



City of Grand Island

Tuesday, May 12, 2009

Council Session

Item I2

#2009-116 - Approving Waste Water Cost of Services Based Rate Study

Staff Contact: Steven P. Riehle, Public Works Director

Council Agenda Memo

From: Steven P. Riehle, Public Works Director

Meeting: May 12, 2009

Subject: Approving Waste Water Cost of Services Based Rate Study

Item #'s: I-2

Presenter(s): Steven P. Riehle, Public Works Director

Background

On August 26, 2008, by Resolution Number 2008-228, the City Council approved an agreement with the consulting engineering firm, Black & Veatch Corporation of Kansas City, Missouri using Olsson Associates of Grand Island as a sub-consultant. The agreement was for professional services associated with an anaerobic digestion system including preliminary engineering, services during construction, public awareness and a cost of services study related to the digesters only.

On December 16, 2008 by Resolution Number 2008-359, the City Council approved Amendment Number 1 to the agreement that expanded the cost of services study beyond the digesters to include the entire plant and collection system at a cost of \$19,700. The amendment also extended the timeline for the project at a cost of \$16,000 with a council presentation moved from November 2008 to March of 2009.

Discussion

Bill Stoner, Derek Cambridge and Anna White from Black & Veatch discussed digester sizing options and presented the waste water cost of services based rate study report at the May 5th City Council Study Session.

The cost of services based rate study detailed recommended rates for fiscal years 2010, 2011, 2012 and 2013. The first year of rate adjustments will be considered by the council along with other city rates as part of the normal budget process in the summer of 2009. Approving the rate study will finalize Black & Veatch's work effort on the rate study and allow the consultant and city staff to move forward with design on the digester complex.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the waste water cost of services based rate study as presented at the May 5, 2009 city council study session.

Sample Motion

Move to approve the waste water cost of services based rate study.

RESOLUTION 2009-116

WHEREAS, on August 26, 2008, by Resolution 2008-228, the City of Grand Island approved the proposal of Black & Veatch Corporation of Kansas City, Missouri using Olsson Associates of Grand Island, Nebraska as a sub-consultant for the professional services associated with an anaerobic digestion system including preliminary engineering, services during construction, public awareness and a cost of services study related to the digesters only; and

WHEREAS, on December 16, 2008 by Resolution Number 2008-359, the City Council approved Amendment Number 1 to the agreement that expanded the cost of services study beyond the digesters to include the entire plant and collection system, and

WHEREAS, Black & Veatch Corporation has completed the rate study; and

WHEREAS, it is recommended that the rate study presented by Black & Veatch Corporation at the May 5, 2009 city council study session be approved and adopted.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the rate study presented by Black & Veatch Corporation of Kansas City, Missouri at the May 5, 2009 city council study session is hereby approved and adopted.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, May 12, 2009.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form _____
May 11, 2009 City Attorney