

This is **EXHIBIT A**, consisting of 5 pages, referred to in and part of the **Agreement between Owner and Engineer for Professional Services** dated June 1, 2017.

Task Order

Task Order Number: 5

Date: October 11, 2017

Title: PECSO Rate Study

Project Description: Farr West Engineering (Farr West) will be the technical lead for a rate study of the services provided by the Plumas-Eureka Community Services District (District). The District provides water, sewer and fire protection services to the Plumas-Eureka Estates and Eureka Springs Subdivision.

The Master Services Agreement is amended and supplemented to include the following agreement of the parties.

PART 1 – SERVICES

Task 1 – Project Management

Objective

To plan, organize, direct, control, and communicate all relevant activities set forth in this Scope of Work within the approved budget and schedule.

Approach

Farr West will routinely review project progress and communicate project status on a regular basis to the District. Communication will be through email and telephone, as well as routine project coordination meetings with the District and Farr West staff. This task will include the following activities:

- Project administration includes scheduling maintenance, cost control, filing, resource allocation, subconsultant management, and routine communications.
- Team coordination, including conference calls and internal meetings.
- Monitoring changes to the scope, budget, or schedule and developing change management strategies with District.
- Provide quality assurance and quality control.

Deliverables

The following deliverables will be submitted under this task:

- Project schedule, and
- Monthly status reports.

Assumptions

The following assumptions apply:

- Two progress meetings at the District office
- Monthly reports will be provided with timely invoices.
- Project-related issues will be identified, communicated, and resolved.

Task 2 – Review Background Information, Data Collection & Analysis

Objective

To review relevant background information; existing District financial policies and principles; historic billing records; and define project objectives and goals prior to starting the rate analysis.

Approach

Farr West intends to present the rate study approach at a monthly board meeting to outline the goals of the study, the roles and responsibilities of each party (i.e. Board, General Manager, staff, public, consultant), the financial information which will be made available for the study, and the proposed schedule for completion. Documents expected to be made available for validation and used in the analysis include:

- Previous Rate Studies,
- Certified audits from 2011 through 2016,
- Current Water and Sewer system Capital Improvement Plans,
- 3 years or more of billing records,
- Existing rate structure and classifications,
- Debt service documentation,
- Water usage data,
- Influent sewer flow data, and
- Estimates of cost for existing infrastructure.

Deliverables

There are no formal deliverables associated with this task.

Assumptions

The following assumptions apply:

- The District will provide all existing documents in a digital format (e.g. .doc, .xls, .pdf, etc.).
- Farr West will attend one Board meeting as part of this task. If additional public or closed sessions are required to finalize District financial policies, Farr West will incorporate meeting minutes or any documents created as a result of those meetings into the rate study analysis.

Task 3 – Revenue Requirement

Objective

To determine the revenue required to ensure proper operation and maintenance; development and perpetuation of the water system, sewer system, and fire department; as well the preservation of the District's financial integrity.

Approach

Revenues required to fully fund the operations of each utility include: operations, maintenance, debt service, capital improvements and the fulfillment of all goals and policies of the District. The approach for this task will be to follow the policies of the Board and to apply the guidelines of AWWA Manual M1, "Principles of Water Rates, Fees and Charges." The data compiled in Task 2 will be utilized in this process.

Deliverables

The following will be delivered under this task:

- Two (2) hard copies of the draft Technical Memorandum (TM) presenting the findings from the data collected including data gaps and trends, District financial policy and a summary of the revenue requirement.
- Four (4) hard copies + one (1) digital copy of the final TM.

Assumptions

The following assumptions apply:

- The financial policy component of task 2 will need to be completed prior to submitting the draft TM.
- The District will review the document and issue all comments within three weeks of receiving the draft TM.

Task 4 – Cost of Service & Rate Design

Objective

- To allocate costs of utility service to customers in accordance with their service requirements.
- To create utility rates that achieve equity among customers, while maintaining simplicity and limiting administrative burden.

Approach

The allocation of costs analysis forms the basis for the rate structure. The objective is to achieve the highest level of equity among customers while maintaining a reasonable administrative burden. Rates will be developed and calculated using the Rate Model Spreadsheets provided by Farr West, utilizing updated information as needed. Some comparative analysis will be provided to show the impacts of rate modifications. A recommendation will be made to base future rate increases to the inflation rate.

Deliverables

The following will be delivered under this task:

- Two (2) hard copies of the draft TM for District review and comment.
- Four (4) hard copies + one (1) digital copy of the final TM.
- Rate model spreadsheets.

Assumptions

The following assumptions apply:

- Any presentations or attendance at meetings with regards to rate design will be included as part of task 6.
- A comparative analysis of no more than three (3) rate structures will be provided as part of this task.
- The District will review the TM and issue all comments within three weeks of receiving the draft TM.
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Task 5 – Reports & Presentations

Objective

To report the methods used and results of the rate study process.

Approach

The following approach applies:

Presentation to the Board

Two meetings are anticipated, with one meeting being an in-depth workshop. Farr West will be in a supportive role, providing presentation materials and attending meetings to help answer questions. The General Manager will make the presentations.

Rate Study Report

A draft and final report will be prepared, consisting of an Executive Summary and each of the TMs.

Deliverables

The following will be delivered under this task:

- Presentation Materials,

- Draft Rate Study Report, and
- Final Rate Study Report.

Assumptions

The following assumptions apply:

- Attendance at community group meetings will require a change to the scope of work.
- The District will review the Rate Study Report and issue all comments within three weeks of receiving the draft version.

Task 6 – Owner Directed Services

Objective

Provide capability for Owner to request additional services from the Consultant.

Approach

This task will provide the General Manager the ability to request minor additional services without having to agendize an item at a District Board Meeting.

Deliverables

No additional deliverables will be submitted as part of this task.

Assumptions

The following assumptions apply:

- No work shall be performed under this task unless specifically requested by the District, in writing.
- Initial budget is estimated at 10 percent (%) of the total contract cost.

PART 2 – COMPENSATION

The District shall pay Farr West on a time and expense basis, including travel, not to exceed Twenty-Seven Thousand Five Hundred Dollars (\$27,500.00). Hourly rates and other expenses shall be in accordance with Exhibit C of the Master Services Agreement (Standard Hourly Rates). A breakdown of the individual task budgets is as follows:

Task 1	Project Management	\$5,123
Task 2	Review Background Information, Data Collection & Analysis	\$3,326
Task 3	Revenue Requirement	\$4,815
Task 4	Cost of Service & Rate Design	\$5,595
Task 5	Reports & Presentations	\$6,132
Task 6	Owner Directed Services	\$2,509
	TOTAL:	\$27,500

PART 3 – SCHEDULE

The following is a proposed schedule to be used as a general guideline only.

<i>Kickoff Meeting:</i>	<i>November, 2017</i>
<i>TM 1 – Revenue Requirement:</i>	<i>January, 2018</i>
<i>TM 2 – Cost of Service & Rate Design</i>	<i>February, 2018</i>
<i>Rate Study Report – Draft</i>	<i>March, 2018</i>
<i>Rate Study Findings & Recommendations</i>	<i>April, 2018</i>

IN WITNESS WHEREOF, the parties hereto have executed this Task Order.

Owner: Plumas-Eureka Community Services District

Engineer: Farr West Engineering

By: _____

By:  _____

Print Name: _____

Print Name: Lucas Tipton, P.E.

Title: _____

Title: Principal Engineer

Date Signed: _____

Date Signed: 10/6/2017