

## **Agreement for Consulting Services for Sanitary Sewer Service Charges, Connection Fees, and Capacity Charges**

This agreement ("Agreement") is by and between **Sonoma County Water Agency, Occidental County Sanitation District, Russian River County Sanitation District, Sonoma Valley County Sanitation District, and South Park County Sanitation District** (collectively referred to as "Sonoma Water") and **Bartle Wells Associates**, a California corporation ("Consultant"). The Effective Date of this Agreement is the date the Agreement is last signed by the parties to the Agreement, unless otherwise specified in Paragraph 5.1.

### **RECITALS**

- A. Consultant represents that it is a duly qualified financial consulting firm, experienced in rate studies for sanitary sewer service charges, sewer connection fees, sewer capacity charges, and related services.
- B. Sonoma Water was created as a special district in 1949 by the California Legislature to provide flood protection and water supply services. Sonoma Water manages and maintains a water transmission system that provides naturally filtered Russian River water to nine cities and special districts that, in turn, deliver drinking water to more than 600,000 residents in portions of Sonoma and Marin counties. Legislation enacted in 1995 added the treatment and disposal of wastewater to Sonoma Water's responsibilities.
- C. Sonoma Water assumed management responsibilities for the County of Sonoma Sanitation Districts and Zones on January 1, 1995, from the former Sonoma County Department of Public Works.
- D. The County Sanitation Districts and Sonoma Water Sanitation Zones include eight wastewater collection and/or treatment facilities that treat wastewater to secondary and tertiary standards. The average dry weather flow ranges from 2,000 to 2,800,000 gallons per day.
- E. Consultant will assess and evaluate current sewer service charges, connection fees, and capacity charges, and recommend rates that will ensure the long-term financial sustainability of the wastewater facilities, equitably distribute costs across customer classes in compliance with Proposition 218, and meet each facility's ongoing operating expenditures, bond covenants, debt service obligations, capital improvement needs, and target fund reserve policies. The findings of the study will provide the basis for wastewater rates for at least the next five years.
- F. Sonoma County Water Agency owns, operates, and manages Airport/Larkfield/Wikiup Sanitation Zone, Geyserville Sanitation Zone, Penngrove Sanitation Zone, and Sea Ranch Sanitation Zone ("Zones").
- G. Sonoma County Water Agency operates and manages Occidental County Sanitation District, Russian River County Sanitation District, Sonoma Valley County Sanitation District, and South Park County Sanitation District ("Districts") under contract with Districts. References

to District employees are understood to be Sonoma County Water Agency employees acting on behalf of Districts.

In consideration of the foregoing recitals and the mutual covenants contained herein, the parties hereto agree as follows:

## **AGREEMENT**

### **1. RECITALS**

1.1. The above recitals are true and correct.

### **2. LIST OF EXHIBITS**

2.1. The following exhibits are attached hereto and incorporated herein:

- a. Exhibit A: Scope of Work
- b. Exhibit B: Schedule of Costs
- c. Exhibit C: Estimated Budget for Scope of Work
- d. Exhibit D: Insurance Requirements

### **3. SCOPE OF SERVICES**

3.1. *Consultant's Specified Services:* Consultant shall perform the services described in Exhibit A (Scope of Work), within the times or by the dates provided for in Exhibit A and pursuant to Article 9 (Prosecution of Work). In the event of a conflict between the body of this Agreement and Exhibit A, the provisions in the body of this Agreement shall control.

3.2. *Cooperation with Sonoma Water:* Consultant shall cooperate with Sonoma Water in the performance of all work hereunder. Consultant shall coordinate the work with Sonoma Water's Project Manager. Contact information and mailing addresses:

<b>Sonoma Water</b>	<b>Consultant</b>
Project Manager: Lynne Rosselli 404 Aviation Boulevard Santa Rosa, CA 95403-9019 Phone: 707-524-3771 Email: Lynne.Rosselli@scwa.ca.gov	Contact: Douglas Dove 1889 Alcatraz Avenue Berkeley CA 94703 Phone: 510-653-3399 Email: ddove@bartlewells.com
<b>Remit invoices to:</b>	<b>Remit payments to:</b>
Accounts Payable Same address as above or Email: ap_agreements@scwa.ca.gov	Attn: Accounts Receivable Same address as above

3.3. *Performance Standard and Standard of Care:* Consultant hereby agrees that all its work will be performed and that its operations shall be conducted in

accordance with the standards of a reasonable professional having specialized knowledge and expertise in the services provided under this Agreement and in accordance with all applicable federal, state and local laws, it being understood that acceptance of Consultant's work by Sonoma Water shall not operate as a waiver or release. Sonoma Water has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. If Sonoma Water determines that any of Consultant's work is not in accordance with such level of competency and standard of care, Sonoma Water, in its sole discretion, shall have the right to do any or all of the following: (a) require Consultant to meet with Sonoma Water to review the quality of the work and resolve matters of concern; (b) require Consultant to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of Article 6 (Termination); or (d) pursue any and all other remedies at law or in equity.

3.4. *Assigned Personnel:*

- a. Consultant shall assign only competent personnel to perform work hereunder. In the event that at any time Sonoma Water, in its sole discretion, desires the removal of any person or persons assigned by Consultant to perform work hereunder, Consultant shall remove such person or persons immediately upon receiving written notice from Sonoma Water.
- b. Any and all persons identified in this Agreement or any exhibit hereto as the project manager, project team, or other professional performing work hereunder are deemed by Sonoma Water to be key personnel whose services were a material inducement to Sonoma Water to enter into this Agreement, and without whose services Sonoma Water would not have entered into this Agreement. Consultant shall not remove, replace, substitute, or otherwise change any key personnel without the prior written consent of Sonoma Water.
- c. With respect to performance under this Agreement, Consultant shall employ the following key personnel:

<i>Title</i>	<i>Name</i>
Principal Consultant	Douglas Dove
Financial Analyst	Abigail Seaman

- d. In the event that any of Consultant's personnel assigned to perform services under this Agreement become unavailable due to resignation, sickness, or other factors outside of Consultant's control, Consultant shall be responsible for timely provision of adequately qualified replacements.

4. **PAYMENT**

- 4.1. *Total Costs:* Total costs under this Agreement shall not exceed \$275,000.
  - a. Total costs for Tasks in Exhibit A, Articles 1-5 shall not exceed \$225,000.

- b. Total costs for Optional Task 7 in Exhibit A, Article 7, if requested in writing by Sonoma Water, shall not exceed \$50,000.
  - c. Total costs shall not be exceeded, regardless of whether it takes Consultant more time to complete or costs more than anticipated.
  - d. No more than \$200,000 will be paid until the draft reports are submitted.
- 4.2. *Method of Payment:* Consultant shall be paid in accordance with Exhibit B (Schedule of Costs). Billed hourly rates shall include all costs for overhead and any other charges, other than expenses specifically identified in Exhibit B. Expenses not expressly authorized by the Agreement shall not be reimbursed.
- 4.3. *Invoices:* Consultant shall submit its bills in arrears on a monthly basis, based on work completed for the period, in a form approved by Sonoma Water. The bills shall show or include:
  - a. Consultant name
  - b. Name of Agreement
  - c. Sonoma Water's Project-Activity Code X0269D030
  - d. Task performed with an itemized description of services rendered by date
  - e. Summary of work performed by subconsultants, as described in Paragraph 14.4
  - f. Time in quarter hours devoted to the task
  - g. Hourly rate or rates of the persons performing the task
  - h. List of reimbursable materials and expenses
  - i. Copies of receipts for reimbursable materials and expenses
- 4.4. *Cost Tracking:* Consultant has provided an estimated breakdown of costs, included in Exhibit C (Estimated Budget for Scope of Work). Exhibit C will only be used as a tool to monitor progress of work and budget. Actual payment will be made as specified in Paragraph 4.2 above.
- 4.5. *Rate Changes:* Upon at least 30 days written notice, Consultant may change the hourly rates up to 3% per year, commencing one year from the Effective Date of this Agreement and no more than once every 12 months thereafter.
- 4.6. *Timing of Payments:* Unless otherwise noted in this Agreement, payments shall be made within the normal course of Sonoma Water business after presentation of an invoice in a form approved by Sonoma Water for services performed. Payments shall be made only upon the satisfactory completion of the services as determined by Sonoma Water.
- 4.7. *Taxes Withheld by Sonoma Water:*
  - a. Pursuant to California Revenue and Taxation Code (R&TC) section 18662, Sonoma Water shall withhold seven percent of the income paid to Consultant for services performed within the State of California under this

Agreement, for payment and reporting to the California Franchise Tax Board, if Consultant does not qualify as: (1) a corporation with its principal place of business in California, (2) an LLC or Partnership with a permanent place of business in California, (3) a corporation/LLC or Partnership qualified to do business in California by the Secretary of State, or (4) an individual with a permanent residence in the State of California.

- b. If Consultant does not qualify, as described in Paragraph 4.7.a, Sonoma Water requires that a completed and signed Form 587 be provided by Consultant in order for payments to be made. If Consultant is qualified, as described in Paragraph 4.7.a, then Sonoma Water requires a completed Form 590. Forms 587 and 590 remain valid for the duration of the Agreement provided there is no material change in facts. By signing either form, Consultant agrees to promptly notify Sonoma Water of any changes in the facts. Forms should be sent to Sonoma Water pursuant to Article 15 (Method and Place of Giving Notice, Submitting Bills, and Making Payments) of this Agreement. To reduce the amount withheld, Consultant has the option to provide Sonoma Water with either a full or partial waiver from the State of California.

## **5. TERM OF AGREEMENT AND COMMENCEMENT OF WORK**

### **5.1. *Term of Agreement:***

- a. The term of this Agreement shall be from September 1, 2019 (“Effective Date”) to September 30, 2022, unless terminated earlier in accordance with the provisions of Article 6 (Termination).
- b. Sonoma Water shall have two options to extend this Agreement for a period of one year each by providing written notice to Consultant thirty days in advance of the expiration date noted in this Article and of the first extension option.

- 5.2. *Commencement of Work:* Consultant is authorized to proceed immediately with the performance of this Agreement upon the Effective Date of this Agreement.

## **6. TERMINATION**

- 6.1. *Authority to Terminate:* Sonoma Water’s right to terminate may be exercised by Sonoma County Water Agency's General Manager.
- 6.2. *Termination Without Cause:* Notwithstanding any other provision of this Agreement, at any time and without cause, Sonoma Water shall have the right, in its sole discretion, to terminate this Agreement by giving 5 days written notice to Consultant.
- 6.3. *Termination for Cause:* Notwithstanding any other provision of this Agreement, should Consultant fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violate any of the terms of

this Agreement, Sonoma Water may immediately terminate this Agreement by giving Consultant written notice of such termination, stating the reason for termination.

- 6.4. *Delivery of Work Product and Final Payment Upon Termination:* In the event of termination, Consultant, within 14 days following the date of termination, shall deliver to Sonoma Water all reports, original drawings, graphics, plans, studies, and other data or documents, in whatever form or format, assembled or prepared by Consultant or Consultant's subcontractors, consultants, and other agents in connection with this Agreement subject to Paragraph 12.9 and shall submit to Sonoma Water an invoice showing the services performed, hours worked, and copies of receipts for reimbursable expenses up to the date of termination.
- 6.5. *Payment Upon Termination:* Upon termination of this Agreement by Sonoma Water, Consultant shall be entitled to receive as full payment for all services satisfactorily rendered and reimbursable expenses properly incurred hereunder, an amount which bears the same ratio to the total payment specified in the Agreement as the services satisfactorily rendered hereunder by Consultant bear to the total services otherwise required to be performed for such total payment; provided, however, that if services are to be paid on a per-hour or per-day basis, then Consultant shall be entitled to receive as full payment an amount equal to the number of hours or days actually worked prior to termination multiplied by the applicable hourly or daily rate; and further provided, however, that if Sonoma Water terminates the Agreement for cause pursuant to Paragraph 6.3, Sonoma Water shall deduct from such amounts the amount of damage, if any, sustained by Sonoma Water by virtue of the breach of the Agreement by Consultant.

## **7. INDEMNIFICATION**

- 7.1. Consultant agrees to accept all responsibility for loss or damage to any person or entity, including Sonoma County Water Agency, Occidental County Sanitation District, Russian River County Sanitation District, Sonoma Valley County Sanitation District, and South Park County Sanitation District, and to indemnify, hold harmless, and release Sonoma County Water Agency, Occidental County Sanitation District, Russian River County Sanitation District, Sonoma Valley County Sanitation District, and South Park County Sanitation District, their officers, agents, and employees, from and against any actions, claims, damages, liabilities, disabilities, or expenses, that may be asserted by any person or entity, including Consultant, that arise out of, pertain to, or relate to Consultant's or its agents', employees', contractors', subcontractors', or invitees' performance or obligations under this Agreement. Consultant agrees to provide a complete defense for any claim or action brought against Sonoma County Water Agency, Occidental County Sanitation District, Russian River County Sanitation District, Sonoma Valley County Sanitation District, or South Park County Sanitation

District based upon a claim relating to Consultant's or its agents', employees', contractors', subcontractors', or invitees' performance or obligations under this Agreement. Consultant's obligations under this Article 7 apply whether or not there is concurrent or contributory negligence on the part of Sonoma County Water Agency, Occidental County Sanitation District, Russian River County Sanitation District, Sonoma Valley County Sanitation District, or South Park County Sanitation District, but, to the extent required by law, excluding liability due to conduct of Sonoma County Water Agency, Occidental County Sanitation District, Russian River County Sanitation District, Sonoma Valley County Sanitation District, or South Park County Sanitation District. Sonoma County Water Agency, Occidental County Sanitation District, Russian River County Sanitation District, Sonoma Valley County Sanitation District, and South Park County Sanitation District shall have the right to select their legal counsel at Consultant's expense, subject to Consultant's approval, which shall not be unreasonably withheld. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Consultant or its agents under workers' compensation acts, disability benefits acts, or other employee benefit acts.

## **8. INSURANCE**

- 8.1. With respect to performance of work under this Agreement, Consultant shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain, insurance as described in Exhibit D (Insurance Requirements).

## **9. PROSECUTION OF WORK**

- 9.1. Performance of the services hereunder shall be completed within the time required herein, provided, however, that if the performance is delayed by earthquake, flood, high water, or other Act of God or by strike, lockout, or similar labor disturbances, the time for Consultant's performance of this Agreement shall be extended by a number of days equal to the number of days Consultant has been delayed.

## **10. EXTRA OR CHANGED WORK**

- 10.1. Extra or changed work or other changes to the Agreement may be authorized only by written amendment to this Agreement, signed by both parties. Changes to lengthen time schedules or make minor modifications to the scope of work, which do not increase the amount paid under the Agreement, may be executed by Sonoma County Water Agency's General Manager in a form approved by County Counsel. The parties expressly recognize that Sonoma Water personnel are without authorization to order all other extra or changed work or waive Agreement requirements. Failure of Consultant to secure such written authorization for extra or changed work shall constitute a waiver of any and all right to adjustment in the Agreement price or Agreement time due to such unauthorized work and thereafter Consultant shall be entitled to no

compensation whatsoever for the performance of such work. Consultant further expressly waives any and all right or remedy by way of restitution and quantum meruit for any and all extra work performed without such express and prior written authorization of Sonoma Water.

## **11. CONTENT ONLINE ACCESSIBILITY**

- 11.1. *Accessibility:* Sonoma Water policy requires that all documents that may be published to the Web meet accessibility standards to the greatest extent possible, and utilizing available existing technologies.
- 11.2. *Standards:* All consultants responsible for preparing content intended for use or publication on a Sonoma Water managed or Sonoma Water funded web site must comply with applicable federal accessibility standards established by 36 C.F.R. section 1194, pursuant to section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. section 794(d)), and Sonoma Water's Web Site Accessibility Policy located at <http://sonomacounty.ca.gov/Services/Web-Standards-and-Guidelines/>.
- 11.3. *Certification:* With each final receivable intended for public distribution (report, presentations posted to the Internet, public outreach materials), Consultant shall include a descriptive summary describing how all deliverable documents were assessed for accessibility (e.g., Microsoft Word accessibility check; Adobe Acrobat accessibility check, or other commonly accepted compliance check).
- 11.4. *Alternate Format:* When it is strictly impossible due to the unavailability of technologies required to produce an accessible document, Consultant shall identify the anticipated accessibility deficiency prior to commencement of any work to produce such deliverables. Consultant agrees to cooperate with Sonoma Water staff in the development of alternate document formats to maximize the facilitative features of the impacted document(s); e.g., embedding the document with alt-tags that describe complex data/tables.
- 11.5. *Noncompliant Materials; Obligation to Cure:* Remediation of any materials that do not comply with Sonoma Water's Web Site Accessibility Policy shall be the responsibility of Consultant. If Sonoma Water, in its sole and absolute discretion, determines that any deliverable intended for use or publication on any Sonoma Water managed or Sonoma Water funded Web site does not comply with Sonoma Water Accessibility Standards, Sonoma Water will promptly inform Consultant in writing. Upon such notice, Consultant shall, without charge to Sonoma Water, repair or replace the non-compliant materials within such period of time as specified by Sonoma Water in writing. If the required repair or replacement is not completed within the time specified, Sonoma Water shall have the right to do any or all of the following, without prejudice to Sonoma Water's right to pursue any and all other remedies at law or in equity:
  - a. Cancel any delivery or task order



- b. Terminate this Agreement pursuant to the provisions of Article 6 (Termination); and/or
  - c. In the case of custom Electronic and Information Technology (EIT) developed by Consultant for Sonoma Water, Sonoma Water may have any necessary changes or repairs performed by itself or by another contractor. In such event, Consultant shall be liable for all expenses incurred by Sonoma Water in connection with such changes or repairs.
- 11.6. *Sonoma Water's Rights Reserved:* Notwithstanding the foregoing, Sonoma Water may accept deliverables that are not strictly compliant with Sonoma Water Accessibility Standards if Sonoma Water, in its sole and absolute discretion, determines that acceptance of such products or services is in Sonoma Water's best interest.

## **12. REPRESENTATIONS OF CONSULTANT**

- 12.1. *Status of Consultant:* The parties intend that Consultant, in performing the services specified herein, shall act as an independent contractor and shall control the work and the manner in which it is performed. Consultant is not to be considered an agent or employee of Sonoma Water and is not entitled to participate in any pension plan, worker's compensation plan, insurance, bonus, or similar benefits Sonoma Water provides its employees. In the event Sonoma Water exercises its right to terminate this Agreement pursuant to Article 6 (Termination), Consultant expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.
- 12.2. *No Suspension or Debarment:* Consultant warrants that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. Consultant also warrants that it is not suspended or debarred from receiving federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-procurement Programs issued by the General Services Administration.
- 12.3. *Taxes:* Consultant agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. Consultant agrees to indemnify and hold Sonoma Water harmless from any liability which it may incur to the United States or to the State of California or to any other public entity as a consequence of Consultant's failure to pay, when due, all such taxes and obligations. In case Sonoma Water is audited for compliance regarding any withholding or other applicable taxes, Consultant agrees to furnish Sonoma Water with proof of payment of taxes on these earnings.
- 12.4. *Records Maintenance:* Consultant shall keep and maintain full and complete documentation and accounting records concerning all services performed that

are compensable under this Agreement and shall make such documents and records available to Sonoma Water for inspection at any reasonable time. Consultant shall maintain such records for a period of four (4) years following completion of work hereunder.

- 12.5. *Conflict of Interest:* Consultant covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of its services hereunder. Consultant further covenants that in the performance of this Agreement no person having any such interests shall be employed. In addition, if required by law or requested to do so by Sonoma Water, Consultant shall submit a completed Fair Political Practices Commission Statement of Economic Interests (Form 700) with Sonoma Water within 30 calendar days after the Effective Date of this Agreement and each year thereafter during the term of this Agreement, or as required by state law.
- 12.6. *Statutory Compliance/Living Wage Ordinance:* Consultant agrees to comply, and to ensure compliance by its subconsultants or subcontractors, with all applicable federal, state and local laws, regulations, statutes and policies, including but not limited to the County of Sonoma Living Wage Ordinance, applicable to the services provided under this Agreement as they exist now and as they are changed, amended or modified during the term of this Agreement. Without limiting the generality of the foregoing, Consultant expressly acknowledges and agrees that this Agreement is subject to the provisions of Article XXVI of Chapter 2 of the Sonoma County Code, requiring payment of a living wage to covered employees. Noncompliance during the term of the Agreement will be considered a material breach and may result in termination of the Agreement or pursuit of other legal or administrative remedies.
- 12.7. *Nondiscrimination:* Consultant shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, sexual orientation or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated herein by this reference.
- 12.8. *Assignment of Rights:* Consultant assigns to Sonoma Water all rights throughout the world in perpetuity in the nature of copyright, trademark, patent, right to ideas, in and to all versions of the plans and specifications, if any, now or later prepared by Consultant in connection with this Agreement. Consultant agrees to take such actions as are necessary to protect the rights assigned to Sonoma Water in this Agreement, and to refrain from taking any action which would impair those rights. Consultant's responsibilities under this provision include, but are not limited to, placing proper notice of copyright on all versions of the plans and specifications as Sonoma Water may direct, and refraining from

disclosing any versions of the plans and specifications to any third party without first obtaining written permission of Sonoma Water. Consultant shall not use or permit another to use the plans and specifications in connection with this or any other project without first obtaining written permission of Sonoma Water.

- 12.9. *Ownership and Disclosure of Work Product:* All reports, original drawings, graphics, plans, studies, and other data or documents (“documents”), in whatever form or format, assembled or prepared by Consultant or Consultant’s subcontractors, consultants, and other agents in connection with this Agreement shall be the property of Sonoma Water. Sonoma Water shall be entitled to immediate possession of such documents upon completion of the work pursuant to this Agreement. Upon expiration or termination of this Agreement, Consultant shall promptly deliver to Sonoma Water all such documents, which have not already been provided to Sonoma Water in such form or format as Sonoma Water deems appropriate. Such documents shall be and will remain the property of Sonoma Water without restriction or limitation. Consultant may retain copies of the above described documents but agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of Sonoma Water.
- 12.10. *Zone Liability:* The term “Zone” or “Zones” as used in this Paragraph 12.10 shall mean any applicable Sanitation Zone, as described in Recital F of this Agreement. To the extent any work under this agreements relates to Zone activities, Consultant shall be paid exclusively from Zone funds. Consultant agrees that Consultant shall make no claim for compensation for Consultant’s services against other funds available to Sonoma County Water Agency and Consultant expressly waives any right to be compensated from other funds available to Sonoma County Water Agency. In addition, Consultant acknowledges that West’s Annotated California Codes Water Code Appendix Chapter 53-8 provides that certain judgments or claims against Sonoma County Water Agency based on causes of action arising from Zone activities may be made only from funds of those Zones.
- 12.11. *District Liability:* Districts are separate legal entities from Sonoma County Water Agency, operated under contract by Sonoma County Water Agency. To the extent any work under this Agreement relates to District activities, Consultant shall be paid exclusively from District funds. Consultant agrees that it shall make no claim for compensation for Consultant’s services against Sonoma County Water Agency funds and expressly waives any right to be compensated from other funds available to Sonoma County Water Agency.

### **13. DEMAND FOR ASSURANCE**

- 13.1. Each party to this Agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise with respect to the performance of either

party, the other may in writing demand adequate assurance of due performance and until such assurance is received may, if commercially reasonable, suspend any performance for which the agreed return has not been received. "Commercially reasonable" includes not only the conduct of a party with respect to performance under this Agreement, but also conduct with respect to other agreements with parties to this Agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, but not exceeding thirty (30) days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this Agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance. Nothing in this Article 13 limits Sonoma Water's right to terminate this Agreement pursuant to Article 6 (Termination).

#### **14. ASSIGNMENT AND DELEGATION**

14.1. *Consent:* Neither party hereto shall assign, delegate, sublet, or transfer any interest in or duty under this Agreement without the prior written consent of the other, and no such transfer shall be of any force or effect whatsoever unless and until the other party shall have so consented.

14.2. *Subcontracts:* Notwithstanding the foregoing, Consultant may enter into subcontracts with the subconsultants specifically identified herein. If no subconsultants are listed, then no subconsultants will be utilized in the performance of the work specified in this Agreement. Approved subconsultants are as follows:

<i>Name</i>	<i>Type of Services</i>	<i>Prevailing Wages Apply? Y/N</i>
Woodard & Curran, Inc.	Technical review, flow and loading analysis, flow and cost allocation, and outreach support.	N

14.3. *Change of Subcontractors or Subconsultants:* If, after execution of the Agreement, parties agree that subconsultants not listed in Paragraph 14.2 will be utilized, Consultant may enter into subcontracts with subconsultants to perform other specific duties pursuant to the provisions of this Paragraph 14.3. The following provisions apply to any subcontract entered into by Consultant other than those listed in Paragraph 14.2:

- a. Prior to entering into any contract with subconsultant, Consultant shall obtain Sonoma Water approval of subconsultant.
- b. All agreements with subconsultants shall (a) contain indemnity requirements in favor of Sonoma Water in substantially the same form as that contained in Article 7 (Indemnification), (b) contain language that the subconsultant may be terminated with or without cause upon reasonable written notice, and

(c) prohibit the assignment or delegation of work under the agreement to any third party.

- 14.4. *Summary of Subconsultants' Work:* Consultant shall provide Sonoma Water with a summary of work performed by subconsultants with each invoice submitted under Paragraph 4.3. Such summary shall identify the individuals performing work on behalf of subconsultants and the total amount paid to subconsultant, broken down by the tasks listed in the Scope of Work.

**15. METHOD AND PLACE OF GIVING NOTICE, SUBMITTING BILLS, AND MAKING PAYMENTS**

- 15.1. *Method of Delivery:* All notices, bills, and payments shall be made in writing and shall be given by personal delivery, U.S. Mail, courier service, or electronic means. Notices, bills, and payments shall be addressed as specified in Paragraph 3.2.
- 15.2. *Receipt:* When a notice, bill, or payment is given by a generally recognized overnight courier service, the notice, bill, or payment shall be deemed received on the next business day. When a copy of a notice, bill, or payment is sent by electronic means, the notice, bill, or payment shall be deemed received upon transmission as long as (1) the original copy of the notice, bill, or payment is deposited in the U.S. mail and postmarked on the date of the electronic transmission (for a payment, on or before the due date), (2) the sender has a written confirmation of the electronic transmission, and (3) the electronic transmission is transmitted before 5 p.m. (recipient's time). In all other instances, notices, bills, and payments shall be effective upon receipt by the recipient. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this Article 15.

**16. MISCELLANEOUS PROVISIONS**

- 16.1. *No Bottled Water:* In accordance with Sonoma Water Board of Directors Resolution No. 09-0920, dated September 29, 2009, no Sonoma Water funding shall be used to purchase single-serving, disposable water bottles for use in Sonoma Water facilities or at Sonoma Water-sponsored events. This restriction shall not apply when potable water is not available.
- 16.2. *No Waiver of Breach:* The waiver by Sonoma Water of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or promise or any subsequent breach of the same or any other term or promise contained in this Agreement.
- 16.3. *Construction:* To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of

competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Consultant and Sonoma Water acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Consultant and Sonoma Water acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

- 16.4. *Consent:* Wherever in this Agreement the consent or approval of one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.
- 16.5. *No Third-Party Beneficiaries:* Except as provided in Article 7 (Indemnification), nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.
- 16.6. *Applicable Law and Forum:* This Agreement shall be construed and interpreted according to the substantive law of California, regardless of the law of conflicts to the contrary in any jurisdiction. Any action to enforce the terms of this Agreement or for the breach thereof shall be brought and tried in Santa Rosa or in the forum nearest to the City of Santa Rosa, in the County of Sonoma.
- 16.7. *Captions:* The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.
- 16.8. *Merger:* This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure section 1856. Each Party acknowledges that, in entering into this Agreement, it has not relied on any representation or undertaking, whether oral or in writing, other than those which are expressly set forth in this Agreement. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.
- 16.9. *Survival of Terms:* All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.
- 16.10. *Time of Essence:* Time is and shall be of the essence of this Agreement and every provision hereof.

/

/

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date last signed by the parties to the Agreement.

Reviewed as to funds:

TW 18/19-063

By: \_\_\_\_\_  
Sonoma County Water Agency  
Division Manager - Administrative  
Services

Approved as to form:

By: \_\_\_\_\_  
Adam Brand, Deputy County Counsel

Insurance Documentation is on file with  
Sonoma Water

Date/TW Initials: \_\_\_\_\_

**Sonoma County Water Agency, Occidental  
County Sanitation District, Russian River  
County Sanitation District, Sonoma Valley  
County Sanitation District, and South Park  
County Sanitation District**

**Bartle Wells Associates**, a California  
corporation

By: \_\_\_\_\_  
Grant Davis  
General Manager  
Authorized per Sonoma County Water  
Agency's and Sonoma Valley County  
Sanitation District's Boards of Directors  
Action on October 8, 2019

By: \_\_\_\_\_  
\_\_\_\_\_  
(Please print name here)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# Exhibit A

## Scope of Work

### 1. **TASK 1: PROJECT KICKOFF MEETING**

#### 1.1 Project Team Orientation/Kickoff Meeting

- a. Meet with Sonoma Water to accomplish the following:
  - i. Identify members of Sonoma Water staff and any other consultants and advisors who will participate in the project
  - ii. Determine the roles and responsibilities of project participants
  - iii. Identify significant stakeholders and other interested parties, including rate payers, community groups, large customers, developers, and others
  - iv. Discuss strategies for public outreach
  - v. Discuss key issues related to the study
  - vi. Establish project schedule and key milestone dates
  - vii. Confirm the key goals and expectations of the project team
- b. Prepare and distribute meeting agenda
- c. Record and distribute meeting minutes
- d. Create and distribute project team contact list

Deliverable	Due Date
Meeting with Sonoma Water	Within 14 calendar days of Effective Date
Meeting agenda	No later than one business day prior to meeting
Project Team Contact List	No later than one business day prior to meeting
Meeting minutes	Within seven calendar days following meeting

### 2. **TASK 2: MULTI-YEAR FINANCIAL PLAN MODELS**

#### 2.1 Investigation and Data Collection

- a. Work with Sonoma Water to assemble the background information necessary to understand Sonoma Water's sanitation finances and long-term operating and capital funding needs.
- b. Investigation includes, but is not limited to, the following areas:
  - i. Current sanitation budget
  - ii. Most recent audited financial statement
  - iii. Sanitation operating and capital fund balances
  - iv. Historical financial information in budget format
  - v. Current sanitation rates and connection fees



- vi. Historical water consumption by customer class if available
- vii. Wastewater flow and loadings data
- viii. Growth projections
- ix. Projections of any changes to future operating and maintenance costs
- x. Current capital improvement program
- xi. Previous rate studies and reports
- xii. Other relevant information identified by staff

## 2.2 Develop Forecasts and Projections

- a. Based on the data assembled from Sonoma Water and other sources, prepare forecasts and projections to serve as the basis for the financing plan.
- b. Review projections with Sonoma Water for agreements on assumptions, interpretation of data, and completeness of approach. Include the following key assumptions:
  - i. Operating and maintenance costs escalation
  - ii. Capital improvement costs and timing, including estimated construction cost inflation
  - iii. Growth rates and impacts of projected development, if applicable
  - iv. Revenues from future rates, capacity fees, interest earnings, and other sources
  - v. Anticipated changes in operating costs
  - vi. Planned infrastructure replacement costs
  - vii. Debt service and debt service coverage projections

## 2.3 Evaluate Financing Alternatives for Capital Projects

- a. Identify financing priorities and objectives for the five-year capital improvement program.
- b. Identify and evaluate financing alternatives for each Zone and District.
- c. Account for estimated construction cost inflation, regulatory requirements, growth rates and impacts of projected development, revenues from facility capacity fees and other sources, and debt service coverage requirements.
- d. Estimate the amount and timing of any debt to finance capital projects.
- e. Develop debt service estimates to incorporate into the financial model and identify debt structuring options. Basic financing alternatives may include, but are not limited to:
  - i. Pay-as-you-go cash financing, possibly in conjunction with debt financing
  - ii. Revenue Bonds or Certificates of Participation
  - iii. Bank Loans and Lines of Credit
  - iv. State Revolving Fund Loans

- v. Other potential state and federal funding programs
- vi. Other funding sources

#### 2.4 Recommend Minimum Fund Reserve Targets

- a. Evaluate the adequacy of Sonoma Water's sanitation fund reserves.
- b. Establish prudent minimum fund targets for operating, capital, and emergency reserves.
- c. Discuss options with Sonoma Water project team.
- d. Incorporate the fund reserve target into the cash flow projections.

#### 2.5 Recommend "Best Financial Management Policies"

- a. Review Sonoma Water's existing financial and rate policies relevant to sanitation.
- b. Recommend appropriate financial planning horizons for each District and Zone to facilitate best financial management of each wastewater system.
- c. Review potential policy changes and other policies that Sonoma Water may consider adopting to provide policy guidance for long-term financial health.
- d. Provide recommendations on and examples of best management practices and how to implement them. Best management practices may include but not be limited to:
  - i. Adopting a water and wastewater reserve fund targets policy
  - ii. Adopting a debt management policy
  - iii. Maintaining up-to-date lists of fixed assets
  - iv. Adopting policies on rates and charges and annual rate adjustments
  - v. Implementing and regularly updating a utilities long-term financial plan
  - vi. Maintaining an up-to-date capital improvement program
  - vii. Implementing adequate internal audit controls to avoid fraud
  - viii. Providing monthly financial reports to the governing board
  - ix. Tracking and anticipating future legislative and regulatory changes
  - x. Posting financial reports online
  - xi. Adopting formal policies on expenses, credit card use, vacations, etc.

#### 2.6 Develop Cash Flow Projections and Rate Increase Options

- a. Develop cash flow projections showing the financial position of each Zone and District.
- b. Determine the annual revenue requirements and overall level of rate increases needed to fund each District's and Zone's operating and capital programs while meeting debt covenant and fund reserve targets.
- c. Evaluate various "what-if" scenarios, such as alternative capital program costs or timing, alternative water use projections, alternative growth scenarios, and other financial alternatives.

- d. Develop a base-case financial model report (Report) for each District and Zone that includes, but is not limited to, the items below.
  - i. Table of Contents
  - ii. Description of the work performed
  - iii. Current rates, demographic data, and forecasts and projections.
  - iv. Analysis of forecasts and projections.
  - v. Financing alternatives for capital projects
  - vi. Recommendations and results compiled from Paragraphs 2.1 through 2.6 of Task 2.
  - vii. Other information to support the Report or as requested by Sonoma Water.
- e. Review. Submit to Sonoma Water for review.
  - i. First Draft: Prepare the Report in draft form and submit to Sonoma Water for review and approval in accordance with the date listed for this deliverable. Sonoma Water will return one copy of the draft Report to Consultant with comments or approval in writing.
  - ii. Subsequent Draft(s): If Sonoma Water requests revisions, revise the draft Report and resubmit the Report for Sonoma Water approval.
  - iii. Final: Following Sonoma Water approval and prior to Sonoma Water's acceptance of work under this Agreement, submit the final approved Report to Sonoma Water in accordance with the date listed for this deliverable.

<b>Deliverable</b>	<b>Due Date</b>
Draft Base-Case Financial Model Report	Within 60 calendar days of Effective Date
Final Base-Case Financial Model Report	Within 14 calendar days of Sonoma Water's approval of draft

### **3. TASK 3: SANITARY SEWER SERVICE CHARGE STUDY**

- 3.1 Review Existing Rates and Evaluate Alternative Rate Structures
  - a. Review Sonoma Water's existing sanitary sewer service charges for adequacy and equitability.
  - b. Review the effects on revenues since implementing the last rate increases and modifications. Examine pros and cons of alternative rate structures for each Zone and District.
  - c. Identify and evaluate lawful conservation-oriented rate structure options or modifications, such as introducing a flow-based component to sewer rates.
  - d. Assess the general impacts of alternatives on different types of customers including customers with different levels of water use.

- e. Develop an implementation plan and estimate Sonoma Water costs for implementation of each alternative. Discuss advantages and disadvantages compared to other approaches and refine options based on input from Sonoma Water.
- 3.2 Evaluate Customer Classes and Usage Patterns
- a. Review wastewater flow data, develop flow and strength assumptions by customer class.
  - b. Calculate total estimated wastewater flows and loadings for each customer class. If water usage data is not available, use industry standards to estimate flow rates.
- 3.3 Review Cost Allocation Methodologies
- a. Review available flow and loading data at wastewater treatment plants.
  - b. Evaluate fluctuations in treatment plant inflows based on seasonal use.
  - c. Determine appropriate units for cost recovery and allocate operations and maintenance (O&M) and capital costs to various rate components based on industry-standard and accepted cost allocation methodologies.
  - d. Allocate O&M and capital costs to flow and strength parameters (including flow, BOD TSS, and infiltration/inflow) based on updated flow and consumption analysis.
  - e. Evaluate allocations for non-residential customers based on the Equivalent Single Family Dwelling Unit/Equivalent Dwelling Unit and recommend modifications as necessary.
  - f. Develop O&M and capital cost allocations to flow and strength parameters (wastewater flow, infiltration/inflow flow, BOD, and TSS) for unit processes at the three wastewater treatment plants with the highest rated capacity based on updated flow, loading and consumption analysis.
  - g. Extrapolate cost allocations for the remaining treatment plants will be extrapolated based on the updated cost allocations of the above three treatment plants.
- 3.4 Calculate Rate Impacts on Customers
- a. Calculate the impact of proposed rate increases on various types of Sonoma Water customers.
  - b. Determine costs for Sonoma Water's monitored users and direct billed customers.
  - c. Work with Sonoma Water to identify customer and usage profiles to use for calculating the rate impacts.
  - d. Discuss additional rate structure adjustments that may reduce the impact on certain customers if warranted or requested by the project team.

- e. Present results in tables or graphs in the financial and rate model report described in Paragraph 3.7.
- 3.5 Conduct Regional Rate Survey
  - a. Conduct a survey of regional wastewater rates for single family residential customers and other customer classes.
  - b. Develop Survey Findings Graph and include in the financial and rate model report described in Paragraph 3.7.
- 3.6 Develop Five Year Rate Recommendations
  - a. Based on the financial plans and rate analyses, develop draft rate recommendations.
  - b. Include a multiyear phase in of both overall rate increases and proposed rates.
- 3.7 Develop Preliminary and Final Rate Model
  - a. Incorporate financial plans and rate recommendations into an Excel-based financial and rate model to enable Sonoma Water to evaluate financial scenarios and project future rate increases.
  - b. Financial and Rate Model Report: Prepare a financial and rate model report (Report) for each District and Zone that includes, but is not limited to, the items below.
    - i. Table of Contents
    - ii. Recommendations and results compiled from Paragraphs 3.1 through 3.6 of Task 3.
    - iii. Rates for all customers and classes.
    - iv. Description of the rate and billing structure.
    - v. Calculation methodology for all customers.
    - vi. Instructions for model use, and a format and structure that can be readily understood and used by Sonoma Water to respond to customer inquiries.
    - vii. Other information to support the Report or as requested by Sonoma Water
  - c. Review. Submit to Sonoma Water for review.
    - i. First Draft: Prepare the Report in draft form and submit to Sonoma Water for review and approval in accordance with the date listed for this deliverable. Sonoma Water will return the draft Report to Consultant with comments or approval in writing.
    - ii. Subsequent Draft(s): If Sonoma Water requests revisions, revise the draft Report and resubmit the Report for Sonoma Water approval.

- iii. Final: Following Sonoma Water approval and prior to Sonoma Water’s acceptance of work under this Agreement, submit the final approved Report to Sonoma Water in accordance with the date listed for this deliverable.

<b>Deliverable</b>	<b>Due Date</b>
Draft Financial and Rate Model Report	Within 120 calendar days of Effective Date
Final Financial and Rate Model Report	Within 14 calendar days of Sonoma Water’s approval of draft

#### **4. TASK 4: SANITARY SEWER CONNECTION FEE AND CAPACITY CHARGE STUDY**

- 4.1 Review Current Wastewater Connection Fees and Capacity Charges
  - a. Review current connection fees and capacity charges methodology for equity and adequacy in recovering costs and funding infrastructure required to serve growth.
  - b. Ensure that connection fees and capacity charges do not double count any costs, such as current facilities plus future replacement of those same facilities.
  - c. Assess compliance with Government Code section 66000 et seq. (AB1600).
- 4.2 Evaluate Alternative Connection Fee and Capacity Charge Methodologies
  - a. Evaluate alternative methods for calculating wastewater connection fees and capacity charges. Options may include:
    - iv. Fees or charges with both a buy-in component to recover costs of existing facilities to serve growth and an expansion component for additional facilities needed to serve new development
    - v. Fees or charges with capacity charge components broken out by component (e.g. collection system, wastewater treatment plan, general Sonoma Water assets)
  - b. Discuss pros and cons and appropriateness of different approaches, as well as general financial impact of using various approaches.
  - c. Compare with common methodologies and alternative philosophies in comparable agencies.
  - d. Verify compliance with applicable laws and regulations.
- 4.3 Conduct Connection Fee and Capacity Charge Survey of Regional Agencies
  - a. Conduct a survey of connection fees and capacity charges and methodologies of other regional and comparable agencies.
  - b. Compare connection fees and capacity charges for various types of customers, including single or multi-family residential, general commercial, high-strength commercial, and industrial.
- 4.4 Review Customer Classifications and Strength Characteristics for Fee Recovery

- a. Review the current customer classes and underlying wastewater strength assumptions for connection fee and capacity charge recovery.
  - b. Recommend modifications, as appropriate, to help simplify the connection fee and capacity charge recovery classes and improve fee equity.
- 4.5 Allocate Capital Improvement Plan Costs and Capacities to Existing Customers and Growth
  - a. Allocate the cost of future capital needs and their capacities to existing customers and growth.
  - b. Review growth assumptions provided by Sonoma Water.
  - c. Evaluate impacts of various growth scenarios on the timing of future collection system and wastewater treatment facility capacity requirements.
- 4.6 Calculate a Buy-In Charge to Recover Costs of Existing Infrastructure
  - a. Based on the cost and capacity of existing wastewater system facilities, determine a buy-in cost per unit of capacity.
  - b. Calculate the current value of the wastewater system infrastructure that has capacity to serve growth based on an inventory of fixed assets and original facility costs escalated for inflation and depreciated based on useful life
- 4.7 Calculate an Expansion Charge for Future Facility Needs
  - a. Based on cost and capacity of anticipated capital needs identified in the five-year capital improvement program and other studies, determine an “expansion cost component” for the wastewater connection fees and capacity charges.
- 4.8 Calculate Updated Wastewater Connection Fees and Capacity Charges and Incorporate into Model
  - a. Calculate a new connection fee and capacity charge based on the cost and capacity in existing and planned infrastructure.
  - b. Incorporate five years of connection fee and capacity charge recommendations into financial model including the ability to allow underlying assumptions to be modified based on future data.
  - c. Build “what-if” scenarios into the spreadsheet to allow staff to create alternative fee recommendations based on alternative growth projections and capital needs.
  - d. Advise Sonoma Water on connection fee and capacity fee collection timeline and any potential refundability of capacity charges after development.
  - e. Propose an implementation strategy for any Districts or Zones where the capacity charge may increase dramatically (e.g. community outreach, phase-in approach).
  - f. Evaluate and advise Sonoma Water on treating capacity charges independent of annual sewer service charges, particularly for fixed charges.

- g. Advise Sonoma Water regarding collection systems that are currently undersized for wastewater flow and provide an allocation of responsibility for any cost to offset or create additional capacity.
- h. Recommend a method for future connection fee and capacity charge updates: propose a method to annually or periodically adjust Sonoma Water's connection fees and capacity charges (e.g. based on the change in the Engineering News Record Construction Cost Index)

#### 4.9 Connection Fee and Capacity Charge Model Report

- a. Prepare a connection fee and capacity charge model report (Report) for each District and Zone that includes, but is not limited to, the items below.
  - i. Table of Contents
  - ii. Recommendations and results compiled from Paragraphs 4.1 through 4.9 of Task 4.
  - iii. Description of the fees and charges.
  - iv. Calculation methodology.
  - v. Instructions for future connection fee and capacity charge updates, and a format and structure that can be readily understood and used by Sonoma Water to respond to customer inquiries.
- b. Review. Submit to Sonoma Water for review.
  - i. First Draft: Prepare the Report in draft form and submit to Sonoma Water for review and approval in accordance with the date listed for this deliverable. Sonoma Water will return the draft Report to Consultant with comments or approval in writing.
  - ii. Subsequent Draft(s): If Sonoma Water requests revisions, revise the draft Report and resubmit the Report for Sonoma Water approval.
  - vi. Final: Following Sonoma Water approval and prior to Sonoma Water's acceptance of work under this Agreement, submit the final approved Report to Sonoma Water in accordance with the date listed for this deliverable.

<b>Deliverable</b>	<b>Due Date</b>
Draft Connection Fee and Capacity Charge Model Report	Within 120 calendar days of Effective Date
Final Connection Fee and Capacity Charge Model Report	Within 14 calendar days of Sonoma Water approval of draft



**5. TASK 5: SEWER SERVICE CHARGE, CONNECTION FEE, AND CAPACITY CHARGE STUDY REPORTS**

**5.1 Computer Rate Models**

- a. Prepare a connection fee and capacity charge financial and rate design model (Model) for each District and Zone electronically in Excel and include in the sewer service charges, connection fee, and capacity charges report described in Paragraph 5.3 below.
- b. Models will be dynamic based on inputs provided by Sonoma Water and can be updated as needed by Sonoma Water or Consultant upon request.

**5.2 Service Charge, Connection Fee, and Capacity Charge Ordinance and Resolution Structure**

- a. Review and recommend a new ordinance structure that doesn't require updating the ordinance every time Sonoma Water adopts new fees and charges but rather provides for adoption by resolution.
- b. Update Rate Ordinance Exhibit A Equivalent Single Family Dwelling Billing Unit based on new rate structure and include in the sewer service charges, connection fee, and capacity charges report described in Paragraph 5.3 below.

**5.3 Prepare Sewer Service Charge, Connection Fee, and Capacity Charge Study Reports**

- a. Contents. Prepare a report for each District and Zone and that includes, but is not limited to, the items below.
  - vii. Table of Contents
  - viii. Summary of findings and rate recommendations compiled from Paragraphs 5.1 through 5.3 of Task 5.
  - ix. Description of key alternatives evaluated
  - x. Five years of sewer service charges, connection fees, and capacity charges recommendations.
- b. Review. Submit to Sonoma Water for review.
  - i. First Draft: Prepare each report in draft form and submit to Sonoma Water for review and approval in accordance with the date listed for this deliverable. Sonoma Water will return one copy of each draft report to Consultant with comments or approval in writing.
  - ii. Subsequent Draft(s): If Sonoma Water requests revisions, revise each draft report and resubmit three copies of each report for Sonoma Water approval.
  - iii. Final: Following Sonoma Water approval and prior to Sonoma Water's acceptance of work under this Agreement, submit each final approved report to Sonoma Water in accordance with the date listed for this deliverable.

<b>Deliverable</b>	<b>Due Date</b>
Draft Sewer Service Charge, Connection Fee, and Capacity Charge Report	3/15/2020
Final Sewer Service Charge, Connection Fee, and Capacity Charge Report	Within 14 calendar days of Sonoma Water approval of draft

## **6. TASK 6: MEETINGS, PRESENTATIONS, AND PROPOSITION 218 COMPLIANCE**

### **6.1 Meetings**

- a. In addition to the kickoff meeting under Paragraph 1.1, Task 1, meet with Sonoma Water to present findings, discuss options, and receive input as the project proceeds. Preliminary meeting schedule includes:
  - i. Kickoff Meeting
  - ii. Two progress meetings with the project team
  - iii. Two presentations to the Board of Directors including a Board update meeting
  - iv. Final recommendation workshop
  - v. Proposition 218 hearing

### **6.2 Community Meetings and Public Outreach**

- a. Conduct up to four public workshops or community meetings regarding the proposed rates and answer community members' questions.

### **6.3 Proposition 218 Compliance**

- a. Assist Sonoma Water with drafting the Proposition 218 rate notice and presenting the information at the required public hearing.

### **6.4 Presentations**

- a. Develop a PowerPoint presentation (Presentation) for each meeting summarizing key findings and recommendations.
- b. Presentation Review. Submit to Sonoma Water for review.
  - i. First Draft: Prepare each Presentation in draft form and submit to Sonoma Water for review and approval in accordance with the date listed for each deliverable. Sonoma Water will return one copy of each draft Presentation to Consultant with comments or approval in writing.
  - ii. Subsequent Draft(s): If Sonoma Water requests revisions, revise the draft and resubmit three copies of each Presentation for Sonoma Water approval.
  - iii. Final: Following Sonoma Water approval and prior to Sonoma Water's acceptance of work under this Agreement, submit each final approved

Presentation to Sonoma Water in accordance with the date listed for each deliverable.

- c. Present recommendations and key alternatives to the appropriate Sonoma Water staff and the Board of Directors.

<b>Deliverable</b>	<b>Due Date</b>
Meetings with Sonoma Water	14 calendar days following submittal of each draft deliverable
Meeting Agenda	Seven calendar days prior to meeting
Meeting Minutes	Seven calendar days following meeting
PowerPoint presentation draft	42 calendar days prior to Workshop/Board Meeting
PowerPoint presentation final	21 calendar days prior to Workshop/Board Meeting
Workshop/Board Meeting	TBD

## **7. TASK 7: OPTIONAL TASK**

- 7.1. Optional Task: Additional Services
  - a. Do not proceed with this task unless requested in writing by Sonoma Water.
  - b. Perform additional services as requested by Sonoma Water to support the work under this Agreement. The additional services will be agreed to by Consultant and Sonoma Water and described in writing by Sonoma Water.

<b>Deliverable</b>	<b>Due Date</b>
To be determined	To be determined

## **8. TASK 8: DELIVERABLES**

- 8.1 Submit one electronic copy in PDF format (emailed, on CD, or via internet) of each final deliverable to Sonoma Water.
- 8.2 Comply with requirements of Article 11 (Content Online Accessibility).

## Exhibit B

### Schedule of Costs

#### Bartle Wells Associates

<b>PERSONNEL*</b>	
<b>Title</b>	<b>Rate</b>
Abigail Seaman, Consultant	\$155 per hour
Doug Dove, Principal	\$225 per hour
<b>EXPENSES</b>	
<b>Item</b>	<b>Cost</b>
Word processing and computer-assisted services	\$60 per hour
Copies	at cost plus 10%
Postage	at cost plus 10%
Messenger services	at cost plus 10%
Mileage	Current IRS rate
Travel, meals, lodging	at cost plus 10%
Long distance telephone and fax	at cost plus 10%
Printing and report binding	at cost plus 10%
Special statistical analysis	at cost plus 10%
Outside computer services	at cost plus 10%
Bond ratings	at cost plus 10%
Graphic design and photography	at cost plus 10%
Special legal services	at cost plus 10%
Legal advertisements	at cost plus 10%

\* The professional time rates include all overhead and indirect costs. Consultant does not charge for secretarial support services and internal computer time. Expert witness, legal testimony or other special limited assignment will be billed at one and one-half times the Consultant's hourly rate.

#### Subconsultant: Woodard & Curran

<b>PERSONNEL</b>	
<b>Title</b>	<b>Rate</b>
David Richardson, Senior Client Manager	\$320 per hour
Gisa Ju, Senior Technical Practice Leader	\$310 per hour
Susan Hsu, Project Engineer 2-C	\$236 per hour

# Exhibit C

## Estimated Budget for Scope of Work

Proposed Budget by Task	Estimated Hours	D. Dove	A. Seaman	BWA Fee	D. Richardson	Gisa Ju	Susan Hsu	W&C Fee	Total
		\$225/hr	\$155/hr		\$320/hr	\$310/hr	\$236/hr		
<b>Task 1: Project Kickoff Meeting</b>									
1.1 Project Team Orientation/Kickoff Meeting	0	Included in Task 6.1: Meetings							\$0
<b>Task 2: Multi-Year Financial Plan Models</b>									
2.1 Investigation and Data Collection	25	10	15	\$4,925	3		3	\$1,668	\$6,593
2.2 Develop Forecasts and Projections	30	10	20	\$6,050				\$0	\$6,050
2.3 Evaluate Financing Alternatives for Capital Projects	30	10	20	\$6,050				\$0	\$6,050
2.4 Recommend Minimum Fund Reserve Targets	15	5	10	\$3,025				\$0	\$3,025
2.5 Recommend “Best Financial Management Policies”	15	5	10	\$3,025				\$0	\$3,025
Develop Cash Flow Projections and Rate Increase Options	25	10	15	\$4,925				\$0	\$4,925
<b>Task 3: Sanitary Sewer Service Charge Study</b>									
3.1 Review Existing Rates and Evaluate Alternative Rate Structures	40	10	30	\$8,300				\$0	\$8,300
3.2 Evaluate Customer Classes and Usage Patterns	35	5	30	\$7,525				\$0	\$7,525
3.3 Review Cost Allocation Methodologies	35	5	30	\$7,525	10		50	\$15,000	\$22,525
3.4 Calculate Rate Impacts on Customers	15	5	10	\$3,025				\$0	\$3,025
3.5 Conduct Regional Rate Survey	15	5	10	\$3,025				\$0	\$3,025
3.6 Develop Five Year Rate Recommendations	50	10	40	\$10,550	20		100	\$30,000	\$40,550
3.7 Develop Preliminary and Final Rate Model	35	15	20	\$6,825				\$0	\$6,825
<b>Task 4: Sanitary Sewer Connection Fee and Capacity Charge Study</b>									
4.1 Review Current Wastewater Connection Fees and Capacity Charges	15	5	10	\$3,025				\$0	\$3,025
4.2 Evaluate Alternative Connection Fee and Capacity Charge Methodologies	15	5	10	\$3,025				\$0	\$3,025
4.3 Conduct Connection Fee and Capacity Charge Survey of Regional Agencies	15	5	10	\$3,025				\$0	\$3,025
4.4 Review Customer Classifications and Strength Characteristics for Fee Recovery	15	5	10	\$3,025	10		50	\$15,000	\$18,025
4.5 Allocate Capital Improvement Plan Costs and Capacities to Existing Customers and Growth	15	5	10	\$3,025				\$0	\$3,025
4.6 Calculate a Buy-In Charge to Recover Costs of Existing Infrastructure	25	10	15	\$4,925				\$0	\$4,925
4.7 Calculate an Expansion Charge for Future Facility Needs	25	10	15	\$4,925				\$0	\$4,925
4.8 Calculate Updated Wastewater Connection Fees and Capacity Charges and Incorporate into Model	16	6	10	\$3,180				\$0	\$3,180
4.9 Connection Fee and Capacity Charge Model Report	15	5	10	\$3,025				\$0	\$3,025
<b>Task 5: Sewer Service Charge, Connection Fee, and Capacity Charge Study Reports</b>									
5.1 Computer Rate Models	25	5	20	\$5,275				\$0	\$5,275
5.2 Service Charge, Connection Fee, and Capacity Charge Ordinance and Resolution Structure	0	No Additional Charge							\$0

5.3 Prepare Sewer Service Charge, Connection Fee, and Capacity Charge Study Reports	50	10	40	\$10,550	3		18	\$5,208	\$15,758
<b>Task 6: Meetings, Presentations, and Proposition 218 Compliance</b>									
6.1 Meetings	45	20	25	\$8,725	3		3	\$1,668	\$10,393
6.2 Community Meetings and Public Outreach	30	10	20	\$6,050				\$0	\$6,050
6.3 Proposition 218 Compliance	30	10	20	\$6,050				\$0	\$6,050
6.4 Presentations		<i>Included in Task 6.1: Meetings</i>							
<b>Task 7: Optional Task</b>									
7.1 Optional Task: Additional Services	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
<b>TOTAL ESTIMATED CONSULTING HOURS &amp; COSTS</b>	<b>701</b>	<b>216</b>	<b>485</b>	<b>\$142,605</b>	<b>49</b>	<b>0</b>	<b>224</b>	<b>\$68,544</b>	<b>\$211,149</b>
<b>ESTIMATED DIRECT EXPENSES</b>									
1. Copies/Binding/Report Reproduction/Phone/Fax/Mail				\$895					\$895
2. Travel Expenses				\$1,600					\$1,600
3. Subconsultant Markup (10%)								\$6,854	\$6,854
<b>TOTAL ESTIMATED DIRECT EXPENSES</b>				<b>\$2,495</b>				<b>\$6,854</b>	<b>\$9,349</b>
<b>TOTAL PROJECT COST</b>	<b>701</b>	<b>216</b>	<b>485</b>	<b>\$145,100</b>	<b>49</b>	<b>0</b>	<b>224</b>	<b>\$75,398</b>	<b>\$220,498</b>

<b>Proposed Budget by District/Zone</b>	<b>Estimated Hours</b>	<b>D. Dove</b>	<b>A. Seaman</b>	<b>BWA Fee</b>	<b>D. Richardson</b>	<b>Gisa Ju</b>	<b>Susan Hsu</b>	<b>W&amp;C Fee</b>	<b>Total</b>
		<b>\$225/hr</b>	<b>\$155/hr</b>		<b>\$320/hr</b>	<b>\$310/hr</b>	<b>\$236/hr</b>		
1. Occidental CSD				\$15,100					\$15,100
2. Russian River CSD				\$20,000				\$25,000	\$45,000
3. Sonoma Valley CSD				\$30,000				\$25,000	\$55,000
4. Airport/Larkfield/Wikiup				\$20,000				\$18,544	\$38,544
5. Geyserville				\$15,000					\$15,000
6. Penngrove SZ				\$15,000					\$15,000
7. Sea Ranch Central SZ				\$15,000					\$15,000
8. Sea Ranch North SZ				\$15,000					\$15,000
<b>PROJECT SUBTOTAL</b>				<b>\$145,100</b>				<b>\$68,544</b>	<b>\$213,644</b>
Subconsultant Markup 10%								\$6,854	\$6,854
<b>TOTAL PROJECT COST</b>				<b>\$145,100</b>				<b>\$75,398</b>	<b>\$220,498</b>

## **Exhibit D**

### **Insurance Requirements**

With respect to performance of work under this Agreement, Consultant shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain insurance as described below unless such insurance has been expressly waived by the attachment of a *Waiver of Insurance Requirements*. Any requirement for insurance to be maintained after completion of the work shall survive this Agreement.

Sonoma Water reserves the right to review any and all of the required insurance policies and/or endorsements, but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Consultant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

#### **1. INSURANCE**

##### **1.2. Workers Compensation and Employers Liability Insurance**

- a. Required if Consultant has employees as defined by the Labor Code of the State of California.
- b. If Consultant currently has no employees as defined by the Labor Code of the State of California, Consultant agrees to obtain the above-specified Workers Compensation and Employers' Liability insurance should employees be engaged during the term of this Agreement or any extensions of the term.

##### **1.3. General Liability Insurance**

- a. Commercial General Liability Insurance on a standard occurrence form, no less broad than Insurance Services Office (ISO) form CG 00 01.
- b. Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; \$2,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Excess or Commercial Umbrella Liability Insurance. If Consultant maintains higher limits than the specified minimum limits, Sonoma Water requires and shall be entitled to coverage for the higher limits maintained by Consultant.
- c. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it must be approved in advance by Sonoma Water. Consultant is responsible for any deductible or self-insured retention and shall fund it upon Sonoma Water's written request, regardless of whether Consultant has a claim against the insurance or is named as a party in any action involving Sonoma Water.

- d. Sonoma County Water Agency, Occidental County Sanitation District, Russian River County Sanitation District, Sonoma Valley County Sanitation District, and South Park County Sanitation District, their officers, agents, and employees, shall be endorsed as additional insureds for liability arising out of operations by or on behalf of Consultant in the performance of this Agreement.
- e. The insurance provided to the additional insureds shall be primary to, and non-contributory with, any insurance or self-insurance program maintained by them.
- f. The policy definition of “insured contract” shall include assumptions of liability arising out of both ongoing operations and the products-completed operations hazard (broad form contractual liability coverage including the “f” definition of insured contract in Insurance Services Office form CG 00 01, or equivalent).
- g. The policy shall cover inter-insured suits between the additional insureds and Consultant and include a “separation of insureds” or “severability” clause which treats each insured separately.
- h. Required Evidence of Insurance:
  - i. Copy of the additional insured endorsement or policy language granting additional insured status, and
  - ii. Certificate of Insurance.

#### 1.4. Automobile Liability Insurance

- a. Minimum Limit: \$1,000,000 combined single limit per accident. The required limit may be provided by a combination of Automobile Liability Insurance and Commercial Excess or Commercial Umbrella Liability Insurance.
- b. Insurance shall cover all owned autos. If Consultant currently owns no autos, Consultant agrees to obtain such insurance should any autos be acquired during the term of this Agreement or any extensions of the term.
- c. Insurance shall cover hired and non-owned autos.
- d. Required Evidence of Insurance: Certificate of Insurance.

#### 1.5. Professional Liability/Errors and Omissions Insurance

- a. Minimum Limit: \$1,000,000 per claim or per occurrence; \$1,000,000 annual aggregate.
- b. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it must be approved in advance by Sonoma Water.
- c. If Consultant’s services include: (1) programming, customization, or maintenance of software: or (2) access to individuals’ private, personally identifiable information, the insurance shall cover:
  - i. Breach of privacy; breach of data; programming errors, failure of work to meet contracted standards, and unauthorized access; and



- ii. Claims against Consultant arising from the negligence of Consultant, Consultant's employees and Consultant's subcontractors.
  - d. If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of the work.
  - e. Coverage applicable to the work performed under this Agreement shall be continued for two (2) years after completion of the work. Such continuation coverage may be provided by one of the following: (1) renewal of the existing policy; (2) an extended reporting period endorsement; or (3) replacement insurance with a retroactive date no later than the commencement of the work under this Agreement.
  - f. Required Evidence of Insurance: Certificate of Insurance specifying the limits and the claims-made retroactive date.
- 1.6. Standards for Insurance Companies
- a. Insurers, other than the California State Compensation Insurance Fund, shall have an A.M. Best's rating of at least A:VII.
- 1.7. Documentation
- a. The Certificate of Insurance must include the following reference: TW 18/19-063.
  - b. All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Consultant agrees to maintain current Evidence of Insurance on file with Sonoma Water for the entire term of this Agreement and any additional periods if specified in Sections 1.2, 1.3, 1.4, or 1.5, above.
  - c. The name and address for mailing Additional Insured endorsements and Certificates of Insurance is: Sonoma County Water Agency, Occidental County Sanitation District, Russian River County Sanitation District, Sonoma Valley County Sanitation District, and South Park County Sanitation District, c/o Sonoma County Water Agency, 404 Aviation Boulevard, Santa Rosa, CA 95403-9019.
  - d. Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing policy.
  - e. Consultant shall provide immediate written notice if: (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased.
  - f. Upon written request, certified copies of required insurance policies must be provided within thirty (30) days.
- 1.8. Policy Obligations
- a. Consultant's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

1.9. Material Breach

- a. If Consultant fails to maintain insurance which is required pursuant to this Agreement, it shall be deemed a material breach of this Agreement. Sonoma Water, at its sole option, may terminate this Agreement and obtain damages from Consultant resulting from said breach. Alternatively, Sonoma Water may purchase the required insurance, and without further notice to Consultant, Sonoma Water may deduct from sums due to Consultant any premium costs advanced by Sonoma Water for such insurance. These remedies shall be in addition to any other remedies available to Sonoma Water.