



City of Grand Island

Tuesday, February 14, 2012

Council Session

Item I6

**#2012-41 - Consideration of Direction of Wastewater Treatment
Plant Management**

Staff Contact: John Collins, Public Works Director

Council Agenda Memo

From: John Collins, Public Works Director

Meeting: February 14, 2012

Subject: Consideration of Direction of Wastewater Treatment Plant Management

Item #'s: I-6

Presenter(s): John Collins, Public Works Director

Background

At the July 11, 2011 City Council meeting, the Public Works Administration staff gave a presentation on contracting operations of the Wastewater Treatment Plant. Based on that discussion a Request For Qualifications (RFQ) was developed, and qualifications were submitted by four (4) qualified companies: Veolia Water of Naperville, Illinois; Severn Trent Services of Fort Washington, Pennsylvania; USW Utility Group of Sioux City, Iowa; and CH2M Hill of Englewood, Colorado. Utilizing the qualification criteria set forth in the RFQ, the Selection Committee chose Veolia Water as the most qualified company for the contract management of the Wastewater Treatment Plant. The Selection Committee was comprised of Terry Brown, John Collins, Scott Dugan, Randy Gard, John Henderson, and Shannon Oster.

During the November 15, 2011 Study Session the proposed contract between the City and Veolia Water was presented for review. The Negotiating Committee was comprised of Mary Lou Brown, Terry Brown, John Collins, Scott Dugan, Randy Guard, and Jaye Monter.

At the request of City Council, information was presented at the January 17, 2012 Study Session outlining the development of an internal improvement initiative. During this session, Council requested the matter be scheduled for a vote.

Discussion

Both options for improving the cost efficiency of the Wastewater Treatment Plan have been presented to the City Council. The choices before the City are as follows: 1) Contract Operations and move forward with Veolia; or 2) Initiate an internal improvement plan with multiple external contractors.

If the decision is to contract with Veolia, the contract will be presented in the February 21, 2012 Study Session and brought forward later for final approval.

If the decision is to initiate a plan without Veolia, the 2012 fiscal year budget will be increased by \$500,000 and the two new positions will be created. Additionally, contracts for the two studies will be brought to Council for approval when they are ready.

Alternatives

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

1. Move to approve contracting Operations of the Wastewater Treatment Plant with Veolia
2. Move to increase the current fiscal year budget by \$500,000 to fund two new positions and two studies; and establish the two new engineering positions.
3. Refer the issue to a committee
4. Postpone the issue to a future date
5. Take no action

Recommendation

City Administration recommends that the Council approve a resolution authorizing contracting Operations of the Wastewater Treatment Plant with Veolia.

Sample Motion

Move to approve the resolution.



Jason Eley, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

**REQUEST FOR QUALIFICATIONS
FOR
OPERATION, MAINTENANCE & MANAGEMENT AT WASTEWATER FACILITIES**

RFP DUE DATE: August 16, 2011 at 4:00 p.m.

DEPARTMENT: Public Works

PUBLICATION DATE: July 20, 2011

NO. POTENTIAL BIDDERS: 8

SUMMARY OF PROPOSALS RECEIVED

Severn Trent Services

Fort Washington, PA

Veolia Water

Naperville, IL

USW Utility Group

Sioux City, IA

CH2MHill

Englewood, CO

cc: John Collins, Public Works Director
Mary Lou Brown, City Administrator

Catrina DeLosh, PW Admin. Assist.
Jason Eley, Purchasing Agent

P1490

Wastewater Decision (A Fork in the Road)

Improvement
Initiative
without Veolia




Contract
Operations
with Veolia

Two Options



 If the decision is to go forward without Veolia, each contract will come to Council for approval.

 If the decision is to contract with Veolia, the details of the contract will be presented in a Study session on February 21st.

Goal

- Provide the Rate Payers with the most efficient cost effective wastewater treatment possible.

Without Veolia Deficiencies to be addressed

Contracted:


- Asset Management
- Monitoring and Automation
- Process Review (Treatment)

Internal with Potential for Contracted Support

- Procurement Review
- Technical Skills
- Staff Utilization and Process Review (Activities)

Without Veolia Immediate Objectives

1. Acquire expertise:

-  Wastewater Plant Engineer
-  Wastewater Operations Engineer

*Workforce Assessment

Without Veolia Immediate Objectives

2. Plant process study to develop monitoring and automation plan
3. Survey available Asset Management Software and Services

*FY2012 cost estimate: \$200,000 - \$500,000

*Product to include definition of scope (expectations), cost and time line for initiative

Without Veolia FY2013 Objectives

- Acquisition and installation of monitoring devices
- Modeling of process/setting triggers for monitoring devices
- Staff training on SCADA and Asset Management software
- Staff utilization study (to be repeated periodically)

*Dependent on completion of prior objectives

Without Veolia Evaluation

Performance based evaluation of Plant
(i.e. is the solution working?)

Without Veolia

Examples of Performance Factors

- Operating cost per million gallons treated - minimize
- Difference between actual treated water quality and targeted quality - minimize
- Inflation adjusted rate of increase in total cost – should be flat
- Cost of repairs – as opposed to scheduled maintenance and replacement; excluding consumables - minimize

With Veolia

- 🇪🇺 Optimize plant operations by utilizing expertise gained through years of operating dozens or even hundreds of these facilities
- 🇪🇺 Reduce operating costs
- 🇪🇺 Advice during the infrastructure rehabilitation projects

With Veolia

Local Control and Ownership

- City retains ownership of plant and all assets
- City Council retains authority to set rates
- City Council approves all capital improvements
- Public Works continues to provide operational oversight and accountability

With Veolia Plant Staff

- Retain their current pay
- Receive more and better training
- Have more and better opportunities
- IBEW 1597 recognized immediately

With Veolia

Citizens' Contract Compliance Committee

- Meet to ensure contract compliance
- Provides for accountability to the community
- Committee members would include representatives from the community, council, and City staff
- Approved by Council
- Operates under Open Meetings law

With Veolia

Contract Negotiations Process

- November 1, 2011 - Negotiations Committee completed initial negotiations with Veolia. Committee included: Council Member Dugan, Council Member Gard, City Administrator Brown, Manager of Engineering Services Brown, Public Works Director Collins, and Interim Finance Director Monter.
- Contract reviewed by City Attorney Sivick

With Veolia

Contract Negotiations Process

- November 15, 2011 - Contract presented in Study Session for discussion and also available of the City's web site
- Week of February 6, 2012 – Negotiations Committee negotiates several contract revision to address concerns heard during study session

With Veolia

Summary of Contract Revisions

- 2.21 Representatives of Veolia and the City shall meet on a quarterly basis for the purpose of discussing and resolving odor control and/or any other issues that may arise
- 5.1 & 6.5 Removed references to cost plus 10% for odor control
- 5.2 Added monthly reporting requirement for expenditures

With Veolia

Summary of Contract Revisions

- 6.1, 6.2, 6.3 Altered language to better fit the City's invoice process
- C.2 Requires the effluent conditions be reviewed to account for changes expected to result from the Wastewater Infrastructure Rehabilitation Projects
- C.4 Clarifies that Veolia is responsible for fines and legal action; the City will only be responsible when conditions are outside of the design parameters of the plant.

Summary

With Veolia

- Immediate results
- Finance Department estimates up to \$500,000 savings in first year

- Expertise
- Employment at will
- Single Operations Contract

Without Veolia

- 5 year delay in results
- First year cost \$200,000 to \$500,000
- Difficult recruitment
- Employment at will
- Multiple Consultant Contracts

Decision: how to serve the Rate Payers with the most efficient cost effective wastewater treatment possible.

Improvement
Initiative
without Veolia

Contract
Operations
with Veolia



Two Options

***Agreement For
Operations, Maintenance and Management Services***

THIS AGREEMENT is entered into effective the [XX] day of [XXXX, 20XX], by and between

The City of Grand Island, Nebraska with a business address at
P.O. Box 1968, Grand Island, Nebraska 68802 (hereinafter
"OWNER");

and

Veolia Water North America-Central, LLC, with a business
address at 184 Shuman Blvd., Suite 450, Naperville, Illinois 60563
(hereinafter "VWNA")

WHEREAS, OWNER owns and provides for the operation of wastewater treatment facilities; and,

WHEREAS, OWNER desires to employ the services of VWNA in the management, operation and maintenance of these facilities, and VWNA desires to perform such services for the compensation provided for herein; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, OWNER and VWNA agree as follows:

1 General

- 1.1 Definitions of words and phrases used in this Agreement and the attachments are contained in Appendix A.
- 1.2 All land, buildings, facilities, easements, licenses, rights-of-way, equipment and vehicles presently or hereinafter acquired or owned by OWNER shall remain the exclusive property of OWNER unless specifically provided for otherwise in this Agreement.
- 1.3 This Agreement shall be governed by and interpreted in accordance with the laws of the State of Nebraska.
- 1.4 VWNA shall have the right to assign this Agreement only with OWNER's consent. However, VWNA may collaterally assign this Agreement and/or its right to any payments hereunder, but not its obligations to perform services hereunder, to one or more lenders providing financing to VWNA or any affiliate thereof. Any other transfer or assignment by either VWNA or the OWNER of this Agreement shall be

null and void unless authorized by the other party in writing in advance, such authorization not to be unreasonably withheld.

- 1.5 All notices shall be in writing and transmitted to the party's address stated above. All notices shall be deemed effectively given when delivered, if delivered personally or by courier mail service, i.e., Federal Express or United Parcel Service; delivered 3 days after such notice has been deposited in the United States mail postage prepaid, if mailed certified or registered U.S. mail, return receipt requested; or when actually received by the party for which notice is intended, if given in any other manner.
- 1.6 This Agreement, including Appendices A through E, is the entire Agreement between the parties. This Agreement may be modified only by written agreement signed by both parties. Wherever used, the terms "VWNA" and "OWNER" shall include the respective officers, agents, directors, elected or appointed officials and employees and, where appropriate, subcontractors or anyone acting on their behalf.
- 1.7 If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect, and shall in no way be affected, impaired or invalidated.
- 1.8 It is understood that the relationship of VWNA to OWNER is that of independent contractor. The services provided under this Agreement are of a professional nature and shall be performed in accordance with good and accepted industry practices for contract operators similarly situated. However, such services shall not be considered engineering services, and nothing herein is intended to imply that VWNA is to supply professional engineering services to OWNER, unless specifically stated in this Agreement to the contrary.
- 1.9 If any litigation is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, which are directly attributed to such litigation, in addition to any other relief to which it may be entitled.
- 1.10 Nothing in this Agreement shall be construed to create in any third party or in favor of any third party any right(s), license(s), power(s) or privilege(s).
- 1.11 Prior to the commencement of work under this Agreement, each party shall designate in writing an employee or other representative of the designating party who shall be the contact person for administration of this Agreement. With respect to OWNER, such person shall not have the independent authority to approve changes in the Scope of Work and compensation therefor, or to execute written Change Orders reflecting such changes but instead shall make recommendations to the council for approval..

2 VWNA's Services - General

- 2.1 VWNA will staff the Project with employees who have met appropriate licensing and certification requirements of the State of Nebraska.
- 2.2 VWNA shall provide ongoing training and education for appropriate personnel in all necessary areas of modern wastewater process control, operations, maintenance, safety, and supervisory skills.
- 2.3 VWNA shall develop and/or supply and utilize computerized programs for maintenance, process control, cost accounting, and laboratory Quality Assurance/Quality Control.
- 2.4 Within forty-five (45) days after VWNA begins service under this Agreement, VWNA will provide a physical inventory of OWNER's vehicles and equipment in use at the Project and a general statement as to the condition of each piece of equipment.
- 2.5 VWNA will provide OWNER with a physical inventory of chemicals and other consumables on hand when VWNA begins services under this Agreement. VWNA will provide OWNER with the same quantity of chemicals or equivalent upon termination of this Agreement; in the event that the quantity transferred at termination is more or less than the quantity at startup, the parties will perform a "true up" and the overage or underage in quantity value will be paid by VWNA or OWNER, as appropriate. (For example, if the starting quantity of a chemical was 100 pounds and the final quantity was 125 pounds, OWNER shall pay the value of 25 pounds to VWNA, and vice versa.)
- 2.6 VWNA shall be responsible for maintaining all manufacturers' warranties on new equipment purchased by OWNER and assist OWNER in enforcing existing equipment warranties and guarantees.
- 2.7 VWNA shall operate, maintain and/or monitor the Project on a 24-hour per day, seven-day per week schedule.
- 2.8 Visits may be made at a reasonable time by OWNER's employees so designated by OWNER's representative. Keys for the Project shall be provided to OWNER by VWNA for such visits. All visitors to the Project shall comply with VWNA's operating and safety procedures. Within a reasonable time after startup, the parties will collaborate on a protocol for visits and work performed by OWNER's employees who are assigned to operation, maintenance, and repair of the wastewater collection system.

- 2.9 VWNA will perform a Comprehensive Criticality and Condition Assessment on appropriate Plant equipment at the Project. The first Assessment will be delivered to OWNER within 180 days of services beginning under this Agreement. This evaluation may be updated annually at OWNER's request. Costs incurred for the Assessments shall be charged to the Maintenance and Repair Limit.
- 2.10 VWNA will implement and maintain an employee safety program in compliance with applicable laws, rules and regulations...
- 2.11 VWNA may modify the process and/or facilities to achieve the objectives of this Agreement and charge the Costs to the Maintenance and Repair Limit; provided, however, no modification shall be without OWNER's prior written approval, if the complete modification Cost shall be in excess of five thousand dollars (\$5,000.00).
- 2.12 In any emergency affecting the safety of persons or property, VWNA may act without written amendment or change order, at VWNA's discretion, to prevent threatened damage, injury or loss. VWNA shall be compensated by OWNER for any such emergency work notwithstanding the lack of a written amendment. Such compensation shall include VWNA's Costs for the emergency work plus a reasonable mark-up for overhead and profit. Nothing contained in this Section shall impose upon VWNA a duty to perform any emergency work absent a change order, and failure to perform any such emergency work shall not impose upon VWNA any liability for errors and omissions.
- 2.13 As required by law, permit or court order, VWNA will prepare plant performance reports and submit them to OWNER for signature and transmittal to appropriate authorities.
- 2.14 VWNA will provide laboratory testing and sampling presently required by plant performance portions of the NPDES permit and/or any federal, state or local rules and regulations, statutes or ordinances, permit or license requirements or judicial and regulatory orders and decrees.
- 2.15 VWNA will provide laboratory testing and sampling presently required by the City's IPP program.
- 2.16 VWNA will provide for the collection and hauling of solid waste, screenings, grit, and scum ("Waste") to OWNER's existing or approved disposal sites. It shall be the sole right and responsibility of OWNER to designate, approve or select disposal sites to be used by VWNA for OWNER's waste materials. All Waste and/or byproduct treated and/or generated during VWNA's performance of services is and shall remain the sole and exclusive property of OWNER. All manifests or other

documentation required for disposal of Waste shall be signed by or in the name of the OWNER.

- 2.17 VWNA will provide for the dewatering and disposal of biosolids produced from the OWNER's existing solids handling system. Changes in disposal sites, tipping fees, processes or equipment will constitute a Change in Scope of Service. All biosolids generated during VWNA's performance of services is and shall remain the sole and exclusive property of OWNER. All manifests or other documentation required for disposal of Waste shall be signed by or in the name of the OWNER.
- 2.18 Upon request of OWNER or as it shall deem necessary, VWNA will provide a listing of recommended capital improvements required for the Project. VWNA will not be relieved of its responsibility to perform if the recommendations are not implemented; provided, however, that capital improvement necessary to: (i) meet effluent requirements; (ii) meet federal, state or local laws, rules or regulations for the safety or accessibility of persons in or about the Project shall not be optional for the OWNER. If approved, the OWNER will make arrangements for the design and construction of said improvements.
- 2.19 VWNA may coordinate modifications to the facilities required to comply with OSHA standards and all costs associated therewith shall be charged to the Maintenance and Repair Limit.
- 2.20 VWNA will retain ownership of any vehicles, predictive maintenance equipment and/or computers supplied. In the event that this contract is terminated by the OWNER prior to the natural expiration of any term, then at VWNA's option it may transfer all or part of such equipment (including potentially the transfer of leases for vehicles used at the project) to the OWNER. In such case, OWNER shall be responsible to pay any ongoing costs of ownership or lease, along with any unamortized costs of acquisition of the equipment.

2.21 Representatives of VWNA and the OWNER shall meet on a quarterly basis for the purpose of discussing and resolving odor control and/or any other issues that may arise.

3 VWNA's Scope of Services - Wastewater

- 3.1 This Article shall apply to VWNA's OM&M services for the OWNER's wastewater treatment system.
- 3.2 Within the design capacity and capabilities of the Waste Treatment Plant described in Appendix B, VWNA will manage, operate and maintain the Plant so that effluent discharged from the Plant's outfalls meets the requirements specified in Appendix C-1.

- 3.3 VWNA will perform all Maintenance and Repairs for the Wastewater portion of the Project, and submit a monthly accounting to OWNER, along with a detailed invoice, if Maintenance and Repair expenditures for the Project exceed the Maintenance and Repair Limit specified in Section 5.1.

4 OWNER's Duties

- 4.1 The OWNER shall fund and shall pay the full cost of all necessary Capital Expenditures. Priority shall be given to safety and the ADA related expenses described in Section 2.18. Any loss, damage, or injury resulting from OWNER's failure to provide capital improvements and/or funds in excess of the Maintenance and Repair Limit, when reasonably requested by VWNA, shall be the sole responsibility of OWNER.
- 4.2 The OWNER shall keep in force all Project warranties, guarantees, easements and licenses that have been granted to OWNER and are not transferred to VWNA under this Agreement.
- 4.3 The OWNER shall pay all sales, excise, *ad valorem*, property, franchise, occupational and disposal taxes, or other taxes associated with the Project, if any, other than taxes imposed upon VWNA's net income and/or payroll taxes for VWNA employees.

It is the mutual intention of the OWNER and VWNA that VWNA will have the benefit of the same tax exemptions related to operation of municipal wastewater/pollution control assets that the OWNER is entitled to (for example, for the purchase of chemicals, parts, supplies, etc.), and to the extent permitted by law VWNA shall be considered as OWNER's agent for purposes of purchasing such items for use at the Facilities. In the event VWNA is required to pay any sales tax or use taxes on the value of the services provided by VWNA hereunder or the services provided by any subcontractor of VWNA, such payments shall be reimbursed by the OWNER, unless the OWNER furnishes a valid and properly executed exemption certificate relieving the OWNER and VWNA of the obligation for such taxes. In the event the OWNER furnishes an exemption certificate which is invalid or not applicable to services by VWNA, the OWNER shall indemnify VWNA for any taxes, interest, penalties, and increment costs, expenses or fees which it may incur as a result of VWNA's reliance on such certificate.

- 4.4 The OWNER may provide VWNA, within a reasonable time after request and on an "as available" basis, with the temporary use of any piece of OWNER's heavy equipment that is available so that VWNA may discharge its obligations under this Agreement in the most cost-effective manner. The provision of equipment pursuant

to this section shall be at OWNER's discretion, and OWNER shall not be required to provide temporary use of any equipment if it does not wish to do so.

- 4.5 OWNER shall provide for VVNA's exclusive use of all equipment presently in full-time use at the Project.
- 4.6 OWNER shall provide the Project with appropriate devices (e.g. video monitoring, coded entry to treatment facilities, etc.) to protect against any losses resulting from the theft, damage, or unauthorized use of property owned by OWNER and shall accept liability for such losses, except to the extent such losses are directly caused by the negligent acts or omissions of VVNA.
- 4.7 OWNER warrants that during the interim period between the initial Project inspection by VVNA and the commencement date, the plants, facilities and equipment have been operated only in the normal course of business, all scheduled and proper maintenance have been performed, and there are no issues known to OWNER regarding the condition of the Project and Facility composing the Project and/or any equipment used by the Project.
- 4.8 OWNER shall be responsible for the payment of all accrued vacation and related time or benefits of OWNER employees upon the effective date of this agreement.
- 4.9 OWNER shall be responsible for the cleaning and disposal of biosolids from the sludge storage lagoons. VVNA will continue to manage and oversight of the day-to-day cleaning and disposal process.

5 Compensation

- 5.1 VVNA's compensation under this Agreement shall consist of an Annual Fee. The Annual Fee shall include limits for Maintenance and Repair and Electric Utilities. For the first year of this Agreement the Annual Fee shall be Three Million, Four Hundred Forty Seven Thousand, One Hundred Ninety One Dollars (\$3,447,191). The Maintenance and Repair Limit included in the Annual Fee is Three Hundred Forty Two Thousand, Three Hundred Sixteen Dollars (\$342,316). The "Electrical Utility Limit" included in the Annual Fee is Six Hundred Twenty One Thousand, and Fifty Two Dollars (\$621,052).

~~All costs related to odor control are not included in the Annual Fee and will be reimbursed at a Cost Plus 10%.~~

- 5.2 If actual Maintenance and Repair expenditures exceed the Maintenance and Repair Limit by ten percent (10%) or greater, OWNER will pay the excess over ten percent

to VWNA in accordance with Section 6.3. VWNA will notify OWNER when actual Maintenance and Repair expenditures equal eighty percent (80%) of contract limits. If actual Electric Utilities expenditures exceed the Electric Utilities Limit, OWNER will pay the excess to VWNA in accordance with Section 6.3. VWNA agrees to monitor the Maintenance and Repair and Electric Utilities expenditures and report to the OWNER those expenditures on a monthly basis.

5.3 The Annual Fee shall be negotiated each year at least four (4) months prior to the anniversary of this Agreement's commencement date. Should OWNER and VWNA fail to agree, the Annual Fee will be determined by the application of the procedures in Appendix D. The Maintenance and Repair Limit shall increase by a percentage equal to the change in the Annual Fee.

5.4 The Electric Utilities Limit shall be increased or decreased annually by applying the percentage differential between the annual cost for electricity for the current year and the annual cost for electricity for the immediately preceding year to the existing Electric Utilities Limit. For example, the 2014 Electric Utilities Limit will be determined by taking the 2013 Electric Utilities Limit and multiplying it by the cost percentage change from 2012 to 2013.

6 Payment of Compensation

6.1 One-twelfth (1/12) of the Annual Fee for the current year shall be due and payable on the first business day following the first regular meeting of the Grand Island City Council of the month for each month that services are provided.

6.2 All other compensation to VWNA is due upon receipt of VWNA's invoice and payable within ~~fifteen (15)~~ forty-five (45) days.

6.3 Any monies payable pursuant to Section 5.2 will be paid within ~~sixty (60)~~ forty-five (45) calendar days after the end of each Agreement year.

6.4 OWNER shall pay interest at an annual rate equal to the prime rate published by the Wall Street Journal plus four percent (4.0%), said rate of interest not to exceed any limitation provided by law, on payments not paid and received within thirty (30) calendar days of the due date, such interest being calculated from the due date of the payment. In the event the charges hereunder might exceed any limitation provided by law, such charges shall be reduced to the highest rate or amount within such limitation.

~~6.5 Odor Control Costs will be invoiced quarterly on a Cost plus 10% rate. OWNER will pay VWNA in accordance with Section 6.2.~~

7 Scope Changes

7.1 A Change in Scope of services shall occur when and as VWNA's costs of providing services under this Agreement change as a result of:

7.1.1 any change in Project operations, personnel qualifications or staffing or other cost which is a result of an Unforeseen Circumstance;

7.1.2 increases or decreases of not less than ten percent (10%) in the number of users connected to the facilities;

7.1.3 increases or decreases of not less than ten percent (10%) in the influent flow or loadings as demonstrated by a twelve month floating average compared to the twelve month period ending on the effective date of this Agreement (baseline flow and loading information is located in Appendix C);

7.1.4 increases or decreases in rates or other related charges (including taxes) imposed upon VWNA by a utility provider or taxing authority, excluding taxes based on VWNA's net income; and/or

7.1.5 OWNER's request of VWNA and VWNA's consent to provide additional services.

7.1.6 increases or decreases of greater than 20% on average in a 12 month period in insurance premium costs, healthcare benefit costs, or chemical costs which are not caused by the fault of either party.

7.2 For Changes in Scope described in Sections 7.1.1 through, and including, 7.1.3, the Annual Fee shall be increased (or decreased) by an amount equal to VWNA's additional (reduced) Cost associated with the Change in Scope. Modifications of the Annual Fee as a result of conditions described in Section 7.1.3 shall be retroactive to the beginning of the twelve month comparison period.

7.3 For Changes in Scope described in Section 7.1.4, the Annual Fee shall be increased (or decreased) by an amount equal to VWNA's additional (reduced) Cost associated with the Change in Scope. (See Section 7.5)

7.4 OWNER and VWNA shall negotiate an increase in VWNA's Annual Fee for Changes in Scope based on Sections 7.1.5 and 7.1.6.

8 Indemnity, Liability and Insurance

- 8.1 VWNA hereby agrees to indemnify and hold OWNER harmless from any liability or damages for bodily injury, including death, which may arise from VWNA's negligence or willful misconduct under this Agreement; provided, VWNA shall be liable only for that percentage of total damages that corresponds to its percentage of total negligence or fault.
- 8.2 OWNER agrees to indemnify and hold VWNA harmless from any liability or damage or bodily injury, including death, which may arise from all causes of any kind other than VWNA's negligence or willful misconduct, including, but not limited to, breach of an OWNER warranty.
- 8.3 Both parties shall be liable to the other to the extent specified in this Agreement for direct damages caused to that party as permitted by law, but neither party nor their affiliated companies, officers, agents, employees or contractors, shall be liable to the other in any action or claim for indirect, consequential or special damages, loss of profits, loss of opportunity, loss of product or loss of use.
- 8.4 VWNAC DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, AND DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- 8.5 VWNA shall be liable for those fines or civil penalties imposed by a regulatory or enforcement agency for violations occurring on or after the start of operations under this Agreement, of the effluent quality requirements provided for in Appendix C-1 that are a result of VWNA's negligence. OWNER will assist VWNA to contest any such fines in administrative proceedings and/or in court prior to any payment by VWNA. VWNA shall pay the cost of any such contest.
- 8.6 OWNER shall be liable for those fines or civil penalties imposed by any regulatory or enforcement agencies on OWNER and/or VWNA that are not a result of VWNA's negligence or are otherwise directly related to the ownership of the Project and shall indemnify and hold VWNA harmless from the payment of any such fines and/or penalties.
- 8.7 To the fullest extent permitted by law and notwithstanding any other provision of this Agreement, VWNA's liability for performance or non-performance of any obligation arising under the Agreement (whether arising under breach of contract, tort, strict liability, or any other theory of law or equity) including, but not limited to its indemnity obligations specified in Section 8.1 of the Agreement, shall be limited to: (i) general money damages in an amount equal to the amount of any proceeds of insurance received by the OWNER or to which VWNA is entitled pursuant to any general liability insurance or automobile liability policy required to be maintained by VWNA hereunder as specified in Appendix F (without regard to the amount of any deductible which may be applicable under any such general

liability or automobile liability policy) with respect to such loss; or (ii) to the extent proceeds of insurance are not received and such general liability or automobile insurance is not applicable, a cumulative aggregate over the full initial term and any extended term(s) of this agreement of an amount not to exceed One Million Seven Hundred Thousand Dollars (\$1,700,000).

8.8 Each party shall obtain and maintain insurance coverage of a type and in the amounts described in Appendix E. Each party assumes the risk of loss or damage to its respective property, from any cause, including the actual or alleged negligence or strict liability of the other party, and shall maintain broad form property insurance in order to protect both parties against any such loss. Each party shall provide the other party with satisfactory proof of insurance.

8.9 Indemnity agreements provided for in this Agreement shall survive the termination of the Agreement.

9 Term, Termination and Default

9.1 The initial term of this Agreement shall be five (5) years commencing [[DATE]]. Thereafter, this Agreement shall be automatically renewed for two successive terms of five (5) year each, unless canceled in writing by either party no less than one hundred and twenty (120) days prior to expiration. Provided, however, that either party will have a right to terminate this Agreement without cause or penalty, and subject only to the contractual consequences of termination (for example, those provisions governing inventory true-up and transfer of equipment but excluding any markup over Cost or similar profit or penalty, such as the markup described in Section 9.3), at the end of the third year of the initial term, and thereafter at the end of the third year of any successive terms, upon notice in writing of not less than one hundred twenty (120) days prior to the end of such third year.

9.2 Except as otherwise set forth herein, a party may terminate this Agreement only for a material breach of the Agreement by the other party; only after giving written notice of breach; and, except in case of a breach by OWNER for non-payment of VWNA's invoices, in which case termination may be immediate by VWNA, only after allowing the other party thirty (30) days to cure or commence taking reasonable steps to cure the breach.

9.3 Upon notice of termination by OWNER, VWNA shall assist OWNER in assuming operation of the Project. If additional Cost is incurred by VWNA at request of OWNER, OWNER shall pay VWNA such Cost plus a markup of fifteen percent (15%) for profit within 15 days of invoice receipt.

9.4 Upon termination of this Agreement and all renewals and extensions of it, VWNA will return the Project to OWNER in the same condition as it was upon the effective

date of this Agreement, ordinary wear and tear excepted. Equipment and other personal property purchased by VWNA for use in the operation or maintenance of the Project shall remain the property of VWNA upon termination of this Agreement, unless the property was directly paid for by OWNER, or OWNER specifically reimbursed VWNA for the cost incurred to purchase the property, or this Agreement provides to the contrary. Any costs for the ongoing use, transfer, or support of software or hardware systems used at the project will be the responsibility of OWNER.

10 Disputes and Force Majeure

10.1 In the event activities by employee groups or unions cause a disruption in VWNA's ability to perform at the Project, OWNER, with VWNA's assistance or VWNA at its own option, may seek appropriate injunctive court orders. During any such disruption, VWNA shall operate the facilities on a best-efforts basis until any such disruptions cease.

10.2 Neither party shall be liable for its failure to perform its obligations under this Agreement, if such failure is due to any Unforeseen Circumstances beyond its reasonable control or force majeure. However, this Section may not be used by either party to avoid, delay or otherwise affect any payments due to the other party.

11 Confidentiality

11.1 VWNA or OWNER may from time to time disclose to the other party confidential information relating to the provision of services or the terms of this Agreement ("Confidential Information"). Neither party will disclose Confidential Information of the other to any third party, or use such Confidential Information for any purpose other than as specified herein, without the express written consent of the other party. Confidential Information will be clearly designated in writing as confidential. Confidential Information does not include information: (a) generally available to or known to the public; (b) previously known to the recipient; (c) independently developed by the recipient outside the scope of this Agreement; (d) lawfully disclosed by a third party; or (e) required to be disclosed by operation of law. Upon any termination or expiration of this Agreement in accordance with its terms, each party will, within a reasonable period of time thereafter return all confidential or proprietary information received from the other party under the terms of this Agreement, except that each party may retain a legal file copy.

11.2 Any protectable intellectual property developed or used by VWNA in the course of performing the services under this Agreement shall be the exclusive property of VWNA.

[END OF TEXT THIS PAGE]

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The parties hereto indicate their approval of this Agreement by their signatures below, and each party warrants that all corporate or governmental actions necessary to bind the parties to the terms of this Agreement have been and will be taken.

VEOLIA WATER NORTH AMERICA-CENTRAL, LLC

By: _____

Name: _____

Title: _____

Date: _____

CITY OF GRAND ISLAND, NEBRASKA

By: _____

Name: _____

Title: _____

Date: _____

CERTIFICATE OF COUNSEL

The undersigned, as counsel(s) for the City of Grand Island in this transaction, hereby certifies that (s)he has examined the circumstances surrounding the selection of Veolia Water North America-Central, LLC ("VWNA") and the award and letting of the foregoing contract to VWNA by the City of Grand Island and has found that said selection and award process comply with the procurement laws of the State of Nebraska, and the City of Grand Island.

Counsel for City of Grand Island

Date: _____

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APPENDIX A

DEFINITIONS

- A.1 "Abnormal Substances" means substances or materials that: (i) create a fire or explosion hazard at the Facility; (ii) will cause corrosive structural damage to the Facility; (iii) contain solid or viscous pollutants in amounts which will cause obstruction to the flow in the Facility; (iv) are present in flow rates or concentrations that will cause Interference or Pass Through; (v) will result in the presence of toxic gases, vapors or fumes within the Facility in a quality that may cause acute worker health and safety problems; or (vi) will result in an alteration of the requirements or costs for the operation or maintenance of the Facility.
- A.2 "Adequate Nutrients" means plant influent nitrogen, phosphorus and iron contents proportional to BOD₅ in the ratio of five (5) parts nitrogen, one (1) part phosphorus, and one-half (0.5) part iron for each one hundred (100) parts BOD₅.
- A.3 "Annual Fee" means a predetermined, fixed sum for VWNA's services. The Annual Fee includes Cost and profit.
- A.4 "Biologically Toxic Substances" means any substance or combination of substances contained in the plant influent in sufficiently high concentration so as to interfere with the biological processes necessary for the removal of the organic and chemical constituents of the wastewater required to meet the discharge requirements of OWNER's Certificate of Approval. Biologically toxic substances include, but are not limited to, heavy metals, phenols, cyanides, pesticides and herbicides.
- A.5 "Capital Expenditures" means any expenditures for (1) the purchase of new, repaired, or replacement of equipment or facility items that cost more than Fifteen Thousand Dollars (\$15,000.00); or (2) major repairs or replacements which significantly extend equipment or facility service life and cost more than Fifteen Thousand Dollars (\$15,000.00) or (3) expenditures that are planned, non-routine and budgeted by OWNER.
- A.6 "Cost" means all Direct Cost and indirect cost determined on an accrual basis in accordance with generally accepted accounting principles.
- A.7 "Condition Assessment" means. the evaluation of critical equipment using industrial standards such as PSAT, Air-master and Motor Master (all DOE-developed tools) and other predictive maintenance technologies as well as in-house developed spreadsheets and databases to asses and quantify asset condition.

- A.8 "Criticality Assessment" means the ranking of environmental, financial and/or safety risk based on the consequence of failure.
- A.9 "Direct Cost" means the actual cost incurred for the direct benefit of the Project including, but not limited to, expenditures for project management and labor, employee benefits, chemicals, lab supplies, repairs, repair parts, maintenance parts, safety supplies, gasoline, oil, equipment rental, legal and professional services, quality assurance, travel, office supplies, other supplies, uniforms, telephone, postage, utilities, tools, memberships and training supplies.
- A.10 "Electrical Utility Limit" means the amount apportioned within the Annual Fee to cover the annual cost for electrical utility service at the Wastewater Treatment Plant. The limit is set assuming the installation of the planned 400 HP blowers. Costs exceeding the limit will be reimbursed by the OWNER as set forth herein.
- A.11 "Maintenance" means those routine and/or repetitive activities required or recommended by prudent industry practices or by VWNA to maximize the service life of the equipment, sewer, vehicles and facilities.
- A.12 "Maintenance and Repair Limit" means the total Maintenance and Repair expenditures that VWNA has included in the Annual Fee. Such expenditures exclude any labor costs for VWNA's staff assigned to the Project. VWNA's specialized maintenance personnel, not assigned at the Project, who provide such specialized services such as, but not limited to, vibration, thermographic and electrical analyses, instrumentation maintenance and repair will be charged to the Maintenance and Repair Limit.
- A.13 "Odor Control Cost" means the cost for chemicals, the purchase and/or lease of equipment used to mitigate odors, and the upkeep of such equipment. Cost to maintain the equipment will be charged to the Repair & Maintenance Limit.
- A.14 The "Project" means all equipment, vehicles, grounds, rights of way, sewers and facilities described in Appendix B and, where appropriate, the management, operations and maintenance of such.
- A.15 "Repairs" means those non-routine/non-repetitive activities required for operational continuity, safety and performance generally due to failure or to avert a failure of the equipment, sewer, vehicles or facilities or some component thereof.
- A.16 "Unforeseen Circumstances" shall mean any event or condition which has an effect on the rights or obligations of the parties under this Agreement, or upon the Project, which is beyond the reasonable control of the party relying thereon and constitutes a justification for a delay in or non-performance of action required by this Agreement, including but not limited to (i) an act of God, landslide, lightning, earthquake, tornado, fire, explosion, flood, failure to possess sufficient property rights, acts of the public enemy, war, blockade,

sabotage, insurrection, riot or civil disturbance, (ii) preliminary or final order of any local, province, administrative agency or governmental body of competent jurisdiction, (iii) any change in law, regulation, rule, requirement, interpretation or statute adopted, promulgated, issued or otherwise specifically modified or changed by any local, province or governmental body, (iv) labor disputes, strikes, work slowdowns or work stoppages, but excluding labor disputes, strikes, work slowdowns or work stoppages by employees of VWNA; and (v) loss of or inability to obtain service from a utility necessary to furnish power for the operation and maintenance of the Project.

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APPENDIX B

DESCRIPTION OF PROJECT

VWNA agrees to provide the services necessary for the management, operation and maintenance of the following:

- a. All equipment, vehicles, grounds and facilities now existing within the present property boundaries of or being used to operate OWNER's Wastewater Treatment facility located at 3013 East Swift Road, Grand Island, Nebraska 50501.
- b. All equipment, vehicles (except pick-up trucks), grounds and facilities now existing within the present property boundaries of lift stations described as follows:.

Station ID	Location	Status
Lift Station #1	2004 W 3 rd Street	On-line
Lift Station #2	Five Points	On-line
Lift Station #3		Off-line
Lift Station #4	Broadwell Ave & BNSF Tracks	On-line
Lift Station #5	5 th St & Evans Street	On-line
Lift Station #6		Off-line
Lift Station #7	Phoenix Ave & Grand Street	On-line
Lift Station #8	Forrest Street & Custer Ave	On-line
Lift Station #9		On-line
Lift Station #10	20 th & Sycamore Street	On-line
Lift Station #11	8 th Street & Custer	On-line
Lift Station #12		Off-line
Lift Station #13	18 th Street & Indiana Street	On-line
Lift Station #14	Broadwell Park	On-line
Lift Station #15	17 th Street & Hancock Ave	On-line
Lift Station #17	Locust & Ramada Rd	On-line
Lift Station #18	Shady Bend Road	On-line
Lift Station #19	Capital Ave & Diers Ave	On-line
Lift Station #20	Highway 281 & Highway 34	On-line
Lift Station	3340 N Shady Bend Road	On-line
Storm Water Pump Station		
Storm Water Pump Station		
Storm Water Pump Station		

b. All OWNER provided vehicles and equipment now existing for use at the
Project:

Unit #	Model
741	Mixer Truck
742	Mixer Truck
750	621E Case Loader
752	Sterling Dump w/Pup
753	Ford 8000 Dump
754	IHC Dump
755	Ford 9000 Dump
756	IHC Dump
757	Hicklan Gen 210KW
758	Winco Gen 25KW
760	JD MB Injection Pump
761	4" Ford Pump
766	10" JD/GR Emerg. Pump
767	John Deere Tractor 4640
771	10 yd Dump Truck
775	Onan 70KW Generator
781	Ford Semi Tractor
783	Nisson Fork Lift
786	Blue Ford Tractor
788	621D Case Loader
789	Backhoe
792	4650 John Deere Tractor
	Mustang Telehandler
	Winco Gen 65KW

APPENDIX C-1

NPDES PERMIT AND PROJECT CHARACTERISTICS WASTEWATER TREATMENT

C.1 VWNA will operate so that effluent will meet the requirement of NPDES permit number [[XXXXXX]] effective [[DATE]] and expiring [[DATE]], a full and complete copy of which is adopted by reference herein as of the date hereof. VWNA shall be responsible for meeting the effluent quality requirements of the Permit unless one or more of the following occurs: (1) the Project influent does not contain Adequate Nutrients to support operation of Project biological processes and/or contains Abnormal Substances or Biologically Toxic Substances which cannot be removed by the existing process and facilities; (2) dischargers into OWNER's sewer system violate any or all regulations as stated in OWNER's Industrial Water and Sewer Ordinance(s) or as required by law; (3) the flow or influent BOD₅ and/or suspended solids exceeds the Project design parameters which are xxx million gallons of flow per day, xxxx pounds of BOD₅ per day, xxxx pounds of suspended solids, xxx pounds per day of ammonia and a daily peaking factor of xxx times flow; (4) if the Project is inoperable or can operate only at a reduced capacity on account of construction activities, fire, flood, adverse weather conditions, labor disputes or other causes beyond VWNA's control.

C.2 At the completion of the scheduled Wastewater rehabilitation projects the various quantities cited in paragraph C.1 shall be reviewed by VWNA and the OWNER.

~~C.2~~

C.3 In the event any one of the Project influent characteristics, suspended solids, BOD₅ or flow, exceeds the design parameters stated above, VWNA shall return the plant effluent to the characteristics required by NPDES in accordance with the following schedule after Project influent characteristics return to within design parameters.

<u>Characteristics Exceeding Design Parameters By</u>	<u>Recovery Period Maximum</u>
10% or Less	5 days
Above 10% Less than 20%	10 days
20% and Above	30 days

Notwithstanding the above schedule, if the failure to meet effluent quality limitations is caused by the presence of Abnormal Substances or Biologically Toxic Substances or the lack of Adequate Nutrients in the influent, then VWNA will have a thirty (30) day recovery period after the influent is free from said substances or contains Adequate Nutrients.

~~C.3~~

C.4 VWNA shall ~~not~~ be responsible for fines or legal action as a result of discharge violations occurring within the scope of the facility's design parameters. The OWNER shall be responsible for fines or legal action as a result of discharge violations resulting from abnormal substances or occurring outside the scope of the facility's design parameters. ~~period and any subsequent recovery period that (1) influent exceeds design parameters; or (2) does not contain Adequate Nutrients; or (3) contains Abnormal Substances or Biologically Toxic Substances; or (4) is inoperable.~~

~~C.4~~

C.5 The Annual Fee for services under this Agreement is based upon the following:

(a) Project influent characteristics:

Flow [[XXXX]] gpd
NH₄N [[XXX]] pounds per day
BOD₅ [[XXX]] pounds per day
TSS [[XXX]] pounds per day
DHS* [[XXX]] mg/L

~~*DHS means Dissolved Hydrogen Sulfide concentration.~~

The above characteristics are the design criteria for the facility. Any change of 10 percent (10%) or more in any of these characteristics, based upon a twelve (12) month moving average, will constitute a Change in Scope. (See Article 7)

APPENDIX D

ANNUAL FEE ADJUSTMENT FORMULA

Annual Adjustment

Annually until the expiration or earlier termination of this Agreement, the Annual Fee shall be adjusted each year, such adjustment becoming effective on the anniversary date of the commencement date of the Initial Term. The parties may negotiate each adjustment, but in the event that they are not able to mutually agree on an adjustment the Base Compensation shall be adjusted according to the change in the Escalation Factor. The Escalation Factor is comprised of the following:

- (a) 50.8% of the year-to-year change in the Consumer Price Index, All Urban Consumers ("CPI-U"), as published by the United States Department of Labor, Bureau of Labor Statistics Not Seasonally Adjusted, US City Average, All Items, Series ID: CUUR0000SA0;

plus

- (b) 47.7% of the year-to-year change in the Employment Cost Index ("ECI") as published by the United States Department of Labor, Bureau of Labor Statistics Not Seasonally Adjusted, Compensation-Civilian Workers-Service Occupations, Series ID: CIU1010000300000I;

plus

- (c) 1.5% of the year-to-year change in the Producer Price Index ("PPI") as published by the United States Department of Labor, Bureau of Labor Statistics Not Seasonally Adjusted, Chemicals and Allied Products – Series ID: WPU06.

For purposes of this Agreement, the indices applicable to calculation of the Escalation Factor shall be the indices published in March of each year.

In no event shall the Annual Fee be reduced by application of the adjustment formula.

APPENDIX E

INSURANCE COVERAGE

VWNA SHALL MAINTAIN:

1. Statutory workers' compensation for all of VWNA's employees at the Project as required by the State of Nebraska.
2. Commercial General Liability insurance, insuring VWNA's negligence, in an amount not less than \$1,000,000 each occurrence and \$5,000,000 aggregate for bodily injury and/or property damage.
3. Business Automobile Liability insurance, insuring owned, non-owned and hire automobiles in an amount not less than \$1,000,000 combined single limit.

OWNER SHALL MAINTAIN:

1. Statutory workers' compensation for all of OWNER's employees associated with the Project as required by the State of Nebraska.
2. Property damage insurance for all property, including vehicles owned by OWNER and operated by VWNA under this Agreement. Any property, including vehicles, not properly or fully insured shall be the financial responsibility of the OWNER.

VWNA will provide at least thirty (30) days' notice of the cancellation of any policy it is required to maintain under this Agreement. VWNA may self-insure reasonable deductible amounts under the policies it is required to maintain to the extent permitted by law. Each party shall include the other party as an additional insured on the coverages, excluding workers' compensation, required to be maintained hereby and shall contain a waiver of subrogation in favor of the other party as respects any claims covered or which should have been covered by valid and collectible insurance including any deductibles or self insurance maintained thereunder.

MUNICIPAL WATER SUPPLY VITAL INTEREST

The municipal water supply of the City of Grand Island is a vital economic interest to the Grand Island region. Protection of that supply is the unique responsibility of the City of Grand Island and should remain a key element in the water policy of the City of Grand Island.

MUNICIPAL WATER SUPPLY

The Grand Island municipal water supply depends upon the maintenance of high-quality instream flows of water in the Platte River. The quantity and quality of the Platte River water at the wellfield is dependent upon the management practices of upstream water users. Nitrate contamination of the ground water in the Platte Valley has compelled maintenance of instream flows of the Platte River as the only economically viable alternative for municipal water supplies. Protection of those instream flows should remain a key element in the water policy of the City of Grand Island.

TRANSBASIN DIVERSION OF PLATTE RIVER

Transbasin diversion of water from the Platte River will have a long-term negative impact upon the economic and environmental interests of the Platte Valley. The City of Grand Island should continue to vigorously oppose present and future applications for transbasin diversion of Platte River flows.

INDIRECT TRANSBASIN DIVERSION

Transbasin diversion may occur directly through surface flows and indirectly through groundwater mounding. All reasonable efforts to reduce or eliminate indirect transbasin diversion should be pursued.

OPEN REVIEW AND EXAMINATION OF MANAGEMENT PRACTICES

The management practices of all water users who depend upon the water resources of the Platte valley should be open to review and examination. Reasonable modifications of those management practices to protect and enhance the economic and environmental interests of the Platte valley should be encouraged.

IRRIGATED AGRICULTURE VITAL INTEREST

Irrigated agriculture is a vital economic interest to all of the Platte valley. Protection of existing Platte valley irrigation should remain a key element in the water policy of the City of Grand Island.

RIVERINE ENVIRONMENT VITAL INTEREST

The riverine environment of the Platte River is a vital economic and environmental interest to all of the Platte valley. Protection of riverine environment should remain a key element in the water policy of the City of Grand Island.

COMMITMENT TO PUBLIC INTEREST

The water resources of the State of Nebraska require protective management to serve to long-term interests of all concerned. The water management practices of the City of Grand Island should be open to examination and modification to protect the public interest. The water management practices of all applicants for use of Platte River water should be open to examination and modification to protect the public interest.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the *Water Policy Statement of the City of Grand Island* pertaining to:

Municipal water Supply Vital Interest

Municipal Water Supply

Transbasin Diversion of Platte River

Indirect Transbasin Diversion

Open Review and Examination of Management Practices

Irrigated Agriculture Vital Interest

Riverine Environment Vital Interest

Commitment to Public Interest

be, and hereby is, approved and adopted by the City in support of management practices of the Platte River; a copy of such policy attached to this resolution and incorporated herein by reference.

Moved by Councilmember JOHNSON

Seconded by Councilmember NEAL

Roll call vote: "Yes": HUTCHINSON, MURRAY, JOHNSON, NEAL, FEASTER,

SEIFERT, SORENSEN, SHAFER AND KUZMA.

"No": WIT

Motion carried DECEMBER 9, 1991

CITY OF GRAND ISLAND, NEBRASKA

OFFICIAL PROCEEDINGS

MINUTES OF CITY COUNCIL MEETING

December 9, 1991

Pursuant to due call and notice thereof, a meeting of the City Council of the City of Grand Island was conducted in the Council Chambers of City Hall on December 11, 1991. Notice of this meeting was given in the Grand Island Daily Independent on December 6, 1991

A quorum present, Mayor Dobesh call the meeting to order at 7:00 p.m. The following members were present: Mayor Dobesh, Councilmembers Hutchinson, Wit, Murray, Johnson, Neal, Feaster, Seifert, Sorensen, Shafer and Kuzma. Councilmember Kuzma arrived at 8:15 p.m. The following officials were present: City Attorney Keith Sinor, Public Works Director Wayne Bennett and City Clerk Muritta Czaplewski.

Invocation was given by Captain Kevin VanZee of the Salvation Army.

Approval of Minutes: Motion by Sorensen, second by Shafer, carried unanimously to approve the minutes of the Regular Council Meeting, November 25, 1991; Special Council Meeting, December 2, 1991; and Study Session, December 2, 1991.

PUBLIC HEARING: Proposed Amendment to provisions of the Zoning Ordinance governing signage. A change in the zoning ordinance is required to eliminate a conflict with the sign code portion of the City Code which was amended by the City Council recently. This hearing was held to solicit public comment and there was none. (See Ordinance No. 7774).

PUBLIC PARTICIPATION:

The following citizenry spoke out about the water application: George Myers, 4914 Kearney Road favored the City Council's action in opposing the application. Mike O'Neill, 503 O'Neill Circle urged the Council to study this issue very cautiously; Lawrence Krug, 2103 Park Drive, asked that the water not be shut off to the irrigators; June O'Neill, 503 West O'Neill Circle, feels the Platte River Maintenance Whooping Crane Trust is destroying other wildlife habitats to perpetuate the trust area as a crane trust; Jim Sanders, 281 North Harrison, talked about whose interest the council should defend; Tina Heinz, Executive Director of the Grand Island Convention and Visitors Bureau, stressed the use of collective intelligence and reason to develop a water management policy that is in the best interest of everyone; and Tim Anderson of Central Nebraska Public Power and Irrigation District, suggested changes be made to the water policy that was being proposed and stated his organization will be presenting a plan that will be very beneficial to the City of Grand Island.

Louise Miller, 1104 West Charles, believes the City should be responsible for the maintenance of water pipes up to the curb box.

Page 2, Regular Council Meeting, December 9, 1991

DISCUSSION AND INFORMATION ITEMS:

Election of City Council President: Councilmember Wit nominated Councilmember Hutchinson and Councilmember Sorensen nominated Larry Seifert. Motion was made by Murray to table this issue until after Councilmember Kuzma arrived at the meeting. Upon roll call vote, Hutchinson, Wit, Murray, Johnson, Feaster, Seifert, and Shafer voted aye. None voted nay. Neal and Sorensen abstained. Motion carried.

Approval of City Council Committee/Liaison Appointments. Motion by Sorensen, second by Shafer, carried unanimously to approve the City Council Committee/liaison Appointments which are as follows: Robert Sorensen to City-County Board of Health; Joni Kuzma, Mike Shafer and Larry Seifert to City-County Joint Communications/Civil Defense Committee; Mike Hutchinson and Larry Seifert as Community Development Liaisons; Burton Feaster, Michael Hutchinson, and Alice Neal as Downtown liaisons; Glen Murray as Industrial Foundation Liaison; Glen Murray to League of Municipalities Legislative Committee; Steve Johnson and Mike Shafer as Regional Planning Liaisons; Gary Wit, Joni Kuzma and Bob Sorensen as School Liaisons; Burton Feaster, Steve Johnson and Alice Neal to Warm Slough-Moores Creek Advisory committee and Gary Wit, Alice Neal, Joni Kuzma and Steve Johnson to Compost committee.

Approval of 1992 City Council Meeting Schedule: Motion by Sorensen, second by Shafer carried unanimously to approve the 1992 City Council Meeting Schedule.

Approval of Revised 1991 City Council Meeting Schedule: Motion by Sorensen, second by Shafer carried unanimously to change the date of the next scheduled regular city council meeting from December 23, 1991 to December 16, 1991.

Initiation of Annexation proceedings of properties removed from County Industrial Area Designation in the area of the U.S. Highway 281 -U.S. Highway 30 Interchange. This area is not in the city limits because it at one time was designated as a County Industrial Area. At the request of the City, five of the eleven parcels in the area were removed from the Industrial Area in 1985 by the Hall County Board. In the intervening years, the City neglected to initiate annexation proceedings. Motion by Shafer, second by Seifert, carried unanimously to authorize initiation of annexation proceedings for properties in the area of the Highway 281 and Highway 30 Interchange.

REQUESTS AND REFERRALS:

Receipt of Downtown Improvement Board Minutes of November 19, 1991 and Community Development Advisory Committee Minutes of December 4, 1991. Motion was made by Sorensen, second by Wit, to accept the Downtown Improvement Board Minutes of November 19, 1991 and Community Development Advisory Committee Minutes of December 4, 1991. Upon roll call vote, Hutchinson, Wit, Murray, Johnson, Neal, Feaster, Sorensen, Shafer and Kuzma voted aye. Seifert voted nay. Motion carried.

Request of Susan Johnson for License Agreement to connect to Interceptor Sanitary Sewer. The property of Susan Johnson is not currently served by sanitary sewer, and the only existing line in the vicinity is an interceptor line. She made an application for a license agreement to allow for connection to an interceptor sewer at a manhole to serve Lot 9, Palu Subdivision. Motion by Sorensen, second by Wit, carried unanimously to approve the request of Susan Johnson for a License Agreement to connect to the interceptor sanitary sewer.

Request of IAMS Dog Food Plant of Aurora for acceptance of refuse at Sanitary Landfill. Anyone seeking to dispose of waste material from outside of Hall County must receive approval from the City Council. IAMS Dog Food Plant of Aurora has made a request to dispose of dry dog food from bags, paper bags, and cardboard. This material does not pose any potential environmental risks. Motion was made by Sorensen, second by Wit, to accept refuse from the IAMS Dog Food Plant of Aurora. Upon roll call vote, Hutchinson, Wit, Murray, Johnson, Neal, Feaster, Sorensen, Shafer and Kuzma voted aye. Seifert voted nay. (Kuzma absent)

RESOLUTIONS:

Approving Subdivision Agreement and Final Plat for Morningside Acres Subdivision. This Subdivision Agreement and Final Plat were submitted by Mr. James Beltzer of Riverside Investment, Inc. It provides for the development of 38 single family lots, one large lot for a detention cell and possible future condominiums on the north side of Stagecoach Road immediately west of August Street. Motion by Seifert, second by Sorensen, carried unanimously to approve the Subdivision Agreement and Final Plat for Morningside Acres Subdivision.

(Councilmember Kuzma entered the meeting at this time-8:15p.m.)

Adopting Statement of Policy on Water Management. At the December 5, 1991 Special City Council meeting, City Attorney Keith Sinor distributed a proposed statement on Water Policy which he prepared. This policy statement is intended to address the interests and concerns of the City of Grand Island relative to water issues, and particularly, the management of the Platte River. The statement is not issue specific and is not directed at the pending application of the Central Nebraska Public Power and Irrigation District for additional irrigation rights. This policy will provide the residents of Grand Island and other interested parties with a better understanding of the City's position and will serve as a guide when water issues are dealt with in the future.

Motion was made by Hutchinson, seconded by Wit, to encourage those appropriated authorities to approve an extension to allow the 33,000 acres in question to be able to be irrigated during the 1992 irrigation season and that a water management program be settled and agreed upon by Central and all interested parties. Motion was made by Murray, second by Neal, to table Mr. Hutchinson's motion until the next regular City Council meeting on January 13, 1991. Upon roll call vote, Murray, Neal, Feaster, Seifert, Sorensen, Shafer and Kuzma voted aye. Hutchinson, Wit, and Johnson voted nay. Motion carried.

Page 4, Regular Council Meeting, December 9, 1991

Motion was made by Johnson, second by Neal, to adopt the Statement of Policy on Water Management. Upon roll call vote, Hutchinson, Murray, Johnson, Neal, Feaster, Seifert, Sorensen, Shafer and Kuzma voted aye. Wit voted nay. Motion carried.

Establishing Policy governing Charges for Public Document Search and Reproduction. In developing a proposed policy, the City Administrator has sought to codify the various document changes and issues into one policy resolution. It is recommended that the present practice of charging ten cents per copy be retained. Motion was made by Wit, second by Murray, carried unanimously to adopt this resolution establishing policy relative to public document search and reproduction and that the following statement be added: "The search and reproduction of public documents, which involves significant or extensive staff research, search, or reproduction, shall be done on a fee for service basis, including staff time."

Approving request to the Hall County Board for removal of properties from an Industrial Area Designation. This resolution addresses a proposed request to the Hall County Board for the removal of seven parcels of land from County Industrial Area Designation. These properties consist of: 1.) Farmer's Choice, 2.) Construction Rental, Inc., 3.) Nebraska Department of Roads, 4.) Monte's Electronic Stores, 5.) U.S. Highway 281 and U.S. Highway 30 right-of-ways, which are located in the area near the intersection of Highway 281 and Highway 30; 6.) the City's detention cell known as "the site" and 7.) the former railroad right-of-way located south of Fonner Park Road in the central part of the city. Motion by Sorensen, second by Feaster, carried unanimously to approve request to the Hall County Board for removal of properties from the County Industrial Area Designation.

Approving the solicitation of Consultant Proposals for Municipal Cable System Feasibility Study and enabling legislation. Councilmember Seifert, at the December 2, 1991 meeting, distributed a report that he authored entitled, "Municipally Owned Cable Television Company." He recommended that the City conduct a feasibility study relative to a municipal cable television system in Grand Island. He has asked the City Council to authorize the solicitation of consultant proposals for a study. This would require the development of a Request for Proposals, and this resolution would authorize the staff to prepare this document. This action item also directs City staff to work with the League of Nebraska Municipalities and our legislative delegation in pursuing State enabling legislation. Motion by Seifert, second by Kuzma, carried unanimously to approve the solicitation of Consultant Proposals for Municipal Cable System Feasibility Study and enabling legislation.

Adopting Phase 1 of Personnel Compensation and Classification Plan and Amendments to Personnel Policy. Ms. Donna Starling of the management consulting firm of Ralph Anderson and Associated, presented their findings and recommendations relative to Phase I of the Personnel Compensation and Classification Study at the December 2, 1991 Study Session meeting. She was present and indicated that since her presentation, minor revisions were made to the allocation list and job descriptions. Two new job titles were added which were Turf Management Specialist and Legal Secretary.

Page 5, Regular Council Meeting, December 9, 1991

Motion was made by Kuzma, second by Wit, to substitute the following language on page three under the job description for the position of city administrator: "Immediate supervision by mayor" in place of "policy direction from the mayor" and to add "and general supervision by City Council" to this sentence. Upon roll call vote, Hutchinson, Wit, Murray, Johnson, Neal, Feaster, Seifert, Shafer and Kuzma voted aye. Sorensen voted nay. Motion carried.

Motion by Neal, second by Murray, carried unanimously to approve adoption of Phase I of the Personnel Compensation and Classification Plan and Amendments to the Personnel Policy. Upon roll call vote, Hutchinson, Wit, Murray, Johnson, Neal, Feaster, Seifert, Shafer and Kuzma voted aye. Sorensen voted nay. Motion carried.

Approving Exterior Design, Interior Floor Plan, and Timetable for City Hall Project. Project Architect Tom Findley, of the architectural firm of Leo A. Daly Company, has submitted the proposed exterior and interior design, floor layout, office assignments and schematic plans for the new City Hall. He was present and gave a video presentation of the computer imagery of the above plans. Motion made by Kuzma, second by Hutchinson, carried unanimously to approve the exterior design, interior floor plan, office assignments and timetable for the new City Hall Project.

Approving amendment to Architectural Scope of Service for City Hall Project. The designation of the new Grand Island City Hall as a State Survival Crisis Management Center can provide funding for up to 50% of the cost of the lower level, including a full basement. An additional 7,000 square feet could be constructed. The State and Federal Emergency Management officials have indicated that the Federal program could fund \$50,000-\$75,000 of the \$202,500 architectural services cost. Motion was made by Kuzma, second by Wit, to approve amending the architectural scope of services of the Leo A. Daly Company for the City Hall Project which includes providing \$30,000 for the additional services and that they be engaged to provide interior design services associated with the development of furniture design and specifications at a cost of \$19,500. Upon roll call vote, Hutchinson, Wit, Murray, Feaster, Seifert, Sorensen, Shafer and Kuzma voted aye. Johnson and Neal voted nay. Motion carried.

Authorizing execution of Lease Agreement for Rental of property at 253 South Locust by Police Department for storage of abandoned property. The Police Department has utilized space at the Parks Garage Building at Second and Sycamore to store abandoned property that is acquired by their department. An alternate location is needed with the pending removal of the Parks Garage. The Police Chief has located a vacant building at 253 South Locust Street and has negotiated a temporary rental agreement for 1 1/2 years at the rate of \$300.00 per month. Motion by Sorensen, second by Feaster, carried unanimously to approve the execution of a Lease Agreement for rental of property at 253 South Locust by the Police Department for storage of abandoned property.

Election of City Council President: A vote was taken on the nominations of Mike Hutchinson and Larry Seifert. Mike Hutchinson received six votes and Larry Seifert four votes. Motion

by Neal, second by Seifert, carried unanimously to make the vote a unanimous one for Mike Hutchinson as City Council President.

Councilmember Johnson suggested that the mayor arrange a different seating arrangement of the council members.

ORDINANCES:

Councilmember Sorensen moved that the statutory rules requiring ordinances to be read by title on three different days be suspended and that the ordinances numbered:

- | | |
|-------|---|
| #7774 | To amend Sections 36-13 and 36-14 of the Grand Island Zoning pertaining to signs. |
| #7775 | To amend Chapter 17 of City Code pertaining to garbage removal |

be considered for passage on the same day upon reading by number only, and then placed on final passage, and that the City Clerk be permitted to call out the number of the Ordinances on their first reading, and then upon their final passage, and call for a roll call vote on each reading and final passage. Motion was seconded by Councilmember Hutchinson. Upon roll call vote, with all members voting aye, motion carried.

After inviting questions or comments, and there being none, the Mayor called for a roll call vote on the motion. Hutchinson, Wit, Murray, Jolmson, Neal, Feaster, Seifert, Sorensen, Shafer and Neal voted aye. None voted nay. Motion carried.

Clerk: Ordinances #7774 and #7775 on their first reading. All those in favor of passage, answer roll call. On roll call vote, with all members voting aye, motion carried.

Clerk: Ordinances #7774 and #7775 on final passage. All those in favor of passage of said ordinances on their final passage, answer roll call. On roll call vote, with all members voting aye, motion carried.

Mayor: By reason of the roll call votes on the first and final passage of said ordinances, Ordinances #7774 and #7775 are declared to be lawfully passed and adopted upon publication as required by law.

PAYMENT OF CLAIMS:

Motion was made by Sorensen, second by Shafer, to pay the claims of December 9, 1991 in the amount of \$103,560.21. Hutchinson abstained from voting on Claim #19550 in the amount of \$374.09 to Graham Tire Company. Upon roll call vote, Hutchinson, Wit, Murray, Jolmson, Neal, Feaster, Seifert, Sorensen, Shafer and Kuzma voted aye. None voted nay. Motion carried.

Page 7, Regular Council Meeting, December 9, 1991

ADJOURNMENT:

The meeting was adjourned at 9:00 p.m.

Respectfully submitted,

Muritta F. Czaplewski
City Clerk

RESOLUTION 2012-41 (A)

WHEREAS, the City Of Grand Island City Council has reviewed options for improving the cost efficiency of the Wastewater Treatment Plant's operations, including contract operations with Veolia Water, and initiation of an internal improvement plan; and

WHEREAS, the City Of Grand Island invited qualifications for contract management consulting services for the Operation of the Wastewater Treatment Plant, according to the Request For Qualifications on file with the Engineering Division of the Public Works Department; and

WHEREAS, on August 16, 2011 proposals were received, reviewed, and evaluated in accordance with established criteria in the RFQ; and

WHEREAS, Veolia Water of Naperville, Illinois submitted qualifications in accordance with the terms of the Request for Qualifications and all statutory requirements contained therein and the City Procurement Code; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the City shall enter negotiations with Veolia Water of Naperville, Illinois for contract management of the Wastewater Treatment Plant.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such agreement on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, February 14, 2012.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
February 10, 2012	☐ City Attorney

RESOLUTION 2012-41 (B)

WHEREAS, the City Of Grand Island City Council has reviewed options for improving the cost efficiency of the Wastewater Treatment Plant's operations, including contract operations with Veolia Water, and initiation of an internal improvement plan; and

WHEREAS, staff in the form of a Wastewater Plant Engineer and a Wastewater Operations Engineer is needed to provide the expertise and guidance necessary for this initiative; and

WHEREAS, the positions of Wastewater Plant Engineer and Wastewater Operations Engineer need to be created; and

WHEREAS, identification of available Asset Management software and services is needed to further develop this improvement plan; and

WHEREAS, it is necessary to identify types and locations for monitoring devices to develop an installation plan and estimate; and

WHEREAS, the additional expertise and the information expected from the Asset Management and Monitoring and Automation studies is required to develop the internal improvement plan; and

WHEREAS, additional funding not to exceed \$500,000 is needed to immediately initiate this plan and cash reserves are available; and

WHEREAS, after all information has been presented to City Council to allow for a well informed decision to be made; and

WHEREAS, City Council has voted and approved the initiation of an alternate improvement plan at the Wastewater Treatment Plant.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Wastewater budget is amended to include an expenditure of an amount not to exceed \$500,000 in fiscal year 2011/12 to fund the salaries of a Wastewater Plant Engineer and a Wastewater Operations Engineer and to fund Asset Management and Monitoring and Automation studies; and the Salary Ordinance is amended to include the titles of Wastewater Plant Engineer and Wastewater Operations Engineer.

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Adopted by the City Council of the City of Grand Island, Nebraska, February 14, 2012.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk