

**CONTRACT AGREEMENT**

**BETWEEN**

**FINANCIAL CONSULTING SOLUTIONS  
GROUP, INC.**

Redmond Town Center  
7525 – 166<sup>th</sup> Ave. NE, Suite D-215  
Redmond, Washington 98052

**AND**

**CITY OF CAMAS**

616 NE Fourth Avenue  
Camas, WA 98607

**PROJECT: Water and Sewer Revenue Requirement Update**

**THIS AGREEMENT** combines all understandings between the Parties regarding professional services for the Project named above and supersedes all prior proposals, quotations, solicitations, negotiations, representations, agreements or understandings, whether written or oral.

The performance of the professional services herein described and authorized by **City of Camas**, as well as payment for such services, shall be in accordance with the terms and conditions presented in this Agreement and the following Sections and Exhibits which are attached and incorporated by reference which, taken together, shall constitute the whole Agreement.

- Section I - Relationship of the Parties**
- Section II - Contract Provisions**
- Exhibit A - Scope of Work and Task Plan**
- Exhibit B - Budget**

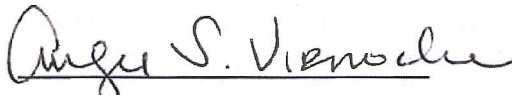
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals this 20<sup>th</sup> day of July, 2015.

**APPROVED:**

**FINANCIAL CONSULTING  
SOLUTIONS GROUP, INC.**

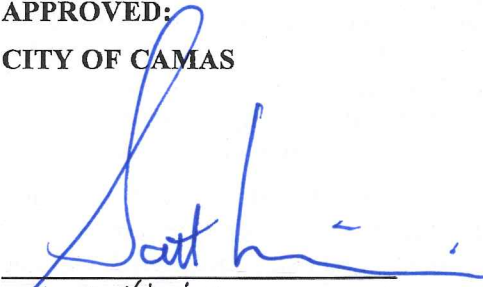
**APPROVED:**

**CITY OF CAMAS**



**Angie Sanchez Virnoche**  
Principal

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



**Scott Higgins**  
Mayor

Date: July 20, 2015

**ATTEST:**



## **SECTION I: RELATIONSHIP OF THE PARTIES**

The City of Camas ("Client"), desires to complete a Water and Sewer Revenue Requirement Update ("Project"). In furtherance of the Project, the Client hereby contracts with **Financial Consulting Solutions Group, Inc.** ("FCS GROUP") to perform the professional services described in Exhibit A of this Agreement. All services shall be performed under the joint supervision of the Client's Representative, Steve Wall, or a designee or designees identified in writing to FCS GROUP by the Client's Representative.

This Agreement shall inure to the benefit of and be binding upon successors, assigns, and legal representatives of each of the Parties hereto. Any assignment or transfer of an interest in this Agreement by either Party without the written consent of the other shall be void.

## **SECTION II: CONTRACT PROVISIONS**

1. **Scope of Work:** FCS GROUP shall perform the service for the Client which as defined in **Exhibit A** of this Agreement.

2. **Time for Completion:** The Scope of Work for the conduct of the study as set forth above is anticipated to be completed by FCS GROUP within a time frame approximating that shown by the following schedule:

**Notice to Proceed:** Upon signature of this agreement by both parties  
**Completion of Project:** On or before December 31, 2015.

FCS GROUP agrees to perform the work described in the Scope of Work according to the contract schedule. Any delays shall be agreed upon by FCS GROUP and Client prior to the due date. Changes in the schedule caused by Client delays may require additional compensation and a change order.

If FCS GROUP is delayed in the performance of services by conditions which are beyond their control, or by a change in the scope of work, the schedule showing time of performance may be revised. Any revision thereto shall be submitted in writing to the Client for review and approval by the Client Representative. If FCS GROUP's services are temporarily suspended by the Client in the interest of the Project and with written notice to FCS GROUP, and the suspensions last longer than 90 consecutive days, FCS GROUP shall be compensated for any additional labor and direct expenses incurred due to the interruption and resumption of services.

3. **Payment:** FCS GROUP will be paid by the Client on a time and materials basis as outlined in **Exhibit B**. FCS GROUP agrees to perform the services as set forth in Exhibit A at a cost not to exceed **\$18,158**. It is understood that FCS GROUP will not exceed this amount without the Client's prior written authorization.

Payment to FCS GROUP for services set forth in Exhibit A shall be: an amount equal to FCS GROUP's standard billing rates as set forth in Exhibit B multiplied by the actual hours worked. Should any unforeseen project delays, not caused by FCS GROUP, and/or any requested amendments to the original scope of work, cause this contract to extend more than 90 days past the original contracted schedule date, any work and/or amendments to the work shall be billed at the standard billing rates in effect for the period of time the work is being performed. If said change in billing rates will cause the project to exceed the amount stated in the preceding paragraph, a change order will be prepared and signed by both parties.

Direct expenses will not be charged except as identified in Exhibit B. Payment shall be made monthly upon receipt and approval of FCS GROUP's invoice.

**4. Supplemental Agreements:** Supplemental Agreements may be entered into upon mutual written agreement that would increase or decrease the scope and associated costs and payment.

**5. Work to be Accomplished:** All work accomplished will be performed under the direction of the Client Representative or his/her Designee.

**6. Termination:** This contract may be terminated by the Client by giving FCS GROUP written notice of such termination no fewer than fifteen (15) days in advance of the effective date of said termination. FCS GROUP shall be entitled to terminate this agreement only in the case of a material breach by the Client, and upon failure of the Client to remedy said breach within fifteen (15) days of said notice. In the event that the contract is terminated before completion, FCS GROUP shall be paid for the services to date on the basis set forth in Paragraph 3, plus 10% of the total compensation earned to time of termination to compensate for FCS GROUP's rescheduling adjustments, reassignment of personnel, and related costs incurred due to termination. The Client shall notify FCS of termination or abandonment in writing.

**7. Indemnity:** FCS GROUP shall comply with all Federal Government, State and local laws and ordinances applicable to the work to be done under this Agreement.

FCS GROUP hereby agrees to hold the Client harmless from and shall process and defend at its own expense, specific claims, demands or suits at law or equity, arising from FCS GROUP's negligent performance of the provisions of this Agreement; provided that if the Client and FCS GROUP are concurrently negligent, FCS GROUP shall be required to indemnify and defend only in proportion to negligence of FCS GROUP. These indemnity provisions shall not require FCS GROUP to defend or indemnify the Client against any action based solely on the alleged negligence of the Client.

**8. All Work Produced is Joint Property of FCS GROUP and the Client:** The materials, computer programs, reports, calculations, analyses, etc., generated by FCS GROUP under this contract including the final report shall be the joint property of the Client and FCS GROUP. FCS GROUP may retain copies thereof for work paper documentation and their own use unless specifically restricted in writing by the Client as to use.

Computer models use generally available software, such as Microsoft Excel (TM), and FCS GROUP does not intend or imply any warranty of those programs.

**9. Financial Forecasts:** Neither FCS GROUP's name nor the report and its financial projections may be referred to or included in any prospectus or as a part of any offering or representation made in connection with the sale of securities or participation interests to the public, whether through a public or private offering.

The information used in developing the forecast assumptions will be derived from published information and other sources FCS GROUP considers appropriate. However, FCS GROUP cannot assume responsibility for the accuracy of such material. Moreover, forecasts are subject to many uncertainties as to the future; therefore, FCS GROUP cannot represent that the projected financial statements will be representative of the results that actually occur. FCS GROUP will endeavor to include appropriate comments drawing the readers' attention to these matters.

**10. Integrated Agreement:** This agreement together with attachments or addenda, represents the entire and integrated agreement between the Client and FCS GROUP supersedes all prior negotiations, representations, or agreements written or oral. This agreement may be amended by written instrument signed by both the Client and FCS GROUP.

**11. Independent Contractor:** The parties intend that an independent Contractor/Client relationship will be created by this agreement. No agent, employee, or representative of FCS GROUP shall be deemed to be an agent, employee, or representative of the Client for any purpose. FCS GROUP shall be



solely responsible for all acts of its agents, employees, representatives, and subcontractors during the performance of this contract.

**12. Equal Opportunity:** FCS GROUP is committed to the principles of providing equal employment opportunities for all employees. The performance and diversity of our employees will help us meet the challenges of the present and the future in serving our clients. This policy statement is a reaffirmation of our long-standing commitment to provide equal opportunity on the basis of individual merit and personal qualifications to employees and applicants for employment without regard to race, color, religious creed, sex, sexual orientation or preference, gender identity, genetic characteristics or information of employee or family, age, national origin, ancestry, marital status, citizenship, the presence of sensory, mental, or physical disability, pregnancy/childbirth or related condition, medical condition, membership in the military service, veteran's status, political ideology or any other basis protected by applicable federal, state, or local laws.

**13. Notices:** Notices to the Client shall be sent to the following address:

**City of Camas**  
Attention: Steve Wall, Public Works Director  
616 NE Fourth Avenue  
Camas, WA 98607

Notices to FCS GROUP shall be sent to the following address:

**Financial Consulting Solutions Group, Inc.**  
Attention: Angie Sanchez Virnoche, Principal  
Redmond Town Center  
7525 – 166<sup>th</sup> Ave. NE, Suite D-215  
Redmond, Washington 98052

**EXHIBIT A: SCOPE OF WORK AND TASK PLAN**  
**WATER, SEWER, STORMWATER AND SOLID WASTE UTILITIES RATE STUDY**

The following scope of services has been agreed upon by the City of Camas and FCS GROUP for completion of the Utilities Rate Study.

**Water & Sewer**

**Task 1: Sewer Utility Revenue Requirement Update**

Using the model developed in the 2013 rate study, FCS GROUP will incorporate the latest budget and actual performance data. The update will also add two (2) years to the forecast extending the period through 2020. The Sewer update will include:

- ◆ Incorporate 2015 budget for revenues and expenses (to save budget, detailed customer statistics will not be updated)
- ◆ Review 2014 actual revenues and expenses and compare them to the 2013 study forecast
- ◆ Update existing debt annual amortization schedules for loans that were drawn since the 2013 study
- ◆ Incorporate the latest annual Capital Improvement Program (CIP) as well as the revenue bond funding assumptions for the NUGA projects
- ◆ Establish a baseline scenario for funding ongoing annual Operating and Maintenance (O&M) expenses as well as CIP
- ◆ Develop up to three (3) scenarios for alternative funding mechanisms for the annual CIP

**Task 2: Water Utility Revenue Requirement Update**

Using the model developed in the 2013 rate study, FCS GROUP will incorporate the latest budget and actual performance data. The update will also add two (2) years to the forecast extending the period through 2020. The Water update will include:

- ◆ Incorporate 2015 budget for revenues and expenses (to save budget, detailed customer statistics will not be updated)
- ◆ Review 2014 actual revenues and expenses and compare them to the 2013 study forecast
- ◆ Update existing debt annual amortization schedules for loans that were drawn since the 2013 study
- ◆ Incorporate the latest annual Capital Improvement Program (CIP) as well as the revenue bond funding assumptions for the NUGA projects and/or Drinking Water State Revolving Fund loans (DWSRF)
- ◆ Establish a baseline scenario for funding ongoing annual Operating and Maintenance (O&M) expenses as well as CIP
- ◆ Develop up to three (3) scenarios for alternative funding mechanisms for the annual CIP

**Task 3: Meetings and Presentations**

In order to review updated analysis with City staff and present findings to the City Council, FCS GROUP will:

- ◆ Meet with City staff on-site to review the results of the revenue requirement update, identify any issues and adjust as necessary
- ◆ Develop a presentation and meet with City Council to go over the results of the Sewer Revenue Requirement update
- ◆ Develop a presentation and meet with City Council to go over the results of the Water Revenue Requirement update

**EXHIBIT B: FINANCIAL CONSULTING SOLUTIONS GROUP, INC. BUDGET**

Task	Principal	Project Manager	Senior Analyst	Admin. Support	Total Estimated Hours	Total Budget
<i>Hourly Billing Rates:</i>	\$225	\$175	\$125	\$75		
<b>Task 1: Sewer Revenue Requirement Update</b>						
Data collection and validation	-	-	2	2	4	\$400
Update of Revenue Requirement	4	8	24	-	36	\$5,300
Up to 3 alternative scenarios.	1	3	-	-	4	\$750
<b>Total Task 1: Sewer Revenue Requirement Update</b>	<b>5</b>	<b>11</b>	<b>26</b>	<b>2</b>	<b>44</b>	<b>\$ 6,450</b>
<b>Task 2: Water Revenue Requirement Update</b>						
Data collection and validation	-	-	2	2	4	\$400
Update of Revenue Requirement	4	8	24	-	36	\$5,300
Up to 3 alternative scenarios.	1	3	-	-	4	\$750
<b>Total Task 2: Water Revenue Requirement Update</b>	<b>5</b>	<b>11</b>	<b>26</b>	<b>2</b>	<b>44</b>	<b>\$ 6,450</b>
<b>Task 3: Meetings and Presentations</b>						
- Meeting with City staff to review update (on-site)	-	8	-	-	8	\$1,400
- Sewer Utility presentation to Council (on-site)	-	8	-	1	9	\$1,475
- Water Utility presentation to Council (on-site)	-	8	-	1	9	\$1,475
<b>Total Meetings and Documentation</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>2</b>	<b>26</b>	<b>\$ 4,350</b>
Technology Fee (\$5.00 per hour)						\$ 350
Mileage (3 round trips)						\$ 558
<b>TOTAL LABOR BUDGET AND EXPENSES</b>	<b>10</b>	<b>46</b>	<b>52</b>	<b>6</b>	<b>114</b>	<b>\$ 18,158</b>

For any client-requested extraordinary expenses, specific terms will be established prior to expenditure and billing.