AGREEMENT

WATER RATE STUDY
BLAIR, NEBRASKA

THIS AGREEMENT, made and entered into this ___ day of _____, 2026 by and between the **CITY OF BLAIR, NEBRASKA**, hereinafter referred to as the **Owner** or **City**, party of the first part, and **VEENSTRA & KIMM, INC., A KLEINFELDER COMPANY**, a corporation organized and existing under the laws of the State of Iowa with offices in West Des Moines, Iowa, party of the second part, hereinafter referred to as the **Engineers**,

WITNESSETH: THAT WHEREAS, the City of Blair owns and operates a municipal water system, and

WHEREAS, the City has determined it appropriate to review and update its existing water user charge rates, and

WHEREAS, the City desires to retain the Engineers to provide professional services to assist the City in the review of its water use rate,

NOW, THEREFORE, it is agreed by and between the parties hereto the City retains the Engineers as set forth hereinafter to provide professional engineering services for the Water Rate Study project. Such agreement shall be subject to the following terms, conditions and stipulations, to wit:

1. **SCOPE OF PROJECT**. It is understood and agreed the Project shall consist of the analysis and evaluation of the existing water rates.

   The scope of the project will include, but not necessarily be limited, to the following tasks:

   a. Review of revenue and expenditures for the water utility for the five-year period since July 1, 2021.

   b. Prediction of future water use based upon population trends, commercial growth, and industrial users by a spreadsheet analysis.

   c. Review of the anticipated capital improvements funded by the water utility for a 5-year period, including improvements financed by reserves and debt financing.

   d. Review of historical revenue generated by each major customer classification over the prior five-year period.

   e. Evaluate the equity of expenditures vs revenue generation for each major customer classification for the existing rate system.

f. In consultation with City staff, identify alternatives to the existing water rate system, both in percent increase of current fees and in modifications to the existing structure.

g. Calculate the estimated future revenue generated by the proposed alternatives. Compare future revenue generation to 1.36 net operating income to debt ratio for two-three year period and to 1.5 net operating income to debt ratio for a seven to ten year period.

h. Evaluate the impact on recommended rate for each major customer classification.

i. Evaluate the equity of expenditures vs revenue generation for each major customer classification for the proposed alternative rate systems.

j. Summarize the findings and recommendations in a report to be reviewed with the City in both draft and final format.

k. If requested, present the findings of the analysis to the City Council or representatives of the City Council.

2. **PROJECT DATA**. The City shall provide all available records and information which would assist the Engineers in the completion of the study. It is understood and agreed the Engineers shall be primarily responsible for review of existing data.

3. **CONFERENCES**. During the course of the performance of the study, the Engineers will meet with City staff on a regular basis to review the data evaluation and recommendations of the project. Meetings included in fee include project kickoff, rate alternative review, draft findings review.

4. **REPORT**. The Engineers shall provide electronic copies of the preliminary draft report, draft report with consolidated round of City comments, and the final report. The report will include a proposed rate schedule and representative customer bills based on the proposed rate schedule. Supplemental to the report, the Engineers shall provide an editable spreadsheet model with formulas and assumptions.

5. **COMPENSATION**. The City of Blair shall compensate the Engineers for its services by the payment of the Engineers' standard hourly fees, plus reimbursement of direct out-of-pocket expenses.

a. The maximum fee for services under this Agreement shall not exceed the sum of Nineteen Thousand Eight Hundred Dollars ($19,800).

It is understood and agreed the maximum fee includes the scope as outlined in section 1 of this Agreement, including labor, direct expense, and Council presentation, if requested. The maximum fee is based on the concept of no major structural modifications in the water use charge rates. If the scope of work requires more significant activities related to the user charge structure, the maximum fee may be adjusted by mutual agreement.

6. **PAYMENT**. The fees for professional services as set forth in **5. COMPENSATION** shall be billed and payable monthly during the course of the performance of services under this Agreement.

7. **TIME OF COMPLETION**. The Engineers shall complete all services, through and including the preparation and presentation of the final report as follows:

    a. Draft of water use charge structure analysis: January 31, 2027.

    It is understood the completion date may be modified by mutual agreement.

8. **SERVICES NOT INCLUDED**. Services not included under this Agreement include the following:

    a. Major structural changes in the water use rate structure, including introduction of new customer classes or addition of newly defined fees.

9. **CHANGES**. If, after the final report is completed and approved by the City, the Engineers are required to change the report because of changes made by the City, the Engineers shall receive additional compensation for making such changes. The compensation for such changes shall be based upon the standard hourly fees plus expenses for personnel of the Engineers actually engaged in making the changes. For City-requested changes after approval of final report, the Engineers shall obtain written approval of the scope, fee and schedule before begin work. The base fee of this Agreement includes a consolidated round of City comments and correction of consultant errors or omissions to the draft report without additional compensation.

10. **EXTRA WORK**. Fees stated in this Agreement cover the specific services outlined in this Agreement for the Project. If the City requires additional services of the Engineers in connection with the Project, such additional compensation shall be at the standard hourly fees for personnel of the Engineers, plus expenses for personnel engaged in the authorized extra work. The fee for such services shall be billed and payable monthly. Additional services of the Engineers will require written City approval of scope, schedule, and not-to-exceed amounts before any extra work begins.

11. **INDEMNIFICATION.** The Engineers shall and hereby agree to hold and save the City of Blair harmless from any and all claims, settlements, and judgments, to include all reasonable investigative fees, attorneys' fees, suit and court costs for personal injury, property damage, and/or death arising out of the Engineers' or any of its agents', servants', and employees' errors, omissions, or negligent acts for services under this Agreement, and for all injury and/or death to any and all of the Engineers' personnel, agents, servants, and employees occurring under the Workers' Compensation Act of the State of Iowa.

12. INSURANCE. The Engineers shall furnish the City of Blair with certificates of insurance by insurance companies licensed to do business in the State of Nebraska, upon which the City of Blair is endorsed as an additional named insured, in the following limits. It must be clearly disclosed on the face of the certificates that the coverage is on an occurrence basis.

General Liability*	$1,000,000/2,000,000
Automobile Liability	$1,000,000
Excess Liability (Umbrella)*	$5,000,000/5,000,000
Workers' Compensation, Statutory Benefits Coverage B	$1,000,000
Professional Liability****	$1,000,000/3,000,000

*Occurrence/Aggregate
**The Owner is not to be named as an additional insured
***Claims made basis

13. TERMINATION. Should the City abandon the Project before the Engineers have completed their work, the Engineers shall be paid for services performed until the date of termination.

14. ASSIGNMENT. This Agreement and each and every portion thereof shall be binding upon the successors and assigns of the parties hereto.

The undersigned do hereby covenant and state this Agreement is executed in duplicate as though each were an original and there are no oral agreements that have not been reduced to writing in this instrument.

It is further covenanted and stated there are no other considerations or monies contingent upon or resulting from the execution of this Agreement nor have any of the above been implied by or for any party to this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names on the date first written above.

CITY OF BLAIR, NEBRASKA ATTEST:

By_____ By_____

VEENSTRA & KIMM, INC. ATTEST:

By_____ By_____
Olivia Patton, P.E.