



Town Council Voting Worksession

Thursday, September 27th, 2018

Palmer Lake Town Hall – 28 Valley Crescent

This agenda is subject to revision

Town Council Regular Meeting 6:00 PM

1. Call to order
2. Pledge of Allegiance
3. Roll call
4. Approval of Agenda
5. Approval of minutes from September 13th, 2018
6. Council comments
7. Guest speakers; Dr. Hurtado, Sue Richardson and Joni Briola- Penrose EMS

Motions

1. Contract for road repairs
2. Contract for water rate study

WORKSESSION

1. Fire Department Study
2. Drainage Issues

Jason Dosch, David Frisch, GMS Engineering

Adjourn

Please note: If you have a disability and need auxiliary aids or services, please notify the Town of Palmer Lake (719-481-2953) at least 48 hours in advance of when services are needed. The Town of Palmer Lake will make every effort to accommodate the needs of the public.

NEXT REGULAR TOWN COUNCIL MEETING OCTOBER 11,2018



RECORD OF MINUTES

TOWN COUNCIL MEETING

September 13th, 2018

Board of Trustees Present

Mayor John Cressman

Trustee Paul Banta

Trustee Gary Faust

Trustee Bob Mutu

Mayor Pro Tem Mark Schuler

Staff Present

Town Attorney: Maureen Juran

Town Administrator: Cathy Green

Town Clerk: Verla Bruner

1. Call to Order - 6:06 pm

2. Roll Call- *Trustee Mitch Davis and Glant Havenar absent*

3. Approval of Agenda- Trustee Faust makes motion to accept Agenda seconded by Trustee Mutu all aye motion passes.

Unscheduled Public Comments

Ben Bice at 209 Park street states he is concerned about drainage issues around his home

Open discussion ensues about water zone

Financials

Trustee Faust makes motion to approve July financials with Trustee Mutu seconding motion - all aye motion passes.

Motion made by Trustee Banta to approve July Check register seconded by Trustee Schular all aye motion passes.

Motion made by Trustee Schular to approve all checks over \$15,000 Trustee Banta seconded motion all aye motion passes.

Ordinances

ORDINANCE NO. 16 OF 2018: AN ORDINANCE OF THE BOARD OF TRUSTEES OF THE TOWN OF PALMER LAKE REPEALING AND REPLACING SECTION 16.48.010 OF THE TOWN OF PALMER LAKE MUNICIPAL CODE REGARDING THE WATER SUPPLY SYSTEM, RESTRICTING ANY FURTHER EXPANSION OF SUCH WATER SUPPLY SYSTEM, AND DECLARING AN EMERGENCY

Trustee Faust makes motion to vote on Ordinance No. 16 of 2018 Trustee Mutu seconded motion roll call vote

Roll call vote

Mayor Cressman- Yes

Trustee Mutu- Yes

Trustee Faust-Yes

Trustee Schular-Yes

Trustee Banta-Yes

All aye motion carries

ORDINANCE NO. 15 OF 2018: AN ORDINANCE OF THE BOARD OF TRUSTEES OF THE TOWN OF PALMER LAKE AMENDING CHAPTER 8.10 CONCERNING OUTDOOR BURNING, FIRE, AND SMOKING REGULATIONS WITHIN THE TOWN, AND SETTING AND IMPOSING THE PENALTY FOR VIOLATIONS THEREOF

Trustee Schular makes motion to vote on Ordinance No. (un-numbered at time) Trustee Faust seconded motion roll call vote

Mayor Cressman- Yes

Trustee Mutu- Yes

Trustee Faust-Yes

Trustee Schular-Yes

Trustee Banta-Yes

All aye motion carries

Resolutions

Resolution No. 13 of 2018 A RESOLUTION REGARDING REGULAR MEETING DATES OF THE BOARD OF TRUSTEES

Trustee Faust makes motion to vote on Resolution No. 13 of 2018 Trustee Mutu seconds; four Trustees vote Aye and one abstains

motion passes.

Motions

Motion to renew contract with legal counsel David Kueter law, discussion ensues regarding qualifications and the best fit for the town, council asks for some other options, Town Administrator Cathy Green states she will put an RFP out so that council could interview other firms.

Town Administrator Cathy Green passed photos of the damaged road to Council members and after reviewing voted on opening the trail-Trustee Schular makes first motion to open the Reservoir trail to the public, Trustee Mutu seconds motion and all aye- motion passes, with stipulation that it will need to be closed again when the road is being repaired.

Discussion ensues about patching and re-surfacing Pie corner, Town parking lot and Lovers Lane road, Trustees expressed concern over funds for project and tabled motion until they could get more details from Jason Dosch with the Roads department.

Discussion

Discussion ensues regarding flooding that occurred from heavy rainfall on August 17th, 2018

Updated Lighting Ordinance tabled until next month

Board asked for further clarification on water rate analysis, cost and scope of work.

Unscheduled public comments

Mellissa Yodle states she is frustrated and concerned with parking near her home

Staff Report

Cathy Green Town Administrator gives staff report including water information and police reports

Motion made by Trustee Schular to adjourn meeting, seconded by Trustee Mutu

All aye motion carries

Adjourn at 8:10 pm

Mayor_____

Town Clerk_____

Date_____



**Martin
Marietta**

1910 Rand Ave.
Colorado Springs, CO 80905
Phone (719) 491-4377
Fax (719) 495-2457

To:	TOWN OF PALMER LAKE	Contact:	Jason Dosch
Address:	42 VALLEY CRESCENT	Phone:	
	PALMER LAKE, CO 80133	Fax:	
Project Name:	2018 TOWN OF PALMER LAKE ASPHALT PROJECTS		
Project Number:			
Project Location:	Various Locations, Palmer Lake, CO	Estimate Number:	17744
			Bid Date:

DUE TO UNSTABLE OIL PRICES, THIS QUOTE IS VALID ONLY FOR WORK COMPLETED BY OCTOBER 31, 2018. AS OF NOVEMBER 1, 2018 THIS QUOTE WILL BE SUBJECT TO LIQUID ASPHALT CEMENT (AC) OIL INCREASES.

Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
LOVERS LANE					
4	2.5" FDA SHAPE & PAVE	230.00	SY	\$32.50	\$7,475.00
Total Price for above LOVERS LANE Items:					\$7,475.00
PIE CORNER ASPHALT PATCHING					
3	4" FULL DEPTH R&R ASPHALT PATCHING	3,620.00	SF	\$3.50	\$12,670.00
Total Price for above PIE CORNER ASPHALT PATCHING Items:					\$12,670.00
TOWN HALL BOOK DROP DRIVEWAY					
2	2" FDA OVERLAY	205.00	SY	\$23.40	\$4,797.00
Total Price for above TOWN HALL BOOK DROP DRIVEWAY Items:					\$4,797.00
TOWN HALL PARKING LOT					
1	2" FDA OVERLAY	823.00	SY	\$25.00	\$20,575.00
Total Price for above TOWN HALL PARKING LOT Items:					\$20,575.00
Total Alternate Price:					\$45,517.00

- Notes:**
- * The following Proposal, subject to terms and conditions, as noted, and on the attached page, if accepted, shall constitute a contract between the parties to this Proposal. This Proposal shall be valid for a period of Thirty (30) days from the date of Proposal unless otherwise specifically stated in the Proposal.
 - * This contract is expressly conditioned upon approval of Customer's credit by Martin Marietta Materials Inc.'s credit department, and Martin Marietta Materials Inc. shall have no obligation to perform its obligations hereunder until such approval has been obtained. Project scheduling is subject to receipt of accepted Proposal. Please sign in spaces provided to indicate acceptance and return original. Note terms and conditions of sale as listed on Proposal document.
 - * Final billing will be determined by field measurement of actual quantities upon completion of the project.
 - * Over excavation and/or replacement of unsuitable sub grade material is to be performed on an hourly time and materials basis.
 - * Work is bid based on a single mobilization with performance of work being completed during the months of April through October 2018 in accordance with Pikes Peak Region Asphalt Paving Specifications. Work performed outside of this time frame will be subject to a waiver of guarantee and an increase in price, due to inadequate temperatures and/or sub grade conditions. Each additional mobilization will cost \$2,000.00 each, plus any patching and/or cleaning required to complete our scope of the project.
 - * **EXCLUSIONS:** Traffic control, herbicide, striping, parking blocks, concrete work, concrete prep, shouldering, ditch work, import/export excess material, asphalt milling, t-capping, utility adjustments, utility relocations, prime coat, night work, bond, permits, survey, engineering, staking, blue-topping, drainage in areas with less than 2% constant slope and any other work beyond the scope of this proposal.



Martin
Marietta

1910 Rand Ave.
Colorado Springs, CO 80905
Phone (719) 491-4377
Fax (719) 495-2457

To: TOWN OF PALMER LAKE Address: 42 VALLEY CRESCENT PALMER LAKE, CO 80133	Contact: Jason Dosch Phone: Fax:
Project Name: 2018 TOWN OF PALMER LAKE ASPHALT PROJECTS Project Number: Project Location: Various Locations, Palmer Lake, CO	Estimate Number: 17744 Bid Date:

ACCEPTED: The above prices, specifications and conditions are satisfactory and hereby accepted. Buyer: TOWN OF PALMER LAKE Signature: _____ Date of Acceptance: _____	CONFIRMED: Martin Marietta Materials, Inc. (Colorado Springs) Frank Spinuzzi Estimator (719) 629-6956 Frank.Spinuzzi@martinmarietta.com
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MARTIN MARIETTA MATERIALS INC. AGREES TO FURNISH LABOR AND MATERIALS TO CUSTOMER AS SET FORTH ON THE ATTACHED PROPOSAL HEROF, SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

1) **RESPONSIBILITIES OF CUSTOMER AND MARTIN MARIETTA MATERIALS INC.:** Customer shall reimburse Martin Marietta Materials Inc. for all expenditures for any required permits or inspection fees assessed by any government entity and paid by Martin Marietta Materials Inc. unless stated otherwise on the reverse hereof. Customer shall ensure that all manholes and other utility structures are on proper grade, in proper alignment, and are properly tagged. Martin Marietta Materials Inc. shall not be liable for any damage to underground facilities caused by equipment used in the performance of this contract.

2) **SUBBASE, AND/OR BASE COURSES:** If the subbase and/or base course has not been placed by Martin Marietta Materials Inc., then Martin Marietta Materials Inc. shall not be liable for any defects in the finished pavement developing as a result of any subbase, and/or base course failure. If, after being advised of existing inadequate or defective subbase and/or base course conditions, Customer directs Martin Marietta Materials Inc. to proceed with the work without first correcting those conditions, then Martin Marietta Materials Inc. shall not be liable for any subsequently occurring paving defects or failures.

3) **PAYMENT:** Martin Marietta Materials Inc. will, from time to time, submit invoices to Customer for work performed and materials and equipment provided by Martin Marietta Materials Inc. Payment shall be due 30 days from the date of Martin Marietta Materials Inc.'s invoice. Interest at the rate of 18% per annum shall accrue on all invoice amounts not paid when due. In addition, Customer shall be liable for all costs and reasonable attorney's fees incurred by Martin Marietta Materials Inc. in the collection of any unpaid balance. The Customer shall not withhold retention.

4) **TAXES:** The quotation on the reverse side hereof includes sales or use taxes as applicable on job related materials.

5) **SCHEDULING OF WORK:** Martin Marietta Materials Inc. reserves the right to delay its work until, in its sole judgment, a sufficient area of the job is ready to be paved. If additional mobilizations are requested, they will be billed on a unit price basis. Customer recognizes that Martin Marietta Materials Inc.'s ability to perform paving work is dependent upon site, weather, and temperature conditions and Customer agrees that any projected starting or completion date and any work schedule will remain subject to site, weather, and temperature conditions. Martin Marietta Materials Inc. will use its best reasonable efforts to begin and complete all work promptly. However, Martin Marietta Materials Inc. does not promise or warrant completion by any specific date.

6) **ADDITIONAL WORK:** Unless otherwise agreed to in this contract, quantity increases will be billed either on a unit price basis, or at time and material rates as agreed to by Martin Marietta Materials Inc. and Customer, so long as the extra work can be performed while Martin Marietta Materials Inc. is at work at the job site performing the original work. Otherwise unit prices for any additional extra work will be negotiated by the parties prior to commencement of such additional work.

7) **TERMINATION:** Martin Marietta Materials Inc. shall have the right to terminate the contract and shall have no further obligation to perform the contract in the event of any one of the following occurrences:

- Martin Marietta Materials Inc. is put on allocation for liquid asphalt, fuel, or other petroleum products, or its performance is otherwise restricted by governmental order or regulation.
- Customer fails to make payments when due.
- Circumstances or events beyond Martin Marietta Materials Inc.'s control prevent completion of the work.
- If Martin Marietta Materials Inc. becomes aware of any hazardous substance in, on, or under the property, Martin Marietta Materials Inc. has the right to discontinue work until the hazardous substance is removed or dealt with in accordance with applicable law. Hazardous substance shall mean any substance defined as hazardous in any federal, state, or other applicable law or regulation. Martin Marietta Materials Inc. shall not be responsible for removing or otherwise dealing in any manner with any hazardous substance on the property being improved. The Owner of the property shall indemnify Martin Marietta Materials Inc. and hold it harmless against any loss, damage, or expense that may be incurred by Martin Marietta Materials Inc. which is caused by or attributable to the presence of any hazardous substance in, on, or under the property.
- If national or regional shortages of crude oil and/or other raw materials used for construction supplies occur, the parties agree that the contract price stated herein may be increased or decreased by the amount necessary to reflect increases or decreases after the date of this quotation. Martin Marietta Materials Inc. shall give notice of any increase prior to commencing work, and Customer shall have the right to terminate this agreement within 24 hours after receipt of such notice of increase; provided, however, that the Owner or Customer shall pay Martin Marietta Materials Inc. its actual expenses incurred through the date of such notice.
- In the event Martin Marietta Materials Inc. terminates the contract for any of the reasons set forth above, Martin Marietta Materials Inc. shall provide Customer with an invoice for all work completed prior to termination, and Customer shall promptly pay the full amount of said invoice.
- Under no circumstances shall Martin Marietta Materials Inc. be liable for special, indirect, or consequential damages incurred as a result of termination of work.

8) **WARRANTY:** Martin Marietta Materials Inc. warrants that its labor and services will be performed and its materials supplied in a good and workmanlike manner. All materials supplied by Martin Marietta Materials Inc. shall be of standard grade unless otherwise specified in writing. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTY OF MERCHANTABILITY AND THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREBY DISCLAIMED. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. Martin Marietta Materials Inc.'s warranty shall continue for a period of one year from the date of substantial completion of its work hereunder. Any claim for defective workmanship or material or for breach of this warranty must be made in writing, delivered via certified mail, return receipt requested, to Martin Marietta Materials Inc. within 20 days from the date of delivery of the materials or performance of the work by Martin Marietta Materials Inc.. Failure to comply with the preceding clause shall constitute a full, complete, and unconditional acceptance of materials and work. Martin Marietta Materials Inc.'s liability hereunder, whether in contract, tort, under any warranty, in negligence or otherwise, shall be limited to the reasonable cost of any labor and/or materials shown to Martin Marietta Materials Inc.'s satisfaction to have been defective. Under no circumstances shall Martin Marietta Materials Inc. be liable for special, indirect or consequential damages. The parties agree that, if soil stabilizer is required to be applied under the terms of this contract, a licensed contractor other than Martin Marietta Materials Inc. will perform such application. Martin Marietta Materials Inc. shall assign to Customer the manufacturer's warranty, if any, given in connection with such soil stabilizer. Martin Marietta Materials Inc. shall not be liable for any damage caused by such application of soil stabilizer.

9) **ATTORNEY'S FEES AND COSTS:** In the event that Martin Marietta Materials Inc. either initiates or is named as a party in any legal action arising from or related to the furnishing of labor, services, and/or materials to Customer, including any litigation to enforce a mechanic's lien, Customer shall be liable for all costs and reasonable attorney's fees incurred by Martin Marietta Materials Inc. in such litigation.

10) **INDEMNIFICATION:** To the fullest extent permitted by law, Customer shall indemnify Martin Marietta Materials Inc. and hold it harmless from and against claims, damages, losses and expenses arising out of or resulting from performance of Martin Marietta Materials Inc.'s work under this contract, provided that any such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the work itself), but only to the extent caused by the negligent acts or omissions of Customer, Customer's subcontractors, anyone directly or indirectly employed by them or anyone for whose acts they may be liable.

The parties acknowledge that this document contains the entire understanding and agreement concerning the work to be done by Martin Marietta Materials Inc.. There are no agreements, oral or otherwise, which are not set forth herein.

WATER RATE ANALYSIS LETTER OF ENGAGEMENT

The City of Palmer Lake, Colorado (the City) solicited water rate analysis services, and GettingGreatRates, LLC (GGR), offered such services in a proposal dated August 24, 2018. That proposal is attached, and this letter is made a part of that proposal. This letter serves as a summary of the key parts of that proposal and it is the means by which the City and GGR agree on this arrangement for services and fees.

Having scoped the City's situation, GGR found that the City needs a water rate analysis and, most likely, one visit before the City council where GGR's president will review the analysis results, the rate setting recommendations and answer questions. If services need to be different than that, the proposal describes how to make those adjustments.

For the analysis and one visit described above, including discounts described in the proposal, **the total fee will be \$7,832.** Half of that fee will be due 90 days after the date this engagement letter is signed by the City. The last half will be due when the City accepts the final rate analysis report and GGR has made the visit to the council.

Therefore, by their signatures the parties agree to perform as specified in the proposal.

For: GettingGreatRates, LLC

For: City of Palmer Lake, Colorado

Carl E. Brown, President

Mayor

Witness:

Jacquelyn C. Hicks, Vice-president

Signature

Date

Print Name and Affiliation

Date

Proposal for Water Rate Analysis Town of Palmer Lake, Colorado

Purpose and Need

This proposal describes the need, responsibilities, timing, investment and other issues for rate analysis (later referred to as the “analysis”) of the water utility for the Town of Palmer Lake, Colorado (later referred to as “you”). This analysis will be performed by GettingGreatRates.com (later referred to as “I”). To adequately fund operation of your utility, build and maintain reserves, fund capital improvements and related debt service, and establish rates that are fairly structured for ratepayers, you need to analyze your rates and fees, set them appropriately and periodically reset them. The services proposed are intended to support you as you satisfy those needs.

Expected Results

With completion of the analysis:

1. You will discover at what level your utility needs to be funded to accomplish needed system development, refurbishment, repair, maintenance and operation.
2. You will have the “proof” you need to convince board members, ratepayers and property owners why rates and fees should be set as modeled.
3. You will have the “proof” you need to show funding agencies and the lending market why your system deserves the grants, loans and loan terms you desire.
4. You will successfully comply with your permit to dispense water and other requirements from the regulatory agencies.

Firm Revenues, Qualifications and References

One-hundred percent of the firm’s revenues come from rate analysis and related work. Visit gettinggreatrates.com/ggr/freebies/ReferenceList.pdf or see the attached “qualifications and references” document to see all rate analysis clients since 2013.

GettingGreatRates.com has one office in Jefferson City, Missouri but we operate nation-wide. Our work focuses almost exclusively on rate analysis and rate setting.

Carl Brown, President, will perform all analysis work for this project. He has been doing rate analysis work since 1993. For most of that time he has also been teaching practitioners all over the U.S. on rate analysis and rate setting, writing the rate setting book called, "How to Get Great Rates" and designing rate analysis software.

Jacki Hicks, the firm's Vice-president, will likely assist in this analysis by doing data testing and data input. Ms. Hicks prepares analysis models, especially those for analyses that require databases. She also performs data quality checks and enters raw data. Ms. Hicks has approximately 23 years of experience in accounting, financial assurance and complex spreadsheet and database design. Seven of those years have been devoted to water, sewer and other utility rate analyses.

GettingGreatRates.com serves as the rate analyst for the Colorado RATES Program <https://gettinggreatrates.com/consulting/CORATES.pdf>. Colorado Rural Water Association (CRWA) member systems qualify for a 25 percent discount on all fees. I have verified that Palmer Lake is a member system of CRWA. Therefore, you qualify for this discount.

You may expect your analysis results package to look much like the rate analysis report package attached and others that can be found at the bottom of this Webpage <https://gettinggreatrates.com/freebies/freebies.shtml>.

Form of Agreement

This proposal and your acceptance (probably by e-mail message) of one or more service packages is all the agreement I need. Nearly all my clients acquire my services this way. However, if you prefer to attach a cover "agreement" or signature page to this proposal, you are welcome to do so. About three percent of clients choose that option.

Guarantee

In the unlikely event you feel I am not fulfilling the commitments in this proposal, simply tell me what you feel the problem is. I will do my best to make it right by you. If I still am not able to satisfy you, notify me by mail or e-mail. I will cease the services in question at that point, you will owe me nothing for those services, whether I have completed them or not, and I will refund any payments you may have already made for those services.

This has been my guarantee policy from the day the company was formed. No client has invoked this guarantee to date and I don't plan to have you be the first.

Scope of Services That You May Select or Decline, at Your Option

The following service packages are intended to satisfy your rate analysis and rate setting needs.

- Service package 1 is analysis of your water utility's user charge and other fee adjustment needs. Analysis will include output from modeling of your current financial situation and, perhaps, several proposed rate scenarios that depict rate structures and other variables you may want to consider. All potentially productive scenarios that you or I conceive of will be modeled and reported to you.
- Service package 2 is for on-site visits. Each visit will be one instance of this service package. (I generally recommend one on-site visit to present the completed analyses and recommendations and to answer questions at a public board meeting. That is especially useful when the analysis and rate adjustments are complex.)

You may add or drop service packages at any time.

Approach and Timeline

For most of my clients, rate analysis and eventual rate adjustments take about six months from start to finish. That is mainly because clients must gather data for the analysis and make some interim decisions as the project proceeds – that takes time. Completion time is only slightly affected by my workload. Generally, we are able to move analyses along almost as fast as data and guidance are available.

Most analyses include the same basic elements, but they do not necessarily get completed in the same order. And, each situation calls for special considerations and treatments. However, your project will likely proceed approximately as follows:

1. I will call your contact person, probably the day I am notified that I will be doing the analysis, to discuss data needs and get the contact started on initial data retrieval.
2. Your staff will assemble and send to me data and information, most of which is described in the "Data Needs Sheet," attached. I will guide your staff through the entire process. Where data is missing, I will create estimates or help you to create estimates. Initial data retrieval will be accomplished early on, preferably within a few weeks. But, some data will be acquired throughout the project.

3. I will analyze this data and information and build your rate analysis model(s).
 - a. Coordinating with your contact, I will target a set of goals ten years in the future. These will include, at least, covering all costs, including capital improvements over that time period, and building appropriate reserves.
 - b. I will model rates on a "cost-to-serve" basis to satisfy those goals. If you request other structures, I will model those, as well.
 - c. Key model building will probably be completed about three months into the project, if you collect data quickly. Some modeling will continue through nearly the end of the project.
 - d. Once the basic model has been built, "what-if" scenarios will be run to find the optimum mix of rate and fee levels and structures, capital improvement funding options, reserve levels, etc. to suit the needs of your utility.
4. During the last half of the project I will examine as many scenarios of your possible future as it makes sense. I will share with you all that are potentially useful.
5. You will likely choose to consider adopting rates and funding levels from the one or two most promising scenarios.
6. Final output will include a cover letter, a narrative report of my findings and recommendations and copies of the analysis scenario(s) that interest you.
 - a. The project is "complete" when you say it is. Until then, I will reanalyze and issue supplemental reports until you are satisfied.
7. If you choose the on-site visit service package, I will present my final analysis results and recommendations to your board in person. While there I would also like to meet with staff to discuss how to effectuate needed changes to billing, equipment replacement scheduling and any other administration or operational issues that are discovered.
8. As you draft proposed amendments to your ordinances and budgets to effectuate the rate, fee and other changes, at your request I will review those changes to assure that they will accomplish what you intend to accomplish.
9. The board will pass ordinance amendments to effectuate new rates, fees, budget revisions and other changes. From this point forward, your utility will be headed to a better financial future.

Use of Electronic Technology

I do almost all analysis work electronically and remotely, receiving and sharing data and information by e-mail attachment. I prefer to receive numerical data in a spreadsheet format and textual material in a word processor format, but we can work with other formats, too. When I return material to you that you need to manipulate further, such as a revised ordinance, I will return it electronically in a format you can conveniently use. You will receive my analysis reports, the analysis model(s) and my recommendations electronically as a consolidated PDF document.

Work Coordination

Early on you will probably want to have me communicate primarily with your finance director and public works director or delegated staff. This stage is primarily a data gathering and modeling function. When we progress to the reporting out stage, you may want to have me begin communicating with others in preparation for developing rate, fee and policy decisions and actions or you can funnel that work through your finance director, as you prefer.

Investment

Because Palmer Lake is a member system of CRWA, you qualify for the 25 percent Colorado RATES program discount. Therefore, following are your complete investments for my services, materials and travel costs, based upon the service descriptions above:

- **Service package 1, water rate analysis – full fee of \$7,849, less the Colorado RATES Program 25 percent discount of \$1,962, yields a net fee of \$5,887**
- **Service package 2, on-site visits – \$2,593, less the Colorado RATES Program discount of \$648 yields a net fee of \$1,945 per visit**

If you choose service package 1 and one visit from package 2, the group of services you most likely need, the total investment will be \$7,832, including Colorado RATES Program discounts of \$2,611.

Once the project gets started you may add or drop service packages as your needs become clearer.

Proposal Acceptance

This proposal is effective through October 1, 2019, if you choose at least one service package by October 1, 2018. Once you tell me what service packages you desire, and you provide data to work with, I will immediately start the analysis.

Promptly given the data I need, there is no good reason why I cannot complete the analysis part of the project by February 1, 2019.

Action item: If you accept this proposal call me to tell me what services you desire. Or, give me the same information in writing by e-mail message.

Payment

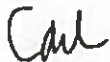
I will first invoice you the day of, or perhaps the day after I am notified you want me to do the analysis. In that invoice you will have the opportunity to pre-pay (make payment by the 30-day due date) and capture an additional 2.5 percent pre-payment discount. **For package 1 and one visit from package 2, that discount would amount to \$195.79.**

If you choose not to pre-pay (about two-thirds of my clients select that option), I will re-invoice you for one-half of the project dollar amount after 90 days from proposal acceptance and the balance when I submit the final report package. You shall promptly pay the full amounts of those invoices. If you request and pay for services but later cancel those services, I will refund those fees to you. If I cancel any services in this proposal (I have yet to do such a thing), you will owe me no fees for those services and I will refund any fees you have already paid for those services.

In Closing

I am looking forward to the opportunity to conduct your water rate analysis, so you can get your rates and finances set on an excellent course.

Best regards,
GettingGreatRates.com



Carl E. Brown
President