

**EXHIBIT A**  
**CITYWIDE UTILITY AUDITING SERVICES SCOPE OF WORK**

**1. OBJECTIVES**

- 1.1. PACIFIC UTILITY AUDIT, INC., hereinafter called PUA, will audit the City of Lancaster's, hereinafter called CITY, Gas, Water, and Electricity utility bills.
- 1.2. PUA agrees to examine THE CITY'S utility accounts for the purpose of determining OVERCHARGES which may now exist, or have existed on previous billings. PUA will prepare documentation deemed necessary to negotiate with the proper UTILITY COMPANY(S) to have OVERCHARGES removed and to obtain REFUNDS and/or CREDITS for PAST OVERCHARGES, or rate reductions/error corrections for FUTURE SAVINGS.
- 1.3. THE CITY agrees to pay PUA fifty (50%) percent of all recovered utility overcharge that THE CITY receives in the form of REFUND(S) or CREDIT(S). Payment shall be due within thirty (30) days from the date the CREDIT first appears on THE CITY'S utility billing or thirty (30) days from receipt of REFUND. Should payment not be received by PUA within thirty (30) days from the date the REFUND or CREDIT is received by THE CITY or is credited on THE CITY'S billing, THE CITY will be considered delinquent.
- 1.4. In the event PUA is successful in obtaining a REDUCTION in THE CITY'S utility bills, whether by correction of error(s), rate changes, meter changes, changes in billing or any combination thereof, during the contract term, that shall manifest in FUTURE UTILITY SAVINGS, THE CITY agrees to pay PUA fifty (50%) percent of the UTILITY SAVINGS FOR A THIRTY-SIX (36) month period beginning the date the utility savings FIRST appears on THE CITY'S bills. THE CITY agrees to send requested future utility bills to PUA, if necessary, for calculation of fees owed to PUA.
- 1.5. Should THE CITY'S account become DELINQUENT, PUA may, with proper written notice to THE CITY, demand that all fees earned by PUA are now due and payable. This includes fees for all past, present and future earned fees. THE CITY agrees to pay interest at a rate of 1 1/2% per month on any delinquent account balance.
- 1.6. The term of this agreement shall be THREE (3) years from the date of acceptance and may be extended thereafter for consecutive ONE (1) year periods by mutual written agreement.

**2. SUPPLIER RESPONSIBILITIES (This section is required for all scopes of work.)**

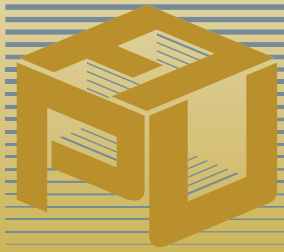
- 2.1. PUA only represents THE CITY on an exclusive utility auditing agency contract.

- 2.2. PUA is compensated if results are obtained by credit, refund and/or reduction of any future utility bills as a direct result of PUA's utility audit.
- 2.3. PUA signs THE CITY on a term contract in the future. PUA is also able to go back to the utility and telephone companies as back as the Statute of Limitations allows for credits, refunds or utility bill reductions.
- 2.4. There is no case that is ever final. If something new appears with regard to THE CITY'S utility bills, PUA can seek additional credits, refunds, and future utility billing reductions during the contract term. The main purpose of monitoring future utility and telephone bills is to make sure that all future bills are correct. Unless there are specific utility bills that PUA needs in order to calculate actual utility savings to the CITY as a result of PUA's utility audit, it is the CITY'S option to continue to send PUA its utility bills each month for review.
- 2.5. PUA's technicians and staff spend whatever time is necessary on the utility bills submitted to them by the CITY to obtain the best results for the CITY. It is generally 180 days for a Preliminary Utility Analysis report to be completed and sent to the CITY after the start date of the utility audit.
- 2.6. All telephone and utility bills will be prepared and presented to the utility and telephone companies by PUA's technicians and staff. All negotiations for recover of overcharges and/or reductions in future utility bills will be handled by PUA's technicians and staff.
- 2.7. PUA will conduct on-site inspections of all CITY properties and associated utility meters.
3. **CITY RESPONSIBILITIES** (This section is recommended for all scopes of work when the CITY has specific duties or responsibilities related to the scope.)
  - 3.1. THE CITY shall give full cooperation to PUA in completing any forms and providing required information, as well as copies of appropriate documented backup, in a timely manner, including but not limited to utility bills, utility company authorization forms, credit or refund documentation, and/or any related correspondence from whatever source received with regard to the CITY'S utilities.
  - 3.2. PUA expects its THE CITY to pay in a timely manner, within 30 days after billing takes place for utility savings, or within 30 days after the City's receipt of a refund or billing credit.
  - 3.3. All utility and telephone bills must be paid at all times by the CITY, even if PUA is representing CITY in a dispute with the utility or telephone company.
  - 3.4. PUA will keep THE CITY apprised of the results it finds on an on-going basis, and summarize its findings in the Preliminary Utility Analysis report, which shall be sent to THE CITY upon completion of the utility audit.

- 3.5. CITY will provide PUA with permission to conduct on-site inspections of the CITY'S property(s) at mutually agreeable dates and times and upon reasonable notice.
- 3.6. Due to the time interval between the date THE CITY signs the contract, the time that PUA is performing the audit, and the date that PUA can start to invoice THE CITY for any utility savings, the Future Billing Reductions Term of the Business Contract Term starts as soon as the Audit Phase is completed.
- 3.7. Cooperation from the CITY is required so that PUA can obtain the best possible results in the quickest amount of time, so that no time is wasted by either side.

#### 4. **ATTACHMENTS**

- 4.1. Pacific Utility Audit, Inc. Authorization Form



**PACIFIC UTILITY AUDIT, INC.**

(800) 576-1010

**puainc@yahoo.com**

## Authorization Form

DATE: \_\_\_\_\_

CUSTOMER: \_\_\_\_\_

TO: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

ACCOUNT NUMBER: \_\_\_\_\_

Dear Sirs:

*PACIFIC UTILITY AUDIT, Inc.* is hereby engaged and authorized to act as agent and consultant for the undersigned in all matters pertaining to our telephone or utility account(s) with your company. We request that you provide *PACIFIC UTILITY AUDIT, Inc.* with billing records, equipment records, service records or any additional information deemed necessary by *PACIFIC UTILITY AUDIT, Inc.* to adequately audit our account(s). This Letter of authorization is valid through \_\_\_\_\_ .

AGREED:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title or Position

DATE: \_\_\_\_\_

\_\_\_\_\_  
Telephone

APPROVED: "PACIFIC UTILITY AUDIT, Inc."

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_