

GEOTHERMAL AND POWER PLANT  
PROPERTY APPRAISAL SERVICES

Exhibit A  
Scope of Work

- (a) By January 1<sup>st</sup> of each year, provide to the County Assessor, a list of all geothermal and power plant properties located in Sonoma County not officially certified by the California Division of Oil, Gas and Geothermal Resources as abandoned or classified as decommissioned by the California Energy Commission, beginning as of January 1, 2023 through January 1, 2026.
- (b) By May 30<sup>th</sup> of each year, for each geothermal well not already plotted on the latest revision of the appropriate California Division of Oil, Gas and Geothermal Resources map, Consultant shall provide the County Assessor with the coordinates of the surveyed surface location of these steam wells.
- (c) By January 1<sup>st</sup> of each year, provide the County Assessor the mailing address and complete master reporting package to be copied by the Assessor and sent to each owner of a steam well and/or power plant listed in (a) above.
- (d) By June 15<sup>th</sup> of each year, appraise each Sonoma County power plant and well or associated wells as a project according to its fair market value (California Constitution Article XIII A as amended November 7, 1979). Consultant shall, as part of the appraisal procedure, independently and thoroughly review and document each well or production unit's reserves, production capability, operating cost and other pertinent data relevant to such an appraisal. As necessary, meet with the Assessor, his staff, other consultants, or the property owner/operator or his representatives regarding the development of the appraisal for the annual tax roll.
- (e) By June 15<sup>th</sup> of each year, based upon the determination of the reserves under (d), Consultant shall make a Proposition 13 value calculation to ascertain the taxable value of the reserves, adjusted pursuant to State Board of Equalization Rule 473 and, when appropriate, calculate the Factored Base Year Value pursuant to Revenue and Taxation Code Section 110.1.
- (f) Consultant shall also provide to County, for supplemental assessment purposes, the market value of power plant and geothermal wells and their facilities that are newly constructed or have changed ownership, not more than ninety (90) days after receiving a full and complete report from the taxpayer on such construction or change of ownership.
- (g) Maintain for the County Assessor complete appraisal files for each property. The appraisal files shall include all basic data collected, notes, worksheets, maps, and conformed copies of all appraisals, etc., used in calculating reserves and values.

(h) The required format and deadlines of work items (a) through (g) are specified in Exhibit “B” entitled “2023-2026 Geothermal and Power Plant Property Appraisals Work Product Specifications.”

(i) Consultant shall conduct internal reviews of all appraisal work products prior to sending to the County. Whenever requested, Consultant shall review the appraisals he has made pursuant to this Agreement with the Assessor and his staff. In the event that the Assessor or a member of his staff discovers an error or omission in any appraisal made by Consultant pursuant to this Agreement, Consultant shall correct it at no additional cost to the County.

(j) If at any time during the term of this Agreement, a question or controversy arises over the appraisals made by the Consultant pursuant to this Agreement, auxiliary work hours may be required. The Consultant shall participate fully with the Sonoma County Assessor’s Office and its legal counsel in the resolution of the question or controversy, including participating in a response to a State Board of Equalization audit. If at any time during the term of this Agreement an administrative or judicial action is filed to challenge assessed values established utilizing the appraisals made by the Consultant pursuant to this Agreement, including administrative appeals before the Sonoma County Assessment Appeals Board or before the State Board of Equalization, then Consultant shall participate fully with the Sonoma County Assessor’s Office and its legal counsel in defense of the challenged values. The Consultant shall be available to consult and assist the Sonoma County Assessor’s Office on matters of valuation arising in the context of such questions, controversies, challenges, and appeals, if any.

(k) Prior to initiating auxiliary work described in section (j), Consultant shall prepare a written request with estimated work hours and associated costs for any appeals, challenged values or other special projects in advance to the County for review and approval. Auxiliary work will commence once authorization from the County Assessor is received and appropriation of funds to cover additional costs are approved. As directed by and with prior written approval of the Assessor, prepare studies or analyses necessary to represent the Assessor as an attendee, presenter and/or panel member at meetings and make occasional written reports on such meetings as warranted.

(l) Consultant shall have the right to contract with other clients to supply engineering, geological and appraisal services similar to those supplied pursuant to this agreement; provided, however, that Consultant covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of his services hereunder. The Consultant further covenants that in the performance of his contract no persons having any such interest shall be employed. Consultant covenants further that work for any clients described in this paragraph shall be limited to clients not engaged in the business of exploration, production, operation or control of geothermal and/or power plant properties in California.

(m) Maintain at all times, the highest of ethical and professional standards.