

MARGIE R. IBARRA
COUNTY CLERK
FILED

2022 FEB -7 AM 11:11

WEBB COUNTY, TEXAS

STATE OF TEXAS §
§
COUNTY OF WEBB §

PROFESSIONAL SERVICES CONTRACT BY RET DEPUTY

WEBB COUNTY-WILLDAN FINANCIAL SERVICES
Utility Rate Study

This Contract is made and entered into in Laredo, Webb County, Texas between **Webb County**, a political subdivision of the State of Texas, hereinafter referred to as "County", and Willdan Financial Services, a Foreign For-Profit Corporation, 5500 Democracy Drive, Plano, Texas 75024, hereinafter referred to as "Consultant", to be effective from and after as provided in this Contract. County and Consultant are at times each referred to herein as a "party" or collectively as the "parties."

NOW THEREFORE, the parties agree as follows:

Consultant(s) represents that it is qualified and capable of performing the services hereinafter set forth in connection with the preparation and production of a water/wastewater utility rate study for Webb County Water Utility Department ("Utility) in order to meet the Utility's ten-year forecast of revenue requirements as well as developing a long term financial plan to enhance said utility's financial strength and financial impact of a proposed development of approximately 1,500 new lots in Rio Bravo, Texas area ("Project").

I. General Provisions:

- A. Consultant shall NOT commence work on this Project until Consultant has been thoroughly briefed on the scope of this Project and has been notified in writing to proceed.
- B. Consultant, in consideration of the compensation herein provided, shall render the services necessary for the development of the Project to its final completion, including, but not limited, to developing a methodology for utility rates which includes (1) Revenue Requirement Analysis, (2) Cost of Services Analysis, and (3) Rate Design Analysis, as acceptable to County, or it's duly authorized representative and subject to the provisions of this Contract.

II. Scope of Services:

The Consultant shall perform his obligations and the services necessary for the development of the Project as described in the Scope of Services attached hereto as Exhibit "A" and incorporated herein as if set out in full for all intents and purposes. The Scope of Services provides a description of tasks required to perform the Project and is based on the understanding of County's desires and objectives for this Project.

III. Materials:

Consultant shall furnish, at its own expense, all labor, materials, equipment, supplies and other items necessary to complete the services to be provided pursuant to this Contract.

IV. Personnel:

The Consultant represents that it has, or will secure at its own expense, all personnel and equipment required to perform the services for which it is responsible under this contract. Such personnel will not be employees of County. Consultant agrees that if any employee of Consultant who is performing the day-to-day services under this Contract for the Project is separated, for any reason, from employment with Consultant, Consultant shall provide County with written notice thereof at least five (5) business days prior to said separation unless circumstances reasonably warrant a shorter notice period, which shall not exceed (2) business days following the separation.

V. County's Responsibilities:

County Project Representative. County shall designate the County's Utility Director, as the County Representative to act on the County's behalf with respect to the Project. County or the authorized Project Representative shall examine the documents submitted by Consultant and shall render any required decisions pertaining thereto as soon as practicable to avoid unreasonable delay in the progress of Consultant's Services. The Project Representative is not authorized to issue verbal or written Change Orders for "extra" work or "claims" invoiced as "extra work."

VI. Period of Performance:

- A. Whereas time is of the essence in the performance of this agreement the contract time for completion of the work is ninety (90) **calendar days** beginning the day following notice to proceed. If upon review of the work, corrections, modifications and/or alterations are required of Consultant; these items shall be completed by Consultant before the work is accepted. Working days shall be charged for this period when changes are being made. However, if circumstances dictate, County may authorize extensions of the time should there be delays due to reasons beyond the control of Consultant. Such time extensions shall be equivalent to the amounts of delays incurred. Review time by County will not be charged against Consultant's contract time.
- B. In the performance of the various phases or components of work, which are the subject of this contract, and if applicable, Consultant shall contact the various utility coordinators for request of the most current available utility records, and the City and other governmental entities for particular or peculiar problems which may arise.
- C. The Consultant shall furnish upon completion of the work herein described in the "Scope of Services" **Three (3)** sets of deliverables of the project for distribution by the County, unless otherwise specified herein.

VII. Compensation and Payment:

- A. County shall pay and the Consultant agrees to accept payment for the performance of services as set forth in this Contract, a fee not to exceed Thirty-One Thousand Eight Hundred Eight Dollars (\$31,880.00).

- B. The Consultant will submit to County, for services rendered, an itemized billing statement showing charges for such services accompanied by any additional documentation requested by County. These statements shall be sworn to be true and correct by the Consultant, or an officer or agent thereof, having knowledge of the facts set forth. The Consultant shall not include on these statements any item payable or chargeable under any other agreement with County. Consultant shall not be entitled to any compensation or expense reimbursement other than as set forth in this Agreement. County shall review each statement and approve it with modifications, if any, as it may deem appropriate. County agrees to pay each statement plus all amounts payable within 30 days after County approves it. Further, the approval or payment of each statement shall not be considered evidence of performance by the Consultant to the point indicated by such statement or of the receipt or acceptance by County of the work covered by the statement.
- C. Payments for completed phase, task or components of the Scope of Service are due and payable monthly on the basis of the Consultant's estimate of the percentage of completion of the phase or task.
- D. No payment request made under this clause shall exceed the estimated amount and value of the work and services performed by the Consultant under this Agreement. The Consultant shall prepare the estimates of work performed and shall supplement them with such supporting data as County may require.
- E. Upon satisfactory completion of the work performed under this Agreement, as a condition before final payment under this Agreement or as a termination settlement under this Agreement the Consultant shall execute and deliver to County a release of all claims against County arising under, or by virtue of, this Agreement, except claims which are specifically exempted by the Consultant to be set forth therein. Unless otherwise provided in this Agreement, by State law or otherwise expressly agreed to by the parties to this Agreement, final payment under this Agreement or settlement upon termination of this Agreement shall not constitute a waiver of County's claims against the Consultant or its sureties under this Agreement.
- F. Final payment under this Agreement or settlement upon termination of this Agreement shall not constitute a waiver of County's claims against the Consultant under this Agreement.

VIII. Additional Services:

- A. All work performed by Consultant, which is either described in this paragraph or not included in the "Scope of Services" shall constitute additional services. These shall include:
 - i. Copies of final reports, studies, drawings and other data in excess of sets required herein.
 - ii. Services not otherwise included in this contract.

- B. CONSULTANT SHALL NOT PERFORM ANY WORK WHICH CONSTITUTES ADDITIONAL SERVICES UNTIL A CONTRACT AMENDMENT HAS BEEN APPROVED IN WRITING BY THE PARTIES AND CONSULTANT HAS RECEIVED WRITTEN AUTHORIZATION TO PROCEED FROM COUNTY.
- C. Compensation for Additional Services authorized by County shall be in addition to Consultant's Fee and shall be based on an hourly basis according to the following personnel rates. The rates set forth in this chart are subject to reasonable change provided written notice of said change is given to and approved by County.

WILLDAN FINANCIAL SERVICES
Hourly Rate Schedule

Group Manager	\$250.00
Managing Principal	\$240.00
Principal Consultant	\$210.00
Senior Project Manager	\$185.00
Project Manager	\$165.00
Senior Project Manager	\$135.00
Senior Analyst	\$125.00
Analyst	\$110.00
Analyst Assistant	\$100.00

IX. Termination of Contract and/or Suspension of Work:

A. Termination:

- i. This Agreement may be terminated in whole or in part in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this Agreement through no fault of the terminating party, provided that no such termination may be effected unless the other party is given (1) not less than ten (10) calendar days written notice (delivered by certified mail, return receipt requested) of intent to terminate and (2) an opportunity for consultation with the terminating party before termination.
- ii. This Agreement may be terminated in whole or in part in writing by County for its convenience, provided that the Consultant is given (1) not less than ten (10) calendar days written notice (delivered by certified mail, return receipt requested) of intent to terminate, and (2) an opportunity for consultation with County prior to termination.
- iii. If termination for default is effected by County, an equitable adjustment in the price provided for in this Agreement shall be made, but (1) no amount shall be allowed for anticipated profit on unperformed services or other work, and (2) any payment due to the Consultant at the time of termination may be adjusted to cover any additional costs to County because of the Consultant's default.

- iv. If termination for default is effected by the Consultant, or if termination for convenience is effected by County, the equitable adjustment shall include a reasonable profit for services or other work performed. The equitable adjustment for any termination shall provide for payment to the Consultant for services rendered and expenses incurred prior to the termination, in addition to termination settlement costs reasonably incurred by the Consultant relating to commitments which had become firm prior to the termination.
- v. Upon receipt of a termination action under paragraphs (i.) or (ii.) above, the Consultant shall (1) promptly discontinue all affected work (unless the notice directs otherwise), (2) proceed to cancel promptly all existing orders and contracts insofar as these orders or contracts are chargeable to this agreement. As soon as practicable after receipt of notice of termination, the Consultant shall submit a statement showing in detail the services performed under this agreement to the date of termination and (2) deliver or otherwise make available to County within ten (10) calendar days copies of all data, design drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by the Consultant in performing this Agreement, whether completed or in process.
- vi. Upon termination under paragraphs (i.) or (ii.) above, County may take over the work and may award another party an Agreement to complete the work under this Agreement.
- vii. If, after termination for failure of the Consultant to fulfill contractual obligations, it is determined that the Consultant had not failed to fulfill contractual obligations, the termination shall be deemed to have been for the convenience of County. In such event, adjustment of the Agreement price shall be made as provided in paragraph (d) of this clause.
- viii. Copies of all data, design drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by the Consultant in performing this Agreement, whether completed or in process shall be delivered to County as a pre-condition to final payment. These documents shall be subject to the restrictions and conditions set forth in VII above.
- ix. Failure by the Consultant to comply with the submittal of data, design drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by the Consultant in performing this Agreement as required above shall constitute a waiver by the Consultant of any and all rights or claims to collect monies that Consultant may rightfully be entitled to for services performed under this Contract.
- x. Upon the above conditions having been met, the County shall promptly pay the Consultant that portion of the prescribed fee which the services

actually performed under this Contract bear to the total services called for under this Contract less previous payments of the fee.

- B. Right of County to Suspend Giving Rise to Right of Consultant to Terminate:
- i. County reserves the right to suspend this Contract at the end of any Phase for any reason by issuing a signed, written notice of suspension (citing this paragraph) which shall take effect on the tenth day following receipt of said notice by the Consultant. The suspension notice will outline the reasons for the suspension and the anticipated duration of the suspension but will in no way guarantee the total number of days suspended.
 - ii. The Consultant is hereby given the right to terminate this Agreement in the event that the County suspends this Contract. Consultant may exercise this right to terminate by issuing a signed, written notice of termination (citing this paragraph) to the County at any time after the effective suspension date. This termination shall be effective immediately upon receipt of said notice by the County.
- C. Procedures Consultant to follow upon receipt of Notice of Suspension if issued by the County:
- i. Upon receipt of a notice of suspension and prior to the effective date of the suspension, the Consultant shall, unless the notice otherwise directs, immediately begin to phase-out and discontinue all services in connection with the performance of this Contract and shall proceed to promptly cancel all existing orders and contract insofar as such orders and contracts are chargeable to this Contract.
 - ii. Consultant shall prepare a statement showing in detail the services performed under this Contract prior to the effective date of suspension.
 - iii. Copies of all completed or partially completed designs, plans and specifications prepared under this Contract prior to the effective date of suspension shall be prepared for possible delivery to County but shall be retained by the Consultant until such time as Consultant may exercise the right to terminate.
 - iv. During the period of suspension, Consultant shall have the option to at any time submit the above referenced statement to County for prompt payment of that proportion of the prescribed fee which the services actually performed under this Contract bear to the total services called for under this Contract, less previous payments of the fee.
 - v. In the event that Consultant exercises his right to terminate at any time after the effective suspension date, within thirty (30) days after receipt by County

of Consultant's notice of termination, Consultant shall submit (if he has not previously done so) the above referenced statement showing in detail the services performed under this Contract prior to the effective date of suspension.

- vi. Additionally, the above referenced copies of documents shall be delivered to County as a pre-condition to final payment.
- vii. Upon the above condition being met, County shall promptly pay the Consultant that proportion of the prescribed fee which the services actually performed under this Contract bear to the total services called for under this Contract, less previous payments of the fee.
- viii. Failure by the Consultant to comply with the submittal of the statement and documents as required above shall constitute a waiver by the Consultant of any and all rights or claims to collect monies that Consultant may rightfully be entitled to for services performed under this Contract.

X. Consultant's Insurance and Warranty:

- A. Insurance: The Consultant shall procure and maintain insurance for protection from claims and workman's compensation acts, claims for damages because of bodily injury including personal injury, sickness or disease or death of any and all employees or of any person other than such employees, and from claims or damages because of injury to or destruction of property including loss of use resulting there from.
- B. The Contractor shall provide and maintain, until the work covered in the contract is completed and accepted by the County of Webb, the minimum insurance coverages as follows:
 - i. Commercial General Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence and \$2,000,000 general aggregate for bodily injury and property damage, which coverage shall include products/completed operations (\$1,000,000 products/completed operations aggregate), and XCU (Explosion, Collapse, Underground) hazards. Coverage must be written on an occurrence form. Contractual Liability must be maintained covering the Contractor's obligations contained in the contract.
 - ii. Workers Compensation insurance at statutory limits, including Employers Liability coverage a minimum limits of \$1,000,000 each-occurrence each accident/\$1,000,000 by disease each-occurrence/\$1,000,000 by disease aggregate.
 - iii. Commercial Automobile Liability insurance at minimum combined single limits of 1,000,000 per-occurrence for bodily injury and property damage, including owned, non-owned, and hired car coverage.

- iv. Errors & Omissions coverage is be required for all services. The following conditions apply:
 - a. Professional Liability with minimum limits of \$1,000,000 or higher, depending on the type, size, and scope of services.
 - b. This coverage must be maintained for at least two (2) years after the project is completed. If coverage is written on a claims-made basis, a policy retroactive date equivalent to the inception date of the contract (or earlier) must be maintained during the full term the contract.

PLEASE NOTE: The required limits may be satisfied by any combination of primary, excess, or umbrella liability insurances, provided the primary policy complies with the above requirements and the excess umbrella is following-form. The Contractor may maintain reasonable and customary deductibles, subject to approval by the County of Webb.

Any Subcontractor(s) hired by the Contractor shall maintain insurance coverage equal to that required of the Contractor. It is the responsibility of the Contractor to assure compliance with this provision. The County of Webb accepts no responsibility arising from the conduct, or lack of conduct, of the Subcontractor.

A Comprehensive General Liability insurance form may be used in lieu of a Commercial General Liability insurance form. In this event, coverage must be written on an occurrence basis, at limits of \$1,000,000 each-occurrence, combined single limit, and coverage must include a broad form Comprehensive General Liability Endorsement, products/completed operations, XCU hazards, and contractual liability.

- C. With reference to the foregoing insurance requirement, Contractor shall specifically endorse applicable insurance policies as follows:
 - i. The County of Webb shall be named as an additional insured with respect to General Liability and Automobile Liability.
 - ii. All liability policies shall contain no cross-liability exclusions or insured versus insured restrictions.
 - iii. A waiver of subrogation in favor of the County of Webb shall be contained in the Workers Compensation, and all liability policies.
 - iv. All insurance policies shall be endorsed to require the insurer to immediately notify the County of Webb of any material change in the insurance coverage.

- v. All insurance policies shall be endorsed to the effect that the County of Webb will receive at least sixty- (60) days' notice prior to cancellation or non-renewal of the insurance.
 - vi. All insurance policies, which name the County of Webb as an additional insured, must be endorsed to read as primary coverage regardless of the application of other insurance.
 - vii. Required limits may be satisfied by any combination of primary and umbrella liability insurances.
 - viii. Contractor may maintain reasonable and customary deductibles, subject to approval by the County of Webb.
 - ix. Insurance must be purchased from insurers that are financially acceptable to the County of Webb.
- D. All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent and shall contain provisions representing and warranting the following:
- i. Sets forth all endorsements and insurance coverages according to requirements and instructions contained herein.
 - ii. Shall specifically set forth the notice-of-cancellation or termination provisions to the County of Webb.
- E. Upon request, Contractor shall furnish the County of Webb with certified copies of all insurance policies.
- F. All contractors and subcontractors must be meeting minimum OSHA safety requirements as applicable to their operations.
- G. Warranty: The Consultant warrants that he has not employed or retained any company or person other than a bona fide employee working solely for the Consultant to solicit or secure this contract, and that he has not for the purpose of soliciting or securing this contract paid or agreed to pay any company or person, other than a bona fide employee working solely for the Consultant, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this contract. For breach of this warranty, County shall have the right to terminate this contract under the provisions of VIII above.

XI. Changes in Scope of Services:

County, may, from time to time, request changes in the Scope of Services to be

performed by the Consultant hereunder and if such changes are agreed to by the Consultant, they shall be included as written amendments to this contract.

XII. Subletting or Assigning of Contract:

- A. County does not allow, permit, negotiate, authorize nor approve any assignment of contract proceeds between County, Consultant, and/or with a bank, lending institution or any type of financial institution either before, during or after a contract award.
- B. County agrees to pay Consultant for specified services as stated in the agreed contract. County does not agree to pay any additional party either jointly or separately for the contract.

XIII. Consultant's Responsibility & Liability:

- A. Acceptance and approval of the final plans by the County Engineer shall not constitute nor be deemed a release of the responsibility and liability of the Consultant for the accuracy and competency of his designs, working drawings, specifications, or other documents and work performed under this contract. No approval or acceptance by or on behalf of the County shall be deemed to be an assumption of such responsibility by County for any defect, error, or omission in the said designs, working drawings, specifications or other documents as prepared by the Consultant.
- B. The Consultant further agrees to perform, at his sole cost and expense, any re-designs, required as a result of the Consultant's development of the designs, plans, specifications, or documents which are found to be in error.

XIV. Indemnification:

CONSULTANT SHALL INDEMNIFY AND HOLD HARMLESS COUNTY AND ITS COMMISSIONERS COURT MEMBERS, OFFICERS, REPRESENTATIVES AND EMPLOYEES (COLLECTIVELY REFERRED TO AS "COUNTY") FROM AND AGAINST DAMAGES, INJURIES (WHETHER IN CONTRACT OR IN TORT INCLUDING PERSONAL INJURY OR DEATH), CLAIMS, PROPERTY DAMAGES (INCLUDING LOSS OF USE), LOSSES, DEMANDS, LAWSUITS, ACTIONS, JUDGMENTS, LIENS, COSTS AND EXPENSES, INCLUDING REIMBURSEMENT OF REASONABLE ATTORNEY'S FEES IN PROPORTION TO CONSULTANT'S LIABILITY (INCLUDING ATTORNEY'S FEES AND EXPENSES INCURRED IN ENFORCING THIS INDEMNITY PROVISION), THAT IN WHOLE OR IN PART ARISE OUT OF OR ARE CONNECTED WITH SERVICES PROVIDED BY CONSULTANT, ITS OFFICERS, AGENTS, REPRESENTATIVES, EMPLOYEES, SUBCONTRACTORS, LICENSEES, INVITEES OR ANY OTHER THIRD PARTIES FOR WHOM CONSULTANT IS LEGALLY RESPONSIBLE (COLLECTIVELY REFERRED TO AS "CONSULTANT" FOR PURPOSES OF THIS INDEMNITY PROVISION) TO THE EXTENT RESULTING FROM THE NEGLIGENT, GROSSLY NEGLIGENT, AND/OR INTENTIONAL WRONGFUL ACT AND/OR

OMISSION OF CONSULTANT IN ITS PERFORMANCE OF THIS AGREEMENT (COLLECTIVELY "CLAIMS").

- XV. Severability:**
If for any reason, any one or more paragraphs of this contract are held invalid, such judgment shall not affect, impair, or invalidate the remaining paragraphs of the contract but be confined in its operations the specific section, sentences, clauses, or parts of this contract held invalid and invalidity of any section, sentence, clause or parts of this contract in any one or more instance, shall not affect or prejudice in any way the validity of this contract in any other instance.
- XVI. Interest of Consultant:**
The Consultant agrees that it has no interests, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this contract.
- XVII. Independent Contractor:**
Consultant, in the performance of this Agreement, shall be and act as an independent contractor. Consultant understands and agrees that it and all of its employees shall not be considered officers, employees, agents, partner, or joint venture of County, and are not entitled to benefits of any kind or nature normally provided employees of County and/or to which County's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Workers' Compensation. Consultant shall assume full responsibility for payment of all federal, state and local taxes or contributions, including unemployment insurance, social security and income taxes with respect to Consultant's employees. In the performance of the work herein contemplated, Consultant is an independent contractor or business entity, with the sole authority for controlling and directing the performance of the details of the work, County being interested only in the results obtained.
- XVIII. Owner of Documents:**
All documents including the original drawings, estimates, specifications, field notes and data will remain the property of the Consultant as instruments of service. However, it is to be understood that County shall have free access to all such information with the right to make and retain copies of drawings and all other documents including field notes and data. Any re-use without specific written verification or adaptation by Consultant will be County's sole risk and without liability or legal exposure to Consultant. Any such verification or adaptation may entitle Consultant to further compensation at rates to be agreed upon by County and Consultant.
- XIX. Equal Employment Opportunity/Minority Business Enterprise:**
The Consultant agrees not to engage in employment practices which have the effect of discriminating against any employee or applicant for employment and will take affirmative steps to ensure that applicants and employees are treated during employment without regard to their race, color, religion, national origin, sex, age, handicap, or political belief or affiliation.

XX. Political Interests in this Contract:

No employee of County shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom; provided, however, that this provision shall not be constructed to extend to this contract if made with a corporation for its general benefit.

XXI. Force Majeure:

- A. Consultant shall not be liable or responsible for, and those shall be excluded from the computation of the aforesaid period of time, any delays due to strikes, riots, acts of God, national emergency, acts of the public enemy, governmental restrictions, laws, or regulations, or any other causes beyond Consultant's reasonable control. Within thirty (30) days from the occurrence of any event for which time for performance by Consultant should be significantly extended under this provision, Consultant may give written notice thereof to County stating the reason for such extension and the actual or estimated time thereof.
- B. In the event either party invokes the preceding provision, this contract shall remain in force for a period which may reasonably be required for the completion of the project, including any extra work and required extensions thereto, unless discontinued as provided for elsewhere in this contract.

XXII. Miscellaneous Provisions:

- A. Integration. This Contract represents the entire and integrated Contract between County and the Consultant and supersedes all prior negotiations, representations or contracts, either oral or written.
- B. Amendment. This Contract may be amended only by written instrument signed by both County and Consultant.
- C. No rights created. Any other provision of this Agreement to the contrary notwithstanding, this Agreement shall not create any rights or benefits on behalf of any other person not a party to this Agreement, and this Agreement shall be effective only as between the parties hereto, their successors and permitted assigns.
- D. Certification Regarding Ineligibility to Receive Payment – Child Support. Under Section 231.006, Family Code, the vendor or applicant certifies that the individual or business entity named in this contract, bid, or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate.
- E. Inconsistencies. Where there exists any inconsistency between this Agreement and other provisions of collateral contractual agreements that are made a part hereof by reference or otherwise, the provisions of this Agreement shall control.
- F. Governing Law/Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflict of law

principles. The exclusive venue for any action arising of this Agreement shall be in the state courts of Webb County, Texas.

- G. Confidentiality. Any confidential information provided to or developed by Consultant in the performance of this Agreement shall be kept confidential, unless otherwise provided by law, and shall not be made available to any individual or organization without the prior approval of County.
- H. Headings. The headings used herein are for convenience of reference only and shall not constitute a part hereof or affect the construction or interpretation hereof.
- I. Waiver. The failure on the part of any party to exercise or to delay in exercising, and no course of dealing with respect to any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies provided herein are cumulative and not exclusive of any remedies provided by law or in equity, except as expressly set forth herein.
- J. Counterparts. This Agreement may be executed in any number of and by the different parties hereto on separate counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall together constitute but one and the same document.
- K. Terminology and Definitions. All personal pronouns used herein, whether used in the masculine, feminine, or neutral, shall include all other genders; the singular shall include the plural and the plural shall include the singular.
- L. Rule of Construction. The parties hereto acknowledge that each party and its legal counsel have reviewed and revised this agreement, and the parties hereby agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this agreement or any amendments or exhibits hereto.
- M. Notices. Any notice pursuant to this Agreement shall be given in writing by (i) personal delivery, or (ii) reputable overnight delivery service with proof of delivery, or (iii) United States Mail, postage prepaid, registered or certified mail, return receipt requested, or (iv) legible facsimile transmission sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith, and shall be deemed to have been given either at the time of personal delivery, or in the case of expedited delivery service or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or, in the case of facsimile transmission, as of the date of the facsimile transmission provided that an original of such facsimile is also sent to the intended addressee by any of the means described in clauses (i), (ii) or (iii) above. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to

this Agreement shall be as follows:

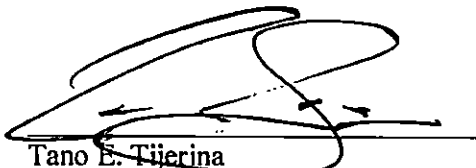
County:
Tomas Sanchez
Utilities Director
513 Martha Drive
Rio Bravo, Texas 78046

Consultant:
Mr. Dan V. Jackson, Vice President
Willdan Financial Services
5500 Democracy Drive, Suite 130
Plano, Texas 75024

- N. Signatory Warranty. The undersigned signatory or signatories for the Consultant hereby represent and warrant that the signatory is an officer of the organization for which he or she has executed this contract and that he or she has full and complete authority to enter into this contract on behalf of the firm. The above-stated representations and warranties are made for the purpose of inducing County to enter into this contract.
- O. Incorporation of Recitals and Exhibits. The Recitals and each exhibit attached hereto are hereby incorporated herein by reference for all intents and purposes, provided however that in the event of a conflict between this Agreement and its Exhibits, this Agreement shall control to the extent of such conflict.
- P. Effective Date. This Agreement becomes effective when signed by the last party whose signing makes the Agreement fully executed.
- Q. Miscellaneous Drafting Provision. This Contract shall be deemed drafted equally by all parties hereto. The language of all part of this Contract shall be construed according to its fair meaning, and any presumption or principles that the language herein is to be construed against any party shall not apply.
- R. Indemnity. The parties agree that the indemnity provision set forth in this Contract is conspicuous and the parties have read and understood the same.

IN WITNESS HEREOF, County and the Consultant have executed these presents in duplicate originals.

Webb County



Tano E. Tijerina
Webb County Judge

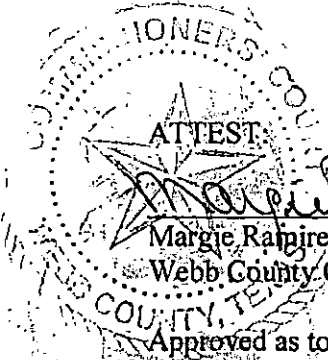
Date: 2/7/2022

Willdan Financial Services



Dan V. Jackson
Vice-President

Date: 2/4/2022



ATTEST

Margie R. Ibarra

Margie Ramirez Ibarra
Webb County Clerk

Approved as to Form:

Nathan R. Bratton

Nathan R. Bratton

Civil Legal Division*

*The General Counsel, Civil Legal Division's office, may only advise or approve contracts or legal documents on behalf Webb County, its client. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorney(s).

Exhibit A
Scope of Services

Project Approach

Project Understanding

The purpose of this study is to prepare a water and wastewater rate study that evaluates the County's existing rate structure and evaluate its ability to meet the utility's *ten-year forecast of revenue requirements* and make any recommendations needed to enhance the utility's financial strength (baseline scenario). *The study will also develop an understanding and determine the economic and financial impact of a proposed development of approximately 1,500 new lots in the Rio Bravo area.* To accomplish the overall goals and objectives of the project, our team's approach will utilize the cash basis rate setting methodology as delineated in AWWA's Manual M1 for water utilities. This manual outlines the utility industry's generally accepted rate preparation practices used by utilities throughout the United States.

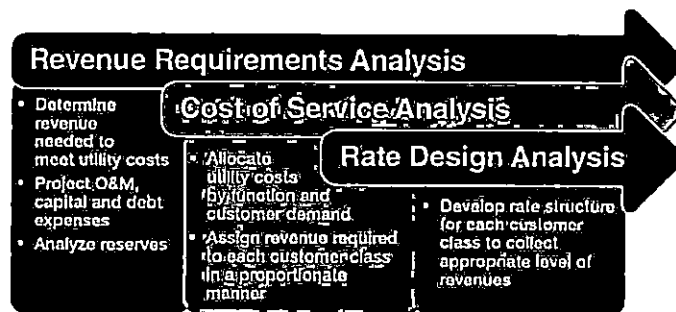
The information developed during the course of this rate study will allow the County to choose a financial and capital plan that best fits its requirements. This plan will minimize the impact on all classes of ratepayers, while still allowing it to meet the increasing *expense requirements of water supply, water and wastewater treatment, water distribution, wastewater collection, customer billing and metering and other ancillary services.* The project team will develop a *comprehensive 10-year forecast* that will present alternative long-term water and wastewater rate plans sufficient to fund operating expenditures, debt service and the forecast CIP. This model will also include *current and known future costs of compliance with environmental standards and regulations* as well as *consideration of creating a facility replacement reserve for aging water infrastructure.*

Using cost and demand data provided by the County, our study will result in a number of alternative scenarios. Water rate structure alternatives will include the base plus consumption format that is fair and objective and promotes conservation. Customer and the utility's financial impacts (including revenue stability) of all alternatives will be prepared and presented as part of our rate study recommendations. Any recommended alternative rate structures will be easy to administer, understand and compatible with the County's current billing software. In addition, *the costs of providing new service connections (planning, engineering, and construction) will be assessed and recommended charges will be offered.*

Our analysis will result in a spreadsheet-based utility financial planning model that will allow the County to test a variety of "what-if" alternatives. Deliverables will include a written report that is understandable to those who are not ratemaking or financial professionals. This report will have an executive summary that succinctly documents the rate study's findings and recommendations. We will also prepare and deliver *presentations to County Staff, the County Commission, and a public workshop with other public entities.* We will work tirelessly with staff to ensure that our recommended alternatives are successfully implemented.

Methodology

The graphic to the right summarizes the standard approach commonly employed by the project team to develop utility rates. Each step of the three-step approach is typically performed in tandem. Although presented sequentially, the overall analysis is circular -- as variables in one analysis may influence another. Willdan project methodology includes the following tasks:



Task I - Project Kick-off, Data Acquisition and Assessment: The project team will meet with County staff at the outset of this project. The purpose of this meeting will be to discuss study goals and objectives, review requirements for completing each task, establish responsibilities and lines of communication, and refine the work plan and schedule. Prior to this meeting we will provide a preliminary data request list to initiate data collection and organization. The initial data that will be required by the project team will include, but not be limited to, the following: current approved utility budget; current and historical rates; water billing data/reports identified by customer class by month for the past three years; all water purchased and/or produced by month and day for the past three years; water debt schedules; Capital Improvement Plans, etc.

Task II - Demographic Analysis: The project team will prepare a comprehensive demographic analysis of ratepayers of the County as a pretext to the development of the alternative water and wastewater rate plans. The project team will develop current data on number of households; median household income; average monthly bills, both in total and as a percentage of household income; and *monthly charges charged by other utilities in neighboring communities for a comparison survey.*

Task III - Determine Revenue Requirements: In this task, the project team will determine the revenue requirements for the current year and for a ten-year forecast period. The revenue requirements consist of the total cost to provide this service, including operation and maintenance (O&M) costs (*supply, treatment, water distribution, wastewater collection, customer billing and metering and other ancillary services*), transfers to the General Fund and other funds, debt service requirements (including coverage requirements) on existing and any proposed new debt, direct capital outlays financed by rates, and other financial needs. We will also consider the levels of cash reserve funding requirements and operating fund balance targets for the water system's operation in our determination of the revenue requirements.

The development of a reasonable set of assumptions concerning future operating and non-operating costs and capital spending for repairs and replacements and system expansion is one of the most critical elements of the revenue requirement. The project team will discuss all components of these categories with County staff, including, inflation estimates, anticipated changes to operating costs, the expected amount of CIP, funding alternatives, expected reserve requirements, and coverage requirements.

Task IV - Determine User Characteristics and Customer Classes: This task involves determining the appropriate groupings of customers so those with similar user characteristics populate the same customer class. For cost allocation purposes, customers are grouped into different classes based on differences in their user characteristics. It will include a careful review of the County's sales volume histories and forecasts and *provide guidelines for rate definitions of customer classes, including master metered multi-family properties and mobile home parks.*

Another important component of this task will be to forecast future customers and billed volumes for the ten year period. The forecast of billed volumes will be used to make a basic assessment of the adequacy of the County's existing water rights to service future demand. While this will not be an engineering or operational calculation, it will form the basis of any assumptions regarding the necessity of the County purchasing additional water rights in the future, or alternatively, the appropriateness of existing water rights.

Task V - Cost Functionalization, Classification and Allocation: In this task, the project team will calculate the cost of water distribution, water supply, treatment and customer services, and wastewater treatment, collection, and customer services, based on the information gathered in previous tasks.

The costs include such categories as O&M, reserves, debt service, and capital outlays funded by rates. These costs will then be assigned to individual customer classes through a three-step apportionment process. These steps are referred to as "functionalization," "classification" and "allocation."

Task VI - Alternative Rate Designs for Current Year and Ten-year Forecast: After allocating costs to customer classes, a plan will be developed for evaluating rate options that will equitably recover allocated costs and promote conservation, including O&M, debt service, general fund transfers and capital and operating reserve requirements. *During this task we will work with County staff to evaluate both its short-term needs and its longer-term needs related to revenue stability, affordability impacts on customers, promoting conservation and equity for all types of customers.* We will use this input to develop alternatives as required and present our recommendations as either *a single year rate plan or multi-year rate plan.*

Finally, we will develop a separate connection fee for new connections expected in the County. Please note that this is not an impact fee; it would be intended to cover the physical cost of new connections to the system. An impact fee study would be beyond the scope of this initial engagement.

Task VII - Prepare and Present Draft and Final Reports: The project team will prepare copies of a concise draft report *with recommended rate structures.* Then the project team will *prepare a final rate study report that incorporates any staff or Commission edits.* The report will include an executive summary that succinctly documents the rate study's findings and recommendations.

Task VIII - Public Meetings: We are prepared to conduct the following formal meetings with the County:

- 1) an initial meeting with staff to review project goals and data requirements – in person or Zoom
- 2) a formal staff meeting to review preliminary findings and to make adjustments as necessary based on staff input – in person or Zoom
- 3) an initial briefing with the County Commission to review findings and rate alternatives – in person
- 4) *a public workshop to review initial findings and recommendations and to answer questions from ratepayers on the proposed rate structure – in person;*
- 5) A final meeting with County Commission to approve the chosen rate plan.