

• MEETING MINUTES •

MSD / ACECMO Liaison Committee

Friday, February 22, 2019, 10:30 a.m.

Location: Crawford, Murphy & Tilly, Inc.

ATTENDEES:

Name / Organization

Brian Hoelscher / Metropolitan St. Louis Sewer District

Brad Nevois / Metropolitan St. Louis Sewer District

Rich Unverferth / Metropolitan St. Louis Sewer District

Raed Armouti, Crawford, Murphy & Tilly, Inc.

April Giesmann, Horner & Shifrin, Inc. (co-chair)

Bently Green, Black & Veatch

Dave Hasty, Wood

John Killips, GHD, Inc.

Mike McCarty, Jacobs Engineering Group

Marc Eshelman, M3 Engineering Group, P.C.

Jeff Rensing, Oates & Associates, Inc. (co-chair)

Laura Mwirigi Rightler, Civil Design, Inc.

Bruce Wylie, ACECMO President

Joe Hagerty, Oates Associates, Inc. (ACECMO Chairman)

MINUTES:

1. Disparity study: Brian Hoelscher - See handout
 - a. 6 Directors under Brian. Shonnah Paredes is Diversity person, not able to attend.
 - b. Disparity Study: Last study 2012, in effect 2013 – update every 5 years
 - i. Kickoff meeting with Mason Tillman, same entity who did study 5 years ago.
 - ii. City used Mason Tillman, County has used other entities.
 - iii. Decided to maintain the same baseline.
 - iv. Will likely not use the same firm next time.
 - v. March/April – collect data 2013 through 2017 for payments made (not awards)
 - vi. Outreach sessions in March – asking for lists of people you want MSD to count
 - vii. Compare to actual utilization for consulting and construction April – September 2019
 - viii. Implement quicker than last time, January 2020.
 - ix. Previous Study was driven by Watershed teams. May still drive results since it is a majority of the contracts this time, also. May not see any change in goals.
 - x. MSD will look at their own selection data for long term profile.
 - xi. Largest concern in taking away minority goals that the participation may go away. They have not seen that happen.
 - xii. Multiplier for Prime Consultants will be reviewed. If you use just the selections, it would look like it's working, but they need to review based on the payments. Likely will not remove this multiplier based on that data.
 - xiii. Form is hard data, all in MSD system. There will still be phone calls (anecdotal data) to gather additional information.
 - xiv. All of this data is for firm – certified by State or City as minority/women owned.
 - xv. Contracts over \$500,000, Prime firm percentage of workforce is reviewed. If not meeting those numbers, what is the firm's plan to get to those goals? They are reviewing this as

well. Currently 32% women, 18% minority. They monitor progress over the course of the year. Entire local office workforce, not necessarily just working on the project. As a whole, firms are consistently within 1% of these goals.

- xvi. Short on subcontracting for sewers of African-American firms. All other subcontracting are above 18%. Brian says possibility MSD could be in a low bid environment with no subcontracting goals. Building and non-building projects have separate goals. Must look at both separately, as well as separately for construction and engineering. If there is no disparity, they can't implement goals.
 - xvii. Before the goals, MSD does not have record of what the actual construction participation was, as it has never been monitored.
 - xviii. MSD is looking at individual ethnicities, not the M/WBE as a total.
 - xix. MSD staff has 30 more minorities, as compared with community. MSD is 13 women short of workforce – field inspection mainly. Developing trainee program and beginning relationships with high schools for entry level positions.
2. Wastewater Rate Proposal – Rich Unverferth
- a. Finished stormwater rate proposal, started preparing 4 year wastewater rate proposal
 - b. Layout to rate commission for expenditures expected over next 4 years.
 - c. Double digit increases for last 12 years.
 - d. March 4, proposal to rate commission.
 - e. Will be single digit increase this time, under 5% per year.
 - f. Factors
 - i. Implemented operational changes for efficiency, operational budget in better shape.
 - ii. Money borrowed over last 4 years managed well financially. Better investments, lower cost financing.
 - iii. Seeing good bids in general, CIRP program is spending less, allows current bonding authority to roll over to next 4 years.
 - iv. Program is changing due to requests from EPA. Project slated for late 2020s, regulations changed and require that to move up to stay in compliance. MSD slid larger tunnel project back to move incinerators forward, and larger cost to hit about the time the SSO projects are done and those funds will be available for the tunnel. Green infrastructure will be designed in tunnel areas (\$20M worth) as trade-off for time delay.
 - g. Starting March there will be public participation
 - h. Consent Decree – still meeting with EPA twice a year if not more.
 - i. By fall 2019, recommendation to commission possibly will go into effect a year from July.
 - j. Private and MSD green infrastructure projects grant available. City parks projects along Mississippi, may increase in Lemay area. Completion of consent decree 2039 is the deadline for those projects.
3. Stormwater Vote – Rich Unverferth, see handout
- a. Culmination of rate process for stormwater
 - b. Met with municipal stakeholders in January and provided this presentation to them
 - c. March, begin with public outreach sessions
 - d. April 2016 (Prop S also) for operations and maintenance of current stormwater infrastructure (pipes and channels)
 - i. Outside of 270 was not paying, gaining no services. Made uniform taxes and services. Increased service in some areas.
 - ii. Turned off old taxes previously used for capital in some areas.
 - iii. Committed to using the old balances of that work. Projects being designed, no additional capital improvement money once constructed. Need new funding source.

- e. Rate proposal for new funding. Brian and Lance began talking to people about issues and asking what ratepayers are willing to pay. Have about \$0.5B (500 projects) worth of issues needing to be addressed.
 - f. CIRP will be about 3 times what they have done in the past. About \$2.25/month/single family property.
 - g. Funding will provide assistance with localized flooding, erosion, and regional (floodplain) flooding.
 - h. More issues are likely to come up since this was identified.
 - i. Solutions include buyouts, regional detention basins, bank stabilization, rainscaping, and stormwater drainage systems.
 - j. Majority of customers are residential. Use tier for impervious area size.
 - k. Provides \$30M per year for stormwater improvements.
 - l. Discounts/credits are hard to provide. Incentive to be provided for upfront costs of rain gardens, of \$125 (5-years' worth of free billing). Credits for draining directly to Mississippi River. Low Impact credit (35%) within certain parameters.
 - m. Public seems accepting of the proposal.
 - n. Non-profits, universities, hospitals airport, municipal buildings are all included. It is NOT a tax.
 - o. Ballot language will look like chart provided.
 - p. Lindbergh School district has bond issue on April ballot also. City of St. Louis may have something on the ballot, but not sure.
 - q. MSD cannot campaign for funds. But other agencies may campaign for them. ACEC/SITE/AGC may combine for one effort to determine funds necessary. Simply majority is all that is required. Shawn Hadley new PR person since Lance left.
4. Stormwater CIRP
- a. Construction projects from previous funding going to board soon.
 - b. If vote passes, prepared to go to Board in April/May. Third RFQ will be for impervious rate projects beginning July 1.
 - i. 5 consultants for 5 projects
 - 1. Hallstead storm channel – 3 separate projects for biostabilization. Concrete channel upstream and downstream, working with Corps to continue channel, may drop out.
 - 2. 2 – 2 year contracts for \$200-250k each
 - 3. Under \$1M for streambank stabilization
 - 4. RFQ in June will list specific projects
 - 5. GSA to assist stormwater planning for preliminary assessments of sites.
 - 6. If vote doesn't pass, the projects disappear.
 - ii. Designed over 2-year period, then next year 5-6 more for 2-year contracts, continually rolling.
 - iii. Of \$30M, \$6M per year is in design contracts.
5. Project Unbundling – Rich Unverferth
- a. Watershed consultants were a result of staffing, transferring management to consultants. Will begin pulling projects from watershed teams as staff becomes available internally.
 - b. Stormwater vote will affect the unbundling. If PMs are needed for stormwater, unbundling may be longer.
 - c. Eliminated projects that weren't needed – relief sewers not necessary from post-construction monitoring.
 - d. Pump station projects already being pulled from watershed teams. Sanitary relief projects may be next.
 - e. If internal staff is available to manage, MSD intends to spread the projects around to varying consultants.

6. New MSD Insurance Language – Brad Nevois
 - a. The committee was provided markups from ACEC firms for requested insurance changes to MSD standard contracts, which was provided to all meeting participants, see handout.
 - b. Brad has seen these comments before. He will discuss with MSD attorneys.
 - c. Joe Hagerty stated requirement to defend prior to finding of fault – additional explanation provided. Once fault has been determined, it can be provided, but not before.
 - d. Brad will provide to attorney and get back to April with comments or discussion.
 - e. Joe Hagerty discussed interpretation of \$2M of pollution for geotech sub, as he says geotech’s pollution liability covers that, Engineer covers their \$2M in liability. It should be one or the other, not both. Brad stated projects without geotech can gain waiver from MSD to remove that clause.
 - f. Brad stated contractors now are required to provide professional liability insurance for shoring, etc.
 - g. Marc Eshelman asked about Explosion, Collapse, and Underground insurance. Brad was not aware it was in contract. Marc stated their insurance carrier states engineering is not a contractor and cannot be covered for that. Marc wanted to know if XCU falls under pollution insurance.
7. Design-Build Projects
 - a. DB for Kingsland tank was not on radar at last Liaison Committee meeting. When it was presented, it jumped out ahead. MSD expects a single DB job per year. MSD holds their annual meeting at the Engineer’s Club and meeting with contractors to notify engineering and construction community of these opportunities, respectively.
 - b. Next DB on floodwall pumping station out in next fiscal year. Owner’s rep is Black & Veatch. Alberici is current contractor, Gonzalez is current design engineer. Project is the same size as last year.
 - c. Joe Hagerty asked about district’s attitude regarding DB. Legislation was passed which prohibited linear infrastructure for DB under \$1M. Rich stated DB opens ingenuity and collaboration to design. Getting staff to understand the process is challenging, as well as getting Operations on board. DB potential for upcoming project, could be design, could be owner’s rep, but can’t say much more about that project. Existing facility that needs extensive rehab, lends itself to DB, MSD does not own property, directly across the street from existing MSD yard. Schedule is key to using DB, making projects available to operations faster than traditional Design-Bid-Build.
 - d. Incinerator project, MSD is looking for latest and greatest design. Two incinerators in project, but MSD doesn’t have one yet, so it’s new to MSD. Looking at risk management.
 - e. Looking to build their DB resume. Site specific storage projects.
8. Open discussion
 - a. Government consolidation: Brian Hoelscher – MSD is on charter by state of Missouri. Because of the way MSD was formed, one item in charter discusses appointments from City and County. New government would just appoint all, likely still half from old “county,” half from old “city.” Outlying counties outside of existing MSD boundaries may petition to be part of MSD’s boundaries, also. Original purpose was to bridge gap between many municipalities – may continue to exist, or state may decide that MSD is no longer required.
9. Next meeting at CDI August 16, 2019 10:30am – 1:00pm
10. Action Items:
 - a. MSD – Brad to look into insurance requirements.

Respectfully submitted by April Giesmann, Co-Chair.

Disparity Study Update Project Timeline

	Event	Date
MSD	MSD Board Authorizes Disparity Study Update – Ordinance no 15031	10/2018
MSD and Mason Tillman	Kick Off Meeting with MSD Mgmt. and Staff	2/2019
MSD	MSD collect and deliver CIRP contract data for study period (January 1, 2013-December 31, 2017)	3-4/2019
MSD and Mason Tillman	3 MSD outreach sessions to construction and professional services contractors	3/2019
Mason Tillman	Analysis performed on: Prime Contractor, Subcontractor, Availability, Prime Contracts, and Subcontracts	4-9/2019
Mason Tillman	Draft Final Disparity Study Update Report	11/2019
MSD	Provide Comments on Draft Final Report	12/2019
Mason Tillman	Issue final disparity study and employment reports	1/2020



Stormwater Capital Rate Vote



Stormwater



Proposition S: April 2016 & April 2019

- 🕯 Voters passed Proposition S in April 2016
- 🕯 The issue addressed unequal operations and maintenance of the public storm sewer funding across our service area
- 🕯 On April 2, 2019, a simple majority (51%) of voters will decide if the new Proposition S will provide funds for District-wide capital projects addressing erosion and flooding

Unfunded Stormwater Issues

Localized Flooding



Erosion

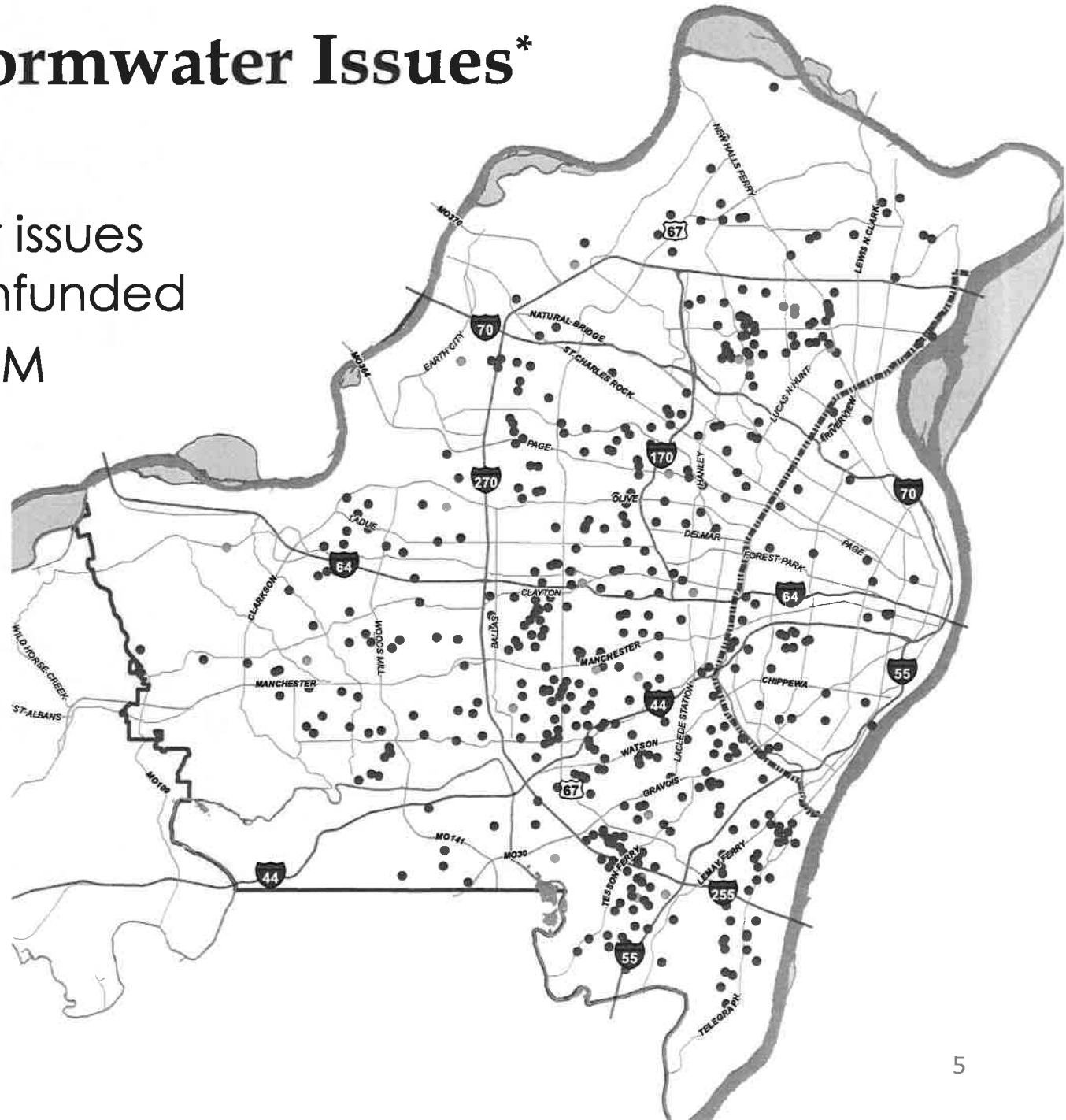
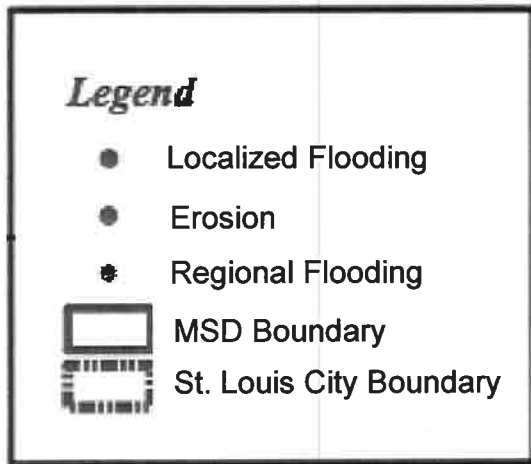


Regional Flooding



Unfunded Stormwater Issues*

- ☹ ~500 stormwater issues identified, but unfunded
- ☹ Total cost: ~\$500M



*As of August 2016

Potential Solutions

Property Buyouts*



Basins



*only potential solution for regional flooding

Potential Solutions

Natural Creek Bank Stabilization



Potential Solutions

Rainscaping



Stormwater Drainage Systems



Stormwater Capital Rate

- If approved by voters, MSD will implement a Stormwater Capital Rate to fund a \$30 million per year stormwater capital program.
 - The Stormwater Capital Rate will be based on the amount of impervious area on each customer's property.
 - Average charge for a single family home will be \$2.25 per month or \$27.00 per year.
 - Tax exempt entities will be subject to the Stormwater Capital Rate.
 - Estimates are that all currently identified issues could be addressed in ~30 years.
 - Creeks, streams, etc. remain privately owned.
 - Floodplain management responsibilities remain with municipalities.

Impervious Based Rate Rationale

- Impervious area is a hardened surface – such as concrete, blacktop, a rooftop, compacted gravel – that does not absorb stormwater; and which generates stormwater runoff.
- Flooding and erosion services being proposed under the new Stormwater Capital Rate are directly impacted by the volume of stormwater runoff created by impervious area on each property.
- Fairest way to determine revenue contribution of each property is through an impervious area measurement method.
- All public and private property, including properties owned by governmental and nonprofit entities, will be subject to the Stormwater Capital Rate.

Stormwater Capital Rate Calculation

<i>Customers</i>	<i>Properties/ERUs</i>	<i>Monthly Rate</i>	<i>FY22 Annual Billed Revenue</i>
Residential Properties			
Tier 1: 200 - 2,000 Sq. Ft	120,523	\$ 1.42	\$ 2,050,096
Tier 2: 2,001 - 3,600 Sq. Ft	218,750	\$ 2.25	\$ 5,906,250
Tier 3: 3,601 - 6,000 Sq. Ft.	80,469	\$ 3.74	\$ 3,606,621
Tier 4: >6,000 Sq. Ft.	27,122	\$ 6.84	\$ 2,226,174
Customer Assistance Program Accounts	6,328	\$ 1.13	\$ 85,428
<i>Subtotal: Residential Properties</i>	453,192 properties		\$ 13,874,569
Non Residential & Multi-Family ERUs	601,353 ERUs	\$ 2.25	\$ 16,236,531
			\$ 30,111,100

Note: Numbers of properties/ERUs are based on March 2017 GIS data, which will fluctuate.

Fiscal Year 2022 revenue is shown as the full rate that will be charged at the beginning of MSD's Fiscal Year 2022 (July 1, 2021, through June 30, 2022).

Stormwater Implementation

- The Stormwater Capital Rate will appear on the monthly bill of MSD customers that are also billed for wastewater.
- Customers not billed for wastewater with properties containing more than 20 ERUs will be billed monthly.
- All other customers not receiving MSD wastewater services will be billed on a quarterly basis.
- The Rate Commission's recommendation was sent to the MSD Board of Trustees in September 2018, and it was accepted.
- In November 2018, the Board approved the ordinance allowing voters to consider the Stormwater Capital Rate.
- Proposition S will be on the April 2 ballot in St. Louis City and St. Louis County.

More Information/Questions?

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www.stlmsd.com/PropS



@YourMSD



Your MSD

may be set forth in the Contract or in the Project Specifications.

NOTE: If Consultant provides combined Pollution Liability and Professional Liability coverage, separate limits in the amounts required must be provided. If a policy aggregate applies, the certificate of insurance must so indicate and the amount must be approved by the District.

8.6 Deductible/Self-Insured Retention:

In any coverage a deductible or retention that exceeds \$100,000 shall be noted and approved by the District's Risk Management Department. The District reserves the right to review the funding for any such deductible or retention program. If self-insured, the District reserves the right to request acceptable proof of financial responsibility before approval.

8.7 Cancellation

Should any of the required insurance coverage be cancelled prior to the expiration date, the Consultant must provide at least sixty (60) days written notice to the District prior to the cancellation. For policy cancellation for non-payment of premium, the Consultant must notify the District at least ten (10) days prior to the cancellation.

Cancellation provisions within any coverage shall be in accordance with Missouri Cancellation and Non-Renewal provisions. It is the duty of the Consultant to notify the District of any cancellation or non-renewal and provide the District 60 days' notice.

8.8 Replacement Policy

Upon receipt of any notice of insurance cancellation, termination or alteration, the Consultant shall procure other policies of insurance identical in all material respects to the policy or policies about to be cancelled, terminated or altered and shall provide the District with evidence of coverage before the alteration, cancellation or termination date; and if Consultant fails to provide, procure and deliver acceptable policies of insurance and satisfactory certificates or other evidence thereof, the District may obtain such insurance at the cost and expense of Consultant without notice to Consultant or may elect to pursue any other remedy permitted by law or the Contract terms, including but not limited to termination of the Contract.

8.9 The DISTRICT requires by contract that the DISTRICT, CONSULTANT and SUBCONSULTANTS be made additional insured(s) under the General Contractor's General Liability Insurance Policy.

ARTICLE 9 - INDEMNIFICATION

9.1 The CONSULTANT shall defend, indemnify and save harmless the DISTRICT,

its Trustees and employees, from and against any ~~and~~ ^{third party} claims (including but not limited to ^{reasonable} attorneys' fees), suits, causes of action, ~~judgements or on account of any liability including personal injuries~~ ^{resulting from any} or ~~bodily injury, including death or property damages, sustained or~~ ^{negligent} ~~claimed to be sustained by any person or persons to the extent caused by to the extent arising out of, or the extent resulting from any~~ ^{act} or omission on the part of the CONSULTANT or any Subcontractor, their agents or employees, ^{, for whose acts CONSULTANT is legally liable} ~~in any way related to~~ the services performed under this Agreement.

9.2 The indemnity provided for in Paragraph 9.1 shall continue not only during the time period in which the CONSULTANT performs the work but shall continue thereafter for a period of five (5) years.

9.3 In the event such liability, claims, actions, causes of action or demands are caused by the joint or concurrent negligence of more than one party, such liability shall be borne by each party in proportion to their own ~~fault~~ ^{negligence}.

ARTICLE 10 - SUBCONTRACTING-ASSIGNMENT

10.1 Notwithstanding the below, CONSULTANT may have portions of the services performed by its related and affiliated entities.

10.2 No part of the services to be performed by CONSULTANT hereunder shall be subcontracted without prior written consent of the DISTRICT. Any such subcontracts shall be approved by the DISTRICT. The total of all subcontracts may not be more than 50% of the total Contract amount, unless approved by the DISTRICT.

10.3 Neither the DISTRICT nor the CONSULTANT shall assign nor transfer any rights, obligations or interest in this Agreement without the written