

February 8, 2023

Jim Fox  
Winter Park Ranch Water & Sanitation District  
601 Park Place  
Fraser, CO 80442

Subject: Engagement of FCS GROUP to Evaluate Regional Wastewater Alternatives

Dear Mr. Fox:

I am writing in follow-up to our phone conversations last month wherein you requested that I provide you with a scope of services to assist the Joint Facilities Oversight Committee (JFOC) in evaluating alternatives to its governance structure. In our conversations, we discussed the possibility of examining different governing structures, such as a special district, a wastewater authority, or other alternatives. As a first step, we discussed the development of a white paper that would summarize the potential options at a conceptual level.

We propose the following scope of work to produce and present a white paper for JFOC-level consideration.

***Task 1: Background and Information Review***

Although we are familiar with the overall ownership structure of the JFOC, we would like to gather additional information that will allow us to better describe the contexts for a potential change in structure. For instance, a change in governance could affect the disposition of assets and related liens on those assets, such as municipal bonds. Moreover, we would like to understand equity considerations for both the JFOC members as we describe the options in the white paper. This task will include the following sub-tasks:

- Information request to the JFOC for collecting basic financial information, copies of relevant agreements concerning the current IGA and governing structures, estimates of future capital improvements, and other items we may determine as necessary to complete our scope.
- Meetings with the JFOC to review the information we receive.
- Produce a summary of the key financial and legal (i.e., contractual) considerations for future reference in the white paper.

### ***Task 2: Development of Governance Alternatives***

A change in governance could take a few different forms, some more likely than others. In this task, we want to develop the options that we view as the most viable, all things considered, which we believe will help narrow the discussion while describing the major issues for the JFOC's attention. This task will include the following for each scenario:

- Define the overall governance structure;
- Describe how the proposed structure facilitates or impedes the JFOC and its members in achieving their mutual and respective goals;
- Based on the background information collected, describe the major financial considerations;

The information developed in this task will be summarized in the white paper (Task 3).

### ***Task 3: Prepare White Paper***

The white paper will include summary-level information about the existing structure (from Task 1), the potential for different structures (from Task 2), and a high-level evaluation of the expected costs and benefits the JFOC members may experience going from its existing structure to any of the identified alternatives. The overall structure (table of contents) for the white paper will include the following elements:

- The existing outlook under an assumed status quo condition with no change to the governance structure;
- Discussion of the alternative structures compared to the status quo:
  - Changes to the governance model;
  - Changes to the members' levels of service requirements;
  - Changes to the financial model, including a summary of expected costs and benefits; and
  - Additional discussion of the challenges in implementing each alternative.
- Conclusions, findings, and recommendations

### ***Task 4: Presentations and Meetings***

We will summarize our white paper in a format suitable for public meetings at the JFOC's direction. Additionally, the JFOC may request that we attend other meetings to discuss our findings or other aspects of our evaluation on an as-needed basis.

We will invoice the JFOC monthly for any time and materials expended in completing the above scope of services. All labor resources will be billed at the enclosure's standard hourly rate schedule.

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Jim Fox, Winter Park Ranch

RE: Engagement of FCS GROUP to Evaluate Regional Wastewater Alternatives

We will bill for any out-of-pocket expenses at our cost without markup. We do not anticipate using sub-consultants to complete the scope of work outlined herein. However, should the JFOC request the use of sub-consultants for any reason, we will bill those services along with our own as part of our monthly invoice; all sub-consultant charges will be subject to a 10% markup. We estimate our fees at \$35,000, inclusive of expenses.

We will endeavor to complete the scope of services as quickly as possible in coordination with your timelines. We will keep you apprised of the status of our work at regular intervals. The JFOC may terminate our engagement at any time at its convenience; we will bill for any fees and expenses incurred up to the termination date. We understand the confidential nature of our engagement and will not share any details discovered or developed during our work with any other party.

I will serve as the principal-in-charge and project manager on behalf of FCS GROUP. You can contact me at any time at my direct phone number at (303) 652-7548, or by email at [jasonm@fcsgroup.com](mailto:jasonm@fcsgroup.com).

Yours very truly,



Jason Mumm  
Principal

Approved

Joint Facilities Oversight Committee

Name: \_\_\_\_\_

**FCS GROUP**  
**2023 STANDARD FEE SCHEDULE**  
***Effective December 5, 2022***

**LABOR**<sup>i</sup>

<b><u>POSITION/TITLE</u></b>		<b><u>BILLING RATE</u></b>
Principals	Standard Rate	\$250 - \$295
Project Managers	Standard Rates	\$200 - \$230
Consultants	Standard Rates	\$155 - \$190

**Administrative and Technical Support**

Public Relations		\$170
Technical Writer/Graphic Artist		\$145
Administrative Support		\$ 95

**DIRECT EXPENSES**

Major direct expenses, such as travel, mileage, and lodging, will be charged at cost. Other expenses will not be directly charged unless by mutual agreement of the client and FCS GROUP and specific terms will be established in advance prior to expenditure and billing.

**SUBCONSULTANTS**

When applicable, subconsultants will be charged at invoiced cost plus 10%.

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<sup>i</sup> *Litigation rates are 150% of standard hourly rates for services in support of direct litigation, settlement negotiations, arbitration and/or mediation processes.*