



SUPERIOR MANAGEMENT

"Your Success is Our Business"

P.O. Box 130308
Spring, TX 77393

Office: (713) 557-0808
Fax: (281) 886-0558

Website: www.superiormanagementtexas.com

RATE STUDY CONSULTING AGREEMENT

This Agreement is made effective as of December 1, 2018, by and between Webb County for Webb County Water Utilities of 1000 Houston Street, Laredo, Texas 78040., and Superior Water Management of Texas LLC, of PO Box 130308, Spring, Texas 77393-0308.

In this Agreement, the party who is contracting to receive services shall be referred to as "WEBB COUNTY", and the party who will be providing the services shall be referred to as "Superior Management".

Superior Management has an extensive background in Rate Studies & Water Utility Management and is willing to provide services to WEBB COUNTY based on this background.

WEBB COUNTY desires to have services provided by Superior Management.

Therefore, the parties agree as follows:

1. DESCRIPTION OF SERVICES. Beginning on December 1, 2018, Superior Management will provide the following services (collectively, the "Services"): Conduct of comprehensive "Cost of Service" water and sewer rate study as detailed in the Scope of Work provided at the end of this agreement.

Therefore, the parties agree as follows:

2. PERFORMANCE OF SERVICES. The manner in which the Services are to be performed and the specific hours to be worked by Superior Management shall be determined by Superior Management. WEBB COUNTY will rely on Superior Management to work as many hours as may be reasonably necessary to fulfill Superior Management's obligations under this Agreement.

3. PAYMENT. WEBB COUNTY will pay a fee to Superior Management for the services based on a on a base fee of \$7500.00 plus an hourly rate of \$187.00 for travel time and/or on-site assistance/reporting hours plus any directly related travel expenses including air fare, rental car, lodging, meals, etc. This fee shall be payable monthly as invoiced by Superior Management and payable within 30 days of invoice submission after each applicable time period during which Services were performed.



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4. EXPENSE REIMBURSEMENT. Superior Management shall be entitled to reimbursement from WEBB COUNTY for the following "out-of-pocket" expenses: postage, copying, shipping and any other expenses directly related to the conduct of the rate study including any related travel expenses such as mileage reimbursement (at the current IRS rate), car rental, airfare, hotel and meals, etc.

5. SUPPORT REQUIREMENTS. WEBB COUNTY will provide the following support for Superior Management: Related records including water demand data, customer count, tax revenue information, meter inventory, most recent audit, capital improvement requirements, etc.

6. NEW PROJECT APPROVAL. Superior Management and WEBB COUNTY recognize that Superior Management shall obtain the approval of WEBB COUNTY prior to the commencement of any and all new projects that fall outside to scope of this agreement.

7. TERM/TERMINATION. This Agreement shall terminate automatically upon completion by Superior Management of the services required by this agreement.

8. RELATIONSHIP OF PARTIES. It is understood by the parties that Superior Management is an independent contractor with respect to WEBB COUNTY, and not an employee of WEBB COUNTY. WEBB COUNTY **will not** provide fringe benefits, including health insurance, paid vacation, or any other employee benefit, for Superior Management.

9. DISCLOSURE. Superior Management is required to disclose any outside activities or interests, that conflict or may conflict with the best interests of WEBB COUNTY. Prompt disclosure is required under this paragraph if the activity or interest is related, directly or indirectly, to any other activity that Superior Management may be involved with on behalf of WEBB COUNTY.

10. EMPLOYEES. Superior Management's employees, if any, who perform services for WEBB COUNTY under this Agreement shall also be bound by the provisions of this Agreement.



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11. INJURIES. Superior Management acknowledges Superior Management's obligation to obtain appropriate insurance coverage for the benefit of Superior Management (and Superior Management's employees, if any). Superior Management waives any rights to recovery from WEBB COUNTY for any injuries that Superior Management (and/or Superior Management's employees) may sustain while performing services under this Agreement and that are a result of the negligence of Superior Management or Superior Management's employees.

12. ASSIGNMENT. Superior Management's obligations under this Agreement may not be assigned or transferred to any other person, firm, or corporation without the prior written consent of WEBB COUNTY.

13. CONFIDENTIALITY. WEBB COUNTY recognizes that Superior Management may have the following information:

- Future plans
- Business affairs
- Technical information
- Customer lists

and other proprietary information (collectively, "Information") which are valuable, special and unique assets of WEBB COUNTY and need to be protected from improper disclosure. In consideration for the disclosure of the Information, Superior Management agrees that Superior Management will not at any time or in any manner, either directly or indirectly, use any Information for Superior Management's own benefit, or divulge, disclose, or communicate in any manner any Information to any third party without the prior written consent of WEBB COUNTY. Superior Management will protect the Information and treat it as strictly confidential.

14. UNAUTHORIZED DISCLOSURE OF INFORMATION. If it appears that Superior Management has disclosed (or has threatened to disclose) Information in violation of this Agreement, WEBB COUNTY shall be entitled to an injunction to restrain Superior Management from disclosing, in whole or in part, such Information, or from providing any services to any party to whom such Information has been disclosed or may be disclosed. WEBB COUNTY shall not be prohibited by this provision from pursuing other remedies, including a claim for losses and damages.



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15. CONFIDENTIALITY AFTER TERMINATION. The confidentiality provisions of this Agreement shall remain in full force and effect after the termination of this Agreement.

16. NOTICES. All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered when delivered in person or deposited in the United States mail, postage prepaid, addressed as follows:

IF for WEBB COUNTY:

Webb County /Webb County Water Utilities
Adrian G. Montemayor, Director of Utilities
1000 Houston Street, Laredo, Texas 78040

IF for Superior Management:

Superior Water Management of Texas LLC
Phillip Givens
Principal
PO Box 130308
Spring, Texas 77393--0308

Such address may be changed from time to time by either party by providing written notice to the other in the manner set forth above.

17. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties.

18. AMENDMENT. This Agreement may be modified or amended if the amendment is made in writing and is signed by both parties.

19. SEVERABILITY. If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.



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20. WAIVER OF CONTRACTUAL RIGHT. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

21. APPLICABLE LAW. This Agreement shall be governed by the laws of the State of Texas. **The exclusive venue for all matters pertaining to this agreement shall be in Webb County, Texas.**

22. Companies That Boycott Israel. The Contractor represents and warrants, for the purposes of Chapter 2270 of the Texas Government Code, that at the time of execution and delivery of this Agreement, neither the Contractor, nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Contractor, boycotts Israel. The Contractor agrees that, except to the extent otherwise required by applicable federal law, including, without limitation, 50 U.S.C. Section 4607, neither the Contractor, nor any wholly-owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Contractor, will boycott Israel during the term of this Agreement. The terms "boycotts Israel" and "boycott Israel" as used in this section have the meaning assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code.

23 Companies That Engage in Business With Iran, Sudan, or any Foreign Terrorist Organization. The Contractor represents and warrants, for the purposes of Subchapter F of Chapter 2252 of the Texas Government Code, that at the time of execution and delivery of this Agreement neither the Contractor, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Contractor, (i) engages in business with Iran, Sudan or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller under Sections 806.051, 807.051 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" as used in this section has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.



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Party receiving services:
Webb County /Webb County Water Utilities

By: _____
Tano E. Tijerina, Webb County Judge

Party providing services:
Superior Water Management of Texas LLC

By:  _____
Phillip Givens, Managing Principal



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SCOPE OF WORK: 2019 WATER UTILITY RATE STUDY

The study will include Principles of Water Rate Development, Financial Management, Rate Policies, Rate Design, Capital Budgeting, Financial Forecasting, Revenue Requirements, Allocation Procedures, Classification Procedures, Avoiding Rate Shock and Public Relations.

STUDY GOALS & OBJECTIVES

Evaluate Financial Policies
Promote Financial Viability and Sustainability
Apply Fundamental Methodologies
Consider Capital Improvement Funding
Include Projected Changes to Expenses, Connections, etc.
Design Fair & Equitable Rates
Recommend Baseline Rate Structures
Recommend Customer Communication Strategy
Follow The "Keep It Simple Sir" (KISS) Concept
Remain Flexible to The Desires of Leadership

STUDY REQUIREMENTS

The recommended rate structures shall be based on cost of service sufficient to meet the revenue requirements of the Utility. The study may recommend rate structures that consider and make provisions for the following:

- Current and future cost of providing water and sewer service in accordance with established and anticipated standards and regulations
- Projected water use demands
- Availability of supply (seasonal fluctuations and long-term availability)
- Age and condition of systems
- Funding requirements for all current long-term liabilities and debt obligations (bond and loans)
- Demand and operational requirements
- The recommended rate structures shall provide direct identification of revenues appropriated to major funded activities and infrastructure.



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STUDY ELEMENTS

In making the rate structure recommendations, the final report may include the following elements and analysis:

1. **Current Rate Structure:** Assess the current rate structure's performance as a baseline for comparing recommended changes.
2. **Equity:** Assess the equity of recommended water and sewer rates for all types of property ownership to include multi-family units and other commercial uses via the meter equivalency factor.
3. **Conservation Impacts:** Assess the interaction between the water conservation elements of the recommended rate structure and their impacts on the ability to fund water operations.
4. **Sensitivity Analysis:** Assess the ability of the revenue stream generated by the recommended rate structures to fully fund water & sewer system costs.
5. **Ratepayer Education/Communication:** Recommend methods for communicating utility costs to include layout of the utility bill and how it may be used to promote conservation and the value of the service.
6. **Supporting Data.** Provide data supporting conclusions and observations made for each of the areas above.

SERVICES TO BE PROVIDED BY CONSULTANT

1. Conduct a review of the existing water and sewer rates and status of the utility funds and develop a general familiarity with the District's billing system.
2. Meet and confer with staff as needed and attend meetings with the Governing Board and/or attend working session(s) to present the study results and obtain feedback.
3. Meet with the rate payers to explain the conduct of study if requested.
4. Conduct analyses as required to address the scope of work.
5. Present any report(s) and recommended rate structures to the Board/Staff as requested
6. Assist Board/Staff in explanation of Study during public meeting.

INFORMATION/RECORDS TO BE PROVIDED TO SUPERIOR

The information to be provided include but is not limited to the following:

All reasonably available records and information, including financial reports, budgets, audit, consumption data, the annual cost of the Capital Improvement Plan, or Master Plan. Staff availability to meet with consultant via telephone or on-site to answer questions and provide feedback as needed.