



CITY OF DELRAY BEACH – CONTRACT 2021-034

# Stormwater UtilityRate Study Phase 2: Continuing Services

January 10, 2023



**BLACK & VEATCH**

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January 10, 2024

The City of Delray Beach  
Jason M. Kaufman, P.E.  
100 NW 1<sup>st</sup> Street  
Delray Beach, FL 33444

RE: Amendment Request Phase 2– Continued Stormwater Utility Rate Study Support Services

Dear Mr. Kaufman:

Black & Veatch Management Consulting, LLC (Black & Veatch) recently assisted the City of Delray Beach (City) with the development of a multi-year financial plan and a revised stormwater rate structure under an existing City Contract 2021-034. We are currently supporting the City with Phase 2 services, which involves the preparation of the 2023 stormwater assessment tax roll and associated coordination with the City team and Palm Beach County, for the 2023 stormwater assessment reflecting the adopted rate structure and associated charges.

We understand that the City desires to address stormwater assessment process and policy update needs identified during Phase 2 related to the City's annual stormwater assessment. To support this, Black & Veatch is pleased to submit this Amendment Request (Amendment) to assist the City with continued Phase 2 support services for the Stormwater Utility Rate Study support services (project).

*Brian Merritt will continue to serve as the Project Manager during this Phase of support services.*

Our national Stormwater Practice Lead, **Ms. Prabha Kumar** will continue to serve as the Project Director. With our team's comprehensive expertise and rigorous methodologies and tools, we are ready to assist the City's team with providing the requested Phase 2 continuing services.

Our submittal of this proposal is valid for a period of 60 days.

In addition to the Phase 2 continuing services, our requested fee includes overages incurred during Phase 1. The overages were primarily due to the development of additional scenarios, City Commission presentation preparation, multiple review meetings and revisions of the final analysis and presentation which contributed to the approval of a new stormwater rate structure and updated stormwater fee for the City's stormwater utility. In addition, the overall project timeline was extended by nearly 12 months, requiring additional project coordination and communication associated with an increased timeline.

City of Delray Beach  
RFP2021-034 Storm Water Utility Rate Study  
Amendment 1

The total proposed budget for continuing Phase 2 services is \$36,040. The overage amount associated with Phase 1 is \$2,724, and hence the total amendment request is \$38,764.

If you have any questions, please contact Brian Merritt at +1 913-458-6720 or [MerrittBL@bv.com](mailto:MerrittBL@bv.com). We appreciate and welcome the opportunity to be of continued assistance to the City.

Very truly yours,



Chris Klausner  
Associate Vice-President





## Table of Contents

<b>PHASE 2 PROJECT UNDERSTANDING.....</b>	<b>2</b>
<b>PHASE 2 SCOPE OF WORK .....</b>	<b>3</b>
<b>PHASE 2 FEES .....</b>	<b>7</b>
<b>PHASE 2 RATE SCHEDULE .....</b>	<b>9</b>
<b>PHASE 2 CONTINUING SCHEDULE.....</b>	<b>10</b>

### Phase 2 - Project Understanding

The City initiated a Stormwater Utility Rate Study in 2021 and retained Black & Veatch Management Consulting, LLC (Black & Veatch) to assist with rate study services under Stormwater Utility Rate Study Agreement 2021-034. The key objectives of the stormwater utility rate study were to develop a (i) *multi-year financial plan; (ii) determine appropriate stormwater assessment rates to provide sufficient revenues to support system needs and goals; (iii) design an alternate rate structure to better align demands of the various property types with the appropriate cost recovery from those properties; and (iv) identify software solution to support ongoing billing data management.*

The City entered in to an Amendment (Amendment No. ITB 2021-034), for Phase 2 services, in June 2023. During this Phase, with assistance from Black & Veatch, the City completed the development of the FY 2023 non-ad valorem tax assessment roll for the City's annual stormwater assessment. The City requires additional services to address stormwater assessment data exceptions, and related ordinance and policy matters identified during Phase 2. In addition, the City needs to establish the necessary business processes and supporting stormwater data management maintain an update stormwater assessments on an annual basis.

Black & Veatch presents in this proposal a comprehensive scope of work, key assumptions as appropriate, and an estimated fee and schedule for providing additional consulting services to support the City's recently implemented stormwater rate structure and address remaining policy and process related items. The comprehensive additional services are referred to herein as "Phase 2 Continuing Services".

It is important to note that, per the City's request, the tasks included in this proposal for *Phase 2 Continuing Services* replace portions of optional Tasks 8 and 9 of the original contract and those components in Tasks 10 and 12 that were not addressed during Phase 2 of the project.

## **KEY OUTCOMES**

The City desires to achieve the following outcomes during the continuation of Phase 2 scope of services:

- Address data exception issues and policy items identified during prior Phase 2 tasks;
- Develop a stormwater utility (i) billing data management and (ii) annual stormwater tax roll preparation business processes and workflows; and
- Provide on-call assistance to Staff to support appeals, customer inquiries and general stormwater assessment needs, if requested.

Phase 2 - Scope of Work

To achieve the key outcomes defined, Black & Veatch will assist the City with planning, coordinating, and managing the execution of the tasks presented in Table 1. As Phase 2 continuing services include pending tasks from Phase 1 and Phase 2, per City's request, the tasks presented in Table 1 are numbered sequential to the tasks already completed during prior phases.

TABLE 1: PHASE 2 CONTINUING SUPPORT SERVICES TASKS

Task No.	Task Name	Remarks
Task 13	Project Phase Planning and Management	Project Phase Planning and Management
Task 14	Stormwater Data Clean-Up and Policy Updates	This includes data exceptions issues and some potential policy changes identified during the execution of Task 9 and apportioning of common areas to individual residential parcels that was pending from Task 10, in Phase 2 work that was done previously.
Task 15	Development Of Business Process, Workflows, and Manual	This includes Task 8.4, which was defined as optional task in Phase 1 and defining the timing of Appeals Process pending from Task 12, in Phase 2 work that was done previously.
Task 16	On-Call Support (Optional)	On-Call Support (Optional)

**TASK 13 – PROJECT PHASE PLANNING AND MANAGEMENT**

The Black & Veatch team will conduct a kick-off meeting for this Phase 2 continuing support services to confirm the scope, objectives, timeline, and execution protocols for this phase.

Our project management activities include general project coordination, staff direction, budget/scope/schedule management, and billing/invoicing activities throughout the course of the project. In addition, Black & Veatch's Project Director and the Project Manager will provide quality assurance and control on the work executed by Black & Veatch and for project deliverables developed by the Black & Veatch team.

**TASK 14 – STORMWATER DATA CLEAN-UP AND POLICY UPDATES**

This task involves addressing stormwater data issues and policy matters identified during the development of the FY 2023 stormwater assessment tax roll as part of the prior Phase 2 tasks. During this task, Black & Veatch will work with the City Team to address the following items:

1. Distribution of Common Area Elements to Residential Properties within Platted Subdivisions;
2. Parcel Polygon Geometry Issues;
3. Agricultural Exemptions;
4. Tax Assessment Roll Data Exceptions; and
5. Stormwater Ordinance Updates.

The aforementioned items are addressed in the following sub-tasks.

#### **Task 14.1 — Distribution of Common Area Elements to Residential Properties within Platted Subdivisions**

During the prior Phase 2 tasks, due to time constraints, a cross-reference between common area elements within a platted subdivision and residential properties within that platted subdivision was not developed, based on the parcel identification number (e.g. parcel id) schema or from available GIS data sets. To that end, Black & Veatch will work with the City team to identify common area parcels associated with residential subdivisions, develop a cross-reference between them, and distribute the impervious area of the common area elements parcels to the associated individual residential parcels.

##### **Deliverables:**

- *Subdivision Common Area Elements / Residential Parcel Relationship Table*

#### **Task 14.2 — Parcel Polygon Geometry Issues**

During prior phases of the stormwater utility study, the Black & Veatch team identified parcel polygon geometry issues. These issues include overlapping parcel polygons, as well limited instances of stacked and duplicate parcels within the GIS parcel polygon layers. Black & Veatch will review the identified issues with City staff and discuss potential resolutions. If necessary, the Black & Veatch team will work with the City to coordinate corrections and updates with the Palm

Beach County Tax Assessors Office to address these issues in the source data received from the County. If issues cannot be resolved in the source data, Black & Veatch will recommend, if feasible, approaches for City staff to use during future stormwater tax roll preparation.

##### **Deliverables:**

- *GIS Data Issues Log, Resolutions, and Recommendations Table*

#### **Task 14.3 — Agricultural and Public School Exemptions**

State legislation, passed immediately prior to the development of the FY 2023 stormwater assessment, exempted agricultural properties from portions of non-ad valorem tax assessments. As such, parcels identified by the County as qualifying for potential exemption were not assessed a stormwater fee during FY 2023. Black & Veatch understands the exemption may only apply to specific portions of the property. Therefore, Black & Veatch will work with the City team to further review and confirm whether exemptions need to be applied to the full parcel area and associated impervious area or if it is possible to pro-rate or proportion the assessment for the nonagricultural portions of the properties for the development of future non-ad valorem tax assessment rolls. In addition, Black & Veatch will assist the City, if requested, in providing input on the City's existing approach and policy regarding stormwater assessment for public schools.

##### **Deliverables:**

■ *Agricultural Parcel Identification Parcel Review and Resolutions*

*Summary ■ Updated stormwater assessment data for subject properties, if applicable*

*Assumptions: Black & Veatch assumes application of the Agricultural Exemption will require review and input from the City's legal counsel as well as the Palm Beach County Tax Assessor's Office.*

BLACK & VEATCH | PHASE 2 - SCOPE OF WORK

**Task 14.4 — Tax Assessment Roll Data Exceptions**

During Phase 2, Black & Veatch encountered some parcels polygons that did not have associated records in the County Non-Ad Valorem Tax Assessment Output Data set (also referred to as the NAVTRIM OUTPUT File). For example, some issues encountered were associated with properties currently being redeveloped, while others related to discrepancies between the parcel ids assigned to parcel polygons and the parcel id in the County tax assessment data. Black & Veatch will review the identified issues with City staff and discuss potential resolutions.

**Deliverables:**

■ *Assessment Issues Log and Resolutions Summary*

**Task 14.5 — Stormwater Ordinance Updates**

The need for potential stormwater ordinance enhancements were identified during prior Phase 2 tasks to help better define and articulate how the stormwater assessment is to be developed and applied in the context of the annual stormwater assessment rolls.

Potential updates include the following:

1. Defined terms for condominium and condominium units;
2. Description of property types;
3. Description of the assignment of minimum Stormwater Billing Units (SWUs) across all property types;
4. Description of the apportioning of Common Area Element SWUs across the associated residential parcels; and
5. Appeals process updates.

Black & Veatch will assist the City staff and the City's legal counsel, as appropriate, to support enhancements to the City's stormwater ordinance.

Black & Veatch will conduct Work Session #1 (1 Hour) for discussions on Task 14.1 and 14.2 and Work Session #2 (1 Hour) for discussions on Tasks 14.3 through 14.5.

**TASK 15 – DEVELOPMENT OF BUSINESS PROCESS AND WORKFLOWS**

The Black & Veatch team will conduct Work Session #3, a 2-hour work session with the City team to define the key activities to be performed associated with (i) stormwater utility fee parcel data management; and (ii) annual stormwater tax roll preparation. For these activities, the Black & Veatch team will then develop workflows to designate the sequence



of tasks, the entity responsible for the task, and any data inputs in to and outputs from tools used in these activities.

A summary customer facing Frequently Asked Questions (FAQ) reference paper will be provided as a reference guide to manage customer service inquiries.

**Deliverables:**

- *Business Process Reference Sheet and Workflows*
- *FAQ Reference Paper*

BLACK & VEATCH | PHASE 2 - SCOPE OF WORK

## **TASK 16 – ON-CALL SUPPORT**

Based upon work to date during project tasks, Black & Veatch recommends the City include some level of on-call support to aid in addressing stormwater assessment related customer inquiries, and stormwater utility policy related questions from City leadership and management. For budgetary purposes, Black & Veatch has allotted up to 48 hours of support from our project team to assist the City with this on-call support task.

*Note: The budget for this task would only be utilized upon the City's request for any on-call support as defined in this Task 16.*

### Phase 2 Fees

Based on the scope of work for Tasks 13 through 16 discussed in the proposed scope of work, we estimate a not-to-exceed project fee amount of \$36,040 for *Phase 2 Continuing Services*.

Fee Assumptions: The Project Fee presented in Table 1 reflects the following key assumptions:

- The three (3) collaborative work sessions and the two (2) progress meetings are assumed to be virtual meetings only.
- Black & Veatch has included two (2) virtual one-hour work sessions as indicated in Task 14.
- Black & Veatch has included a one (1) two-hour work session as indicated in Task 15.
- Black & Veatch has included 48 hours of on-call project support, for the specific areas of support, as defined in Task 16.

Further, the fee included in Table 2, assumes the scope of services proposed in Tasks 13 through 16 will be initiated the 2<sup>nd</sup> week of January 2024 and completed by the end of March 2024.

In addition to the above assumptions, the fee includes an overage amount of \$2,724 incurred due to additional support the City requested, during Phase 1. This overage was primarily due to the development of additional scenarios, City Commission presentation preparation, multiple review meetings and revisions of the final analysis and presentation which resulted with the approval of a new stormwater rate structure and updated stormwater fee for the City's stormwater utility. In addition, the overall project timeline was extended by nearly 12 months, requiring additional project coordination and communication associated with an increased timeline. **TABLE 2: TOTAL AMENDMENT REQUEST**

Project Tasks	Hours	Labor Fee
Stormwater Rate Implementation Support		
Task 13 - Project Management & Planning	14	\$ 3,530
Task 14 - Stormwater Data Clean-up and Policy Updates	51	\$ 11,560
Task 15 - Business Process Definition, Workflows, and Manual	42	\$ 10,125
Task 16 – On-Call Support	48	\$ 10,825

TOTAL PHASE 2 – CONTINUING SERVICES PROJECT FEE	155	\$ 36,040
PHASE 1 – OVERAGE		\$ 2,724
TOTAL AMENDMENT REQUEST		\$38,764

#### BLACK & VEATCH | PHASE 2 FEES

Additional services, over and beyond those identified in Tasks 13 through 16 of the proposal, and/or changes to the defined scope of those tasks, can be provided for an additional scope and associated cost, and at the appropriate billing rate, depending on the timing of additional scope request.

Phase 2 Rate Schedule

Phase 2 – Continuing Stormwater Utility Rate Study Support Services work will be billed under City of Delray Beach – Contract 2021-034 in accordance with the following hourly rate schedule.

TABLE 3: PHASE 3 RATE SCHEDULE

Title	Hourly Rate (\$/Hour)
Project Director	\$305.00
Project Manager	\$270.00
Business Lead	\$250.00
Database Specialist	\$270.00
Project Analyst	\$190.00
GIS Support	\$160.00

Note the above rates are only valid through March 2024.

Additional hourly rates may be utilized if other resources are required to support project execution. If this occurs, Black & Veatch will provide the hourly rate with the associated monthly invoices.



### Phase 2 Continuing Schedule

Black & Veatch team expects to perform the scope of services defined in Tasks 13 through 16 of Phase 2 continuing support services over a period of five (5) months following the issuance of a Notice-to-Proceed.

Project initiation is assumed to be the first week in December 2023 and estimated to be completed by end of March 2024. Soon after the issuance of the Notice-to-Proceed and prior to project initiation, Black & Veatch will develop and confirm the project schedule in collaboration with the City team.

Figure 1 presents the details of the estimated Phase 2 project schedule.

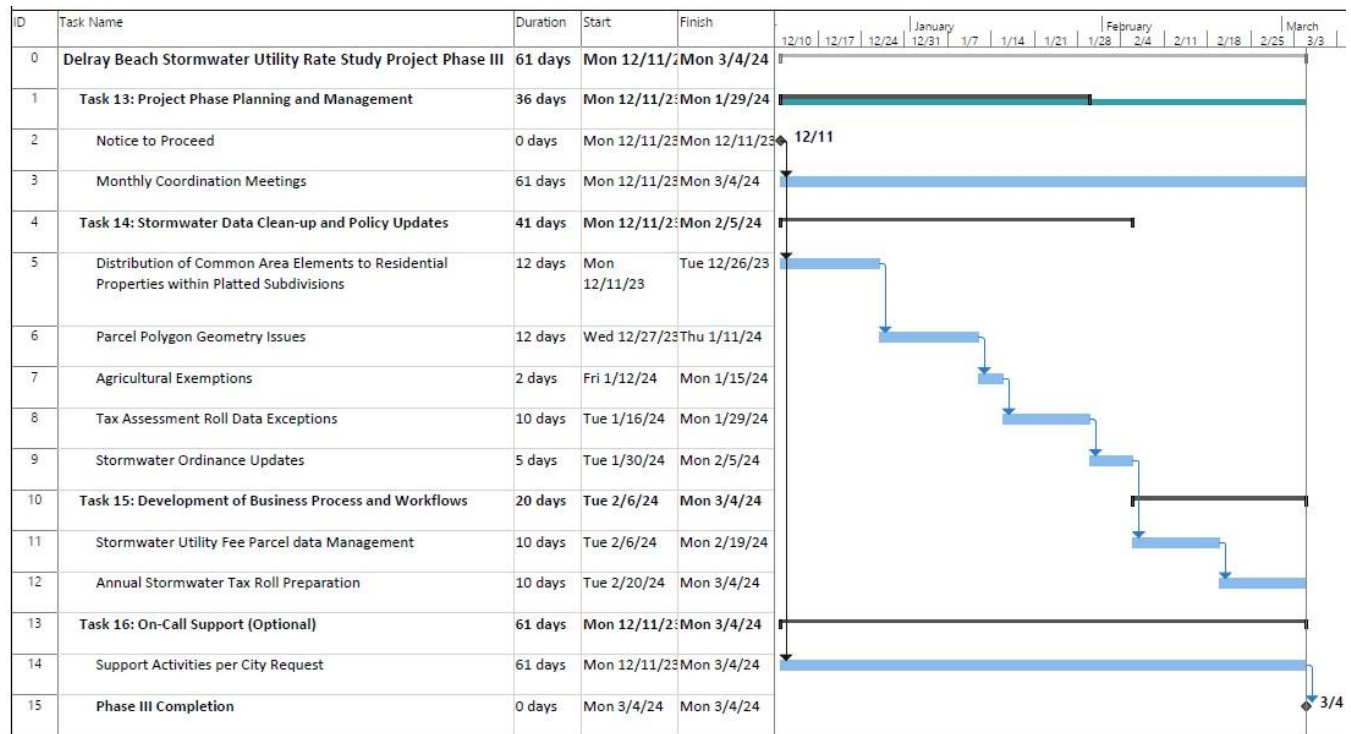


FIGURE 1 ESTIMATED PROJECT SCHEDULE