

AGENDA ITEM
December 3, 2013

Subject: Alliance Water Resources Contract

Department: City Manager

This ordinance will approve the memorandum of agreement with Alliance Water Resources for 2014 to provide water and wastewater service to the City of Nevada, Missouri.

BILL NO. 2013-071

ORDINANCE NO.

A SPECIAL ORDINANCE OF THE CITY OF NEVADA, MISSOURI APPROVING AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF NEVADA, MISSOURI AND ALLIANCE WATER RESOURCES.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEVADA, MISSOURI THAT:

Section 1. The agreement attached hereto as Exhibit "A" and incorporated herein by reference is approved.

Section 2. The Mayor and City Clerk are hereby authorized and directed to execute said agreement on behalf of the City of Nevada, Missouri, and to affix the municipal seal thereto and to attest to the same.

Section 3. This ordinance shall be in full force and effect from and after its final passage.

PASSED, APPROVED AND ADOPTED, by the City Council of the City of Nevada, Missouri this 17th day of December, 2013.

Seth Barrett, Mayor

(seal)
ATTEST:

Bev Baker, City Clerk



November 20, 2013

JD Kehrman
City Manager
110 South Ash
Nevada, Missouri 64772

**RE: Alliance Water Resources
2014 Nevada Water and Wastewater
Proposed Budget**

Dear Mr. Kehrman,

Alliance Water Resources (AWR) is pleased to present the proposed budget for 2014 for your review and consideration. We are requesting an annual increase of 1.8% to the existing contract amount, making the new annual total \$1,542,800.04 (\$128,566.67 monthly).

We have had another exciting year continuing training a top notched staff along with addressing several challenging tasks such as repairing aged equipment at the Water Treatment Plant along with constantly producing a "stable" water for the residents, continuing to improve the safety program, on going staff training, preparing SOPs (Standard Operation Procedures) for both the water system and collection system. We thank the City for the purchase of a Jet/Vac machine, as in 2014 a major focus will be on I&I reduction in which this machine will be utilized.

The largest increases are in employee health insurance (18%) and entry level pay rate expense (9%) directly relating to operations a constant "stable" water from the Water Plant along with vendor price increases. The Repair Expense cap is remaining the same at \$79,000 and the Chemical Expense cap will also remain the same at \$82,200.

AWR enjoys serving the City and look forward to the future challenges as a team member. If you have any questions, please contact me at 573-874-8080, extension 275.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Johnson", is written over the word "Sincerely,".

Gary Johnson
Division Manager
Alliance Water Resources

cc. Mayor Barrett

Shawn Middendorf
Dick Tuttle

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement has been entered into this _____ day of _____, 2013 by and between the City of Nevada, a municipal corporation of the state of Missouri (hereinafter referred to as "City"), and Alliance Water Resources, Inc., (hereinafter referred to as "Alliance").

This Memorandum of Agreement has as its purpose to modify the initial Professional Service Agreement dated December 28, 2010 between City and Alliance.

Pursuant to Section 5.4, the Service Agreement is modified under the following section:

5.1 Alliance base compensation per this Agreement shall be \$128,566.67 per month for the fiscal year beginning January 1, 2014 and ending December 31, 2014. The Repair Limit for this term shall be \$79,000.00 and the Chemical Limit for this term shall be \$82,200.00.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the first date written above.

Authorized Signature

Authorized Signature

President
Alliance Water Resources

Mayor
City of Nevada, Missouri

Date

Date

ATTEST:

Secretary

City Clerk