

## **Agreement For Professional Services**

THIS AGREEMENT FOR PROFESSIONAL SERVICES (the "Agreement") is made and entered into this 29th day of July, 2019 (the "Effective Date"), by and between the Town of Erie, a Colorado municipal corporation with an address of 645 Holbrook Street, P.O. Box 750, Erie, Colorado 80516, (the "Town"), and Raftelis Financial Consultants, an independent contractor with a principal place of business at 5619 DTC Parkway, Suite 850, Greenwood Village, 80111, Colorado ("Contractor") (each a "Party" and collectively the "Parties").

WHEREAS, the Town requires professional services; and

WHEREAS, Contractor has held itself out to the Town as having the requisite expertise and experience to perform the required professional services.

NOW, THEREFORE, for the consideration hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### **I. SCOPE OF SERVICES**

A. Contractor shall furnish all labor and materials required for the complete and prompt execution and performance of all duties, obligations, and responsibilities which are described or reasonably implied from the Scope of Services set forth in **Exhibit A**, attached hereto and incorporated herein by this reference and known as: Utility Rate and Connection Fee Study.

B. A change in the Scope of Services shall not be effective unless authorized as an amendment to this Agreement. If Contractor proceeds without such written authorization, Contractor shall be deemed to have waived any claim for additional compensation, including a claim based on the theory of unjust enrichment, quantum merit or implied contract. Except as expressly provided herein, no agent, employee, or representative of the Town is authorized to modify any term of this Agreement, either directly or implied by a course of action.

### **II. TERM AND TERMINATION**

A. This Agreement shall commence on the Effective Date, and shall continue until Contractor completes the Scope of Services to the satisfaction of the Town, or until terminated as provided herein.

B. Either Party may terminate this Agreement upon 30 days advance written notice. The Town shall pay Contractor for all work previously authorized and completed prior to the date of termination. If, however, Contractor has substantially or materially breached this Agreement, the Town shall have any remedy or right of set-off available at law and equity.

### **III. COMPENSATION**

In consideration for the completion of the Scope of Services by Contractor, the Town shall pay Contractor \$65,810. This amount shall include all fees, costs and expenses incurred by Contractor, and no additional amounts shall be paid by the Town for such fees, costs and expenses. Contractor may submit periodic invoices, which shall be paid by the Town within 30 days of receipt.

#### **IV. PROFESSIONAL RESPONSIBILITY**

A. Contractor hereby warrants that it is qualified to assume the responsibilities and render the services described herein and has all requisite corporate authority and professional licenses in good standing, required by law. The work performed by Contractor shall be in accordance with generally accepted professional practices and the level of competency presently maintained by other practicing professional firms in the same or similar type of work in the applicable community. The work and services to be performed by Contractor hereunder shall be done in compliance with applicable laws, ordinances, rules and regulations.

B. The Town's review, approval or acceptance of, or payment for any services shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

C. Because the Town has hired Contractor for its professional expertise, Contractor agrees not to employ subcontractors to perform any work except as expressly set forth in the Scope of Services.

#### **V. OWNERSHIP**

Any materials, items, and work specified in the Scope of Services, and any and all related documentation and materials provided or developed by Contractor shall be exclusively owned by the Town. Contractor expressly acknowledges and agrees that all work performed under the Scope of Services constitutes a "work made for hire." To the extent, if at all, that it does not constitute a "work made for hire," Contractor hereby transfers, sells, and assigns to the Town all of its right, title, and interest in such work. The Town may, with respect to all or any portion of such work, use, publish, display, reproduce, distribute, destroy, alter, retouch, modify, adapt, translate, or change such work without providing notice to or receiving consent from Contractor.

#### **VI. INDEPENDENT CONTRACTOR**

Contractor is an independent contractor. Notwithstanding any other provision of this Agreement, all personnel assigned by Contractor to perform work under the terms of this Agreement shall be, and remain at all times, employees or agents of Contractor for all purposes. Contractor shall make no representation that it is a Town employee for any purposes.

#### **VII. INSURANCE**

A. Contractor agrees to procure and maintain, at its own cost, a policy or policies of insurance sufficient to insure against all liability, claims, demands, and other obligations assumed by Contractor pursuant to this Agreement. At a minimum, Contractor shall procure and maintain, and shall cause any subcontractor to procure and maintain, the insurance coverages listed below, with forms and insurers acceptable to the Town.

1. Worker's Compensation insurance as required by law.
2. Commercial General Liability insurance with minimum combined single limits of \$1,000,000 each occurrence and \$2,000,000 general aggregate. The policy shall be applicable to all premises and operations, and shall include coverage for bodily injury, broad form property damage, personal injury (including coverage for contractual and employee acts), blanket contractual, products, and completed operations. The policy shall

contain a severability of interests provision, and shall include the Town and the Town's officers, employees, and contractors as additional insureds. No additional insured endorsement shall contain any exclusion for bodily injury or property damage arising from completed operations.

3. Professional liability insurance with minimum limits of \$1,000,000 each claim and \$2,000,000 general aggregate.

B. Such insurance shall be in addition to any other insurance requirements imposed by law. The coverages afforded under the policies shall not be canceled, terminated or materially changed without at least 30 days prior written notice to the Town. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage. Any insurance carried by the Town, its officers, its employees or its contractors shall be excess and not contributory insurance to that provided by Contractor. Contractor shall be solely responsible for any deductible losses under any policy.

C. Contractor shall provide to the Town a certificate of insurance as evidence that the required policies are in full force and effect. The certificate shall identify this Agreement.

#### **VIII. INDEMNIFICATION**

A. Contractor agrees to indemnify and hold harmless the Town and its officers, insurers, volunteers, representative, agents, employees, heirs and assigns from and against all claims, liability, damages, losses, expenses and demands, including attorney fees, on account of injury, loss, or damage, including without limitation claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, which arise out of or are in any manner connected with this Agreement if such injury, loss, or damage is caused in whole or in part by, the act, omission, error, professional error, mistake, negligence, or other fault of Contractor, any subcontractor of Contractor, or any officer, employee, representative, or agent of Contractor, or which arise out of a worker's compensation claim of any employee of Contractor or of any employee of any subcontractor of Contractor. Contractor's liability under this indemnification provision shall be to the fullest extent of, but shall not exceed, that amount represented by the degree or percentage of negligence or fault attributable to Contractor, any subcontractor of Contractor, or any officer, employee, representative, or agent of Contractor or of any subcontractor of Contractor.

B. If Contractor is providing architectural, engineering, surveying or other design services under this Agreement, the extent of Contractor's obligation to indemnify and hold harmless the Town may be determined only after Contractor's liability or fault has been determined by adjudication, alternative dispute resolution or otherwise resolved by mutual agreement between the Parties, as provided by C.R.S. § 13-50.5-102(8)(c).

#### **IX. ILLEGAL ALIENS**

A. Certification. By entering into this Agreement, Contractor hereby certifies that, at the time of this certification, it does not knowingly employ or contract with an illegal alien who will perform work under this Agreement and that Contractor will participate in either the E-Verify Program administered by the United States Department of Homeland Security and Social Security Administration or the Department Program administered by the Colorado Department of Labor and Employment to confirm the employment eligibility of all employees who are newly hired to perform work under this Agreement.

B. Prohibited Acts. Contractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement, or enter into a contract with a subcontractor that fails to certify to Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement.

C. Verification.

1. If Contractor has employees, Contractor has confirmed the employment eligibility of all employees who are newly hired to perform work under this Agreement through participation in either the E-Verify Program or the Department Program.

2. Contractor shall not use the E-Verify Program or Department Program procedures to undertake pre-employment screening of job applicants while this Agreement is being performed.

3. If Contractor obtains actual knowledge that a subcontractor performing work under this Agreement knowingly employs or contracts with an illegal alien who is performing work under this Agreement, Contractor shall: notify the subcontractor and the Town within 3 days that Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien who is performing work under this Agreement; and terminate the subcontract with the subcontractor if within 3 days of receiving the notice required pursuant to subsection 1 hereof, the subcontractor does not stop employing or contracting with the illegal alien who is performing work under this Agreement; except that Contractor shall not terminate the subcontract if during such 3 days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien who is performing work under this Agreement.

D. Duty to Comply with Investigations. Contractor shall comply with any reasonable request by the Colorado Department of Labor and Employment made in the course of an investigation conducted pursuant to C.R.S. § 8-17.5-102(5)(a) to ensure that Contractor is complying with the terms of this Agreement.

E. Affidavits. If Contractor does not have employees, Contractor shall sign the "No Employee Affidavit" attached hereto. If Contractor wishes to verify the lawful presence of newly hired employees who perform work under the Agreement via the Department Program, Contractor shall sign the "Department Program Affidavit" attached hereto.

**X. MISCELLANEOUS**

A. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof shall be brought in Weld County, Colorado.

B. No Waiver. Delays in enforcement or the waiver of any one or more defaults or breaches of this Agreement by the Town shall not constitute a waiver of any of the other terms or obligation of this Agreement.

C. Integration. This Agreement constitutes the entire agreement between the Parties, superseding all prior oral or written communications.

D. Third Parties. There are no intended third-party beneficiaries to this Agreement.

E. Notice. Any notice under this Agreement shall be in writing, and shall be deemed sufficient when directly presented or sent pre-paid, first class United States Mail to the Party at the address set forth on the first page of this Agreement.

F. Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be unlawful or unenforceable for any reason, the remaining provisions hereof shall remain in full force and effect.

G. Modification. This Agreement may only be modified upon written agreement of the Parties.

H. Assignment. Neither this Agreement nor any of the rights or obligations of the Parties shall be assigned by either Party without the written consent of the other.

I. Governmental Immunity. The Town and its officers, attorneys and employees, are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities or protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended, or otherwise available to the Town and its officers, attorneys or employees.

J. Rights and Remedies. The rights and remedies of the Town under this Agreement are in addition to any other rights and remedies provided by law. The expiration of this Agreement shall in no way limit the Town's legal or equitable remedies, or the period in which such remedies may be asserted, for work negligently or defectively performed.

K. Subject to Annual Appropriation. Consistent with Article X, § 20 of the Colorado Constitution, any financial obligation of the Town not performed during the current fiscal year is subject to annual appropriation, shall extend only to monies currently appropriated, and shall not constitute a mandatory charge, requirement, debt or liability beyond the current fiscal year.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

**TOWN OF ERIE, COLORADO**

\_\_\_\_\_  
Jennifer Carroll, Mayor

ATTEST:

\_\_\_\_\_  
Jessica Koenig, Town Clerk

**CONTRACTOR**

By: \_\_\_\_\_

STATE OF COLORADO )

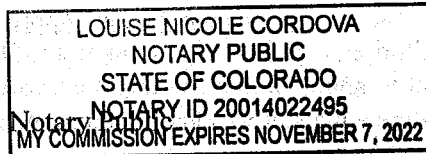
COUNTY OF \_\_\_\_\_ )

ss. \_\_\_\_\_

The foregoing instrument was subscribed, sworn to and acknowledged before me this 30<sup>th</sup> day of July, 2019, by Toad Cristiano as Sr. Manager of Rattai Financial

My commission expires:

(SEAL) \_\_\_\_\_



## NO EMPLOYEE AFFIDAVIT

*[To be completed only if Contractor has no employees]*

**1. Check and complete one:**

☐ I, \_\_\_\_\_, am a sole proprietor doing business as \_\_\_\_\_. I do not currently employ any individuals. Should I employ any employees during the term of my Agreement with the Town of Erie (the "Town"), I certify that I will comply with the lawful presence verification requirements outlined in that Agreement.

OR

☐ I, \_\_\_\_\_, am the sole owner/member/shareholder of \_\_\_\_\_, a \_\_\_\_\_ [specify type of entity – *i.e.*, corporation, limited liability company], that does not currently employ any individuals. Should I employ any individuals during the term of my Agreement with the Town, I certify that I will comply with the lawful presence verification requirements outlined in that Agreement.

**2. Check one.**

☐ I am a United States citizen or legal permanent resident.

*The Town must verify this statement by reviewing one of the following items:*

- *A valid Colorado driver's license or a Colorado identification card;*
- *A United States military card or a military dependent's identification card;*
- *A United States Coast Guard Merchant Mariner card;*
- *A Native American tribal document;*
- *In the case of a resident of another state, the driver's license or state-issued identification card from the state of residence, if that state requires the applicant to prove lawful presence prior to the issuance of the identification card; or*
- *Any other documents or combination of documents listed in the Town's "Acceptable Documents for Lawful Presence Verification" chart that prove both Contractor's citizenship/lawful presence and identity.*

OR

☐ I am otherwise lawfully present in the United States pursuant to federal law.

*Contractor must verify this statement through the federal Systematic Alien Verification of Entitlement ("SAVE") program, and provide such verification to the Town.*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

DEPARTMENT PROGRAM AFFIDAVIT

*[To be completed only if Contractor participates in the  
Department of Labor Lawful Presence Verification Program]*

I, Todd Cristiano, as a public contractor under contract with the Town of Erie  
(the "Town"), hereby affirm that:

1. I have examined or will examine the legal work status of all employees who are  
newly hired for employment to perform work under this public contract for services ("Agreement")  
with the Town within 20 days after such hiring date;

2. I have retained or will retain file copies of all documents required by 8 U.S.C. §  
1324a, which verify the employment eligibility and identity of newly hired employees who perform  
work under this Agreement; and

3. I have not and will not alter or falsify the identification documents for my newly  
hired employees who perform work under this Agreement.

Signature

Date

STATE OF COLORADO )

COUNTY OF ) ss.

Jefferson

The foregoing instrument was subscribed, sworn to and acknowledged before me this 30<sup>th</sup>  
day of July, 2019, by Todd Cristiano as Sr. Manager of  
Raffelis Financial.

My commission expires:

(S E A L)

L Cordova

Notary Public

LOUISE NICOLE CORDOVA  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20014022495

COMMISSION EXPIRES NOVEMBER 7, 2022



## EXHIBIT A SCOPE OF SERVICES

### Contractor's Duties

During the term of this Agreement, Contractor shall perform the following duties, as directed by the Town:

| Task 1: Project initiation and project management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| Work Plan Activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Work Plan Outcomes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Project Management</b> <ul style="list-style-type: none"><li>• Provide timely invoices in the Town's preferred format</li><li>• Carry out regular calls with the Town's project manager</li><li>• Schedule milestones and deliverable dates on a recurring basis to ensure project remains on schedule</li></ul> <b>Project Initiation Meeting</b> <ul style="list-style-type: none"><li>• Provide data request in advance of project initiation meeting</li><li>• Schedule conference call to review and clarify data request items</li><li>• Meet on-site with all Town staff engaged in project to review preliminary assumptions on cash flows</li><li>• Organize individual break-out sessions with Finance, Engineering and Operations staff to review and get further input on data request items</li><li>• Conduct a Pricing Objectives Workshop with Town staff to better understand the current rate structure's rationale, and possible critical issues, which should be considered in the development of alternative rate designs</li><li>• Review and identify miscellaneous fees to be updated</li></ul> | <b>Project Management</b> <ul style="list-style-type: none"><li>• Implements transparent project communication protocols throughout the study</li><li>• Ensures project stays within budget and additional resources are available when needed</li><li>• Establishes the two points of contact to guarantee Raftelis staff are always available to respond to Town inquiries. The Project Manager will be the primary contact and the Lead Analyst will be the secondary contact.</li></ul> <b>Project Initiation Meeting</b> <ul style="list-style-type: none"><li>• Allowing meaningful discussions on budget and capital data through the data analysis and financial plan framework provided by Raftelis' staff prior to the project initiation meeting.</li><li>• Timing of the project initiation meeting after data review reduces the need for a follow up on-site meeting</li><li>• Identifying key pricing objectives at the outset allows Raftelis to develop and refine conceptual rate and fee design alternatives as the study progresses</li><li>• Using the input from Town staff, Raftelis can develop a customized model that the Town will need</li></ul> |

| Task 2: Analysis of customer class water demands and wastewater flow                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| Work Plan Activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Work Plan Outcomes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <ul style="list-style-type: none"> <li>• Analysis of annual and monthly billed water consumption and billable wastewater volume for each customer class</li> <li>• Calculation of average winter water consumption for wastewater billed revenue under existing rates</li> <li>• Development of estimated customer class' water maximum day and maximum hour peaking factors</li> <li>• Completion of a bill frequency for each customer class showing annual and monthly billed water consumption by tier</li> <li>• Conduct water demand and wastewater billable volume sensitivity analysis to develop optimum sales projections</li> <li>• Review SFRE assumptions for commercial stormwater</li> <li>• Analysis of the impact of the Town's Conservation Plan and Comprehensive Plan on billed water consumption</li> <li>• Evaluation of and potential recommendations for customer class modifications (based on consultations with Town staff)</li> </ul> | <ul style="list-style-type: none"> <li>• Billing data sets are large and can be difficult to manage. Raftelis has the expertise and tools to quickly manipulate and organize the data without affecting the integrity of the data</li> <li>• Rather than selecting one year of data to project future consumption, Raftelis will include multiple years to establish a range of possible forecasts classified as low, medium, and high usage.</li> <li>• A sensitivity analysis will provide information about how rate increases will change rate revenue, helping us to further refine the revenue projections</li> <li>• Regular web meetings with Town Staff will keep all team members up-to-date on rate study progress</li> </ul> |

| Task 3: Tap fees, water resource fees and storm drainage impact fees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| Work Plan Activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Work Plan Outcomes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p><b>Water Tap and Resource Fees/Wastewater</b></p> <ul style="list-style-type: none"> <li>• Tap Fees</li> <li>• Assess current capacity available in the water and wastewater systems, if any</li> <li>• Calculate current value of available capacity and planned growth-related costs</li> <li>• Estimate capacity added by growth-related projects</li> <li>• Apply adjustments – outstanding principal, contributions, etc.; include carrying costs if applicable</li> <li>• Determine level of service demand per SFE</li> <li>• Calculate unit cost of capacity for tap and resource fees using buy-in, incremental and hybrid methodologies</li> <li>• Apply unit costs to current assessment schedules</li> </ul> <p><b>Stormwater Impact Fees</b></p> <ul style="list-style-type: none"> <li>• Determine existing level of service</li> </ul> | <ul style="list-style-type: none"> <li>• Proposed tap, resource, and impact fees that: <ul style="list-style-type: none"> <li>○ Recover the proportionate share of capacity required to serve new development</li> <li>○ Are legislatively adopted fees to defray impacts from growth to existing customers</li> <li>○ Meet the rational nexus test - The need for additional capital facilities and the increased impact generated by the new development; and the expenditures of the funds collected and the benefits accruing to the new residential or commercial construction</li> </ul> </li> </ul> |

| Task 3: Tap fees, water resource fees and storm drainage impact fees                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
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| <ul style="list-style-type: none"> <li>• Determine value of available capacity and future capacity projects</li> <li>• Apply adjustments – outstanding principal, contributions, etc.; include carrying costs if applicable</li> <li>• Develop growth projections based on land use assumptions for residential, commercial, office, and industrial</li> <li>• Calculate number of developable acres by land use type</li> <li>• Apply runoff coefficient to calculate impervious area</li> <li>• Calculate fee by land use type</li> </ul> |  |

| Task 4: Revenue requirement projections                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| <ul style="list-style-type: none"> <li>• Develop separate “standalone” financial plans for water, wastewater, and stormwater water utilities 2019 - 2029</li> <li>• Forecast customer account growth based on the Town’s existing customer classes and the new multifamily class</li> <li>• Forecast revenues at existing rates</li> <li>• Forecast tap fee and water resource fee revenues</li> <li>• Forecast O&amp;M expenses, with special emphasis on the cost impacts of securing additional water rights</li> <li>• Forecast of CIP expenditures</li> <li>• Forecast existing and proposed debt service</li> <li>• Review cash reserve and debt service coverage targets considering the risk of revenue variability</li> <li>• Develop an “optimal” capital financing strategy based on scenario analysis using differing proportions of rate revenue and proposed external debt financing. Separate growth-related and non-growth bond proceeds for the purposes of determining user charge increases</li> <li>• Identify required annual percentage rate increases over the 10-year planning horizon</li> <li>• On-site meeting with staff to review tap fees and revenue requirement projections</li> </ul> | <ul style="list-style-type: none"> <li>• Raftelis will provide financial planning options for consideration by staff. This will be an iterative process.</li> <li>• Staff vetted scenarios will be presented to Town Council</li> <li>• Scenarios developed in this task will be included in the model to be delivered to the Town</li> <li>• Regular web meetings with Town staff will keep all team members up-to-date on rate study progress</li> <li>• A revenue requirements cash flow through 2029 will indicate the level of revenue adjustments needed</li> <li>• The separate tap fee cash flows will indicate the ability of fee revenue to meet growth-related costs.</li> </ul> |

| Task 5: Cost of Service Analysis                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                |
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| Work Plan Activities                                                                                                                                                                                                                                                                                                        | Work Plan Outcomes                                                                                                                                                                                                             |
| <ul style="list-style-type: none"> <li>• Develop separate “standalone” COS studies for water, wastewater, and stormwater</li> <li>• Determine the test year revenue requirement</li> <li>• Assign the net book value or replacement cost of existing utility infrastructure to the correct functional categories</li> </ul> | <ul style="list-style-type: none"> <li>• A tailored cost-of-service analysis for water and wastewater that incorporates the Town’s rate policies, system data, and contractual requirements of bulk water customers</li> </ul> |

| Task 5: Cost of Service Analysis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <ul style="list-style-type: none"> <li>Assign test-year capital costs (PAYGO financing and projected debt service), O&amp;M expenses, and non-rate revenue offsets to the correct functional categories</li> <li>Allocate test-year capital cost, O&amp;M expenses, and non-rate revenue offsets to the correct demand parameters</li> <li>Distribute the allocated test-year capital costs, O&amp;M expenses and non-rate revenue offsets customer classes</li> <li>Develop test-year revenue requirements for each customer class on a cash and utility basis according to the Manual M1 and the WEF MOP27 standards</li> <li>Develop a multifamily customer cost of service</li> </ul> | <ul style="list-style-type: none"> <li>Raftelis will review cost allocations with public works staff to ensure that costs are captured correctly and maintain equity</li> <li>A tailored cost of service, that ensures equity between classes, is maintained and contractual requirements are met</li> <li>Cost of service based on the detailed billing analysis in Task 2</li> <li>Regular web meetings with Town staff will keep all team members up-to-date on rate study progress</li> </ul> |

| Task 6: Rate Design                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| Work Plan Activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Work Plan Outcomes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p><b>Develop Rates Under the Town's Existing Rate Structures</b></p> <ul style="list-style-type: none"> <li>Develop fair and equitable updated test year water, wastewater, and stormwater rates, in addition to customer bill impacts. This is for the potentially revised customer classes (see Task 2) under the Town's existing rate structure.</li> </ul> <p><b>Develop Rates Under Proposed Alternative Rate Structures</b></p> <ul style="list-style-type: none"> <li>As appropriate, and based on consultations with Town staff, Raftelis will develop potential alternative water, wastewater and stormwater rate structures based on the pricing objectives identified in Task 1.</li> </ul> <p><b>Conduct a Rate Survey</b></p> <ul style="list-style-type: none"> <li>Develop a water, wastewater and stormwater utility bill comparison under the Town's existing and proposed rates, compared against at least 5 peer utilities</li> </ul> <p><b>On-site Meeting</b></p> <ul style="list-style-type: none"> <li>Finalize revenue requirements projections, review interim cost of service results and rate design analysis</li> </ul> | <ul style="list-style-type: none"> <li>A plan of transitioned cost-of-service rates for each customer class</li> <li>Full cost recovery of rates for each year</li> <li>Analysis of current rate structure against pricing objectives</li> <li>Rate structure alternatives designed to meet pricing objectives</li> <li>Detailed bill impacts for water and wastewater customers</li> <li>Customized peer utility survey showing how the Town compares with other utilities in the state and the Rocky Mountain region.</li> <li>Regular web meetings with Town staff will keep all team members up-to-date on rate study progress</li> </ul> |

| Task 7: Utility ancillary fees                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                        |
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| Work Plan Activities                                                                                                                                                                                                                                      | Work Plan Outcomes                                                                                                                                                                                                                                                                                                                                     |
| <ul style="list-style-type: none"> <li>Review and update ancillary fees identified in Task 1</li> <li>Identify the tasks, time and labor costs associated with updating each fee</li> <li>Compare fee revenue under existing and proposed fees</li> </ul> | <ul style="list-style-type: none"> <li>Ancillary fees that recover the cost to provide service</li> <li>A comparison of the Town's analyzed fees to fees from peer utilities</li> <li>Staff review of the tasks associated with each fee to promote transparency and ensure that the fees are an accurate reflection of the level of effort</li> </ul> |

| Task 8: Draft and final reports                                                                                                                                                                                                    |                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Work Plan Activities                                                                                                                                                                                                               | Work Plan Outcomes                                                                                                                                                                                                       |
| <ul style="list-style-type: none"> <li>• Prepare comprehensive draft reports summarizing our analyses, findings and recommendations for review and comment by Town staff</li> <li>• Prepare comprehensive final reports</li> </ul> | <ul style="list-style-type: none"> <li>• A report customized to the Town's study incorporating the key assumptions and decisions made during the study</li> <li>• A report documenting the full study process</li> </ul> |

| Task 9: Stakeholder and Town Board of Trustees meetings                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| Work Plan Activities                                                                                                                                                                                                                                                          | Resource Requirements                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <ul style="list-style-type: none"> <li>• Prepare presentation materials and participate in meetings for all stakeholder groups and/or Town Council as indicated in the RFP</li> <li>• Attend two Town Board of Trustee meetings to present draft and final results</li> </ul> | <ul style="list-style-type: none"> <li>• An informative meeting with Stakeholders in an environment that fosters discussion and questions from the public will, garners public trust and support for the rate changes.</li> <li>• A presentation that will resonate with the Town Board of Trustees and provide the key information needed for decision making.</li> <li>• A collaborative process between Raftelis and Town sStaff for developing the Town Council presentation</li> </ul> |

#### Contractor's Deliverables

In performance of the duties described above, Contractor shall deliver the following items to the Town, during the timeframes established by the Town:

- Projected water, wastewater, and stormwater financial plan increases
- Projected water, wastewater, and stormwater user charges
- Projected water and wastewater tap fees, and stormwater impact fees
- Five on-site project meetings
- Draft and Final report summarizing findings, conclusions, and recommendations
- Meet attendance at one Board of Trustees meeting to present final results