



11333 N. Cedarburg Road
Mequon, WI 53092
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www.ci.mequon.wi.us

Water Utility

MEQUON MUNICIPAL WATER UTILITY COMMISSION
Regular Meeting
Wednesday, August 10, 2022
7:00 PM or Immediately Following
Committee of the Whole
Christine Nuernberg Hall
Agenda

- 1) Call to Order, Roll Call
- 2) Approval of Meeting Minutes
Action requested: review and approve
 - a. Mequon Municipal Water Utility Commission - Regular Meeting - Jun 14, 2022 7:15 PM
- 3) Final Action
 - a. 5-Year Contract Extension for City Water, LLC
 - b. Water Master Plan Update Scope of Services
- 4) Adjourn

Dated: August 10, 2022

/s/ Andrew Nerbun, Chair

Notice is hereby given that a quorum of other governmental bodies may be present at this meeting to present, discuss and/or gather information about a subject over which they have decision-making responsibility, although they will not take formal action thereto at this meeting.

Persons with disabilities requiring accommodations for attendance at this meeting should contact the City Clerk's Office at 262-236-2914, twenty-four (24) hours in advance of the meeting.

Any questions regarding this agenda may be directed to the Public Works Office at 262-236-2913, Monday through Friday, 7:00 AM - 3:30 PM.



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Water Utility

MEQUON MUNICIPAL WATER UTILITY COMMISSION

Regular Meeting
Tuesday, June 14, 2022
7:15 PM
Christine Nuernberg Hall

Minutes

1) Call to Order, Roll Call

Present:

Commissioner Andrew Nerbun
 Commissioner Glenn Bushee
 Commissioner Mark Gierl
 Commissioner Jeffrey Hansher
 Commissioner Dale Mayr
 Commissioner Brian Parrish
 Commissioner Kathleen Schneider
 Commissioner Robert Strzelczyk
 Vacant Seat -- **Excused**

Also present were City Administrator Jones, City Attorney Sajdak, Director of Public Works/City Engineer Lundeen, Deputy Director of Utilities Driscoll, Water Utility/City Water LLC Director or Operations Voigt.

2) Approval of Meeting Minutes

a. May 10, 2022 Minutes

RESULT: **Approved [Unanimous]**
MOVED BY: Commissioner Schneider
SECONDED BY: Commissioner Hansher

AYES:	Nerbun, Bushee, Gierl, Hansher, Mayr, Parrish, Schneider, Strzelczyk
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3) Discussion and Possible Action

Minutes Acceptance: Minutes of Jun 14, 2022 7:15 PM (Approval of Meeting Minutes)

- a. Exemption Request from Water Connection Policy for 5000 West Mequon Road (Homestead High School)
- b. Motion to Approve the Exemption Request from Water Connection Policy for 5000 West Mequon Road (Homestead High School)

RESULT: **Approved by Voice Acclamation [Unanimous]**

MOVED BY: Commissioner Schneider

SECONDED BY: Commissioner Strzelczyk

AYES: Nerbun, Bushee, Gierl, Hansher, Mayr, Parrish, Schneider, Strzelczyk

- c. Request from the Village of River Hills for Municipal Water Service

Director of Public Works/City Engineer Lundeen stated this is a follow up to a previous discussion where the commissioners asked a number of questions for the terms for a potential service connection to River Hills. In the packet are answers to those questions which includes an alternatives analysis for the means of connection, fiscal analysis in terms of the rate of return for both residential development alone and the connection to University School of Milwaukee. The packet includes a letter of interest from the University School of Milwaukee and staff recommendations. The meeting is to have understanding if the Commission would like to continue to discuss the potential connect with River Hills and if so what additional information or terms and conditions should be placed on that connection.

Commission Nerbun stated the connection does not make sense without the connection to University School of Milwaukee is not included and it becomes financially upside down on the long term maintenance. With the school it is made more than whole with the development given the numbers in the preliminary estimates. Staff made recommendations for the proposed connection under the freeway, and casing to protect the pipe going into location. There is enough information in here if the commission would like to approve and get more complete information. If you do not want to approve it should be stated now.

Commissioner Parrish provided feedback including wanting to say yes but has concerns on the actual cost for replacement of system and updating the life cycle charts. He also stated he'd like to see longer warranties from the developer, an internal memo to Common Council for City Water.

Commissioner Strzelczyk stated he wanted to understand who does the water restrictions and monitors them.

After discussion and feedback the Commission spoke in support of City Staff to move forward for a vote in a future Commission meeting.

4) Adjourn

- a. Motion to Adjourn at 7:34 PM.

RESULT: **Approved by Voice Acclamation [Unanimous]**

MOVED BY: Commissioner Schneider

SECONDED BY: Commissioner Bushee

AYES: Nerbun, Bushee, Gierl, Hansher, Mayr, Parrish, Schneider, Strzelczyk

Respectfully Submitted,

Casey Deuster
Administrative Assistant

Minutes Acceptance: Minutes of Jun 14, 2022 7:15 PM (Approval of Meeting Minutes)



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www.ci.mequon.wi.us

Office of Mequon Municipal Water Utility Commission

TO: Mequon Municipal Water Utility Commission
FROM: Kevin Driscoll, Deputy Director of Utilities
DATE: August 2, 2022
SUBJECT: 5-Year Contract Extension for City Water, LLC

Background

Since the initial purchase of the Water Utility, the Mequon Water Utility has employed City Water, LLC (“*City Water*”) for the operations and maintenance of the Utility. City Water and City of Mequon staff work seamlessly to provide customer service as well as operations and maintenance of the Utility. The initial 2009 contract included a three-year term and was subsequently approved for five-year terms in 2012 and 2017. The proposed renewal is also a five-year term. The document was submitted by City Water and reviewed by the City Attorney. See Exhibit A.

Analysis

City Water is in a unique position to have operated and maintained the Mequon Water Utility facilities since 2009 and has assisted with annual budgets. City Water has familiarity and unmatched experience to understanding the Mequon Water Utility facilities and knowledge of policies, procedures, and historic development specific to the Mequon Water Utility infrastructure, where Staff did not pursue a competitive process.

City Water provides 3 equivalent Full Time Employees that are certified and trained to provide 24-hour on-call response, routine operation and maintenance, public service commission reporting, construction inspection services, and site development plan reviews that would otherwise need to be completed by in-house staff. With their contract up for renewal again, the basic parameters and services outlined in their contract remain unchanged from the initial and renewed versions. However, the contract proposes increases to fees based on consumer price index adjustments from \$25,800 per month to \$28,320 per month, in addition to minor updates to the language. See Exhibit B.

Fiscal Impact

Due to the cost of inflation (CPI), and the steady increase in the size of the Utility, City Water, has increased the number of full time equivalent (FTE) employees to adequately operate and maintain the system over time. See Exhibit C. The system has grown since the City acquired it from WE Energies in 2009, from approximately 3,000 customers to over 4,500 customers. See Exhibit D. The revenue associated with the utility has grown since 2009, where it was \$5.34 per thousand gallons of water provided, and in 2020 it was \$6.69 per thousand gallons of water. See Exhibit E.

Recommendation

Staff recommends that the Water Utility Commission approve the contract renewal for City Water, LLC.

Attachments:

Exhibit A - 5yr Contract for City Water, LLC (PDF)

Exhibit B - Summary Base Fees (PDF)

Exhibit C - Summary Table of Staffing (PDF)

Exhibit D - Customer Metrics(PDF)

Exhibit E - Revenue Summary Table (PDF)

**AGREEMENT FOR MANAGEMENT
AND MAINTENANCE SERVICES**

THIS IS AN AGREEMENT made effective as of September 1, 2022, between a municipal public water utility, which shall be known as the Mequon Water Utility, (UTILITY) and City Water, LLC, a Wisconsin corporation, (CONSULTANT).

The purpose of this Agreement is for the UTILITY to retain the CONSULTANT to provide operational, management and maintenance services for the Mequon Water Utility as described in Attachment A pursuant to the terms and conditions of this Agreement. This utility encompasses portions of the City of Mequon, the Village of Bayside, and the Village of Thiensville.

UTILITY and CONSULTANT agree to the performance of operational, management and maintenance services by the CONSULTANT and payment for those services by the UTILITY as set forth below.

The following Attachments are made a part of this agreement:

Attachment A - Scope of Services
Attachment B - Terms and Conditions
Attachment C - Insurance
Attachment D - Certificate of Corporation
Attachment E - Hourly Rate Schedule

This Agreement, together with the Attachments identified above, constitute the entire agreement between the CONSULTANT and the UTILITY and supersede all prior written or oral understandings. This Agreement and its Attachments may only be amended, supplemented, modified, or canceled by a duly executed written instrument.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the day and year first written above

CITY: CITY OF MEQUON

CONSULTANT: CITY WATER, LLC

BY: _____
Andrew Nerbun

BY: _____
Thomas Nennig

Date

Date

(Corporate Seal)

Caroline Fochs (City Clerk)

Date

ATTEST AS TO FORM: _____
(City Attorney)

Date

Attachment A

SCOPE OF SERVICES

1. GENERAL

The CITY owns and operates a public water utility that operates under the jurisdiction of the Mequon Common Council acting as the Water Commission. The Water Utility shall operate as if a division of the Department of Public Works of the City of Mequon. Water services are also provided to a portion of the Village of Bayside and the Village of Thiensville under this proposal.

By this agreement it is intended that the CONSULTANT will provide services that are substantially equivalent to that of a water utility manager, along with staff, in performing the duties and responsibilities under this contract. CONSULTANT shall be responsible to the Director of Public Works for daily operations but also respond to requests of the City Administrator and other City officials as appropriate.

CONSULTANT shall provide an experienced manager who shall be the principal representative of the CONSULTANT and who shall be responsible to the City for the supervision and operation of the employees performing work under this contract. The CONSULTANT shall be expected to exercise its independent judgment in carrying out the duties under this agreement, but the CONSULTANT agrees that its duties shall include complying with all lawful directives and orders from the Water Commission, the Director of Public Works and the City Administrator.

In addition, the CONSULTANT acknowledges that it is familiar with all state and federal laws and regulations regulating public water utilities, as well as the City of Mequon ordinances relative to the rules and regulations of the Water Utility. CONSULTANT shall at all times comply with all applicable federal, state and local laws governing the Water Utility as the same may be in force and effect from time-to-time during the term of this Agreement as part of the services under this contract.

The scope of service to be provided by the CONSULTANT under this Agreement shall be to supervise and furnish all of the labor necessary for the complete operation, management, maintenance, and repair of the City's water distribution system, facilities and equipment to the extent specifically set forth in this Agreement. The scope will also include time and material items of work in the scope of services which will be provided on a per hour or per item basis as quoted in the Agreement (Attachment E). Each party hereto agrees that it will cooperate in good faith with the other, its agents and subcontractors, to facilitate the performance of the mutual obligations set forth in this Agreement.

In addition to the above general scope of services, the CONSULTANT agrees to furnish the following service:

- A. Attendance at all Water Commission Meetings and presentation of Manager Reports or any other items of Commission interest that have been requested or that the CONSULTANT feels are pertinent to the Commission's review.
- B. The CONSULTANT shall be required to review and comment on proposed City policies that will deal with new water main installations for new service areas and also policies and procedures for evaluating and establishing service to existing water systems that request connection to the City utility.

The CITY agrees to provide the following under the general scope of services:

- A. An operations office for the Water Utility conveniently located in Mequon with necessary access to the City computer network, a phone system adequate for call center activity and all the related costs and reasonable office supplies and equipment for a functional office area. Office space will accommodate two people.
- B. An operational storage area for any Utility-owned vehicles and a storage area for water system maintenance components, repair equipment and any other miscellaneous items. Total square footage TBD.
- C. The CITY will furnish three Utility-owned vehicles for the CONSULTANT's use when working under this agreement. The CITY shall provide equipment maintenance, insurance, fuel and repair by the City DPW maintenance department for the vehicles. Any additional required vehicles will be provided by CONSULTANT including equipment maintenance, insurance, fuel and repair.
- D. The CITY shall provide a compatible SCADA alarm system, with all related software and maintenance costs, accessible by remote computer for the 24 hour monitoring of the water system.
- E. The CITY agrees to provide all financial management and accounting services in accordance with the PSC regulations as required in support of all utility operations. At a minimum, the CITY will provide quarterly income statements and balance sheets to the CONSULTANT.
- F. The CITY shall provide all legal support for all issues related to the Water Utility except those that are a direct result of negligent actions of the employees of the CONSULTANT.
- G. The CITY shall provide administrative support for all correspondence, schedules, reports, staffing of the call center, customer brochures or notices, etc. in support of daily operations of the utility.

- H. The CITY will provide capital investment in the water system, resources described in other sections of this agreement, payment of supplier invoices, and reasonably expedient decisions to facilitate management, operation, and maintenance of the water system.
- I. The CITY will provide IT resources to maintain GIS-based asset management in accordance with industry standards.
- J. The CITY will provide Diggers Hotline and locating services.

2. SCHEDULES AND MAINTENANCE

The CONSULTANT shall be responsible for the day-to-day maintenance of the water distribution system to include:

- A. Monitoring of the distribution system for pressure, flow, and water quality.
- B. Distribution maintenance to include monitoring for any leak repair issues; hydrants, valve boxes, plumbing permit coordination and inspection of new taps to the system; annual flushing of the system and hydrant maintenance, repair and painting; regulatory required valve operation and valve box adjustments; electrical and instrumentation monitoring and maintenance; maintenance on any meter pit operations; monthly booster pump, reservoir operation and maintenance; water tower operations should that become available.
- C. Water quality monitoring to include regulatory required samples per regulations in effect at the time of monitoring, weekly chloramine testing, and special testing for customers as requested by customers or otherwise required.
- D. Field customer service operations to include observation for leaks in the system or on private property if requested, water quality issues, curb box investigation and locations, and investigation of billing issues.
- E. Assistance for Diggers Hotline locating as required with the CITY paying all Diggers Hotline agency fees and costs for the locating service.
- F. All monitoring involving the SCADA operations including identifying necessary maintenance, changes or improvements to the SCADA system the CITY may need to pursue.
- G. CONSULTANT shall provide a 24/7 emergency response capable of resolving any emergency situation to the point of completion as required by each individual situation. The CITY shall provide 24/7 monitoring of the SCADA system and shall alert the CONSULTANT of any reported emergencies or alarms.

- H. CONSULTANT shall provide the labor to investigate water meters that have questionable accuracy and change out water meters as necessary and to arrange for any required testing and repair. The CITY will provide replacement meters, meter reading equipment, and plumbing contractor, if necessary.
- I. CONSULTANT shall coordinate and attend any annual inspections, sanitary surveys or other regulatory required or requested inspections.
- J. CONSULTANT shall prepare the annual Consumer Confidence Report as required by the State and submit same for review and mailing by the CITY.
- K. CONSULTANT shall provide for necessary communication with media regarding water system issues as directed by the City Administrator.
- L. CONSULTANT shall update and maintain the water system computer model, the standards and specifications used by the utility, and other system documentation traditionally maintained.

In addition, the CONSULTANT shall prepare and maintain a monthly, quarterly and annual work schedule and submit to the CITY for review and approval. Work schedules are to be used as a guideline for ensuring that all routine system maintenance, to include PSC and DNR regulatory agency requirements, are completed.

3. STAFFING:

The CONSULTANT will provide adequate staffing to carry out all of the duties required for consistent and high-quality attention to the operation, management and maintenance requirements of the Water Utility as described in the Agreement herein. The City Administrator must approve in advance any changes in personnel, material changes in amount of time devoted to work on behalf of CONSULTANT and the City, and/or any changes in area of responsibility as to each of the two primary management and operations positions of CONSULTANT.

The general hours of the call center for the Water Utility will be 8:00 to 4:30 daily. It is anticipated that the CONSULTANT will respond within 24 hours or the next business day to non-emergency inquiries or questions that have been received by the call center and passed on to the CONSULTANT. Voicemail, e-mail, and other electronic means will be utilized by the CITY to provide the information to the CONSULTANT in a timely fashion.

4. REPORTS AND RECORD KEEPING

The CONSULTANT shall maintain records of operation, maintenance, repair and improvement activities of the Water Utility and shall prepare and submit to the Water Commission and the CITY such reports including a summary of operations and other matters which the CONSULTANT feels should be included in the report, including significant unusual events, if any, and all data required for reporting to local, state, and federal agencies as well as staffing, operational concerns, emergency response situations, safety and training programs, corrective maintenance and repairs, equipment replacements, etc. A representative of the CONSULTANT shall be available to attend the Water Commission meetings if requested and to review the reports or discuss any pertinent issues.

In addition, the CONSULTANT shall provide all operational data for the annual PSC report in a form or format consistent with the City's Finance Director to complete the report in a timely manner. The CONSULTANT and City staff shall also organize utility data and records in such a form that it can be maintained within the City's computer network system and available to other City staff as necessary.

The CITY shall provide access to GIS services and as-built mapping services for the Water Utility. The CITY, or a CITY hired contractor, will update the GIS database as often as the CITY determines may be necessary to keep current and accurate maps of the system at all times.

The CONSULTANT shall maintain written and/or electronic records of customer records coordinated with the billing system, valve records, hydrant records, meter records and other system information as needed to accurately account for system appurtenances. Records will contain available information on age, material, inspections, and other industry standard records for system components including drawings, record drawings and operation and maintenance manuals. The CONSULTANT shall also maintain accurate and current information on equipment and service providers and vendors. Records will be kept in a system as identified by the CITY which may change from time to time. Any special software requested by the City will be provided by the City.

5. ANNUAL OPERATING BUDGET AND CAPITAL IMPROVEMENTS PROGRAM

The CONSULTANT shall prepare an Annual Water Utility Operating Budget in a format acceptable to the City Administrator with assistance from other City departments as required. The CONSULTANT shall prepare and maintain a 5-year Capital Improvement Plan for the utility to be compiled with assistance from other City departments as necessary and to be submitted annually to the Water Commission for their review and approval. The CONSULTANT shall report on the status of capital improvement projects related to the improvement plan not less frequently than quarterly.

The CONSULTANT shall review and assist in the selection and purchase of major equipment and/or maintenance contracts which may affect the operations of the Water Utility.

6. WATER SOURCE AND SUPPLY MANAGEMENT/BAYSIDE-THIENSVILLE COORDINATION

The CONSULTANT shall be the primary contact with regard to the administration of the water supply as it relates to the North Shore Water Commission and the Milwaukee Waterworks contracts. The CONSULTANT shall ensure that the Mequon utility complies with all provisions of those agreements and shall bring any issues of concern with regard to those agreements to the attention of the Water Commission and City staff as necessary.

The CONSULTANT shall coordinate and monitor all operational issues with regard to that portion of the Mequon Water Utility that serves the Bayside and Thiensville customers and provide the services in this agreement to those areas. The CONSULTANT shall also provide input and assist the City in establishing good customer communications with the residents of those communities.

7. METER READS AND BILLING

The CONSULTANT shall be responsible for all meter reads using the automated system equipment provided by the CITY. The CONSULTANT shall assist in downloading and correction of the meter data to the point of being ready for preparation of the bills.

The CITY will be responsible for preparing the bills, mailing and collection of all funds related to the utility. The CONSULTANT shall assist in resolution of disputes with regard to meter reads as necessary to resolve those issues.

8. THIRD PARTY CONTRACTING

By agreement between the CONSULTANT and the CITY, a list of emergency contractors and routine maintenance contractors shall be prepared and available for use as necessary. Where required pursuant to Section 66.0901, Wisconsin Statutes, or other provision of law, non-emergency construction work shall be accomplished using the prescribed statutory bidding process. To the degree practicable, all other non-emergency purchases of labor or material shall be based upon competitive quotations.

The cost of all outside contracting, whether consulting services, design and construction administration/inspection services, emergency or routine repairs related to the mains, hydrants, valves, wells, booster stations, electrical, instruments, SCADA, water tower, buildings, etc. shall be the responsibility of the CITY. The CONSULTANT shall supply all labor as necessary for direct supervision and inspection of emergency and routine maintenance work by outside contractors as part of his contract.

9. PERMITS, FEES, UTILITY COSTS

The CITY shall be responsible for obtaining and maintaining all necessary permits, licenses, PSC annual fees and other governmental or private property approvals and for payment of all fees required for ownership and operation of the Water Utility facilities and the equipment owned by the City and used in conjunction with the Water Utility facilities. The CITY shall pay all required testing and laboratory fees required for the operation of the Water Utility to include any regulatory testing and fees as necessary.

10. TIME AND MATERIAL WORK

The CONSULTANT shall assist the City in establishing policies related to growth of customer base and extension of mains and shall promote this objective within the context of daily contact with potential customers. However, actual design of main extensions, preparation of plans and specifications for bid documents and construction contract management services by the Consultant would be accomplished on a time and material basis based on prior approval and coordination with City staff. The Consultant shall not engage in design and contract work for private development proposals.

Standard work efforts for new customer applications, new customer turn-ons, and computer model runs to provide information to new customers will be billed on a fixed fee as described in Attachment E. Other efforts for new customers will be provided on a time and material basis.

Water meter replacement to meet Wisconsin Public Service Commission testing/replacement requirements (PSC 185.76(6)) will be provided on a time and material basis as described in Attachment E.

The Consultant, in general, shall furnish construction inspection services for all water main projects on a time and material basis in accordance with Attachment E.

The Consultant shall perform design reviews of new water main or service lateral construction. The first hour of review time is included in the monthly base fee. Time above this will be on a time and material basis.

The City and Consultant shall agree, prior to and in writing, on the scope of any other additional services to be provided on a time and material basis under this contract.

Attachment B

TERMS AND CONDITIONS

1. TERM OF SERVICE

Services by the CONSULTANT under this Agreement shall commence on September 1, 2022, and continue for a period of five (5) years. Contract will automatically renew unless terminated by the other party or is otherwise replaced by a replacement contract negotiated by the parties.

2. COMPENSATION

The CITY shall pay the CONSULTANT as compensation ("Base Compensation") for the services performed pursuant to this Agreement, the sum of \$28,300 per month. The CONSULTANT will provide a monthly invoice to the CITY to process payment and may include time and material billing for the previous month. Payment shall be made by the City within twenty business days of receipt of the invoice.

3. CONDITIONS OF PERFORMANCE AND COMPENSATION

The CONSULTANT agrees that the performance of the CONSULTANT'S work, services and the results therefrom, pursuant to the terms, conditions and agreements of the Contract, shall be in substantial conformity with the intention of the parties as set forth in the Scope of Services.

The CITY agrees to pay, subject to the contingencies herein, and the CONSULTANT agrees to accept for the satisfactory performance of the services under this Agreement, the amount of compensation set forth in No. 2 above, inclusive of all expenses, it being expressly understood and agreed that in no event will the total compensation to be paid hereunder exceed said maximum sum for all of the services required. Prior agreement is required for additional compensation on a Time and Materials basis.

The City understands that the CONSULTANT will subcontract work for maintenance of the system such as underground repairs, laboratory testing, and maintenance of wells, pumps, buildings, electrical, instrumentation, hydrants, valves, meter testing and repair, and water supply pits, however the CONSULTANT shall not subcontract for the performance of any services required by this Agreement without prior approval obtained from the CITY.

4. TERMINATION

If, through any cause, either party shall fail to fulfill in timely and proper manner their obligations under this Contract, or if either party shall violate any of the covenants, agreements or stipulations of this Agreement the non-defaulting party shall thereupon have the right to terminate this Agreement by giving written notice to the other party of such termination and specifying the effective date thereof, at least ninety (90) days before the effective date of such termination. In such event, all finished and unfinished documents, data, studies, reports, or other materials related to the services prepared by the CONSULTANT under this Agreement shall, at the option of the CITY, become the property of the CITY.

Notwithstanding the above, the CONSULTANT shall not be relieved of liability to the CITY for damages sustained by the CITY by virtue of any breach of the Agreement by the CONSULTANT, and the CITY may withhold any payments to the CONSULTANT for the purpose of set off until such time as the exact amount of damages due to the CITY from the CONSULTANT is determined.

Either party may terminate this Agreement at any time for any reason by giving at least a six (6) month notice in writing to the other party. If the CONSULTANT is terminated by the CITY as provided herein, the CONSULTANT shall be paid for all services performed pursuant to this Agreement to the date of termination.

5. PERSONNEL AND SUBCONTRACTING

The CONSULTANT represents that they have or will secure at its own expense all personnel required in performing the service under this Contract. Such personnel shall be employees of the CONSULTANT and are not employees of the CITY for any purpose whatsoever.

None of the work or services covered by this Agreement shall be subcontracted without the prior approval of the CITY. If any work or services is subcontracted, it shall be specified by written agreement and shall be subject to all provision of this Agreement. The CONSULTANT shall be as fully responsible to the CITY for the acts and omissions of their subconsultant and of persons either directly or indirectly employed by them, as they are for the acts and omissions of persons directly employed by them.

6. INDEMNIFICATION

The CONSULTANT hereby indemnifies and shall defend and hold harmless the CITY, its elected and appointed officials, officers, employees or authorized representatives or volunteers, from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, costs and expenses of whatsoever kind of character whether arising before, during or after completion of the work hereunder and in any manner directly or indirectly caused or contributed to in whole or in part (or claimed to be caused or contributed to in whole or in part), by reason of any act, omission, fault, or negligence, whether active or passive of the CONSULTANT, or of anyone acting under its direction or control or on its behalf in connection with the performance of this Agreement, regardless if liability without fault is sought to be imposed on the CITY. The CONSULTANT'S indemnity and hold harmless agreement does not apply to any liability caused by the sole negligence or willful misconduct of the CITY, its elected and appointed officials, officers, employees or authorized representatives or volunteers. This indemnity provision shall survive the termination or expiration of this Agreement.

The CONSULTANT shall reimburse the CITY, its elected and appointed officials, officers, employees or authorized representatives or volunteers for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. The CONSULTANT'S obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the CITY, its elected and appointed officials, officers, employees or authorized representatives or volunteers.

7. RELATIONSHIP

The relationship of the CONSULTANT to the CITY is that of independent consultant and not one of employment. None of the employees or agents of the CONSULTANT shall be considered employees of the CITY. However, the CITY retains the overall and final operational, management and financial decision-making authority over the Water Utility.

8. LIABILITY AND GOVERNMENTAL IMMUNITY

It is the intention of the parties that the CONSULTANT shall be an agent of the CITY while performing services within the scope of this Agreement for the purposes of liability to persons not party to this agreement pursuant to the doctrine of governmental immunity under the common law and Section 893.80 of the Wisconsin Statutes. It is the intent of the parties that those provisions of governmental immunity law shall be applicable to the CONSULTANT with respect to any claims, actions or suits, and the parties agree that nothing contained herein shall waive the rights and defenses to which each party may otherwise be entitled, including all of the immunities, limitations, and defenses under Section 893.80 of the Wisconsin Statutes (2001-2002) or any amendments thereof.

9. NONDISCRIMINATION

The CONSULTANT shall not engage in unlawful discrimination in employment.

10. FORCE MAJEURE

A Party's performance of any obligation under this Agreement, other than an obligation to pay money, shall be excused if, and to the extent that, the party is unable to perform because of events of force majeure, which shall include but shall not be limited to, storms, floods, and other Acts of God, the acts of civil or military authority, quarantine restrictions, riots, strikes, lockouts or other labor disputes, commercial impossibility, epidemics, fires, explosions and bombings, the inability to obtain or delays in obtaining permits or other private or governmental approvals, or because of any other cause or causes beyond the reasonable control of the party seeking to be excused from performance, so long as the condition giving rise to the excuse to performance was not caused by the failure to act with due diligence by the party unable to perform shall be required to resume performance of its obligations under this Agreement upon the termination of the event or cause which excused performance hereunder.

11. ENTIRE AGREEMENT: AMENDMENTS

This Agreement contains the entire agreement between the CITY and the CONSULTANT and supersedes all prior or contemporaneous communications, representations, understandings, or agreements. This Agreement may be modified only by a written amendment signed by both parties.

12. HEADINGS, ATTACHMENTS AND EXHIBITS

The headings contained in this Agreement are for reference only and shall not in any way affect the meaning or interpretation of this Agreement. The Attachments and Exhibits to this Agreement shall be construed as an integral part of this Agreement.

13. WAIVER

The failure on the part of either party to enforce its rights as to any provision of this Agreement shall not be construed as a waiver of its rights to enforce such provisions in the future.

14. ASSIGNMENT

This Agreement shall not be assigned by either party without the prior written consent of the other unless such assignment shall be to a wholly owned subsidiary or successor of either party.

15. AUTHORITY TO CONTRACT

Each party warrants and represents that it has power and authority to enter into this Agreement.

16. GOVERNING LAW

The Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin.

17. NOTICES

All notices will be in writing and will be delivered in person or transmitted by certified mail, return receipt requested. Notices required, to be given to the CONSULTANT will be addressed to:

Thomas Nennig
City Water LLC
N70W15299 Terrace Dr
Menomonee Falls, WI 53051

Notices required to be given to the CITY will be addressed to:

City Administrator
City of Mequon
11333 N. Cedarburg Rd.
Mequon, WI 53092

Changes in addresses shall be transmitted to the other party by like notice. Addresses must include a street address.

18. SEVERABILITY

Should any part of this Agreement for any reason be declared invalid or void, such declaration will not affect the remaining portion, which will remain in full force and effect as if this Agreement had been executed with the invalid portion eliminated.

Attachment C

Insurance Requirements

1. General

Unless otherwise specified in this Agreement, the CONSULTANT shall, at its sole expense, maintain in effect at all times during the term of the Agreement, insurance coverage with limits not less than those set forth below with insurers and under forms of policies set forth below.

2. Worker's Compensation and Employers Liability Insurance

The CONSULTANT shall cover or insure under the applicable labor laws relating to worker's compensation insurance, all of their employees in accordance with the law in the State of Wisconsin. The CONSULTANT shall provide statutory coverage for work related injuries and employer's liability insurance with limits of \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee.

3. Commercial General Liability and Automobile Liability Insurance

The CONSULTANT shall provide and maintain the following commercial general liability and automobile liability insurance:

Coverage – Coverage for commercial general liability and automobile liability insurance shall be at least as broad as the following:

- A. Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001)
- B. Insurance Services Office (ISO) Business Auto Coverage (Form CA 0001), covering Symbol 1 (any vehicle)

Limits – The CONSULTANT shall maintain limits no less than the following:

- A. General Liability – One million dollars (\$1,000,000) per occurrence (\$1,000,000 general aggregate if applicable) for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to the CITY or the general aggregate including product-completed operations aggregate limit) shall be twice the required occurrence limit.
- B. Automobile Liability – One million dollars (\$1,000,000) for bodily injury and property damage per occurrence limit covering all vehicles to be used in relationship to the Agreement.

- C. Professional Liability – One million dollars (\$1,000,000) per claim and annual aggregate.

Required Provisions – The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

- A. The City of Mequon, its elected and appointed officials, officers, employees or authorized representatives or volunteers are to be given additional insured status (via ISO endorsement CG 2010, CG 2033, or insurer's equivalent for general liability coverage) as respects: liability arising out of activities performed by or on behalf of the CONSULTANT; products and completed operations of the CONSULTANT; premises occupied or used by the CONSULTANT; and vehicles owned, leased, hired or borrowed by the CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to the CITY, its elected and appointed officials, officers, employees or authorized representatives or volunteers.
- B. For any claims related to this Agreement, the CONSULTANT'S insurance shall be primary insurance as respects the CITY, its elected and appointed officials, officers, employees or authorized representatives or volunteers. Any insurance, self-insurance, or other coverage maintained by the CITY, its elected and appointed officials, officers, employees, or authorized representatives or volunteers shall not contribute to it.
- C. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the CITY, its elected and appointed officials, officers, employees or authorized representatives or volunteers.
- D. The CONSULTANT'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- E. Each insurance policy required by this agreement shall state, or be endorsed to state, that coverage shall not be canceled by the insurance carrier or the CONSULTANT, except after sixty (60 days) (10 days for non-payment of premium) prior written notice by U.S. mail has been given to the CITY.
- F. Such liability insurance shall indemnify the CITY against loss from liability imposed by law upon, or assumed under contract by, the CONSULTANT for damages on account of such bodily injury (including death), property damage, personal injury, completed operations, and products liability.
- G. The general liability policy shall cover bodily injury and property damage liability, owned and non-owned equipment, blanket contractual liability, completed operations liability, explosion, collapse, underground excavation, and removal of lateral support, and shall not contain an exclusion for what is commonly referred to by the insurers as the "XCU" hazards. The automobile liability policy shall cover all owned, non-owned, and hired vehicles. All of the insurance shall be provided on policy forms and through companies satisfactory to the CITY and shall have a minimum A.M. Best's rating of A-VII.

4. Deductibles and Self-Insured Retentions

Any deductible or self-insured retention must be declared to and approved by the CITY. At the option of the CITY the insurer shall either reduce or eliminate such deductibles or self-insured retentions.

5. Evidences of Insurance

Prior to execution of the agreement, the CONSULTANT shall file with the CITY a certificate of insurance (Acord Form 25-S or equivalent) signed by the insurer's representative evidencing coverage that is satisfactory to the City and its insurance carrier. Such evidence shall include an additional insured endorsement signed by the insurer's representative. Such evidence shall also include confirmation that coverage includes or has been modified to include all required provisions listed in paragraph 3 above unless waived by the CITY.

6. Sub-Contractors

In the event that the CONSULTANT employs other contractors (sub-contractors) as part of the work covered by this agreement, it shall be the CONSULTANT'S responsibility to require and confirm that each sub-contractor meets the minimum insurance requirements specified above.

Attachment D**Certificate of Corporation****City Water, LLC**

(type or print name of Corporation)

I, Thomas Nennig certify that I am the President of the above
 (Print Name) (Print Title)
 corporation named herein; that Thomas Nennig, who has executed
 (Print Signator of Contract)
 this Agreement on behalf of the CONSULTANT was then President
 (Official Capacity of Signator)
 of said corporation, and in said capacity, duly signed said Contract for and on behalf of said
 corporation, being duly authorized so to do under its bylaws or is authorized so to do by
 action of its duly constituted board, all within the scope of its corporate powers.

Dated at City of Mequon this 29th day of July, 2022
 (Location)

Thomas Nennig
 (Signature)

Attachment E**2022 Hourly Rate Schedule**

<u>CLASSIFICATION</u>	<u>HOURLY RATE</u>
Principal	\$180.00
Principal Engineer	150.00
Senior Engineer	130.00
Construction Manager	115.00
Operations Manager	115.00
Office Manager	105.00
Project Engineer	100.00
Graduate Engineer	90.00
Billing Supervisor	85.00
Technician/Inspector	85.00
Water Operator	75.00

Fixed Fee Schedule

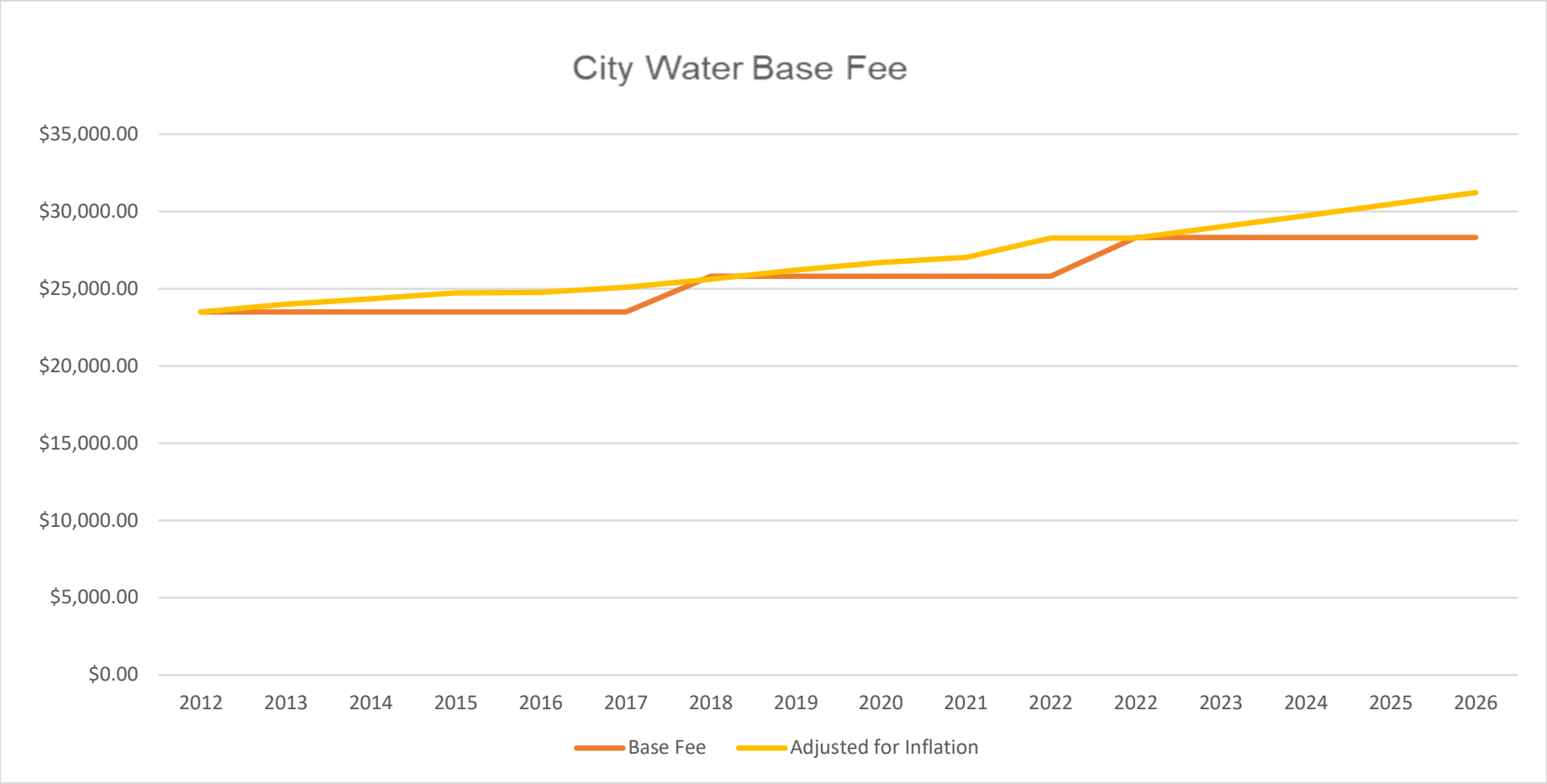
<u>Item</u>	<u>Fee</u>
New Residential Service Application	\$150.00
New Residential Customer Turn-on	210.00
New Commercial Service Application	450.00
New Commercial Turn-on	310.00
New Commercial, Fire Flow Computer Model Run	110.00
PSC required water meter scheduling & replacement	120.00
Off Main Residential <1000 ft – Design	4,500.00

Direct Project Expenses

Out-of-Pocket expenses such as stakes, field supplies, etc.

Mileage

Note: This schedule is subject to annual adjustment.



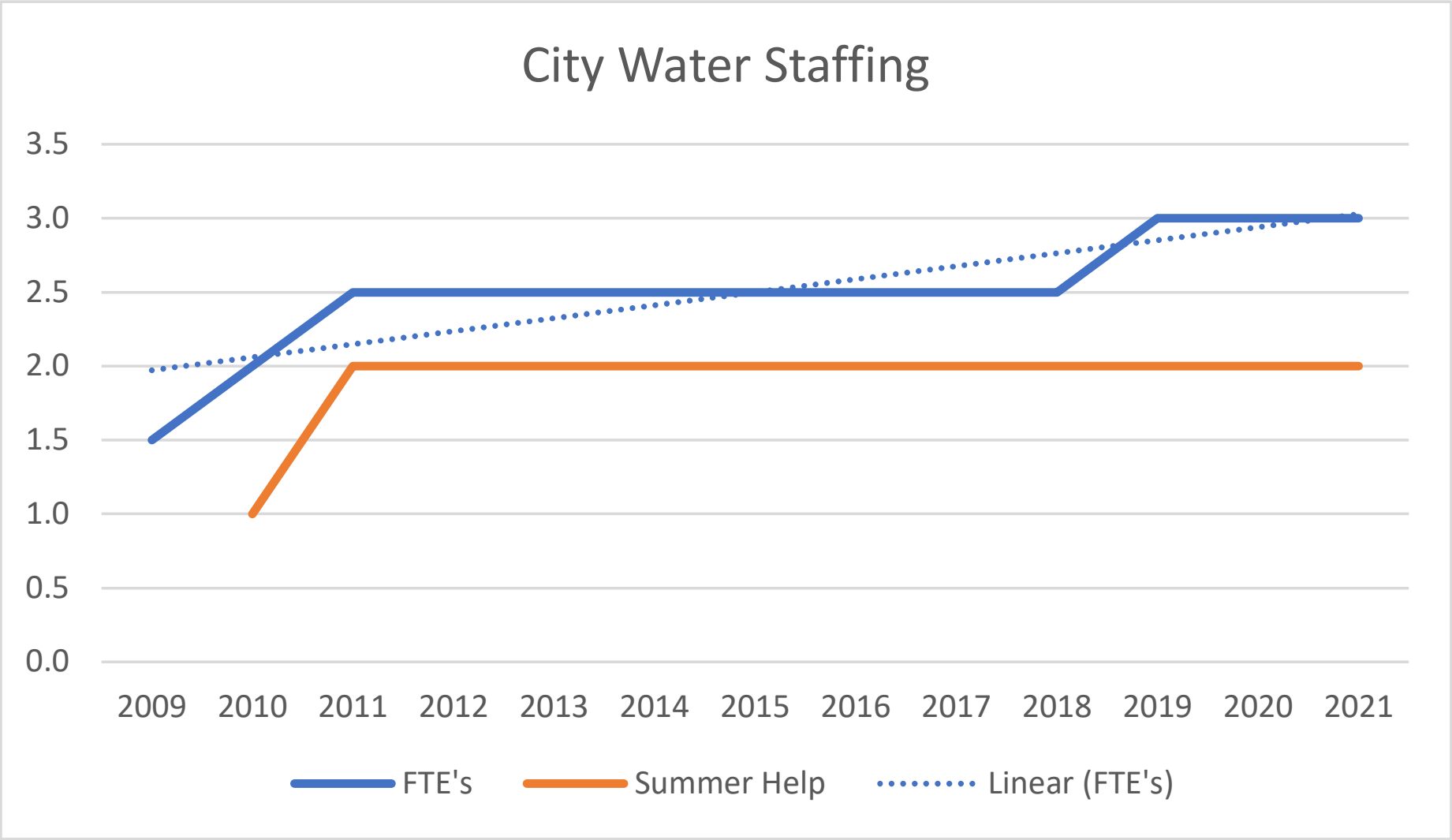
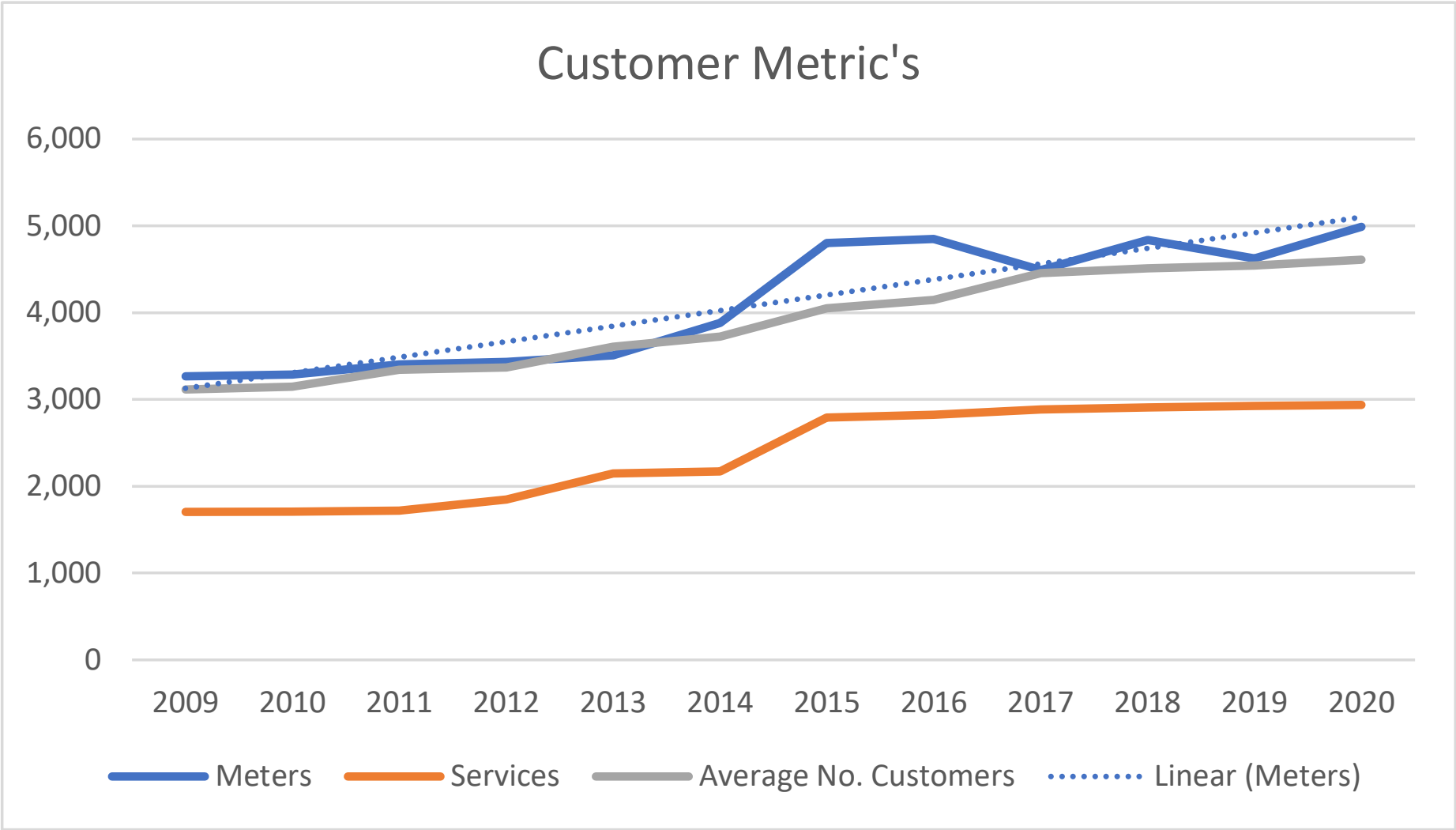
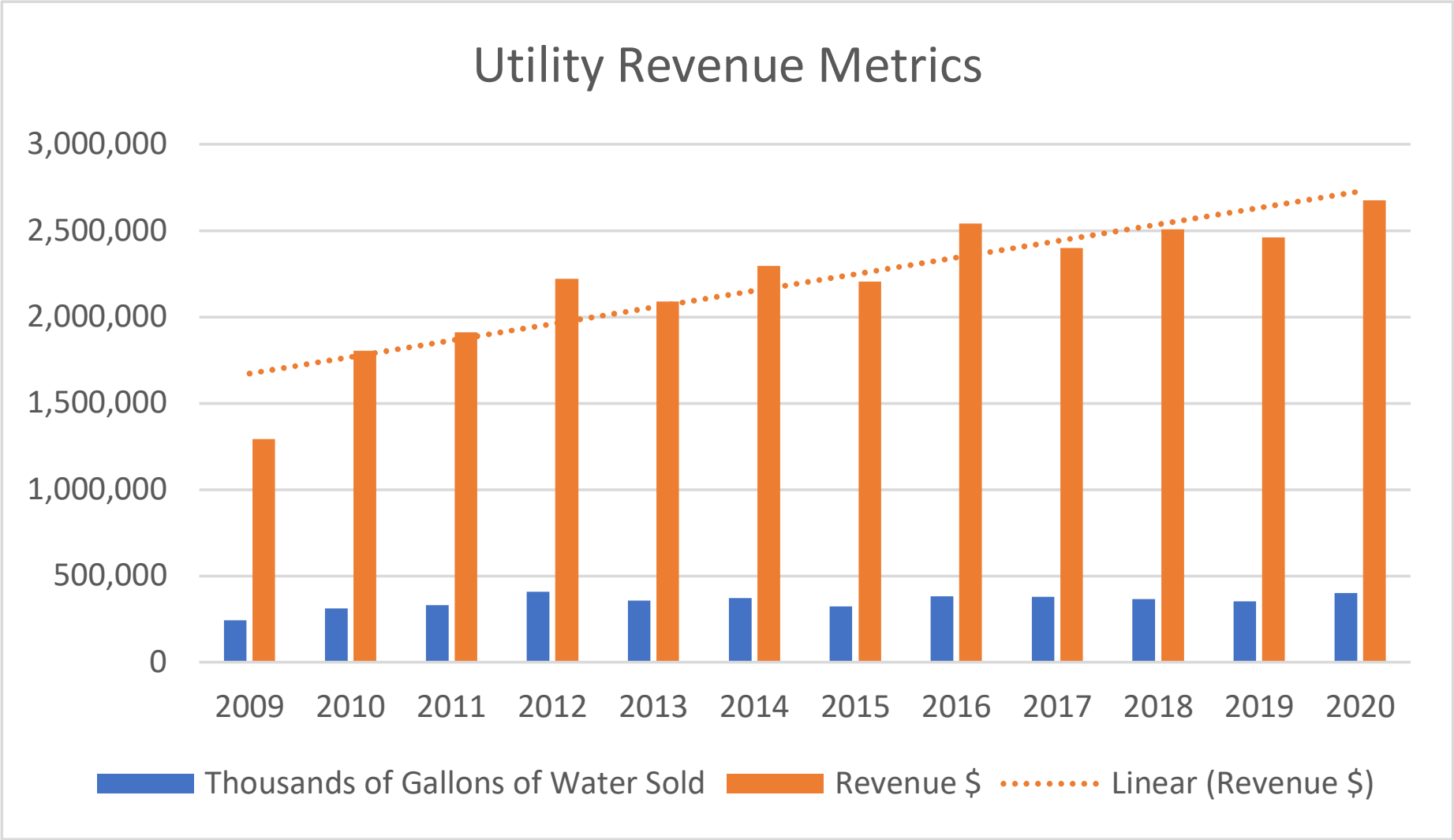


Exhibit B2







11333 N. Cedarburg Road
 Mequon, WI 53092-1930
 Phone: 262-236-8150
 Fax: 262-242-9655

www.ci.mequon.wi.us

Office of Engineering

TO: Mequon Municipal Water Utility Commission
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: August 10, 2022
SUBJECT: Water Master Plan Update Scope of Services

Background

Mequon Water Utility staff completed a Master Plan in 2017. A copy of that document can be accessed on the City's website here:

https://www.ci.mequon.wi.us/sites/default/files/fileattachments/sewer_amp_water_utilities/page/25867/mwu_master_plan.pdf.

To ensure timely evaluation of implemented recommendations, to assess growth, and to generally modernize the plan, it is recommended that the plan be updated every five years.

Analysis

As shown in the attached document, the Mequon Water Utility Master Plan Update scope of services includes seven tasks and contemplates additional analysis should the Water Utility Commission approve service to the Village of River Hills before the report is complete. The tasks as detailed in the attached scope consist of:

- Task 1. Customer Assessment
- Task 1a. Customer Assessment: Village of River Hills (if authorized)
- Task 2. Water Demand
- Task 3. Water Supply
- Task 4. Distribution System Assessment
- Task 5. Utility Financial Performance
- Task 6. Key Principles
- Task 7. Implementation Plan

The City of Mequon Financial Policies require that expenditures exceeding \$5,000 be based upon a minimum of three quotes. Therefore staff prepared the scope of services to be issued publicly for multiple firms to response. However, staff recommends that the scope be issued directly to City Water LLC, as the City's operation and maintenance staff for the Mequon Water Utility. While other firms could provide an evaluation of the utility infrastructure and make recommendations, Staff is concerned that other firms may view it as an opportunity to go beyond what the Mequon Water Utility historically values as best practices. The Mequon Water Utility is unique in that growth is not the primary objective. Providing a healthy source of water is the foundation on which the referendum establishing the utility was founded, and

since the time the water utility was owned by We Energies, City Water LLC staff was present. Institutional knowledge not only of the infrastructure itself, but the purchased water contract negotiations, history of evaluation of expansion and both initial policy establishment and modernization are at the core of the services provided.

If the Water Utility Commission requests that the scope of services be publicly advertised, no modifications to the document are required to accommodate the process.

Fiscal Impact

The FY2022 budget did not include funding for a master plan update. As the FY2023 budget is generated, staff recommends issuing the scope to gather pricing to include in next year's budget. Depending on the pricing received, there may be an opportunity to start the project before the end of the year.

Recommendation

Staff recommends that the Water Utility Commission review the attached scope of services for the Mequon Water Utility Master Plan Update. Staff will incorporate recommended modifications to the scope and subsequently issue for proposals.

Staff is also requesting permission to issue the scope only to City Water LLC, as outlined above. The scope is written such that it can be issued to a larger group of consultants, should the Water Utility Commission not approve the request, without any impact on the timeline.

Attachments:

Master Plan Update - Scope of Services (PDF)

MEQUON WATER UTILITY MASTER PLAN UPDATE

August 2022



REQUEST FOR PROPOSALS

1. Summary and Background

i In August 2017, the Mequon Water Utility completed its first Master Plan ([Link to Master Plan](#)). At five years, the plan is due for a review and update.

The Mequon Water Utility (MWU) is seeking qualification and costs proposals for a review of the existing Master Plan and generation of an update incorporating completed infrastructure improvements, anticipating capital projects and projecting future needs for the system.

Firms may want to research information regarding the MWU and access historic reports, as well as regulatory documents. The best resource for the majority of this information is the Utility's website ([Link to Utility website](#)).

Staff will not correspond individually with potential firms in order to ensure the integrity of the process and allow for equitable information sharing ahead of the proposal deadline. Any questions regarding this RFP should be directed to klundeen@ci.mequon.wi.us no later than Friday, September 9th. MWU staff will summarize the list of questions and applicable answers/information and post the answers for the benefit of all proposers no later than Friday, September 16th. Routine answers may be distributed to all interested proposers prior to the deadline and will be posted on the City's website.

2. Project Scope

i The Mequon Water Utility reserves the right to modify and waive any and all informalities or technicalities, or to reject any and all proposals and/or parts thereof, and to accept that proposal which it deems most favorable for the Utility.

All proposals must include proposed costs to complete the tasks described in the project scope.

Task 1 – Customer Assessment

Utilizing information provided by the City's Finance Department and annual PSC reports, create a table or database with a breakdown of the number, type, and municipality of existing customers. Provide various graphs, charts or tables to show the history of the customer base from the time of purchase in 1998 to date, including an overall analysis based upon total residential equivalent users.

For the existing customer base, provide an additional table or chart demonstrating the number of connections, by year, from 1998 to date, with a breakdown of properties developed pre- or post-November 16, 1998. The table or chart should include the percentage of connections in each category by year, as well as total for the history of the utility. The breakdown shall be provided in accordance with the following:

Water service provided to undeveloped or unimproved properties (existing as of November 16, 1998). In counting the number of service connections to undeveloped or unimproved properties, a standard residential size connection shall count as one (1), and larger size connections shall be converted to the standard residential equivalent and be counted accordingly. (Example: 3" pipe has four (4) times the capacity of one

and one-half inch (1.5") pipe (based on cross-sectional area), therefore a three (3") connection would count for four residential equivalents).

Based upon the analysis of the existing customer base, use the Water Connection Policy and specifically the Water User Service Area* and the City's Zoning Map to project the total number of customers including a breakdown by type.

**Please note that the Village of River Hills has an active request before the Mequon Water Utility for expansion of the Water User Service Area to include service to a residential development and the University School of Milwaukee. Should the Water Utility Commission approve the expansion, the projected total number of customers should be updated to include River Hills. To the extent that will impact the level of effort associated with Task 1, the proposal should include pricing for Task 1a for the increase in cost. If the expansion is not approved or if the timing of the approval reaches beyond the project timeline, Task 1a will not be authorized for payment.*

Task 2 – Water Demand

Summarize and analyze the average day water consumption for the Utility overall, as well as by residential equivalent unit, for the past five full years (2016-2021). For the same time period, calculate the ratio of average and maximum day consumption.

Based upon the existing customer assessment completed in Task 1, create a table or database of the existing quarterly average customer water use by type of customer. Utilize a 3-year history of quarterly billing to populate the table or database. This information will be utilized during budget to predict purchased water estimates.

Using the customer projections of Task 1 and the calculated water consumption from Task 2, generate a chart or table of the existing and projected water consumption at five year intervals from 2015-2040 for average day, maximum day and peak hour.

Task 3 – Water Supply

Review and analyze the current water supply, identify potential water supply sources and perform a cost/benefit analysis of operating a new water treatment plant. Analysis of the current water supply should include a chart or table of the average day and maximum day water demand by supplier, as well as contractual limits, as applicable.

Task 4 – Distribution System Assessment

Review, summarize and assess the existing water utility distribution system. For the existing infrastructure, include an inventory chart or table including the size and type. Based upon that inventory, make recommendations for operation and maintenance, including a chart or table of recommended frequency. Assess whether the MWU is accomplishing the recommended maintenance schedule or identify what would be required to achieve the schedule. Include a summary and analysis of the existing pressure zones and hydraulic model, including any recommendations for modification. Analyze whether the distribution system meets regulatory requirements and identify modifications required to achieve any deficiencies. Review the Master Plan from 2017 and identify which of the recommendations have been completed.

Task 5 – Utility Financial Performance

Summarize and analyze the existing methods of measuring water use, distributing costs to the rate payers and invoicing rate payers. Identify any deficiencies or opportunities for improvement. Evaluate the Utility's financial performance. For 2009-2021, include a chart or table summarizing the Utility's bond obligation, annual water sales revenue and water utility rate of return. Based upon the data, identify any deficiencies or opportunities for improvement.

Task 6 – Key Principles

The Mequon Water Utility was purchased from We Energies and established to address public health concerns for Mequon residents. Identify the key principles that were established by the Water Advisory Commission and assess whether the current state of the Utility meets those principles. Identify how these principles are incorporated into either

City ordinances or guiding documents such as the tariff or Water Connection Policy. Identify any deficiencies or opportunities to incorporate the principles into regulatory documents.

Task 7 – Implementation Plan

While the Master Plan is intended to provide an assessment of the current state of the Utility and analyze the demands on the system to prepare for potential growth, the implementation plan would include the recommendations of how to address those items. The implementation plan shall include recommendations based upon the analysis from Tasks 1-4 and could range from a prioritized list of capital projects to financial and policy tasks that should be addressed. Please also include a long-term schedule for implementation.

3. Proposal Guidelines

i *Proposals must be received by Friday, September 16th at 3:30pm. Both hard copy and emailed proposals will be accepted.*

This Request for Proposal represents the requirements for an open and competitive process. Proposals will be accepted until 3:30pm on Friday, September 16th. Any proposals received after this date and time will be returned to the sender. All proposals must be signed by an official agent or representative of the company submitting the proposal.

If the organization submitting a proposal must outsource or contract any work to meet the requirements contained herein, this must be clearly stated in the proposal. Additionally, all costs included in proposals must be all-inclusive to include any outsourced or contracted work. Any proposals which call for outsourcing or contracting work must include a name and description of the organizations being contracted.

All costs must be itemized to include an explanation of all fees and costs.

Contract terms and conditions will be negotiated upon selection of the winning bidder for this RFP. All contractual terms and conditions will be subject to review by the City Attorney and will include scope, budget, schedule, and other necessary items pertaining to the project.

Sealed proposals will be received by:

Kristen Lundeen – Director of Public Works/City Engineer
City of Mequon
10800 N. Industrial Drive
Mequon, WI 53092
klundeen@ci.mequon.wi.us*

*Email confirmation is required in order for the submittal to be valid; if you have not received a confirmation within 24 hours of submittal, it is your responsibility to make direct contact to confirm receipt

4. Project Timeline

i *The Mequon Water Utility is generating the fiscal year budget for 2023, which begins January 1. The intent of issuing the RFP at this time is to properly budget for the effort. Depending on the pricing of the proposals received, the Mequon Water Utility reserves the right to begin the process in 2022 utilizing available capital funding. Otherwise, the project will begin after January 1, 2023.*

Evaluation of proposals will be conducted starting Thursday, September 1st. If additional information or discussions are needed with any bidders during this window, the bidder(s) will be notified.

Upon notification, the contract negotiation with the winning bidder will begin immediately. Notifications to bidders who were not selected will be completed upon City acceptance of a contract.

Time is of the essence. Completion of project is to occur no later than June 1, 2023, but consideration of an accelerated schedule is appreciated, and should be noted in the response. Please incorporate project milestones and the Water Utility Commission meeting schedule within the proposal.

5. Bidder's Qualifications

i Firm's submitting proposals shall present the firm's qualifications and understanding of the work to be performed. Relevant project listings shall be restricted to similar water utility master planning related projects. Staff biographies are not required, but if included shall be restricted to staff biographies who will directly work on the project.

Prospective bidders are required to meet all qualifications and specifications of this Request For Proposals in order to be considered for award. If a firm does not clearly demonstrate and provide documentation substantiating that they are compliant with the qualifications and specifications of this Request For Proposal, they may be disqualified.

All prospective bidders are to make written proposals that present the firm's qualifications and understanding of the work to be performed. Failure to include any of the requested information may be cause for proposal to be considered non-responsive and rejected.

APPROVAL AND AUTHORITY TO PROCEED

Based upon the scope of services outlined, please provide a breakdown of the proposal cost in the following format:

Task	Proposal Cost
1 – Customer Assessment	
1a – Customer Assessment: Village of River Hills (if authorized)	
2 – Water Demand	
3 – Water Supply	
4 – Distribution System Assessment	
5 – Utility Financial Performance	
6 – Key Principles	
7 – Implementation Plan	