RESOLUTION NO. 12-12-110

A RESOLUTION OF THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA APPROVING A SECOND AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN RAFTELIS FINANCIAL CONSULTANTS, INC., AND ISLAMORADA, VILLAGE OF ISLANDS TO PROVIDE RATE AND FINANCIAL OPERATIONS CONSULTING SERVICES FOR THE VILLAGE’S WASTEWATER UTILITY; AUTHORIZING VILLAGE OFFICIALS TO IMPLEMENT THE TERMS AND CONDITIONS OF THE AGREEMENT; AUTHORIZING THE VILLAGE MANAGER TO EXPEND BUDGETED FUNDS; AUTHORIZING THE VILLAGE MANAGER TO EXECUTE THE SECOND AMENDMENT OF THE AGREEMENT; AUTHORIZING WAIVER OF COMPETITIVE BIDDING; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, Islamorada, Village of Islands (the “Village”) has retained the services of Raftelis Financial Consultants, Inc. (“RFC”) to provide wastewater utility rate and financial operations consulting services, and

WHEREAS, the Village has a Professional Services Agreement (the “Agreement”) dated April 16, 2012 with RFC to provide its services at a not-to-exceed amount of $24,800, a copy of which is attached as Exhibit “A”; and

WHEREAS, the Village has determined that a wastewater rate study is needed in anticipation of wastewater services becoming available in certain parts of the Village’s remaining service area (RSA) in addition to the system and related services in North Plantation Key (NPK); and

WHEREAS, the termination date of the existing Professional Service Agreement (the “Agreement”) is April 15, 2013, and RFC has determined fees will be incurred for additional services needed through September 30, 2013, which will exceed the not-to-exceed amount of
$24,800; and

WHEREAS, RFC has submitted a proposed Second Amendment to the Agreement (the “Second Amendment”) to increase the not-to-exceed amount by $45,400 and extend the termination date of the Agreement to September 30, 2013, a copy of which is attached hereto as Exhibit “B.”; and

WHEREAS, the Village Council finds that increasing the not-to-exceed amount, that extending the termination date of the Agreement, that waiver of competitive bidding for these services, and that approval of the Second Amendment are in the best interest of the Village.

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, AS FOLLOWS:

Section 1. Recitals. The above recitals are true and correct and incorporated into this Resolution by this reference.

Section 2. Approval of Agreement. The Second Amendment together with such non-material changes as may be acceptable to the Village Manager and approved as to form and legality by the Village Attorney is approved.

Section 3. Authorization of Village Officials. The Village Manager and/or his designee and the Village Attorney are authorized to take all actions necessary to implement the terms and conditions of the Second Amendment including increasing the not-to-exceed fee by $45,400 and extending the termination date to September 30, 2013.

Section 4. Authorization of Fund Expenditure. Notwithstanding the limitations imposed upon the Village Manager pursuant to the Village’s Purchasing Procedures Ordinance, the Village Manager is authorized to expend budgeted funds to implement the terms and conditions of the Second Amendment.
Section 5. Execution of Agreement. The Village Manager is authorized to execute the terms and conditions of the Second Amendment and to execute any extensions and/or amendments to the Second Amendment, subject to the approval as to form and legality by the Village Attorney.

Section 6. Waiver of Purchasing Provisions. In accordance with Sections 2-328(1) and 2-328(3) of the Village Code, the Village Council waives the Purchasing Provisions of the Village Code to utilize the services of RFC without competitive selection.

Section 7. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this 13th day of December, 2012.

Motion to adopt by Councilwoman Deb Gillis, second by Vice Mayor Ted Blackburn.

FINAL VOTE AT ADOPTION
Mayor Ken Philipson NO
Vice Mayor Ted Blackburn YES
Councilman Mike Forster YES
Councilwoman Deb Gillis YES
Councilman Dave Purdo NO

KEN PHILIPSON, MAYOR

ATTEST:

VILLAGE CLERK
APPROVED AS TO FORM AND LEGALITY FOR THE USE AND BENEFIT OF ISLAMORADA, VILLAGE OF ISLANDS:

VILLAGE ATTORNEY
PROFESSIONAL SERVICES AGREEMENT BETWEEN THE
ISLAMORADA, VILLAGE OF ISLANDS and RAFTELIS FINANCIAL CONSULTANTS,
INC.

This Professional Services Agreement ("Agreement") is entered into this 14th day of April, 2012 (hereinafter referred to as the effective date of the Agreement) by and between Islamorada, Village of Islands, a Florida municipal corporation, (the "Client") and Raf telis Financial Consultants, Inc., 976 Lake Baldwin Lane, Suite 204, Orlando, Florida 32814 ("RFC").

Witnesseth

WHEREAS, RFC has substantial skill and experience in water and wastewater finance, management, and pricing, and

WHEREAS, The Client desires to hire RFC and RFC desires to provide services to the Client,

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the terms and conditions set forth herein.

Article 1. Statement of Work

RFC shall provide professional consulting services to assist the Client with general services as requested regarding the rates and financial operations of the Client’s existing and planned future wastewater utility. Limited to the maximum compensation set forth below, anticipated tasks include but are not limited to the following: 1) Assistance with completion of SRF Loan Capital Finance Plan based on Client policy direction; 2) sensitivity analysis on the existing wastewater financial forecast model relative to the Client policy direction or updated data availability; 3) additional analysis or information relative to potential interlocal agreement with the Key Largo Wastewater Treatment District; 4) review of financial/rate elements of wastewater provider agreement other analysis; 5) and assistance in negotiations with the selected Design Build Operate firm.

Article 2. Time for Completion

This Agreement will commence upon execution by both parties and remain in effect for a period of one year. Further renewals of this Agreement are at the option of the Parties and shall be in writing.

Article 3. Compensation

Client shall pay to RFC the sum not to exceed twenty-four thousand eight hundred Dollars ($24,800), which includes professional fees and direct reimbursable expenses incurred in performing the scope of services, as outlined in Attachment A. The parties understand that this sum is based upon the scope of work contained herein at RFC’s current standard hourly rate schedule included in Attachment A. Any expansion of the scope of work by the Client shall involve the discussion of additional fees by both parties.
RFC shall submit invoices to the Client on a monthly basis for services rendered to the date thereof. Such invoices shall be supported by appropriate documentation; at a minimum, the task performed, hours expended, the individuals working on such task, the level of each such individual, and expenses incurred. Each invoice will contain all hours and expenses from the RFC for the month. Upon receipt of monthly invoice, the Client will remit payment of same amount to the RFC within 45 days.

**Article 4. Additional Services**

At the Client’s request, RFC may submit proposals for additional professional services. Each proposal submitted shall detail: (1) scope of work for the additional services, (2) period of services to be performed, and (3) method and amount of compensation. The Client shall provide written acceptance and authorization to RFC prior to the commencement of work on any proposed additional services. Each proposal for additional services accepted and approved by the Client in the form of an Amendment to this Agreement shall become part of this Agreement and shall be governed by the terms and conditions contained herein.

**Article 5. Place of Performance**

RFC shall be responsible for maintaining its own office facilities and will not be provided with either office facilities or support by the Client.

**Article 6. Indemnification**

RFC hereby agrees to indemnify the Client and to hold the Client harmless against any and all claims, action, or demands against the Client arising from the services provided pursuant to this Agreement, and against any and all damages for injury to or death of any person and for loss of or damage to any and all property arising out of the negligent acts, errors or omissions of RFC under this Agreement. RFC shall not be held responsible for any claims caused by the negligence of the Client.

**Article 7. Insurance**

RFC shall maintain the types and levels of insurance during the life of this Agreement as specified below. The Client will be added as additional insured with endorsement on the RFC’s Certificates of Insurance and the RFC will provide the Client with these Certificates of Insurance.

- Commercial general liability insurance - $1,000,000 for each occurrence and $2,000,000 in the aggregate
- Comprehensive automobile liability insurance - $1,000,000 combined single limit each occurrence
- Workers Compensation insurance – Statutory limits
- Professional liability insurance - $1,000,000 in the aggregate
- Excess or Umbrella Liability - $3,000,000 in the aggregate

**Article 8. Confidential Information**

RFC acknowledges and agrees that in the course of the performance of the services pursuant to this Agreement, RFC may be given access to, or come into possession of, confidential information of the Client which information contains privileged material or other confidential information.
acknowledges and agrees, except if required by judicial or administrative order, trial, or other governmental proceeding pertaining to this matter, that it will not use, duplicate, or divulge to others any such information belonging to or disclosed to RFC by the Client without first obtaining written permission from the Client. “Confidential information” as used herein, includes information, materials, products, and deliverables developed during, and discoveries and contributions made by RFC in the performance of this Agreement. All tangible embodiments of such information shall be delivered to the Client by RFC upon termination hereof, or upon request by the Client, whichever occurs first. The Client acknowledges RFC has the right to maintain its own set of work papers which may contain confidential information.

Article 9. Independent Contractor Status

It is understood and agreed that RFC will provide the services under this Agreement on a professional basis as an independent contractor and that during the performance of the services under this Agreement, RFC’s employees will not be considered employees of the Client within the meaning or the applications of any federal, state, or local laws or regulations including, but not limited to, laws or regulations covering unemployment insurance, old age benefits, worker’s compensation, industrial accident, labor, or taxes of any kind. RFC’s employees shall not be entitled to benefits that may be afforded from time to time to Client employees, including without limitation, vacation, holidays, sick leave, worker’s compensation, and unemployment insurance. Further, the Client shall not be responsible for withholding or paying any taxes or social security on behalf of RFC’s employees. RFC shall be fully responsible for any such withholding or paying of taxes or social security.

Article 10. Reliance on Data

In performance of the services, it is understood that the Client and/or others may supply RFC with certain information and/or data, and that RFC will rely on such information. It is agreed that the accuracy of such information is not within RFC's control and RFC shall not be liable for its accuracy, nor for its verification, except to the extent that such verification is expressly a part of RFC's scope of services.

Article 11. Opinions and Estimates

RFC's opinions, estimates, projections, and forecasts of current and future costs, revenues, other levels of any sort, and events shall be made on the basis of available information and RFC’s expertise and qualifications as a professional. RFC does not warrant or guarantee that its opinions, estimates, projections or forecasts of current and future levels and events will not vary from the Clients's estimates or forecasts or from actual outcomes. RFC identifies costs, allocates costs to customer classes and provides rate models. It does not establish rates, which is the legislative responsibility of the Client.

Article 12. No Consequential Damages

To the fullest extent permitted by law, neither party shall be liable to the other for any special, indirect, consequential, punitive or exemplary damages resulting from the performance or non-performance of this Agreement notwithstanding the fault, tort (including negligence), strict liability or other basis of legal liability of the party so released or whose liability is so limited and shall
extend to the officers, directors, employees, licensors, agents, subcontractors, vendors and related entities of such party.

**Article 13. Termination of Work**

This Agreement may be terminated as follows:

1. **By Client** (a) for its convenience on 30 days’ notice to RFC, or (b) for cause, if RFC materially breaches this Agreement through no fault of Client and RFC neither cures such material breach nor makes reasonable progress toward cure within 15 days after Client has given written notice of the alleged breach to RFC.

2. **By RFC** (a) for cause, if Client materially breaches this Agreement through no fault of RFC and Client neither cures such material breach nor makes reasonable progress toward cure within 15 days after RFC has given written notice of the alleged breach to Client.

3. **Payment upon Termination.** In the event of termination, RFC shall perform such additional work as is reasonably necessary for the orderly closing of the Work. RFC shall be compensated for all work performed prior to the effective date of termination, plus work required for the orderly closing of the Work.

**Article 14. Notices**

All notices required or permitted under this Agreement shall be in writing and shall be deemed deliverable when delivered in person or deposited in the United States mail, postage prepaid, addressed as follows:

If for the Client:

Mr. Ed Koconis  
Village Manager  
Islamorada, Village of Islands  
86800 Overseas Highway  
Islamorada, FL 33036

If for RFC:

Marco H. Rocca  
Director of Florida Operations  
Raftelis Financial Consultants, Inc.  
976 Lake Baldwin Lane, Suite 204  
Orlando, FL 32814

**Article 15. Compliance with Applicable Laws**

RFC agrees not to discriminate in its employment practices, and will render services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation or disabilities.
Any act of discrimination committed by RFC, or failure to comply with these statutory obligations when applicable, shall be grounds for termination of this Agreement.

**Article 16. Records/Audits**

RFC shall maintain and require sub consultants to maintain complete and correct records, books, documents, papers and accounts directly pertinent to performance under this Agreement in accordance with generally accepted accounting principles. RFC shall make such records available for an audit as may be requested by the Village Manager. Such records shall include independent auditor working papers, books, documents and other evidence, including but not limited to vouchers, bills, invoices, requests for payment and other supporting documentation, which, according to generally accepted accounting principles, procedures and practices, sufficiently and property reflect all program costs expended in the performance of this Agreement.

The Client or their authorized representatives shall have access to such records for audit purposes during the term of this Contract and for three (3) years from the date of final payment or termination of this Agreement.

The Client shall have the right to immediately terminate this Agreement for the refusal by RFC to comply with Chapter 119, Florida Statutes, as applicable.

**Article 17. General Provisions**

A. **Entire Agreement:** This Agreement represents the entire and sole agreement between the Parties with respect to the subject matter hereof.

B. **Waiver:** The failure of either Party to require performance by the other of any provision hereof shall in no way affect the right to require performance at any time thereafter, nor shall the waiver of a breach of any provision hereof be taken to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself. All remedies afforded in this Agreement shall be taken and construed as cumulative; that is, in addition to every other remedy available at law or in equity.

C. **Relationship:** Nothing herein contained shall be construed to imply a joint venture, partnership, or principal-agent relationship between RFC and the Client; and neither Party shall have the right, power, or authority to obligate or bind the other in any manner whatsoever, except as otherwise agreed to in writing.

D. **Assignment and Delegation:** Neither Party shall assign or delegate this Agreement or any rights, duties, or obligations hereunder without the express written consent of the other. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the successors, legal representatives, and assignees of the Parties hereto.
E. Severability: If any provision of this Agreement is declared invalid or unenforceable, such provision shall be deemed modified to the extent necessary and possible to render it valid and enforceable. In any event, the unenforceability or invalidity of any provision shall not affect any other provision of this Agreement, and this Agreement shall continue in force and effect, and be construed and enforced, as if such provision had not been included, or had been modified as above provided, as the case may be.

F. Governing Law: This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida.

G. Paragraph Headings: The paragraph headings set forth in this Agreement are for the convenience of the Parties, and in no way define, limit, or describe the scope or intent of this Agreement and are to be given no legal effect.

H. Third Party Rights: Nothing in this Agreement shall be construed to create or confer any rights or interest to any third party or third party beneficiary. It is the intent of the parties that no other outside, non-party claimant shall have any legal right to enforce the terms of this Agreement.

[The rest of this page intentionally left blank]
IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

ISLMORADA, VILLAGE OF ISLANDS

By: [Signature]
Village Manager
Title [Title]
Date 4/12/12
Witness [Signature]

Approved as to form and legality for the use and reliance of the Islamorada, Village of Islands, Florida, only:

By: [Signature]
Weiss Serota Helfman Pastoriza Cole & Boniske, P.L.
Village Attorney
Title [Title]
Date 4/10/12
Witness [Signature]

RAFTELIS FINANCIAL CONSULTANTS, INC.

By: [Signature]
Director of Florida Operations
Title [Title]
Date 4/16/2012
Witness [Signature]
### Attachment A – RFC’s 2012 Standard Billing Rates

<table>
<thead>
<tr>
<th>Position</th>
<th>Hourly Billing Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vice President</td>
<td>$250</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>$225</td>
</tr>
<tr>
<td>Director of Fl Operations</td>
<td>$200</td>
</tr>
<tr>
<td>Manager/Senior Consultant</td>
<td>$175</td>
</tr>
<tr>
<td>Consultant</td>
<td>$155</td>
</tr>
<tr>
<td>Associate</td>
<td>$130</td>
</tr>
<tr>
<td>Analyst</td>
<td>$95</td>
</tr>
<tr>
<td>Administration</td>
<td>$60</td>
</tr>
</tbody>
</table>

Travel and reimbursable expenses shall be paid according to actual cost, and shall include copies of receipts as supporting documentation thereof. Mileage shall be reimbursed at the rate of $0.55 per mile.
December 5, 2012

Mr. Ed Koconis
Village Manager
Islamorada, Village of Islands
86800 Overseas Highway
Islamorada, FL 33036

Subject: Second Amendment to Professional Services Agreement

Dear Mr. Koconis:

This Second Amendment is for the Additional Services requested by the Village pursuant to Article 4 of the Professional Services Agreement (the “Agreement”) between Islamorada, Village of Islands (the “Village”) and Raftelis Financial Consultants, Inc. (RFC), dated April 16, 2012.

Scope of Work for the Additional Services: RFC will provide a wastewater rate study and utility financial forecast update as set forth in Attachment A herein.

Period of Services to be Performed: Additional Services herein shall commence upon approval of the Client and remain in effect until September 30, 2013 thereby extending the termination date of the Agreement from April 15, 2013 to September 30, 2013, the date by which RFC plans to complete the rate study.

Method and Amount of Compensation: This Second Amendment increases the Compensation not to exceed amount by Forty-five Thousand Four Hundred Dollars ($45,400.00), which includes professional fees and direct expenses pursuant to Attachment A in the Agreement.

The return of one signed copy of this request for Additional Services shall serve as Approval for the Additional Services.

Raftelis Financial Consultants, Inc.  Islamorada, Village of Islands

By:  By:

Signature  Signature

Director of Florida Operations  Village Manager

Title  Title

Date  Date

12-17-2012  12-20-12
Attachment A – Statement of Work

Understanding of the Project

The Village of Islamorada (Village) has entered into a design-build-operate (DBO) contract with Reynolds Water Islamorada, LLC for the purpose of implementing a central wastewater collection and transmission system to fulfill the Village’s obligation to meet Florida Legislative requirements regarding wastewater treatment requirements by December 31, 2015. In anticipation of wastewater service becoming available in certain parts of the Village’s remaining service area (RSA), the Village will need to establish and adopt wastewater user rates based on the cost of providing wastewater service within the RSA. In addition to RSA system, the Village will continue serving wastewater to customers within the North Plantation Key (NPK) service area. As part of the DBO contract, the existing NPK wastewater treatment facility will be abandoned once a transmission line from the Village to Key Largo Wastewater Treatment Facility is operational. Within this context the Village will need to review the existing NPK wastewater rates for sufficiency and consistency with the Village’s overall wastewater program.

Project Tasks

We propose the following tasks will be necessary to complete the wastewater rate study.

**Task 1.1: Project Initiation and Management**

This task will involve working with the Client staff to establish the financial and rate objectives, project schedule, and overall data needs and constraints. Responsibilities for data collection, project deliverables, and ongoing communication will be established and assigned as part of this task.

**Task 1.2: Data Collection and Review**

RFC will collect and review relevant financial, operating, engineering, and legal information. This task will involve collecting and evaluating financial and operating data for recent fiscal years and budget information for FY 2013. Recent water billing records from the Florida Keys Aqueduct Authority (FKAA); non-ad valorem assessment data; capital costs; drawdown schedule; loan agreements; revenues from NPK rates; and other information will be collected and reviewed. This information will provide the basis for developing the customer billing statistics, financial forecast update, debt service coverage projections, proposed rate structures and bill impact information, documenting forecast assumptions and relevant operating characteristics. Subtasks are as follows:

- Prepare data collection request list.
- Review NPK customer billing reports
- Collect and review recent FKAA billing data for RSA area
- Review NPK and RSA non-ad valorem assessment data and revenue
- Review existing and proposed wastewater loan agreements
- Evaluate amount and uses of reserve and grant funds
- Review and confirm information on capital cost projections and drawdown schedules

**Task 1.3: Customer Data Analysis**

In order to provide wastewater rate design options, RFC will conduct a detailed analysis of water billing records for the most recent 12 month period available. RFC will summarize residential single-family, multi-family, and non-residential customers and historical water usage. Residential usage will be analyzed for potential wastewater billing cap levels and to determine future wastewater billing patterns. Multi-family master metered and non-residential water customers will be reviewed on an individual customer basis in order to determine: i) usage by property; and ii) water meters that do not correspond to wastewater usage. All customer characteristics will be reviewed by wastewater sub area in order to project wastewater billing as service becomes available in each sub area according to construction schedules. RFC will work with Village staff to determine each multi-family and non-residential water meter association to each assessment parcel and EDU determination. The results of this customer analysis will be utilized for rate design options, and to project revenues for rates as wastewater service becomes available in each sub area.

**Task 2: Update Financial Forecast**

RFC will update the previous wastewater financial forecast completed in June 2012. The updated forecast will extend up to 10 years depending on data availability and Village requirements. It is proposed that the forecast extend at least through the end of Fiscal Year 2019 (Fiscal Year 2013 through FY 2019) in order to capture certain funding dynamics such as the potential availability of infrastructure tax revenues becoming available in mid-2018. The financial forecast will include the existing NPK operations and incorporation of various RSA areas as service is projected to become available.

The financial projections include wastewater assessment revenue by service area, existing and future wastewater customer statistics, wastewater revenue, capital finance plan, operating expenses, debt service, net revenue requirements, and debt service coverage. The financial forecast will include projections of rate revenues under estimated wastewater rates initially, and then updated based on rate design activities to be completed as described in later tasks. A test year of the financial forecast will be determined for cost of service and rate design activities.

**Task 3: Cost Allocation and Rate Design**

This task involves the calculation of wastewater rates and charges for the RSA and NPK service areas. This task will include a classification of net revenue requirements into various cost areas in order to assign costs among base and variable charges by area. A rate design analysis will include a review of potential rate structures to include components such as customer charges, capacity, capital, and/or usage charges. A rate structure for the RSA area will be developed that
is defensible, cost based, and able to be implemented. Modifications to the existing NPK rate structure will be reviewed for conformity to the proposed RSA structure.

To aid in the analysis, detailed rate impacts will be completed. A bill analysis for each non-residential customer will be completed in order to provide information regarding overall wastewater costs and reasonableness. Summary comparisons will be prepared in order to illustrate proposed billing effects. Rate schedules will be developed for inclusion in rate resolution. This task includes a review of the rate design with Village staff and delivery of the bill impact analysis.

**Task 4: Report and Documentation**

A rate study draft will be prepared for staff review. The draft report will include a description of the financial forecast and of the design of rates and bill impacts. The assumptions utilized in the analysis will be documented in the report. The draft report will be provided to staff in electronic format for staff review and comment. After receiving comments, a final report will be prepared in electronic format and up to five (5) bound copies will be delivered at the request of the Village.

**Task 5: Public Presentation and Outreach**

Effective implementation of rates for wastewater service includes the communication of the purpose, analysis, and results of the study. RFC will present the results of the analysis to the Village Council, plus an additional presentation to the Village Council, Water Quality Committee, or other community group as requested by the Village. A presentation will be prepared in order to facilitate the public meetings and presentations.

**Project Team**

Tony Hairston will serve as the Project Manager and review materials, oversee the development of the billing analysis, financial forecast update, rate design report drafting, and presentation to the Village Council. Mr. Joe Williams will support Mr. Hairston by assembling the customer billing profile, projected customers and revenue, preparing the financial forecast, rate sufficiency and rate design. In addition, Mr. Mike Rocca will serve as a technical reviewer and will provide assistance as needed.

**Project Schedule**

RFC will complete the rate study prior to June 28, 2013, contingent on data availability from the Village.

**Project Phasing and Not-to-Exceed Budget:**
The scope of services outlined above will be completed in the following phases with associated budget amounts shown below. The project schedule is contingent on the City’s Notice-to-Proceed date, data availability, and ongoing City project schedule requirements:

<table>
<thead>
<tr>
<th>Project Task</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Project Initiation and Customer Billing Analysis</td>
<td>Project initiation and coordination; initial data collection; review of recent 12 month FKAA billing data; link RSA and NPK assessment data; establish initial billing file and estimate future wastewater revenue gallons</td>
<td>$13,240</td>
</tr>
<tr>
<td>2. Update NPK and RSA Financial Forecast</td>
<td>Update capital finance structure; operating expense projections; debt service projections; combined NPK and RSA revenue requirements; debt service coverage.</td>
<td>$9,640</td>
</tr>
<tr>
<td>3. Cost Allocation and Rate Design</td>
<td>Allocation of costs between RSA and NPK; rate design options between RSA and NPK; detailed bill impact analysis by parcel and wastewater customer attributes</td>
<td>$10,910</td>
</tr>
<tr>
<td>4. Report and Documentation</td>
<td>Prepare draft and final report of analysis and methodology; review rate resolutions</td>
<td>$4,870</td>
</tr>
<tr>
<td>5. Public Presentation and Outreach</td>
<td>Prepare briefing documentation; presentation of results at public workshop and community outreach</td>
<td>$4,740</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td>$43,400</td>
</tr>
<tr>
<td></td>
<td>Estimated Expenses</td>
<td>2,000</td>
</tr>
<tr>
<td></td>
<td>Total Not-to-Exceed Total Budget</td>
<td>$45,400</td>
</tr>
</tbody>
</table>

Compensation shall be based on actual time and materials utilized billed on a monthly basis and not-to-exceed the total project budget.