

EXHIBIT A

MURRAY, SMITH & ASSOCIATES, INC.

PROPOSED SCOPE AND FEE FOR

CLACKAMAS RIVER WATER / CITY OF OREGON CITY JOINT ENGINEERING ANALYSIS

Clackamas River Water (CRW) and the City of Oregon City are engaged in discussions regarding adjustment of service area boundaries, including potential withdrawal and annexation of certain lands, to better reflect which entity actually serves certain areas and which entity is most likely able to serve future developable lands. Both entities request that Murray, Smith & Associates, Inc. (CONSULTANT) prepare this scope of engineering services to develop preliminary illustrations to support discussions between the two water providers and to participate in a workshop to better define a scope of service for further analysis and support.

SCOPE OF WORK

The work shall be completed by tasks outlined as follows:

Task 1 – Data Gathering and Review

Work under this task includes contacting CRW and Oregon City to obtain the latest GIS data for development of mapping under Task 2. It is anticipated that current GIS layers for water service boundaries, major facilities and pressure zone boundaries will be obtained. In preparation for subsequent tasks the CONSULTANT will review all existing IGA's and planning documents in order to:

- Become familiar with the terms and provisions set out within each
- Identify conflicts and inconsistencies within the various IGA's in comparison to one another
- Develop recommendations to clarify terms and provisions for replacement or for subsequent IGAs.
- Review of ORS 222.120 through 222.580 as well as any other pertinent state or federal regulations that may be deemed pertinent for task enumerated below.

These documents will include but are not limited to:

- HOPP IGA (Term through 2028, 30 year agreement)
- South End Road (Term)
- Meyers/Leland Road IGA (currently expired)
- City, SFWB, CRW Master Plans
- City Concept Plans – South End Road, Park Place, Beaver Creek Road
- CRW Water Management Plan

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- City Comprehensive Plan - sections related to water
- City and CRW Hydraulic Models
- City, SFWB, CRW Capital Improvement Projects
- City Highly Developable Land / Vacant Land Map

Assumption: The clients will provide access to all relevant documents, both physical and electronic for review.

Task Deliverables: None

Task Budget: \$7,000

Task 2 – Map Development

Work under this task includes development of a GIS-based map illustrating the limits of the study area. The map will be developed using the Metro RLIS tax lot base, topographic data and street grid and must be compatible with both CRW and City respective software systems. Current geopolitical and water service boundaries will overlay the base, as will relevant water system facilities and pressure zone service boundaries. It is anticipated that this map will serve as the basis for defining and illustrating further analysis of service boundary adjustments, necessary improvements to extend service to undeveloped areas, etc.

The focus area for the aforementioned maps should focus on the areas of anticipated overlap. These areas include but are not limited to the following sub-service areas:

- HOPP
- Park Place Concept Plan
- Country Village Estates
- Beaver Creek Rd Concept Plan
- Henrici Rd Area/Beaver Creek Reservoir (elevations)
- South End Rd
- Leland McCord area
- Canyon Ridge
- Central Point Rd
- Other areas that are identified

At a minimum the prepared maps for each of the defined areas should identify the following items:

- Existing water infrastructure including reservoirs, pump stations, conveyance systems (both size and type), valves, PRV, nodes, condition information including relative age, and known failure history

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- Hydraulic Grade Line
- Respective pressure zone areas for existing facilities
- Leak History
- Customer service lines

Task Deliverables: E-size Plotted Maps for Workshop Discussion; Relevant electronic files

Task Budget: \$24,000

Task 3 – Identification of Future and Existing Water Service Conflict Areas

Based on the information gathered within Task 1 and 2 of this scope the CONSULTANT shall clearly define all the areas of potential existing or future conflict within each of the service areas identified within the previous task. This analysis should identify the various service related issue(s) within the each of the areas and determine the most effective and most efficient way to better serve these areas with the existing and future resources. The analysis should propose potential options that are possible based on data gathering and each agencies service potentials. The CONSULTANT shall meet with each of the agencies to determine their respective priorities to address the issues identified within the task. Recommendations shall be prepared for each of the options based on identified pros and cons. This analysis shall also take into consideration areas of future growth within each of the respective districts and identify potential conflicts that would be anticipated.

Task Deliverables: White Paper report for review, discussion and approval at Workshop 1.

Task Budget: \$38,000

Task 4 – Workshop 1

The CONSULTANT shall facilitate a workshop at which both agencies' representatives will be present to review all information prepared from Tasks 1, 2, and 3. The CONSULTANT shall identify and discuss each areas previously mentioned with the intent of achieving consensus on the information that has been prepared. The various options will be presented with each of the agencies representatives providing feedback on their respective preference(s). The intent of the workshop is to develop consensus on a preferred option for each of the respective identified conflict areas. The preferred option may be one of the previously prepared options or an amalgamation of various options that the attendees mutually agree to. The CONSULTANT will work with CRW/City staff to prepare an agenda for the meeting. The CONSULTANT will also prepare workshop minutes and prepare a summary of key decision points, for review and confirmation by CRW and City staff. Final meeting minutes and decision points will be distributed following review and comment.

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Task Deliverables: Workshop 1 Agenda and subsequent Minutes; Summary of Key Decisions – Draft and Final; Revisions to previously prepared maps

Task Budget: \$14,000

Task 5 – Valuation Study and Methodology

The intent of this task is to develop a method for assigning cost for remuneration of assets that are transferred from one agency to another both at the present and future state. The CONSULTANT shall develop a methodology for determining the current value of assets within the respective study areas. The valuation methodology should account for the various vagaries associated with the respective assets including but not limited to: size, type, age, condition, maintenance history, overall complexity, accessibility, etc... This method should also define a method for determining asset depreciation and future value. The CONSULTANT shall prepare two case studies based on the previously identified information utilizing the prepared method for explanatory purposes.

FCS Group, as a subconsultant to MSA, will serve as the lead for this task and the CONSULTANT advising and assisting.

Note: Consideration should be made in the analysis as to how future private development can contribute its proportionate share to potential remuneration.

Task Deliverables: Draft Remuneration Methodology; Analysis of the two case studies

Task Budget: \$18,000

Task 6 – Workshop 2

The CONSULTANT shall facilitate a workshop at which both agencies representatives will be present to review all information prepared from Task 5. The CONSULTANT shall present their preferred method with the intent of achieving consensus on the information that has been prepared. The previously prepared case studies shall be presented in order to exemplify how the method would be utilized. Any items that are identified as decision points for all parties to mutually agree upon shall be presented with participants providing feedback on their respective preference(s). The intent of the workshop is to develop consensus on a preferred option(s) for final methodology. The CONSULTANT will work with CRW/City staff to prepare an agenda for the meeting. The CONSULTANT will also prepare workshop minutes and prepare a summary of key decision points, for review and confirmation by CRW and City staff. Final meeting minutes and decision points will be distributed following review and comment.

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Task Deliverables: Workshop 2 Agenda and subsequent Minutes; Defined Decision Matrix; Final Remuneration Methodology

Task Budget: \$9,000

Task 7- Administrative Approval

Upon successful completion of Task 6, both agencies will be required to present and obtain administrative approval from their respective governing bodies. CONSULTANT will attend and present the methodology for approval at up to 2 public meetings per agency. The Overall Project Schedule assumes up to 3 months between the completion of Task 6 and completion of presentations to accommodate this overall task.

Task Deliverables: None

Task Budget: \$9,000

Task 8- Infrastructure Evaluation Using Approved Methodology (OPTIONAL TASK)

Utilizing the agreed upon final Remuneration Methodology the CONSULTANT shall analyze each of the respective conflict areas identified within the previous task. The CONSULTANT shall assign current state cost to each of the existing facilities and determine applicable depreciation schedules. The final scope and fee for this task, if authorized, will be developed in coordination with the City/CRW following completion of Task 7.

Task Deliverables: Final Report detailing the Evaluation of Assets within the conflict areas utilizing the approved method; Final revised maps and GIS files detailing prepared information.

Preliminary Estimated Task Budget: \$20,000

Task 9- Project Management and Coordination

Work under this task includes CONSULTANT team management to maintain the project schedule and budget, providing Quality Assurance/Quality Control (QA/QC) of deliverables and preparing and submitting monthly invoices along with progress reports and schedule updates. Project activities will be monitored for potential changes and, with City/CRW approval, project tasks, task budgets and approaches will be modified to keep the overall project within budget and on schedule. This subtask also includes client and project team communications necessary to coordinate execution of the work.

Task Deliverables: Monthly invoices, detailed project schedule and budget reporting.

Task Budget: \$8,000

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PROPOSED PROJECT FEE

CONSULTANT will perform this work on a time and expenses basis with a total not to exceed amount of \$127,000 (not including Optional Task 8) in accordance with the current Schedule of Charges in effect at the time the work is performed (2016 City of Oregon City Schedule of Charges attached).

PROPOSED PROJECT SCHEDULE

It is anticipated that Tasks 1 through 6 will be completed within 6 months of receiving Notice to Proceed. A detailed project schedule based on the final approved scope will be developed for the project kick-off.



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CITY OF OREGON CITY SCHEDULE OF CHARGES - 2016

Personnel:

Labor will be invoiced by staff classification at the following hourly rates, which are valid from January 1, 2016 to December 31, 2016. After this period, the rates are subject to adjustment.

Classification	Billing Rate
Principal Engineer VI	\$220.00
Principal Engineer V	212.00
Principal Engineer IV	205.00
Principal Engineer III	197.00
Principal Engineer II	189.00
Principal Engineer I	180.00
Professional Engineer IX	174.00
Professional Engineer VIII	165.00
Professional Engineer VII	156.00
Professional Engineer VI	148.00
Professional Engineer V	140.00
Professional Engineer IV	134.00
Engineering Designer IV	134.00
Professional Engineer III	125.00
Engineering Designer III	125.00
Engineering Designer II	115.00
Engineering Designer I	105.00
Technician IV	125.00
Technician III	112.00
Technician II	98.00
Technician I	82.00
Administrative III	88.00
Administrative II	82.00
Administrative I	72.00

The hourly rate for each position listed above shall be adjusted on the following January 1 of each year. The adjustment shall be based on the increase or decrease of the United States Bureau of Labor Statistics' Consumer Price Index for all Urban Wage Earner and Clerical Workers (CPI-W), US City average (<http://www.bls.gov/CPI/>), or its successor report issued by the Federal Government covering the change for the year ending in September as follows:

- The second term January 1, 2016, to December 31, 2016, adjusted for the CPI-W US City Average Percent Change year ending September 2015.
- The third term (if contract extended) January 1, 2017, to December 31, 2017, adjusted for the CPI-W City Average Percent Change year ending September 2016.
- The Fourth term (if contract extended) January 1, 2018, to December 31, 2018, adjusted for the CPI-W City Average Percent Change year ending September 2017.
- The fifth term (if contract extended) January 1, 2019, to December 31, 2019, adjusted for the CPI-W City Average Percent Change year ending September 2018.

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The City may, at its sole discretion, accept or reject any proposed change in cost schedule beyond the scope of adjustments described in this section.

Project Expenses:

Expenses incurred in-house that are directly attributable to the project will be invoiced at actual cost. These expenses include the following:

CADD Hardware/Software	\$18.00/hour
Modeling and GIS Hardware/Software	\$10.00/hour
Mileage	Current IRS Rate
Postage and Delivery Services	At Cost
Printing and Reproduction	At Cost
Travel, Lodging and Subsistence	At Cost

Outside Services:

Outside technical, professional and other services will be invoiced at actual cost plus 10 percent to cover administration and overhead.

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JOINT ENGINEERING ANALYSIS
CLACKAMAS RIVER WATER / CITY OF OREGON CITY
PROPOSED FEE ESTIMATE

								ESTIMATED FEES			
	Principal Engineer II	Principal Engineer I	Professional Engineer V	Engineering Designer I	Technician IV	Administrative III	Hours	Labor	Subconsultants	Expenses	Total
	\$189 Carr	\$180 Ginter	\$140 Springer	\$105	\$125 Harjala	\$88			FCSG		
Task 1 - Data Gathering and Review											
Task 1 Subtotal	1	16	0	32	2	3	54	\$ 6,943	\$ -	\$ 57	\$ 7,000
Task 2 - Map Development											
Task 2 Subtotal	0	18	0	72	90	2	182	\$ 22,226	\$ -	\$ 1,774	\$ 24,000
Task 3 - Identification of Future and Existing Water Service Conflict Areas											
Task 3 Subtotal	4	60	20	200	18	0	302	\$ 37,606	\$ -	\$ 394	\$ 38,000
Task 4 - Workshop 1											
Task 4 Subtotal	8	24	0	36	9	0	77	\$ 10,737	\$ 3,100	\$ 163	\$ 14,000
Task 5 - Valuation Study and Methodology											
Task 5 Subtotal	4	24	0	16	0	2	46	\$ 6,932	\$ 11,000	\$ 68	\$ 18,000
Task 6 - Workshop 2											
Task 6 Subtotal	5	18	0	8	0	4	35	\$ 5,377	\$ 3,520	\$ 103	\$ 9,000
Task 7 - Administrative Approval											
Task 7 Subtotal	0	14	0	10	0	12	36	\$ 4,626	\$ 4,300	\$ 74	\$ 9,000
Task 8 - Infrastructure Evaluation Using Approved Methodology (OPTIONAL TASK)											
Task 8 Subtotal	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -
Task 9 - Project Management and Coordination											
Task 9 Subtotal	18	24	0	0	0	2	44	\$ 7,898	\$ -	\$ 102	\$ 8,000
TOTAL - ALL TASKS	40	198	20	374	119	25	776	\$ 102,345	\$ 21,920	\$ 2,735	\$ 127,000