

AGENDA ITEM COVER SHEET

City Council Meeting

Date Submitted: 01/04/2022

DATE: 12/27/2021 **SUBMITTED BY:** Tom Ourada, City Administrator

ITEM: Consider authorizing the payment of up to \$3,500 to JEO Consulting Group for consulting services related to a new water rate study.

SUMMARY: JEO Consulting Group has provided a proposal to review the City's water rates and provide recommended adjustments, if needed. The consultation will include reviewing data on the water usage, revenues, and expenses of the Water Department, reviewing outstanding debt service requirements, comparing current data with the projected data from the prior water rate study, and investigating and reporting any discrepancies.

BACKGROUND/PAST ACTION: The City's current water rate study is from 2018.

FISCAL IMPACT: Up to \$3,500 in consulting fees.

LEGAL REVIEW:

ATTACHMENTS: Letter of Agreement with JEO Consulting

ACTION REQUESTED: The City Council is requested to make a motion to authorize the payment of up to \$3,500 to JEO Consulting Group for consulting services related to a new water rate study.



December 27, 2021

Tom Ourada
City Administrator
Department of Public Works
241 E 13th St.
Crete, NE 68439

RE: Crete, Nebraska
Water Rate Study Investigation
JEO Project No. 180253.01

Dear Mr. Ourada:

Below is our understanding of the services you wish JEO Consulting Group, Inc. to provide for your proposed water rate study investigation.

Scope: The basic services include assisting the City with investigating the current water system revenues vs the projected revenues in the 2018 Water Rate Study.

A. Rate Evaluation:

- a. Review historical water use records, revenues, and expenses.
- b. Review existing debt service requirements.
- c. Remodel fiscal years 2018, 2019, and 2020 to compare with historical values provided by the city.
- d. Investigate and report any discrepancies.
- e. Provide the City with a recommendation of corrective actions and possible rate adjustments.

Fee: The basic rate is hourly based on the attached range of billing rates. JEO's hourly rates may be modified from time to time to reflect changes in costs. The services described above are estimated at \$3,500. Billing will not exceed the estimated amount without prior authorization from the City.

Time Frame: 60 days.

If this does not agree with your understanding, please notify us immediately. If you have any questions, I will be your project contact. Feel free to call me at 402-380-1705.

Sincerely,

Dane Simonsen
Project Manager

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

Owner: City of Crete, Nebraska

Engineer: JEO Consulting Group, Inc.

_____  _____

By: Tom Ourada

By: Dane Simonsen

Title: City Administrator

Title: Project Manager

Date Signed: _____

Date Signed: December 27, 2021