



City of **Burnsville**

City of Burnsville
Minnesota

100 Civic Center Parkway
Burnsville, Minnesota 55337

Request for Proposals

Utility Rate Study Water & Sanitary Sewer Services

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INTRODUCTION

The City of Burnsville (“City”) is requesting proposals from qualified vendors to prepare a rate study for its water and sanitary sewer utility enterprise and for its stormwater utility enterprise.

Inquiries about the engagement or the request for proposal should be addressed to:

Jennifer Rhode, Assistant Finance Director

There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, qualified firms must submit an electronic copy and five (5) hard copies of their proposal to Jennifer Rhode, at the City offices located at 100 Civic Center Parkway, Burnsville, MN **by 4:30 p.m. on December 13, 2019**. The City reserves the right to reject any or all proposals submitted.

The City reserves the right, where it may serve the City’s best interest, to request additional information or clarification from proposers or to allow corrections of errors or omissions. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process. The City reserves the right to retain all proposals submitted and to use any concepts and ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the proposing firm of the conditions contained in this request for proposal, unless clearly and specifically noted in the proposal submitted and confirmed in the written contract between the City and the firm selected.

Tentative Project Schedule:

- November 8, 2019 – Request for Proposals released
- November 27, 2019 – Question submittal deadline
- December 13, 2019 – Proposal submittal deadline
- January 8 & 9, 2019 – Finalist Presentations
- January 21, 2020 – City Council Approval of Selected Firm
- January 27 – April 27, 2020 – Draft utility rate study developed
- May 1, 2020 – Draft study submitted
- May 12, 2020 – Study reviewed at City Council work session
- **May 29, 2020 – Draft final report due**
- June 9, 2020 – Final study reviewed at City Council work session (if needed)
- **June 26, 2020 – Final report due**
- December, 2020 – New rates approved by the City Council

BACKGROUND

The City of Burnsville is located in Dakota County about 15 miles south of downtown Minneapolis, Minnesota. The City encompasses an area of approximately 27 square miles. Burnsville is fully built out and has an estimated population of 61,500.

The City of Burnsville is a Statutory B city under Minnesota law. The governing body consists of a mayor and four council members who are elected at large on a nonpartisan basis.

The Mayor and Council appoint a full-time City Manager, who is responsible for overall supervision of City operations. The City is broken down into six major areas of operation, with a full-time department head over each.

Major areas of operation include Fire, Police, Public Works & Natural Resources, Parks, Facilities & Recreation, Community Development, and Administration.

The City of Burnsville's adopted budget for 2019 is \$106 million. The 2019 Water and Sewer and Stormwater Finance Plans are included in the appendix. The Comprehensive Annual Financial Report and Annual Budget can be found on the City's website at www.burnsvillemn.gov/budget.

The City currently uses Billtrust for utility bill print, mailing, electronic bills, and payment processing and Tyler New World as its utility billing and finance software platform.

The City operates a combined groundwater/surface water plant, has approximately 285 miles of water mains, 17 groundwater wells, a surface water intake, three above ground water tanks and one underground reservoir, and approximately 2,540 fire hydrants. The City supplies a large percentage of drinking water to the City of Savage, its neighbor city to the west. Largely because of the surface water intake the City operates, groundwater levels in the City's groundwater influence area have risen in recent years. Even with this positive trend in groundwater recharge, the City remains committed to protecting the aquifers and meeting the consumption goals set forth by the MNDNR. Water conservation remains a priority to the City of Burnsville.

The City has approximately 210 miles of sewer mains and 14 sanitary sewer lift stations. All sewage effluent is routed to Metropolitan Council Environmental Services (MCES) interceptor pipes and flows to the Seneca Treatment plant in Eagan.

The City has approximately 210 miles of storm drainage pipes and eight stormwater lift stations. Stormwater is routed through 300 ponds and wetlands and is discharged into 10 lakes and much of the city's drainage area ultimately flows to the Minnesota River.

2018 Summary of Water and Sewer Utility; Stormwater Utility Accounts:

	Water	Sewer	Storm Water
Residential	14,825	14,635	14,641
Commercial/Apartments	1,372	1,283	949

- All accounts are billed monthly.

2018 Water/Sewer and Stormwater Consumption and Revenue:

	Water Consumption	Water Revenues	Sewer Consumption	Sewer Revenues	Stormwater Revenues
Residential	861,066	\$2,906,373	674,614	\$2,630,226	\$1,184,252
Commercial/Apts	1,184,379	\$3,484,606	894,724	\$3,214,514	\$3,086,932
Total	2,045,445	\$6,390,979	1,569,338	\$5,844,740	\$4,271,184

Notes:

- See attached Appendix A for a complete list of utility fees, rates and charges.
- Water and Sewer Consumption is listed in thousands of gallons.
- Water and Sewer Revenues represent actual billings from January 2018 to December 2018.
- In addition to the water and sewer revenues based on consumption listed above, base fees that total \$1,932,257 was also collected in 2018. The base consists of \$6.00 per month per service (\$2.00 for each water, metro sewer, and city sewer service).

Additional utility billing information can be found on the City of Burnsville’s website: <http://www.burnsvillemn.gov/71/Utility-Billing>

SCOPE OF SERVICES REQUESTED

This section describes the anticipated scope of services for the completion of the water & sanitary sewer and stormwater user rate analysis, including content, communication and products.

The following issues must be included and addressed:

1. **Request and review background information** – The Consultant shall gather information on revenue, expenses, users by classification, present and future system utilization, past and projected debt service cost, capital improvement costs, operations and maintenance costs, and other data needed to review and develop rates

and charges for utilities. The City has begun compiling anticipated data requests for this effort.

2. **Literature search and best practices evaluation**—The Consultant shall perform a literature search/best practices evaluation for the following:
 - a. For Water Usage - The City currently has a multi-tiered rate structure for water that is intended to discourage higher uses by selling water to higher users at a higher rate. The City also, anecdotally, has a lower than average base rate. The Consultant shall investigate the City's base and usage rates of other Minnesota cities whose population and utility systems are similar to Burnsville and evaluate the relationship of cost and demand, equity, base fixed costs, and usage costs. The City has a list of Market Cities which shall, at least partially, be utilized as a basis for comparison of utility providers. A rate structure that provides an appropriate balance between stability of base costs while still maintaining a high level of ground water conservation and equity is desired.
 - b. Provide a comparison of the City's sanitary rates to other Minnesota cities whose population and utility systems are similar to Burnsville.
 - c. Provide a comparison of the City's Stormwater Utility rates to other Minnesota cities whose population and utility systems are similar to Burnsville. Determine how Burnsville compares with these other cities as it relates to the percentage of revenue generated from residential properties versus non-residential properties.
 - d. Provide a comparison of the City's Sewer Availability Charge ("SAC"), Water Availability Charge ("WAC"), and stormwater area charges collected with new or redevelopment to other Minnesota cities whose population and utility systems are similar to Burnsville.
 - e. Provide a comparison of which other utility providers have separate water utility and sanitary utility (and potential separate MCES utility) to other Minnesota cities whose population and utility systems are similar to Burnsville. This data will be used to help determine if the City should split the current Sewer and Water Utility Enterprise into separate utility enterprises.
 - f. Complete any other research necessary to meet the objectives of the Utility Rate Study.
3. **Analyze existing rate structure** – Review current rates, budgets, capital improvement plans, operation and maintenance costs, revenue/expense projections, population growth estimates, and water consumption history to evaluate the need for rate adjustments to meet budget requirements. Assess the equity of the current rate structure including the current conservation rate elements, base rate adequacies, and recommend changes if necessary. Evaluate the current funding approach for

infrastructure replacement costs and confirm whether rates will pay for ongoing operations, capital improvements and provide for adequate cash balances.

4. **Develop updated rate structure options** – The goal is to provide sufficient revenue to each utility for current and future operations by modifying the existing rates as needed to fairly distribute the costs of service among the different users.
 - a. For water rates, this shall take into account the water conservation rate structure required by law and base costs that are independent of usage. The City desires to ensure sustainable groundwater and surface water resources and infrastructure. The Consultant shall provide a range of alternative rate structures along with an analysis and rationale for each included in the report for the City Council to evaluate and possibly select. The effect to reserves will be a critical element of this study. A rate structure that provides an appropriate balance between stability of base costs while still maintaining a high level of ground water conservation and equity is desired.
 - b. For sewer rates, a rate structure that provides an appropriate balance between stability of base costs while still providing equity is desired.
 - c. For stormwater rates, a rate structure that continues to provide the necessary funding of the City activities that allow the City to continue improving surface water quality while maintaining or providing a fair balance between residential and other land uses is desired.
5. **Reserve Amounts** — Based on the suggested rate structures from Section 4 above, develop a recommendation for an appropriate level of reserve amounts, including an analysis of the basis of the recommendation. The Consultant will develop, as part of the recommendation, a long-term replacement and renewal plan including annual reserve targets for the future.
6. **Separate Sewer and Water into Separate Enterprises** – Evaluate the potential splitting of the Sewer and Water Enterprise Fund into Separate funds. Another further option to consider is splitting the potential Sewer Enterprise into separate funds; one for City sewer operations and the other dedicated to paying MCEs fees. The City believes this concept may provide better transparency and understanding where trends in financing these operations are coming from.
7. **Provide City SAC, WAC, and Stormwater Area charge Recommendations** – Evaluate the City’s current SAC, WAC, and Stormwater Area charges and recommend keeping the existing rates or whether to modify those charges and a rationale for the recommendation.
8. **Excel Spreadsheet Model** – Create a model (Excel spreadsheet) that produces the information needed to perform this evaluation. Design the model so that it can be used by City staff for ongoing financial management of the Utility Systems.

COMMUNICATION/PROJECT MANAGEMENT

A Project Management Team (“PMT”) will provide overall direction and will review all products prior to their submittal and review by Staff and City Council. The PMT is anticipated to comprise representatives from the City’s Public Works and Administrative Services (Including the Finance Division) departments and the consultant. The City will identify its Project Manager who will be the primary contact for communications and coordination of activities with the Consultant. Ultimately the City Council will be the reviewing/approving authority for the final product.

It is anticipated the PMT will meet initially to kick off the project and discuss the anticipated project outcomes and schedule. The PMT will then meet as deemed necessary throughout the project to review interim products or to discuss project issues. The PMT may, at times, meet without the Consultant depending on the topic.

The Consultant will provide, at a minimum, biweekly updates, primarily through email, to update the PMT on project status, discuss issues and review schedules. The Consultant shall provide written agendas and meeting notes for meetings they are responsible for overseeing such as PMT meetings.

Beyond the PMT meetings and communication stated above, the Consultant shall be prepared to attend three City Council meetings and workshops to discuss the process and recommended actions.

PRODUCT/FINAL REPORT

All electronic and paper interim review documents, such as tables, graphs, charts, text, models and maps, through the adoption of the final report, shall be included in the scope of work as described above.

The final products of this project shall include a final bound report, including all supporting materials such as tables, charts, graphs, figures, and maps and the excel spreadsheet model. The City will require final copies of the plans to be available both in paper form as well as electronically in PDF format. The Consultant shall provide the City with four paper copies and one electronic copy (on a flash drive) of the final report and an electronic copy of the excel spreadsheet model.

The City’s wishes to have this analysis complete by June 26, 2020.

PROPOSAL REQUIREMENTS

Instructions to Proposers

All proposals should be sent and all questions and correspondence should be directed to:

City of Burnsville
Attn: Jennifer Rhode
100 Civic Center Parkway
Burnsville, MN 55337

Five copies of the proposal, and (1) digital copy for distribution, must be received no later than end of day **on Friday, December 13, 2019**. The copies shall be sealed and clearly identified with **“Utility Rate Study RFP”** by the submittal deadline. Proposals submitted after the deadline will not be considered.

The proposer shall designate one contact person who will be the only representative of the firm to which the city will respond. Please note that all questions pertaining to the RFP are to be emailed to jennifer.rhode@burnsvillemn.gov. An answer will be formulated as soon as possible and sent to all RFP participants by email for clarification purposes. All questions shall be received by November 27, 2019. Responses from the City shall be provided by December 6, 2019. Questions received after November, 27 will not receive a response.

The proposal shall be printed on 8½ x 11-inch paper. Pages shall be consecutively numbered. The Consultant’s proposal must contain and clearly identify the following elements. For these items a maximum of 10 pages is allowed (front and back shall be considered two pages, front and back covers shall not be counted towards page limit). Proposers may provide supplemental information such as personnel resumes, past reports, and other information proposers may feel will be of interest to the evaluation team in an appendix, but the appendix shall not be what the proposal shall be evaluated upon.

A. Letter of Transmittal

Name of the firm, local address, e-mail address and telephone numbers of contact person during period of proposal evaluation and the date of your submittal.

B. Table of Contents

Include a clear identification of the material by section and page number.

C. Consultant Qualifications / Profile

Include qualifications of the firm as it relates to preparing public utility enterprise rate analysis, including previous experience with similar projects for cities or other units of government.

D. Key Personnel/Organizational Structure

The Consultant shall provide the names and qualifications of key personnel that will be assigned to this work and identify the lead client service contact that will be responsible for the management and administration of a contract with the City. The proposal shall identify key project personnel, their roles and responsibilities and the time available for each individual to work on this project.

E. Project Approach/Work Plan

A detailed explanation of the overall approach to be taken to complete the project along with a detailed work plan must be provided. The work plan must contain a description of each task to be performed, identify the interrelationships among the tasks, clearly identify major review and decision points and specify the deliverables and work products for each task. The work plan must address, at a minimum, all data required to be provided by the City and each of the items outlined under this document's Scope of Services section.

F. Project Schedule

The proposal must identify the major tasks and dates of accomplishment. The schedule must indicate tasks which the Consultant anticipates will be done by the City. Work on this project should be initiated within two weeks of the execution of the contract and diligently performed thereafter. The schedule will be monitored by the City to evaluate the Consultant's performance on the project. Any deviation from the milestones as proposed by the Consultant shall be approved by the City.

Once a Consultant is selected, a kickoff meeting will be held where, among other things, the schedule will be reviewed and adjusted as appropriate based on individual project tasks and input from the Consultant.

G. Fees

A detailed cost estimate for completing the project, broken down by task, personnel and hours must be provided. The proposal must indicate the total cost and itemize each task for the project. The proposal shall include hourly rates for specific professional services, including meeting and presentation costs. All work identified as optional in the Scope of Services shall be listed separately from required work. **A total cost not to be exceeded for all work is required by the proposal.**

The City has identified up to \$120,000 for this project, but will view proposals with a lesser cost positively.

H. Exceptions and Deviations

Any exceptions to the requirements in this RFP, including the language in the Contract Negotiations and Terms Section, must be included in the proposal submitted by the Proposer. Segregate such exceptions as a separate element of the proposal under the heading "Exceptions and Deviations."

I. References

For the key personnel, include a brief list of previous or current project contacts that are similar to this project that may be used as references to confirm that the key personnel are capable of performing this work.

SELECTION

Proposals that comply with the instructions set forth in this document will be evaluated by the City. Proposals will be evaluated on the following criteria:

- Understanding of the work to be completed.
- Quality of the approach presented in addressing the issues identified in this RFP.
- Experience in performing similar projects.
- Experience of individuals the Consultant will assign to this work.
- Proposed cost.
- The ability to perform the work within the specified time.
- Proposed schedule for completing the work.

The City reserves the right to accept or reject any or all proposals received, in whole or in part. At its discretion, the City may choose to waive immaterial deviations from the RFP instructions. If necessary, a short list of Consultants will be called for an interview. Selection of a Consultant is expected in January, 2020.

Appendix A
2019 Sewer & Water and Stormwater Fee Rates

Utility Fees & Charges

City of Burnsville 2019 Budget

(Utility rates billed on monthly utility bills go in effect for all billings processed after January 31, 2019)

ITEM - ACTIVITY	2019
WATER USAGE RATES-Monthly Charges	
Residential, Apartments, & Manufactured Homes <i>(Apartment & Manufactured Homes Base charge and consumption limits are multiplied by the # of units)</i>	
Base Charge - per meter	\$2.00
Tier 1 - up to 15,000 gallons per month	\$3.16/1,000 Gal
Tier 2 - Over 15,000 gallons up to 50,000 gallons	\$3.95/1,000 Gal
Tier 3 - Over 50,000 gallons	\$4.93/1,000 Gal
Commercial	
Base Charge - per meter	\$2.00
Tier 1 - up to 2 million gallons per month	\$3.16/1,000 Gal
Tier 2 - Over 2 million gallons up to 3 million gallons	\$3.95/1,000 Gal
Tier 3 - Over 3 million gallons per month	\$4.93/1,000 Gal
Irrigation <i>(Includes Commercial, Apartment, Manufactured Home, & Association Sprinkler/Irrigation Meters)</i>	
Base Charge per meter	\$2.00
Tier 1 - up to 75,000 gallons per month	\$3.16/1,000 Gal
Tier 2 - Over 75,000 gallons up to 500,000 gallons	\$3.95/1,000 Gal
Tier 3 - Over 500,000 gallons per month	\$4.93/1,000 Gal
Off-Peak Seasonal Snow Making	
Base Charge - per meter	\$2.00
Tier 1 - up to 10 million gallons per month	\$2.37/1,000 Gal
Tier 2 - Over 10 mil gallons up to 20 mil gallons	\$3.16/1,000 Gal
Tier 3 - Over 20 million gallons per month	\$3.95/1,000 Gal
SEWER USAGE RATES-Monthly Charges	
Residential, Apartments, & Manufactured Homes <i>(Apartments & Manufactured Homes Base charges are per unit)</i>	
Base Charge - City Sewer- per meter	\$2.00
Usage - City Sewer <i>Based on 100% Metered Water for Winter Months</i>	\$1.43/1,000 Gal
Base Charge - Metro Sewer- per meter	\$2.00
Usage - Metro Sewer <i>Based on 100% Metered Water for Winter Months</i>	\$2.53/1,000 Gal
Commercial/Industrial	
Base Charge - City Sewer - per meter	\$2.00
Usage - City Sewer <i>Based on 90% of Metered Water</i>	\$1.29/1,000 Gal
Base Charge - Metro Sewer- per meter	\$2.00
Usage - Metro Sewer <i>Based on 90% of Metered Water</i>	\$2.28/1,000 Gal
OTHER WATER UTILITY CHARGES	
Water Meter Replacement Charges - Residential, Apartments, Manufactured Homes & Commercial	

Utility Fees & Charges

City of Burnsville 2019 Budget

(Utility rates billed on monthly utility bills go in effect for all billings processed after January 31, 2019)

ITEM - ACTIVITY	2019
Replacement Charge based on Meter Size - Per meter each month:	
Meters:	
5/8 inch x 3/4 inch	\$1.20
1 inch	\$1.50
1 ½ inch R2	\$2.75
1 ½ Inch T2	\$4.10
1 ½ Inch C2	\$4.95
2 inch R2	\$3.65
2 inch T2	\$4.75
2 inch C2	\$6.50
3 inch T2	\$5.80
3 inch C2	\$8.10
4 inch T2	\$10.70
4 inch C2	\$13.60
6 inch T2	\$18.30
6 inch C2	\$22.85
Other & Specialty Meters	Actual+20%
Water Fill Station Charges	
Water Usage Charge per 1000 gallons	\$4.33 per 1000 gallons
Other	
Water turn on / off / Service Call	\$70.00
After Hours Call Out for Water Turn Off/On/Service Call	Overtime Rate +20%
WATER & SEWER FEES	
Annual certification administrative charge	\$50.00
Certification administrative charge for accounts requiring certification more frequently than annually	10% of unpaid balance
Certification interest charge	Approximately 4% above the most recent interest rates received on the sales of construction improvement bonds
Late payment penalty charge - per month	1.5%
Duplicate utility bill fee	\$1.00
Fee for Returned Check or ACH	Amount of returned check or ACH added back on utility account balance.
External Manual Meter Reading	\$70 per monthly read
STORM DRAINAGE UTILITY CHARGES	
Per Residential Equivalent Unit (R.E.U.) - Monthly Charge	6.99 R.E.U.
SIDEWALK SNOWPLOWING	
Charged only to benefiting properties	
Residential (R1 and R2 Zoning) Monthly Charge (per unit)	\$1.75

Appendix B
2019 Sewer & Water and Stormwater Finance Plans

Water & Sewer Fund

Five-Year Financial Plan

	Actuals		2018 Budget			2019 Budget		Projected			
	2016	2017	Original	Amended	Estimate	% Chg	2020	2021	2022	2023	
SOURCE OF FUNDS:											
Operating:											
Utility Fees - Water	6,097,341	6,335,234	6,372,000	6,372,000	6,360,000	6,636,000	4 %	7,195,000	7,592,500	7,936,500	8,469,000
Utility Fees - Sewer	5,662,020	5,790,861	6,048,840	6,048,840	5,830,000	6,320,160	4 %	6,607,440	6,910,680	7,213,920	7,533,120
Base Charges	1,930,504	1,929,381	1,925,000	1,925,000	1,930,000	1,930,000	— %	1,930,000	1,930,000	1,930,000	1,930,000
Meter Charges	299,412	299,505	299,855	299,855	298,700	299,855	— %	299,855	299,855	299,855	299,855
Sales to Other Cities	931,934	899,789	905,027	905,027	899,800	935,600	3 %	973,024	1,002,215	1,032,281	1,063,249
Total Operating Sources	14,921,211	15,254,770	15,550,722	15,550,722	15,318,500	16,121,615	4 %	17,005,319	17,735,250	18,412,556	19,295,224
Non-Operating:											
Bond proceeds *	1,621,801	9,009,407	2,990,000	2,990,000	5,439,435	3,790,000	27 %	1,720,000	3,945,000	2,470,000	3,770,000
Investment Income	103,729	132,651	183,850	183,850	199,244	138,015	(25)%	101,397	102,800	109,077	108,011
KMM Contract	399,656	398,984	101,406	101,406	101,406	—	(100)%	—	—	—	—
Connection Charges	80,226	149,434	110,000	110,000	110,000	110,000	— %	110,000	110,000	110,000	100,000
Other	252,884	301,826	210,010	269,360	260,735	204,032	(3)%	200,000	200,000	200,000	200,000
Total Non-Op Sources	2,458,296	9,992,302	3,595,266	3,654,616	6,110,820	4,242,047	18 %	2,131,397	4,357,800	2,889,077	4,178,011
TOTAL SOURCE OF FUNDS	17,379,507	25,247,072	19,145,988	19,205,338	21,429,320	20,363,662	6 %	19,136,716	22,093,050	21,301,633	23,473,235
USE OF FUNDS:											
Personnel Services	3,313,195	3,512,225	3,738,723	3,738,723	3,738,723	3,928,274	5 %	4,046,122	4,167,506	4,292,531	4,421,307
Current Expenses	3,382,736	3,862,630	4,173,911	4,173,911	3,908,693	4,138,624	(1)%	4,262,783	4,390,666	4,522,386	4,658,058
MCES	4,417,275	4,652,246	4,547,000	4,547,000	4,571,000	4,666,200	3 %	4,852,848	5,046,962	5,248,840	5,458,794
Total Operating Uses	11,113,206	12,027,101	12,459,634	12,459,634	12,218,416	12,733,098	2 %	13,161,753	13,605,134	14,063,757	14,538,159
Non-Operating:											
Water & Sewer System Mgmt	—	—	690,000	690,000	690,000	4,410,000	539 %	900,000	1,255,000	870,000	3,770,000
Street Projects & Rehab	—	—	2,990,000	2,990,000	2,917,000	3,790,000	27 %	820,000	2,690,000	2,470,000	1,013,000
GWTP/SWTP	—	—	2,800,000	2,800,000	2,250,000	125,000	(96)%	570,000	—	135,000	—
Meter Replacement	—	—	3,040,000	3,040,000	1,581,259	—	(100)%	—	—	—	—
Projects from Prior Year(s) CIP	—	—	—	3,749,158	3,749,158	—	— %	—	—	—	—
W&S Capital Projects	4,248,534	6,891,331	248,000	259,665	259,665	447,500	80 %	95,000	221,000	—	207,000
Subtotal capital improvements	4,248,534	6,891,331	9,768,000	13,528,823	11,447,082	8,772,500	(10)%	2,385,000	4,166,000	3,475,000	4,990,000
Debt service pmts (existing)	2,150,074	2,211,983	1,690,641	1,690,641	1,709,199	2,089,494	24 %	2,069,036	2,055,511	2,050,786	2,039,396
Debt service pmts (new)	—	—	437,643	437,643	418,340	266,955	(39)%	578,717	722,796	1,065,321	1,279,779
Debt service pmts (meter)	—	257,410	417,971	417,971	365,851	425,262	2 %	424,964	425,614	425,202	424,738
Subtotal debt	2,150,074	2,469,393	2,546,255	2,546,255	2,493,390	2,781,711	9 %	3,072,717	3,203,921	3,541,309	3,743,913
Transfers (non-debt)	309,911	435,620	470,485	470,485	470,485	661,018	40 %	376,903	490,360	328,120	406,405
Total Non-Operating Uses	6,708,519	9,796,344	12,784,740	16,545,563	14,410,957	12,215,229	(4)%	5,834,620	7,860,281	7,344,429	9,140,318
TOTAL USE OF FUNDS	17,821,725	21,823,445	25,244,374	29,005,197	26,629,373	24,948,327	(1)%	18,996,373	21,465,415	21,408,186	23,678,477
Net change in accruals	428,011	470,777									
NET DIFFERENCE	(14,207)	3,894,404	(6,098,386)	(9,799,859)	(5,200,053)	(4,584,665)	(25)%	140,343	627,635	(106,553)	(205,242)
Other financial information:											
Year-end Cash Balance	16,029,991	19,924,395	13,826,009	10,124,536	14,724,342	10,139,677		10,280,020	10,907,655	10,801,102	10,595,860
Three months working capital	3,393,298	3,733,028	3,869,093	3,869,093	3,795,573	4,043,957		4,152,843	4,324,854	4,483,296	4,672,119
Capital replacement balance	12,636,693	16,191,367	9,956,916	6,255,443	10,928,769	6,095,720		6,127,177	6,582,801	6,317,806	5,923,741

* - The 2018 estimated column include the PFA loan proceeds issued to fund the meter replacement project. This loan was authorized in 2016, and loan proceeds will be drawn down as project expenses are incurred.

Storm Water Fund

Five-Year Financial Plan

	Actuals		2018 Budget			2019 Budget		Projected			
	2016	2017	Original	Amended	Estimate		% Chg	2020	2021	2022	2023
SOURCE OF FUNDS:											
Operating:											
Storm drainage utility fee	4,271,181	4,215,558	4,257,387	4,257,387	4,257,387	4,299,966	1 %	4,343,058	4,408,209	4,496,445	4,608,792
Total Operating Sources	4,271,181	4,215,558	4,257,387	4,257,387	4,257,387	4,299,966	1 %	4,343,058	4,408,209	4,496,445	4,608,792
Non-Operating:											
Special Assessments	22,818	24,453	20,000	20,000	20,000	20,000	— %	20,000	20,000	15,000	15,000
Interest	72,793	77,470	48,203	48,203	51,243	48,563	1 %	43,036	32,874	28,104	22,283
Connection Charges	—	61,407	30,000	30,000	100,000	30,000	— %	30,000	30,000	30,000	30,000
Other	471,572	441,877	21,390	154,430	154,430	19,902	(7)%	25,000	25,000	25,000	25,000
Total Non-Operating Sources	567,183	605,207	119,593	252,633	325,673	118,465	(1)%	118,036	107,874	98,104	92,283
TOTAL SOURCE OF FUNDS	4,838,364	4,820,765	4,376,980	4,510,020	4,583,060	4,418,431	1 %	4,461,094	4,516,083	4,594,549	4,701,075
USE OF FUNDS:											
Operating:											
Personnel Services	828,351	882,497	956,601	956,601	955,706	1,026,976	7 %	1,057,785	1,089,519	1,122,205	1,155,871
Current Expenses	737,277	783,540	985,034	1,118,074	904,721	944,534	(4)%	972,870	1,002,056	1,032,118	1,063,082
Total Operating Uses	1,565,628	1,666,037	1,941,635	2,074,675	1,860,427	1,971,510	2 %	2,030,655	2,091,575	2,154,323	2,218,953
Non-Operating:											
Street Projects & Rehab	—	—	580,000	580,000	580,000	690,000	19 %	735,000	695,000	715,000	785,000
Storm Water Management	—	—	1,150,000	1,150,000	570,000	1,715,000	49 %	2,155,000	1,510,000	2,000,000	1,255,000
Storm Water Capital Projects	2,958,017	3,309,435	—	—	—	195,000	— %	226,000	338,000	—	40,000
Projects from Prior Year(s) CIP	—	—	—	1,412,430	1,220,545	—	— %	—	—	—	—
Subtotal capital improvements	2,958,017	3,309,435	1,730,000	3,142,430	2,370,545	2,600,000	50 %	3,116,000	2,543,000	2,715,000	2,080,000
Debt service payments (existing)	542,745	404,510	352,214	352,214	352,214	284,340	(19)%	248,125	249,988	246,463	127,150
Transfers (non-debt)	60,825	268,022	76,325	241,325	241,325	141,815	86 %	82,525	108,605	60,825	68,625
Total Non-Operating Uses	3,561,587	3,981,967	2,158,539	3,735,969	2,964,084	3,026,155	40 %	3,446,650	2,901,593	3,022,288	2,275,775
TOTAL USE OF FUNDS	5,127,215	5,648,004	4,100,174	5,810,644	4,824,511	4,997,665	22 %	5,477,305	4,993,168	5,176,611	4,494,728
Net change in accruals	353,779	(1,573,227)									
NET DIFFERENCE	64,928	(2,400,466)	276,806	(1,300,624)	(241,451)	(579,234)	(309)%	(1,016,211)	(477,085)	(582,062)	206,347
Other financial information:											
Year-end Cash Balance	7,524,797	5,124,331	5,401,137	3,823,707	4,882,880	4,303,646		3,287,435	2,810,350	2,228,288	2,434,635
Three months working capital	542,300	584,642	592,544	667,054	613,492	599,416		590,326	612,542	615,403	603,682
Capital replacement cash balance	6,982,497	4,539,689	4,808,593	3,156,653	4,269,388	3,704,230		2,697,109	2,197,808	1,612,885	1,830,953

Appendix C

Contract Template

PROFESSIONAL SERVICES AGREEMENT

AGREEMENT made this _____ day of _____, 20____, by and between the **CITY OF BURNSVILLE**, a Minnesota municipal corporation ("City") and _____ ("Consultant").

IN CONSIDERATION OF THEIR MUTUAL COVENANTS THE PARTIES AGREE AS FOLLOWS:

1. SCOPE OF SERVICES. The City retains Consultant to furnish the services set forth on the attached Exhibit "A". The Consultant agrees to perform the services.

2. COMPENSATION. Consultant shall be paid by the City in accordance with the attached Exhibit "B".

3. COMPLETION DATE. The Consultant must complete the service specified in Exhibit "A" on or before _____, 20____. The obligation to provide further services under this Agreement may be terminated by City without cause upon written notice to the Consultant. Upon termination Consultant shall only be paid for work actually performed.

4. DOCUMENTS. The City shall be the owner of all documents, reports, studies, analysis and the like prepared by the Consultant in conjunction with this contract.

5. COMPLIANCE WITH LAWS AND REGULATIONS. In providing services hereunder, Consultant shall abide by all statutes, ordinances, rules and regulations pertaining to the provisions of services to be provided.

6. STANDARD OF CARE. Consultant shall exercise the same degrees of care, skill, and diligence in the performance of the Services as is ordinarily possessed and exercised by a professional Consultant under similar circumstances. No other warranty, expressed or implied, is included in this Agreement. City shall not be responsible for discovering deficiencies in the accuracy of Consultant's services.

7. INDEMNIFICATION. The Consultant shall indemnify and hold harmless the City, its officers, agents, and employees, of and from any and all claims, demands, actions, causes of action, including costs and attorney's fees, arising out of or by reason of the execution or performance of the work or services provided for herein and further agrees to defend at its sole cost and expense any action or proceeding commenced for the purpose of asserting any claim of whatsoever character arising hereunder.

8. INSURANCE. Consultant shall secure and maintain such insurance as will protect Consultant from claims under the Worker's Compensation Acts, automobile liability, and from claims for bodily injury, death, or property damage which may arise from the performance of services under this Agreement. Such insurance shall be written for amounts not less than:

Commercial General Liability	\$2,000,000 each occurrence/aggregate
Automobile Liability	\$1,000,000 combined single limit
Excess/Umbrella Liability	\$2,000,000 each occurrence/aggregate

The City shall be named as an additional insured on the general liability and umbrella policies. Total coverage amount shall be \$2,000,000, provided by base CGL or in combination with an umbrella policy.

The Consultant shall secure and maintain a professional liability insurance policy. Said policy shall insure payment of damages for legal liability arising out of the performance of professional services for the City, in the insured's capacity as Consultant, if such legal liability is caused by a negligent act, error or omission of the insured or any person or organization for which the insured is legally liable. Said policy shall provide minimum limits of \$1,000,000 with a deductible maximum of \$125,000 unless the City agrees to a higher deductible.

Before commencing work the Consultant shall provide the City a certificate of insurance evidencing the required insurance coverage in a form acceptable to City. The certificate shall provide that such insurance cannot be cancelled until thirty (30) days after the City has received written notice of the insurer's intention of cancel this insurance.

9. INDEPENDENT CONTRACTOR. The City hereby retains the Consultant as an independent contractor upon the terms and conditions set forth in this Agreement. The Consultant is not an employee of the City and is free to contract with other entities as provided herein. Consultant shall be responsible for selecting the means and methods of performing the work. Consultant shall furnish any and all supplies, equipment, and incidentals necessary for Consultant's performance under this Agreement. City and Consultant agree that Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's agents or employees are in any manner agents or employees of the City. Consultant shall be exclusively responsible under this Agreement for Consultant's own FICA payments, workers compensation payments, unemployment compensation payments, withholding amounts, and/or self-employment taxes if any such payments, amounts, or taxes are required to be paid by law or regulation.

10. SUBCONTRACTORS. Consultant shall not enter into subcontracts for services provided under this Agreement without the express written consent of the City. Consultant shall comply with Minnesota Statute § 471.425. Consultant must pay Subcontractor for all undisputed services provided by Subcontractor within ten days of Consultant's receipt of payment from City. Consultant must pay interest of 1.5 percent per month or any part of a month to Subcontractor on any undisputed amount not paid on time to Subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10.

11. NONDISCRIMINATION. All Contractors and subcontractors employed shall comply with all applicable provisions of all federal, state and municipal laws which prohibit discrimination in employment to members of a protected class and all rules and regulations, promulgated and adopted pursuant thereto. The Contractor will include a similar provision in all

subcontracts entered into for the performance of this contract.

Note: Para. 12 to be omitted as not applicable to rate study contract.

~~12. LOCATING SERVICES AFTER FINAL ACCEPTANCE OF THE PROJECT.~~

~~_____ A. The Contractor is responsible to provide all work and materials necessary for the locating services for the fiber optic network owned by the City (Base Bid).~~

~~_____ B. The Contractor shall work with the State Approved One Call (_____ "City One Call Provider") provider on behalf of the City to ensure continued protection of the City network.~~

~~_____ C. The Contractor shall provide City One Call Provider with all the necessary information to ensure that the City One Call Provider database is current and up to date regarding all City facilities. This information shall include but is not limited to as built drawings, contact personnel, grid coordinates and overview maps of the installed network. The City will provide contact information for full compliance with membership and ownership requirements.~~

~~_____ D. The Contractor is required to evaluate and pay for each locate ticket that will be received from the State Approved One Call Service "_____" and to determine if the locate request is in the vicinity of the City fiber facilities, then either: 1) dispatch locate technician as needed, or 2) clear the ticket by indicating that the City has no facilities in this area and notify the requesting party upon completion of the request.~~

~~_____ E. The Contractor is responsible to locate City fiber optic network with orange water based paint or orange flags by the state time indicated on the locate request.~~

~~_____ F. The marking shall clearly indicate the location of the underground fiber cable.~~

~~_____ G. The Contractor is responsible to notify the excavator and indicate if additional time or information is needed prior to locating.~~

~~_____ H. If emergency locates request is received from the City One Call Provider, the Contractor shall determine if the locate request is in the vicinity of the City facilities, then to locate the City's underground fiber. The Contractor shall give a top priority to such request. The Contractor is responsible to mark the underground fiber within the excavation area as soon as practical, given the nature of the request and circumstances.~~

~~_____ I. In situations where a third party's excavating project is too larger or complicated to explain, an on-site meet request may be issued to the Contractor. When a meet request is made, the Contractor shall make every effort to be on time. If the Contractor cannot make the meet request, it is the Contractor's responsibility to contact the excavator to make other arrangements.~~

~~_____ J. The Contractor is responsible for updating the existing as-built drawings due to repairs or relocations of the City fiber network.~~

~~_____ K. In the event that any facilities, lines highways, or other property are damaged by the Contractor, the Contractor shall at its own expense, restore such damaged property immediately to as good a state as before such damage occurred.~~

13. ASSIGNMENT. Neither party shall assign this Agreement, nor any interest arising herein, without the written consent of the other party.

14. WAIVER. Any waiver by either party of a breach of any provisions of this Agreement shall not affect, in any respect, the validity of the remainder of this Agreement.

15. ENTIRE AGREEMENT. The entire agreement of the parties is contained herein. This Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the parties relating to the subject matter hereof. Any alterations, amendments, deletions, or waivers of the provisions of this Agreement shall be valid only when expressed in writing and duly signed by the parties, unless otherwise provided herein.

16. CONTROLLING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

17. COPYRIGHT. Consultant shall defend actions or claims charging infringement of any copyright or patent by reason of the use or adoption of any designs, drawings or specifications supplied by it, and it shall hold harmless the City from loss or damage resulting there from.

18. RECORDS. The Consultant shall maintain complete and accurate records of time and expense involved in the performance of services.

19. MINNESOTA GOVERNMENT DATA PRACTICES ACT. Consultant must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to (1) all data provided by the City pursuant to this Agreement, and (2) all data, created, collected, received, stored, used, maintained, or disseminated by the Consultant pursuant to this Agreement. Consultant is subject to all the provisions of the Minnesota Government Data Practices Act, including but not limited to the civil remedies of Minnesota Statutes Section 13.08, as if it were a government entity. In the event Consultant receives a request to release data, Consultant must immediately notify City. City will give Consultant instructions concerning the release of the data to the requesting party before the data is released. Consultant agrees to defend, indemnify, and hold City, its officials, officers, agents, employees, and volunteers harmless from any claims resulting from Consultant's officers', agents', city's, partners', employees', volunteers', assignees' or subcontractors' unlawful disclosure and/or use of protected data. The terms of this paragraph shall survive the cancellation or termination of this Agreement.

CITY OF BURNSVILLE

Mayor

ATTEST:

City Manager

OWNER(S)/CORPORATION

By: _____
 Its _____

EXHIBIT “A

SERVICES

EXHIBIT “B”

COMPENSATION