



**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

**99-002**

**SYNOPSIS -**

**AGENDA:**

An agreement has been negotiated with the engineering firm of Black & Veatch, a limited liability partnership (LLP), P.J. Adam, CEO, 8400 Ward Parkway, Kansas City, Missouri, 64114, to perform work necessary to provide a cost of service analysis, establish a sewer rate structure based on the analysis, and prepare an automated rate model for the sanitary sewer system.

JANUARY 4, 1999

**SUBJECT:**

PROFESSIONAL  
SERVICES AGREEMENT  
WITH BLACK & VEATCH,  
LLP, FOR SEWER RATE  
ANALYSIS

**FISCAL IMPACT -**

The proposed agreement is on a Lump Sum basis in the amount of \$59,500. Funding for this project is provided for on page 368 of the 1998-99 Capital Improvements Program (CIP) under CIP Index Code 396267. Des Moines' share of the cost of this work will be 60 percent and the Wastewater Reclamation Authority's share will be 40 percent. Des Moines' share of the project is proposed to be funded with revenues provided by sewer user fees using cash on hand in the Sewer User Fee fund. The WRA share will be provided by funds provided in the WRA 1998-99 Operating Budget.

**TYPE:**

**RESOLUTION  
ORDINANCE  
RECEIVE/FILE**

**SUBMITTED BY:**

HAROLD E. SMITH, P.E.  
CITY ENGINEER

**RECOMMENDATION -**

**Approval of the proposed Professional Services Agreement with Black & Veatch, LLP.**

**BACKGROUND -**

On September 28, 1998, by Roll Call Number 98-3029, the City Council authorized the City Manager to procure the services of a qualified consultant to provide a cost of service analysis, establish a sewer rate structure based on

the analysis, and prepare an automated rate model for the sanitary sewer system. Procurement of professional services to perform such work has been completed and a proposed agreement has been negotiated with Black & Veatch, LLP.

The City has recently identified a need to modify its sewer user fee structure to enable financing certain sewer construction work in its proposed capital improvements program. The present version of the Des Moines sewer user fee was implemented in conjunction with preparation of the WRA cost of service analysis and automated rate model. The model was developed using an early computer spreadsheet package that is now obsolete and the user fee system was based on an analysis performed in 1991.

It is desired to recreate the cost of service analysis, automated rate model, and the existing sewer user fee system to bring it up-to-date to be compatible with the existing and future computer environment. This would be done to cost-effectively achieve a distribution of the cost of operation, maintenance, construction of new facilities, and replacement of system facilities in proportion to each user or user class contribution to the total wastewater loading.