

# **NORTH|STAR™**

UTILITIES SOLUTIONS

## Town of Castle Rock Statement of Work

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## 1 INTRODUCTION

Town of Castle Rock hereafter referred to as “Castle Rock” is seeking to implement the NorthStar Customer Information and Billing System (NorthStar CIS) solution to replace its current legacy solution from DataWest.

Castle Rock and NorthStar, an unincorporated division of N. Harris Computer Corporation, have proposed a joint team to collaboratively design, develop, and implement the NorthStar CIS and select optional add-on modules. The system will be implemented using a combination of resources from both organizations. This Statement of Work (“SOW”) shall be subject to the terms and conditions of the Master Agreement between Castle Rock and NorthStar. These agreements are effective March 3, 2021 by and between NorthStar and Castle Rock and are hereby incorporated by reference. In the event of a conflict between this SOW and the Harris Master Agreements, the Harris Master Agreements shall control. To the extent a capitalized word is used in this SOW, should it not be properly defined herein, then it shall have the meaning attributed to it in the Harris Master Agreements.

### 1.1 Objective

This SOW defines the work to be performed by NorthStar and Castle Rock for the project. This SOW includes a scope definition, high-level timeline, fees, and other terms and conditions specific to the services requested by Castle Rock. “The Engagement” shall mean the performance by NorthStar of the services described in this SOW.

NorthStar CIS is an off-the-shelf software product that can be configured to follow many common business processes within a utility. Software configurations have been specifically identified in section 2.2.3 of this SOW as the implementation services. Any configurations not included in 2.2.3 are not considered in scope. Castle Rock expects that the software will perform substantially in accordance with standard product functionality.

Changes to this document shall be made through a Change Management Process as described later in this SOW.

## 2 SERVICE DESCRIPTION

### 2.1 Project Purpose

The purpose of this project is to provide Castle Rock with NorthStar's suite of software solutions to help modernize Castle Rock's business processes.

Castle Rock's primary drivers for this project include;

- Improve customer relations
- Reduce manual processes and increase productivity
- Improve internal processes by automating menial tasks
- Reduce paper-based workflows
- Improve integration with other systems
- Select and implement a supportable solution
- Improve customer engagement
- Take advantage of newer technology

### 2.2 NorthStar Implementation Areas within Scope

The details below outline the specific core functionality, additional modules, and services to be delivered.

#### 2.2.1 Services in Scope

The following service type will be configured within the NorthStar software:

- Water including four (4) water budget tiers and service charges
- Sewer
- Stormwater
- Renewable Water

#### 2.2.2 Modules

The following NorthStar software modules will be installed and configured as part of the project scope:

- NorthStar CIS (25 Concurrent named users)
  - Includes cashiering and backflow functionality
- NorthStar mCare (10 Concurrent named users)
- Harris SilverBlaze (web portal)
- NorthStar eDocs
- NorthStar BI
  - Reports Anywhere (RAW)
  - Executive Information Systems (EIS)
- NorthStar REST API (Qty 1)

### 2.2.3 Integrations

The following integration requirements with 3<sup>rd</sup> parties have been identified as part of the project. During the Planning Phase, NorthStar will conduct an integration workshop which will produce a detailed “*Integration Design*” document.

VENDOR	SYSTEM	FORMAT	DIRECTION		METHOD
Navaline	Financials – GL	Flat-file	One-way	Outbound	FTP/SFTP
InfoSend	Bill Print & Mail	Flat-file	One-way	Outbound	FTP/SFTP
UMB	Bank lockbox	Flat-file	One-way	Inbound	FTP/SFTP
Wells Fargo	Bank payments, pre-auth & ACH	Flat-file	Two-way	Inbound & Outbound	FTP/SFTP
Invoice Cloud	Payment Processing & IVR	Web services	Two-way	Inbound & Outbound	Whitelisted Public IP
Sensus	AMR	Flat-file	Two-way	Inbound & Outbound	FTP/SFTP
E-trakit	Permitting	Flat-file	One-way	Outbound	FTP/SFTP
WaterPlus	Bulk Station Metering	Flat-file	One-way	Inbound	FTP/SFTP

## 2.3 NorthStar Implementation Areas Out of Scope

Anything in this section or not listed in the above “Areas within Scope” is considered out of scope for this SOW. Specific items that are currently out of scope of this engagement include:

1. Requirement Items within any prior NorthStar proposal where the response was “Not Available”, optional, or references it as a responsibility of Castle Rock (unless stated otherwise within this SOW).
2. Activities associated with organizational change management. This is the people side of change management that includes managing the effect of new business processes, changes in organizational structure or cultural changes within an enterprise.
3. Any modifications to NorthStar software or integrations to other Castle Rock software other than previously identified in 2.2.3.
4. Additional user training if deemed required above contracted training hours.
5. Creation of user-specific documentation. Castle Rock will receive Microsoft Word format versions of NorthStar’s standard user guides.
6. Single Sign-on authentication with another web portal other than Paymentus or Invoice Cloud.
7. Custom modifications to any of the NorthStar / Harris systems.
8. Data migration of passwords from legacy web portals.
9. Supporting third party integration of the SilverBlaze login screen.
10. Display of 15 minute interval data in SilverBlaze.
11. Training of Castle Rock’s customers on SilverBlaze.
12. SilverBlaze Go-Live cutover taking place during regular business hours. If the customer requires a Go-Live on a weekend or weekday evening outside of business hours, a change order for the overtime work may be required.
13. Auto pay (PAP) data migration.

**3 PROJECT DELIVERY & IMPLEMENTATION APPROACH**

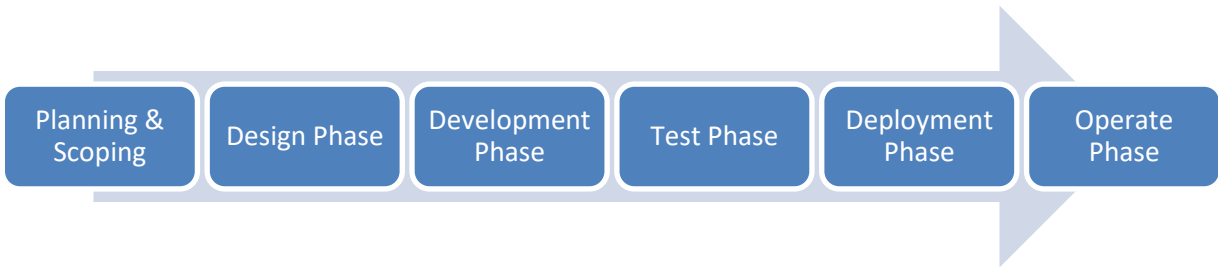
To ensure the successful implementation of the NorthStar solutions, NorthStar will leverage industry best practices and over 40 years of experience in successfully implementing similar projects for similar utilities, based on the following guiding principles:

- Promote and foster Castle Rock ownership of solution,
- Establish and maintain consistent and regular communication with Castle Rock,
- Ensure that project teams adopt a collaborative approach that follows project management principles and is measurable, tracked and proactively managed to ensure no surprises, and
- Seek opportunities to proactively manage Castle Rock investment and time commitments while still achieving engagement objectives.

**3.1 Project Delivery Model & Timeline Overview**

The estimated duration of this engagement is approximately – 10 months.

The project will be implemented through the following phases and key activities:



**3.2 Phase 1: Planning & Scoping**

<b>Key Activities :</b> <ul style="list-style-type: none"><li>• <b>Project Plan</b></li><li>• <b>Project Kickoff &amp; Planning</b></li><li>• <b>Deployment and Configuration Checklists</b></li></ul>	<b>Project Plan and Project Kickoff:</b> <ul style="list-style-type: none"><li>• The project kick off meeting includes the NorthStar Project Team and Castle Rock Core Team. It is an opportunity for both parties to review the statement of work, discuss the project timeline, assign roles and responsibilities and identify any project risks to finalize the project plan and governance.</li></ul> <b>Deployment and Configuration Checklist:</b> <ul style="list-style-type: none"><li>• Castle Rock will be provided with a Deployment and Configuration Checklist for Harris SilverBlaze as part of the project kick off, which is required to be completed by Castle Rock in full, prior to the installation of software.</li><li>• An overview session of Harris SilverBlaze is held with the core project team at the beginning of the project’s kick-off phase.</li></ul>
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	<p>As part of the session, NorthStar will provide a walk-through of basic product functionality and guide the completion of the Deployment and Configuration Checklist.</p> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"><li>• <b>Project Plan</b> – Including work breakdown structure, issues and risk log, communication and project governance plan.</li><li>• <b>Deployment and Configuration Checklist</b> – Castle Rock will return the completed Harris SilverBlaze checklists which will guide the SilverBlaze deployment and configuration.</li></ul>
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<b>3.3 Phase 2: Design</b>	
<p><b>Key Activities:</b></p> <ul style="list-style-type: none"><li>• <b>Discovery Design Workshops</b></li><li>• <b>System Installation</b></li><li>• <b>System Configuration</b></li></ul>	<p><b>Discovery Design Workshops:</b></p> <p>NorthStar will conduct remote workshops with Castle Rock’s Core Team:</p> <ul style="list-style-type: none"><li>• <b>Business Process</b> – Remote sessions over a five (5) day period to review current business requirements and processes in order to determine future processes, required modifications, and core configurations. Upon completion of this workshop a discovery document will be presented to Castle Rock for sign off. This document will be the basis for Castle Rock’s future use of NorthStar.</li><li>• <b>Data Mapping</b> – Remote sessions will be conducted with Castle Rock over a three (3) week period. Led by the Technical &amp; Conversion Lead, these sessions will map the data between the DataWest and NorthStar systems. Upon completion of this workshop a Data Mapping document will be presented to Castle Rock for sign off. This document will be the basis for the development of the conversion program.</li><li>• <b>Integration</b> – Remote sessions will be conducted with Castle Rock over a three (3) week period. Led by NorthStar working with the Castle Rock Team and third party vendors, these sessions will allow NorthStar to develop functional requirement documents for integrations. As with the previous workshops, these requirements documents will be submitted to Castle Rock for review and sign off.</li></ul> <p><b>System Installation:</b></p> <ul style="list-style-type: none"><li>• <b>Prerequisites:</b><ul style="list-style-type: none"><li>○ Castle Rock has procured and installed all required hardware and software</li></ul></li></ul>



	<ul style="list-style-type: none"><li>○ Complete Harris SilverBlaze Deployment and Configuration Checklists</li><li>● Install NorthStar CIS within Castle Rock’s on premise environment.</li><li>● Install add ons, including; SilverBlaze, mCare eDocs, RAW and EIS to new servers within Castle Rock’s on premise environments and direct to the NorthStar CIS instance.</li><li>● <b>System Configuration:</b></li><li>● <b>Prerequisite: Completed Business Process workshop</b></li><li>● <b>System Configuration Workshop</b> – Remote sessions over a ten (10) day period in order to configure NorthStar software to support Castle Rock’s business objectives.</li><li>● Peripheral devices such as <b>check scanners, receipt printers and credit card terminals</b> will be configured as part of the standard NorthStar configuration.</li></ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"><li>● <b>Solution Design Workbook:</b><ul style="list-style-type: none"><li>○ System parameters requirements.</li><li>○ Data mapping.</li><li>○ Functional specifications for interfaces.</li></ul></li><li>● <b>Solution Design Workbook Sign Off</b></li><li>● <b>Installed and Configured Staging Environment - will be used throughout the project</b> for development, training and testing and will become the Live environment</li></ul>
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3.4 Phase 3: Development	
<p><b>Key Activities:</b></p> <ul style="list-style-type: none"><li>● <b>Data Conversion</b></li><li>● <b>Development of Integrations</b></li></ul>	<p><b>Data Conversion:</b></p> <ul style="list-style-type: none"><li>● <b>Prerequisites:</b><ul style="list-style-type: none"><li>○ Complete data mapping document.</li><li>○ Castle Rock to provide DataWest system data extract.</li></ul></li><li>● NorthStar will load the converted data into the Castle Rock on premise environments as per Section 5.</li></ul> <p><b>Development of Integrations:</b></p> <ul style="list-style-type: none"><li>● <b>Prerequisite:</b> Complete functional specifications for interfaces</li><li>● NorthStar will work with 3<sup>rd</sup> parties and Castle Rock as required to develop integrations listed in Section 2.2.3.</li></ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"><li>● Data validation tracking document.</li></ul>

- Data validation guide.
- Data validation testing readiness acceptance.
- Interface testing readiness acceptance.

### 3.5 Phase 4: Testing & Validation

**Key Activities:**

- NorthStar Data Validation
- Functional Acceptance Testing
- Core Team Training
- Solution Validation
- Reports Anywhere Training
- SilverBlaze & mCare Coaching and Training
- SilverBlaze & mCare User Acceptance Testing
- User Acceptance Testing
- End User Training
- Go/No Go Criteria Planning

**NorthStar Data Validation:**

- **Prerequisite:** Delivery of initial data cut.
- Castle Rock will validate the data conversion through comparison of NorthStar system data to DataWest system data. There will be a number of activities to support this:
  - **Navigation Training** – Remote sessions over a three (3) day period to provide Castle Rock’s Core Team with the skills required in order to complete the validation.
  - **Data Validation Training** – Remote sessions over a three(3) day period to familiarize Castle Rock with the tools to identify and track the elements which must be validated as well as begin data validation activities.
  - **Data Validation Testing** – Client led validation activities over a four (4) week period, supported by NorthStar who will be dedicated to reviewing day-to-day progress, identifying any new issues, and ensuring the Core Team is prepared for next steps.

**Functional Acceptance Testing (FAT):**

- **Prerequisites:**
  - Data validation complete.
  - Interfaces in place.
- NorthStar will test core functionality using a subset of Castle Rock’s customer accounts using converted data.
- Confirm NorthStar core functionality using a subset of Castle Rock’s customer accounts using converted data.
- Validated testing criteria will be used to determine if the testing phase is complete and the system is ready for the next cycle of testing.
- Data conversion is an iterative process and will require fixes throughout all testing phases based on the outcomes of each testing phase.

**Core Team Training:**

- **Prerequisite:** Functional acceptance testing complete.

- Remote sessions over a ten (10) day period.
- This training will prepare the Core Team for the testing documented. Beginning with basic functions such as account management, service order management and Inventory management, training will progress through the more complex functions such as billing, credit and collections, and payment processing.

**Solution Validation:**

- **Prerequisite:** Core Team training complete.
- NorthStar will provide Castle Rock with site-specific, generic test plans.
- Conducted over a four (4) week period.
- Testing will include all defined processes, interfaces and add-ons.
- Castle Rock will use the NorthStar ticket tracking system to log any issues encountered.
- Castle Rock will have four (4) weeks to complete the necessary testing with remote support from NorthStar.

**Reports Anywhere (RAW) Training:**

- Report consumer training – IBM Cognos connection orientation for users who will be running RAW reports.
- Report creator training - Introduction to IBM Cognos report writing.

**SilverBlaze & mCare Coaching and Training:**

- mCare training will be conducted remotely over a four (4) day period. Day one will entail a configuration review and administrator training. The additional days will be broken down based on subject matter requirements for dispatch operations, field operations, and office clerks.
- For Harris SilverBlaze, User Acceptance Testing (UAT) coaching sessions will be held after NorthStar has completed the configuration and testing of the SilverBlaze. The objective of the sessions is to reveal the configurations of SilverBlaze produced based on the Deployment and Configuration Checklists. Additionally, sessions will introduce Castle Rock to the documentation and tools used for UAT, allow for questions to be asked, and be a precursor to UAT's completion and acceptance sign-off by Castle Rock.
- SilverBlaze Administrator training sessions will introduce Castle Rock to administrative features and functions available with

both applications. Sessions are held with those users who will be responsible for:

- Administration of users.
- Maintaining / updating SilverBlaze content.

**SilverBlaze and mCare User Acceptance Testing:**

- NorthStar will provide standardized test plans related to both systems that will be adjusted to reflect Castle Rock’s current service offerings, but this will not reflect Castle Rock’s specific processes and business rules. Upon completion of testing, Castle Rock will submit signed copies of the UAT scripts confirming all areas of the SilverBlaze and mCare applications have been successfully reviewed as a prerequisite for NorthStar to schedule Go-Live activities.
- Castle Rock will continue to use the NorthStar ticket tracking system to log any issues encountered.
- During the Solution Validation testing phase, Castle Rock will have two (2) weeks to complete the initial round of User Acceptance Testing. During that period, NorthStar will work with Castle Rock to remediate all priority 1 issues. Castle Rock will then have one (1) week of final testing prior to scheduling Go-Live.

NorthStar will assist Castle Rock to augment its training program; however, the assessment of whether an adequate level of knowledge has been achieved, creation of any testing tools or documentation, and employee testing support is the responsibility of Castle Rock. Should Castle Rock deem that any additional training or training support is required, a change order will be issued for additional services.

**User Acceptance Testing (UAT):**

- **Prerequisites:**
  - New data extract and conversion
  - Completion of Solution Validation
- Complete end to end testing for confirmation of system readiness. Completion of UAT will result in a code freeze. No further updates will be made to the NorthStar software or conversion program.
- Castle Rock will continue to use the NorthStar ticket tracking system to log any issues encountered.
- Castle Rock will have two (2) weeks to complete the necessary testing with remote support from NorthStar.

If a project delay is encountered due to external factors outside of NorthStar’s control and testing needs to extend beyond the six (6)

week window for Solution Validation and UAT testing outlined above, NorthStar and Castle Rock will analyze the results of this external factor on the project timeline to determine if there is a need for a change request to reflect a substantial change to the project plan, budget, or timeline.

**End User Training:**

- **Prerequisite:** UAT sign off.
- Conducted remotely over a ten (10) day period.
- End user training will be provided to all Castle Rock users upon completion of UAT.
- A training plan will be developed collaboratively with Castle Rock to ensure that each user is provided with the skills they need when they need them.
- Training is presented through multiple sessions grouped by functional area to allow Castle Rock to target required skills to complete daily tasks.

**Go/No Go-Live Planning:**

- Castle Rock will assist NorthStar in the construction of Go/No Go criteria. These criteria shall be used to determine whether or not to proceed to Operate Phase. Criteria shall be measured on a minimum of a weekly basis starting no later than the commencement of User Acceptance Testing. When all criteria are met, Castle Rock shall issue formal signoff to proceed with the Cut-Over Plan to production.

**Deliverables:**

- Two (2) Data extracts and conversions.
- Data validation signoff.
- Solution validation signoff.
- User acceptance testing signoff.
- End User training schedule signoff.
- End User training delivery signoff.
- Go/No Go-Live criteria documentation & signoff.

### 3.6 Phase 5: Deployment

**Key Activities:**

- “Day in the Life” Processing
- Go-Live Planning Activities

During the Solution Deployment phase, work is done which re-creates the key business functions of the DataWest system to ensure Castle Rock readiness on the Live system. By this phase, users are able to walk through the business processes independently.

**“Day in the Life” Processing:**

Unique business processes are recreated in NorthStar applications.

- **Prerequisites:**
  - UAT Signoff.
  - End User Training complete.
  - New data extract and conversion.
- Conducted remotely over a two (2) week period.
- With the support of the Core Team members, Castle Rock will re-create daily business tasks, as well as other key business functions from the DataWest system in the NorthStar systems.
- NorthStar will develop tools to load readings, payments, and billing data from the DataWest system into the NorthStar CIS to facilitate the comparison of DataWest data to NorthStar CIS.
- Castle Rock will continue to use the NorthStar ticket tracking system to log any issues encountered.
- At the end of “Day in the Life” testing, Castle Rock will prepare for Go-Live activities.

**Go-Live Readiness:**

- **Prerequisite:** Go/No Go criteria has been finalized.
- The NorthStar Project Manager will develop a Cutover plan throughout the life cycle of the project in preparation for a final transition to Live. This plan details the steps and responsibilities for NorthStar and Castle Rock to production environment.

**Deliverables:**

- One (1) data extract and conversion.
- Testing DataWest system validation tools.
- Go-Live plan & sign off.

### 3.7 Phase 6: Operation/Project Close Out & Evaluation

**Key Activities**

- **Go-Live Cutover**
- **Post Go-Live Support**
- **Transition to Support**

**Go-Live Cutover:**

- **Prerequisites:**
  - Testing complete.
  - Go-Live Plan complete.
  - Sign-off on all previous phases.
- Castle Rock will provide the final data extract from the DataWest system and NorthStar will perform the final data conversion.
- NorthStar will perform the tasks required to switch the staging environment used throughout the project to the Live system.

**Post Go-Live Support:**

- Castle Rock Core Team and NorthStar will provide dedicated support on the Sunday of the Go-Live weekend and during the first week of Go-Live.
- NorthStar will provide remote support for an additional three (3) weeks post go-live, for a total of four (4) weeks.
- The NorthStar Team will assist Castle Rock throughout the post Live implementation phase to identify and respond to any needs and concerns.
- During the post Go-Live period, NorthStar will provide remote and online support to ensure a smooth transition to NorthStar Support.
- During the post Go-Live period, NorthStar will install the CIS Test system within Castle Rock's on premise environment.
- NorthStar will install add ons including; SilverBlaze, mCare eDocs, RAW and EIS within Castle Rock's on premise test environments and direct to the NorthStar CIS instance.
- Project Managers will review project deliverables and confirm project close out and services acceptance. This will include a project evaluation and post Go-Live survey.

**Transition to Support:**

- The NorthStar team will have first engaged NorthStar Support during UAT.
- Upon completion of the four (4) weeks of post Go-Live support, Castle Rock will be transitioned from the NorthStar Project Team to the NorthStar Support Team.
- Castle Rock will continue to use the NorthStar ticket tracking system to log any issues encountered.

**Deliverables:**

- Final Data Extract and Conversion
- Live NorthStar environment
- Creation of Test environment

	<ul style="list-style-type: none"><li>• Support transition documentation</li><li>• Project evaluation survey</li><li>• Project acceptance signoff</li></ul>
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### 3.8 Project Planning: Additional Timeline Considerations

There are a number of factors to be considered that may have an associated unplanned increase in effort and will, therefore, impact the project schedule. These factors are typically not determined until project kick-off and will be a key input into determining the final Go-Live date.

These may factors include:

- Data:
  - Data clean-up (if required) by Castle Rock
  - Volume of data – Consideration needs to be given to the amount of historical data required and how long it will take to obtain the data.
- Peripherals:
  - If Castle Rock has special print handling – paper source, special commands, etc. -- this will create additional effort.
  - An increase or replacement of equipment coinciding with the implementation
  - Availability of and access to third party-vendors regarding interfaces
- Installation and set-up of Castle Rock on premise technical environments.

## 4 PROJECT MANAGEMENT METHODOLOGY

The NorthStar **Project Management** section defines how engagements will be successfully managed.

Following are the areas covered within NorthStar's Project Management Methodology as well as its key artifacts:

- **Communication/Status Management** aimed at establishing internal and external communications as well as monitoring and communicating engagement status and effort spent.
  - Project Status Report, Project Touch-Point, NorthStar Internal Engagement Reviews
- **Relationship Management** aimed at measuring the pulse of Castle Rock and partners.
  - Executive Touch-Point, Post-Project Survey, NPS Survey
- **Work Management** to capture and monitor effort, cost and work to be performed
  - Work Breakdown Structure (WBS), TeamSupport – NorthStar On-Line Issue Management Solution
- **Scope Management** for defining and controlling project scope
  - Change Control Process, Change Control Log
- **Risk Management** to support understanding, mitigating, tracking and monitoring risks
  - Joint Castle Rock/NorthStar Risk Register
- **Deliverable/Acceptance Management** to ensure that expected deliverables are delivered and accepted as planned
  - Acceptance Process, Acceptance Criteria
- **Financial/Contract Management** aimed at monitoring project financial health

A NorthStar Project Manager acts as the lead for the project and has the overall accountability for project success and on-time and on-budget delivery. The project teams will report directly to the NorthStar Project Manager.

The NorthStar Project Manager is accountable to:

1. Conduct regular internal project meetings to ensure that all aspects of the project are understood by the NorthStar team and that progress and risks are properly reported and managed,
2. Conduct regular project meetings with Castle Rock and ensure that the appropriate resources from the NorthStar team are included,
3. Review project status, schedule, risks, resources as well as any other issues that may affect the success of the project, and
4. Ensure that all areas of the NorthStar Project Management Methodology are executed.

## 5 DATA EXTRACT & CONVERSION CONSIDERATIONS

Data conversion is one of the most important aspects of a successful implementation. Understanding and verifying data through the iterations is required to ensure on-time and on-budget delivery and overall project success.

NorthStar will assign a Technical Conversion Lead who will act as the primary resource involved with converting data from the existing systems to NorthStar and who will work with the project team to ensure success.

The extraction of the data from DataWest will be performed by Castle Rock and/or DataWest. Castle Rock is responsible for validating the converted data. Best practices requires four (4) full data extracts and conversions to be scheduled and executed.

Throughout the implementation, if new data conversion requirements are found, a project change order will be created, and the timeline may be adjusted.

If additional data conversions are required, they will be negotiated through the change order process.

Conversion specifications - NorthStar and Castle Rock will work cooperatively to identify the correct logic to apply in converting Castle Rock's data to the NorthStar CIS. NorthStar will convert up to five (5) years of history plus the current year of information.

This information includes:

- Account and Customer Information, including identification, contact information, and addresses.
- Account, customer, and premises notes or comments - Note that these can be associated with either the account or the premise, but not with both
- Credit event history and account credit scores, if provided.
- Service information, such as metered rates, classes, start and stop dates, and non-consumption related rates.
- Payment arrangements and preauthorized payment information and equal billing/payment plan data.
- Meter information including the type of meter, the associated units of measure, key dates, and status.
- Transaction history, including financial data broken down by service (i.e. water, sewer, etc) where possible.
- NorthStar's alerting functionality will be used to convert account flags to indicate special circumstances and indicators on accounts. For example, consumption, infrastructure, HOA.
- Backflow data XC2 will be migrated into NorthStar core tables and made available through the NorthStar screens.

### **Conversion Items Out of Scope:**

1. Any data conversion work that deals with record sets of 50 or fewer needs to be manually entered or adjusted by Castle Rock. Examples might include life support flags or tax exempt flags on accounts.

2. Any data conversion programming work where there is no possible clear applicable programming logic. These records may need to be manually edited after the conversion is complete. This would include any data not currently stored in the tables of the DataWest system and any data not required in NorthStar and that have no logical place in NorthStar tables to put the data in.
3. A data mapping plan will be provided, but creating user-specific data mapping documents for Castle Rock use is out of scope.
4. Converting transaction history for more than five (5) years of data.
5. Miscellaneous receipts.
6. Existing service orders and contact history in the DataWest system.
7. Letter history or PDF and Word documents related to customers will not be converted.
8. Deferred Accounts Receivable history, deferred Accounts Receivable by service type
9. Statistics maintenance & history.
10. Cashiering batches, meter reading batches, billing journal batches and any other in progress journals. All transactions should be posted by Castle Rock prior to any conversion activity taking place. Work in progress, such as a billing batch that has been calculated but not updated, will not be converted to NorthStar's journals. The billing journal would have to be recreated in NorthStar.

## 6 NORTHSTAR TRAINING APPROACH

Starting with exposure to the software during Discovery Workshops in the Design Phase and ending with working in parallel with the DataWest system during the Deployment Phase, each training activity is designed to assist the users in becoming increasingly knowledgeable and proficient in NorthStar software. NorthStar believes it is extremely important for Castle Rock to be trained with its own data and in its own environment so all training will utilize Castle Rock's new environment through a combination of teaching and hands-on activities. The goal is for users to become self-sufficient in working through their business processes by the Deployment Phase.

As noted above in Section 3, multiple training sessions will take place throughout the course of the project:

- Navigation & Data Validation Training – Provided at the initiation of the Testing & Validation phase, this enables the Core Team to validate the data conversion.
- Core Team Training – Completed prior to Solution Validation Testing, this provides the Core Team with comprehensive training on NorthStar navigation and standard processes.
- Reports Anywhere Training – Provided at the end of Solution Validation, this training is directed at both report Consumers and report Creators, including a hands-on workshop with report Creators to assist them with the development of their own reports.
- NorthStar mCare Training – Provided at the end of the Testing & Validation phase, this training is directed at Customer Service and Field Service Representatives, Dispatchers and System Administrators.
- SilverBlaze Coaching – Around kick-off, NorthStar will provide an overview session of the application. During Solution Validation, coaching will be provided on the configured SilverBlaze environment to prepare for User Acceptance Testing, and separate SilverBlaze and mCare training will be provided on how to administer the system.
- End User Training – Provided at the end of the Testing & Validation Phase, and based on a training scheduled developed in conjunction with Castle Rock -- this prepares all resources to begin using NorthStar applications to accomplish day-to-day tasks.

## 7 SERVICE DELIVERABLES ACCEPTANCE PROCESS

If applicable, at specified milestones throughout the engagement, NorthStar will deliver completed service deliverables (“deliverables”) for review and approval. To ensure the project is not unduly delayed, and where applicable, service deliverables shall be reviewed within ten (10) business days from the time of submittal for acceptance or mutually agreed upon time frame. After the ten (10) day notice period or mutually agreed upon time frame, use or partial use of any service deliverable will constitute acceptance of that service deliverable. Feedback supplied after the review period will be evaluated as a potential change of scope and shall follow the Change Order Process.

The service deliverable acceptance process is described below:

- **Submission of Deliverables** - The NorthStar Project Manager, or his/her designee, will prepare a deliverable acceptance form for the various phases of the project and submit it to the designated Castle Rock representative for consideration. Castle Rock sign off will be required for the following phases of the implementation:
  - Data Validation
  - System Configuration
  - Custom Modifications & Integrations Delivery
  - Acceptance Testing
  - Production Readiness
  - Final Project Acceptance
- **Acceptance / Rejection** - After reviewing, Castle Rock will either accept the service deliverable (by signing and dating the Service Deliverable Acceptance Form) or will provide a written reason for rejecting it and will return the Service Deliverable Acceptance Form to the NorthStar Project Manager.
- **Correction of Service Deliverables** - NorthStar will correct in-scope items identified with the service deliverable. NorthStar will submit a schedule for making changes to the service deliverable within two (2) business days of receiving a rejected Service Deliverable Acceptance Form. Once NorthStar corrects all previously identified in-scope issues, the service deliverable will be substantially reviewed by Castle Rock within ten (10) business days for approval.
- **Monitoring and Reporting** - The NorthStar Project Manager will track service deliverable acceptance. Updates on service deliverable acceptance will be included in the status report and discussed in the status meeting. Service deliverable acceptance issues that cannot be resolved will be escalated.

## 8 CHANGE ORDER PROCESS

NorthStar will maintain the formal documentation denoting agreed upon changes. Castle Rock and NorthStar may propose changes for services falling outside the scope of services described herein. The change control form must be used for all change requests. A sample Change Order form can be found in Appendix 13.3. NorthStar shall have no obligation to commence work in connection with any change until the fee and schedule impact of the change is agreed upon in a written change control form signed by the designated representatives from both parties which fees shall be at \$220/hour USD, NorthStar's current rate.

Upon a request for a change, NorthStar shall submit the change on our standard change control form, describing the change, including the impact of the change on the schedule, fees, and expenses. The change management process that will be employed is defined below:

- Identify and document proposed change
- Assess impact of proposed change
- Estimate required effort / cost of proposed change
- Submit change control for approval / disapproval
- Communicate change control decision
- If change control is approved:
  - Assign responsibility
  - Monitor and report progress

Within ten (10) consecutive business days of receipt of the change control form (or any other period of time mutually agreed to by the parties), Castle Rock shall either indicate acceptance or rejection of the proposed change by signing the change control form. If the change order is rejected, then NorthStar shall proceed only with the original services and a discussion for a revised change order can commence. In the absence of Castle Rock acceptance or rejection of the change control form, NorthStar will not perform the proposed change.

## 9 ROLES & RESPONSIBILITIES

NorthStar will structure a team that will facilitate strong project communication and clear accountabilities as well as provide the necessary link with the Research and Development team. Both Sales and Support will be engaged as required – all NorthStar will collaborate and provide any specific skills or resources required to ensure the successful implementation of the proposed solution at Castle Rock.

Below is a chart outlining the roles and responsibilities of Project Team members:

NorthStar Project Team	
Title	Role
Executive Sponsor	<ul style="list-style-type: none"> <li>Provide overall project support</li> </ul>
Project Manager	<ul style="list-style-type: none"> <li>Provide project oversight and guidance</li> </ul>
Functional & Testing Lead	<ul style="list-style-type: none"> <li>Provide solution design</li> <li>Provide testing support</li> <li>Perform static system configuration &amp; support configuration activities</li> <li>Provide application training</li> </ul>
Technical & Conversion Lead	<ul style="list-style-type: none"> <li>Develop &amp; refine data conversion program</li> <li>Develop parallel processing tools</li> <li>Develop custom modifications &amp; integrations</li> <li>Provide testing support</li> </ul>
Environment Architect	<ul style="list-style-type: none"> <li>Provide support on technical questions</li> </ul>
Castle Rock Project Team	
Title	Role
Executive Sponsor	<ul style="list-style-type: none"> <li>Senior Level Executive who has accepted ownership of investing in the NorthStar solution and will promote funding and staffing of the project</li> </ul>
Business Decision Makers	<ul style="list-style-type: none"> <li>Represents the Executive Sponsor and/or leadership team at Castle Rock that have the power to make strategic decisions in relation to the implementation.</li> </ul>
Project Manager	<ul style="list-style-type: none"> <li>Primary day-to-day contact for the project.</li> <li>Work with NorthStar Team to plan and coordinate project activities, signs-off project phases, and technical services deliverables and acceptance (i.e. milestone payments)</li> </ul>
Database Administrator	<ul style="list-style-type: none"> <li>Provide installation &amp; setup services</li> </ul>



	<ul style="list-style-type: none"><li>• Provide technical support associated with NorthStar installation activities</li></ul>
Core Team	<ul style="list-style-type: none"><li>• Acknowledged Subject Matter Experts in their own areas</li><li>• Responsible for communicating the detailed business requirements and existing business processes to NorthStar</li><li>• Design business processes and make decisions about the configuration parameters for the CIS installation</li><li>• Present project requirements and coordinate tasks within each functional area during implementation</li><li>• Verify initial system setup</li><li>• Perform acceptance testing and provide sign off on deliverables</li></ul>
End Users	<ul style="list-style-type: none"><li>• Responsible for using the finalized business system as designed.</li><li>• Participate in training sessions upon completion of acceptance testing</li></ul>

## 9.1 Castle Rock Involvement and Responsibilities

A successful NorthStar implementation project requires that both Castle Rock and NorthStar resources work openly and collaboratively towards a successful implementation. As such, Castle Rock's involvement will be required throughout the implementation of the project. Involvement of key Castle Rock resources ensures the NorthStar solution is developed to meet your specific business requirements and is designed to ensure adoption and acceptance of the new solution.

The factors that will determine the size of Castle Rock's team include the following:

- The level and expertise of each of Castle Rock's project Core Team members,
- The ability of Castle Rock's Project Manager to make decisions regarding the project,
- Whether current job responsibilities will interfere with Core Team responsibilities,
- The amount of business reengineering Castle Rock determines is necessary, and
- The number of personnel Castle Rock will use to run its operations system, which in turn affects the amount of training needed.

Based on NorthStar's experience, it is recommended that Castle Rock be prepared to provide Core Team resources to the project with expertise in the following areas:

- Customer Service,
- Meter Reading,
- Asset Management,
- Billing,
- Payment Processing,
- Credit and Collections,
- Financials, and
- Reporting.

Throughout the life of the project, Core Team members will participate in every phase, honing their skills and developing into the NorthStar experts for their department. These individuals will require dedicated project time. The table below provides an estimated level of effort for each phase.

PHASE	TASK	RESOURCES	CUSTOMER COMMITMENT
<b>Planning and Scoping</b>	Discovery	Business Decision Makers Core Team Interface Owners Conversion Owners	All teams for 5 days, Data and Interface experts for 1 – 2 hrs per day for 3 weeks.
	Data Cleansing	All DataWest System Users	1 - 2 hrs per day for 4 - 6 weeks; dependent on accuracy of DataWest data.
<b>Design</b>	Configuration	Core Team	5 - 10 days - hours per day to be determined
	Interface Development	Interface Owners	2 - 3 hrs per week for 4 - 6 weeks; primarily as liaison with third parties.
<b>Test</b>	Data Validation	Conversion Owners	4 - 6 hrs for new data extract.

		Core Team	3 - 5 weeks to work through first data cut;
	Core Team Training and Initial Testing	Core Team	10 days remote
	Solution Validation	Core Team, Interface Owners	20 days - hours per day to be determined
	UAT	Conversion Owners	4 - 6 hrs for new data extract
		Core Team, Interface Owners	10 days – hours per day to be determined
<b>Deployment</b>	End User Training	All Users	2 - 3 days per user depending on responsibilities
	Parallel	Core Team, Interface Owners	10 days – approximately full-time for all users
		Conversion Owners	4 - 6 hrs for new data extract
	Go-Live	Core Team	Cutover tasks; typically completed on the Sunday afternoon prior to Go-Live
		Conversion Owners	Hours required for data extract and preparation for final cutover

(Note: The involvement required by Castle Rock will be reviewed and validated during the Planning and Scoping Phase of the project to ensure there is a balance between project needs, continued organization needs, and risks. In many cases a single resource may hold multiple project roles.)

## **10 PROJECT ASSUMPTIONS**

The services, fees, and delivery schedule for this engagement are based upon the following assumptions:

### **10.1 General Assumptions**

1. Any items not explicitly identified within this document are considered out of scope. Any changes to those responsibilities and/or deliverables will be considered a change in scope for the engagement. Any proposed change to the engagement scope must be put into written format and be submitted to NorthStar during this engagement for review and consideration.
2. Adoption of new business processes will be required to optimize NorthStar utilization.
3. All documentation provided by Castle Rock and NorthStar shall be up-to-date and accurate, or if that is not the case, advise Castle Rock and NorthStar as such.
4. The NorthStar project is deemed completed once all NorthStar modules within the scope of this engagement have been deployed to the production environment for ninety (90) calendar days and that any Punch List items raised during that period have been resolved and Castle Rock issues the notice of acceptance.
5. In the event Castle Rock requires additional client licensing beyond the twenty five (25) named concurrent users, NorthStar will provide estimates for the additional licenses.
6. All estimates for training and consulting are based on the NorthStar Implementation plan and best practices and our knowledge of utilities of Castle Rock's size.

### **10.2 Engagement Assumptions**

1. This engagement currently has, and will continue to have, the support of senior Castle Rock and NorthStar management, and each party will be assigned sufficient priority with respect to their other projects to ensure its success.
2. Castle Rock and NorthStar will each assign a Project Manager to lead and guide their respective teams throughout this engagement.
3. Castle Rock and NorthStar will each secure the appropriate staff from their teams in a timely fashion in order to discuss or review the various materials produced when required.
4. Castle Rock and NorthStar agree to facilitate any required corporate logistics for the fulfillment of this agreement.
5. Castle Rock and NorthStar will provide access and support from their respective IT Groups and any other stakeholders, as deemed necessary by Castle Rock and NorthStar throughout this engagement.
6. Castle Rock will provide the appropriate remote access to its network, facilities and systems, as may be required to perform activities from one of NorthStar's locations. NorthStar shall abide by all rules and directions of Castle Rock when accessing networks, facilities, or systems.

7. The Castle Rock project does not include any site visits; however, should travel become an option, NorthStar and Castle Rock may revisit the requirement for remote versus onsite for any of the following:
  - a. Business Process Review (“Discovery Workshop”) – Functional & Testing Lead
  - b. System Configuration Workshop – Functional & Testing Lead
  - c. Navigation & Validation Training – Functional & Testing Lead
  - d. Core Team Training & Solution Testing – Functional & Testing Lead
  - e. mCare Training – Functional & Testing Lead
  - f. End User Training – Functional & Testing Lead
  - g. “Day in the life” Testing – Functional & Testing Lead
  - h. Go-Live Support – Functional & Testing Lead

### **10.3 Conversion Assumptions**

1. The data provided by Castle Rock for final conversion will be complete and clean. It is the responsibility of Castle Rock to clean data if deemed required due to the identification of inaccurate entries. The final conversion, at Go-Live, will be included on the Go-Live checklist.
2. NorthStar will work with Castle Rock to ensure the conversion data will be able to be extracted in a format acceptable to NorthStar specifications.
3. Final copying of the database at Go-Live will be performed outside Castle Rock’s normal business hours.
4. Deposits on pending accounts (i.e. those not yet active) will not be converted and will need to be manually entered at Go-Live.
5. It is recommended that all notices and service orders scheduled prior to Go-Live are completed in the DataWest system prior to the final data cut.
6. NorthStar Testing tools -- In order to use these tools, Castle Rock will be responsible for creating and providing a DataWest daily cash file and a DataWest billing batch data extract.
7. NorthStar will provide documentation of database relationships between DataWest and NorthStar software in the form of the Data Mapping Plan.

### **10.4 Custom Modification & Integration Assumptions**

1. NorthStar will work with Castle Rock and all third party vendors referenced in Section 2.2.3 to ensure a successful implementation. However, Castle Rock will secure, as required and in a timely fashion, the assistance and cooperation of third party vendors to ensure a successful implementation. A change order may be created if the third party vendor is unavailable or non-cooperative and, as such, results in an impact to the schedule or effort.
2. Third party vendors’ solutions are able to provide information required by NorthStar as well as accept information provided by NorthStar.

3. All third party software and hardware products are assumed to perform correctly in Castle Rock's current production environment, in accordance with the appropriate third party vendor's specifications.
4. In addition to the flatfile, SilverBlaze requires individually named PDFs to be uploaded onto Castle Rock's server from BillTrust.

## **10.5 Technical Assumptions**

1. NorthStar will ensure systems interfacing to NorthStar provide data in a format acceptable to NorthStar specifications as documented and agreed upon in the Solution Design workbook.
2. After initial setup, the system/environment will not be modified (no hardware resource allocation changes, no network changes, no server changes) until at least 30 days after Go-Live.
3. All hardware, software, and network components supplied by Castle Rock are working properly and are free of defects and will meet minimum hardware standards provided during the engagement.
4. NorthStar is responsible for providing Testing and Production environment(s). Within one (1) month after the Go-Live cutover, TEST environments will be created within the same servers.
5. Castle Rock will provide appropriate multi-user, remote access, such as a VPN, to its network, facilities, and systems as may be required to perform activities from one of NorthStar's locations. During the implementation, NorthStar requires direct access as required. NorthStar shall abide by all rules and directions of Castle Rock when accessing Castle Rock's network, facilities or systems. NorthStar activities will be done with proper notification.

## 11 FEES AND PAYMENTS

### 11.1 One-time Costs

QTY	DESCRIPTION	COST
<b>SOFTWARE LICENSING</b>		
25	NorthStar CIS	Harris Guarantee
10	NorthStar mCare	Harris Guarantee
Site	NorthStar BI (RAW & EIS)	10,000
Site	NorthStar eDocs	5,000
1	NorthStar REST API	15,000
<b>TOTAL SOFTWARE LICENSING</b>		<b>\$30,000</b>
<b>PROFESSIONAL SERVICES</b>		
1	NorthStar Professional Services  Includes: <ul style="list-style-type: none"> <li>• Project Management</li> <li>• Business Analysis &amp; Workshops</li> <li>• Implementation</li> <li>• Configurations</li> <li>• Conversion</li> <li>• Integrations</li> <li>• Testing</li> <li>• Training</li> <li>• Go-Live Support</li> </ul>	\$380,000
<b>TOTAL PROFESSIONAL SERVICES</b>		<b>\$380,000</b>
<b>TOTAL ONE-TIME COSTS</b>		<b>\$410,000</b>

### 11.2 Annual Recurring Costs

QTY	DESCRIPTION	COST
1	NorthStar Annual Maintenance & Support fees	\$28,125
1	Harris SilverBlaze Annual Subscription fees	\$17,250
<b>TOTAL ANNUAL RECURRING COSTS</b>		<b>\$45,375</b>

### 11.3 Assumptions

1. Estimates are based on typical effort to implement NorthStar software for clients similar to Castle Rock. Actual costs will vary dependent upon factors such as: scope of integrations, data quality and data migration scope, testing requirements, training needs, and resource availability from Castle Rock.
2. Price excludes any applicable taxes, duties and fees.
3. Price does not include travel time, billed at \$75/hour, or travel and living expenses, which are billed as incurred. Travel expenses include, but may not be limited to: airfare, transportation, meals, and accommodations.
4. Any additional professional services may be offered at a rate of \$220/hour.
5. Proposal is valid for 90 days from date of delivery and will then be considered expired. Project may need to be reassessed and re-quoted to ensure accuracy.
6. All invoices are payable within 30 days.

### 11.4 Payment Milestones

- Software Licensing:
  - 100% on signing
- Professional Services:
  - 50% on signing
  - 20% on installation of software
  - 20% on move to production environment
  - 10% 30 days post Go-Live
- Maintenance & Support:
  - 100% on installation of software
- Subscription:
  - 100% on signing, then recurring annually on anniversary date



**12 DOCUMENT ACCEPTANCE AND SIGNOFF**

Accepted on this day by:

Town of Castle Rock

NorthStar Utilities Solutions

By: \_\_\_\_\_

By: \_\_\_\_\_

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

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

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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

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

## 13 APPENDICES

### 13.1 NorthStar Hardware Requirements

NorthStar CIS Application & Database Server	
Quad Xeon Processor (required)	Windows 2019 64 Bit
2 x Quad Xeon Processor (recommended)	Wildfly
64GB Memory	Java 8
1000GB 15K (minimum)	SQL Server 2019
1000GB 15K SSD or SSHD (recommended)	VMWare supported
NorthStar CIS Client Computer	
Quad Core CPU (Intel Core2, AMD Phenom...)	Windows 10 (64)
40GB hard drive (or higher)	JRE 8.0
4GB Memory (minimum)	Microsoft Office 2010
8GB Memory (recommended)	
Minimal resolution: 1360 x 786	
NorthStar RAW & eDocs Extension Server	
Dual Xeon Processor	Windows 2019 Standard 64 bit
16GB Memory	VMWare supported
2 X 72GB 15K SAS Drives	
Harris SilverBlaze Extension Server	
Dual Xeon Processor	Windows 2016 Standard 64 bit
32GB Memory	VMWare supported
500GB 15K SAS Drives	
NorthStar mCare Extension Server	
Dual Xeon Processor	Windows 2019 Standard 64 bit
32GB Memory	VMWare supported
500GB 15K SAS Drives	
NorthStar mCare Client Computer	
Recommended Devices: <ul style="list-style-type: none"> <li>• Apple iPad Mini 4 8"</li> <li>• Apple iPad 5th Gen 9.7"</li> <li>• Galaxy Tab S2 8"</li> <li>• Galaxy Tab S2 9.7"</li> <li>• Surface Pro 4 12.3"</li> </ul>	Recommended Device Specs: <ul style="list-style-type: none"> <li>• Screen Size 8 (~320 ppi density) or 9.7" (~264) (4:3 ratio)</li> <li>• 1536 x 2048 pixels, 4:3 ratio</li> <li>• GPU (required for smooth user experience)</li> <li>• CPU dual-core 1.5 GHz (min 1.33GHz)</li> <li>• 2GB of RAM (min 1.5GB)</li> <li>• Back Facing Camera</li> <li>• LTE or LTE adapter</li> </ul> <p>NOTE: GPU and RAM are critical.</p>



## 13.3 Town of Castle Rock Rates

### 13.3.1 Water Consumption Volumetric Rates

**Tier 1:** This tier is the indoor water use budget. It is calculated by averaging the customer water use during the months of November – February (AWMC). It is reset every March and goes into effect on the April statement. The calculation used for the AWMC throws out the highest read of the 4 months and averages the remaining 3 reads (rounding to the nearest 1,000 gallons based on the standard mathematical rounding methods).

*For example: A customer used 3,000 gallons in November; 5,000 in December; 2,000 in January; and 6,000 in February. The 6,000 would be thrown out and the remaining 3 reads would be used for the average. This customers AWMC would be 3,000/month.*

The process to calculate and update the AWMC for all customers every year is an automated process performed within BillMaster. New customers with a start date during the AWMC capture period are set to the customer class average for their Tier 1 AWMC.

This tier applies to the following customer classes: Residential, Commercial, and Commercial with Irrigation, Multi Family and Multi Family with Irrigation.

**Tier 2:** This tier is the outdoor or irrigation water budget. It is calculated by multiplying the customers irrigated area in square feet by the evapotranspiration (ET) factor for each month throughout the irrigation season. The ET factors are recalculated every year using a 7-year average of the local Castle Rock weather patterns. The ET factors are different every month throughout the irrigation season. The ET factors are reset every March and go into effect on the April statement.

*For Example: A customer has 6,258 square feet of irrigated area and the ET factor for July 2019 was 0.0034715891. (ET is expressed in kgals/square foot). The July 2019 Tier 2 budget for this customer would be  $6,258 \times 0.0034715891 = 23,000$  gallons.*

The 7-year average ET factor is calculated manually in Excel. The new monthly ET factors are then loaded into BillMaster and then an automated process is performed within BillMaster to update the Tier 2 budgets for all customers.

This tier is seasonal and only used during irrigation months (April – October). It applies to the following customer classes: Residential, Commercial with Irrigation, Multi Family with Irrigation and Irrigation only.

Non-residential accounts with irrigation use a different set of ET factors than residential customers. This would require two sets of ET factors.

**Tier 3:** This is any water consumption exceeding the combined total of the Tier 1 and Tier 2 budgets.

*For example: A customer's Tier 1 budget was 4,000 gallons and his Tier 2 budget was 8,000 gallons but he used 15,000 gallons. 4,000 would be charged the Tier 1 rate; 8,000 would be charged the Tier 2 rate; and 3,000 gallons would be charged at the Tier 3 rate.*

This tier applies to the following customer classes: Residential, Commercial, and Commercial with Irrigation, Multi Family, Multi Family with Irrigation and Irrigation only.

**Tier 4:** This tier is a surcharge charged only to residential customers who use over 40,000 gallons in a single month. It is charged in addition to the Tier 3 rate on all water consumption over 40,000 gallons in a single month.

*For example: A customer's Tier 1 budget was 4,000 gallons and his Tier 2 budget was 8,000 gallons but he used 50,000 gallons. 4,000 would be charged at the Tier 1 rate; 8,000 would be charged at the Tier 2 rate; 38,000 would be charged at the Tier 3 rate; and 10,000 would be charged at the Tier 4 rate.*

This tier applies only to the Residential customer class.

The below chart outlines how the tiers are applied to each customer class.

<b>Irrigation Season (April - October)</b>				
<b>Customer Class</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Tier 4</b>
Residential	Yes	Yes	Yes	Yes
Commercial	Yes	No	Yes	No
Commercial w/ Irrigation	Yes	Yes	Yes	No
Multi Family	Yes	No	Yes	No
Multi Family with Irrigation	Yes	Yes	Yes	No
Irrigation Only	No	Yes	Yes	No
<b>Non-Irrigation Season (November - March)</b>				
Residential	Yes	No	Yes	Yes
Commercial	Yes	No	Yes	No
Commercial w/ Irrigation	Yes	No	Yes	No
Multi Family	Yes	No	Yes	No
Multi Family with Irrigation	Yes	No	Yes	No
Irrigation Only	No	No	Yes	No

### 13.3.2 Service Charges

**Water Service** – This is a fixed monthly charge based on the meter size.

**Renewable Water** – This is a fixed monthly charge based on the meter size.

**Stormwater** – This is calculated differently based on whether the customer is a residential customer or a non-residential customer.

**Residential:** Stormwater is a fixed monthly charge based on the SFE.

**Non-Residential:** Stormwater is calculated using the total parcel size (in square feet), impervious area and charged per SFE.

*For Example: A customer's parcel size is 67,455, the impervious area is 80%, the charge is \$7.12/SFE and there are 3,255 impervious Sq.Ft./SFE.*

The calculation for this customer's Stormwater charge is:  $67,455 \times .8 \times (7.12/3,255) = \$118.02/\text{month}$   
The stormwater charge is calculated automatically for each customer within the BillMaster billing system.

**Wastewater:** There are two components to the monthly wastewater service charge. A fixed service charge plus a volumetric charge. The fixed service charge is based on the meter size. The volumetric charge is based on the same AWMC that is used for the Tier 1 water budget and is reset every year at the same time the Tier 1 water budget is reset.

*For Example: A customer has a  $\frac{3}{4}$ " meter and an AWMC of four, the fixed monthly service charge is \$9.30 and the volumetric charge is \$6.59 per one Kgal of the AWMC. Rates are subject to change.*

*The calculation for this customer's monthly wastewater charge is  $\$9.30 + (4 \times \$6.59) = \$35.66$*

The process to update all customers' wastewater charge with their updated AWMC is an automated process performed within BillMaster each year. New customers with a start date during the AWMC capture period are set to the customer class average for their wastewater volumetric charge.

### 13.3.3 Bulk Water

Bulk Water has 2 customer classes (bulk station and bulk hydrant) and each have separate volumetric consumption rates and monthly service charges. Bulk water accounts do not have a tiered rate structure, all water consumption is charged at the same volumetric rate.

The below chart outlines fixed charges applicable for each customer class:

Fixed Charges				
Customer Class	Water Service	Renewable Water	Stormwater	Wastewater
Residential	Yes	Yes	Yes	Yes
Commercial	Yes	Yes	Yes	Yes
Commercial w/ Irrigation	Yes	Yes	Yes	Yes
Multi Family	Yes	Yes	Yes	Yes
Multi Family with Irrigation	Yes	Yes	Yes	Yes
Irrigation Only	Yes	Yes	No	No
Bulk Hydrant	Yes	Yes	No	No
Bulk Station	Yes	Yes	No	No

### 13.3.4 Extra Territorial Agreements

Extra-territorial agreements require rates to be charged in excess of 100% and would only be applicable to a small subset of accounts. The calculations as shown above would be the same only for a different rate.

For Example: Castle Rock Water typically provides water and wastewater services to properties within the Town city limits/boundaries. However, there are times that it provides water and wastewater services by contract to certain customers outside of the Town limits/boundaries (extra-territorial customers). Per

Municipal Code, when service is provided by contract to extra-territorial customers, customers can be charged up to 125% of our normal rates. All other rate calculations are the same, rates are just increased anywhere from 0 – 25%, depending on the approved contract. We currently provide service to a large development outside of the Town limits for 110% of our normal water rates and 125% of our normal wastewater rates. We also have additional extra-territorial development that may be accepted in the near future.