

AGREEMENT
FOR
CONSULTING SERVICES

This AGREEMENT, between the Norman Utilities Authority (OWNER) and Raftelis Financial Consultants, Inc., (CONSULTANT);

WITNESSETH

WHEREAS, OWNER intends to complete a financial plan, cost of service, rate study, and connection fee study to determine the necessary revenues required to fund operations and capital improvement for the next 10 years and into the future;

WHEREAS, OWNER will contract with a qualified consultant to complete this study in accordance with industry practices and participate in required meetings with staff and the public (the SERVICES); and,

WHEREAS, CONSULTANT is prepared to provide said SERVICES; and.

NOW THEREFORE, in consideration of the promises contained in this AGREEMENT, OWNER and CONSULTANT agree as follows:

ARTICLE 1 - EFFECTIVE DATE

The effective date of this AGREEMENT shall be _____.

ARTICLE 2 - COMPLETION DATE

CONSULTANT shall complete the SERVICES in accordance with Attachment A, Project Schedule.

ARTICLE 3 - GOVERNING LAW

The laws of the state of Oklahoma shall govern this AGREEMENT.

ARTICLE 4 - SERVICES TO BE PERFORMED BY CONSULTANT

CONSULTANT shall perform the SERVICES described in Attachment B, Scope of Services.

ARTICLE 5 - COMPENSATION

OWNER shall pay CONSULTANT in accordance with Attachment C, Compensation.

ARTICLE 6 - OWNER'S RESPONSIBILITIES

- 6.1. OWNER-Furnished Data: Upon request, OWNER will provide to CONSULTANT all data in OWNER's possession relating to CONSULTANT's SERVICES on the PROJECT. Such data may include electronic data available from the OWNER's Geographic Information System (GIS), data generated by OWNER's water distribution system model and existing water quality data. CONSULTANT will reasonably rely upon the accuracy, timeliness, and completeness of the information provided by OWNER. OWNER's data is provided for temporary use or copying by CONSULTANT.
- 6.2. Access to Facilities and Property: OWNER will make its facilities accessible to CONSULTANT as required for CONSULTANT's performance of its SERVICES.
- 6.3. Timely Review: OWNER will examine CONSULTANT's studies, reports, sketches, drawings, specifications, proposals, and other documents; and transmit OWNER comments or other decisions to CONSULTANT in a timely manner.
- 6.4. Meetings: OWNER will participate in monthly progress meetings or other meetings with CONSULTANT or contractor(s) defined in Scope of Services.

- 6.5. Advertisements, Permits, and Access: Unless otherwise agreed to in the Scope of Services, OWNER will obtain, arrange, and pay for all advertisements for bids; permits and licenses required by local, state, or federal authorities; and land, easements, rights-of-way, and access necessary for CONSULTANT's SERVICES or PROJECT construction.

ARTICLE 7 - STANDARD OF CARE

CONSULTANT shall exercise the same degree of care skill and diligence in the performance of the SERVICES as is ordinarily possessed and exercised by a consultant under similar circumstances as of the time and at the location the SERVICES are provided. CONSULTANT shall correct the SERVICES that fail to satisfy this standard of care. No warranty, express or implied is included in this AGREEMENT or in any drawing, specifications, report or opinion produced pursuant to this AGREEMENT.

ARTICLE 8 - LIABILITY AND INDEMNIFICATION

- 8.1 General. Having considered the potential liabilities that may exist during the performance of the SERVICES, the benefits of the PROJECT, the CONSULTANT's fee for the SERVICES and in consideration of the promises contained in this AGREEMENT, OWNER and CONSULTANT agree to allocate and limit such liabilities in accordance with this Article.
- 8.2 Indemnification and Liability. The CONSULTANT agrees to defend, indemnify, and hold harmless the OWNER, its officers, servants, and employees, from and against legal liability for all claims, losses, damage, cost, and expense (including reasonable attorneys' fees and accountants' fees) to the extent caused by a negligent act, error, or omission of the CONSULTANT in the performance of services under this Agreement. OWNER agrees to defend, indemnify, and hold harmless the CONSULTANT, its officers, servants, and employees, from and against legal liability for all claims, losses, damage, cost, and expense (including reasonable attorneys' fees and accountants' fees) to the extent caused by a negligent act, error, or omission of the OWNER in the performance of services under this Agreement, provided such indemnification shall be applicable only to the extent sovereign immunity has been waived pursuant to Oklahoma law. The CONSULTANT and the OWNER each agree to promptly service notice on the other party of any claims arising hereunder, and shall cooperate in the defense of such claims. The acceptance by OWNER or its representatives of any certification of insurance providing for coverage other than as required in this Agreement to be furnished by the CONSULTANT shall in no event be deemed a waiver of any of the provisions of this indemnity provision. None of the foregoing provisions shall deprive the OWNER of any action, right, or remedy otherwise available to OWNER at common law.
- 8.3 Employee Claims. CONSULTANT shall indemnify OWNER against legal liability for damages arising out of claims by CONSULTANT's employees. To the extent permitted by applicable law, OWNER shall indemnify CONSULTANT against legal liability for damages arising out of claims by OWNER's employees.
- 8.4 Consequential Damages. To the fullest extent permitted by law, CONSULTANT shall not be liable to OWNER for any special, indirect or consequential damages resulting in any way from the performance of the SERVICES.
- 8.5 Survival. Upon completion of all SERVICES obligations and duties provided for in this AGREEMENT or if this AGREEMENT is terminated for any reason the terms and conditions of this Article shall survive.

ARTICLE 9 - INSURANCE

During the performance of the SERVICES under this AGREEMENT CONSULTANT shall maintain the following insurance:

- 9.1 Worker's compensation insurance for CONSULTANT's employees as required by Oklahoma Workers Compensation Statutes.

- 9.2 Comprehensive general liability insurance with a minimum of \$1,000,000 per each occurrence and \$2,000,000 aggregate.
- 9.3 Comprehensive automobile liability insurance with a minimum of \$1,000,000 combined limit.
- 9.4 Professional Liability (errors and omissions) insurance providing a minimum policy value of \$2,000,000 aggregate.

CONSULTANT shall furnish OWNER certificates of insurance that shall include a provision that such insurance shall not be canceled without at least thirty days written notice to OWNER. All PROJECT contractors shall be required to include OWNER and CONSULTANT as additional insured on their General Liability Insurance policies.

CONSULTANT and OWNER each shall require its insurance carriers to waive all rights of subrogation against the other and its directors, officers, partners, commissioners, officials, agents and employees for damages covered by property insurance during and after the SERVICES. A similar provision shall be incorporated into all contractual arrangements entered into by OWNER and shall protect OWNER and CONSULTANT to the same extent.

ARTICLE 10 - LIMITATIONS OF RESPONSIBILITY

CONSULTANT shall not be responsible for: (1) construction means, methods, techniques, sequences, procedures or safety precautions and programs in connection with the PROJECT; (2) the failure of any contractor, subcontractor, vendor or other PROJECT participant, not under contract to CONSULTANT, to fulfill contractual responsibilities to the OWNER or to comply with federal, state or local laws, regulations, and codes; or (3) procuring permits, certificates and licenses required for any construction unless such responsibilities are specifically assigned to CONSULTANT in Attachment B, Scope of Services.

ARTICLE 11 - OPINIONS OF COST AND SCHEDULE

Since CONSULTANT has no control over the cost of labor, materials or equipment furnished by others or over the resources provided by others to meet PROJECT schedules, CONSULTANT's opinion of probable costs and of PROJECT schedules shall be made on the basis of experience and qualifications as a consultant. CONSULTANT does not guarantee that proposals, bids, or actual PROJECT costs will not vary from CONSULTANT's cost estimates.

ARTICLE 12 - REUSE OF DOCUMENTS

Upon OWNER's request CONSULTANT shall furnish OWNER with deliverables and/or other data on electronic media. All documents, including but not limited to, drawings, specifications and computer software prepared by CONSULTANT pursuant to this AGREEMENT are instruments of Service in respect to the PROJECT. Said documents are not intended or represented to be suitable for reuse by OWNER or others on extensions of the PROJECT or on any other PROJECT.

ARTICLE 13 - TERMINATION

This AGREEMENT may be terminated by either party upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of this AGREEMENT. The non-performing party shall have fifteen (15) calendar days from the date of the termination notice to cure or to submit a plan for cure acceptable to the other party.

OWNER may terminate or suspend performance of this AGREEMENT for OWNER's convenience upon written notice to CONSULTANT. CONSULTANT shall terminate or suspend performance of the SERVICES on a schedule acceptable to OWNER. If termination or suspension is for OWNER's convenience, OWNER shall pay CONSULTANT for all the SERVICES performed to date, amount not to exceed the normal fee amount due for the SERVICES rendered and termination or suspension expenses. Upon restart, an equitable adjustment shall be made to CONSULTANT's compensation.

ARTICLE 14 - DELAY IN PERFORMANCE

Neither OWNER nor CONSULTANT shall be considered in default of this AGREEMENT for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this

AGREEMENT, such circumstances include, but are not limited to abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riot and other civil disturbances; strikes, work slowdowns and other labor disturbances; sabotage; judicial restraint; and inability to procure permits, licenses, or authorizations from any local, state, or federal agency for any of the supplies, materials, accesses, or SERVICES required to be provided by either OWNER or CONSULTANT under this AGREEMENT.

Should such circumstances occur the non-performing party shall, within a reasonable period after being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this AGREEMENT.

ARTICLE 15 - COMMUNICATIONS

Any communication required by this AGREEMENT shall be made in writing to the address specified below:

CONSULTANT: POC: Todd Cristiano
COMPANY: Raftelis Financial Consultants, Inc
ADDRESS: 383 North Corona Street
CITY / STATE / ZIP: Denver, CO 80212
PHONE: 303.305.1138
[EMAIL: tcristiano@raftelis.com](mailto:tcristiano@raftelis.com)

OWNER: Nathan Madenwald, Utilities Engineer
City of Norman – Utilities Department
225 N Webster Avenue
P.O. Box 370
Norman OK 73069 / 73070
405-366-5426
nathan.madenwald@normanok.gov

Nothing contained in this Article shall be construed to restrict the transmission of routine communications between representatives of CONSULTANT and OWNER.

ARTICLE 16 - WAIVER

A waiver by either OWNER or CONSULTANT of any breach of this AGREEMENT shall be in writing. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

ARTICLE 17 - SEVERABILITY

The invalidity, illegality, or unenforceability of any provision of this AGREEMENT or the occurrence of any event rendering any portion or provision of this AGREEMENT void shall in no way affect the validity or enforceability of any other portion or provision of this AGREEMENT. Any void provision shall be deemed severed from this AGREEMENT, and the balance of this AGREEMENT shall be construed and enforced as if this AGREEMENT did not contain the particular portion or provision held to be void. The parties further agree to amend this AGREEMENT to replace any stricken provision with a valid Provision that comes as close as possible to the intent of the stricken provision. The provisions of this Article shall not prevent this entire AGREEMENT from being void should a provision, which is of the essence of this AGREEMENT, be determined void.

ARTICLE 18 – NON-DISCRIMINATION

In connection with the performance of work under this contract, the CONSULTANT agrees as follows:

- A. The CONSULTANT agrees not to discriminate against any employee or applicant for employment because of race, color, religion, ancestry, national origin, age, place of birth, disability, sex, sexual orientation, gender identity or expression, familial status, or marital status, including marriage to a person of the same sex. The CONSULTANT shall take affirmative action to ensure that employees are treated without regard to their race, color, religion, ancestry, national origin, age, place of birth, disability, sex, sexual orientation, gender

identity or expression, familial status, or marital status, including marriage to a person of the same sex. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruiting or recruitment, advertising, lay-off, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONSULTANT and any companies subcontracted shall agree to post in a conspicuous place, available to employees and applicants for employment, notices to be provided by the City Clerk of the City of Norman setting forth the provisions in this section.

- B. In the event of the CONSULTANT's noncompliance with this nondiscrimination clause, the contract may be canceled or terminated by the City Council. The CONSULTANT may be declared by the City Council ineligible for further contracts with the said agency until satisfactory proof of intent to comply shall be made by the CONSULTANT.
- C. The CONSULTANT agrees to include this nondiscrimination clause in any subcontracts connected with the performance of this agreement.

ARTICLE 19 - INTEGRATION

This AGREEMENT represents the entire and integrated AGREEMENT between OWNER and CONSULTANT. It supersedes all prior and contemporaneous communications, representations, and agreements, whether oral or written, relating to the subject matter of this AGREEMENT. This AGREEMENT, including its attachments and schedules, may only be changed by a written amendment executed by both parties. The following attachments and schedules are hereby made a part of this AGREEMENT:

Attachment A – Scope, Schedule and Fee

ARTICLE 20 - SUCCESSORS AND ASSIGNS

OWNER and CONSULTANT each binds itself and its directors, officers, partners, successors, executors, administrators, assigns, and legal representatives to the other party to this AGREEMENT and to the directors, officers, partners, successors, executors, administrators, assigns, and legal representatives of such other party in respect to all provisions of this AGREEMENT.

ARTICLE 21 - ACKNOWLEDGEMENT.

If CONSULTANT has 10 or more full-time employees during the term of this Agreement, and this Agreement has a value of one hundred thousand dollars (\$100,000) or more, CONSULTANT hereby represents, warrants, and covenants to the OWNER that, in accordance with and pursuant to 21 O.S. § 1289.31 (i) it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association, and (ii) will not discriminate against a firearm entity or firearm trade association during the term of this Agreement.

IN WITNESS WHEREOF, OWNER and CONSULTANT have executed this AGREEMENT.

DATED this 6th day of May 2026.

RAFTELIS FINANCIAL CONSULTANTS, Inc.

ATTEST

By: Todd Cristiano

Todd Cristiano

Title: Vice President

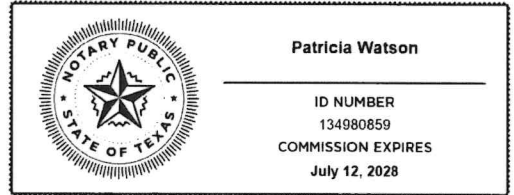
STATE OF Texas, COUNTY OF Harris, SS:

Before me, the undersigned, a Notary Public in and for said Todd Cristiano of Raftelis Financial Consultants, Inc., Vice President, to me known to be the identical person(s) who executed the foregoing Consulting Services for a 2026 Water & Wastewater Connection Fee and Cost of Service Study and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

WITNESS my hand and seal this 6th day of May, 2026.

My Commission Expires: 07/12/2028

Notary Public: Patricia Watson Notary Public, State of Texas



Electronically signed and notarized online using the Proof platform.

Norman Utilities Authority- OWNER

APPROVED as to form and legality this 6 day of May, 2026.

[Signature]
City Attorney

APPROVED by the Trustees of the Norman Utilities Authority this _____ day of _____, 20____.

ATTEST

By: _____

Title: Chairman

Secretary

ATTACHMENT A

Task 1: Project initiation and Management

Work Plan Activities

Project Management

- Provide timely invoices, conduct regular calls with the City’s project manager, manage Raftelis resources and meeting defined timelines.

Pre-Project Initiation Meeting

- Provide data request in advance of project initiation meeting.
- Review prior models developed by Raftelis
- Schedule conference call to review and clarify data request items.

Project Initiation Meeting (Project Kick-off Meeting)

- Finalize project management items – invoicing, communication protocol, roles and responsibilities
- Discuss key objectives and desire outcomes of the study – *“What does success look like for the City on this engagement?”*
- Discuss other policy objectives that may affect the study (e.g., reserve policies, debt coverage requirements, etc.).
- Review and clarify remaining data request items
- Finalize schedule, deliverables, and milestones

Deliverables

- Virtual kick-off meeting with Staff
- Technical memorandum summarizing list of items above. This document will serve as the benchmark for measuring success of the project
- Identified regularly scheduled project status meetings

Task 2: Water Demand/Wastewater Flow Customer Characteristics

Work Plan Activities

Water:

- Tabulate and summarize monthly billing data by customer class.
- Develop the bill frequency to determine the number of bills and volume billed in each tier. If possible, separate analysis by class for rate design alternatives.
- Calculate the number of bills and accounts by meter size (if available) for the rate structure alternative analysis.
- Project water demands considering growth and changes in use per account.
- Calculate customer class peaking factors for use in the cost allocation analysis

Wastewater:

- Tabulate and summarize monthly billing data by customer class.
- Calculate the estimated residential billable flow and contributed commercial flow to the WWTP.

Task 2: Water Demand/Wastewater Flow Customer Characteristics

Work Plan Activities

- Calculate the number of bills and accounts by meter size (if available) for the rate structure alternative analysis.
- Project billable wastewater flows considering changes as a result of changes in water use.

Deliverables

- Technical memorandum summarizing customer class demand and flow characteristics for use in the cost of service, rate design, and tap fee analysis.
- Virtual meeting to discuss results with Staff

Task 3: Water and Wastewater Connection Fees

Work Plan Activities

- **Ensure Statutory Compliance:** Develop fees that comply with Oklahoma Statute §62-895. The study will adhere to these core requirements:
- **Proportionality and Nexus:** Fees must represent a proportionate share of growth-related infrastructure costs, supported by a documented functional link between a development's impact and the fee amount.
- **Capacity Expansion:** Revenue must fund expanded capacity for new growth; fees cannot be used for the repair, maintenance, or restoration of existing infrastructure.
- **Calculations:** Fees will be based on actual costs or reliable estimates derived from historical data for similar capital projects.
- **Eligible Capital Costs:** Fees are limited to capital improvement expenses, including land acquisition, engineering design, construction, and project administration. (Hybrid and incremental method only)
- **Methodology and Valuation**
 - **Evaluate Methodologies:** Review previous calculation methodologies to select the most appropriate approach: buy-in, incremental, or hybrid.
 - **Analyze Asset Records:** For buy-in or hybrid approaches, use detailed asset listings to identify qualifying infrastructure. Calculate the book value, replacement cost, and replacement cost new (RCN) to provide different cost-based scenarios.
 - **Identify Growth-Related Projects:** Categorize projects (or portions of projects) in the 10-year Capital Improvement Plan (2026–2035) that specifically expand functional service capacity.
 - **Determine System Valuation:** Calculate system value based on the selected methodology (existing assets for buy-in, future expansion for incremental, or a combination for hybrid).
 - **Quantify Capacity Expansion:** Estimate the total service capacity added by growth-related projects and divide the system valuation by this capacity to determine the unit cost.
 - **Apply Financial Adjustments:** Adjust the valuation for outstanding debt principal and developer contributions; include carrying costs where applicable.
- **Demand Analysis and Fee Determination**
 - **Water Demand Analysis:** Use customer billing records to determine the average daily demand for a ¾" water meter. Apply peaking factor from most recent master plan to estimate demand capacity from the ¾" meter

Task 3: Water and Wastewater Connection Fees

Work Plan Activities

- **Wastewater Flow Analysis** Use customer billing records to determine the Average Day Flow in gallons per day (GPD) for a standard ¾" meter, accounting for infiltration and inflow (I&I).
- **Calculate unit cost of capacity:** Calculate the unit cost of capacity for the water and wastewater connection fees by dividing the system valuation by the capacity based on the selected methodology.
- **Calculate ¾" meter connection fee.** Multiply the unit cost of capacity by the water or wastewater ¾" demand requirement to determine the connection fee.
- **Finalize Assessment Schedules:** Apply the calculated unit costs to current assessment schedules, categorized by water meter size.
- This connection fee analysis specifically excludes any evaluation of or modifications to the wastewater excise tax.

Deliverables

- Two virtual meeting with Staff to review connection fee results
- Technical memorandum summarizing the assumptions, data sources and fees based on the various methodologies

Task 4: 10-Year Financial Plan Review and Update

Work Plan Activities

- Review and update financial plan for the period 2022 to 2031 with the most current financial data
- Forecast revenue under existing rates using the demands projections in Task 2, connection fees, and other miscellaneous revenues.
- Forecast operations and maintenance (O&M), repair and replacement (R&R) capital, expansion capital (based on master plan results or other engineering reports), and existing and proposed debt service. Incorporate new positions, changes in operating efficiencies, inflation, etc.
- Review the projected bond issued identified from the previous financial plan study. Update values based on any new financial information.
- Review the current revenue adjustments and update as necessary through the study period.
- Review/reconcile capital surcharge levels from residential and commercial classes.
- Review existing reserve levels for water and wastewater and recommend changes based on specific financial risks or upcoming large capital expenditures.
- Update financial plan scenarios based on feedback from City Staff
- **Financial plan scenarios.** Each scenario will meet debt service coverage requirements, meet operating reserves, and transition to meet annual capital reserves by the end of the 5- or 10-year period. Scenarios may equal annual increases, as-needed increases, and/or one-time increases. Adjust bond issues as appropriate. Revenue adjustments will be set to meet annual operating reserves and debt service coverage. In addition, adjustments will meet capital reserves by the end of the study period and achieve a financial position of revenues meeting or slightly exceeding expenditures. The rate structures will remain unchanged for each of these scenarios and will apply to the residential and commercial classes only. Irrigation customers will be considered under their current class designations. The three scenarios

Task 4: 10-Year Financial Plan Review and Update

Work Plan Activities

include:

- Connection fees as approved.
- Connection fees at full cost recovery
- No growth scenario

- **Customer class-based revenue adjustments.** Separate the revenue under existing rates projections between residential and commercial classes. Apply CPI adjustments to just one class while adjusting the other class by the necessary amount to meet financial performance measures (debt service coverage, target reserves, etc.)

Deliverables

- Three virtual meetings with Staff to review cash flows
- Technical memorandum summarizing the assumptions, data sources and final financial plan scenarios in which to design rates and presented to City Council

Task 5: Cost of Service Analysis

Work Plan Activities

Water Utility

- Determine the test year revenue requirement based on the updated financial plans in Task 3.
- Assign the net book value or replacement cost of existing utility infrastructure to the correct functional categories for the allocation of annual capital costs. Functional categories include: treatment, transmission and distribution, pumping, storage, and fire protection.
- Assign test-year capital costs (PAYGO financing and projected debt service), O&M expenses, and non-rate revenue offsets to the correct functional categories
- Allocate test-year capital cost, O&M expenses, and non-rate revenue offsets to the correct demand parameters. Demand parameters include average day demands, peak demands, and customer-related activities such as billing, meters and services, and customer field services.
- Determine customer class units of service. Units of service include class average day demands, peak demands, number of bills and number of ¾" meter equivalents.
- Distribute the allocated test-year capital costs, O&M expenses and non-rate revenue offsets to customer classes based on each of their proportionate share of demands, bills and equivalent meters
- Compare the class cost of service to the revenue projected under existing rates for the test-year. This comparison will show the percentage change in the classes based on the cost of service process.
- Include a comparison of the irrigation class cost of service to revenue at existing rates

Raftelis recommends selecting a test year in which the cost of service would be implemented. If this year is beyond the current budget year, the cost of service by class can be transitioned over that period of time to mitigate large swings in class cost recovery.

Task 5: Cost of Service Analysis

Work Plan Activities

Wastewater Utility

- Determine the test year revenue requirement
 - Assign the net book value or replacement cost of existing utility infrastructure to the correct functional categories for the allocation of annual capital costs. Functional categories may include: primary treatment, secondary treatment, UV disinfection, headworks, collection system lift stations, etc..
 - Assign test-year capital costs (PAYGO financing and projected debt service), O&M expenses, and non-rate revenue offsets to the correct functional categories
 - Allocate test-year capital cost, O&M expenses, and non-rate revenue offsets to the correct demand parameters. Demand parameters include contributed flow, infiltration and inflow, strength, reuse, and customer-related activities such as billing, meters and services, and customer field services.
 - Determine customer class units of service. Units of service include class billable flows, infiltration and inflow contributions, strength, and customer.
 - Distribute the allocated test-year capital costs, O&M expenses and non-rate revenue offsets to customer classes based on each of their proportionate share of demands, bills and equivalent meters
 - Compare the class cost of service to the revenue projected under existing rates for the test-year. This comparison will show the percentage change in the classes based on the cost of service process.
- **Deliverables**
 - Three virtual conference calls with Staff to review water and wastewater cost of service results.
 - Technical memorandum summarizing the finalized cost of service results based on feedback from Staff. These results will be used in the rate design analysis

Task 6: Rate Update and Rate Alternative Design

Work Plan Activities

Develop rates under the City's existing rate structures:

- Update the current water and wastewater rates with the test year revenue requirement increase

Finalize rate structure alternatives

- Building on the initial rate structure alternatives adopted in the 2022 study and the customer demand characteristics, finalize the rate structures and update the number of tiers (if necessary), price ratios, tier thresholds (if necessary), etc. Develop 2 rate alternatives for water residential and commercial. There are no anticipated changes to the wastewater rate structure

Develop rates under existing structure and proposed rate structures:

- Based on consultations with City Staff and other stakeholders, develop potential alternative water and wastewater rate structures based on the pricing objectives identified in Task 1. Compare results from proposed rates under each structure against the ability to meet pricing objectives.

Bill Impact

- Develop a water and wastewater monthly bill impact comparison under the change in the existing rate structure and alternative structures. Aggregate data to show the percentage of bills increasing or

decreasing by a range of percentages.

- Develop the average monthly change on a per customer basis. Aggregate data to show the percentage of customers increasing or decreasing by a range of percentages.
- Complete a typical bill survey for surrounding communities showing the water bill, wastewater bill, and total bill

Deliverables

- Technical memorandum summarizing assumptions, data sources, and preliminary results of the test year rates under the existing structure and alternative structures
- 2 virtual meetings with Staff to review results

Task 7: Wheeling Rate

Work Plan Activities

Raftelis will calculate the wheeling rates using the 2022 water cost of service model. The rate will be based on a projected average day and peak day demand and will share proportionately in costs similar to the other retail classes. The basic steps for this analysis include:

- Demand projections (average day/peak day) of the utilities wheeling water.
- Include the demand projections in the test year units of service from the cost of service analysis developed in Task 5
- Calculate the unit cost of service based on the allocated cost and the projected wheeling usage
- Calculate total wholesale class cost of service

Deliverables:

- Wheeling rates incorporated as part of the test year cost of service developed in Task 5

Task 8: Council Meetings and Reports

Work Plan Activities

- Council presentations
 - Prepare presentation materials and attend on-site City Council work session and two virtual meetings
 - Prepare a draft summary report of findings and conclusions of the study for Staff to review and comment.
 - Update report to incorporate Staff comments

Summary of Deliverables

- Five technical memorandums/reports
- Virtual project initiation meeting
- 10 virtual project meetings
- Water demand/wastewater flow characteristics

Summary of Deliverables

- Connection fee scenarios
- Financial plan scenarios
- Cost of service results
- Rate design (existing structure and alternative structure analysis)
- Three City Council meetings
- Final summary report

Schedule

The proposed schedule is shown below. We anticipate completing the technical analysis in approximately four months with City Council meetings occurring in months 5 and 6.

TASKS	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
1. Project Initiation and Management	Project Management Activities Weekly Project Status Meetings					
2. Water Demand/Wastewater Flow Characteristics						
3. Water and Wastewater Connection Fees						
4. 10-Year Financial Plan Review and Update						
5. Cost of Service Analysis						
6. Rate Update and Rate Alternative Design						
7. Council Meetings and Reports						

- Data Request List Submittal
- Council Meetings
- Kick-Off Meeting
- Draft and Final Reports
- Virtual Project Meetings

Fee

The following table provides a breakdown of our proposed fee for this project. This table includes the level of effort required for completing each task and the hourly billing rates for our project team members. We've estimated this project at \$123,975. Invoices will not be submitted more frequently than on a monthly basis.

Tasks	Meetings		Hours				Total Hours	Total Fees & Expenses
	Virtual	In Person	Todd Cristiano	John Wright	Nicki Bartak	Associate Consultant		
1 Project Initiation and Management	1		16		8	8	32	\$9,160
2 Water Demand/Wastewater Flow Characteristics	1		6		12	40	58	\$12,720
3 Water and Wastewater Connection Fees	2		14	2	26	68	110	\$24,870
4 10-Year Financial Plan Review and Update	3		12		16	48	76	\$17,360
5 Cost of Service Analysis	3		14	2	26	60	102	\$23,310
6 Rate Design Update and Alternative Design	2		8		14	36	58	\$13,120
7 Wholesale Wheeling Rate	1		12		20	8	40	\$10,480
8 Council Meetings and Reports	2	1	20		12	8	40	\$12,955
Total Meetings / Hours	15	1	102	4	134	276	516	-
Hourly Billing Rates	-	-	\$360	\$295	\$230	\$195	-	-
Total Professional Fees	-	-	\$36,720	\$1,180	\$30,820	\$53,820	-	\$122,540

Todd Cristiano Manager
 John Wright Quality Review
 Nicki Bartak Lead Analyst

Total Expenses \$1,435
Total Fees & Expenses \$123,975