABLES**
   Deliverables shall be as defined in the attached proposal. The City of Cedar Hills will have full rights to all information produced as part of this project. No data specific to this study will be released without the prior permission of Cedar Hills.

5. **OTHER REQUIREMENTS**
   None

The parties have executed this Task Order effective this 16 day of April 2015.

OWNER		**ENGINEER**	
By		By	
Name	DAVID BUNKER	Name	MICHAEL COLLINS
Title	CITY MANAGER	Title	CHAIRMAN

Attachment A

Scope of Services

Based on our understanding of City needs, Bowen Collins & Associates will perform the following major tasks identified below in completion of the 2015 Utility Rate Study Update.

TASK A – DATA GATHERING

Objective: To collect the data required to update the rate models.

Tasks:

1. Meet with staff from the City to kick off the study. This meeting will include a discussion of the study objectives and any significant changes that have occurred since the last meeting. It has been assumed that pricing policies, assumptions and policies to be used, and general approach to the rates will be unchanged from the last study.
2. Collect data on the current number of water, sewer, and storm drain accounts. It will be assumed that the ratio of accounts by meter size and type will be the same as the last study.
3. Collect data on historic water use over the past three years It will be assumed that the ratio of water use by each type of accounts will be the same as the last study.
4. Collect data on system revenue requirements over the past three years including operations and maintenance costs, debt service payments, capital improvement outlays, and depreciation. Included in this task will be collecting estimates of non-rate revenues for the purposes of calculating net rate-related revenue requirements.
5. No data on the depreciated value of existing facilities for the water, pressurized irrigation, sewer, and storm drain system will be collected, but will be taken from the previous study. No update in water use trends will be performed, but will be taken from the last study.

Deliverables:

1. Meeting notes from the kickoff meeting.

TASK B – UPDATE WATER, PI, SEWER, AND STORM RATE MODELS

Objective: To update the City's existing rate models in order to project recommended rates in accordance with accepted industry standards.

Tasks: Update the City's digital rates model to accomplish the following objectives:

1. Document historic growth in customers and water/PI/sewer use based on City records from 2013 through 2015. Document historic expenditures for these same years.
2. Update use, customer, and revenue requirements for the City through 2025. This will not include a detailed relook at budget categories or cost allocations, but will simply update overall numbers to reflect historic data gathered over the past three years (since the completion of the original study).
3. Adjust capital improvement project timing to reflect current City plans. For sewer and storm drain, a single scenario will be developed. For water and PI, up to four scenarios will be developed for discussion purposes. The alternatives will look at different ways to incorporate a $1.5 million project to install meters on the City's pressurized irrigation system. It is assumed that one alternative will be selected before developing final rates and finalizing the report.
4. Determine the rates required to recover from each class of user the approximate cost of serving that class of user. Rates will be calculated for the same rate structures examined in the previous study. If needed, a phase-in of the results over a limited time period will be calculated.

Deliverables:

1. Water, PI, sewer, and storm rate models in Microsoft Excel format.

TASK C – DEVELOP RECOMMENDED RATES FOR METERED PRESSURIZED IRRIGATION

Objective: To develop an approach to implementation of pressurized irrigation rates once meters are installed in the City.

Tasks: Develop recommended pressurized irrigation rates for the planning window based on the following activities:

1. Develop a schedule of recommended monthly water use by customer type and lot size. This will be based on State recommended ET requirements for Kentucky blue grass with a buffer to allow for less than perfect watering habits (magnitude of buffer to be determined in consultation with City staff).
2. Develop a chart comparing State recommended ET, proposed Cedar Hills PI schedule, average irrigation for Wasatch Front (with meters), average irrigation for Wasatch Front (without meters).
3. Develop a 5-year plan for implementation of pressure irrigation water rates with meters. This will not follow full cost-of-service methodology, but will be a simplified, transitional rate structure until sufficient meter data is available to complete a more comprehensive cost-of-service analysis (in approximately 5 years).
4. Identify potential impacts on system of moving to metered secondary use. This will be a qualitative evaluation for use in discussions with City Council. It will not be a quantitative analysis of exact impacts.

Deliverables:

1. Pressurized irrigation rate recommendations.

TASK D – REPORT PREPARATION AND PRESENTATION OF RESULTS

Objective: To document the results of the study effort discussed in Tasks A through C.

Tasks:

1. Prepare a draft report summarizing the results of the study for review by the City.
2. Meet with appropriate personnel to review the results and recommendations of the study report.
3. Based on City review of the draft report, prepare a final report.
4. Provide one presentation to the City Council to present findings regarding revenue needs and final recommended rates.

Deliverables:

1. Draft report (electronic copy in Word and pdf format)
2. Final Report (5 copies).

REQUIRED CITY SERVICES

Assistance from City staff will be critical in meeting the project budget and schedule. Tasks that City staff will need to complete are identified below:

- Collect documents and other available data identified on BC&A's data request list and transmit it to BC&A. City staff will need to be available to answer questions regarding the data provided.
- Meet as needed with the BC&A team to discuss project objectives, data, City policies, and other relevant topics. At least one meeting with additional conference calls are anticipated.
- Review and comment on draft work products provided by the BC&A project team.

Attachment B - Compensation
Cedar Hills City
Utility Rate Study Updates
ENGINEERING FEE ESTIMATE

Last Update 3/12/15

	OFFICE STAFF		ENGINEERING TECHNICIANS								SUBTOTAL	SUBTOTAL
LABOR	OFFICE	EDITOR	TECH 1	TECH 2	TECH 3	TECH 4	ENG 1	ENG 2	PM	SR	HOURS	COST
	Buelher	Hilbert					Stoker		Larson	Collins		
Hourly Rate	$52.00	$62.00	$75.00	$82.00	$90.00	$104.00	$93.00	$102.00	$135.00	$154.00		
Task A - Data Gathering							8		4		12	$1,284
Task B - Update Rate Models							16		6		22	$2,298
Task C - Pressurized Irrigation Rates							8		4		12	$1,284
Task D - Report and Presentation of Results	2	2					16		4		24	$2,256
TOTAL LABOR	2	2	0	0	0	0	48	0	18	0	70	
	$104	$124	$0	$0	$0	$0	$4,464	$0	$2,430	$0	$7,122	$7,122

EXPENSES

Item	Unit	Rate	Cost
COMMUNICATION/COMPUTER			$490
GEOTECHNICAL			$0
PRINTING /GRAPHICS			$30
AUTO MILEAGE			$50
TRAVEL			$0
MISC EXPENSES			$8
POSTAGE			
SUPPLIES			
SURVEY			
MARK UP ON OUTSIDE SERVICES			
TOTAL EXPENSES			$578

Expenses include:
Mileage reimbursement at $0.75/mile
Computer/Communications Charge at $7/labor hour
10% Markup on Outside Services (if any)

TOTAL LABOR COST	$7,122
EXPENSES	$578
TOTAL COST	$7,700