



## **BOARD MEETING AGENDA SUBMITTAL**

**TO:** GCSB Board of Directors

**FROM:** Peter J. Kampa, General Manager

**DATE:** March 14, 2023

**SUBJECT:** Agenda Item 7A: Adoption of a Resolution Awarding a Consulting Services Agreement to NBS Consulting to Perform a Water and Sewer Rate Study

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### **RECOMMENDED ACTION:**

Staff recommends the following action:

*I Move to adopt Resolution 12-2023 Awarding a Consulting Services Agreement to NBS Consulting to Perform a Water and Sewer Rate Study.*

### **BACKGROUND:**

The last water rate study was conducted in 2015 and the last rate increase in the approved study was implemented in FY 2020/21. The last sewer rate study was conducted in 2018 and the last rate increase in the approved study implemented in FY 2022/23. The Board approved funds to conduct a water and sewer rate study during the approval of the current fiscal year budget. Rate studies are best completed by professional municipal finance consultants to ensure legally compliant and correctly developed cost of service/rate studies and reports.

The District issued a Request for Proposals (RFP) on February 13, 2023 for a combined Water and Sewer Cost of Service/Rate Study. Proposals were due by the close of business on March 6, 2023. The intent of this study is to evaluate the cost of water and sewer service and establish a 5 year rate plan to adequately fund water and sewer utility operations and capital costs while considering intergenerational rate equity to the greatest extent possible.

The District received only one proposal from NBS consulting. Staff has reviewed the proposal against the RFP that was issued, and feels that NBS delivered a very comprehensive proposal that meets the needs of the District.

### **ATTACHMENTS:**

1. Resolution 12-2023
2. Request for Proposal
3. NBS Proposal

### **FISCAL IMPACT:**

The proposal for the water and sewer rate study alone is \$73,650. Staff is recommending that the Board approve the full budgeted amount of \$80,000 to provide a contingency for expenses and portions of the outreach as determined by the complexity of the rate report.

**RESOLUTION 12-2023**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT AWARDING A CONSULTING SERVICES AGREEMENT TO NBS CONSULTING TO PREFORM A WATER AND SEWER RATE STUDY**

**WHEREAS**, the Groveland Community Services District (herein referred to as the District) is a local government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

**WHEREAS**, the Board approved funds to conduct a water and sewer rate study during the approval of the current fiscal year budget; and

**WHEREAS**, the intent of this study is to evaluate the cost of water and sewer service and establish a 5 year rate plan to adequately fund water and sewer utility operations and capital costs while considering intergenerational rate equity to the greatest extent possible; and

**WHEREAS**, rate studies are best completed by professional municipal finance consultants to ensure legally compliant and correctly developed cost of service/rate studies and reports; and

**WHEREAS**, the District issued a Request for Proposals (RFP) on February 13, 2023, for a combined Water and Sewer Cost of Service/Rate Study; and

**WHEREAS**, proposals were due by the close of business on March 6, 2023, the District received only one proposal from NBS consulting; and

**WHEREAS**, staff has reviewed the proposal against the RFP that was issued, and feels that NBS delivered a very comprehensive proposal that meets the needs of the District.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF GROVELAND COMMUNITY SERVICES DISTRICT** to adopt Resolution 12-2023 Awarding a Consultant Services Agreement to NBS Consulting to preform a Water and Sewer Rate Study.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF GROVELAND COMMUNITY SERVICES DISTRICT** this 14th day of March 2023 by the following vote:

AYES:

NOES:

ABSENT:

APPROVE:

By: \_\_\_\_\_  
Nancy Mora, Board President

ATTEST:

By: \_\_\_\_\_  
Rachel Pearlman, Board Secretary

**CERTIFICATE OF SECRETARY**

I, Rachel Pearlman, the duly appointed and acting Secretary of the Board of Directors of the Groveland Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Groveland Community Services District, duly called and held on March 14, 2023.

DATED: \_\_\_\_\_



## **REQUEST FOR PROPOSALS (RFP)**

Combined Water and Sewer Cost of Service/Rate Study

Deadline for Submission of Proposals:

**March 6, 2023, 4:00pm**

For an electronic version of this RFP, go to:

[www.gcsd.org](http://www.gcsd.org)

*(Click on "Bids, RFPs & RFQs")*

## SECTION A - PROJECT BACKGROUND AND OBJECTIVES

The Groveland Community Services District is requesting proposals from qualified consultants to conduct a comprehensive Combined Water and Sewer Cost of Service and Rate Study. The objective of the study is to independently assess and evaluate the District's existing water and sewer rates and provide recommendations regarding the appropriate rate structure in accordance with law and meeting the needs of the District. The intent of this study is to evaluate the cost of water and sewer service and establish a 5 year rate plan to adequately fund water and sewer utility operations and capital costs while considering intergenerational rate equity to the greatest extent possible.

The District currently provides water, sewer, fire protection, parks and recreation services to the communities of Groveland and Big Oak Flat. At the time of this request for proposal, the District serves 3,263 water customers and 1,565 sewer customers. The District has two classifications of customers, residential and commercial. For water, there are currently 3,168 residential accounts and 95 commercial accounts. For sewer, there are 1,485 residential accounts and 81 commercial accounts. In addition, the District has 238 sewer standby sewer accounts for lots that have been stubbed for sewer, but where no structure currently exists. These lots are charged a \$2 per month stub fee.

The last water rate study was conducted in 2015 and the last rate increase in the approved study was implemented in FY 2020/21. The last sewer rate study was conducted in 2018 and the last rate increase in the approved study implemented in FY 2022/23.

### SCOPE OF WORK

The study will be based on a comprehensive review of the District's water and sewer funds and budgets, previous rate study evaluations, capital improvement plans, water and sewer system improvement studies and Capital Improvement Plans (CIP), current rate structure, current usage data and usage profile, planned growth of the District and any other information deemed necessary.

#### A. STUDY OBJECTIVES

- 1) Review and evaluate existing and historical trends in the District customer's water usage to determine if additional rate tiers or modified fixed rates are warranted.
- 2) Review water and sewer system revenues and expenditures including operating, capital improvement costs and necessary contingencies to ensure that the cost of providing the services is understood and equitably funded with the proposed rates.
- 3) Evaluate the District's existing base/fixed and variable/usage rate structures, review the [2015 Water Rate Analysis](#) and [2018 Sewer Rate Study](#) and recommend changes as needed to ensure rate equity among customer classes, for compliance with law and current industry practices.
- 4) Evaluate the opportunity to establish a modified fixed and/or variable (usage) water and sewer rate for those customers who consistently use significantly less water than the average residential customers (conservation/cost savings rate).
- 5) Propose five-year water and sewer rates that are fair, objective, and accurately reflect the fixed and variable cost of services. The component of the proposed rates covering maintenance and operations, capital improvements, debt service and contingencies are to be separately identified for the purpose of public presentation.
- 6) Propose water rates that encourage water conservation overall, while meeting cost of service principles as required by proposition 218. The water and sewer usage data profile for single

family residential units occupied as short-term rentals, those used as intermittent vacation homes and those occupied full time shall be evaluated and considered in establishing the rate tier structure.

- 7) Evaluate and verify that the District's sewer rates based on water consumption and related policies are appropriate, equitable among residential and commercial customers and in compliance with current laws and rate standards.

## B. STUDY REQUIREMENTS

The study is to be performed in conformance with the following policy directions:

- 1) Evaluate District's existing rate structures for conformance with existing statutory regulations and make recommendations for any changes that are necessary to achieve compliance.
- 2) The recommended rates shall be based on cost of service and shall be sufficient to meet the short and long-term revenue requirements of the District's Water and Sewer utility operations.
- 3) To ensure rate equitability the study shall consider and use the following factors in its evaluation and recommendations:
  - a) Using a sampling of the limited property use data available and their water usage profile, make recommendations regarding how, or if the following classes of property use warrant further evaluation in terms of new rate tiers or modified fixed/base rates: single family residential units occupied as short-term rentals and those used as intermittent vacation homes.
  - b) Current and future cost of providing water and sewer in accordance with established and anticipated standards and regulations.
  - c) Projected near future service demands.
  - d) Availability of water supply and regulatory compliance. The District has limitations on water supply during state mandated drought water usage restrictions and is required to restrict its growth in per-capita water usage by current customers to achieve state mandated targets. In addition, there is an increased impact on infrastructure by higher demand users. Water supply and treatment costs, infrastructure impacts and the added cost to achieve water use reduction mandates should be considered with regards to rates for high demand users and those who use water or produce wastewater in excess of the average single family dwelling unit.
  - e) Age and condition of water and sewer systems and the need to fund long-term capital improvement/replacements.
  - f) The median household income of the District's service area as identified in a [2022 study](#) completed by the State Water Resources Control Board. The rate structure needed to fully fund the cost of providing services including capital improvements and contingencies may exceed the financial capacity of the customer base. Options to reduce the recommended rate schedules shall be identified and the associated service impact of such a reduction summarized in the report.
- 4) The recommended rates shall provide direct identification of revenues appropriate to fund operating activities and infrastructure.
- 5) The recommended rates shall be consistent with industry practice for utility rate making in California.
- 6) Justifications for any special classes of customers, rate tiers or fixed rates under the recommended rate structure shall be demonstrated.

- 7) The recommended rates shall result in no decrease in stability of the revenue stream to the Water and Sewer Funds, as compared to the current structure.
- 8) The recommended rates shall consider the type and amount of operating and capital reserves and contingencies appropriate to the District Water and Sewer operations taking into consideration reserves for cash flow, catastrophes, infrastructure replacement and other appropriate purposes.
- 9) The recommended rates must take into consideration the District's billing system capabilities and restrictions. The study shall recommend rates that are capable of implementation without changing billing software or adding billing staff.
- 10) Recommended rates shall be planned for adjustment annually for a five (5) year horizon.
- 11) All electronic models and files shall be developed utilizing accessible software that may be utilized for future rate setting.

#### D. SERVICES TO BE PROVIDED BY CONSULTANT

- 1) Conduct a detailed review of the existing water and sewer rates and status of the water and sewer funds, and develop a general familiarity with the District's billing system.
- 2) Meetings
  - a. Meet and confer with staff as needed. Meetings may be conducted via video or conference calls.
  - b. Attend a meeting with the District Board to present the status of the rate study and obtain their input.
  - c. Attend the public hearing where the water and sewer rates are considered for adoption, prepare and provide the public presentation of the report and recommendations.
- 3) Conduct analyses as required to address the scope of work.
- 4) Report
  - a. Submit an electronic Draft Report.
  - b. Incorporate comments from District review meeting and submit electronic Final Report.
  - c. Present the final report and recommended rates to the District Board and members of the public at a regular Board meeting.
  - d. Develop and provide source files related to rate model for use in future rate adjustments.
- 5) Provide a time schedule for developing the report including significant milestones.

#### E. PROPOSITION 218 PROCESS AND PUBLIC HEARING SUPPORT

The District is looking for a cost-effective, creative approach to communicating with and educating its customers regarding the cost of providing high quality, compliant and reliable water and sewer services. It is important in our outreach program to cover all facets of the rate structure upon acceptance by the District.

The District believes considerable focus should be placed on the water and sewer rate structure's foundational principals:

- Customer Water and Sewer rates and charges are the sole revenue source to cover the cost of delivering services. Limited grants are occasionally available for infrastructure replacement which reduces customer costs.
- Fixed rates are in place to maintain services in a ready-to-use condition.
- Rates will be based on the level of service received and must cover the cost of service or the impact of not doing so must be thoroughly communicated to customers.
- Equitable rate tiers will be established that compare against and are based on the average water-efficient customer's water consumption, rewarding low and efficient water use with lower costs while allowing customers who desire to use higher than average water quantities to do so, within water conservation requirements at the true cost of providing the additional water.
- Funding water waste costs and the cost of providing service to above average users will be funded through higher priced tiers.

The selected consultant is expected to work in conjunction with the District's staff in developing the outreach campaign and all collateral components for the rate structure to be implemented. It is expected that the consultant will help coordinate a strategic outreach campaign and track the impact of the outreach campaign. The consultant is expected to assist with the overall effort. The selected consultant will be required to schedule, coordinate and facilitate all stakeholder meetings if determined necessary; coordinate the development of outreach letters, presentation materials, informational brochures, and informational web content; as well as attend meetings at the District office and using MS Teams with senior staff and select meetings of the Board of Directors. The District is looking for a proven expert with specific experience with water and sewer rates and all current State of California noticing requirements.

The proposal should include specific details and clearly address all of the following tasks:

- 1) Develop the strategic planning forum with the District Management Team;
- 2) Develop a strategic methodology/communication plan to reach customers, stakeholders, and Board Members;
- 3) Develop a community outreach campaign, including multi-tiered rate structure support materials (website content, presentation materials, posters, informational brochures, etc.) with a strategic timeline based upon the overall Project schedule;
- 4) Assure compliance with Proposition 218 noticing;
- 5) Provide overall Outreach Management:
  - Facilitate meetings with and a training for District staff.
  - Facilitate and record all community and stakeholder meetings.
  - Ensure progress of deliverables and schedule.

While this described scope of work is brief, it is intended solely to serve as an example.

Consultants are encouraged to reply in any way they deem necessary to show a uniqueness of approach; knowledge of the District service area and customer base; and a solid understanding of the complex issues and increased per-customer cost associated with providing water and sewer service in rural California, where nearly half of the customers are second homeowners living in urban California. Consultants are further encouraged to describe how they would assist the District in accomplishing a



successful customer outreach campaign that paves a favorable perception of the agency out into the future.

#### F. SERVICES TO BE PROVIDED BY THE DISTRICT

The services provided by the District include, but are not necessarily limited to the following:

1. Furnish all reasonably available records and information, including financial reports, budgets, consumption data, meter sizes and customer classes.
2. Provide information on Capital Improvement Projects and Plans.
3. Provide staff support and assistance as required and agreed to in advance of the studies.

#### G. SCHEDULE

The following dates reflect the anticipated schedule for soliciting proposals, selecting the Consultant, and awarding the contract for the work requested in this RFP:

- 1) February 13, 2023 - Solicit Proposals
- 2) March 6, 2023 - Proposals Due
- 3) Review Proposals
- 4) March 22, 2023 - Award Contract
- 5) June 13, 2023 – Board presentation of study
- 6) June/July 2023 – Public Outreach
- 7) July 11, 2023 – Set Public Hearing
- 8) July/August 2023 – Community Workshop(s)
- 9) August 8, 2023 – Public Hearing (Tentative)

## SECTION B – INSTRUCTIONS TO PROPOSERS

### A. PROPOSAL REQUIREMENTS

Each individual or firm (Proposer) submitting a proposal shall meet all of the terms and conditions specified in this Request for Proposal (RFP). By its proposal submittal, the Proposer acknowledges agreement with the acceptance of all provisions of the RFP.

### B. TECHNICAL PROPOSAL

The following information is to be submitted as part of the proposal. The proposal is not to be more than ten single-sided pages in length NOT including cover, table of contents, dividers, and two-page resumes of persons to be assigned to the project. Three copies of the proposal are to be provided. Other material may be attached as deemed appropriate, which may include a copy of a rate study performed by the applicant that most closely fits the scope of work outlined above. The ten-page portion of the proposal is to be organized as follows:

1. **Section 1 – Project Approach:** Address the following areas of concern.
  - Approach to developing cost of service and rates as detailed in the scope of work and public education/outreach (Section E).
  - Understanding of current rate structure and the District’s interest in maintaining rate

equity among customers and reasonable continuity in proposed structures.

- Approach to developing rates that reflect the additional cost of higher than average demand customers and low demand customers, and any special ideas, techniques or suggestions that you think might make the project proceed smoothly.
  - Identify the number and purpose of in-person meetings with the Board of Directors.
2. **Section 2 – Firm Qualifications and Experience:** Describe the experience of the firm and of the individuals assigned with related projects of a similar nature. Provide at least three references. The team’s experience with establishing successful rate structures in rural California communities will be considered favorably.
  3. **Section 3 - Project Team:** Identify the consultant’s proposed project team and describe the team's unique qualifications, experience, and training for this type of work.
  4. **Section 4 - Schedule:** Describe the plan/schedule for completing the work including expected frequency of staff update/input meetings (list virtual or onsite). Identify any areas of risk to the schedule or opportunities to expedite.
  5. **Section 5 – Contract Review:** Provide any comments to the District’s Professional Services Agreement.

#### C. COST PROPOSAL

A separate envelope shall be provided containing the Cost Proposal for the study. The cost proposal should include the consultant’s proposed level of effort and associated rate schedule to successfully accomplish this project. The Cost Proposal shall separately identify:

- 1) Cost of completing the scope of work (Excluding Section D Proposition 218 Process)
- 2) Cost of providing the scope of services detailed in Section D Proposition 218 Process
- 3) Cost of additional in-person meetings above the quantity included in the project scope of work
- 4) List any other anticipated costs or expenses.

#### D. AGREEMENT

A copy of a proposed agreement is included as **Attachment A**. Evidence of Insurance must be received prior to agreement implementation.

#### E. CURRENT RATES

A copy of the current rate structure is available on the District’s website using the following hyperlinks and is also included as **Attachment B**.

- [Winter Averaging Sewer Rates](#)
- [Water and Sewer Rate Schedule](#)

#### F. DEADLINE FOR SUBMISSION OF PROPOSALS

Interested firms should submit proposals by 4:00 P.M. Monday, March 6, 2023

to:

Groveland Community Services District  
Attention: Jennifer Donabedian  
18966 Ferretti Rd.  
Groveland, CA 95321

Technical Proposals (3 copies) should be sealed and marked, "Technical Proposal – Combined Water and Sewer Rate Study – Groveland Community Services District". Cost Proposals (3 copies) should be sealed and marked, "Cost Proposal – Combined Water and Sewer Rate Study – Groveland Community Services District".

The District reserves the right to extend the Submittal Deadline when it is in the best interest of the District.

#### G. SELECTION OF CONSULTANT

Proposals will be evaluated by a review committee of District staff and if desired Board members or independent third party reviewers using a selection process described in Section C below. They will be evaluated on the basis of experience, qualifications, your approach to the project, value of the public outreach component, and any innovative ideas you have for making the project go quickly and smoothly.

Final selection will be based on the evaluation of proposals unless it is deemed necessary to conduct interviews of closely scored consultants. The consultant determined best qualified to perform this project will be recommended to the District Board for contract award.

The District reserves the right to reject any and all proposals for any reason deemed appropriate by the District.

#### H. STANDARD TERMS APPLICABLE TO ALL PROPOSALS

<b>Acceptance Period</b>	Unless otherwise specified herein, proposals are firm for a period of ninety (90) days. Time frame may be longer depending on your needs.
<b>Addenda Acknowledgment</b>	Each proposal shall include specific acknowledgment of receipt of all addenda issued during the solicitation period. Failure to so acknowledge may result in the proposal being rejected as not responsive.
<b>Authorized Signatures</b>	Every proposal must be signed by the person or persons legally authorized to bind the Proposer to a contract for the execution of the work. Upon request of the District, any agent submitting a proposal on behalf of a Proposer shall provide a current power of attorney certifying the agent's authority to bind the Proposer. If an individual makes the proposal, his or her name, signature, and post office address must be shown. If a firm or partnership makes the proposal, the name and post office address of the firm or partnership and the signature of at least one of the general partners must be shown. If a corporation makes the proposal, the proposal shall show the name of the state under the laws of which the corporation is chartered, the name and post office address of the corporation and the title of the person signing on behalf of the corporation. Upon request of the District, the corporation shall provide a certified copy of the bylaws or resolution of the board of directors showing the authority of the officer signing the proposal to execute contracts on behalf of the corporation.

<b>Proposal Retention</b>	District reserves the right to retain all proposals for a period of ninety (90) days for examination and comparison.
<b>Cancellation of Solicitation</b>	The District may cancel this solicitation at any time.
<b>Compliance with Laws</b>	All proposals shall comply with current federal, state, and other laws relative thereto.
<b>RFP Documents Examination of</b>	It is the responsibility of the Proposer to carefully and thoroughly examine the documents contained in this RFP. Proposer shall satisfy himself as to the character, quantity, and quality of work to be performed and materials, labor, supervision or equipment necessary to perform the work as specified by this RFP. The failure or neglect of the Proposer to examine the RFP Documents shall in no way relieve him from any obligations with respect to this solicitation. The submission of a proposal shall constitute an acknowledgment upon which the District may rely that the Proposer has thoroughly examined and is familiar with the RFP and the project. No claim will be allowed for additional compensation that is based upon a lack of knowledge of any solicitation document.
<b>Cost of Proposal</b>	The District is not liable for any costs incurred by Proposers before entering into a formal contract. Costs of developing the proposals or any other such expenses incurred by the Proposer in responding to the RFP, are entirely the responsibility of the Proposer, and shall not be reimbursed in any manner by the District.
<b>Groveland Community Service District</b>	Groveland Community Service District, GCSD, and District are used interchangeably and are synonymous with one another
<b>Contractor</b>	Same as Successful Proposer.
<b>May/Should</b>	Indicates something that is not mandatory. Failure to do what “may” or “should” be done will not result in rejection of your proposal.
<b>Must/Shall</b>	Indicates a mandatory requirement. A proposal that fails to meet a mandatory requirement may be deemed non-responsive and not be considered for award.
<b>Proposer</b>	The person or firm making the offer.
<b>Proposal</b>	The offer presented by the Proposer.
<b>RFP</b>	Acronym for Request For Proposals.
<b>Submittal Deadline</b>	The date and time on or before all proposals must be submitted.
<b>Successful Proposer</b>	The person, contractor, or firm to whom the award is made.
<b>Disqualification of Proposer</b>	If there is reason to believe that collusion exists among the Proposers, the District may refuse to consider proposals from participants in such collusion. No person, firm, or corporation under the same or different name, shall make, file, or be interested in more than one proposal for the same work unless alternate proposals are called for. A person, firm, or corporation who has submitted a sub-Proposal to a Proposer, or who has quoted prices on materials to a Proposer, is not thereby disqualified from submitting a sub-Proposal or quoting prices to other Proposers. Reasonable grounds for believing that any Proposer is interested in more than one Proposal for the same work will cause the rejection of all Proposals for the work in which a Proposer is interested. If there is reason to believe that collusion exists among the Proposers, the District may refuse to consider Proposals from participants in such collusion.
<b>Documents to be Returned with Proposal</b>	Failure to completely execute and submit the required documents before Submittal Deadline may render a proposal non-responsive.
<b>Execution of Agreement</b>	The Successful Proposer will be required to execute an agreement in the form attached hereto in Section E of this RFP and comply with all requirements of said Agreement. In case of failure of the Contractor to execute and return the contract and all required documents within the time allowed, the District may, at its option, consider that the Proposer has abandoned the contract, in which case the Proposal

Security Bond, if one was required, shall be forfeited by the Proposer and become the property of the District.

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<b>Conflict of Interest</b>	Proposer covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services hereunder. Contractor certifies that to the best of his knowledge, no one who has or will have any financial interest under this contract is an officer or employee of the District.
<b>Proposal Modifications</b>	Any Proposer who wishes to make modifications to a proposal already received by the District must withdraw his proposal in order to make the modifications. All modifications must be made in ink, properly initialed by Proposer's authorized representative, executed, and submitted in accordance with the terms and conditions of this solicitation. It is the responsibility of the Proposer to ensure that modified or withdrawn proposals are resubmitted before the Submittal Deadline.
<b>Proposal Withdrawal</b>	A Proposer may withdraw proposal, without prejudice prior to the time specified for the proposal opening, by submitting a written request to Jennifer Donabedian, Administrative Services Manager for the Groveland Community Services District, to withdraw, in which event the proposal will be returned to the Proposer unopened.
<b>Proprietary Information</b>	The original copy of each proposal shall be retained for official files and will become public record after the award of a contract unless the proposal or specific parts of the proposal can be shown to be exempt by law. Each Proposer may clearly label part of a proposal as "CONFIDENTIAL" if the Proposer thereby agrees to indemnify and defend the District for honoring such a designation. The failure to so label any information that is released by the District shall constitute a complete waiver of all claims for damages caused by any release of the information. If a public records request for labeled information is received by the District, the District will notify the Proposer of the request and delay access to the material until seven working days after notification to the Proposer. Within that time delay, it will be the duty of the Proposer to act in protection of its labeled information. Failure to so act shall constitute a complete waiver.

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### **Questions and Comments – Pre-Submittal Questions**

The District will accept pre-submittal questions from RFP participants in the interest of clarity and complete responses to the RFP. The RFP participants are encouraged to cover all questions in one request so that District staff can provide timely and effective responses.

All pre-submittal questions will only be accepted by email until March 1, 2023. Responses to all questions will be emailed to all RFP participants. RFP questions are to be submitted to Jennifer Donabedian at [jdonabedian@gcsd.org](mailto:jdonabedian@gcsd.org) in order to assure that the District has one contact person per Combined Water and Sewer Rate Study firm, please provide this contact information to Jennifer via email as early as possible. The District will conclude the Combined Water and Sewer Rate Study firms that do not provide email contacts do not want to be included in Pre-Submittal information sharing.

Any response will be in a form of an addendum and will be sent as promptly as is practical to all RFP participants. All such addenda shall become a part of the RFP. Any prospective Proposer who obtained the RFP from anyone other than the District is responsible for registering with the District and wish to receive subsequent Addenda.

A Proposer who fails to register with the District as outlined above may be deemed non-responsive and not be considered for award.

## SECTION C PROPOSAL REVIEW PROCESS

### A. PROPOSAL OPENING/REJECTION/WAIVER

All proposals, irrespective of irregularities or informalities, will be opened at the time stipulated in the RFP document. This is not a public opening. A tally of the names will be performed and may be released upon request. No other information will be released.

The District reserves the right to postpone the Submittal Deadline and opening of proposals any time before the date and time announced in the Request for Proposals or subsequent addenda.

The District reserves the right to waive non-substantial irregularities in any proposal, to reject any or all proposals, to reject or delete one part of a proposal and accept the other, except to the extent that proposals are qualified by specific limitations.

The District also reserves the right to reject the Proposal of any Proposer who previously failed to perform adequately for the District or any other governmental agency.

### B. PROPOSAL REVIEW PROCESS AND AWARD OF CONTRACT

Proposals will be evaluated by a review committee of District staff and if desired Board members or independent third party reviewers using a selection process described as follows.

The Committee will evaluate all proposals received in accordance with the Evaluation Criteria. The District reserves the right to establish weight factors that will be applied to the criteria depending upon order of importance. The criteria, however, are not listed in any order of preference. Weight factors and evaluation scores will not be released. The District is not obligated to accept the lowest proposal, but will make an award in the best interests of the District after all factors have been evaluated.

The District reserves the right to further negotiate the proposed work scope and/or method and amount of compensation. A group of finalist candidates may be selected for follow-up interviews and presentations.

The Evaluation Criteria are as follows:

1. Mandatory Elements
  - a. The Combined Water and Sewer rate study firm is independent and licensed to practice in California.
  - b. The firm has no conflict of interest with regard to any other work performed by the firm for the District.
  - c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
2. Technical Quality
  - a. Understanding of District's current rate structure and experience with similar agencies (i.e. water supply, size, current rate structure).
  - b. Approach to the evaluation and application of rate tiers and proposed modifications.

- c. Quality of work confirmed through reference checks.
- d. Ability to deliver the project on schedule.
- e. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.

Discussions may, at the District's sole option, be conducted with responsible Proposers who submit proposals determined to be reasonably susceptible of being selected for an award. Discussions may be for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Proposers shall be accorded fair and equal treatment with respect to any opportunity for discussion and written revision of proposals. Revisions may be permitted after submissions and before award for obtaining best and final proposals. In conducting discussions, the District will not disclose information derived from proposals submitted by competing Proposers.

Contract award will be based on a combination of factors that represent the best overall value for completing the work as determined by the District, including: the written proposal criteria described above; results of background and reference checks; results from the interviews and presentation phase (optional); and proposed compensation.

A Notification of Intent to Award may be sent to any Proposer selected. Award is contingent upon the successful negotiation of final contract terms. Negotiations shall be confidential and not subject to disclosure to competing Proposers unless an agreement is reached. If contract negotiations cannot be concluded successfully, the District in its sole discretion may negotiate a contract with another Proposer or withdraw the RFP.

## Attachment A

### CONTRACT FOR PROFESSIONAL SERVICES

This Contract is made this \_\_\_\_ day of \_\_\_\_\_, 2023 by and between Groveland Community Services District, a special district organized under the laws of California (hereinafter called "District") and \_\_\_\_\_ hereinafter called "Consultant."

#### 1. THE CONTRACT

This Contract consists of: (1) the general terms and conditions contained herein, and (2) the Exhibits attached hereto, as Exhibits A through B inclusive. The District has furnished the Consultant with the general program and requirements of Consultant's services and the Consultant acknowledges being informed as to the nature and extent of the services required. It is expressly understood between the parties that the District is relying on and looking to the Consultant for performing and establishing the specific and technical requirements of the professional services described below, except where otherwise provided.

#### 2. THE PROFESSIONAL SERVICES

Consultant shall execute the following professional services specified in Exhibit A (Scope of Work) attached hereto and incorporated herein by reference.

#### 3. COMPENSATION FOR SERVICES

Consultant shall receive compensation for performance of the professional services in the amount, and at the times specified, in Exhibit B (Compensation) attached hereto and incorporated herein by reference.

#### 4. CONSULTANT'S RESPONSIBILITIES

A. The Consultant shall perform those services specified in Exhibit A (Scope of Work) and any such additional services as may be authorized in accordance with Article 6 hereof.

B. Consultant enters into this Contract, and will remain through the term of this Contract, as an independent contractor. Consultant agrees that Consultant is not and will not become an employee of the District while this Contract is in effect. Consultant is not entitled to the rights or benefits afforded to the District's employees, including but not limited to disability or unemployment insurance, worker's compensation, medical insurance, sick leave or other employment benefits. Consultant is responsible for providing at Consultant's own expense disability, unemployment, and other insurance, workers' compensation (as set forth below), training, permits, and licenses for Consultant and for Consultant's employees and subcontractors. The Consultant shall be responsible for methods and means used in performing the Consultant's services under this Contract.



C. In the event the Consultant's services are related to a particular project, the Consultant's services shall be performed in a manner, sequence and timing so that they will be coordinated with the needs of the District and other consultants, engineers, architects or contractors for the project. The District General Manager or Interim General Manager shall be the general administrator of the professional services for the project and shall facilitate the exchange of information amongst the consultants, engineers, architects or contractors retained by the District for the project as necessary for the coordination of the project. Except as authorized by the District, all written communications between the Consultants and the District or others for the project shall include the District.

D. The Consultant shall provide progress copies of drawings, reports, specifications and other necessary information to the District and other contracted consultants for coordination and review. All aspects of the project designed by the Consultant shall be coordinated by the Consultant, and the Consultant shall also become familiar with aspects of the project designed by the engineers and/or contracted consultants as necessary for the proper coordination of the project.

E. Consultant may, at Consultant's own expense, use any employees or subconsultants as Consultant deems necessary to perform the services required of Consultant by this Contract. The District shall not control, direct or supervise Consultant's employees or subconsultants in the performance of those services.

F. Consultant agrees that all designs, plans reports, specifications, drawings, inventions, processes and other information or documents produced by Consultant as a product of the performance of Consultant's services under this Contract will be and are hereby assigned to the District as the sole and exclusive property of the District and the District's assigns, nominees and successors, as well as any copyrights, patents, or trademarks obtained by Consultant in connection with the performance of services under this Contract.

G. Any written, printed, graphic, electronically or magnetically recorded information furnished by the District for Consultant's use are the sole property of the District. All such information shall be proprietary, including, but not limited to customer requirements, customer lists, marketing information and information regarding the project, the District's employees, products, services, prices, operations and subsidiaries. Consultant will keep such proprietary information in the strictest confidence, and will not disclose it by any means to any person except with the District's approval or except as required by law. On termination of the Contract, Consultant will return any proprietary information in Consultant's possession to the District.

H. Consultant agrees to indemnify and hold harmless the District, the members of its governing board and its officers, agents and employees from and against all demand, claims, damages, losses, liabilities, expenses and/or costs including reasonable attorney's fees and court costs, arising out of Consultant's willful misconduct, or negligent or reckless acts, errors, or omissions of services contemplated by this Contract, except however, for any such demands, claims, damages, losses liabilities, expenses and/or costs resulting from the willful misconduct, reckless acts, errors or omissions, or negligence of the District and/or its prorata share of negligence.

## 5. DISTRICT'S RESPONSIBILITIES

A. If the Consultant's services are related to a particular project, the District shall, with reasonable promptness, provide available information regarding the requirements for the project, including any existing or proposed plans and specifications and any requirements of public or quasi-public governmental agencies of which the District is aware.

## 6. TERMINATION, SUSPENSION OR ABANDONMENT

A. Notwithstanding any other provision of this Contract, this Contract may be terminated by either party at any time by giving thirty (30) days written notice to the other party. In the event of such termination, Consultant shall be compensated hereunder for the hours worked up to the date of termination. In the event of such termination without cause, the District shall not be entitled to rely upon, nor shall Consultant have any liability arising out of the District's use of incomplete designs, plans, reports, specifications, drawings, or other uncompleted tasks.

B. This Contract may be terminated by either party upon not less than seven (7) days written notice should the other party fail to substantially perform in accordance with the terms of this Contract through no fault of the party initiating the termination. For purposes of this subparagraph, the failure to substantially perform in accordance with this Contract includes, but is not limited to, the following:

(1) The District's failure to pay Consultant any compensation due within thirty (30) days after written demand for payment.

(2) Consultant's failure to competently complete the services specified under this Contract within the time periods specified herein or as reasonably directed by the District.

(3) Consultant's or the District's material breach of any representation or agreement contained herein.

(4) Failure of consultant to maintain insurance coverage as required in Section 7.

(5) Consultant may also withdraw from this Contract upon seven (7) days written notice in the event of the District's refusal to cooperate with Consultant or to follow Consultant's advice on any material matter, or the occurrence of any fact or circumstance that would render Consultant's services unlawful or unethical.

(6) In the event of any such termination, Consultant shall be compensated hereunder for the hours worked up to the date of termination.

## 7. INSURANCE COVERAGE

A. Consultant shall maintain insurance covering claims arising out of the performance of professional services under this Contract and caused by the errors, omissions or negligent acts for which the Consultant is liable, in an amount of no less than \$1,000,000 per occurrence. Additional coverage or terms may be required for Consultant's services related to a particular project.

B. The Consultant shall carry the following additional insurance:

C. Worker's Compensation as required by law and Employer's Liability Insurance in the sum of not less than \$1,000,000.

D. General Liability Insurance, which insurance shall have limits of liability not less than the following:

Bodily Injury:	\$1,000,000 each occurrence
	\$1,000,000 each person
	\$2,000,000 aggregate
Property Damage:	\$1,000,000 each occurrence
	\$2,000,000 aggregate

Comprehensive Automobile Liability, for all vehicles, automobiles, trucks and equipment which insurance shall have limits not less than the following:

Bodily Injury:	\$1,000,000 each occurrence
	\$1,000,000 each person
Property Damage:	\$1,000,000 each occurrence

Consultant shall furnish the District, upon request, with (1) a certificate of insurance countersigned by an authorized agent or representative of the insurance company, that the insurance policies will not be cancelled, altered or reduced without thirty (30) days prior written notice to the District and that the policy or policies do not exclude coverage for contractual liability, and (2) an endorsement to the General Liability Policy, in the form of CG2010, or such other form reasonably acceptable to the District, confirming that the District is named as additional insured on such policies. In the event of cancellation for non-payment, the District may pay premiums due by Consultant and deduct the paid payment from amounts then or subsequently owing to the Consultant hereunder. Insurance limits called for herein shall be considered to be minimum and the District shall have the absolute discretion to require higher limits should the nature of the work and risks involved therein call for such higher limits. District shall reimburse Consultant the cost for the difference between the normal insurance detailed above and any higher limit insurance required by the District.

## 8. SAFETY

A. With respect to those items and actions under Consultant's immediate direction and control, Consultant shall strictly observe and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons or properties or their protection from damage, injury or loss. Without limiting the foregoing, with respect to those items and actions under Consultant's immediate direction and control, Consultant shall comply with requirements, regulations, orders and directives promulgated under the Federal Occupational Safety and Health Act, the California Occupational Safety and Health Act, and the California Safe Drinking Water and Toxic Enforcement Act of 1986.

B. Consultant shall be liable to the District for all loss, cost and expense attributable to any acts of commission or omission by the Consultant, or its employees or agents that are not employees of the District, resulting from the failure to use reasonable safety precautions and programs or to comply with safety laws, regulations or ordinances, including but not limited to any fines, penalties or corrective measures. Consultant shall not be liable for any loss, cost and expense attributable to violation of safety laws, regulations or ordinances, and with which Consultant had no direct involvement or control.

## 9. PAYMENT PROVISIONS

A. Unless otherwise specified in Exhibit B, the Consultant shall render monthly invoices in duplicate covering work completed in such month. Invoices received by the end of the month will be payable by the 15<sup>th</sup> of the following month.

B. Additional services, beyond the services listed in Exhibit A, may be required by the District. Such additional services shall be performed only in accordance with Change Orders, authorized and issued by the District or the District's designated representative. Each Change Order shall list the scope of revisions to be performed, state the time within which the work is to be completed, designate any special conditions, and state the agreed upon compensation for such services.

## 10. MISCELLANEOUS PROVISIONS

A. This Contract represents the entire and integrated agreement for the services between the District and Consultant and may be amended only by written instrument signed by both the District and Consultant.

B. Any notices required to be given under this Contract by either party to the other may be effected by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested, by facsimile, or by any nationally recognized overnight service. Notices must be addressed to the parties at the addresses indicated on this Contract, but each party may change the address by giving written notice in accordance with this paragraph. Notices personally delivered will be deemed communicated as of actual receipt. Mailed notices will be deemed communicated as of the date of receipt or the fifth day after mailing, whichever occurs

first. Notices sent by overnight services or facsimile shall be deemed communicated as of the earlier of the date of receipt or twenty-four (24) hours after mailing.

C. If any provision of this Contract is held by a court of a competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

D. This Contract shall be binding upon the executors, administrators, heirs, successors and assigns of the District and the Consultant.

E. If any legal action or arbitration is instituted, including an action for declaratory relief to enforce or interpret the provisions of the Contract, the prevailing party will be entitled to reasonable attorney's and expert fees, which may be set by the court in such action or arbitration, or in a separate action brought for that purpose, in addition to any other relief to which that party may be awarded.

F. This Contract will be governed by and construed in accordance with the laws of the State of California.

G. In the event that either the District or the Consultant shall at any time waive any breach of this Contract by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Contract, whether of the same or any other covenant, condition, or obligation.

H. If any term, condition or covenant of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Contract shall be valid and binding on District and Consultant.

I. If the scope of services includes Consultant's assistance in applying for governmental permits or approvals, Consultant's assistance shall not constitute a representation, warranty or guarantee that such permits or approvals will be acted upon favorably by any governmental agency.

**District Signature:**

**Consultant Signature:**

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

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

Groveland Community Services District  
18966 Ferretti Rd.  
Groveland, CA 95321  
Mailing Address:  
P.O. Box 350  
Groveland, CA 95321-0350

**Exhibit A**

Scope of Work

**Exhibit B**

Compensation



## Summary of Water and Sewer Rates

### Water

#### Monthly Fixed Rate Service Charges

Meter Size	Monthly Fixed Rate Charge
5/8" X 3/4"	\$39.64
3/4" X 3/4"	\$39.64
1"	\$63.43
1 1/2"	\$103.07
2"	\$138.74
3"	\$218.02
4"	\$309.19

#### Usage (Variable) Rate

Gallons Used per Month	Usage Charge per Gallon	Usage Rate Category
0 to 3,300	\$0.00765	Baseline Usage Rate
>3,301	\$0.01514	Peak Demand Usage Rate

### Sewer

#### Monthly Fixed Rate Service Charge and Monthly Usage (Variable) Charge

Service Description	Fixed & Usage Charges	
	Residential	Commercial
Monthly Minimum Charge	\$88.68	\$88.68
Monthly Volume Usage Charge	\$0.01166 per gallon of metered water	\$0.01372 per gallon of metered water

### Bonds/Debt Charges

Charge	Water*	Sewer	Water & Sewer Service
Monthly Fixed Rate/Minimum Charge	\$39.64	\$88.68	\$128.32
2021 Water Debt Service	\$15.57		\$15.57
2014 Wastewater Debt Service		\$20.42**	\$20.42
<b>Total Fixed Monthly Rate</b>	<b>\$55.21</b>	<b>\$109.10</b>	<b>\$164.31</b>

\*Based on 5/8" meter size

\*\*Not applicable to Groveland/Big Oak Flat accounts not tributary to Lift Station 7



# Bonds/Debt and Water & Sewer Rate Information

## Bonds/Debt

The District has incurred debt (e.g. revenue bonds) to purchase, upgrade or replace capital improvements such as storage tanks, water and sewer lines, and treatment facilities. Debt is generally repaid on a semi-annual basis over a period of 20 to 30 years. The District collects monthly service fees to repay these bonds.

- **2021 Water Debt Service (formerly called the 2013 Water Debt Service and 2014 Water Debt Service)**

The District issued the 2021 Water Revenue Refunding Bond dated December 8, 2020 in the amount of \$3,594,320 with an interest rate of 2.35% to refinance the remaining balance on the Water Revenue Refunding Bonds, Series A, 2013 Installment Sale Agreement and Series B, 2014 Installment Sale Agreement. Payments are due semiannually in July and January. Final maturity for Series A is July 10, 2026 and July 10, 2027 for Series B. The refunding reduced the District's debt service loan amount by \$126,733.

- **2019 Wastewater Debt Service (formerly called 2014 Wastewater Debt Service)**

The District issued the 2019 Wastewater Revenue Refunding Bond (2019 Wastewater Refunding) dated December 10, 2019 in the amount of \$1,906,811 with an interest rate of 2.840% to refinance the remaining balance on the Wastewater Revenue Refunding Bonds, Series 2014 bond (2014 Wastewater Revenue Refunding). Payments are due semiannually on July 10 and January 10. Final maturity is on July 20, 2026. The refunding reduced the District's debt service loan amount by \$483,155 and provided for an economic gain (difference between the present value of the old and new debt service payments) of approximately \$71,543 in aggregate savings through the end of the loan term in 2026.

## Water and Sewer Rates

- **Monthly Fixed Rate/Minimum Charge for Water and Sewer**

This charge provides for the fixed annual costs of operating the buildings, grounds and facilities of the District, irrespective of the quantity of water used or occupancy status.

- **Water and Sewer Consumption (Variable Rate) Charges for Water and Sewer**

This charge provides for the variable costs of operation and maintenance of the systems, directly proportional to the amount of water used.

Aerial view of Groveland Community Services  
District via Google Earth



# GROVELAND COMMUNITY SERVICES DISTRICT

*Technical Proposal for:*

**Combined Water and Sewer Cost  
of Service / Rate Study**

March 6, 2023



[nbsgov.com](http://nbsgov.com)



870 Market Street, Suite 1223  
San Francisco, CA 94102  
Toll free: 800.434.8349

[nbsgov.com](http://nbsgov.com)

March 6, 2023

Jennifer Donabedian  
Administrative Services Manager  
Groveland Community Services District  
18966 Ferretti Road  
Groveland, CA 95321

**RE: Proposal for Combined Water and Sewer Cost of Service / Rate Study**

Dear Ms. Donabedian,

Thank you for the opportunity to provide a proposal to conduct a water and sewer cost of service and rate study for the District. Our proposal is structured to perform a comprehensive review of the current rates and rate structure, develop final recommendations and clearly communicate the results to the District's customers. The study report will also provide the administrative record necessary to comply with Proposition 218. Some of the key benefits of our proposal include:

- **Ensuring Revenue Sufficiency and Stability:** NBS will review all revenue sources and develop a financial plan that will fully fund the District's operating, maintenance, and capital improvements costs, as well as meet other financial obligations, such as debt service requirements and adequate reserve levels. This will include a cost-of-service analysis and a review of the current rate structure to ensure revenue stability.
- **Defensibility and Meeting Legal Requirements:** NBS will provide the expertise to navigate the requirements under Proposition 218 and other best methods to ensure that new water and sewer rates are defensible and comply with industry standards. Our overall objective is to develop practical and implementable solutions that are defensible from both a technical and legal perspective, founded on reasonable assumptions, and designed to meet the broader objectives of the District and its ratepayers.
- **Support with the New Rate Adoption Process:** NBS will also assist District staff in communicating the outcomes and recommendations of the study in presentations to the public and with the District Board. As requested in the RFP, this proposal includes a separate scope and fee for Public Outreach/Proposition 218 Assistance.

Please contact me at 800.434.8349 or via email at [abou@nbsgov.com](mailto:abou@nbsgov.com) if you have any questions or would like to discuss this proposal further. NBS highly values our existing relationship and embraces the opportunity to work on this study to help the District continue to move forward successfully.

Sincerely,

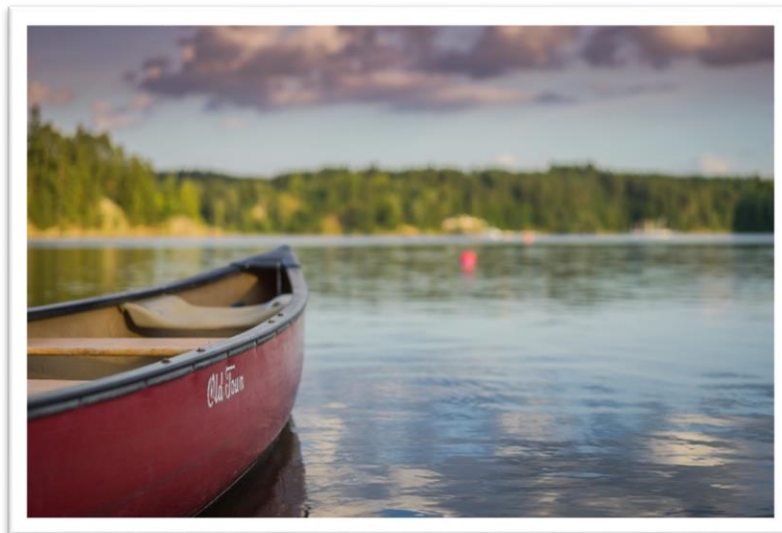
Alice Bou  
Project Manager

Michael Rentner  
President / Authorized Signer

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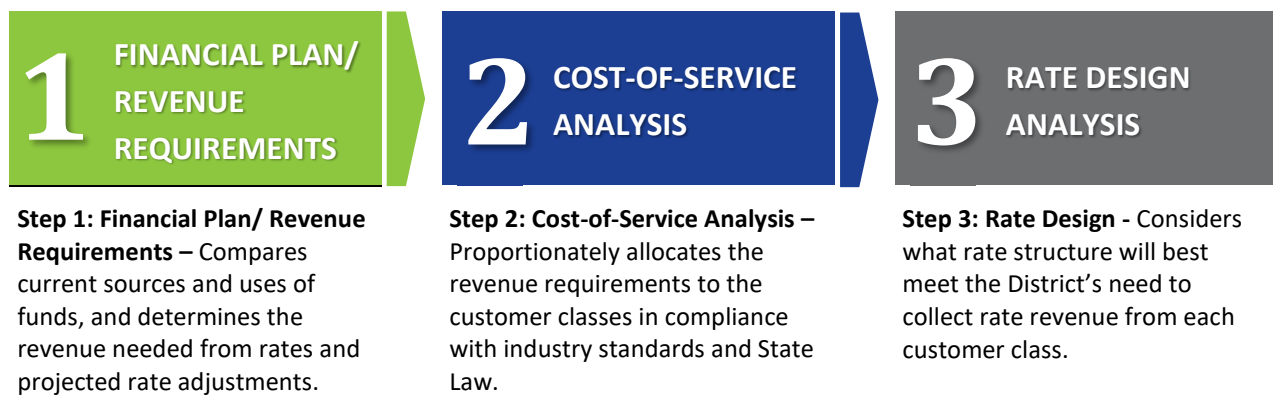
# 1 | PROJECT APPROACH

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## Methodology

NBS follows established industry standards and the cost-of-service principles embodied in manuals, such as the American Water Works Association’s *Principles of Water Rates, Fees, and Charges*,<sup>1</sup> also referred to as Manual M1, and the Water Environment Federation’s *Financing and Charges for Wastewater Systems* (Manual of Practice No. 27). We will provide guidance and advice throughout the rate study to ensure that rates not exceed the proportionate cost of providing the service and that rate alternatives developed in this study comply with Proposition 218 requirements. The figure below outlines the process we will use to develop updated utility rates for the District.

**Figure 1. Components of a Comprehensive Rate Study**



Based on the 2015 San Juan Capistrano court decision,<sup>2</sup> municipal agencies are required to demonstrate the cost basis for utility rates, specifically the requirement to correlate tiered prices with the actual cost of service at those tiered levels. As a result, this rate study should clearly outline the rationale for how costs have been equitably allocated to customer classes, the equity of the rate designs, and the cost basis for rate alternatives. Additionally, projected rates over the next five years will need to provide sufficient revenues to cover all operational and administrative costs.

NBS will work cooperatively with District staff to develop financial plans and rate recommendations that are well suited to the District’s needs. Based on this input, we expect to make adjustments that result in practical and implementable rates. NBS will provide the leadership necessary to guide the District through the various issues and will explain the key concerns as well as the strengths and weaknesses of the various options. The following sections explain our detailed approach to this study.

## Rate Study Scope and Approach

This scope of work is intended to develop stand-alone rate studies for the water and sewer rates. While the scope of work for each utility is nearly the same, the differences in each utility are described herein.

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<sup>1</sup> *Principles of Water Rates, Fees, and Charges*, Manual of Water Supply Practices, M1 Manual, American Water Works Association, Seventh Edition, 2017.

<sup>2</sup> *Capistrano Taxpayer’s Association, Inc. vs. City of San Juan Capistrano*.

## TASK 1. KICK-OFF MEETING AND DATA COLLECTION

NBS will provide the District with a data request and hold a kickoff meeting (by videoconference or phone) to review and discuss the data requirements for the study, scope of work, study timeline, and ensure there is a clear understanding of how the study objectives will be met. The data required to conduct the study includes information, such as:

- Financial data typically reported in financial statements.
- Operating and maintenance budgets for each utility including water supply costs, wastewater treatment, personnel costs, and infrastructure replacement costs.
- Detail of total annual rate revenue for the past two years.
- Customer billing information, such as water meter sizes, customer class, property type, and monthly water consumption by customer class.
- Current cash balances in each reserve fund for each of the utilities.
- Capital Improvement and/or Master Plans.

## TASK 2. FINANCIAL PLAN

NBS will prepare financial plans for each utility that summarize revenues, expenditures, reserves, and will identify the net revenue requirements – that is, the revenue that must be collected from customer charges.

Task deliverables will include, for each utility:

- A 10-year financial projection model that will serve as a financial “roadmap.”
- Summary of current and projected net revenue requirements.
- Review of the District’s current reserve fund policies and targets.
- Projected year-end reserve fund levels.
- Calculated debt service coverage ratios.

These financial plans will lay the groundwork for the cost-of-service and rate design analyses addressed in Tasks 3 and 4. The following subtasks are anticipated:

- 1. Projected Revenues and Expenditures** – NBS will prepare a 10-year rate model for each utility that projects revenues, expenses, and increases in rate revenue needed to meet all obligations. The analysis will use a cash-basis approach when addressing the District’s system of accounts. The work will provide the District with a financial tool that is able to model rate adjustments, varying operating and maintenance costs, infrastructure improvements, debt issuance, asset replacement, and appropriate reserve fund levels. The District’s projected customer growth rates from master plan documents and planned cost inflation factors will be incorporated into the analysis.
- 2. Evaluate Reserve Fund Sufficiency** – NBS will evaluate the sufficiency of existing reserve funds, target reserves, reserve fund policies, and related issues, such as meeting debt service coverage ratios and other rate covenants. NBS will provide recommendations for reserve fund targets that are tailored to the District’s specific needs. If it is determined a deficit in reserves exists, we will consider a phased-in approach to funding reserves to minimize the impact to ratepayers.
- 3. Review Capital Improvement Program Funding** – NBS will incorporate the District’s plans for new facilities, infrastructure improvements, and asset replacement into the financial plan. We will evaluate the timing, costs, and available reserves needed to fund all projects. NBS will collaborate with District staff to develop a well-conceived approach to funding these capital needs. The solution

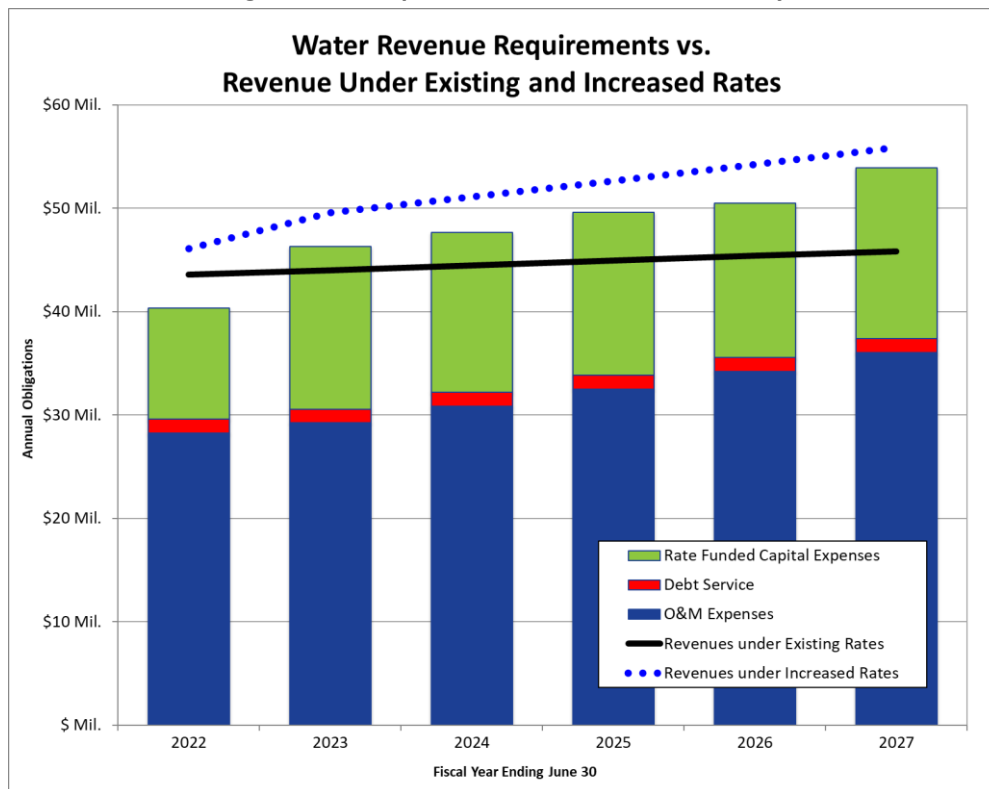
will include an appropriate balance between rate and system development fee funded projects and, if necessary, the use of outside financing. NBS will develop up to three scenarios to fund the capital improvement program for modeling and comparison purposes.

The financial plans will be presented in a format similar to that shown in **Figure 2** and **Figure 3** and will be tailored to the District’s chart of accounts. Reserve fund policies will also be evaluated and presented in a format like that shown in **Figure 4** and **Figure 5**.

**Figure 2. Example of a Financial Plan Summary**

Summary of Sources and Uses of Funds and Net Revenue Requirements	Projected	5-Year Rate Projected Period				
	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
<b>Sources of Water Funds</b>						
Rate Revenue Under Prevailing Rates	\$ 38,263,685	\$ 38,671,900	\$ 39,080,115	\$ 39,488,331	\$ 39,896,546	\$ 40,304,761
Power Sales	23,184	23,184	23,184	23,184	23,184	23,184
Reclamation Water Sales	1,195,619	1,097,717	1,109,304	1,120,892	1,132,479	1,144,066
Other Revenue	4,109,946	4,218,364	4,278,335	4,305,358	4,336,144	4,359,874
<b>Total Sources of Funds</b>	<b>\$ 43,592,434</b>	<b>\$ 44,011,165</b>	<b>\$ 44,490,939</b>	<b>\$ 44,937,765</b>	<b>\$ 45,388,353</b>	<b>\$ 45,831,886</b>
<b>Uses of Water Funds</b>						
Operating Expenses	\$ 29,445,560	\$ 30,475,431	\$ 32,146,093	\$ 33,864,016	\$ 35,640,013	\$ 37,516,800
Debt Service	1,338,950	1,344,150	1,344,650	1,342,650	1,344,450	1,339,850
Rate-Funded Capital Expenses	10,745,230	15,709,880	15,466,303	15,737,019	14,905,625	16,517,431
<b>Total Use of Funds</b>	<b>\$ 41,529,740</b>	<b>\$ 47,529,461</b>	<b>\$ 48,957,046</b>	<b>\$ 50,943,685</b>	<b>\$ 51,890,089</b>	<b>\$ 55,374,082</b>
<b>Surplus (Deficiency) before Rate Increase</b>	<b>\$ 2,062,694</b>	<b>\$ (3,518,296)</b>	<b>\$ (4,466,107)</b>	<b>\$ (6,005,920)</b>	<b>\$ (6,501,735)</b>	<b>\$ (9,542,195)</b>
Additional Revenue from Rate Increases	2,514,013	5,567,550	6,619,143	7,713,543	8,851,923	10,035,491
<b>Surplus (Deficiency) after Rate Increase</b>	<b>\$ 4,576,707</b>	<b>\$ 2,049,254</b>	<b>\$ 2,153,037</b>	<b>\$ 1,707,623</b>	<b>\$ 2,350,188</b>	<b>\$ 493,295</b>
<b>Projected Annual Rate Increase</b>	<b>13.00%</b>	<b>2.20%</b>	<b>2.20%</b>	<b>2.20%</b>	<b>2.20%</b>	<b>2.20%</b>
Cumulative Rate Increases	0.00%	2.20%	4.45%	6.75%	9.09%	11.49%
<b>Net Revenue Requirement<sup>2</sup></b>	<b>\$ 35,670,871</b>	<b>\$ 41,493,247</b>	<b>\$ 42,789,286</b>	<b>\$ 44,674,583</b>	<b>\$ 45,513,033</b>	<b>\$ 48,893,172</b>
Debt Coverage Ratio (After rate increases)	14.75	16.56	16.51	16.46	16.36	16.29

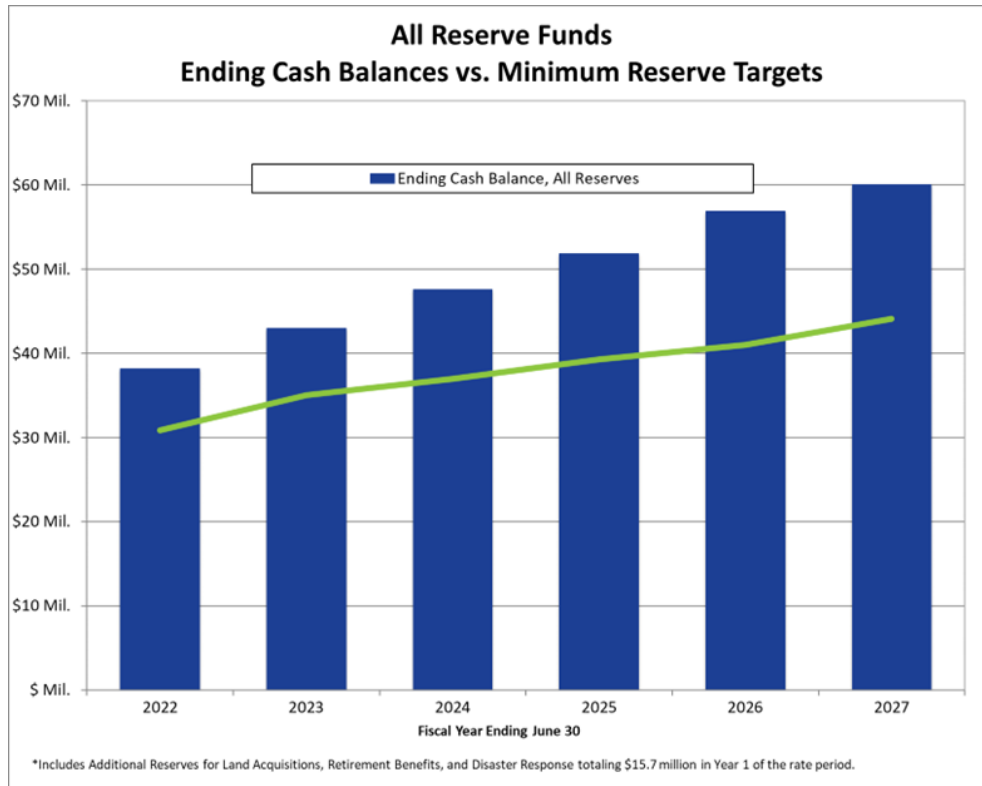
**Figure 3. Example of a Financial Plan Summary**



**Figure 4. Example of a Financial Reserve Fund Summary**

Beginning Reserve Fund Balances and Recommended Reserve Targets	Projected	5-Year Rate Projected Period				
	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
<b>Operating Reserve</b>						
Ending Balance	\$ 19,558,698	\$ 22,670,190	\$ 23,346,113	\$ 24,300,191	\$ 24,732,727	\$ 26,432,580
<i>Recommended Minimum Target</i>	<i>19,706,874</i>	<i>22,670,190</i>	<i>23,346,113</i>	<i>24,300,191</i>	<i>24,732,727</i>	<i>26,432,580</i>
<b>Capital Rehabilitation &amp; Replacement Reserve</b>						
Ending Balance	\$ 3,135,000	\$ 4,636,845	\$ 8,378,777	\$ 11,475,624	\$ 15,817,910	\$ 17,120,274
<i>Recommended Minimum Target</i>	<i>11,128,000</i>	<i>12,382,000</i>	<i>13,637,700</i>	<i>14,946,700</i>	<i>16,246,700</i>	<i>17,679,400</i>
<b>Total Ending Balance</b>	<b>\$ 22,693,698</b>	<b>\$ 27,307,034</b>	<b>\$ 31,724,890</b>	<b>\$ 35,775,815</b>	<b>\$ 40,550,637</b>	<b>\$ 43,552,854</b>
<i>Total Recommended Minimum Target</i>	<i>\$ 30,834,874</i>	<i>\$ 35,052,190</i>	<i>\$ 36,983,813</i>	<i>\$ 39,246,891</i>	<i>\$ 40,979,427</i>	<i>\$ 44,111,980</i>
<b>Additional Reserves</b>						
Ending Balance	\$ 15,453,827	\$ 15,662,887	\$ 15,874,774	\$ 16,089,528	\$ 16,307,187	\$ 16,527,791
<i>Ending Balance - All Reserves</i>	<i>\$ 38,147,526</i>	<i>\$ 42,969,921</i>	<i>\$ 47,599,665</i>	<i>\$ 51,865,343</i>	<i>\$ 56,857,825</i>	<i>\$ 60,080,645</i>

**Figure 5. Example of a Financial Reserve Fund Summary**



**TASK 3. COST-OF-SERVICE ANALYSIS**

Using the net revenue requirements developed in Task 2, we will equitably allocate costs to each customer class based on cost-of-service principles that comply with Prop 218. NBS will review the District’s existing customer classifications for each utility and analyze the historical usage characteristics to determine if any changes should be made to provide more equity among user classes or comply with industry standards.

Based on the level of detail in the District’s budgets, NBS will evaluate how costs should be allocated to various cost components and types of customers. The following subtasks explain the differences by utility.

**3.1 Water Cost-of-Service Analysis**

NBS will prepare a cost-of-service analysis to equitably allocate the revenue requirements to the individual customer classes based on industry standards. We will review existing customer classes and analyze the



historical characteristics of each customer class. The main components of the cost-of-service analysis are as follows:

1. **Functionalization/Classification of Expenses** – Functionalizing the expenses means arranging costs into basic categories, such as source of supply, treatment, transmission, and distribution, as well as administrative and overhead costs. Once the costs have been functionalized, they are then classified into their various cost components (i.e., capacity, commodity, and customer-related costs).
2. **Allocation of Costs to Customer Classes** – These costs are then allocated to individual customer classes based on allocation factors specific to each cost classification, producing fixed and variable revenue requirements for each customer class. These allocations will be used for the actual rate calculations.

Figure 6 provides examples of how water revenue requirements are classified and then allocated to customer classes to establish the amount of rate revenue collected from each customer class. Figure 7 and Figure 8 provide examples of how commodity- and capacity-related costs are allocated to customer classes. Figure 9 is an example of how allocated costs are summarized for each customer class.

**Figure 6. Classification of Water Revenue Requirements**

Customer Classes	Classification Components				Cost of Service Net Rev. Req'ts.	% of COS Net Revenue Req'ts.
	Commodity-Related Costs	Capacity-Related Costs	Customer-Related Costs	Fire Protection-Related Costs		
<b>Potable Water</b>						
Residential	\$ 18,042,202	\$ 6,840,515	\$ 594,614	\$ -	\$ 25,477,331	57.5%
Multi-Family	649,028	228,794	11,534	-	889,356	2.0%
Condo	1,112,558	375,089	145,147	-	1,632,794	3.7%
Commercial	5,986,400	2,147,733	80,815	-	8,214,948	18.5%
Irrigation/Condo	3,655,132	1,514,092	14,064	-	5,183,289	11.7%
Fire Private	5,725	2,328	21,134	439,342	468,528	1.1%
Fire Public	5	8	37	749	799	0.0%
Public Authority	1,440,331	593,349	10,046	-	2,043,726	4.6%
<b>Potable Water Total</b>	<b>30,891,380</b>	<b>11,701,908</b>	<b>877,392</b>	<b>440,091</b>	<b>43,910,771</b>	<b>99.0%</b>
<b>Other Water</b>						
Whitewater	n/a	9,437	149	-	9,586	0.0%
Commercial Mains	243,961	171,113	2,642	-	417,715	0.9%
<b>Total Net Revenue Requirement</b>	<b>\$ 31,135,341</b>	<b>\$ 11,882,458</b>	<b>\$ 880,182</b>	<b>\$ 440,091</b>	<b>\$ 44,338,072</b>	<b>100.0%</b>

**Figure 7. Example of Commodity Allocation Factor**

Customer Class	FY 2020/21	3-Year Average	% Adjustment for Conservation	FY 2020/21 Volume Adjusted for Conservation	3-yr Avg. Volume Adjusted for Conservation
<b>Potable Water</b>					
Residential	7,834,756	7,348,005	5.0%	7,443,018	6,980,605
Multi-Family	281,838	269,302	5.0%	267,746	255,837
Condo	483,124	459,891	5.0%	458,968	436,896
Commercial	2,599,571	2,538,441	5.0%	2,469,592	2,411,519
Irrigation/Condo	1,587,227	1,468,436	5.0%	1,507,866	1,395,015
Fire Private	2,486	2,661	5.0%	2,362	2,528
Fire Public	2	1	5.0%	2	1
Public Authority	625,458	596,044	5.0%	594,185	566,242
<b>Potable Water Total</b>	<b>13,414,462</b>	<b>12,682,782</b>		<b>12,743,739</b>	<b>12,048,643</b>
<b>Other Water</b>					
Reclaimed Water	1,402,091	1,356,947	5.0%	1,331,986	1,289,100
Whitewater	n/a	n/a	5.0%	n/a	n/a
Commercial Mains	105,939	96,809	5.0%	100,642	91,968
<b>Total</b>	<b>14,922,492</b>	<b>14,136,538</b>		<b>14,176,367</b>	<b>13,429,711</b>

**Figure 8. Example of Capacity Allocation Factor**

Customer Class	Average Monthly Use (ccf)	Peak Monthly Use (ccf)	Peak Monthly Factor	Max Month Capacity Factor
<b>Potable Water</b>				
Residential	652,896	861,098	<b>1.32</b>	<b>57.6%</b>
Multi-Family	23,487	28,801	<b>1.23</b>	<b>1.9%</b>
Condo	40,260	47,217	<b>1.17</b>	<b>3.2%</b>
Commercial	216,631	270,361	<b>1.25</b>	<b>18.1%</b>
Irrigation/Condo	132,269	190,597	<b>1.44</b>	<b>12.7%</b>
Fire Private	207	293	<b>1.41</b>	<b>0.0%</b>
Fire Public	0	1	<b>6.00</b>	<b>0.0%</b>
Public Authority	52,122	74,692	<b>1.43</b>	<b>5.0%</b>
<b>Potable Water Total</b>	<b>1,117,872</b>	<b>1,473,060</b>	<b>1.32</b>	<b>98.5%</b>
<b>Other Water</b>				
Reclaimed Water	116,841	148,904	<b>1.27</b>	<b>n/a</b>
Whitewater	575	1,188	<b>2.07</b>	<b>0.1%</b>
Commercial Mains	8,828	21,540	<b>2.44</b>	<b>1.4%</b>
<b>Total</b>	<b>1,244,116</b>	<b>1,644,692</b>	<b>1.32</b>	<b>100.0%</b>

**Figure 9. Example of Allocation of Water Revenue Requirements to Customer Classes**

Customer Class	No. of Meters FY 2020/21	Percent of Total
<b>Potable Water</b>		
Residential	15,981	<b>67.6%</b>
Multi-Family	310	<b>1.3%</b>
Condo	3,901	<b>16.5%</b>
Commercial	2,172	<b>9.2%</b>
Irrigation/Condo	378	<b>1.6%</b>
Fire Private	568	<b>2.4%</b>
Fire Public	1	<b>0.0%</b>
Public Authority	270	<b>1.1%</b>
<b>Potable Water Total</b>	<b>23,581</b>	<b>99.7%</b>
<b>Other Water</b>		
Reclaimed Water	10	<b>n/a</b>
Whitewater	4	<b>0.0%</b>
Commercial Mains	71	<b>0.3%</b>
<b>Total</b>	<b>23,666</b>	<b>100.0%</b>

### 3.2 Sewer Cost-of-Service Analysis

NBS will follow a similar cost allocation process used in the water analysis for the sewer cost-of-service analysis. We will rely on the District’s sewer budget to classify all expenses into their various cost components, such as flow (volume), strength (BOD, or COD, and TSS), and customer-related costs. With the District’s customer billing data, we will develop the customer usage statistics, or allocation factors, that will be used to assign costs to each customer class. The allocations will consider water consumption data, sewer treatment plant flow and loading data, and industry standard customer classification data. The cost allocation factors that will be developed include:

- Volume Allocation Factor – Develop estimates of the total annual volume of wastewater treated for each customer class.
- Strength Allocation Factors – Develop estimates of the annual pounds of Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) collected for each customer class.
- Customer Allocation Factors – Calculate the number of customers by customer class in the District’s sewer service area.

NBS will then apportion the costs to individual customer classes based on the allocation factors specific to each cost classification, producing fixed and variable revenue requirements for each customer class. These allocations will be used in the actual rate calculations for each customer class.

#### **TASK 4. RATE DESIGN ANALYSIS**

NBS will work with District staff to review the current utility rate structures and develop alternatives to ensure that proposed rates will meet the District’s broader rate design goals and objectives. NBS will work with the District regarding the complex issues and increased per customer cost associated with providing water and sewer service in rural California, where nearly half of the customers are second homeowners living in urban California. Identifying and including pass-through mechanisms in the rates would be incorporated in the rate resolutions and Prop 218 notices. The following subtasks are anticipated:

##### **4.1 Develop Rate Design Recommendations**

Updated utility rates will be developed based on the cost-of-service analyses, and we will include a discussion of the relative merits (i.e., pros and cons) of the current rate structures compared to the new alternatives developed in the study. This process includes discussions with the District regarding the desired rate complexity and the resulting customer bills. To the extent that the District chooses to maintain the existing rate structures, we will focus on ensuring that the new rates provide adequate revenue levels to support utility operations, maintenance, and capital improvement needs.

**Review Criteria for Improving the Rate Design** – Revenue sufficiency and stability are critical components to consider when evaluating rate designs. In projecting future rates and rate increases, NBS takes a conservative approach to ensure that there is no significant under-collection of rate revenue which represents a “worse case” scenario. An approach that minimizes the chance of under-collection would potentially enable the utility to reduce future rate increases without leaving reserves underfunded. There are a number of criteria that NBS will discuss with District staff in considering new rate structures, including:

- How costs allocated to fixed and volumetric rates affect revenue stability.
- How water conservation is reflected in the water and sewer rate analyses.
- How annual changes over the last several years due to drought and conservation efforts should be considered in the rates on a going-forward basis.
- Ensuring that meter sizes are appropriately used in calculating fixed water charges.
- The amount of water allocated to each tier, how much revenue should be collected within each tier, and whether cost-based tiers provide sufficient increases necessary to effectively promote conservation.
- Impacts on customer bills by level of consumption, including single-family residential units occupied as short-term rentals and those used as intermittent vacation homes.

The rate structure alternatives selected will ultimately provide the basis for comparing customer bills under both the current and new rate structures. However, alternative rate structures will be “revenue neutral” because they will all collect the same amount of revenue, both in total and within each customer class.

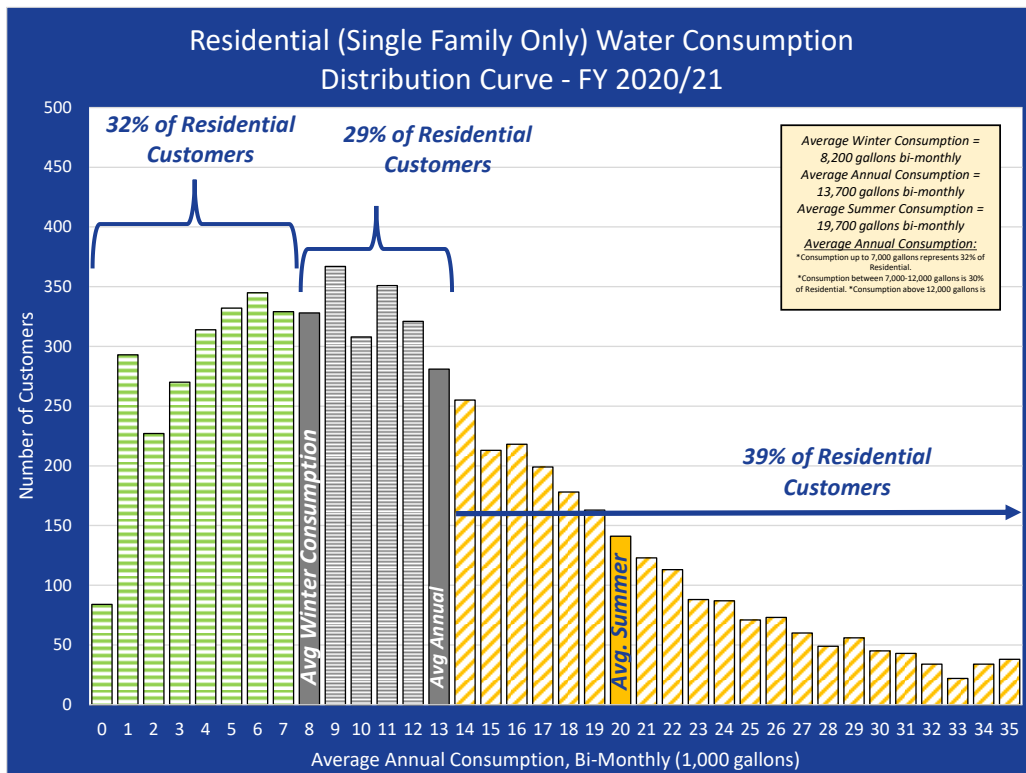
#### 4.2 Analysis of Consumption and Conservation

NBS will evaluate the number of customers at various levels of consumption (see **Figure 10**) and the total water use that occurs within each tier. This analysis can be used to quantify the consumption changes in the last few years related to Covid-19 restrictions and post-drought consumption trends, and help better project future demands, particularly in light of the apparently impending drought conditions.

The District’s most recent water consumption data will be used for this analysis to ensure an accurate projection of the revenue that will be collected within each tier, which also allows for testing various rate structure alternatives (e.g., changing the fixed/variable percentages and/or tier breakpoints). This improves the accuracy in designing water rate tiers and ensures that rates recover sufficient revenues.

Consumption data will also be used to evaluate the impact of various conservation levels along with drought rate alternatives for offsetting the revenue losses. Alternatives may include (1) drought rates tied to drought stages, (2) rate stabilization reserves with sufficient funding to cover conservation-related revenue losses, and (3) revenue stabilization rates.<sup>3</sup> A combination of these options may also be used.

**Figure 10. Consumption Distribution Analysis**



<sup>3</sup> NBS prepared revenue stabilization rates for San Lorenzo Valley Water District that was set up to automatically implement volumetric rate increases when monthly revenue fell 10-percent or more behind projections, and automatically be rescinded once the revenue was back on track with annual projections.

### 4.3 Calculate Fixed and Volumetric Charges

In true cost-of-service methodologies, fixed charges ideally cover all fixed costs. However, since pricing signals are often used to encourage water conservation, many water utilities struggle with revenue stability during times of uncertain demands, particularly State-mandated conservation implemented during the drought.

In contrast, volumetric rates should cover variable costs and be allocated in proportion to consumption. However, the emphasis on conservation typically results in collecting some fixed costs through volumetric rates. While this exposes water utilities to revenue instability (e.g., when consumption drops and the utility fails to cover all the fixed costs), the use of rate stabilization reserves and drought rates can offset these challenges.

Determining the best combination of fixed and variable charges is also influenced by other factors, such as ease of understanding and ease of administration. NBS will work with District staff to develop an appropriate balance between fixed and variable charges in the new utility rates.

### 4.4 Calculate Drought Rates (Optional - Revenue Stabilization Rates)

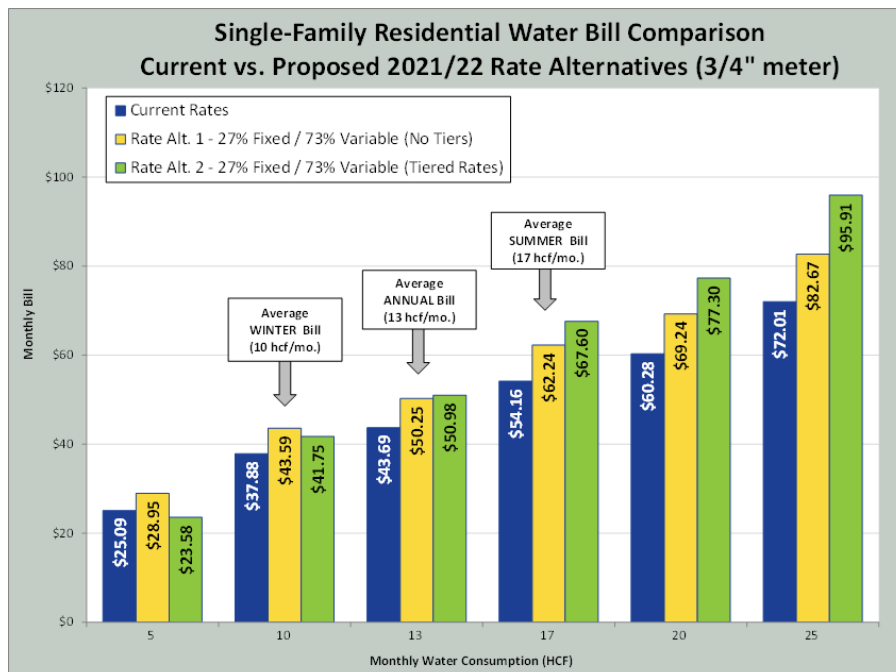
Corresponding to the specific levels of conservation, NBS will prepare drought rates that account for the variable costs that decrease when the District sells less water and also adjusts volumetric rates in a revenue-neutral manner that mitigates a net loss in rate revenue. These drought rates would be intended to go into effect whenever the District declares it is in a specific stage of its adopted drought mitigation plan, if available.

NBS has also successfully created and implemented “revenue-stabilization rates” with automatic increases whenever projected monthly volumetric rate revenue falls by 10% or more. We will discuss this option with the District to determine the approach that best serves the District’s needs.

### 4.5 Comparison of Customer Bills

NBS will prepare rate tables and monthly bill comparisons for each utility that compare the impact of each rate alternative. Each customer class will have a separate bill comparison as shown in **Figure 11**. These tables and charts will be used as needed in the report and in presentations with the Board and the public.

**Figure 11. Example of Residential Water Bill Comparison**



## **TASK 5. PREPARE WRITTEN STUDY REPORT**

NBS will prepare draft and final study reports for each utility and work with District staff to review drafts of these reports prior to public release. Our emphasis will be to present a clear and concise report with an executive summary of no more than two pages. Key assumptions, methodologies, and factors affecting the development of the proposed rates will be highlighted with charts and graphs when helpful. In addition, more technical aspects of the study, particularly the tables documenting the calculations and sources of data, will be separately provided in the technical appendix.

## **TASK 6. MEETINGS AND PRESENTATIONS**

NBS will meet with District staff on a regular basis regarding data collection, analysis, initial results, and to answer questions staff may have. We assume that progress meetings with staff will be remote which helps reduce the study costs. We have also budgeted for two (2) public meetings which include one (1) District Board meeting to present the rate study and answer any questions the Board may have, as well as a rate study workshop to introduce the study to the Board and the public. Our cost proposal has provided the additional costs for in-person meetings and offers the District the option to select the format and number of meetings.

### **Optional Service:**

#### **Proposition 218 Process and Public Hearing Scope (Public Education / Outreach)**

### **INITIAL RESEARCH - KICK-OFF MEETING & PROJECT SCHEDULE**

NBS will communicate with the District throughout the project's duration to clarify the District's goals, identify any particular circumstances, and develop a realistic project schedule. NBS will meet with District staff, legal counsel, and other interested parties to:

- Establish lines of communication.
- Clarify the specific project goals and criteria that will meet the District's preference.
- Identify and resolve any special circumstances regarding the engagement process.
- Develop an outreach and communication plan to provide clear education to ratepayers.

### **OUTREACH MEETINGS**

- Host and facilitate up to two virtual or in-person meetings to help educate the community on rates and allow community members to discuss items of importance.
- One or more postcards will be created to announce the community meetings.
- Lead meetings with a core focus on the water and sewer rate structures' foundational principles.
- Creation of meeting materials such as posters and exhibits in multiple languages.
- Develop action items based on feedback received at community meetings.
- Record virtual community meetings to be shared on CivicMic.com, the District webpage, and social media sites.

## **WEBPAGE CREATION - DEVELOP AND DEPLOY CONTENT TO A DEDICATED WEBPAGE AND SOCIAL MEDIA**

This task includes but is not limited to the items below. A link will be provided for the District website to send community members directly to **CivicMic.com**.

- Rate calculators or bill estimator – one for sewer and one for water
- Background on the need for increased rates
- History of use of current funds available to the District
- Timeline of anticipated events
- Legislative updates
- Meeting announcements and minutes
- Recorded meetings
- Copies of 218 notices

## **EDUCATIONAL FLYER**

NBS will create a **multilingual** flyer that answers frequently asked questions, explains items such as rate tiers and fixed rates, and supports the 218 process.

## **EMAIL CAMPAIGN - ESTABLISHMENT OF A LISTSERV**

Using the CivicMic platform, we will establish an email contact list for participants in this engagement. Content post to the CivicMic website will be sent directly to all listserv participants. Ways to sign up for CivicMic.com will be shared on meeting announcement postcards and at community meetings.


## **COMMUNITY SUPPORT - PROVIDE PHONE AND EMAIL SUPPORT THROUGHOUT THE PROCESS**

A toll-free phone number will be provided for use by the District, community members, and any other interested parties. Bilingual staff will be available for Spanish-speaking community members. In addition, community members can submit questions directly to CivicMic.com.

## **PROPOSITION 218 PUBLIC NOTICING**

The key technical task will be to prepare a draft Prop 218 Notice and provide the proposed rate tables included in the notices. Modifying the District's Municipal Code and rate resolutions are also included, since they will need to be changed to accommodate the new rates. The District should also have legal counsel review the notices for legal compliance with the provisions of Prop 218 wording related to pass-throughs, etc.


## 2 | FIRM QUALIFICATIONS AND EXPERIENCE

**NBS**™ AT-A-GLANCE: HELPING COMMUNITIES FUND TOMORROW


**27** In Business  
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 **LEGAL NAME** DBA **57**  
NBS Government NBS **EMPLOYEES**  
Finance Group

 **INDIVIDUAL AUTHORIZED TO NEGOTIATE AGREEMENT**  
Michael Rentner, President

Since 1996, NBS has supported California municipalities with the implementation and ongoing administration of local funding tools.

While the firm originally focused on Special Financing Districts (SFDs), specifically the formation and administration of special assessments and taxes, we have evolved with our clients' needs and now provide a full range of revenue consulting services. We focus on sustainable water and wastewater utility rate programs, cost allocation plans, cost recovery, and legally justified fee design. Across all practice areas, we have worked with more than **500 public agencies** to date, including cities, counties, school districts, utilities, and special districts.

### Utility Rate Group

The NBS Utility Rate Group ensures your utility rates, system capacity fees, and financial plans provide an appropriate level of funding and are also justifiable in a fluid legal and regulatory environment.

**500** STUDIES PERFORMED

We act as strong advocates for our many utility clients to ensure that rates and fees address the multitude of challenges facing each community. Just ask the municipalities where we have performed more than 500 studies!

**PROP 218** COMPLIANT

Once study results are in, we support you through the Proposition 218 approval process. Working within legal and industry standards, we partner with you to implement solutions for the most challenging financial issues.



Throughout the process, we strive to educate the public, manage community expectations, and work within the often-confusing legal framework to develop the best solutions for your utility. Our analytical support and expert consultants help agency staff and legal counsel navigate the practical and legal challenges.



## NBS Similar Water and Sewer Project Experience

Below is a sample of projects for California municipal agencies that our proposed team has completed (or is now completing) which are similar to the District’s study.

- Azusa Light and Water, Water Rate Study
- Alameda County Water Agency (Zone 7), Connection Fee Update Study
- Bellflower Mutual Water Company, Water Rate Study
- Calaveras County WD, Water and Sewer Rate Study
- Citrus Heights Water District, Water Rate Study
- City of Colton, Water Rate and Connection Fee Study
- City of Santa Ana, Public Utilities Internal Overhead Cost-Allocation Analysis (Internal White Paper)
- City of Davis, Sewer Rate and Capacity Fee Study
- City of Fort Bragg, Water, Sewer and Drainage Rates
- City of Fresno, Public Sanitation Fee Study
- City of Redding, Water, Sewer and Solid Waste Rate and Development Impact Fee Studies
- Cucamonga Valley Water District, Water and Recycled *Water Connection Fee Study*
- Costa Mesa CSD, Solid Waste Rate Study
- City of Los Angeles, Department of Water and Power, Various Water Rate Analyses\*
- City of Madera, Water, Sewer, Storm Drainage and Solid Waste Rate Studies
- City of Eureka, Water and Sewer Rate Study
- City of Morgan Hill, Water and Sewer Rate Study
- City of Redding, Water, Sewer and Solid Waste Rate Study and Connection Fee Analysis
- City of Sacramento, Water, Sewer, Combined Sewer, and Stormwater Development Impact Fee Studies and Community Sanitation Fee Study
- City of Santa Paula, Water and Sewer Rate Study
- County of Sonoma, Water and Sewer Rate Study
- City of San Francisco, Public Utility Commission, Solid Waste and Electric Utility Rate Studies\*
- City of Sausalito, Sewer Rate Study
- City of Sunnyvale, Water Rate Study
- City of Victorville, Sewer Rate Study, Industrial Pretreatment Program Fee Study, and Storm Drain Rate Study
- Desert Water Agency, Water, Sewer & Recycled Water Rate Study, and Tribal Water Rates Analysis
- Hidden Valley Lakes Community Services District, Water and Sewer Rate Study
- Humboldt CSD, Water and Sewer Rate study
- Mountain House CSD, Water and Sewer Rate Study
- Napa Sanitation District, Sewer Rate Study
- San Benito County, Developer Storm Drainage Impact Fee Reimbursement Analysis
- Town of Mill Valley, Sewer Rates and Capacity Fees
- Pajaro Sunny Mesa CSD, Water Rate Study
- San Lorenzo Valley Water District, Water and Sewer Rate Study and Fire Damage Surcharge Study
- Santa Clara Valley Water Agency, Water Supply and Flood Control Development Impact Fee Study
- Suisun-Solano Water Authority, Water Rate Study
- Sussex County, Delaware, Water, Sewer Rate and Capacity Fee Study and Oversizing Credit *Analysis*
- Valley of the Moon WD, Water Rate Study
- Victorville Water District, Water Rate Study
- Valley Sanitation District, Sewer Rate Study

\* As subconsultant to Guide House/Navigant



Below is a sampling of projects and references similar in scope and magnitude to the District’s needs.

**SUISUN-SOLANO WATER AUTHORITY**  
**FINANCIAL PLAN AND WATER RATE UPDATE**

*Project Timing: 2019 – 2020*

**Contact Information**  
 Cammie Morin  
 Finance Director  
 810 Vaca Valley Parkway, Ste 201  
 Vacaville, CA 95688  
 P: 707.455.4008  
 E: cmorin@SIDWater.org

NBS was selected by the Suisun-Solano Water Authority to review and update the water rates established in 2015. Under the direction of the project manager, NBS assisted in developing the financial plan, performing the cost of service and rate design analyses, as well as updating the current water rates. During this process, NBS worked cooperatively with SSWA staff to develop an updated financial plan and water rate schedule that incorporated both the current and planned operating, maintenance, and capital improvement costs. NBS also helped guide the Authority through the various rate options and key concerns by explaining the issues involved in updating the previous rate study.

**NBS Project Team:**  
 Allan Highstreet, Alice Bou

**CITY OF SANTA PAULA, CA**  
**WATER AND SEWER RATE STUDIES**



*Project Timing: Eight (8) years / Last Project Completed: 2021*

**Contact Information**  
 Clete Saunier  
 Public Works Director  
 Christy Ramirez  
 Finance Director  
 866 Main Street  
 Santa Paula, CA 93060  
 P: 805.933.4212 (Clete)  
 P: 805.933.4211 ext. 204 (Christy)  
 E: CSaunier@spcity.org  
 E: cramirez@spcity.org

In 2021, NBS completed an update of the cost-of-service study of water and sewer rates that NBS originally prepared in 2014. Funding for significant capital improvement projects and converting sewer rates to fixed charges plus volumetric rates based on average winter consumption were key elements. Water rate design continued to address Covid-19 related consumption trends, Prop 218 legal concerns, and customer bill impacts. Several public workshops and council meetings were critical to securing a 5-0 approval by the City Council.

Other consulting services included evaluation of policies related to ADUs, customer leaks, low-income assistance, and financial projections.

Project dates for studies:

- 2014 Water and Sewer Rate Study Report*
- 2016 Review of ADU’s, Rate Alternatives*
- 2019 Update of Water and Sewer Rate Study*
- 2021 Update of Water and Sewer Rate Study*
- 2022 Assistance with Budget Projections & SRF Loan Funding*

**NBS Project Team:**  
 Greg Clumpner, Alice Bou

## CITY OF MADERA

### WATER, SEWER, STORM DRAINAGE AND SOLID WASTE RATE STUDY

*Project Timing: September 2020 - April 2022*



#### Contact Information

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205 West 4th Street  
Madera, CA 93637  
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#### NBS Project Team:

Allan Highstreet, Greg Clumpner,  
Jordan Taylor

This comprehensive rate study for the City's utilities covered full cost-of-service analyses, financial plans, and rate design alternatives. The City had not updated rates in many years and was relying on NBS to ensure rates comply with Prop 218, meet revenue requirements, and provide a fresh approach to revenue collection. The City was aware of numerous rate structure deficiencies that they wanted fully addressed and relied on NBS to provide the necessary leadership in this effort. Key tasks included a comprehensive review of rate designs, customer classes, and cost-of-service analyses. The study also addressed new funding sources for street sweeping and SB 1383 organics programs. Final reports for water, sewer and solid waste have been completed and the proposed rates have been approved by the City Council.

#### Project dates for studies:

*Water, Sewer, Storm Drainage and Solid Waste Rate Studies  
(Separate Reports): Final Study Reports issued in March/April 2022*

## CITY OF REDDING, CA

### WATER, SEWER AND SOLID WASTE RATE, RATE UPDATE, AND IMPACT FEES

*Years as client: Ten (10) years/New rate study project started in Jan 2023*



#### Contact Information

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Public Works Director  
or Ryan Bailey, PE  
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Redding, CA 96001  
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P: 530.224.6030 (Ryan)  
E: [caukland@cityofredding.org](mailto:caukland@cityofredding.org)  
E: [rbailey@cityofredding.org](mailto:rbailey@cityofredding.org)

#### NBS Project Team:

Greg Clumpner, Alice Bou,  
Jeremy Tamargo

NBS completed an extensive update of the cost-of-service study of water, sewer, and solid waste rates originally prepared in 2013. A key part of these studies was working with a Citizens Advisory Group that reviews and provides recommendations to the City Council. Major tasks included reviewing financial/rate setting policies, preparing financial plans, revenue requirements, cost-of-service analysis, and developing alternative rate designs. NBS also updated the City's capacity fees in 2017 and completed the update of the rates in January 2020 – the fourth study for the City since 2013 and the result of their confidence in NBS' ability to effectively conduct these studies.

#### Project dates for studies:

*2013 Rate & Capacity Fee Study: March 2012 – August 2013  
2016 Rate Update Study: January 2016 – November 2016  
2017 Impact Fee Study: July 2017 – December 2017  
2019 Rate Study Update: January 2019 – January 2020  
2023 Utility Rate Study Update – Ongoing*

### 3 | PROJECT TEAM

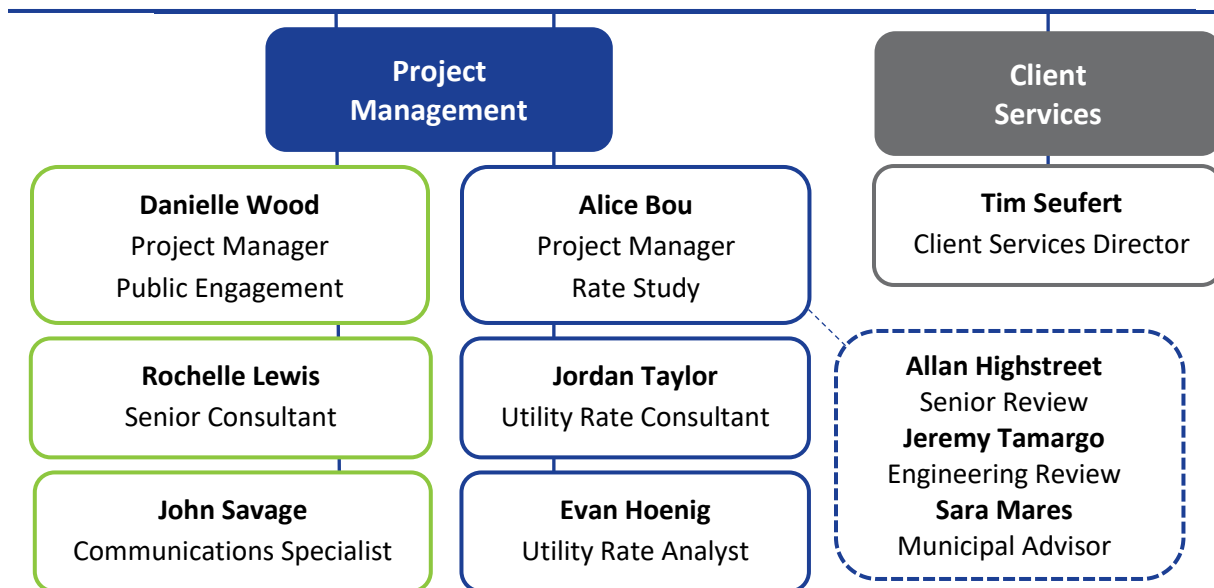
#### Key Personnel

NBS’ staff include 57 professionals with extensive experience in the fields of finance, management, engineering, and local governance. The staff selected for Groveland Community Services District’s Combined Water and Sewer Cost of Service / Rate Study are those most qualified based on their experience and backgrounds. The following is a brief overview of NBS’ proposed consulting team. Our team members work together seamlessly allowing your staff to focus on other priorities.

#### Project Organizational Chart



District Stakeholders, Management and Staff



*All work will be performed in-house by the above employee-owners of NBS.  
Full resumes are included in the Appendix.*

#### ALICE BOU, PROJECT MANAGER, RATE STUDY

**Role and Responsibilities:** Alice Bou will direct the day-to-day work efforts of the project team and will work closely with the District’s project manager to discuss and review the overall approach, development of rate alternatives, and creative solutions to consider. She will be the District’s main point of contact throughout the study and will design and direct analytical efforts of the project team, provide senior-level technical analysis and review, and monitor the schedule and delivery of work products to the District’s satisfaction. Alice will be fully conversant in all findings and will be present for progress meetings with District staff and all public presentations for this project.

**Work Experience:** Alice Bou has a Bachelor of Arts degree and offers more than two decades of experience working in accounting and financial management performing data analysis, variance analysis, budgeting and forecasting, financial modeling, and managerial reporting.

## ALLAN HIGHSTREET, SENIOR REVIEW

**Role and Responsibilities:** Allan Highstreet will provide additional experience in water and sewer rate making and provide senior technical review on this project. He will be available as needed throughout the project to assist the project team with the analysis and technical issues as they arise.

**Work Experience:** Allan Highstreet has 41 years of experience in the water industry where he was a senior vice president managing water resource planning and development projects for Jacobs Engineering (previously CH2M Hill). Allan's four decades of experience includes preparing water and sewer rate and capacity fee studies, and he provides invaluable experience to the NBS project team for this engagement. His academic background includes a BS in Agricultural Business and a MS in Agricultural Economics.

## JORDAN TAYLOR, UTILITY RATE CONSULTANT

**Role and Responsibilities:** Jordan Taylor is on staff with NBS and has more than a decade of project experience. She will support the project team in performing financial plan analysis, consumption data analysis and validation, cost of service analysis and calculations, and develop the rate design and funding alternatives.

**Work Experience:** Jordan Taylor has a Bachelor of Science degree in Chemistry and a master's degree in Business Administration with an emphasis in Finance. She offers more than 10 years of accounting experience along with extensive knowledge of financial analysis and budget planning. Jordan has completed more than 40 similar studies across California.

## EVAN HOENIG, PROJECT ANALYST

**Role and Responsibilities:** Under direction of the Project Manager, Evan Hoenig will perform large-scale data analysis and validation as needed on this project. He will support facilitating data collection and reminders to staff to keep efforts moving along the agreed upon timeline for the completion of each task.

**Work Experience:** Evan Hoenig is a Project Analyst with NBS. He brings more than a decade of compliance management experience to our project team, as well as public budget development and administration, research, project management and financial analysis experience. He has extensive skills in analytical software, databases, and spreadsheets. Evan has a Bachelor of Science in Business Administration/ Management from California State University, San Marcos.

## JEREMY TAMARGO, ENGINEERING REVIEW

**Role and Responsibilities:** Jeremy Tamargo is responsible for providing additional engineering resources and support for utility rate studies. He will be available as needed throughout the study to assist the project team with the technical analysis and help solve issues as they arise. Jeremy will work closely with the District to review the overall approach, help develop rate alternatives, and suggest creative solutions to consider.

**Work Experience:** Jeremy Tamargo is an NBS staff member based in the Temecula office. He is a professional engineer licensed in the State of Oregon and has an application in technical review with the California Board for Professional Engineers, Land Surveyors, and Geologists for comity licensure in the State of California. Jeremy has a Master of Science in Environmental Engineering from Syracuse University and a Bachelor of Science in Civil Engineering from University of Notre Dame and is a member of the American Society of Civil Engineers.

## **SARA MARES, REGISTERED MUNICIPAL ADVISOR**

**Roles and Responsibilities:** Sara Mares is a Director with NBS and will be the Registered Municipal Advisor Representative for this project.

**Work Experience:** Sara Mares has more than 22 years of experience with NBS and is a Registered Municipal Advisor Representative. She has extensive experience with modeling and structuring revenue mechanisms that support debt issuance. Sara has provided bond issuance disclosure related to revenue bonds, both stand-alone that are secured by utility rate revenue or as part of a pool bond structure.

## **DANIELLE WOOD, PROJECT MANAGER, PUBLIC ENGAGEMENT**

**Role and Responsibilities:** As the lead consultant on public engagement, Danielle Wood will communicate directly with District staff to discuss engagement milestones, create and adjust engagement approaches and lead community meetings on behalf of the District. Danielle will serve as the primary contact for this effort.

**Work Experience:** Danielle has more than two decades of experience as a Director at NBS. As one of the developers of CivicMic.com, an online outreach and collaboration tool, she is a seasoned professional in outreach, public engagement, collaborative governance, special financing district formation and administration.

## **ROCHELLE LEWIS, SENIOR CONSULTANT, PUBLIC ENGAGEMENT**

**Role and Responsibilities:** As the senior consultant on public engagement, Rochelle Lewis will communicate directly with District staff to discuss the same items as the project manager ensuring there are two staff members with full details and understanding of the project. Rochelle will serve as the secondary contact for this effort.

**Work Experience:** Rochelle has more than two decades of experience in outreach, public engagement, local government financing measures and communications.

## **JOHN SAVAGE, COMMUNICATIONS SPECIALIST**

**Role and Responsibilities:** John Savage will work closely with the project manager to develop content that will be used to educate the community. He will create dedicated web pages and targeted content on CivicMic.com, monitor and record community meetings, and develop engagement materials such as surveys to promote a high level of community engagement and participation.

**Work Experience:** John is an experienced communications specialist with more than a decade of professional experience in public engagement, outreach, project and relationship management.

## **TIM SEUFERT, CLIENT SERVICES DIRECTOR**

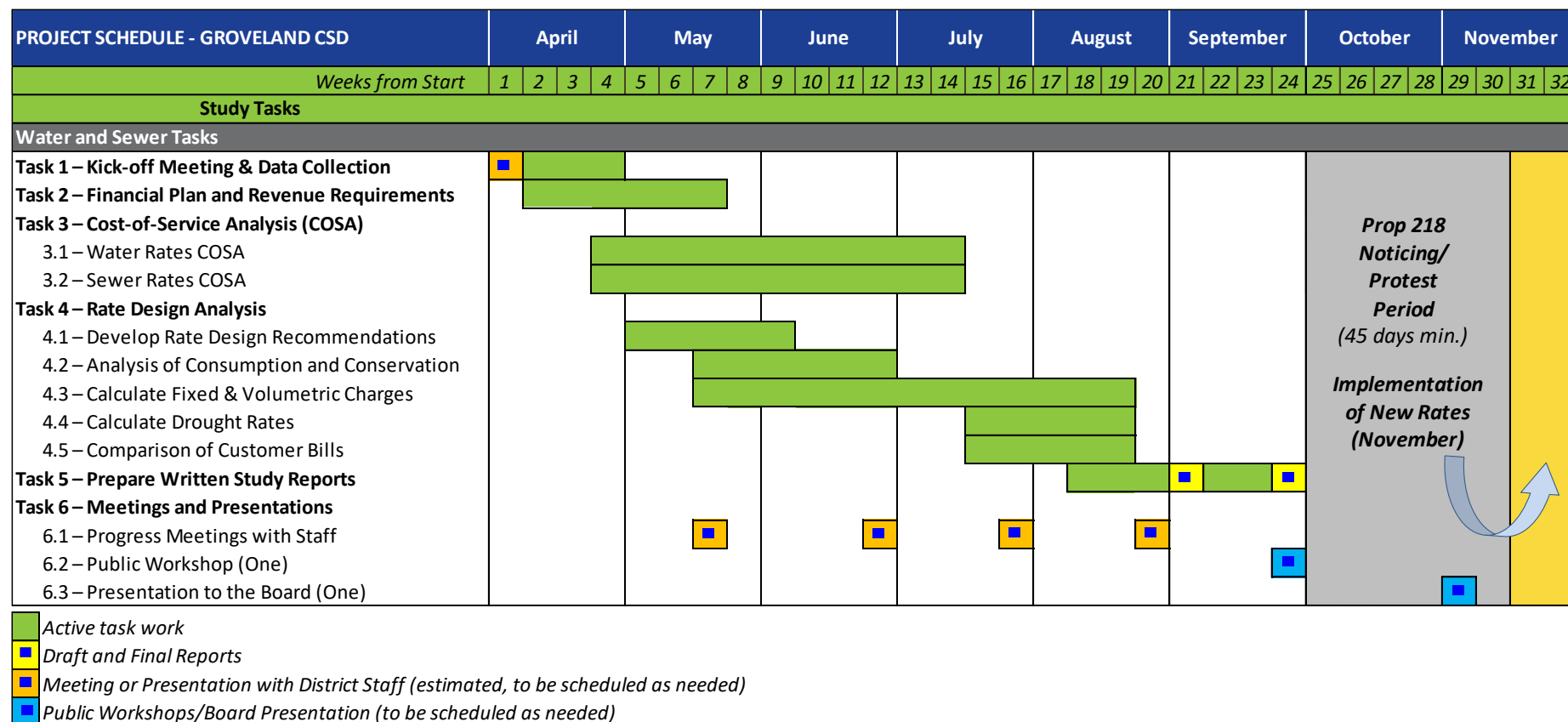
**Roles and Responsibilities:** As Client Services Director, Tim Seufert will ensure that the District's fundamental objectives are being met at all times and that the project is proceeding on a timely basis. He is included on the team as an active representative of our company's commitment to the highest level of service.

**Work Experience:** Tim Seufert has two decades of local government experience with a wide variety of revenue tools. He also has a decade of corporate financial experience. Tim has been involved with many projects from their inception and feasibility stage to their completion.

# 4 | SCHEDULE

The following is an overview of our proposed project schedule. We will discuss a detailed schedule at the kick-off meeting, along with the expected timing for individual tasks.

## PROJECT SCHEDULE FOR THE GROVELAND COMMUNITY SERVICES DISTRICT



Note: This page intentionally formatted differently to improve legibility of content.

## 5 | CONTRACT REVIEW

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NBS accepts the terms, conditions and general form of the Groveland Community Services District standard Consultant Services Agreement without modification.



# APPENDICES

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The appendices contain:

- Appendix A: Full resumes for our proposed project team
- Appendix B: Sample Reports

# APPENDIX A | PROJECT TEAM RESUMES

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**EDUCATION**

- Bachelor of Arts, University of California San Diego, La Jolla

**HIGHLIGHTS**

- Two decades of financial, accounting and risk management experience
- Extensive experience in financial reporting, risk management analysis, budget management and development of accounting policies and procedures
- In-depth experience as a finance manager, consultant and controller in private industry
- Supports project teams completing public utility rate and fee studies in performing large-scale data analysis, financial modeling and rate analysis



*“Thanks Alice, we certainly appreciate your patience, persistence, thoroughness, and ability to adapt on the fly! I believe our final product and recommended actions turned out very well.”*

*Doug Mathews  
Director of Public Works & Water, City of Victorville*



**BIOGRAPHY**

Alice Bou will serve as the Project Manager for this effort. She is an accomplished finance professional with proven success in the oversight of management accounting and business analysis. Alice has two decades of experience working in accounting and financial management, performing data analysis, variance analysis, budgeting and forecasting, financial modeling, and managerial reporting. She has also developed detailed procedures and systems documentation with a focus on productivity, data integrity and functionality to promote transparency of all finance and accounting functions across all departments of the entire organization. Alice’s diverse experience is essential to the work performed by NBS.

As a member of the NBS team, Alice assists in the preparation of financial plans, cost of service, rate, and fee design analysis for our public utility clients. She reviews financial statements, budgets, capital improvement plans, operational data, and customer billing information for use in public utility rate and fee studies. Alice adds value to our team with her exceptional strategic financial planning and analytical skills.

**RELEVANT PROJECT EXPERIENCE**

- **City of Sausalito – Sewer Rate Study:** Developed a comprehensive financial plan to address the City’s increasing operating and maintenance costs as well as the need to finance \$8.6 million in planned capital improvements over the 5-year rate period. Due to the deteriorating condition of the City’s sewer system, the overall goal was to identify equitable sewer charges that addressed sewer upgrades and services and develop rates that balanced the use of outstanding bond proceeds, cash reserves, and additional revenue generated from rate increases.
- **City of Davis – Sewer Rate and System Capacity Fee Study:** Established sewer capacity fees for the City that reflect the cost of sewer system infrastructure that is available to serve new development. Many factors were considered in the study, including the allocation of the \$268 million in existing system assets, the cost of planned capital improvements, and adjustments for outstanding debt and cash reserves. The assigned EDU’s per residential type of use were calculated based on the City’s most recent sewer rate study and average winter water use.

## RELEVANT PROJECT EXPERIENCE | CONTINUED

- City of Redding – Water, Sewer, and Solid Waste Rate Study:** Performed an update of the City’s rate studies for its water, sewer, and solid waste utilities, which included updating long-term financial plans to incorporate funding capital improvements estimated at \$97.2 million and reviewing alternative rate structures. Although all three utilities were financially sound, rate increases were necessary to ensure the continued financial health of the City’s utilities by generating sufficient revenue needed to meet projected capital funding requirements, providing revenue stability, and providing equity in rates among customer classes. In addition, the cost-of-service analysis for the solid waste utility examined specific allocation factors for each customer class and determined how costs are divided into various types of service (e.g., collection, disposal, and transfer station).
- City of Santa Paula – Water and Sewer Rate Study:** Completed water and sewer rate studies that included development of sustainable financial plans that focused on balancing the capital improvement needs of the utilities against the financial impact on customers. Worked with the City to develop several capital funding alternatives that balanced the use of cash reserves and rate increases to fund all obligations. The financial plans were then incorporated into the cost-of-service and rate design analyses to develop several rate alternatives for the City’s consideration.
- Suisun-Solano Water Authority – Water Rate Study:** Conducted a comprehensive water rate study for the Authority which consisted of a long-term financial plan that includes the projection of revenues and expenditures on a cash-flow basis to help determine the amount of rate revenue required to maintain reserves at the recommended levels. Worked with Authority staff to develop a plan to fund over \$20 million in necessary capital improvement projects, with a combination of new debt issuances, existing cash reserves, and rate adjustments.
- Mill Valley – Sewer Rate Study:** In the process of preparing a long-term financial plan reflecting the City’s growing concerns about shortfalls due to increased capital improvement costs and its current sewer rate structure, specifically the equitable assignment of costs to commercial customers (i.e., restaurants). Sewer rates will be evaluated to improve revenue stability in the light of current economic conditions as well as recent drought and continuing water conservation efforts. Water consumption data will be used to update commercial rates to assess how consumption has changed in the last few years and how projected water conservation might impact future consumption.
- LADWP – Water Temperature Zone Analysis:** LADWP currently has a four-tiered water-budget based volumetric rate structure that assigns water budgets to each customer based on lot size and temperature zone. As part of LADWP’s Interim Rate Review, evaluated the findings of previous temperature zone assignments to determine potential customer bill impacts of modifying the existing temperature zones. Prepared an analysis of temperature zone impacts on water customers, including a thorough review of the temperature data as well as recent trends related to the number of customers, water use, and water bills by zone, tier, and lot size over the last five years. The primary focus of this study was to see if recent changes in temperature data as defined by LADWP’s current temperature zones warranted changing the customers assigned to each temperature zone, or the criteria used to define each zone.

“

*“Working with Alice was nothing short of extraordinary. Her expertise and responsiveness enabled City staff to express with confidence before the Council on the recent utility rate study.”*

*Tai Chau, Assistant Public Works Director/City Engineer  
City of Santa Paula*

## EDUCATION

- Master of Science, Agricultural Economics, UC Davis
- Bachelor of Science, Agricultural Business Management, California State University, San Luis Obispo

## AFFILIATIONS

- Project Management Professional (2002, No. 52367)
- American Water Works Association (AWWA), Member

## PROJECTS | CONT.

- **City of Tracy, Tracy, CA – Sewer Rate Studies:** Has prepared sewer rate updates for the City of Tracy since 1979. Originally done to satisfy SRF requirements, more recent updates focused on cost of service studies.
- **City of Sacramento, CA – Sanitary Sewer and Storm Drainage Rate Study:** Project economist on this rate study. The primary focus of the project was to compute rates sufficient to upgrade the combined sewer portion of the system to a 10-year level of protection and prevent combined sewer overflows into the Sacramento and American Rivers.
- **Cities of Stockton, Millbrae, Turlock, Arcata, Wheatland, and Merced, CA:** Developed sewer revenue programs for the cities of Stockton, Millbrae, Turlock, Arcata, Wheatland, and Merced and for the American Canyon County Water District and the Tahoe-Truckee Sanitation Agency.
- **Sacramento Industrial Users Group (Campbell's Soup and Crystal Creamery):** Represented industry in review/revising SRCSD sewer rates.

## HIGHLIGHTS

After retiring from Jacobs Engineering as a senior vice-president last fall, Allan Highstreet has since joined NBS as a technical consultant with the highest level of expertise in water-related financial analyses.

Allan is a senior economist with 41 years of experience in financial planning for water, wastewater, and stormwater utilities, including rate studies, project funding, and cost allocations. He has performed economic assessments, cost analyses, finance plans, and rate studies, including preparing loan applications and related documents for many municipal clients.

## RELEVANT PROJECT EXPERIENCE

- **Merced Irrigation District, Merced, CA – Water Cost of Service Study:** Prepared a cost of service study that estimated user charges and fees for the water deliveries within the District. Also prepared the Proposition 218 material for the vote to enact the rates.
  - **Byron Bethany Irrigation District, Byron, CA – Water Cost of Service Study:** Prepared a cost of service study that estimated user charges for the water deliveries within the District. Also prepared the Proposition 218 material for the vote to enact the rates.
  - **Westlands Water District, CA – Evaluating Land Based Assessments:** Led an evaluation of possible land based assessments in the District, then prepared an Engineers Report to implement a benefit assessment for the District.
  - **Oakdale Irrigation District, Oakdale, CA – Water Rate Study:** Prepared a cost of service study that estimated user charges for the water deliveries within the District. This study moved the District from a flat rate to tiered volumetric rates to comply with the Water Conservation Act of 2009 (SBx 7-7). Also prepared the Proposition 218 material for the vote to enact rates.
  - **Flood Control User Charges and Financing Plans:** Developed financing plans and user charges for storm drainage and flood control projects, including the City of Sacramento Storm Drainage and Sewer Rate Study, the City of Palo Alto Storm Drainage Enterprise Fund, establishing the City of Tracy's storm drainage charges, a financing plan for the Auburn Ravine Mitigation Plan for Placer County Flood Control District, and a financing plan for the Colma Creek/Guadalupe Canyon master plan for Daly City.
- Other clients Mr. Highstreet has provided similar services include:**
- **City of Anaheim – Storm Drainage Impact Fees and Financial Planning**
  - **City of Millbrae – Sewer Rate Study**
  - **Tahoe Truckee Sanitation Agency – Financial Analyses**
  - **Del Monte and Sun Maid Corporations – Sewer Rate Evaluations for the Selma-Kingsburg-Fowler Sanitation District**
  - **City of Stockton – Sewer Rate Study**
  - **City of Hollister – Wastewater User Charges and Demand Fees**
  - **City of Merced – Water and Sewer Rate Studies**
  - **City of Turlock – Sewer Rate Studies**
  - **Oroville-Wyandotte Irrigation District – Water Rate Study**

## EDUCATION

- Master of Business Administration, Finance, University of Redlands
- Bachelor of Science, Chemistry, University of Utah, Salt Lake City

## HIGHLIGHTS

- Extensive experience in large-scale data analysis
- Advanced Excel user with the essential skills for complex data analysis and alternative scenario analysis
- More than ten years of accounting experience for large and small businesses
- Experienced consultant with water, sewer and solid waste rate structures
- Experienced consultant with budget management, financial planning and reserve fund analysis



*“Jordan has been great to work with on our Five-Year Water and Wastewater Rate Study. She is professional and very responsive to our requests from making last minute updates to the rate model to brainstorming alternative solutions with us.”*

*Sunny Wang  
Water Resources Manager  
City of Santa Monica*



## BIOGRAPHY

Jordan Taylor is a Consultant at NBS in our Utility Rate group. She brings more than ten years of experience in finance, accounting, budget planning and system auditing. Jordan graduated with high honors in her Master’s program and spent most of her studies focusing on large-scale financial analysis and data management.

Jordan provides analysis and support on water and sewer utility rate studies for cities and special districts in California. She performs various financial analyses, data management, and utility customer data analysis for utility rate and capacity fee studies. Jordan’s diverse knowledge of managerial accounting is essential to the work performed by NBS.

## RELEVANT PROJECT EXPERIENCE

- **Costa Mesa Sanitary District – Solid Waste Rate Study:** This comprehensive rate study included development of a long-term financial plan that evaluated funding options to reduce the annual operating deficit over a five-year period. An evaluation of the District’s solid waste rates, and updated rates were calculated for the three cart sizes that are used by customers in the District and a five-year rate schedule was adopted.
- **Hidden Valley Lakes Community Services District – Water/Sewer Rates & Capacity Fee Study:** Completed an updated water and sewer cost of service study, based on a previous 2015 study conducted by NBS. A key part of this study was addressing significant capital improvement projects and drought-related changes in water consumption patterns. Major tasks included reviewing financial/rate setting policies, preparing financial plans, updating the cost of service analysis, and evaluating alternative rate designs.
- **Idyllwild Water District – Water and Sewer Rate Study:** Prepared water and sewer rate studies, which included developing long-term financial plans that allowed the District to begin funding capital improvement programs for both utilities, and maintain adequate reserves to meet established reserve fund policies. Updated the water rate structure to provide more revenue stability for the District, and implement a cost-based tiered volumetric rate.
- **City of Madera Water, Wastewater, Storm Drainage and Solid Waste Rate Studies:** Completed an updated water and sewer cost of service study, based on a previous 2015 study conducted by NBS. A key part of this study was addressing significant capital improvement projects and drought-related changes in water consumption patterns. Major tasks included reviewing financial/rate setting policies, preparing financial plans, updating the cost of service analysis, and evaluating alternative rate designs.

### RELEVANT PROJECT EXPERIENCE | CONTINUED

- **City of Yuba City – Water and Sewer Rate Study Updates:** Perform annual updates of the City’s most recent comprehensive Water and Sewer Financial Plan and Rate Study. Key objectives of the annual updates are to evaluate annual financial status and determine if the City needs to implement the previously approved rate increases, or if a lower increase is possible.
- **City of Lincoln – Sewer and Solid Waste Rate Study:** Prepared long-term financial plans for the City’s Sewer and Solid Waste utilities, which included evaluating debt financing alternatives for sewer collection system and wastewater treatment plant improvements. Since this was the City’s first full cost-of-service analysis for solid waste, Jordan and the project team developed all relevant data necessary to complete the study, including allocating collection, disposal, organics collection, and general and administrative costs.
- **City of McFarland – Water and Sewer Rate Study:** Developed long-term financial plans for the City’s water and sewer utilities that would adequately fund operating, maintenance, and high-priority capital improvement needs, which included expanding the wastewater treatment plant and constructing a new water well. Worked with the project team to update the rate structures to reflect the cost of providing service to each customer class and current industry standards.
- **City of Morgan Hill – Wastewater Rate Study:** Prepared a financial plan for the 2018 wastewater rate study update, which included budget analysis, cash flow projections, and a detailed evaluation of capital funding options. The study evaluated debt financing alternatives to fund \$87 million in capital improvements for pipeline replacement and a treatment plant expansion.
- **City of Sacramento – Development Impact Fee Study:** Conducted an extensive update of water, sewer, and storm drainage system capacity charges. This study addressed City policies and overall objectives in developing connection fee alternatives for the City to consider. Key tasks included preparing financial/rate setting policies, financial plans, projecting capital revenue requirements, cost-of-service analyses, and alternative fee methodologies.
- **City of Seal Beach – Water and Sewer Rate Study:** Prepared financial plans for the City’s water and sewer utilities to ensure sufficient funding was available for operating, maintenance, capital improvement needs and to maintain appropriate reserve funds. Developed cash flow analyses and capital improvement program funding options that balanced the use of rate increases with potential debt financing to minimize the impact to ratepayers.
- **City of Santa Monica – Water and Wastewater Rate and Capital Facility Fee Study:** Developed long-term financial plans for the City’s water and wastewater utilities that balanced meeting operating, maintenance, and capital needs along with maintaining adequate reserve funds. Worked with the project team to develop capital funding options for the City’s \$200 million Sustainable Water Infrastructure project by balancing outside debt financing, interfund loans, use of existing reserve fund balances, and rate increases. Developed updated rate structures which included collecting a greater percentage of revenue from fixed water meter charges, incorporating a modest fixed charge in the wastewater rate structure and developing tiered volumetric water rates based on the City’s sources of water supply. Conducted a thorough analysis of water usage patterns and updated the wastewater discharge factors to reflect low water usage periods.



**EDUCATION**

- Master of Science, Environmental Engineering, Syracuse University
- Bachelor of Science, Civil Engineering, University of Notre Dame
- Certificate, Advanced Study in Sustainable Enterprise, Syracuse University

**PROFESSIONAL AFFILIATION**

- American Society of Civil Engineers

**HIGHLIGHTS**

- Experience in both public and private sectors
- Civil engineering design
- Utility master planning
- Development review
- Mapping and analysis in ArcGIS
- AutoCAD

**BIOGRAPHY**

Jeremy Tamargo has nearly a decade of professional civil engineering experience in both the public and private sectors. \*He is a licensed professional engineer in the State of Oregon and has an application in technical review with the California Board for Professional Engineers, Land Surveyors, and Geologists for comity licensure in the State of California.

Jeremy's recent experience as an Assistant City Engineer and Principal Engineer included the following activities:

- Supervising, planning, designing, and inspecting all phases of civil engineering public works construction projects
- Defining the scope of the project; securing adequate funding from Federal and State grant programs and other funding sources
- Coordinating with permitting and public utility agencies
- Performing historical document research and review
- Surveying and engineering analysis of alternatives
- Preparing plans, specifications, and cost estimates
- Performing research, map, and field studies and surveys
- Drafting site plans with specialized computer software
- Applying engineering principles and practices to specific problems
- Coordinating construction schedules with other projects and agencies
- Preparing and reviewing cost estimates and inspecting construction of projects to ensure compliance with construction documents
- Reviewing compliance criteria for the design and construction of streets, sidewalks, and public utilities

Jeremy also has experience in civil engineering design and preparing utility management plans for both private and public developments. Specific duties included:

- Site characterization
- Delineating drainage basins
- Performing hydrologic calculations
- Designing stormwater facilities to meet water quality and water quantity standards
- Conveyance modeling
- Inlet capacity calculations
- Creating operations and maintenance plans



## EDUCATION

- Bachelor of Arts, with honors, Economics, Mills College
- Continuing education from UC Davis, UCLA, CDIAC, etc.

## HIGHLIGHTS

- Registered Municipal Advisor Representative
- 22 years of experience
- Bond Issuance Modeling & Disclosure
- Expert Special Tax Consultant
- Assessment District Formation
- Reassessment Consulting
- Proposition 218

## AFFILIATIONS

- California Society of Municipal Finance Officers (CSMFO)
- California Special Districts Association (CSDA)
- Committee on Special Assessments, Taxes and Other Financing Facilities (CASTOFF)
- Women in Public Finance (WPF)

## SPEAKING / MEDIA

- Maintenance Services Funding: A Finance/Public Works Convo, 2023 CSMFO Annual Conference
- Leading Your District through Financing Facilities and Fund Services with a Tax Measure 2022 CSDA GM Summit and Webinar
- Revenue Recovery: From Riches to Rags, and Back to Riches? 2022 CSMFO Annual Conference
- Show Me More Money: Optimizing Revenues in a Post-COVID World. 2022 CSMFO Annual Conference

## BIOGRAPHY

Sara Mares is a Director with NBS and a Registered Municipal Advisor Representative. She has extensive experience with modeling and structuring revenue mechanisms that support debt issuance. Sara forms Special Financing Districts (SFDs), including Community Facilities Districts and 1913 Act Assessment Districts, which provide land secured financing for limited obligation bonds. She has also provided bond issuance disclosure related to revenue bonds, both stand-alone that are secured by utility rate revenue or as part of a pool bond structure. Sara also has more than 20 years of experience preparing and disseminating continuing disclosure annual reporting and listed event filings.

## RELEVANT PROJECT EXPERIENCE

- **City of Rio Vista CFD Formation and Bond Issuance Disclosure.** Complex Workout including refinancing existing CFD debt, formation of a new CFD to restructure a portion of the existing CFD debt and funding of additional services. CFD Formation and Bond Issuance completed in 2018.
- **City of Patterson Water and Wastewater Revenue Bond Disclosure.** Continuing annual disclosure report filings for water revenue bonds, wastewater revenue bonds, land secured bonds and lease revenue bonds. Timely filings made annually, including notices of listed events as applicable.
- **City of American Canyon CFD Formation and Bond Issuance.** Analysis and formulation of special tax rate and method of apportionment structure. Data analysis and bond issuance disclosure data provided for debt issue.
- **United Water Conservation District Feasibility and Revenue Options Analysis.** Review CIP project list to determine available financing options and potential rate structures, including modeling of various rates.



*“Thank you so much for all of your guidance, advice and support this year. We definitely wouldn't have been able to accomplish this amazing feat without your experience and knowledge!”* Nikki Winslow, Library District Director, Altadena Library District

## EDUCATION

- Bachelor of Science, Business Administration - Management, California State University, San Marcos

## HIGHLIGHTS

- Three years of public budget development and administration, professional-level research, project management, and financial analysis
- More than 12 years of compliance management

## AFFILIATIONS / AWARDS

- California Parks and Recreation Society (CPRS) - District 12 "Parks Make Life Better Spotlight – Event" Award Recipient, 2022

## BIOGRAPHY

Evan Hoenig is a Project Analyst at NBS where he assists in the formation and administration of various types of Special Financing Districts (SFDs). He performs large-scale data analysis and validation, and researches fee comparisons. Evan has more than a decade of compliance management experience, as well as public budget development and administration, research, project management and financial analysis experience. He has extensive skills in analytical software, databases, and spreadsheets.

## RELEVANT PROJECT EXPERIENCE

Evan has consulted and served on many projects, including the following:

- **GEMT Supplemental Reimbursement Program – FY18-19, FY19-20, and FY 20-21:** Conducted detailed cost allocation, indirect cost rates, large database management, and time on task estimates. Submitted final cost reports to the State of California for review and approval.
- **Contra Costa County – Environmental Health Fee & Hazmat Comparison:** Completed a Fee Comparison for Environmental Health & Hazmat fees. Evan's role on this project included fee research, data collection, database management and analysis.
- **San Jacinto – Cost Estimation Tool:** Provided in-depth research and analysis on capital assets and improvements, interpreted and organized data, and assigned and evaluated costs.
- **City of Fairfield – Lighting, Landscape, and Maintenance Districts ("LLMD"):** Established databases of over 6,800 parcels within nine LLMDs using County Assessor data as well as other available resources. Conducted general and special benefit analyses, and utilized parcel data to calculate the resulting assessments.

## EDUCATION

- Bachelor of Science, Business Administration/Finance, California State University San Bernardino
- Advanced Public Engagement for Local Government Program, Pepperdine School of Public Policy
- Planning for Effective Public Participation Program, International Association for Public Participation

## HIGHLIGHTS

- Skilled public engagement specialist
- Experienced communications professional
- Seasoned consultant in Special Financing District (SFD) formation and administration
- Outreach
- Public Engagement
- Collaborative Governance
- Adaptive Management
- Two decades of experience

## AFFILIATIONS

- California Public Information Officials (CAPIO)
- California Society of Municipal Finance Officers (CSMFO)
- Municipal Management Association of Southern California (MMASC)
- Women in Public Finance (WPF)

## BIOGRAPHY

Danielle Wood is a Director with NBS where she provides public engagement, outreach, and collaborative governance client services and project management efforts for a number of our clients. She has two decades of experience working with local governments and communities across California.

## RELEVANT PROJECT EXPERIENCE

- **Downtown San Mateo Association District Public Engagement Services for PBID Renewal.** Public Engagement services for the renewal of a new Property Business Improvement District (PBID). Created a framework for outreach efforts that resulted in increased cooperation from business owners. Developed a comprehensive website to better inform business owners about the District's initiatives and how they can benefit from them. Interviewed business owners via phone and online surveys, allowing for tailored and consistent messaging.
- **City of Oxnard Ongoing Long-term Outreach, Public Engagement and Collaborative Governance Services.** Public engagement plan development for the evaluation of existing land secured financing districts that includes items such as a dedicated webpage, email campaign, advisory committee formation and collaborative governance program. There are more than 21 communities that have participated in our surveys, community meetings and ongoing development, and complete restructuring of the Landscape Maintenance Districts. Project started in 2019 and is ongoing.
- **City of La Habra Heights Ongoing Public Engagement Services.** Community engagement for a recently formed Benefit Assessment District (BAD), including a public engagement plan, webpage development, web maps, and other engagement services. Project started in 2018 and is ongoing.
- **City of San Leandro Outreach and Public Engagement Services.** Outreach and public engagement services to gauge overall property owner support for the formation of an Assessment District. Public engagement efforts have included items such as the creation of a dedicated public engagement webpage, multiple information releases, surveys, recorded meetings, and community participation web maps. Project started in 2019 and is ongoing.
- **City of Culver City Outreach Services.** Outreach and Public Engagement services for the formation of a new Property Business Improvement District for a very unique community within the City. Outreach services included an area profile analysis, a public informational mailer and survey, and in person and virtual public meetings. Project started in 2018 and is ongoing.



“We greatly appreciate your follow up, follow through and commitment to our community! We all desire to live well and thrive for the good of the whole city!”

*Property Owner, City of Oxnard*

**AWARDS**

- California State PTA recognition for Education Advocacy
- League of Women Voters of Santa Monica award for Community Leadership

**HIGHLIGHTS**

- Experienced communications professional
- Skilled public engagement specialist
- Seasoned consultant for local government funding issues
- Outreach
- Public engagement
- Two decades of experience

**BIOGRAPHY**

Rochelle Lewis is a Senior Engagement Consultant at NBS where she provides public engagement, outreach, and collaborative governance client services and project management. She has more than two decades of experience working with local public agencies and communities across California.

Rochelle's extensive consulting experience includes the following:

- Establishing relationships with elected officials and local government staff, public and private sector association members, and community organization leaders
- Building and managing coalitions of education, labor, taxpayer, transportation, business, and other interests to find consensus among groups toward shared goals
- Managed informational communications, community member and key stakeholder outreach for dozens of local government agencies. For example:
  - **City of Sacramento Informational Communications**  
Public engagement and communications services for a proposed Stormwater Fee. Created a framework, messaging and materials for outreach efforts that resulted in a high level of engagement with community, business, and labor in the development of a new stormwater fee to protect local water quality.
  - **City of Santa Monica Outreach and Communications**  
Stakeholder outreach and communications for multiple local funding proposals, including sales tax, documentary transfer tax, and transient occupancy tax. Created webpage content, mailings, and consistent messaging.

## EDUCATION

- Bachelor of Arts, Liberal Arts, California State University Channel Islands

## EXPERTISE

- Adobe CC
- Photoshop
- Illustrator
- InDesign
- Premiere and After Effects
- Microsoft Office, G Suite
- Constant Contact
- Mail Chimp
- Infusionsoft
- Harvest
- Basecamp
- Teamwork
- WordPress
- Zoom
- GoToWebinar
- Google Meet

## BIOGRAPHY

John Savage has a decade of professional experience in public engagement, outreach, project management, and relationship management. An experienced writer, editor, and designer, he is adept at content creation for web and print media.

John's approach is centered around cultivating authentic relationships with target communities and key stakeholders and using meaningful data acquired about the target audience to develop strategic and effective messaging to build trust and promote engagement.

## RELEVANT PROJECT EXPERIENCE

- **County of Stanislaus:** Facilitate community outreach and public engagement opportunities for the investment of ARPA funds in the infrastructure of unincorporated communities. Identify suitable venues to host community workshop series, working directly with County staff and community members. Public engagement services include surveys, targeted content updates, neighborhood walks, community workshops, participation web maps, and a comprehensive report of findings and recommendations.
- **City of Pomona:** NBS attended public meetings, developed outreach materials, and conducted the ballot proceedings for 3,291 parcels regarding a Prop 218 balloting increase for the Phillips Ranch area of Pomona. The original assessment rates had not changed since 1994 and the most recent attempt to increase the rates in 2008 failed. Facing significant shortfalls in funds available to maintain the improvements and changes in legislation that required entirely new compliance standards, NBS assisted the City in developing a new assessment district. The Engineer's Report included a full benefit analysis of the community and improvements to meet current rigorous requirements.
- **City of Fairfield:** Facilitate community outreach and engagement with residents in Landscaping and Lighting Maintenance Districts to gather feedback, questions, and concerns. Public engagement services include surveys, informational postcards, and community meetings.

# APPENDIX B | SAMPLE STUDY/REPORT

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## Published Report Samples

To view final published reports as prepared by NBS, please follow the links below:

**City of Redding:**

<https://www.cityofredding.org/home/showpublisheddocument/9836/636148883545300000>

**City of Santa Paula:**

<https://www.spcity.org/DocumentCenter/View/84/Final-Rate-Study-Report-PDF>

**City of Madera (Water):**

[https://www.madera.gov/wp-content/uploads/2022/04/Madera\\_Water-Rate-Study-Report\\_FINAL2.pdf](https://www.madera.gov/wp-content/uploads/2022/04/Madera_Water-Rate-Study-Report_FINAL2.pdf)

**City of Madera (Wastewater):**

[https://www.madera.gov/wp-content/uploads/2022/04/Madera\\_Sewer-Rate-Study-Report\\_FINAL2.pdf](https://www.madera.gov/wp-content/uploads/2022/04/Madera_Sewer-Rate-Study-Report_FINAL2.pdf)

**City of Victorville (Water):**

<https://www.victorvilleca.gov/home/showpublisheddocument/6967/637636619408100000>

**Suisun-Solano Water Authority:**

[https://www.suisun.com/wp-content/files/SSWA\\_Draft\\_Rate\\_Study\\_Report\\_07-22-2021.pdf](https://www.suisun.com/wp-content/files/SSWA_Draft_Rate_Study_Report_07-22-2021.pdf)



Aerial view of Groveland Community Services District via Google Earth



# GROVELAND COMMUNITY SERVICES DISTRICT

*Cost Proposal for:*

**Combined Water and Sewer Cost of Service / Rate Study**

March 6, 2023

Prepared by:



[nbsgov.com](http://nbsgov.com)





870 Market Street, Suite 1223  
San Francisco, CA 94102  
Toll free: 800.434.8349

[www.nbsgov.com](http://www.nbsgov.com)

March 6, 2023

Jennifer Donabedian  
Administrative Services Manager  
Groveland Community Services District  
18966 Ferretti Road  
Groveland, CA 95321

**RE: Proposal for Combined Water and Sewer Cost of Service / Rate Study**

Dear Ms. Donabedian,

Thank you for considering our proposal for the District's Combined Water and Sewer Cost of Service / Rate Study. The information to follow summarizes our pricing for this study. As requested in the RFP, we have included a separate fee for Public Outreach/Proposition 218 Assistance.

Please do not hesitate to contact me at 800.434.8349 or at [abou@nbsgov.com](mailto:abou@nbsgov.com) if you have any questions about our cost proposal.

Sincerely,

A handwritten signature in blue ink that reads "Alice Bou".

Alice Bou  
Project Manager

A handwritten signature in blue ink that reads "Michael Rentner".

Michael Rentner  
President / Authorized Signer



# COST PROPOSAL

Our professional fees are based on our understanding of the District’s needs and the effort we believe is necessary to complete the scope of services described in our proposal. Work will be performed on a time and materials basis, at the hourly labor rates shown in the budget table below with a not-to-exceed fee of \$73,650. **Additional services requested**, such as additional public meetings or additional rate or fee alternatives, can be provided based on these hourly labor rates. All tasks would be mutually agreed upon by NBS and the District prior to proceeding.

PROJECT BUDGET: GROVELAND CSD WATER & SEWER COS RATE STUDY							
Study Tasks	Consultant Labor (Hours)					Grand Totals	
	Senior Review <sup>1</sup> (Highstreet)	Project Manager (Bou)	Engineering Review (Tamargo)	Consultant (Taylor)	Analyst (Hoenig)	Consultant Labor (Hrs.)	Consultant Costs (\$)
Hourly Rate	\$250	\$175	\$225	\$175	\$150		
<b>Water and Sewer Rate Tasks (costs shared equally between water and sewer)</b>							
Task 1 – Kick-off Meeting & Data Collection	1.0	6.0	2.0	2.0	12.0	23.0	\$ 3,900
Task 2 – Financial Plan and Revenue Requirements	2.0	16.0	2.0	16.0	32.0	68.0	\$ 11,350
Task 3 – Cost-of-Service Analysis (COSA)							
3.1 – COSA: Water Utility	2.0	20.0	2.0	12.0	16.0	52.0	\$ 8,950
3.2 – COSA: Sewer Utility	2.0	20.0	8.0	12.0	16.0	58.0	\$ 10,300
Task 4 – Rate Design Analysis							
4.1 – Develop Rate Design Recommendations	2.0	8.0	-	-	-	10.0	\$ 1,900
4.2 – Analysis of Consumption and Conservation	1.0	8.0	-	8.0	16.0	33.0	\$ 5,450
4.3 – Calculate Fixed & Volumetric Charges	2.0	16.0	2.0	20.0	4.0	44.0	\$ 7,850
4.4 – Calculate Drought Rates	1.0	8.0	-	-	-	9.0	\$ 1,650
4.5 – Comparison of Customer Bills	1.0	4.0	-	24.0	6.0	35.0	\$ 6,050
Task 5 – Prepare Written Study Reports	6.0	28.0	4.0	6.0	-	44.0	\$ 8,350
Task 6 – Meetings and Presentations							
6.1 – Progress Meetings with Staff	4.0	12.0	-	4.0	2.0	22.0	\$ 4,100
6.2 – Public Workshop (One) (Recommended)	2.0	8.0	-	-	-	10.0	\$ 1,900
6.3 – Presentation to the Board (One)	2.0	8.0	-	-	-	10.0	\$ 1,900
<b>GRAND TOTAL NOT TO EXCEED</b>	<b>28.0</b>	<b>162.0</b>	<b>20.0</b>	<b>104.0</b>	<b>104.0</b>	<b>418.0</b>	<b>\$ 73,650</b>
<b>Additional Costs:</b>							
Travel Costs Per In-Person Meeting (not to exceed) <sup>2</sup>							\$ 1,000
<b>Total: Per In-Person Meeting</b>							<b>\$ 1,000</b>
Additional Costs for Optional Site Visits and Presentations							
Labor Cost Per Visit/Presentation		6.0					1,500
Travel Expenses per Meeting (not to exceed)							1,000
<b>Total: Per Optional Visit/Presentation</b>							<b>\$ 2,500</b>

1. If time is required for municipal advisor services (Sara Mares), senior review hours would be utilized.
2. Travel-related cost and direct reimbursable expenses; all other expenses are included in labor rates. This cost will be \$0 if all meetings and presentations are held remotely.

We note that this proposed study budget does not include multiple revisions to the District data, such as budgets, capital improvement costs, consumption, and/or customer account data, or multiple changes to rate alternatives or draft reports. If the planned hours for those activities exceed those shown above in the proposed budget, such activities will be considered out-of-scope work and will require additional budget to complete such additional work.

## PROPOSITION 218 PROCESS AND PUBLIC HEARING SUPPORT (PUBLIC ENGAGEMENT/OUTREACH)

Proposition 218 Noticing .....	\$3,100
Engagement Fee .....	\$34,000
Estimated Expenses .....	\$7,000
<b>Total Including Expenses.....</b>	<b>\$44,100</b>

## **EXPENSES**

Customary out-of-pocket expenses will be billed to the District at the actual cost to NBS. These expenses may include, but not be limited to, telephone, travel, and meals.

Printing, mailing fulfillment, and postage expenses are anticipated to be covered by the District.

## **TERMS**

Public Engagement services will be invoiced monthly. Expenses will be itemized and included in the next regular invoice. If either party prematurely terminates the project, NBS shall receive payment for work completed. Payment shall be made within 30 days of the submittal of an invoice. If payment is not received within 90 days, simple interest will accrue at 1.5% per month. Either party can cancel the consulting contract with 30 days written notice.

## **INVOICING**

We invoice on a monthly basis, following recorded consultant time on the project, paralleling our completion of the work. At no time will we invoice for charges in excess of the fee to which Groveland Community Services District and NBS mutually agree. Should the District specifically request additional services beyond those described in this document, we will discuss those requests and associated costs at that later time and only invoice for additional fees upon separate written authorization from the District.