



ADMINISTRATION

DATE: September 16, 2020
FROM: Keith J. Hunke, City Administrator
ITEM: Street Utility Fee Consultant Services

REQUEST

Consider request to approve the Street Utility Fee Consultant Services agreement with AE2S.

Please place this item on the September 22, 2020 City Commission meeting.

BACKGROUND INFORMATION

A request for proposals was issued in April 2020 for Street Utility Fee Consultant Services. The selected consultant will conduct a comprehensive study of options to replace the street maintenance special assessment revenue received from residential and commercial properties with an alternative funding source such as a street utility fee. Four firms were interviewed by the City selection committee which was comprised of Commissioner Guy, Gabe Schell, Dmitriy Chernyak, Jason Dockter, Robb Sattler, Mike Schmitz, and Brian Ritter on August 20, 2020 and the top ranked firm was AE2S. A scope of work has been developed along with a consultant services agreement with a cost not to exceed \$85,000.

RECOMMENDED CITY COMMISSION ACTION

Approve Street Utility Fee Consultant Services agreement with AE2S.

STAFF CONTACT INFORMATION

Keith J. Hunke, khunke@bismarcknd.gov, 701-355-1300

Bismarck Street Utility Fee Consultant Interview Ranking by Committee Members

	<u>Stantec</u>	<u>Raftelis</u>	<u>Baker Tilly</u>	<u>AE2S</u>
Committee Member	3	2	4	1
Committee Member	3	1	4	2
Committee Member	2	1	2	4
Committee Member	4	3	2	1
Committee Member	2	3	4	1
Committee Member	2	4	2	1
Committee Member	<u>2</u>	<u>4</u>	<u>3</u>	<u>1</u>
*Total	18	18	21	11

*Lowest total is Committee highest ranked firm

September 14, 2020

City of Bismarck
Keith Hunke
City Administrator
221 N 5th Street
PO Box 5503
Bismarck, ND 58503

**Re: Letter Agreement Between City of Bismarck and Advanced Engineering & Environmental Services, Inc.
Bismarck Street Utility Framework & Outreach**

Dear Mr. Hunke:

Advanced Engineering and Environmental Services, Inc. (AE2S) proposes to render professional services (Project) to the City of Bismarck (CLIENT).

This Agreement, including Exhibit A, sets forth the terms and conditions under which the CLIENT and AE2S shall be governed regarding the Assignment.

The Project consists of determining the feasibility of adopting a street utility fee as an alternative funding source for street maintenance projects. The purpose of this project is to conduct a comprehensive study of options to replace the City current policy of utilizing special assessments as revenue for street maintenance with an alternative funding source such as a street utility fee.

AE2S's scope of work will generally consist of:

1. **Street Utility Framework** that provide an analysis of alternatives for meeting the street maintenance revenue requirements and recommends a -multiple tiered fee structure.
2. **Legislative Outreach Plan** to obtain authority for the formation of a street utility or collection of a street utility fee.
3. **Communication and Engagement Plan** that develops consistent messaging and identifies the methods to educate residents and businesses about the street utility fee.

It is anticipated the ultimately the adoption and implementation of a future street utility fee structure will require the vote of approval from the residents of Bismarck. Support for the formal resident approval and implementation of the utility are not included in this scope of work and can be included as an amendment or additional services.

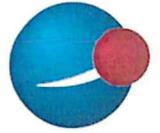
Scope of Basic Services

AE2S will perform the following tasks for the completion of the Project:



1. Street Utility Framework and Report

- a. Background & Purpose: This task will provide a comprehensive review of the City of Bismarck's current approach for street maintenance projects, compile necessary information to complete the Study, establish revenue requirements and test conditions, develop initial street utility framework, and provide necessary documentation.
- b. AE2S Services:
 - i. Develop a written data request identifying the operational, financial, and historic information to complete the Project. Types of data to be requested will include, but are not limited to:
 1. Financial Information (e.g. summary of historical transportation funding sources and uses, existing special assessment balances, special assessment benefit policy, CIP, historical costs, , Engineering Department budget and actuals, etc.);
 2. Legal/Regulatory Information (e.g. past correspondence or work with the State Legislature, applicable City ordinances or policies for funding, etc.)
 3. Land Use and Parcel Data including all GIS shape files for existing and future parcel areas and established front footage values for parcels.
 4. Existing Utility Accounts by user class (linked to parcels if available).
 5. Traffic planning and demand data including development planning information such as parking requirements and standard trip generation rates
 6. Other related information that would be useful for the Project
 - ii. Development of a Revenue Requirement by
 1. Establish utility funding goals and targets by:
 - a. Reviewing level of service needs,
 - b. Determining level of operation, maintenance, and renewal requirements,
 - c. Reviewing potential utility cost-share policies for capital projects that benefit existing network
 2. Collaborating with the City, AE2S will select a test period, or time frame reference, for the accumulation of revenues, expenses and customer data. For this scope of work, it is proposed that a ten-year period will be developed. This will be used to capture any large planned near-term improvements.



3. AE2S will determine the operational costs. The operational costs will be projected from historical or budgeted costs, using escalation factors for future costs, and adjusted for any known changes in operations (e.g., changes in personnel, disposal costs, increase in customers, etc.). AE2S will begin with the currently adopted operating budget and project costs in the future using escalation factors for the various types of costs that the City incurs.
 4. AE2S will complete and present the revenue requirements analysis as a detailed series of spreadsheets, and graphs, that will demonstrate the required revenue to fund the proposed street utility.
 5. The City staff will need to be available "as needed" during the completion of this task to provide data refinements.
- iii. AE2S will screen multiple methods and provide financial modeling of a maximum of three (3) methods of determining the residential and non-residential rate designs,
1. AE2S will develop cost-based rates that meet the City's rate design goals and objectives (e.g., revenue stability, affordability). If necessary, develop multi-year rates recommended for adoption.
 2. For each customer class of service, AE2S will provide up to three (3) rate alternatives that are designed to meet the City's rate design goals and objectives and industry "generally accepted" rate-setting practices.
 3. For each rate design developed, a bill comparison and graph will be created to show a comparison between the present special assessments and the proposed street utility fee.
 4. AE2S will discuss the proposed rate design with CLIENT staff and designated working group stakeholders to determine a preferred rate design alternative.
- iv. Development of a maximum of three (3) methods of accounting for existing Special Assessment balances and determining how those balances interrelate to proposed utility fee schedules,
1. AE2S will develop strategies for incorporating all or a portion of the existing Special Assessment balance into the preferred rate design.
 2. Options may include consideration for actual assessment balance transfers and/or the structuring of a credit system to offset existing assessment obligations of individual parcels.
 3. AE2S will discuss the proposed rate design with CLIENT staff and designated working group stakeholders.



- v. Preparation of a Report consisting of:
 - 1. Recommend preferred utility rate design,
 - 2. Recommend preferred method of accounting for the existing Special Assessment balances,
 - 3. Recommendations for the acceptance and implementation of the preferred rate design, and
 - 4. Documentation of the methodology used in the development of the rate design.
 - 5. QA/QC review of deliverable.
- vi. Presentation of the Findings and Recommendations to the City Commission
- c. Meetings:
 - i. Kick-off Meeting to review the project goals, scope of work, and review the initial data request.
 - ii. Rate Design meeting to review the results of the modeling and determine a preferred utility fee method.
 - iii. Existing Special Assessment methodology review meeting to review the options and impacts of incorporating special assessment balances into the preferred utility fee method.
 - iv. Draft report review meeting for the purpose of confirming the recommendations in the draft report and the recommendation to the City Commission.
 - v. City Commission presentation of the recommendations for the Report.
- d. Deliverables:
 - i. Meeting Minutes
 - ii. Three hard copies and a PDF version of the Report.
- e. Assumptions:
 - i. The initial written data request will be submitted upon receiving notice to proceed on the Project.
 - ii. Upon receiving the CLIENTS responses(s) to the initial data request, AE2S will review and compile any questions or secondary data requirements to be discussed at the kick-off meeting.
 - iii. AE2S recognizes that some of the requested data will be "off-the shelf" and some will not be readily available to the CLIENT, or information may not be in the format



requested. AE2S will work with the CLIENT personnel to minimize the burden of data collection and develop acceptable proxies for certain data when necessary. However, there may be certain data points that are critical, which require specific additional data collection efforts by the CLIENT.

- iv. Rate Design will generally consist of the development of alternatives that consider the proximity and amount of street infrastructure to a benefitted property and the demands an individual property likely places on the infrastructure network as a whole.
- v. Meetings will be attended by AE2S Project Manager and if necessary one additional key staff. Meetings will be conducted via video conference, or in Bismarck, and out of town travel is not included in this scope of work.

2. **Legislative Outreach Plan**

- a. Background & Purpose: Use the Report developed in the above task to develop an outreach plan to obtain legislative approval to implement a street utility fee to replace special assessments.
- b. AE2S Services:
 - i. Development of an Outreach Plan that can be used by the city and stakeholders to gain support for the necessary legislation needed for the implementation of the street utility fee.
 - ii. Work with Outreach Team to engage community legislators for the drafting of the enabling legislation.
 - iii. Provide assistance in communicating with key legislative leaders to gain support for the legislation prior and during the legislative session.
- c. Meetings:
 - i. Kick-off meeting to review past legislative history and strategies with city staff, commissioners and stakeholder partners as well as establish a Legislative Outreach Team.
 - ii. Legislative Outreach Plan review meeting with the Legislative Outreach Team.
 - iii. Coordination meetings as needed with the Outreach Team during the legislative session.
- d. Deliverables
 - i. Legislative Outreach Plan identifying key State officials to communicate with on the needs and goals of a Street Utility Fee.
 - ii. Draft legislation for the authorization of a Street Utility Fee by the North Dakota legislature.



- iii. Minutes of meetings with the CLIENT staff.
- iv. Bi-Weekly updates of AE2S communication or contact with State officials during the upcoming legislative session.
- e. Assumptions:
 - i. AE2S has allocated 40 hours for Legislative outreach during the upcoming session to assist the CLIENT staff in communicating the need and goals of the street utility with key State officials.
 - ii. Meetings will be attended by AE2S Project Manager and if necessary one additional key staff. Meetings will be conducted via video conference, or in Bismarck, and out of town travel is not included in this scope of work.

3. **Communication and Engagement Plan**

- a. Background & Purpose: Assist the CLIENT staff in developing consistent messaging and materials to educate the residents and business owners of the impact of the potential Street Utility Fee.
- b. AE2S Services:
 - i. Development of a Communication and Engagement Plan which summarizes messaging and deployment to internal and external stakeholders including key residents, community groups or organizations, and businesses.
 - ii. Creation of talking points, FAQs, media coordination, social media/digital content, infographics, news releases and other earned media pieces for engagement events.
 - iii. Development of materials to be used at community education and input meetings.
- c. Meetings:
 - i. Two meetings with CLIENT staff to review the goals and outcomes of the Outreach and Communication plans.
 - ii. Attendance and assistance at up to two community education and information meetings.
- d. Deliverables:
 - i. Communication and Engagement Plan summarizing the internal and external stakeholders, messaging goals, messaging deployment, engagement activities, and supporting content and materials needed.



- ii. Digital files for all content and materials that may include talking points, FAQs, media coordination, social media/digital content, infographics, news releases and other earned media pieces for engagement events.
- e. Assumptions:
 - i. CLIENT staff will lead the implementation of the Communication and Engagement Plan.
 - ii. CLIENT Meetings will be attended by AE2S Project Manager and/or AE2S Communications staff. Meetings will be conducted via video conference, or in Bismarck, and out of town travel is not included in this scope of work.
 - iii. CLIENT staff will facilitate and schedule all community educational and input meetings.
 - iv. CLIENT staff will provide necessary branding guidelines or other content needed in order to complete the Communication and Engagement Plan.

AE2S's services do not include serving as a "municipal advisor" for purposes of the registration requirements of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) or the municipal advisor registration rules issued by the Securities and Exchange Commission.

Additional Services

Services resulting from significant changes in the general scope, extent, or character of the Assignment are not included as a part of the Scope of Basic Services. If authorized in writing by the CLIENT, AE2S will provide services beyond the scope of this Agreement on an hourly basis in accordance with the Hourly Fee Schedule attached as Exhibit B.

CLIENT Responsibilities

CLIENT shall do the following in a timely manner, so as not to delay the services of AE2S:

1. Designate a person to act as CLIENT's representative with respect to the services to be rendered under this Agreement. Such person shall have authority to transmit instructions, receive information, and interpret and define CLIENT's policies and decisions with respect to services for the Assignment.
2. Provide relevant information regarding requirements for the Assignment. AE2S shall be entitled to use and rely upon all information provided by CLIENT or others in performing AE2S's services under this Agreement.
3. Provide access to the relevant site sufficient for AE2S to perform its services under this Agreement.



- CLIENT shall, so long as AE2S is not in default, promptly pay AE2S for such services as have been performed satisfactorily hereunder in accordance with the fee terms set forth herein.

CLIENT shall bear all costs incident to compliance with its responsibilities pursuant to this section.

Fees

AE2S shall render services under this Agreement on an hourly basis in accordance with the Hourly Fee Schedule attached as Exhibit B not to exceed \$85,000 without written authorization from CLIENT. The not to exceed fee includes reimbursement for all project related expenses.

The estimated fee will be split between tasks according the following schedule:

TASK	WORK PERCENTAGE
Street Utility Framework	50%
Legislative Outreach Plan	35%
Communications and Engagement Plan	15%

AE2S will work with CLIENT on any adjustments necessary to complete the project.

Performance Schedule:

AE2S shall use commercially reasonable efforts to complete Basic Services within a reasonable time period. Following is the anticipated schedule of deliverables to meet the goals of the Project:

Utility Framework Report	November 20, 2020
Legislative Outreach Plan	October 23, 2020
Community Education Plan	October 30, 2020

These dates may change based on input from the CLIENT after the initial kick-off meeting.

Contract Documents

This Agreement includes the following documents, incorporated herein by reference:

- Exhibit A - Terms and Conditions;
- Exhibit B - Hourly Fee and Expense Schedule;

There are no contract documents other than this Agreement and those documents listed above.

If this Agreement sets forth your understanding of our agreement, including the scope of work desired, fees, terms, and conditions, please sign in the space provided and return a copy to AE2S. Thank you for the opportunity to assist in this project and we look forward to working with you.



Sincerely,

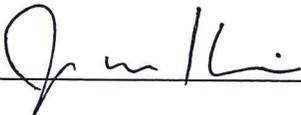
AE2S

Brent Bogar
Project Manager

AE2S

CLIENT

Accepted this 22nd day of
September 2020

By:  _____

By: _____

Name: Jasper Klein

Name: Steve Bakken

Title: Operations Manager

Title: President of City Commission

Designation Representatives for the Project

AE2S

CLIENT

Name: Brent Bogar

Name: Keith Hunke

Title: Project Manager

Title: Project Manager

Phone: 701-221-0530

Phone: 701-355-1303

email: brent.bogar@ae2s.com

email: khunke@bismarcknd.gov

Standard Terms and Conditions

The Agreement is supplemented to include the following terms and conditions:

1. Standard of Care

a. The standard of care for all professional services performed or furnished by AE2S under this Agreement will be the care and skill ordinarily used by members of AE2S's profession practicing under similar circumstances at the same time and in the same locality. AE2S makes no warranties, express or implied, under this Agreement or otherwise, in connection with AE2S's services.

b. CLIENT shall be responsible for, and AE2S may rely upon, the accuracy and completeness of all requirements, programs, instructions, reports, data, and other information furnished by CLIENT to AE2S pursuant to this Agreement. AE2S may use such requirements, reports, data, and information in performing or furnishing services under this Agreement.

2. Payments to AE2S

Invoices will be prepared in accordance with AE2S's standard invoicing practices and will be submitted to CLIENT by AE2S monthly, unless otherwise agreed. Invoices are due and payable within 30 days. If CLIENT fails to make any payment due AE2S for services and expenses within 30 days, the amounts due AE2S will be increased at the rate of 1.75% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day. In addition, AE2S may, after giving seven days written notice to CLIENT, suspend services under this Agreement until AE2S has been paid in full all amounts due for services, expenses, and other related charges. All payments shall be made in United States Dollars.

3. Insurance

AE2S will maintain insurance coverage for Workers' Compensation, Professional Liability, General Liability, and Automobile Liability and will provide certificates of insurance to CLIENT upon request. AE2S shall cause CLIENT to be listed as an additional insured on the applicable general liability insurance policy carried by AE2S.

4. Indemnification and Allocation of Risk

a. To the fullest extent permitted by law, AE2S shall indemnify and hold harmless CLIENT and CLIENT's officers, directors, members, and employees from any and all costs, losses, and damages (including but not limited to all reasonable fees and charges of engineers, architects, attorneys, and other professionals, and all court, arbitration, or other dispute resolution costs) arising out of or relating to the Project to the extent caused by any negligent act or omission of AE2S or AE2S's officers, directors, members, partners, employees, or Consultants.

b. To the fullest extent permitted by law, CLIENT shall indemnify and hold harmless AE2S, AE2S's officers, directors, partners, employees, and consultants from and against costs, losses, and damages (including but not limited to reasonable fees and charges of engineers, architects, attorneys, and other professionals, and reasonable court or arbitration or other dispute resolution costs) arising out of or relating to the Project to the extent caused by the negligent acts or omissions of CLIENT or CLIENT's officers, directors, partners, employees,...

c. RESERVED

d. To the fullest extent permitted by law, AE2S's total liability to CLIENT and anyone claiming by, through, or under CLIENT for any injuries, losses, damages and expenses caused in part by the negligence of AE2S and in part by the negligence of CLIENT or any other negligent entity or individual, shall not exceed the percentage share that AE2S's negligence bears to the total negligence of CLIENT, AE2S, and all other negligent entities and individuals.

5. Exclusion of Special, Incidental, Indirect, and Consequential Damages

To the fullest extent permitted by law, and notwithstanding any other provision in the Agreement, AE2S and AE2S's officers, directors, partners, employees, agents, and Consultants, or any of them, shall not be liable to CLIENT or anyone claiming by, through, or under CLIENT for any special, incidental, indirect, or consequential damages whatsoever arising out of,

resulting from, or in any way related to the Assignment or this Agreement, from any cause or causes, including but not limited to any such damages caused by the negligence, professional errors or omissions, strict liability, breach of contract or warranties, express or implied, of AE2S or AE2S's officers, directors, partners, employees, agents, or AE2S's Consultants, or any of them.

6. Limit of Liability

To the fullest extent permitted by law, notwithstanding any other provision of this Agreement, the total liability, in the aggregate, of AE2S and AE2S's officers, directors, partners, employees, agents, and AE2S's Consultants, and any of them, to CLIENT and anyone claiming by, through, or under CLIENT for any and all claims, losses, costs, or damages whatsoever arising out of, resulting from or in any way related to the Project or the Agreement from any cause or causes, including but not limited to the negligence, professional errors or omissions, strict liability or breach of contract, or warranty express or implied of AE2S or AE2S's officers, directors, partners, employees, agents, or AE2S's Consultants, or any of them, shall not exceed total compensation received by AE2S as part of this agreement.

7. Termination of Contract

Either party may at any time, upon seven days prior written notice to the other party, terminate this Agreement. Upon such termination, CLIENT shall pay to AE2S all amounts owing to AE2S under this Agreement, for all work performed up to the effective date of termination.

8. Access

CLIENT shall arrange for safe access to and make all provisions for AE2S and AE2S's Consultants to enter upon public and private property as required for AE2S to perform services under this Agreement.

9. Hazardous Environmental Conditions

It is acknowledged by both parties that AE2S's scope of services does not include any services related to a "Hazardous Environmental Condition," i.e. the presence at the site of asbestos, PCBs, petroleum, hazardous waste, or radioactive materials in such quantities or circumstances that may present a substantial danger to persons or property exposed thereto in connection with the Assignment. In the event AE2S or any other party encounters a Hazardous Environmental Condition, AE2S may, at its option and without liability for consequential or any other damages, suspend performance of services on the portion of the Assignment affected thereby until CLIENT: (i) retains appropriate specialist consultant(s) or contractor(s) to identify and, as appropriate, abate, remediate, or remove the Hazardous Environmental Condition; and (ii) warrants that the site is in full compliance with applicable laws and regulations. CLIENT acknowledges that AE2S is performing professional services for CLIENT and that AE2S is not and shall not be required to become an "arranger," "operator," "generator," or "transporter" of hazardous substances, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1990 (CERCLA), which are or may be encountered at or near the site in connection with AE2S's activities under this Agreement.

10. Patents

AE2S shall not conduct patent searches in connection with its services under this Agreement and assumes no responsibility for any patent or copyright infringement arising therefrom. Nothing in this Agreement shall be construed as a warranty or representation that anything made, used, or sold arising out of the services performed under this Agreement will be free from infringement of patents or copyrights.

11. Ownership and Reuse of Documents

All documents prepared or furnished by AE2S pursuant to this Agreement are instruments of service, and AE2S shall retain an ownership and property interest therein. Reuse of any such documents by CLIENT shall be at CLIENT's sole risk; and CLIENT agrees to indemnify, and hold AE2S harmless from all claims, damages, and expenses including attorney's fees arising out of such reuse of documents by CLIENT or by others acting through CLIENT. Upon execution of

this Agreement, AE2S grants to CLIENT a nonexclusive license to use AE2S's instruments of service, provided that CLIENT substantially performs its obligations, including prompt payment of all undisputed sums when due, under this Agreement.

12. Use of Electronic Media

a. Copies of Documents that may be relied upon by CLIENT are limited to the printed copies (also known as hard copies) that are signed or sealed by the AE2S. Files in electronic media format of text, data, graphics, or of other types that are furnished by AE2S to CLIENT are only for convenience of CLIENT. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk.

b. When transferring documents in electronic media format, AE2S makes no representations as to long-term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by AE2S at the beginning of this Assignment.

c. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.

d. Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it will perform acceptance tests or procedures within 60 days, after which the receiving party shall be deemed to have accepted the data thus transferred. Any errors detected within the 60-day acceptance period will be corrected by the party delivering the electronic files. AE2S shall not be responsible to maintain documents stored in electronic media format after acceptance by CLIENT.

13. Contractors

AE2S shall not at any time supervise, direct, control, or have authority over any contractor's work, nor shall AE2S have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor, or the safety precautions and programs incident thereto, for security or safety at a project site, nor for any failure of a contractor to comply with laws and regulations applicable to such contractor's furnishing and performing of its work. AE2S neither guarantees the performance of any contractor nor assumes responsibility for any contractor's failure to furnish and perform its work in accordance with the contract between CLIENT and such contractor. AE2S shall not be responsible for the acts or omissions of any contractor, subcontractor, or supplier, or of any of their agents or employees or of any other persons (except AE2S's own employees) at a project site or otherwise furnishing or performing any construction work; or for any decision made regarding the construction contract requirements, or any application, interpretation, or clarification of the construction contract other than those made by AE2S.

14. Force Majeure

Neither party shall not be liable for any loss or damage due to failure or delay in rendering any service called for under this Agreement resulting from any cause beyond that party's reasonable control.

15. No Third Party Beneficiaries

All duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of CLIENT and AE2S and not for the benefit of any other party. Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either CLIENT or AE2S. AE2S's services under this Agreement are being performed solely for CLIENT's benefit, and no other entity shall have any claim against AE2S because of this Agreement or the performance or nonperformance of services hereunder.

16. Assignment

Neither party shall assign its rights, interests or obligations under this Agreement without the express written consent of the other party.

17. Binding Effect

This Agreement shall bind, and the benefits thereof shall inure to the respective parties hereto, their legal representatives, executors, administrators, successors, and assigns.

18. Severability and Waiver of Provisions

Any provision or part of the Agreement held to be void or unenforceable under any laws or regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon CLIENT and AE2S, who agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision. Non-enforcement of any provision by either party shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this Agreement.

19. Survival

All express representations, indemnifications, or limitations of liability included in this Agreement will survive its completion or termination for any reason.

20. Headings

The headings used in this Agreement are for general reference only and do not have special significance.

21. Controlling Law

This Agreement is to be governed by the law of the State of North Dakota without regard to its conflicts of laws principles.

22. Notices

Any notice required under this Agreement will be in writing, addressed to the appropriate party at its address on the signature page and given personally, or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

23. Executed in Counterparts

This Agreement may be executed in counterparts, each of which together will constitute one and the same instrument. Delivery of an executed counterpart of this Agreement shall constitute effective delivery of this Agreement. Each party agrees that the delivery of the Agreement by facsimile or electronic mail shall have the same force and effect as delivery of original signature and that each Party may use such facsimile or electronic mail signatures as evidence of the execution and delivery of the Agreement by the parties to the same extent that an original signature could be used.

Hourly Fee and Expense Schedule

Reimbursable Expenses and Standard Hourly rates in effect on the date of the Agreement are set forth below. Rates are subject to annual adjustment effective January 1.

Labor Rates*

Administrative I	\$60.00
Administrative II	\$73.00
Administrative III	\$88.00
Communications Specialist I	\$92.00
Communications Specialist II	\$107.00
Communications Specialist III	\$123.00
Communications Specialist IV	\$148.00
Communications Specialist V	\$163.00
Engineer III	\$165.00
Engineer IV	\$187.00
Engineer V	\$199.00
Financial Analyst I	\$95.00
Financial Analyst II	\$110.00
Financial Analyst III	\$129.00
Financial Analyst IV	\$145.00
Financial Analyst V	\$163.00
Financial Analyst VI	\$183.00
Financial Analyst VII	\$199.00
Financial Analyst VIII	\$218.00
GIS Specialist III	\$131.00
GIS Specialist IV	\$147.00
GIS Specialist V	\$161.00
Project Coordinator I	\$103.00
Project Coordinator II	\$114.00
Project Coordinator III	\$125.00
Project Coordinator IV	\$140.00
Project Coordinator V	\$158.00
Project Manager I	\$175.00
Project Manager II	\$192.00
Project Manager III	\$212.00
Project Manager IV	\$226.00
Technical Expert I	\$260.00
Technical Expert II	\$283.00
Technical Expert III	Negotiable

Reimbursable Expense Rates

Transportation	\$0.65/mile
Laser Printouts/Photocopies	\$0.30/copy
Plotter Printouts	\$1.00/s.f.
Video Production Equipment	\$100.00/each
Air Transportation – Cirrus	\$700.00/hour
Legal Services Reimbursement	\$233.00/hour
Outside Services**	cost *1.15
Geotechnical Services	cost *1.30
Out of Pocket Expenses***	cost*1.15
Rental Car	cost*1.20
Project Specific Equipment	Negotiable

* Position titles are for labor rate grade purposes only.

**Includes laboratory testing, architectural and engineering consultants, surveying, etc.

***Includes toll telephone, shipping, postage, subsistence, technical literature, equipment rental, etc.

Delegation of Authority Form

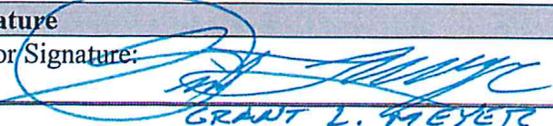
Advanced Engineering and Environmental Services, Inc. (the "Company") grants authority to certain individuals to approve and execute various contracts and other transactions, and allows them to delegate their authority to other qualified individuals within the Company. All delegations, changes, or revocations are made pursuant to the Company's Signature Authorization and Delegation of Authority Policy and are subject thereto.

I. Delegator Information	
Request Type (<i>check one</i>):	<input checked="" type="checkbox"/> Add delegation (<i>complete Sections II and V only</i>). <input type="checkbox"/> Revoke delegation (<i>complete Sections III and V only</i>). <input type="checkbox"/> Change delegation (<i>complete Sections IV and V only</i>).
Delegator Name and Title: Grant L. Meyer, Chief Executive Officer	

II. Add New Delegation		
Delegatee Title (position to which delegation is made): Bismarck Operations Manager		
Name (person currently holding position): Jasper Klein		
Effective Date of Delegation: May 8, 2019		Expiration Date of Delegation: Until revoked or Delegatee is no longer Bismarck Operations Manager
Delegated Powers and Authority (e.g., contract or transaction type)	Subdelegations Allowed? (Yes/No)	Delegation Limitations (e.g., dollar limits, dual signatures, approvals required)
Professional services agreements and related contract documents	No	Professional fees up to \$100,000

III. Revoke Existing Delegation	
Delegatee Title (position to which delegation was made):	
Name (person currently holding position):	Effective Date of Revocation:
Description of Delegation to Be Revoked:	

IV. Change Scope of Existing Delegation	
Delegatee Title (position to which delegation was made):	
Name (person currently holding position):	Effective Date of Change:
Existing Delegation (description of delegation)	Change to Delegation (description of change)

V. Signature	
Delegator Signature:  GRANT L. MEYER	Date: May 8, 2019