

MONTEREY COUNTY WATER RESOURCES AGENCY
AND RAFTELIS FINANCIAL CONSULTANTS, INC.
AGREEMENT FOR SERVICES

This is a multi-year agreement between the Monterey County Water Resources Agency, hereinafter called "Agency," and Raftelis Financial Consultants, Inc, a California Corporation located at 24640 Jefferson Ave , # 207, Murrieta CA 92562 , hereinafter called "CONTRACTOR".

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1. Employment of Contractor. Agency hereby engages CONTRACTOR, and CONTRACTOR hereby agrees to perform the services set forth in Exhibit A, in conformity with the terms of this Agreement. CONTRACTOR will complete all work in accordance with the Scope of Work/Work Schedule set forth in Exhibit A:

The scope of work is briefly described and outlined as follows:

See attached Exhibit A

The CONTRACTOR shall perform its services under this agreement in accordance with usual and customary care and with generally accepted practices in effect at the time the services are rendered. The CONTRACTOR and its agents and employees performing work hereunder are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required by this Agreement.

- (b) CONTRACTOR, its agents and employees shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- (c) CONTRACTOR shall furnish, at its own expense, all materials and equipment necessary to carry out the terms of this Agreement, except as otherwise provided herein. CONTRACTOR shall not use Agency premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations hereunder.

2. Term of Agreement. The term of this Agreement shall begin upon execution of this Agreement by CONTRACTOR and Agency, and will terminate on June 30, 2017, unless earlier terminated as provided herein.

3. Payments to CONTRACTOR; maximum liability. Subject to the limitations set forth herein, Agency shall pay to CONTRACTOR the amounts provided in Exhibit B. The maximum amount payable to CONTRACTOR under this contract is One Hundred Ten Thousand Three Hundred and Sixty dollars (\$110,360.00).

4. Monthly Invoices by CONTRACTOR; Payment.

- (a) CONTRACTOR shall submit to Agency an invoice, in a format approved by Agency, setting forth the amounts claimed by CONTRACTOR, together with an itemized basis for such amounts, and setting forth such other pertinent information Agency may require. CONTRACTOR shall submit such invoice monthly or as agreed by Agency, but in no event shall such invoice be submitted later than 30 days after completion of CONTRACTOR's work hereunder. Agency shall certify the claim if it complies with this contract and shall promptly submit such claim to the Monterey County Auditor-Controller, who shall pay the certified amount within 30 days after receiving the invoice certified by Agency. It is understood and agreed that CONTRACTOR shall complete all work described in Exhibit A for an amount not exceeding that set forth above, notwithstanding CONTRACTOR's submission of periodic invoices.
- (b) CONTRACTOR agrees that Agency may withhold ten percent (10%) of the amount requested by CONTRACTOR from any progress payment, until such time as all goods and services are received in a manner and form acceptable to Agency.
- (c) If, as of the date of execution of this Agreement, CONTRACTOR has already received payment from Agency for work which is the subject of this Agreement, such amounts shall be deemed to have been paid under this Agreement and shall be counted toward Agency's maximum liability set forth above.
- (d) CONTRACTOR shall not be reimbursed for travel expenses unless expressly stated in this Agreement.

5. Indemnification CONTRACTOR shall indemnify, defend, and hold harmless the Agency and the County of Monterey, their officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or

connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence, active negligence, or willful misconduct of the Agency. CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subCONTRACTORS.

6. Insurance.

6.1 Evidence of Coverage:

Prior to commencement of this Agreement, the CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition the CONTRACTOR upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the Agency's Contact, unless otherwise directed. The CONTRACTOR shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and such, insurance has been approved by the Agency. This approval of insurance shall neither relieve nor decrease the liability of the CONTRACTOR.

6.2 Qualifying Insurers:

All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

6.3 Insurance Coverage Requirements:

Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent CONTRACTORS, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

☐ Exemption/Modification (Justification attached; subject to approval).

Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

☐ Exemption/Modification (Justification attached; subject to approval).

Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

☐ Exemption/Modification (Justification attached; subject to approval).

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

☐ Exemption/Modification (Justification attached; subject to approval).

6.4 Other Insurance Requirements.

All insurance required by this Agreement shall be with a company acceptable to the Agency and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the Agency shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insureds with respect to claims arising from each subCONTRACTOR, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subCONTRACTOR showing each subCONTRACTOR has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the Monterey County Water Resources Agency and the County of Monterey, their officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County

and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by the Agency, CONTRACTOR shall file certificates of insurance with the Agency's contract administrator, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by Agency, annual certificates to Agency's Contract Administrator. If the certificate is not received by the expiration date, Agency shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles Agency, at its sole discretion, to terminate this Agreement immediately.

7. Maintenance of Records. CONTRACTOR shall prepare, maintain and preserve all reports and records that may be required by federal, State, and local rules and regulations relating to services performed under this Agreement. CONTRACTOR shall retain all such records for at least five years from the date of final payment, or until any litigation relating to this Agreement is concluded, whichever is later.

8. Right to Audit at Any Time. Agency officials shall have the right, at any time during regular working hours and on reasonable advance notice, to examine, monitor and audit all work performed and all records, documents, conditions, activities and procedures of CONTRACTOR or its subCONTRACTORS relating to this Agreement. Government Code Section 8546.7 provides that an audit by the State Auditor General may be performed up to three years after the final payment under any contract involving the expenditure of public funds in excess of \$10,000.

9. Confidentiality; Return of Records. CONTRACTOR and its officers, employees, agents, and subCONTRACTORS shall comply with all federal, State and local laws providing for the confidentiality of records and other information. To the extent permitted by applicable law and regulations, CONTRACTOR shall maintain confidentiality with respect to Agency's well database and other water use data.

CONTRACTOR shall not disclose any confidential information received from Agency or prepared in connection with the performance of this Agreement without the express permission of Agency. CONTRACTOR shall promptly transmit to Agency all requests for disclosure of any such confidential information. CONTRACTOR shall not use any confidential information gained through the performance of this Agreement except for the purpose of carrying out CONTRACTOR's obligations hereunder. When this Agreement expires or terminates, CONTRACTOR shall return to Agency all records, which CONTRACTOR utilized or received, from Agency to perform services under this Agreement.

10. Termination. Either party may terminate this Agreement by giving written notice of termination to the other party at least thirty (30) days prior to the effective date of termination, which date shall be specified in any such notice. In the event of such termination, the amount payable hereunder shall be reduced in proportion to the services provided prior to the effective date of termination. Agency may terminate this Agreement at any time for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes, without limitation, the failure of CONTRACTOR to perform the required services at the time and in the manner provided herein. If Agency terminates this Agreement for good cause, Agency may be relieved of the payment of any consideration to CONTRACTOR, and Agency may proceed with the work in any manner, which it deems proper. Costs incurred by Agency thereby shall be deducted from any sum due CONTRACTOR.

11. Amendments and Modifications. No modification or amendment of this agreement shall be valid unless it is set forth in writing and executed by the parties.

12. Non-Discrimination. Throughout the performance of this Agreement, CONTRACTOR will not unlawfully discriminate against any person because of race, color, religion, gender, national origin, ancestry, physical disability, medical condition, marital status, age older than 40, or sexual preference, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR shall comply fully with all federal, State and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to any target population designated herein shall not be deemed prohibited discrimination.

13. Independent Contractor. In its performance under this Agreement, CONTRACTOR is at all times acting and performing as an independent CONTRACTOR and not an employee of Agency. No offer or obligation of employment with Agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from Agency any form of benefits accorded to employees including without limitation leave time, health insurance, workers compensation coverage, disability benefits, and retirement contributions. CONTRACTOR shall be solely liable for and

obligated to pay directly all applicable taxes, including without limitation federal and State income taxes and social security arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold harmless Agency from any and all liability, which Agency may incur because of CONTRACTOR's failure to make such payments.

14. Delegation of Duties; Subcontracting. CONTRACTOR is engaged by Agency for its unique qualifications and abilities. CONTRACTOR may not, therefore, delegate any of its basic duties under this Agreement, except to the extent that delegation to CONTRACTOR's employees is contemplated herein. No work shall be subcontracted without the written consent of Agency, except as provided in this Agreement or its attachments. Notwithstanding any subcontract, CONTRACTOR shall continue to be liable to Agency for the performance of all work hereunder. CONTRACTOR shall not assign, sell, mortgage or otherwise transfer its interest or obligations in this Agreement without Agency's prior written consent.

15. Agency's Rights in Work Product. All original materials prepared by CONTRACTOR in connection with its work hereunder -- including but not limited to computer codes, customized computer routines developed using proprietary or commercial software packages, reports, documents, maps, graphs, charts, photographs and photographic negatives -- shall be the property of Agency and shall be delivered to Agency prior to final payment. CONTRACTOR may utilize any existing materials developed by CONTRACTOR prior to commencement of work under this Agreement, which materials shall remain the property of CONTRACTOR.

16. Compliance with Terms of Federal or State Grant. If any part of this Agreement has been or will be funded pursuant to a grant from the federal or State government in which Agency is the grantee, CONTRACTOR shall comply with all provisions of such grant applicable to CONTRACTOR's work hereunder, and said provisions shall be deemed a part of this Agreement as though fully set forth herein.

17. Conflict of Interest. CONTRACTOR warrants that it presently has no interest and shall not acquire any interest during the term of this Agreement, which would directly or indirectly conflict in any manner or to any degree with its full and complete performance of all services under this Agreement.

18. Governing Laws. This Agreement is entered into in the County of Monterey, State of California, and shall be construed and enforced in accordance with the laws of the State of California. The parties hereby agree that the County of Monterey shall be the proper venue for any dispute arising hereunder.

19. Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.

20. Construction of Agreement. The parties agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any exhibit or amendment. To that end, it is understood and agreed that this Agreement has been arrived at through negotiation, and that neither party is to be deemed the party which prepared this Agreement within the meaning of Civil Code Section 1654. Section and paragraph headings appearing herein are for convenience only and shall not be used to interpret the terms of this Agreement.

21. Waiver. Any waiver of any term or condition hereof must be in writing. No such waiver shall be construed as a waiver of any other term or condition herein.

22. Successors and Assigns. This Agreement and all rights, privileges, duties and obligations hereunder, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns and heirs.

23. Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on Contractor's behalf in the performance of this Agreement.

24. Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

25. Time is of the Essence. The parties mutually acknowledge and agree that time is of the essence with respect to every provision hereof in which time is an element. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act, nor shall any such extension create a precedent for any further or future extension.

26. Contract Administrators.

CONTRACTOR's designated principal responsible for administering
CONTRACTOR's work under this Agreement shall be
Habib Isaac

Agency's designated administrator of this Agreement shall be
Cathy Paladini

27. Notices. Notices required under this Agreement shall be delivered personally or by electronic facsimile, or by first class or certified mail with postage prepaid. Notice shall be deemed effective upon personal delivery or facsimile transmission, or on the third day after deposit with the U.S. Postal Service. CONTRACTOR shall give Agency prompt notice of any change of address. Unless otherwise changed according to these notice provisions, notices shall be addressed as follows:

TO AGENCY

Name: Cathy Paladini

Address:

893 Blanco Circle, Salinas CA 93901

Telephone: 831-755-4861

Fax:

E-Mail: paladinica@co.monterey.ca.us

TO CONTRACTOR

Name: Habib Isaac

Address:

24640 Jefferson Ave # 207 Murrieta CA

Telephone: 951-595-9354

Fax:

E-Mail: hisaac@raftelis.com

28. Electronic Deliverables. Where feasible, all reports, documents and other printed information provided to the Agency pursuant to this Agreement shall be submitted in both written and Electronic formats in accordance with the specifications listed in Exhibit C.

29. Non-exclusive Agreement. This Agreement is non-exclusive and both parties reserve the right to contract with other entities for the same or similar services.

30. Execution of Agreement. Any individual executing this Agreement on behalf of an entity represents and warrants that he or she has the requisite authority to enter into this Agreement on behalf of such entity and to bind the entity to the terms and conditions hereof. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

31. Exhibits. The following Exhibits are attached hereto and incorporated by reference:

Exhibit A - Scope of Work/ Work Schedule

Exhibit B -

Exhibit C -

32. Entire Agreement --As of the effective date of this Agreement, this document, including all exhibits hereto, constitutes the entire agreement between the parties, and supersedes any and all prior written or oral negotiations and representations between the parties concerning all matters relating to the subject of this Agreement.

MONTEREY COUNTY WATER RESOURCES AGENCY
AND RAFFELIS FINANCIAL CONSULTANTS, INC.
AGREEMENT FOR SERVICES

IN WITNESS WHEREOF, AGENCY and CONTRACTOR execute this agreement as follows:

**MONTEREY COUNTY WATER
RESOURCES AGENCY:**

CONTRACTOR:

BY: David E. Chardavoyne

BY: Habib Isaac

David E. Chardavoyne
General Manager

Type Name: Habib Isaac
Title: Project Manager

Date: 7 July 2016

Date: 6-23-2016

BY: Sanjay Gaur

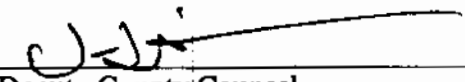
Type Name: Sanjay Gaur
Title: Vice President

Date: 7-12-2016

* INSTRUCTIONS: If CONTRACTOR is a corporation (including limited liability and nonprofit corporations), the full legal name of the corporation shall be set forth together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth together with the signature of a partner with authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of his or her business, if any, and shall personally sign the Agreement.

(_____)
Agreement/Amendment No # (_____)

Approved as to form ¹:


Deputy County Counsel

Dated: 6/29/16

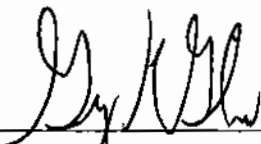
Approved as to fiscal provisions:


Administrative Analyst

Dated: 7-6-16

Risk Management:

Dated: _____


Auditor-Controller ²:

Dated: 6-30-16

¹Approval by County Counsel is required, and/or when legal services are rendered

²Approval by Auditor-Controller is required

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

- *For External Use* -

RFC's 2016 Standard Hourly Billing Rates

<u>Position</u>	<u>Hourly Billing Rate **</u>
Chair	\$400
Chief Executive Officer/President	\$375
Chief Operating Officer	\$325
Executive Vice President	\$305
Vice President/Principal Consultant	\$275
Director of Storm Water Management	\$275
Director of Governmental Services	\$275
Senior Manager	\$250
Director of Management Consulting	\$275
Director of Florida Operations	\$205
Manager	\$225
Director of Data Services	\$225
Senior Consultant	\$195
Consultant	\$170
Associate	\$140
Analyst	\$105
Administration	\$75
Technology/Communications Charge*	\$10

* Technology/Communications Charge – this is an hourly fee charged monthly for each hour worked on the project to recover telephone, facsimilie, computer, postage/overnight delivery, conference calls, electronic/computer webinars, photocopies, etc.

** For services related to the preparation for and participation in deposition and trial/hearing, the standard billing rates listed above will be increased by an amount up to 50%.