May 19, 1998

SCOPE OF SERVICES
REGIONAL WATER STUDY

1.) Determine the scope of the service area as it now exists and what potentially could be served by a regional system over the next ten years.

2.) Inventory the infrastructure and assets that could be part of a regional authority. This inventory will include all transmission mains 24 inches and larger, pump stations, clear water storage and treatment facilities. The condition of the infrastructure and assets will also be assessed.

3.) Recommendations will be made for additional facilities needed to support any potential regional district. Information for these recommendations will be drawn from previous studies.

4.) Appraise the cost of the major assets based upon the original constructed cost. Compile water system expenses and revenues of the potential participants for 1997 and budgeted 1998.

5.) Formulate a "base model" to determine the cost of acquiring these assets. The "base model" will determine the present averaged water rate for each potential participant based upon their individual revenues and expenses. Data will be drawn from 1997 and budgeted 1998 revenues and expenses.

6.) Develop an average water rate if the cost and revenue data of all potential participants are pooled into a district. Determine the incremental cost to all potential participants to support a lease or purchase of the assets of the present City of Toledo water system.

7.) Determine an incremental water rate to support required future system improvements for the potential regional water system.

8.) Prepare a draft action plan to be reviewed by the Regional Water Study Policy Committee. Following review by the Committee, a final outline of an action plan and schedule for the possible creation of a regional water district will be submitted in a final report.

9.) The study will also allow for two planning meetings, progress meetings and two meetings to present the draft and final report.

The consultant is proposing a fee not to exceed $97,800.00 and intends to complete the study in six (6) months.