

EXHIBIT A – Scope of Work

The primary objective of this study is to review the Agency Benefit Assessments in Zones 2B, 2Y, and 2Z including Water Delivery/Service charges and ongoing project management; provide an updated assessment methodology/analysis, and a cost of service approach. Upon completion of the cost of service analysis, a comparison of the three methodologies will be presented and appended to the updated model. The three methodologies include:

1. Existing assessment methodology
2. Revised assessment methodology developed in Task 2
3. Cost of Service methodology developed in Task 3.1

The model will be able to show the resulting assessments levied for each property under the different assessment methodologies. Agency staff and the Board will be able to clearly observe how each methodology affects the levied assessment for each property.

Raftelis Consultants, Inc. will approach the Scope of Work in a three step task approach: Task 1: Review of Agency Benefit Assessments and ongoing Project Management; Task 2: Updated Assessment Methodology/Analysis; Task 3: Cost of Service Approach.

TASK 1 – REVIEW OF AGENCY BENEFIT ASSESSMENTS AND ONGOING PROJECT MANAGEMENT

TASK 1.1 – PROJECT KICK-OFF MEETING, INITIATION AND DATA COLLECTION

A detailed data request list will be submitted to the Agency prior to the meeting so that all appropriate data in the required format can be forwarded to RFC. Upon receiving the items requested in the data request, the Project Team will conduct a thorough review of the information provided by the Agency.

The in-person kick-off meeting provides a solid foundation for the project and ensures that project participants are in mutual agreement as to the project's approach, work plan, schedule, and the Agency's priorities. As part of the meeting, RFC will review and discuss the Agency's current assessments, discuss questions that RFC has regarding the data received, and work with staff to identify and prioritize the Agency's goals and objectives for the Study.

TASK 1.2 – DESCRIPTION OF EXISTING ASSESSMENTS

After RFC develops a strong understanding of the existing assessments and the methodology used to develop the assessments. RFC will reconstruct the history of the current assessments levied on properties within the Agency's service area. The results will be summarized in the technical memorandum outlined in Task 3. The summary will include a map of Agency assessments, what improvements were funded by each assessment, and which properties were included in each of the assessment zones.

As a subsequent meeting to the kick-off meeting, it will be equally important to obtain information and feedback regarding the current assessments and corresponding improvements from major stakeholders. Doing so will ensure that we understand all perspectives and how the overlapping assessments impact each major stakeholder's property. This meeting will include a review of the history of existing assessments, perceived inequities with the existing assessments, what issues ought to be addressed as part of any revised methodology, and explore potential alternative assessment methodologies.

TASK 1.3 – ONGOING PROJECT MANAGEMENT

The RFC Project Team is well-versed in the critical elements of this project, including utility rate development, benefit assessments, and industry best management practices with water related

operations. The RFC project management team will stress communication, teamwork, objectivity, and accountability for meeting project objectives and will include general administrative duties, including client correspondence, billing, project documentation, and administration of the study control plan. This task provides for consistent and competent project management to ensure that all deadlines and objectives are met in a timely and efficient manner as requested under Section IV within the RFP. This task also includes ongoing project management. Management responsibilities include general administrative duties such as client correspondence, billing, project documentation, and administration of the study control plan.

Meeting(s)/Conference(s): Two (2) meetings. One (1) kick-off meeting with Agency staff to discuss overall priorities, objectives, framework, and schedule, and one (1) meeting with major stakeholders / property owners.

Deliverable(s): Data Request List, presentation materials, meeting minutes, and history of existing assessments to be provided in Technical Memorandum.

TASK 2 – UPDATED ASSESSMENT METHODOLOGY/ANALYSIS

TASK 2.1 – DEVELOP NEW ASSESSMENT METHODOLOGY

RFC will develop a new assessment methodology to allocate the Agency's CSIP, SVRP, and water delivery service charges. The new methodology will take a fresh look at the improvements and services funded through the assessments and the benefits conferred on property from the improvements and services. Our analysis and assessment methodology will be based on industry standards and will comply with the special benefit provisions of Proposition 218, including:

- A description of the charge and the method by which it will be imposed.
- A compilation of the amount of the charge proposed for each parcel subject to the charge.
- A statement of the methodology and rationale followed in determining the degree of benefit conferred by the services/facilities for which the charge is made.
- A list of assessor parcels upon which the charge is to be imposed.
- The amount of the charge for each of the affected assessor parcels.

The results of the analysis will be presented to the Agency. The parcel database will be able to show the total assessment levy for each property under the existing methodology versus the proposed methodology.

Meeting(s)/Conference(s): One (1) meeting with Agency staff

Deliverable(s): Assessment Methodology Assessment Analysis and Parcel Database in Microsoft Office Excel® 2013

TASK 3 – COST OF SERVICE APPROACH

TASK 3.1 – COST OF SERVICE ANALYSIS

A cost of service rate approach for recovering costs to serve its users will be created by RFC to develop a rate-based approach. Doing so will provide another industry standard comparison for the Agency's revenue requirement recovery.

The cost of service study will be performed based on industry standards and methodologies approved by the American Water Works Association (AWWA) M1 Rate Manual. With a background in Applied Mathematics, Project Manager – Mr. Isaac, has developed numerous utility financial plan, utility rate models, impact fee studies, and has also worked with other public agencies with "Assessments." Mr. Pardiwala, Technical Reviewer, has conducted over a hundred water, wastewater, recycled water, and storm water rate studies. Mr. Isaac and Mr. Pardiwala will collectively ensure that the cost of service allocations focus on service functions, appropriately allocate the cost of service (revenue requirements)

to the service functions, determine how those services are used by each assessment zone, and develop the cost allocation components of the models. Cost allocations among assessment zones will be based on the AWWA-approved Base-Extra Capacity approach which focuses on the different usage patterns (or peaking factors) demonstrated by each assessment zone.

The cost of service will be allocated to the various cost components including, water supply costs, capacity-related costs, commodity costs, customer costs, specific capital costs, and other direct and indirect costs consistent with industry standards. The purpose of this task is to allocate the costs associated with the various costs components to the various assessment zones on the basis of the relative responsibility of each. Costs will be allocated based on the determination of units of service for each assessment zone and the application of unit costs of service to the respective units. The result is the total cost responsibility required of each assessment zone in order to maintain the financial stability of the Agency's water enterprise.

TASK 3.2 – COMPARISON OF METHODOLOGIES

Upon completion of the cost of service analysis, a comparison of the three methodologies will be presented and appended to the model created in Task 2. The three methodologies include:

1. Existing assessment methodology
2. Revised assessment methodology developed in Task 2
3. Cost of service methodology developed in Task 3.1

The model will be able to show the resulting assessments levied for each property under the different assessment methodologies. Agency staff and the Board will be able to clearly observe how each methodology affects the levied assessment for each property.

TASK 3.3 – PREPARATION OF TECHNICAL MEMORANDUM

RFC will present final results and the technical memorandum to the Board of Directors and Agency Board of Supervisors in Workshop format. The presentation materials used in the Workshop will be provided to Agency staff for review prior to the Workshop. The final presentation materials will be available to the General Manager for approval and be distributed to the Board of Directors prior to the Workshop. Comments from the Board of Directors will be incorporated into the Technical Memorandum. The Final Technical Memorandum along with an electronic version will be submitted to the Agency and will include appropriate supporting data from the Model.

Meeting(s)/Conference(s): Two (2) web-meetings with Agency Staff, and one (1) Board workshop

Deliverable(s): Assessment Methodology Model in Microsoft Office Excel® 2013 with Cost of service analysis, draft and final Technical Memoranda