

APPENDIX A

COMPENSATION OF CONSULTANT

A1.) Standard Billing Rate

- A1.1) Standard Billing Rate. Consultant shall be compensated for services provided in connection with this Project at Consultant's standard billing rates set for in Attachment A-1 in an amount **Not to Exceed Twelve Thousand and Five Hindred (\$12,500.00) Dollars**. The rates set for in Attachment A-1 may only be modified by mutual written agreement of the parties.
- A1.2) Subconsultant Costs. Additional compensation for the Subconsultant costs not specifically defined within the Scope of services will be charged on an hourly rate basis, without additional markup, at rates agreed-upon by the City and consultant in writing prior to commencing any additional services.
- A1.3) Records. Records of the Consultant's and its Subconsultant's employees for such hours of their time as are devoted to performing services to the Project shall be maintained by the Consultant.
- A1.4) Limit. The Consultant and its Subconsultant shall use all reasonable means to minimize employees' time devoted to performing services under this Agreement.

A2.) Reimbursable Expenses

- A2.1) Definition. Except as provided in the attached Proposal, Reimbursable Expenses means actual expenditures with no mark ups, incurred by the Consultant or its Subconsultants in the interest of the Project approved by the City for travel expense other than for commuting between the Consultant offices and the Project, lodging, subsistence and reproduction of documents obtained from persons other than the City. No other expenditures shall be Reimbursable Expenses unless so provided in an amendment in accordance with Subparagraph 9.5.2.
- A2.2) Limits. The Consultant shall use all reasonable efforts to minimize Reimbursable Expenses.
- A2.3) Reimbursable Expenses Prohibited. Reimbursable expenses will only be permitted when related to an additional service request.

A3.) Basis of Compensation

- A3.1) Basic Fee. For Basic Services provided by the Consultant and all Subconsultants, the City shall pay the Consultant a Basic Fee in accordance with Article 5 Paragraph 5.1. A change in the Basic Fee may be made only by an amendment in accordance with Subparagraph 9.5.2.
- A3.2) Additional Fees. For Additional Services provided by the Consultant and any Subconsultants in accordance with Article 3 of this Agreement, the City shall

pay the Consultant Additional Fees based upon the fee schedule as provided for in this Agreement incurred by the Consultant and any applicable Subconsultant in providing those Additional Services. Additional Fees may be approved only by an amendment in accordance with Subparagraph 9.5.2.

A3.3) Extent of Basic Fee. The Consultant's Basic Fee includes all compensation for Basic Services, including without limitation, for direct personal expenses, for salaries or other compensation of the Consultant's employees at the principal office, branch offices and the field office, general operating expenses of the Consultant's principal office, branch offices and the field office, any part of the Consultant's capital expenses, including interest on the Consultant's capital employed for the Project, overhead or expenses of any kind, any costs incurred due to the negligence of the Consultant, the Consultant's general advertising, federal, state or local income, sales or other taxes, state franchise taxes and qualification fees, and membership in trade, business or professional organizations.

A3.4) Total Compensation. The total compensation of the Consultant and all the Subconsultants shall consist of the Basic Fee, any authorized Additional Fees and Reimbursable Expenses.

A4.) Method and Terms of Payment

A4.1) Basic Fee. Payment of the Basic Fee shall be made monthly in proportion to services performed in each task in accordance with the documented efforts completed by the Consultant.

A4.2) Additional Fees, Reimbursable Expenses. Payments of Additional Fees for Additional Services in accordance with Article 3 and Subparagraph A3.2) and for Reimbursable Expenses as set forth in Paragraph A2.) shall be made monthly based upon services performed or expenses incurred, as applicable, and as shown upon statements prepared and submitted by the Consultant in such detail as the City may reasonably require to enable the City to verify, evaluate and approve them.

A4.3) Payments by Consultant. Within fourteen (14) business days of receipt of payment made pursuant to this Agreement, the Consultant shall pay all portions thereof due to Subconsultants and to Persons who provided items the expenses of which are Reimbursable Expenses.

A4.4) Compensation for Extension of Project Time. If the Consultant notifies the City not less than thirty (30) days prior to the time for completion of the Project that such time for completion is reasonably expected to be exceeded by more than ten percent (10%) through no fault of the Consultant, the compensation, if any, for Basic Services to be rendered during such extended period shall be negotiated to the mutual reasonable satisfaction of the City and the Consultant. If, as a result of such negotiation, the City agrees that the Consultant shall be paid additional compensation, an amendment to that effect shall be executed in accordance with Subparagraph 9.5.2 before the Consultant renders any services made necessary by such extension of the time of completion, unless otherwise agreed in writing by the City.

Appendix A-1

COURTNEY & ASSOCIATES
STANDARD BILLING RATES
(Effective January 1, 2013)

Description	Rates
Professional Services	\$ 150.00 per hour
Technical Services	75.00 per hour
Office Services	25.00 per hour
Reimbursable Expenses:	
Reproduction and Copying	\$ 0.10 per copy
Mileage	\$ 0.50 per mile
Travel	*
Miscellaneous	*

* These items will be billed at actual out-of-pocket costs.

Appendix B

COURTNEY & ASSOCIATES

Public Utility Consultants

1016 North Blanchard Street, Suite A

P.O. Box 676 • Findlay, Ohio 45839

Tel (419) 425-2719

Fax (419) 425-2118

August 30, 2012

City of Napoleon, Ohio
Attn: Mr. Gregory J. Heath
255 West Riverview Avenue
P. O. Box 151
Napoleon, Ohio 43545-0151

**Subject: Proposal to Prepare an Update of the 2011 Water
Rate and Cost to Service Study for Napoleon, Ohio**

Dear Mr. Heath:

In response to your request, we are pleased to submit this proposal to prepare an update of the 2011 Water Rate and Cost of Service Study (2011 Study) for the City of Napoleon, Ohio (City) (2012 Update). Set forth below is an outline of the scope of services to be provided in connection with the 2012 Update and our proposed fee for providing those services.

Scope of Services

In summary, the 2012 Update will consist of achieving the following assignments:

1. Acquisition, review and verification of 2011 and 2012 historical billing, operating and financial data for the Water Department;
2. Updating the four year projection of water revenue requirements and water revenues at current rates;
3. Updating the class cost-of-service analysis to identify, to the extent practical, the cost of serving each customer class;
4. Development of proposed water rates designed to recover the projected revenue requirements, as needed; and
5. Comparison of the proposed rates to existing rates.

August 30, 2012

The final results of the 2012 Update, along with our recommendations, will be summarized in a written report (Final Report) and presented to the City for consideration. It is anticipated that the 2012 Update will utilize the computer models for analyzing and projecting operating and financial data and for rate calculations that were developed for the 2011 Study. These computer models will be provided in spreadsheet format (Excel) and can be utilized by the City's staff in future water rate analyses.

As outlined below, we propose that the 2012 Update be performed in five (5) phases in order to facilitate involvement and input from the City's designated representatives with respect to our evaluations and recommendations. The proposed phases are categorized as follows:

- (1) Data Acquisition and Verification
- (2) Revenue Requirements
- (3) Cost of Service
- (4) Rate Design
- (5) Final Report

Data Acquisition and Verification

The purpose of this phase of the 2012 Update will be to acquire and verify the basic data necessary for the 2012 Update. In order to ensure the proper interpretation and incorporation of the basic data into our detailed analyses, we would perform the following tasks:

- (1) Identify basic data needs for the 2012 Update;
- (2) Review data needs and available data with City staff; and
- (3) Perform certain analyses in order to verify the accuracy of the data acquired.

We anticipate this phase will be completed approximately two (2) weeks following your authorization to proceed.

Revenue Requirements

This phase will include a review and analysis of the 2011 revenue requirements for the Water Department. Based on that review, as well as a review of the current budget and input from the City's staff and other source documents relating to future operating, debt service and capital improvement needs, we will update the four (4) year projection of future revenue requirements. This projection will establish the anticipated expenses as well as the target revenues to be provided by future rates. We anticipate completing this phase and reviewing the results with the City staff approximately thirty

(30) days following completion of the Data Acquisition and Verification phase.

Cost of Service

This phase will consist of updating the class cost-of-service analysis to determine, to the extent practicable, the cost of serving each of the various customer classes. This analysis will involve an allocation of the projected revenue requirements utilizing the Base-Extra Capacity methodology set forth in the American Water Works Association M1 Water Rate Manual.

The cost-of-service results will be compared to the revenue distribution at current rates in order to determine the distribution of future revenue adjustments. We anticipate that the cost-of-service results would be reviewed with the City staff in conjunction with the review of the results for the Revenue Requirements phase.

Rate Design

The purpose of this phase is to evaluate and develop pricing methods and structures which will result in equitable rates and ensure that recognition is given to the cost of providing service to the various customer classes and customers within each class, and that proper price signals are sent to consumers. This phase will also include a review of existing wholesale water service agreements and development of a wholesale (resale) water rate applicable to sales to adjacent communities and water districts.

We anticipate the Rate Design phase will be completed and presented to the City staff approximately thirty (30) days following completion of the Revenue Requirements and Cost of Service phases.

Final Report

The results of our 2012 Update, incorporating comments and input from the City staff, will be presented in the Final Report. In addition to the Final Report, we will also provide copies of the revised computer models, which can be used to analyze operating and financial data. These models will be provided in spreadsheet format (Excel) and will include historical and projected sales/revenues, power supply requirements/costs, revenue requirements, operating results and the cost of service model. These models can be updated periodically to assess the need for future rate adjustments.

August 30, 2012

We anticipate presenting the Final Report approximately four (4) months following authorization to proceed. This estimate assumes timely response to requests for data and receipt of comments from the City staff.

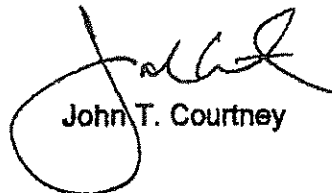
Compensation

We propose that the services set forth above be provided on a time and expense basis for a not-to-exceed fee of \$12,500. Invoices would be rendered at the end of each month for time expended at standard billing rates, plus all out-of-pocket expenses associated with providing the services. Our fee includes three (3) trips to Napoleon and providing ten (10) copies of the Final Report. Should additional trips or additional copies of the Final Report be requested, those services would be provided on a time and expense basis billed at our standard billing rate.

* * * * *

We appreciate the opportunity to assist the City of Napoleon in this important matter and we are available to discuss this proposal with you or to provide any supplementary information you may require.

Respectfully submitted,



John T. Courtney

CERTIFICATION

**OF COMPLIANCE WITH OHIO REVISED CODE SECTION 3517.13
FOR CONTRACTS IN EXCESS OF TEN THOUSAND DOLLARS (\$10,000.00)**

STATE OF OHIO,

COUNTY OF HANCOCK, ss:

The undersigned Affiant, being duly sworn, deposes and states as follows:

1. I am duly authorized to make the statements contained herein on behalf of COURTNEY ASSOCIATES ("the Contracting Party").

2. The Contracting Party is a/an (select one):

Individual, partnership, or other unincorporated business association (including without limitation, a professional association organized under Ohio Revised Code Chapter 1785), estate, or trust.

Corporation organized and existing under the laws of the State of _____.

Labor organization.

3. I hereby affirm that the Contracting Party and each of the individuals specified in R.C. 3517.93(I)(3) (with respect to non-corporate entities and labor organizations) or R.C. 3517.93(J)(3) (with respect to corporations) are in full compliance with the political contributions limitations set forth in R.C. 3517.93(I) and (J), as applicable. I understand that a false representation on this certification constitutes a felony of the fifth degree pursuant to R.C. 3517.93(AA) and 3517.992(R)(3). Any contract that contains a falsified certification shall be rescinded.

By: [Signature]
Affiant

Title: Owner

Sworn to before me and subscribe in my presence by John T. Courtney
this 22nd day of March, 2013.



Jacqueline J. Gilts
Notary Public, State of Ohio
My commission expires ~~March 22, 2013~~
March 22, 2015

[Signature]
Notary Public

RESOLUTION NO. 010-13

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH COURTNEY AND ASSOCIATES FOR PROFESSIONAL SERVICES REGARDING THE WATER RATE AND COST OF SERVICE STUDY UPDATE; AND DECLARING AN EMERGENCY

WHEREAS, the City of Napoleon does, from time to time, update and review its Water Rate and Costs of Service Study; and,

WHEREAS, this review and update of the Water Rate and Costs of Services is helpful for improving various bond ratings; and,

WHEREAS, the City is now desirous of contracting with Courtney and Associates for their professional services to conduct the Water Rate and Costs of Service Study update, Now Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NAPOLEON, OHIO:

Section 1. That, the City Manager is authorized to enter into a contract with Courtney and Associates for their professional services regarding the Water Rate and Cost of Service Study update.

Section 2. That, it is found and determined that all formal actions of this City Council concerning and relating to the adoption of this Resolution were adopted in open meetings of this City Council, and that all deliberations of this City Council and any of its committees that resulted in such formal actions were in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code and the Codified Ordinances of Napoleon Ohio.

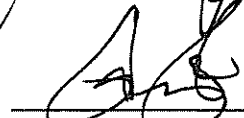
Section 3. That, if any other prior Ordinance or Resolution is found to be in conflict with this Resolution, then the provisions of this Resolution shall prevail. Further, if any portion of this Resolution is found to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this Resolution or any part thereof.

Section 4. That, this Resolution is declared to be an emergency measure necessary for the immediate preservation of the public peace, health or safety of the City and its inhabitants, and for the further reason that this legislation must be in effect at the earliest possible time to allow for timely review of Water Rates and Costs of Services so that such information will be available for any plans or decisions relating to the erection of the new water treatment plant which is necessary to assure public peace, health or safety; therefore, it shall be in full force and effect at the earliest time permitted by law.

Passed: March 4, 2013

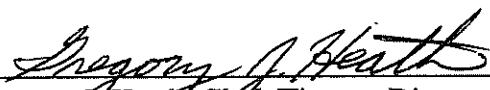

John A. Helberg, Council President

Approved: March 4, 2013


Ronald A. Behm, Mayor

VOTE ON PASSAGE 7 Yea 0 Nay 0 Abstain

Attest:



Gregory J. Heath, Clerk/Finance Director

I, Gregory J. Heath, Clerk/Finance Director of the City of Napoleon, do hereby certify that the foregoing Resolution No. 010-13 was duly published in the Northwest Signal, a newspaper of general circulation in said City, on the _____ day of _____; & I further certify the compliance with rules established in Chapter 103 of the Codified Ordinances Of Napoleon Ohio and the laws of the State of Ohio pertaining to Public Meetings.

Gregory J. Heath, Clerk/Finance Director