

GMS, INC.
CONSULTING ENGINEERS
611 NORTH WEBER, SUITE 300
COLORADO SPRINGS, COLORADO 80903-1074

TELEPHONE (719) 475-2935
TELEFAX (719) 475-2938

EDWARD D. MEYER, P.E.
ROGER J. SAMS, P.E.
JASON D. MEYER, P.E.
DAVID R. FRISCH, P.L.S.

THOMAS A. McCLERNAN, P.E.
MARK A. MORTON, P.E.
KEN L. WHITE, P.L.S.

October 5, 2023

Ms. Dawn Collins, Town Administrator/Clerk
Town of Palmer Lake
42 Valley Crescent
Palmer Lake, CO 80133

*Via Electronic Mail: dawn@palmer-lake.org
No Hard Copy to Follow*

RE: Town of Palmer Lake
Stormwater Enterprise Rate Study
Proposal for Consulting Services

Dear Ms. Collins:

Discussing the Stormwater Enterprise Rate Study and participating in the Stormwater Enterprise Workshop with you was a pleasure. Based on our discussion, we offer the following proposal for GMS, Inc. to complete a Rate Study for the Town of Palmer Lake Stormwater Enterprise.

Firm Overview:

GMS, Inc. has over 45 years of extensive experience providing engineering, planning, surveying, funding administration, GIS consulting, and construction management/administration to our clients throughout Colorado. The GMS, Inc. team has focused primarily on servicing local governments, including cities, towns, counties, and special districts, on their water, wastewater, stormwater, drainage, and roadway infrastructure needs. The staff of GMS, Inc. is presently composed of 26 individuals.

- Seven licensed professional engineers
- Two licensed professional land surveyors
- Five staff engineers
- Two staff surveyors
- Five design technicians/resident project representatives
- Five administrative and technical support staff

Our experienced staff makes our firm extremely unique compared to other firms of similar size and background, coupled with the longevity of over 45 years in business. GMS, Inc. has been fortunate to create a professional employment environment where a significant number of staff personnel have committed many years to decades, and in some cases their entire professional lifetime, to providing services to GMS, Inc. clients.

GMS, Inc. has an extensive background in establishing utility rate structures for numerous special districts and municipalities throughout southern and eastern Colorado. Many of the projects begin with a Preliminary Engineering Report or Master Plan that defines capital improvement projects to address the system deficiencies. Not having this information will require some additional work to create conceptual cost estimates based on problematic areas Town staff developed. This will initiate

Ms. Dawn Collins, Town Administrator/Clerk
September 20, 2023
Page 2

the capital needs for the near future, but may not contain all of the needed improvements. In addition to the capital financial needs, operation and maintenance costs will be identified and any outstanding debt service will be considered. These items, combined with any new capital improvement projects, are to be considered in the financial evaluation. Once all of the data has been compiled, a rate or fee structure to support the utility's system is developed.

Scope of Work:

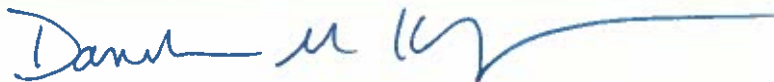
GMS, Inc. will review existing financial records of the Town as they relate to stormwater and drainage facilities. GMS will evaluate both operation and maintenance costs (provided by the Town) and work with the Town to estimate anticipated stormwater capital improvement projects. These expenditures will then be analyzed to determine viable stormwater fees. GMS, Inc. will prepare a rate study to present to Town staff in a workshop. Any comments and changes will then be incorporated into a final report. The final report will be provided to the Town with the necessary documentation and data to support the proposed fee to the constituents.

Scope of Fees:

GMS, Inc. will perform the above Scope of Work for a Total Lump Sum Fee of \$18,500. Please find the attached agreement and scope for completing a Rate Study.

We appreciate the opportunity to submit this proposal to provide consulting engineering services for the Town of Palmer Lake. If this is acceptable, please execute the attached standard Professional Services Agreement. In the interim, if you have any questions or desire additional information, please get in touch with us at your convenience.

Sincerely,



Dannah M. Koeniger, P.E.

DMK/cag

Enclosures

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT, entered into the _____ day of _____, 2023, by and between the Town of Palmer Lake, hereinafter called "Client," and MEYER & SAMS, INC. d/b/a GMS, INC., a Colorado corporation, hereinafter called "Engineer," is as follows:

The Client engages Engineer to perform professional services for a project known and described as Stormwater Rate Study, hereinafter called the "Project."

- A. Engineer agrees to provide and perform certain professional services for Client on the Project as follows: Per the attached Scope of Services.
- B. Period in which services are to be rendered: Complete the evaluation and associated study and prepare the DRAFT Recommendation for presentation at a workshop within 120 calendar days.
- C. Client's responsibility shall be as follows: Assist in providing audits, financial data, and input on future capital improvement projects.
- D. Client agrees to pay Engineer as compensation for its services as follows: Services to be provided for a Lump Sum Fee of \$18,500. The fee shall be due and payable as work progresses based on monthly statements submitted to the Client. Final payment will be made once the final report has been provided to the Client.

IN WITNESS WHEREOF, the parties hereto have accepted, made, and executed this Agreement upon the terms, conditions, and provisions above stated, and on the attachment hereto, the day and year first above written.

MEYER & SAMS, INC. d/b/a GMS, INC.
611 N. Weber Street, Suite 300
Colorado Springs, CO 80903

TOWN OF PALMER LAKE
42 Valley Crescent
Palmer Lake, CO 80133

By _____

By _____

Title Principal

Title _____

SCOPE OF SERVICES
FOR
STORMWATER RATE STUDY

GMS, Inc. will perform the following services:

1. Review of the existing in-house financial statements for the Town of Palmer Lake as it relates to stormwater expenditures.
2. Prepare cost estimates for capital construction projects as defined and prioritized by the Town staff to incorporate capital needs for the Stormwater Enterprise.
3. Evaluate the cost of service for the Stormwater Enterprise in order to set a user fee.
4. Work with Town legal counsel to develop a mechanism for funding the Stormwater Enterprise and the establishment of fees.
5. Evaluate the defined mechanism for the collection of the proposed fee, especially for those constituents without water service.
6. Facilitate and participate in a workshop meeting with the Town staff to review the initial evaluation and recommendations for stormwater rates.
7. Finalize, prepare, and provide a final Stormwater Rate Study to the Town staff within 120 days of execution of the Agreement.
8. The evaluation and report prepared for the Town of Palmer Lake will provide the necessary documentation and data to support the proposed stormwater fees for the Town of Palmer Lake's constituents.

The Town will provide the following documentation for the completion of the study:

1. Operation and Maintenance costs for stormwater expenses for the last three (3) years (including the estimated 2023 expenses).
2. Work with GMS, Inc. to determine planned capital improvement projects, prioritization of those defined projects, and schedule to undertake those improvements.
3. Provide the number of water customers for the Town (within Town limits).
4. Provide the number of constituents that do not receive Town water but are within the Town limits.
5. Provide the number of commercial properties, address, lot size (if readily accessible).

STANDARD PROVISIONS OF AGREEMENT
FOR PROFESSIONAL SERVICES

The Client and Engineer agree that the following provisions shall be a part of their agreement.

1. Neither the Client nor Engineer shall assign its interest in this agreement without the written consent of the other.

2. All agreements on Engineer's part are contingent upon, and Engineer shall not be responsible for damages or be in default, or be deemed to be in default, by reason of delays in performance by reason of strikes, lock-outs, accidents, acts of God and other delays unavoidable or beyond Engineer's reasonable control, or due to shortages or unavailability of labor at established area wage rate or delays caused by failure of Client or Client's agents to furnish information or to approve or disapprove Engineer's work promptly, or due to late, slow, or faulty performance by Client, other contractors or governmental agencies, the performance of whose work is precedent to or concurrent with the performance of Engineer's work. In the case of the happening of any such cause of delay, the time of completion shall be extended accordingly.

3. In the event that any changes are made in the plans and specifications by the Client or persons other than Engineer which affect Engineer's work, any and all liability arising out of such changes is waived as against Engineer and the Client assumes full responsibility for such changes unless Client has given Engineer prior notice and has received from Engineer written consent for such changes.

4. Engineer is not responsible, and liability is waived by Client as against Engineer, for use by Client or any other person of any plans or drawings not signed by Engineer.

5. All tracings, survey notes and other original documents are instruments of service and shall remain the property of Engineer, except where by law or precedent these documents become public property.

6. Engineer's liability to the Client for injury or damage to persons or property arising out of work performed for the Client and for which legal liability may be found to rest upon Engineer, other than for professional errors and omissions, will be limited to \$1,000,000. For any damage on account of any error, omission or other professional negligence, Engineer's liability will be limited to a sum not to exceed \$50,000 or Engineer's fee, whichever is greater.

7. Fees and all other charges will be billed monthly as the work progresses, and the net amount shall be due at the time of billing.

8. Interest of 1½% per month (but not exceeding the maximum rate allowable by law) will be payable on any amounts not paid within 30 days of the billing date, payment thereafter to be applied first to accrued interest and then to the principal unpaid amount. Any attorney's fees or other costs incurred in collecting any delinquent amount shall be paid by the Client.

9. The Client shall pay the costs of checking and inspection fees, zoning and annexation application fees, assessment fees, soils engineering fees, soils testing fees, aerial topography fees, and all other fees, permits, bond premiums, title company charges, blueprints and reproductions, and all other charges not specifically covered by the terms of this agreement.

10. In the event all or any portion of the work prepared or partially prepared by Engineer is suspended, abandoned, or terminated, the Client shall pay Engineer for the work performed on an hourly basis, not to exceed any maximum contract amount specified herein.

11. The Client agrees that in accordance with generally accepted construction practices, the construction contractor will be required to assume sole and complete responsibility for jobsite conditions during the course of

construction of the project, including safety of all persons and property and that this requirement shall be made to apply continuously and not be limited to normal working hours.

12. In the performance of its professional services, Engineer will use that degree of care and skill ordinarily exercised under similar conditions in similar localities and no other warranties, express or implied, are made or intended in any of Engineer's proposals, contracts or reports.

13. In the event Client fails to pay Engineer within thirty (30) days after invoices are rendered, then Client agrees that Engineer shall have the right to consider said default a total breach of this agreement and the duties of Engineer under this agreement terminated upon five (5) days' written notice. This agreement may be terminated by either Client or Engineer upon thirty (30) days' written notice in the event of substantial failure of the other party to perform in accordance with the terms of this agreement. In the event of termination of this agreement, Client shall then promptly pay Engineer for all of the fees, charges and services performed by Engineer in accordance with the compensation arrangements under this agreement or on an agreed hourly basis.

14. Should litigation be necessary to enforce any term or provision of this agreement, or to collect any portion of the amount payable under this agreement, then all litigation and collection expenses, witness fees and court costs, and attorney's fees shall be paid to the prevailing party.

15. Should any provision herein be found or deemed to be invalid, this agreement shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect, and to this end the provisions of this agreement are declared to be severable.

16. Services provided within this agreement are for the exclusive use of the Client.

17. There are no understandings or agreements except as herein expressly stated.