

STAFF REPORT REGULAR MEETING

AGENDA DATE: February 24, 2026

DEPARTMENT: Water Utility

TITLE:

Professional Services Agreement with Stantec Consulting Services Inc., for FY 2026 Water & Sewer Cost of Service and Rate Design Study

SUMMARY:

Request for approval of the Professional Services Agreement with Stantec Consulting Services Inc., for FY 2026 Water & Sewer Cost of Service and Rate Design Study at a cost not to exceed \$86,750.00.

BACKGROUND AND JUSTIFICATION:

Stantec Consulting Services, Inc has provided the City with a written proposal to provide Professional Services for FY 2026 Water & Sewer Cost of Service and Rate Design Study in the amount not to exceed \$86,750. The City's Procurement Code, section 2-112 (a) and City Procurement Policy authorize the selection of a consultant to provide professional services with a distinctive field of expertise without competitive selection. The City's procurement code, section 2-112 (e), similarly authorizes single source procurement without competition if the single source is the only practical source or in the best interest of the City. Based on Stantec's past service and experience with the City and propriety FAMS-XL© Model, the City may enter into a direct professional services agreement with Stantec. Stantec will conduct a cost-of-service which reflects a detailed analysis of the costs incurred to provide individual water and sewer services for each of the customer classes served by the City and a comparison of cost to serve with the revenues generated by each customer class. Also, a rate design analysis, which will identify and model alternative rate structures for the City's water and sewer rates. The rate alternatives will be informed by the cost-of-service analysis and will evaluate rate structures for conformance with industry standards and the City's policy objectives.

MOTION:

Move to approve/disapprove the agreement with Stantec Consulting Services Inc. for the Water & Sewer Cost of Service and Rate Design Study at a cost not to exceed \$86,750.

ATTACHMENT(S):

Fiscal Impact Analysis
Agreement

FISCAL IMPACT ANALYSIS

Five Year Summary of Fiscal Impact:

Fiscal Years	2026	2027	2028	2029	2030
Inflows/Revenues					
Appropriated (Budgeted)	0	0	0	0	0
Program Income	0	0	0	0	0
Grants	0	0	0	0	0
In Kind	0	0	0	0	0
Outflows/Expenditures					
Appropriated (Budgeted)	\$86,750	0	0	0	0
Operating	0	0	0	0	0
Capital	0	0	0	0	0
Net Fiscal Impact <i>(If not budgeted)</i>	0	0	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

Contract Award - Existing Appropriation (Budgeted)		
	Expenditure	
Department	Water Department	Sewer Department
Division	Administration	Administration
GL Description	Prof Services Other / Prof Services Other	Contractual Services / Other Contractual
GL Account Number	402-7010-533.31-90	403-7010-535.34-50
Project Number	N/A	N/A
Requested Funds	\$43,375.00	\$43,375.00
Remaining Balance	\$367,748.65	\$202,676.42
Source of Revenue (i.e. Paygo. Current Revenue, Bond Money, Grants, etc.)	Current Revenue O&M	