

# Board of Directors San Simeon Community Services District



## SPECIAL MEETING BOARD PACKET

**Monday November 29, 2021  
Meeting Start Time 3:00 pm**

Virtual Board Meeting via Zoom Webinar  
Webinar Code: **873 0781 0050**

Prepared by:



**NOTICE AND CALL OF A SPECIAL MEETING:  
San Simeon Community Services**



I, Gwen Kellas, Chairperson of the San Simeon Community Services District Board of Directors, hereby call a Special Meeting of the Board of Directors, pursuant to California Government Code Section 54956. The Special Meeting will be held Monday: November 29, 2021 at 3:00 pm.

**Internet Meeting Location – Via ZOOM**

Pursuant to San Simeon CSD Resolution 21-435 and in compliance with AB 361 this meeting shall occur as a virtual teleconference using the Zoom app.

**Join Zoom for Regular Board Session: Part One**

**<https://us02web.zoom.us/j/87307810050>**

**Or One tap mobile:**

**US: +16699009128, 87307810050#**

**Or Telephone:**

**Dial (for higher quality, dial a number based on your current location):**

**US: +1 669 900 9128**

**Webinar ID: 873 0781 0050**

**Join Zoom for Regular Board Session: Part Two**

**<https://us02web.zoom.us/j/89334961643?pwd=NWx2V3lKaUdTTml2RmVVaGpBYk5hQT09>**

**Or One tap mobile:**

**US: +16699009128, 89334961643#, \*972125#**

**Or Telephone:**

**Dial (for higher quality, dial a number based on your current location):**

**US: +1 669 900 9128**

**Meeting ID: 893 3496 1643**

**Passcode: 972125**

**NOTE:** On the day of the meeting, the virtual meeting room will be open beginning at 2:30 PM. If you are unable to access the meeting please contact Cortney Murguia at (805) 400-7399 prior to the 3:00 PM meeting start time and staff can assist you in accessing the meeting. Should you have any questions related to the information on this agenda or if you wish to submit public comment in the written format you can email Cortney Murguia at [admin@sansimeoncsd.org](mailto:admin@sansimeoncsd.org). Members of the public can also contact the District office at (805) 927-4778 or (805) 400-7399 with any questions or concerns related to this agenda or accessing the meeting.

1. **REGULAR SESSION:** - <https://us02web.zoom.us/j/87307810050>

A. Roll Call

2. **CONSENT AGENDA ITEMS:**

**Public Comment** – This public comment period provides an opportunity for members of the public to address the Board on matters discussed during Agenda Item #2 Consent Agenda Items. If a member of the public wishes to speak at this time, public comment is limited to three (3) minutes.

A. **ADOPTION OF RESOLUTION 21-437 TO CONTINUE VIRTUAL MEETINGS PURSUANT TO THE PROVISIONS OF AB 361.**

3. **BUSINESS ACTION ITEMS:**

**Public Comment** – Public comment will be allowed for each individual business item. Members of the public wishing to speak on business items may do so when recognized by the Presiding Officer. If a member of the public wishes to speak at this time, public comment is limited to three (3) minutes per person for each business item.

A. **CONSIDERATION OF CANDIDATES TO REPLACE THE BOARD OF DIRECTOR VACANCY CREATED BY THE RESIGNATION OF WILLIAM MAURER AND BOARD APPOINTMENT OF THE NEW DIRECTOR.**

B. **DISCUSSION ON PROCEDURE TO FILL THE VACANCY ON THE SAN SIMEON COMMUNITY SERVICES DISTRICT CREATED BY THE RESIGNATION OF DIRECTOR WILLIAM CARSON; DIRECTION TO STAFF TO POST NOTICE OF VACANCY PURSUANT TO GOV'T CODE 1780; SCHEDULE A MEETING AT WHICH CANDIDATES WILL BE CONSIDERED AND THE APPOINTMENT MADE.**

C. **APPROVAL OF A PROPOSAL FROM COOPERATIVE STRATEGIES FOR REDISTRICTING SERVICES NOT TO EXCEED THE AMOUNT OF \$21,500.00.**

D. **RATIFICATION OF THE TECHNICAL ASSISTANCE PROGRAM PROPOSAL FOR A FREE RATE STUDY ANALYSIS FOR THE COMMUNITY OF SAN SIMEON.**

4. **CLOSED SESSION:**

This public comment period provides an opportunity for members of the public to address the Board on Closed Session Agenda Items. Public comment is limited to three (3) minutes.

The Board will adjourn to Closed Session to address the following items:

A. **CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION**  
Pursuant to Government Code §54956.9(d)(2)  
Title: Grace Environmental Services, LLC – Request for indemnity

**MEMBERS OF THE PUBLIC: Please join us for the remainder of the meeting here:**  
<https://us02web.zoom.us/j/89334961643?pwd=NWx2V3lKaUdTTmI2RmVVaGpBYk5hQT09>

Meeting ID: 893 3496 1643

Passcode: 972125

**\*\*\*\*RECONVENE TO OPEN SESSION\*\*\*\***

**Report on Closed Session**

**5. ADJOURNMENT –**

If requested, this agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disabilities Act. To make a request for a disability-related modification or accommodation, or to be able to participate in this Special meeting, please email Cortney Murguia at [cmurguia@graceenviro.com](mailto:cmurguia@graceenviro.com) and the District will work with you on your accommodation.



## **2.A. Consent Agenda Item**

**RESOLUTION NO. 21-437**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT PROCLAIMING A LOCAL EMERGENCY PERSISTS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY THE GOVERNOR ISSUED ON MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT FOR THE PERIOD OF NOVEMBER 29, 2021 TO DECEMBER 29, 2021, PURSUANT TO BROWN ACT PROVISIONS**

**Recitals**

WHEREAS, the San Simeon Community Services District ("District") is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Gov. Code, §§ 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board of Directors previously adopted a Resolution, Number 21-433 on October 12, 2021, finding that the requisite conditions exist for the legislative bodies of the District to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, emergency conditions persist in the District, specifically, the State of Emergency declared by Governor Newsom on March 4, 2020, due to COVID-19, and the Proclamation of Local Emergency declared by the County of San Luis Obispo on March 13, 2020; and

WHEREAS, on September 1, 2021, the San Luis Obispo County Health Officer issued Order Number 6 requiring face coverings in all public indoor settings attributable to the rise in SARS-CoV-2 Delta Variant; and

WHEREAS, the Board of Directors does hereby find that the rise in SARS-CoV-2 Delta Variant has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to affirm a local emergency exists and re-ratify the proclamation of state of emergency by the Governor of the State of California and the San Luis Obispo County Health Officer's Order Number 6; and

WHEREAS, as a consequence of the local emergency persisting, the Board of Directors does hereby find that the legislative bodies of the District shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the Board of Directors will ensure that the public has access to meetings and the opportunity to participate in meetings in the interest of transparency and as required by AB 361.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of the San Simeon Community Services District, as follows:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.
2. Affirmation that Local Emergency Persists. The Board of Directors hereby considers the conditions of the state of emergency in the District and proclaims that a local emergency persists throughout the District, and COVID-19 has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District.
3. Re-ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

4. Remote Teleconference Meetings. The General Manager and Staff of the District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.
  
5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) December 29, 2021, or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

**ADOPTED** by the Board of Directors of the San Simeon Community Services District on November 9, 2021, by the following roll call votes:

AYES:  
NOES:  
ABSENT:  
ABSTAINED:

\_\_\_\_\_  
President, Board of Directors of the  
San Simeon Community Services District

**ATTEST:**

\_\_\_\_\_  
Charles Grace, General Manager of the  
San Simeon Community Services District

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Jeffrey A. Minnery, District Counsel

### **3. A. Business Items**



## **BUSINESS ACTION ITEM STAFF REPORT**

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### **ITEM 3.A. CONSIDERATION OF CANDIDATES TO REPLACE THE BOARD OF DIRECTOR VACANCY CREATED BY THE RESIGNATION OF WILLIAM MAURER AND BOARD APPOINTMENT OF THE NEW DIRECTOR.**

#### Summary:

With the resignation of William Maurer, the Board directed GES staff to post the notice of vacancy in three locations, post the notice on the District website, and an advertisement was placed in both the New Times and the Tribune. Additionally, notices were mailed to all rate payers with San Simeon and Cambria mailing addresses, and to the residents of the mobile home park. The District received one (1) application, which is enclosed with this packet.

At the November Board meeting, GES staff was directed to repost the notice of vacancy, put a notice into the newsletter, and mail the notice to residents of San Simeon, to reach a broader audience so that more individuals could apply to fill the vacancy.

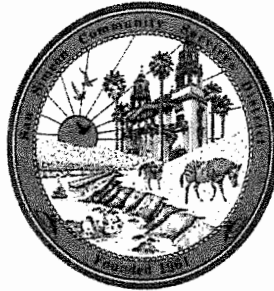
The deadline for the application is Monday November 29, 2021 which is the day of the special meeting. The District has received no additional applications to date. Any applications that arrive after the distribution of the special meeting material will be provided to the Board via green sheet.

#### Recommendation:

It is recommended that the Board make an appointment so that the appointee can be sworn in before the December 14, 2021 Board meeting.

Enc: Application for Board Member Vacancy – Michael Donahue

SAN SIMEON COMMUNITY SERVICES DISTRICT



RECEIVED

NOV 02 2021

BY: CAM

APPLICATION FOR VACANT BOARD OF DIRECTOR SEAT

Name: MICHAEL DONAHUE

Phone # [REDACTED]

Address: [REDACTED]

Email [REDACTED]

Please list experience you have that would benefit your serving on the SSCSD Board.

MY MOTHER TAUGHT ME TO LIVE IN ACCORD WITH  
THE "GOLDEN RULE" I HAVE BUILT BUSINESSES  
FROM THE GROUND UP. I ADHERE TO THE  
HIGHEST ETHICAL STANDARDS IN MY BUSINESS  
AND PERSONAL LIFE

Why do you want to be a Director on the SSCSD Board?

I HAVE LIVED IN SAN SIMEON SINCE 2017  
I WANT TO IMPROVE THE COMMUNITY.

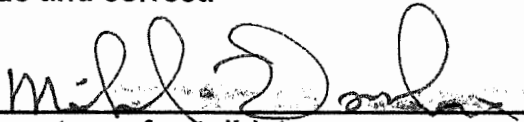
X

I am a registered voter residing in the above named jurisdiction. If appointed, I will qualify and accept the above stated office and serve to the best of my ability.

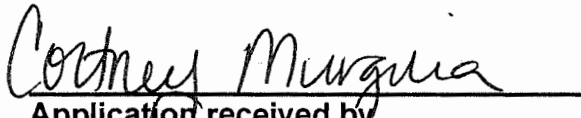
X

I am aware that any person who files or submits for filing a declaration of candidacy knowing that it or any part of it has been made falsely is punishable by a fine or imprisonment, or both, as set forth in Election Code § 18203.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

  
Signature of candidate

10/31/2021  
Date

  
Application received by

11/2/2021  
Date



### **3. B. Business Items**



## **BUSINESS ACTION ITEM STAFF REPORT**

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**ITEM 3.B. DISCUSSION ON PROCEDURE TO FILL THE VACANCY ON THE SAN SIMEON COMMUNITY SERVICES DISTRICT CREATED BY THE RESIGNATION OF DIRECTOR WILLIAM CARSON; DIRECTION TO STAFF TO POST NOTICE OF VACANCY PURSUANT TO GOV'T CODE 1780; SCHEDULE A MEETING AT WHICH CANDIDATES WILL BE CONSIDERED AND THE APPOINTMENT MADE.**

### Summary:

With the resignation of William Carson, the Board will need to decide to either hold elections or appoint a new director. As in previous similar situations, holding an election for the replacement of one Board member would be a costly procedure for the District.

### Recommendation:

The Board may choose to follow the appointment process to fill the vacant director position, and direct GES Staff to post notice of the vacancy. The notice of vacancy can also be mailed to members of the public who reside in San Simeon. The new Board member would be sworn in at the January 11, 2021 Board meeting.

### **3.C. Business Items**



## **BUSINESS ACTION ITEM STAFF REPORT**

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### **ITEM 3.C. APPROVAL OF A PROPOSAL FROM COOPERATIVE STRATEGIES FOR DISTRICTING SERVICES NOT TO EXCEED THE AMOUNT OF \$21,500.00.**

#### Discussion:

At the November Board meeting staff was directed to obtain additional quotes for redistricting services and to contact the Cayucos CSD to find out information about the vendor that they selected to perform their districting services. Staff contacted the Cayucos CSD and verified that the agency used was National Demographic Corporations. This company was also used by the Cambria CSD to perform districting services. National Demographic has been a non-responsive bidder for San Simeon.

GES staff obtained the following quotes:

1. National Demographics Corporation – Non-responsive
2. Redistricting Strategies - \$38,000.00 – Provided a quote to perform voting area creation services.
3. Cooperative Strategies - \$21,500.00 – Provided a quote to perform voting area creation services.

#### Recommendation:

Staff recommends that the Board approves the proposal from Cooperative Strategies for districting services and authorize the General Manager to execute an agreement with Cooperative Solutions for an amount not to exceed \$21,500.00.

Enc: Proposal - Cooperative Strategies  
Proposal – Redistricting Strategies



# ▶ **VOTING AREA CREATION SERVICES**

SAN SIMEON COMMUNITY SERVICES DISTRICT

**OCTOBER 26, 2021**



**COOPERATIVE  
STRATEGIES**  
ASSESS • PLAN • FUND • BUILD

## ▶ LETTER OF INTEREST

**Mr. Charles Grace & Ms. Cortney Murguia**

c/o San Simeon Community Services District  
111 Pico Avenue  
San Simeon, CA 93452

**Re: Proposal to Provide Voting Area Creation Services**

10/26/2021

Dear Mr. Grace & Ms. Murguia:

Cooperative Strategies, LLC is pleased to submit the enclosed proposal ("Proposal") to provide demographic services in compliance with the California Voting Rights Act ("CVRA") for San Simeon Community Services District ("SSCSD" or "District").

For more than 25 years, Cooperative Strategies has provided services to public agencies throughout California. Our philosophy is to provide relationship-based consulting services and to thoroughly understand our clients' specific needs.

Given our long history of working with public agencies and our expertise in analyzing and evaluating demographic data, Cooperative Strategies is uniquely qualified to assist SSCSD with demographic services in relation to compliance with the CVRA. We've provided similar services to more than 50 public agencies across the State of California ("State") which makes us intimately familiar with the requirements under the CVRA and the Federal Voting Rights Act ("FVRA").

We stand by our philosophy of acting as an advocate for our clients, and therefore only serve public agencies in these matters. We also offer simplified pricing with a single fee that includes all meetings required under applicable laws. Thank you for the opportunity to submit the enclosed proposal. Should you have any questions, please do not hesitate to contact me as I will serve as the primary point of contact for SSCSD.

Sincerely,



**David Lopez**  
**Executive Director**

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# SCOPE OF SERVICES





# STATEMENT OF WORK

## Voting Area Creation

ACTIVITY & TIMING	TASKS
<p><b>1.</b></p> <p><b>Goals, Priorities and Data Analysis</b></p>	<p><b>1.A. Identify Goals and Priorities</b></p> <p>This task involves determining the goals the District has for the redistricting process. This determination will be based on Elections Code, including the California Voting Rights Act and Federal Voting Rights Act. Goals and priorities may or may not take into account:</p> <ul style="list-style-type: none"> <li>• Balanced Population (One Person, One Vote)</li> <li>• Civic Boundaries</li> <li>• Community Identity</li> </ul>
	<p><b>1.B. Identify Key Issues and Considerations</b></p> <p>This task involves identifying the key issues and considerations involved in creating Voting Areas. These may include legal issues, compliance with federal and State regulations, constituent/community concerns, as well as others.</p>
	<p><b>1.C. Discuss Requirements with Legal Counsel</b></p> <p>This task involves discussing the list of items identified in Tasks 1.A. and 1.B. with staff of the District and their counsel to ensure compliance with all applicable legal, statutory, and organizational requirements.</p>
	<p><b>1.D. Prepare Census Data Analysis for Voting Areas</b></p> <p>This task involves analyzing 2020 Census data to obtain information on population within the District as well as to use in creating conceptual Voting Areas.</p>
	<p><b>1.E. Evaluate Population of Community</b></p> <p>This task involves evaluating the demographics of the District based on data from the United States Census.</p>

<b>ACTIVITY &amp; TIMING</b>	<b>TASKS</b>
	<p><b>1.F. Attend and Present at Public Hearings</b></p> <p>This task involves Cooperative Strategies attending and presenting at the two (2) pre-map public hearings at meetings of the Governing Board of the District to gather input from the community and Board of Directors.</p>
<p><b>2.</b></p> <p><b>Prepare and Present Scenarios</b></p>	<p><b>2.A. Create Conceptual Voting Areas</b></p> <p>This task involves using Census data and GIS data gathered in Task 1.D. and input received in Task 1.F. to prepare three (3) conceptual Voting Area scenarios. This task will involve preparing alternative Voting Area boundary proposals for consideration, including maps and demographic data for comparative purposes.</p>
	<p><b>2.B. Present Recommendations to Staff</b></p> <p>This task involves presenting conceptual Voting Areas to District staff for their review and consideration. Cooperative Strategies will prepare deliverables and a presentation with the goal of refining the recommendations that will be delivered to the Board.</p>
	<p><b>2.C. Present to Board of Directors</b></p> <p>This task involves three (3) meetings to present the scenarios from Task 2.B. to the Board for comment and review. These meetings include the public hearings required prior to approval by the Governing Board.</p>
	<p><b>2.D. Assist in Public Outreach</b></p> <p>This task involves assisting in a public outreach effort to present conceptual scenarios to the public and solicit feedback from constituents on the scenarios.</p>
	<p><b>2.E. Revise Scenarios</b></p> <p>This task involves revising the conceptual scenarios based on feedback from the public and the Board.</p>
	<p><b>2.F. Present Revised Scenarios to Board of Directors</b></p> <p>This task involves presenting the revised scenarios to the Board for consideration and approval of new Voting Areas.</p>

ACTIVITY & TIMING	TASKS
	<p data-bbox="511 283 1128 325"><b>2.G. Assist in Implementation Process</b></p> <p data-bbox="511 336 1412 451">This task involves assisting in ensuring documentation is provided to the County offices to implement the change in Voting Areas.</p>





# KEY PERSONNEL

YOUR TEAM OF EXPERTS





**DAVID LOPEZ  
EXECUTIVE DIRECTOR**

David Lopez brings over 25 years of experience in managing project teams within the client service industry. He assists both Public Agencies and Local Education

Agencies with utilization of Community Facilities Districts ("CFDs") as facilities funding options, trustee area redistricting, facilities master planning efforts, enrollment projections, developer impact fee studies, redevelopment services and other specialized demographic needs.

In addition to being actively involved with client relations and outreach endeavors nationwide, David presents training topics at COE-sponsored meetings and various regional events hosted by and for public agencies.

**Education**

- B.A., American History, University of California, Berkeley

**Areas of Expertise**

- CFD Formation & Administration
- Trustee/Voting Areas
- Community Engagement
- Demographic Studies
- Enrollment Projections
- Facilities Master Planning
- Redevelopment

**Notable Accomplishments**

- Currently serves over 100 Public Agencies clients throughout 16 CA counties
- Involved in the formation of more than 50
- CFDs from 2008 to present

**Sample Experience**

**Apple Valley Unified School District, CA**  
*Capacity Analysis, Developer Fee Justification Studies, Facilities Usage Fee Studies*

**City of Beverly Hills, CA**  
*Disclosure Compliance Services; CFD Administration*

**Conejo Valley Unified School District, CA**  
*Developer Fee Justification Studies, Enrollment Projections, myschoolLOCATION, Trustee/ Voting Areas*

**East Orange County Water District, CA**  
*Trustee/Voting Areas*

**Lodi Unified School District, CA**  
*Developer Fee Justification Studies; Enrollment Projections; Facilities Master Planning; Facilities Usage Fees; myschoolLOCATION*

**Los Osos Community Services District, CA**  
*Trustee/Voting Areas*

**Menifee Union School District, CA**  
*CFD Administration; CFD Formation; Demographic Analysis; Developer Negotiations; Enrollment Projections; Funding Programs*

**Paso Robles Joint Unified School District, CA**  
*Redevelopment, Developer Fee Justification Studies, Attendance Boundaries, Trustee/Voting Areas*

**Perris Elementary School District, CA**  
*CFD Administration, Clean Energy Services, Developer Fee Justification Studies, Redevelopment, Trustee/Voting Areas*

**San Miguel Joint Union School District, CA**  
*Trustee/Voting Areas*

**Santa Ynez Valley UHSD, CA**  
*Developer Fee Justification Studies*

**Simi Valley Unified School District, CA**  
*Developer Fee Justification Studies, Facilities Usage Fee Studies*

**Victor Elementary School District, CA**  
*CFD Administration; Continuing Disclosure; Enrollment Projections, Trustee/Voting Areas*



## **JUSTIN RICH EXECUTIVE DIRECTOR**

Justin Rich brings over 15 years of experience in school facilities planning and finance. He assists both Public Agencies and Local Education Agencies with their facilities master planning efforts, specialized demographic analyses, and municipal advisory services. He has been involved in numerous community outreach efforts related to trustee area redistricting, facility planning, general obligation bond elections, and school attendance boundaries/closures.

In addition to being actively involved with client relations and outreach endeavors, Justin has presented on various topics at industry conferences and events.

### **Education**

- M.P.A., Public Administration, California State University, Long Beach
- B.A., Political Science, University of California, Los Angeles

### **Areas of Expertise**

- Trustee/Voting Areas
- Facilities Master Planning
- Community Engagement
- Development Impact Analyses
- Boundary Planning

### **Notable Accomplishments**

- MSRB Series 50, Municipal Advisor Representative.
- Advised on nearly \$7 billion in municipal bond transactions for school districts and community college districts.
- Facilitated multiple community outreach processes and townhall forums related to facilities master plans, school attendance boundary adjustments and school closures.

### **Sample Experience**

**Riverside Community College District, CA**  
*Trustee/Voting Areas*

**Riverside Unified School District, CA**  
*Trustee/Voting Areas*

**Castro Valley Unified School District, CA**  
*Bond Election Services; Financial Advisory*

**Lake Elsinore Unified School District, CA**  
*Boundary Planning; Developer Fee Justification Studies; Facilities Master Planning; Demographic Analysis; Developer Negotiations*

**Menifee Union School District, CA**  
*Financial Advisory; Demographic Analysis; Developer Negotiations; Enrollment Projections*

**Moreland School District, CA**  
*Boundary Planning; Developer Fee Justification Studies*

**Mountain View School District, CA**  
*Developer Negotiations; Developer Fee Justification Studies; Bond Election Services; Financial Advisory*

**Norris School District, CA**  
*Facilities Master Plan; Financial Advisory*

**Oakley Union Elementary School District, CA**  
*Bond Election Services; Financial Advisory*

**Pasadena Unified School District, CA**  
*Boundary Planning; Developer Fee Justification Studies; Redevelopment*

**Richland School District, CA**  
*Facilities Master Planning; Developer Fee Justification Studies; Enrollment Projections*

**San Dieguito Union High School District, CA**  
*Long Range Facilities Task Force; Bond Election Services; Financial Advisory*

**San Gabriel Unified School District, CA**  
*Developer Fee Justification Studies, Facilities Usage Fee Studies*



**ANDREW BISHOP  
SENIOR ASSOCIATE  
DIRECTOR**

Andrew Bishop has provided financial, demographic, and cartographic services to a wide variety of public agencies since 2005. His expertise with Geographic Information Systems has helped illustrate a variety of demographic and facilities planning services for hundreds of school districts, cities, and special districts.

Andrew also has extensive experience in calculating student generation rates to determine future student enrollment and the resulting impact on school facilities.

**Education**

- B.A., Geography, University of California, Los Angeles

**Areas of Expertise**

- Geographic Information Systems
- Trustee/Voting Areas
- School Facilities Needs Analyses
- Enrollment Projections
- Capacity Analyses
- Assessment District Administration
- Developer Fee Justification Studies

**Notable Accomplishments**

- Finalist, NYC Department of Education Call for Innovations, Enhancing School Zoning Efforts by Predicting Population change

**Sample Experience**

**Anaheim Elementary School District, CA**

*Trustee/Voting Areas*

**Beverly Hills Unified School District, CA**

*Developer Fee Justification Studies*

**Bonita Unified District, CA**

*Developer Fee Justification Studies; RIMD Administration*

**Fremont Unified School District, CA**

*Developer Fee Justification Studies; Enrollment Projections; School Facilities Needs Analyses*

**Hesperia Unified School District, CA**

*Annual & Five-Year Reports; Developer Fee Justification Studies; Enrollment Projections; School Facilities Needs Analyses*

**Irvine Unified School District, CA**

*Annual & Five-Year Reports; Developer Fee Justification Studies; RIMD Administration; School Facilities Needs Analyses*

**Marin County Office of Education**

*Trustee/Voting Areas*

**Menifee Union School District, CA**

*Annual & Five-Year Reports; Developer Fee Justification Studies; School Facilities Needs Analyses*

**North Orange County Community College District**

*Trustee/Voting Areas*

**Palm Springs Unified School District, CA**

*Developer Fee Justification Studies*

**Redondo Beach Unified School District, CA**

*Boundary Planning; Developer Fee Justification Studies; Enrollment Projections*



An aerial photograph of a residential neighborhood, showing a grid of streets, numerous houses with brown and grey roofs, and green trees. The image is overlaid with a dark, semi-transparent layer. The text 'PAST PROJECTS' is centered in large, white, sans-serif capital letters. Below it, the text 'PROVEN SUCCESS STORIES' is centered in smaller, white, sans-serif capital letters.

# PAST PROJECTS

PROVEN SUCCESS STORIES

## PAST PROJECTS

Please see below for a list of some of the agencies we have previously assisted or are being provided similar services by our firm at this time. Please note, we cannot disclose a full list of our clients for whom we have performed liability analysis services as many engaged our services through legal counsel which remain under attorney-client privilege.

District Name	Location	Service Type
Adelanto Elementary School District	San Bernardino County	Voting Area Creation Services
Alta Loma School District	San Bernardino County	Voting Area Creation Services
Alvord Unified School District	Riverside County	Voting Area Creation Services
Anaheim Elementary School District	Orange County	CVRA Analysis & Voting Area Creation Services
Anaheim Union High School District	Orange County	Voting Area Creation Services
Antelope Valley Union High School District	Los Angeles County	Voting Area Creation Services
Antioch Unified School District	Contra Costa County	Voting Area Creation Services
Apple Valley Unified School District	San Bernardino County	Voting Area Creation Services
Banning Unified School District	Riverside County	Voting Area Creation Services
Beaumont Unified School District	Riverside County	Voting Area Creation Services
Benicia Unified School District	Solano County	Voting Area Creation Services
Bonsall Unified School District	San Diego County	Voting Area Creation Services



<b>District Name</b>	<b>Location</b>	<b>Service Type</b>
City of Garden Grove	Orange County	CVRA Analysis
Conejo Valley Unified School District	Ventura County	Voting Area Creation Services
Corona-Norco Unified School District	Riverside County	Voting Area Creation Services
Davis Joint Unified School District	Yolo County	Voting Area Creation Services
Desert Sands Unified School District	Riverside County	Voting Area Creation Services
Diablo Water District	Contra Costa County	Voting Area Creation Services
Dublin Unified School District	Alameda County	Voting Area Creation Services
East Orange County Water District	Orange County	Voting Area Creation Services
Etiwanda School District	San Bernardino County	Voting Area Creation Services
Exeter Ambulance District	Tulare County	Voting Area Creation Services
Fallbrook Union High School District	San Diego County	Voting Area Creation Services
Fullerton School District	Orange County	Voting Area Creation Services
Garden Grove Unified School District	Orange County	Voting Area Creation Services
Hacienda La Puente Unified School District	Los Angeles County	Voting Area Creation Services
Hesperia Unified School District	San Bernardino County	Voting Area Creation Services
Hueneme Elementary School District	Ventura County	Voting Area Creation Services

<b>District Name</b>	<b>Location</b>	<b>Service Type</b>
Imperial Valley Community College District	Imperial County	Voting Area Creation Services
La Mesa-Spring Valley School District	San Diego County	Voting Area Creation Services
Lincoln Unified School District	San Joaquin County	Voting Area Creation Services
Moorpark Unified School District	Ventura County	Voting Area Creation Services
Moreno Valley Unified School District	Riverside County	Voting Area Creation Services
Mt. Diablo Unified School District	Contra Costa County	Voting Area Creation Services
North Orange County Community College District	Orange County	Voting Area Creation Services
Novato Unified School District	Marin County	Voting Area Creation Services
Oakley Union Elementary School District	Contra Costa County	Voting Area Creation Services
Ojai Unified School District	Ventura County	Voting Area Creation Services
Ontario-Montclair School District	San Bernardino County	Voting Area Creation Services
Oxnard School District	Ventura County	CVRA Analysis & Voting Area Creation Services
Palm Springs Unified School District	Riverside County	Voting Area Creation Services
Perris Elementary School District	Riverside County	Voting Area Creation Services
Redlands Unified School District	San Bernardino County	Voting Area Creation Services

<b>District Name</b>	<b>Location</b>	<b>Service Type</b>
Rim of the World Unified School District	San Bernardino County	Voting Area Creation Services
Riverside Community College District	Riverside County	Voting Area Creation Services
Romoland School District	Riverside County	Voting Area Creation Services
Rowland Unified School District	Los Angeles County	Voting Area Creation Services
San Juan Unified School District	Sacramento County	Voting Area Creation Services
San Mateo County Community College District	San Mateo County	Voting Area Creation Services
Santa Paula Unified School District	Ventura County	Voting Area Creation Services
Santa Rosa City Schools	Sonoma County	Voting Area Creation Services
Snowline Joint Unified School District	San Bernardino County	Voting Area Creation Services
South Whittier School District	Los Angeles County	Voting Area Creation Services
Temecula Valley Unified School District	Riverside County	Voting Area Creation Services
Val Verde Unified School District	Riverside County	Voting Area Creation Services
Vallecitos Elementary School District	San Diego County	Voting Area Creation Services
Vallejo City Unified School District	Solano County	Voting Area Creation Services
Victor Elementary School District	San Bernardino County	Voting Area Creation Services
Victor Valley Union High School District	San Bernardino County	Voting Area Creation Services



An aerial photograph of a residential neighborhood, showing a grid of streets, numerous houses with brown and grey roofs, and green trees. The image is overlaid with a dark, semi-transparent filter. The word "REFERENCES" is centered in large, white, sans-serif capital letters.

# REFERENCES

TRANSPARENCY IS TRUST

CLIENT	CONTACT INFORMATION
Conejo Valley Unified School District	Dr. Victor Hayek Deputy Superintendent 805.498.4557 VHayek@conejousd.org
Diablo Water District	Dan Muelrath General Manager 925.625.3798 dmuelrath@diablowater.org
Garden Grove Unified School District	Dr. Gabriela Mafi Superintendent 714.663.6000 gmafi@ggusd.us
North Orange County Community College District	Fred Williams Vice Chancellor 714.808.4746 fwilliams@nocccd.edu
Oakley Union Elementary School District	Cindy Peterson Assistant Superintendent 925.625.5054 cpeterson@ouesd.k12.ca.us
Paso Robles Joint Unified School District	Brad Pawlowski Assistant Superintendent 805.769.1000 bpawlowski@pasoschools.org





# FEE PROPOSAL



The proposed fee for Cooperative Strategies to perform the services as described in Section I of this Proposal is outlined below. This fee includes attendance at up to five (5) meetings at the District (public hearings, Board meetings and community input meetings), as well as scenario creation and mapping services.

SERVICE DESCRIPTION	PROPOSED FEE
Voting Area Creation	\$21,500 (Plus Expenses)

Should the District wish to utilize a web-based tool for members of the community to provide scenarios or revise map options, there shall be an additional fee of \$5,000 for such service.

Should the District request attendance at additional meetings beyond those identified in Exhibit A, attendance is not guaranteed and will be subject to limited availability. If available, attendance may be virtual and the fee shall be \$850 per additional meeting.

November 16, 2021

Cortney Murguia  
San Simeon Community Service District  
111 Pico Avenue  
San Simeon, CA 93452

Sent via email to: [admin@sansimeoncsd.org](mailto:admin@sansimeoncsd.org)

Dear Ms. Murguia,  
Thank you for reaching out to Redistricting Partners to discuss the San Simeon Community Service District's need to convert to districted elections under the California Voting Rights Act.

Redistricting Partners is a specialized firm that conducts services for organizations and local governments ranging from racially polarized voting analysis, conversion of elections from at-large to districted under the California Voting Rights Act, and traditional redistricting. Going back a decade we have worked with dozens of local governments, ranging from small hospital and water agencies to the sprawling Los Angeles Unified School District.

Most recently we have conducted the CVRA conversions within the cities of Napa, Davis and Santa Ana. For 2021 we have already been hired by the cities of Berkeley, Burlingame, Carpinteria, Napa, Oakland, and San Jose to conduct their decennial redistricting under the Fair Maps Act provisions. We have also been hired by the City of Long Beach to conduct their decennial process under their first independent redistricting commission.

Redistricting Partners is well versed in the California Voting Rights Act and its implications for agencies that have previously elected board members based on an at-large election system.

In addition to the CVRA, there is a new law known as the Fair Maps Act which creates best practices within the redistricting process – some of which are already within the CVRA, and some which are new.

When we worked with the City of Napa, the process included the five-hearing process, proper notification of hearings and presentations of maps to the public, a weekend map-drawing outreach program and drawing districts without consideration of incumbents or candidates, and without advantage to any political party.

I have attached an outline of our scope of services for agencies converting to district areas under the CVRA. In most cases, for a city redistricting, using a five-hearing structure (mostly presenting virtually, but in person if and when appropriate) multiple draft maps, assistance in outreach and

analysis of public input, the cost would be \$42,000, with potential additional costs if the district wants features such as an online mapping tool or additional subcontracted outreach services.

Online mapping is an option that we have not always embraced – historically, we have favored more in-person outreach. But, obviously, much of that kind of activity will not be possible in the coming months.

The first online option is Maptitude Online Redistricting which costs \$25,000 with training from Caliper Corporation. The second option is one developed by Tufts University called DistrictR and it is being packaged for Redistricting Partners at a cost of \$8,000 and would include training from our staff.

As might be expected, the Maptitude option is more robust, but also harder to learn, while the DistrictR option is lightweight and easy, but with fewer technical bells and whistles. We are agnostic about which tool an agency selects and can provide you with a demonstration video of both.

The conversion of an election system is often a challenge, but we are here to help assist in the process. We could be ready to participate in any board meetings as early as December, 2021 and could execute an agreement and workplan as soon as you are ready.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Mitchell", with a long horizontal flourish extending to the right.

Paul Mitchell  
Owner, Redistricting Partners

## Scope of Services – CVRA Conversion

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Redistricting Partners has been working for the past decade assisting dozens of municipalities with conversion to districted election systems under the California Voting Rights Act (CVRA).

The CVRA requires all agencies (cities, school boards, community colleges and other special districts) to convert to by-district election systems if they have signs of racially polarized voting. Recent amendments to the law allow for a faster, easier transition, provided that the agency follow specific “safe harbor” rules regarding the timing, structure, and transparency in the districting process.

The following is an outline of the services provided in this districting effort.

### **Public Engagement**

The CVRA sets a structure for public engagement which includes five public hearings: two conducted prior to line drawing, two more held for public input and changes after maps have been made public, and one final hearing for adoption of a map that has been made public for 7 days prior to adoption.

Redistricting Partners will work with the municipality in conducting these presentations, gathering and documenting public input, and utilizing these hearings as a means for determining initial criteria for draft maps and amending maps that have been produced.

In addition, Redistricting Partners traditionally utilizes three methods for soliciting public input during this process.

- 1) The use of a simple community of interest worksheet, which allows the public to describe their community of interest, give evidence of what binds that community together and defines it, and provide any kind of drawing or map of that area. This can be used in-person at public hearings or completed by the public and emailed as a form of submitted testimony.
- 2) An in-person or online interactive workshop where physical maps are provided showing population densities, and the public is assisted in either drawing their communities of interest or drawing draft maps.

- 3) An online mapping option to facilitate deeper community engagement by allowing members of the public to draw and describe their community of interest or draw potential district lines.

Our staff includes experts in civic engagement, community outreach, and will assist in communicating needs for public engagement at client direction.

### **GIS and Data**

The GIS backbone of redistricting is the Topologically Integrated Geographic Encoding and Referencing, or TIGER, a format used by the United States Census Bureau. This will serve as the geographic backbone of the redistricting project. The core TIGER/Line Files and Shapefiles do not include demographic data but do contain information about the external boundaries of cities, counties and other districts, and often are the same geography used in the creation of precincts.

Other districts, such as community colleges, water boards, and other special districts may utilize other geographic layers for their external boundaries, such as parcel layers, and some counties rely on parcel layers entirely for the creation of their precincts. Redistricting Partners has more than a decade of experience dealing with these issues and working with county registrars to process the redistricting files in both formats.

Decennial census redistricting data specifically tailored to each jurisdiction will be utilized within this TIGER geography. This data, under new California law, will also include the reallocation of incarcerated population, and be supplemented with the most recent American Community Survey (ACS) dataset, including estimated total population and Citizen Voting Age Population (CVAP) which quantifies ethnic populations for the purposes of the Federal Voting Rights Act.

Additional datasets can be utilized in redistricting based on the client needs. For example, in a healthcare district there could be a geographic dataset of underlying service areas or facilities, or at a community college there might be information on campuses and feeder high schools that serve as a geographic dataset to inform the districting process. Redistricting Partners is adept at helping agencies utilize these different pieces of geographic information within one project.

### **Meetings & Creation of Lines**

Redistricting Partners will participate in public hearings either remotely or in-person, based on the health and safety guidance at the time. In a contract with a standard five-hearing schedule, at least two will be held remotely with up to three using in-person staffing, if appropriate.

Once mapping can be conducted, Redistricting Partners will create three sets of potential lines following traditional redistricting criteria including that districts be contiguous, compact, and follow traditional governmental or community lines and natural / physical contours of the district geography and input from the initial public hearings.

Maps that are created are provided in four formats:

- Printable 8.5x11 Mapping and Data PDFs for dissemination with meeting agenda or posting on the public-facing website. These maps provide an overview and will often show neighborhoods, significant landmarks or key facilities, but do not go down to the street-level.
- Interactive online maps, like Google Maps, with the proposed district boundaries, including the embedded data calculations for population, ethnicity, and any other factors that are key to the district analysis.
- Shapefile and census block equivalency files for use by any GIS staff or members of the public with GIS mapping capabilities.

Following the presentation of maps at the third public hearing Redistricting Partners will take any information gleaned from public comments or elected official input to create additional amended maps and engage in a process of selecting and finalizing mapping options for the fourth public hearing. Alternatively, Redistricting Partners could continue to collect public information and only create new versions after the fourth public hearing.

Under the California Voting Rights Act the final hearing will be for a vote only on the map which has been finalized and published within seven days prior to adoption. This mapping option will be produced by Redistricting Partners with all the additional technical elements necessary for the final resolution.

### **Adoption / Processing of new lines**

Once lines are adopted, Redistricting Partners will work with the County Registrar(s) staff in order to complete the process and make new lines available for the next available election. This processing includes:

- Documentation from public meetings, signed resolution
- Electronic PDF maps of new election district boundaries
- GIS Shapefiles for county staff to assign precincts
- Metes and Bounds legal document with written description of district boundaries
- Census Block equivalency files and shapefiles for a backup of district lines in latest US Census geographic data.

### **Optional Elements**

Beyond the CVRA Safe Harbor five meeting structure, contracts can be adjusted to allow for additional public meetings or interactive workshops.

Additional outreach programs, including in-language outreach, are available through Redistricting Partners sub-vendors. These can range from small engagements to create materials and promotions for public engagement, and grow into large emailing, mass-mailing, digital, radio and cable TV ads promoting the redistricting process. Language services are also available through a sub-vendor contract.

Two different online mapping tools are available through Redistricting Partners. The first is a public community engagement and district mapping tool developed by Tufts University and managed by Redistricting Partners. The second option is Maptitude Online Redistricting software from Caliper Corporation. Demonstrations of each product are available for prospective clients.

## TYPICAL FIVE HEARING STRUCTURE

	<b>Purpose of Hearing</b>
1 <sup>st</sup> Public Hearing	<p>Public Hearing with information about the redistricting process, descriptions of the data and mapping tools, introduction of ways the community can provide input.</p> <p>The purpose of this introductory hearing is to provide information to the public and solicit input from the public and elected officials on where community of interests exist, and how those can contribute to the building of potential districts.</p>
2 <sup>nd</sup> Public Hearing	<p>Repeat of first hearing, with additional emphasis on tools for providing input, potentially an overview or training for online mapping tools, emphasis on receiving community of interest testimony for the purposes of driving map creation.</p>
3 <sup>rd</sup> Public Hearing	<p>Public Hearing with presentation of maps of new potential district boundaries produced by the demographer and <b>published seven days in advance</b>, with a summary of how mapping options were drawn from testimony and public input received during the previous hearings. These maps are expected to drive additional feedback from the public and elected officials.</p>
4 <sup>th</sup> Public Hearing	<p>Public Hearing with revised map(s) of proposed district boundaries produced by the demographer and <b>published seven days in advance</b>. Additional public input regarding the revised map(s) and concluding with direction from the council on a final map that will be placed on the calendar for an upcoming up/down vote on the completed districting plan.</p>
5 <sup>th</sup> Public Hearing	<p>Public Hearing to adopt final map</p>



## References

The following are references from recent work. Additional references are available upon request.

### Client Name: City of Davis

Project Description: The City of Davis which faced a CVRA lawsuit and required a quick transition to districted elections, including facing a question of going to 7 districts or staying with 5. Ultimately the plan adopted was based on a map drawn by two members of the community during a weekend workshop and amended by the council members in a public, open, televised council meeting.

Reference: Kelly Stachowicz

Assistant City Manager

[KStachowicz@cityofdavis.org](mailto:KStachowicz@cityofdavis.org)

(530) 757-5602 ext. 5802

### Client Name: City of Santa Ana

Project Description: An extended and contentious CVRA lawsuit and conversion process.

Redistricting Partners was hired to help facilitate a new set of district lines and a change of both the election system, and date of the election, in a majority minority Latino city with a strong Vietnamese population that had their geographic area divided among multiple council districts.

Reference: Maria Huizar

City Manager

City of Lake Forest

[mhuizar@lakeforestca.gov](mailto:mhuizar@lakeforestca.gov)

Note: Maria Huizar was the City Manager at the City of Santa Ana at the time of this redistricting.

Reference: Jose Solorio

Councilmember

City of Santa Ana

(714) 514-6233

[jsolorio@aol.com](mailto:jsolorio@aol.com)

Note: Councilmember Solorio was an active member of the city council during the redistricting process. In this redistricting, the city itself was the agency in charge of adopting the district lines. Solorio was active in each of the public council hearing and attended public outreach meetings.

**Client Name: City of Napa**

Tiffany Carranza  
955 School Street  
Napa, CA 94559  
[tcarranza@cityofnapa.org](mailto:tcarranza@cityofnapa.org)  
(707) 257-9503

The City of Napa was the first city in California subject to the Fair Maps Act while conducting redistricting based on a demand from a petitioner under the California Voting Rights Act. In addition, the process was hindered further by the stay-at-home orders issued in March, 2020. The process was completed on time and followed all the requirements under the CVRA and the Fair Maps Act.

**Client Name: Kern Community College District**

Project Description: A redistricting project including Kern County and several adjacent counties for a diverse community college district which was conducting a revision of their district boundaries to comply with the California Voting Rights Act and the Federal Voting Rights Act.

**Reference:** Board Secretary Danielle Hillard

[danielle.hillard@kccd.edu](mailto:danielle.hillard@kccd.edu)  
(661) 336-5100

**Client Name: Los Angeles Unified School District**

Project Description: A public commission-based redistricting of the second largest school district in the nation. This redistricting included work with the commissioners to train them on traditional redistricting principles, identifying and working with communities of interest, public engagement, many community-based outreach meetings across the area served by LAUSD, and full technical lead on line-drawing, data management, map development and every aspect of the redistricting from the first commission meeting to plan adoption.

**Client Project Manager:** Doug Wance (949) 224-6439

18400 Von Karman Ave, Suite 800  
Irvine CA 92612  
[dwance@buchalter.com](mailto:dwance@buchalter.com)  
(949) 224-6439

**Reference:** Lindsay Horvath  
LAUSD Redistricting County of Orange

Councilwoman, West Hollywood  
[Lindsey.p.horvath@gmail.com](mailto:Lindsey.p.horvath@gmail.com)  
(323) 632-7530

**Reference:** Greg Girvan  
22736 Margarita Dr.  
Woodland Hills, CA, 91364  
(818) 631-2405

<b>Basic Redistricting Services</b>	<b>Description</b>	<b>Cost</b>
Board Meetings	Five Board meetings –Board training & four to five Board meetings as required. Anticipated to be remote.	\$38,000 – Basic Redistricting Services
Mapping & Demography	Mapping & Demography services for draft maps post Census data release. Will track and incorporate all public comment and input from website and meetings. Will submit maps to post on website based on public input in 3 formats, and will work with County registrar to ensure that final maps are delivered accurately in requested formats.	Included in Basic Redistricting Services
Project Meetings with staff	Monthly meetings with District staff. Anticipated to be remote	Included in Basic Redistricting Services
<b>Additional Redistricting Services</b>	<b>Description</b>	<b>Cost</b>
Communications	Comprehensive assistance in outreach to the public, translation services. Includes assistance in gathering community input and testimony.	\$25,000
Public Outreach	Five Public Outreach meetings, includes training on mapping tools and basic premises of redistricting process, general facilitation of meetings. Anticipated to be a mix of remote and in person.	\$15,000  Additional Remote Meeting Cost: \$1,750 each  Additional In-Person Meeting Cost: \$3,500 each
Website	Suggestions for and review of District hosted website	\$2,500
Project Meetings with District Staff	Additional meetings as needed with District Staff. Anticipated to be remote	\$5,000
<b>Online Mapping Options</b>	<b>Description</b>	<b>Cost</b>
Maptitude Online Redistricting	Software for Board, staff and public. Includes training.	\$25,000
DistrictR	Online tool for Board, staff and public. Includes training.	\$8,000

### **3.D. Business Items**





## **BUSINESS ACTION ITEM STAFF REPORT**

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### **ITEM 3.D. RATIFICATION OF THE TECHNICAL ASSISTANCE PROGRAM PROPOSAL FOR A FREE RATE STUDY ANALYSIS FOR THE COMMUNITY OF SAN SIMEON.**

#### Background:

GES staff contacted three vendors on behalf of the District to obtain quotes for services related to performing a rate study for San Simeon. The following vendors were contacted:

- 1) Tuckfield & Associates
- 2) Robert D. Niehas, Inc. (RDN)
- 3) Bartle Wells Associates

GES staff also contacted the Rural Community Assistance Corporation (RCAC) to determine if RCAC would perform a rate study. RCAC provided information about the technical assistance program and in turn Staff completed a technical assistance application. After the application was submitted it was determined that the District was eligible for a free rate study.

#### Recommendation:

It is recommended that the Board direct staff to move forward with ratification of the technical assistance program proposal to perform a free rate study for the community of San Simeon.

Enc: Information related to the RCAC technical assistance application  
Proposal – Tuckfield & Associates  
Proposal – RDN  
Proposal – Bartle Well Associates

**Instructions:** If an item is not relevant or unknown, enter "N/A" or "unknown."  
Please e-mail the completed form to: [DFA-TARequest@waterboards.ca.gov](mailto:DFA-TARequest@waterboards.ca.gov)

**Date of Submittal:**

**Name of Requestor:**

---

**A. Community, System, or School Name:**

Public Water System ID No. (if applicable):

County:

Number of Service Connections:

Service Area Population:

Type of Organization:  Municipal entity  Private entity (Select one:  nonprofit;  for profit)

Tribe  School/School district/Local education agency  Other:

Estimated Median Household Income (MHI): \$

(Source: )

Estimated percentage of second or vacant homes:

%

Service Area Map included

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**B. Type of TA Need:**  Drinking Water  Wastewater  Storm Water  Groundwater

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**C. Problem:** Briefly summarize the problem or the TA needs.

---

**D. Request:** Briefly describe the assistance being requested.

Is the regulatory agency (DDW, LPA, Regional Water Board, etc.) supportive of this project?

Yes, name of contact person/agency:

No

Is this request associated with a compliance order?

Yes, Compliance Order No.:

(attach a copy if available)

No

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**E. Contact Information:** Please provide a contact for correspondence regarding this request.

Name

Title/Organization

Mailing Address

City/State

Zip Code

Phone Number

E-mail Address

---

*TA Request Form, updated 06/15/2021*

## **SECTION A**

**Community, System, or School Name:** Enter the full name of the organization or community needing TA.

**Public Water System ID:** If the organization is a drinking water system, provide the Public Water System ID. Otherwise, enter "N/A".

**County:** Enter the county of the organization needing TA.

**Number of Service Connections:** Enter the number of active service connections in the service area needing TA.

**Service Area Population:** Provide the population of the service area needing TA.

**Type of Organization:** Check the box that best describes the type of organization in need of the TA.

**Estimated Median Household Income (MHI):** Enter the estimated MHI for households within the service area, if known. The only MHI sources accepted by the State Water Board are (1) 5-years American Community Survey (ACS) data and (2) income surveys previously validated by the State Water Board. If the organization needing TA is a school, enter "N/A."

**Estimated percentage of second or vacant homes:** Estimate the percentage of homes within the service area which are occupied for less than six (6) months of a year.

**Service Area Map:** Provide a copy of the service area map for system.

## **SECTION B**

**Type of TA Need:** Check the box indicating the type of TA need being requested. Requests for more than one type of TA need should be submitted on separated forms.

## **SECTION C**

**Problem:** Describe the problems/needs of the system, such as water quality issue, water supply shortage, capital improvement needs, etc.

## **SECTION D**

**Request:** Describe the TA being requested. Examples of TA provided include:

- Funding application
- Community outreach
- Engineering services
- Income survey
- Rate study
- Environmental services
- Leak detection
- Legal assistance
- Hydrogeological analysis

**Is the regulatory agency supportive of this project?** Indicate if the request has been discussed with someone from a regulatory agency, such as the Regional Water Board, the Division of Drinking Water, or the Local Primacy Agency. If yes, provide the names of the primary contact person and the agency.

**Is this request associated with a compliance order?** Indicate if TA is being requested to address a compliance order. If yes, enter the compliance order number. Attach a copy of the compliance order when submitting the request.

## **SECTION E**

**Contact Information:** Provide a contact for follow up correspondence from the State Water Board.

## **SUBMISSION:**

Please email completed forms to: [DFA-TARequest@waterboards.ca.gov](mailto:DFA-TARequest@waterboards.ca.gov). On the e-mail subject line, include the name of the organization that will be the TA recipient. You are encouraged to submit any supporting documentation demonstrating the TA needs. Examples include copies of compliance order, sanitary survey, water system's maintenance logs, etc. All supporting documentation may be submitted as attachments when e-mailing the request form.

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**Fwd: TA Assigned: AR 6566 - San Simeon CSD (CRWA CWSRF)**

---

Charles Grace <cgrace@graceenviro.com>  
To: Cortney Murguia <cmurguia@graceenviro.com>

Thu, Oct 7, 2021 at 1:13 PM

Charles Grace  
805 431 6253  
[www.graceenviro.com](http://www.graceenviro.com)



----- Forwarded message -----

From: **WB-DFA-TArequest** <[DFA-TArequest@waterboards.ca.gov](mailto:DFA-TArequest@waterboards.ca.gov)>  
Date: Fri, Sep 24, 2021 at 3:31 PM  
Subject: TA Assigned: AR 6566 - San Simeon CSD (CRWA CWSRF)  
To: WB-DFA-TArequest <[DFA-TArequest@waterboards.ca.gov](mailto:DFA-TArequest@waterboards.ca.gov)>, Dustin Hardwick <[dhardwick@calruralwater.org](mailto:dhardwick@calruralwater.org)>  
Cc: Wu, Zoe@Waterboards <[Zoe.Wu@waterboards.ca.gov](mailto:Zoe.Wu@waterboards.ca.gov)>, Dinh, Kim@Waterboards <[Kim.Dinh@waterboards.ca.gov](mailto:Kim.Dinh@waterboards.ca.gov)>, Garrett, James@Waterboards <[James.Garrett@waterboards.ca.gov](mailto:James.Garrett@waterboards.ca.gov)>, Jacob De Luna <[jdelluna@calruralwater.org](mailto:jdelluna@calruralwater.org)>, Andrew Heckman <[aheckman@calruralwater.org](mailto:aheckman@calruralwater.org)>, Dan Lafontaine <[dlafontaine@calruralwater.org](mailto:dlafontaine@calruralwater.org)>, gkellas@sansimeoncsd.org <[gkellas@sansimeoncsd.org](mailto:gkellas@sansimeoncsd.org)>, Charlie Grace <[cgrace@graceenviro.com](mailto:cgrace@graceenviro.com)>

Good afternoon Dustin,

Please be advised of the following new Technical Assistance request assignment:

System/Recipient Name: **San Simeon CSD**

Assistance Request Number (AR No.): **6552**

Technical Assistance Provider: **CRWA CWSRF**

System Contact(s):

- **Gwen Kellas**
- **Charles Grace**

Technical Assistance Scope of Work: **Rate Study + Financial Plan (including capital improvement projects)**

*Please note: RCAC is working on the drinking water Rate Study and Financial Plan.*

Additional information regarding this AR is attached. For follow-up communication, please contact the State Water Board Contract Manager for CRWA (CWSRF):

Zoe Wu

[zoe.wu@waterboards.ca.gov](mailto:zoe.wu@waterboards.ca.gov)

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State Water Board Technical Assistance Funding Program

[dfa-tarequest@waterboards.ca.gov](mailto:dfa-tarequest@waterboards.ca.gov)

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**4 attachments**



**AR 6566 Info+Contacts.xlsx**

17K



**TA Request Form\_07.01.21 (4).pdf**

309K



**1982 Sphere of influence study.pdf**

916K



**San Simeon CSD\_MHI Survey Report Final (JD 1.25.2021) (1).pdf**

5580K



Proposal To:  
**San Simeon  
Community Services District**

111 Pico Avenue  
San Simeon, CA 93452  
(805) 927-4778

**Proposal For**  
**Water and Wastewater  
Rate Study**

Submitted By:

**Tuckfield & Associates**

Contact: Mr. Clayton Tuckfield  
2549 Eastbluff Dr, #450B  
Newport Beach, CA 92660  
(949) 760-9454  
[www.tuckfieldassociates.com](http://www.tuckfieldassociates.com)



# Tuckfield & Associates

2549 Eastbluff Drive, Suite 450B, Newport Beach, CA 92660  
Phone (949) 760-9454 Fax (949) 760-2725  
Email ctuckfield@tuckfieldassociates.com

August 4, 2021

Mr. Charles Grace  
General Manager  
San Simeon Community Services District  
111 Pico Avenue  
San Simeon, CA 93452

Dear Mr. Grace:

I am pleased to submit this proposal to provide consulting services for a Water and Wastewater Rate Study for the San Simeon Community Services District (District). Over the last 20 years, I have conducted numerous water and wastewater rate studies in California as well as 15 years of previous experience conducting studies nationally. This depth of experience will benefit the District during the performance of this study.

The scope of work provided herein proposes to address the District's request for the studies. The water and wastewater rates will be designed to be equitable and defensible, meet the requirements of Proposition 218, and fund annual operating expense, capital spending, and debt service. The study will address the following objectives.

- Revenue sufficiency to fund operating and capital needs
- Appropriate levels of operating, capital, and emergency reserves
- Cost of service following appropriate standards, regulations, and guidelines
- Rates that are consistent with industry practice
- Ease of understanding and administration

Tuckfield & Associates consulting is a local firm with extensive experience in California, specializing in rate studies and capacity charge studies. Mr. Tuckfield is the President and Principal Consultant for Tuckfield & Associates, and routinely conducts rate and capacity charge studies as the sole consultant, having completed such studies in this manner for many clients, including those whose populations have exceeded 100,000. Recent and past clients in this regard include the City of Buena Park and City of Ventura. Additional experience is provided in the References section of this proposal.

I will be professionally responsible for conducting the study and will provide hands-on work effort. This will allow me to develop an intimate knowledge of the District's water and wastewater system which will be beneficial when attending meetings and presenting results and findings. All rates and fees will be developed in accordance with the American Water Works Association (AWWA) for water utilities and Water Environment Federation (WEF) for wastewater utilities as well as California State law.

I have the qualifications, experience, and capabilities to provide the services desired by the District. I have conducted successful studies for large agencies in California with a focus on smaller cities and special districts.

I look forward to working with District on this project. Should the District need any additional information, my contact information is provided below.

Very Truly Yours,

TUCKFIELD & ASSOCIATES



G. Clayton Tuckfield  
Principal Consultant  
2549 Eastbluff Drive  
Newport Beach, CA 92660  
(949) 760-9454 ph  
ctuckfield@tuckfieldassociates.com

**Proposal for  
Water and Wastewater Rate Study**

**Submitted to**

**SAN SIMEON  
COMMUNITY SERVICES DISTRICT**



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# Proposal for Water and Wastewater Rate Study

## San Simeon Community Services District

### Firm Profile

Tuckfield & Associates was founded in 1999 to provide quality consulting services to publicly-owned utilities to sustain their systems on sound rate-making principles.

The firm was founded by Mr. Clayton Tuckfield PE MBA who has over 35 years of experience conducting rate studies and capacity charge studies. Now in its 21<sup>st</sup> year, the firm has provided innovative and time-tested strategies founded on industry practice for implementing rates and charges. Tuckfield & Associates is a local firm located in Newport Beach and the performance of this project will be completed at this site.

Prior to the firm’s founding, Mr. Tuckfield served Black & Veatch Corporation for nearly 15 years in their Management Consulting Division. Mr. Tuckfield has worked with numerous cities and special districts in California and has written papers and articles for AWWA (American Water Works Association) and California Special Districts Association (CSDA) and has conducted a webinar for CSDA regarding financing projects with USDA funding.

### Key Personnel



#### Clayton Tuckfield, Principal

##### Summary

- 35 years of experience
- Over 100 rate studies
- Public Agency Specialization
- Tested Strategies
- Project Management

##### Project Responsibilities

- Project Consultant
- Financial Plan, Cost of Service, and Rate Design
- Public Meeting Presentations

#### Clayton Tuckfield, PE MBA– Project Consultant

Mr. Tuckfield will serve as the project consultant for the study and will be the primary contact with District. He will be responsible for project administration, daily performance of the project, providing all deliverables, attending and/or presenting at all meetings, and will produce key

elements of the study.

Mr. Tuckfield routinely conducts rate and capacity charge studies as the sole consultant and has completed such studies in this manner for many clients, even for those whose populations have exceeded 100,000. Mr. Tuckfield is an expert in utility financial planning, cost of service, rate structures, and utility management and is a professional dedicated to maintaining high financial and engineering standards.

Mr. Tuckfield has over 35 years of experience and has professionally performed over 100 utility cost of service and rate studies and many other financial feasibility studies. **He has performed studies for numerous communities in California ranging from the cities of Long Beach, Buena Park, Ventura, Santa Barbara, Fullerton, Loma Linda, Arroyo Grande, Grover Beach, Pismo Beach, Oakdale, and Firebaugh to special districts including Santa Ynez CSD, Nipomo CSD, Mission Hills CSD, Keyes CSD, Hilmar CWD, Delhi CSD, Seeley CWD, and many others.**

Mr. Tuckfield has an engineering degree and a master’s degree in business administration. He has prepared presentations and technical papers for trade organizations that include the American Water Works Association’s annual meeting, American Society of Civil Engineers, Arizona Finance Officers Association, and has authored a section of a webinar for the California Special Districts Association (CSDA) as well as a professional submission for CSDA’s bi-monthly magazine. A resume for Mr. Tuckfield is provided in **Appendix A** of this proposal.

Visit [www.tuckfieldassociates.com](http://www.tuckfieldassociates.com) to learn more about Tuckfield & Associates.

## Advantages

Tuckfield & Associates offers several unique advantages that will satisfy the District’s expectations for the successful implementation of proposed rate structures and rates. These include the following:

**Experience.** Having performed numerous rate and capacity charge studies concentrated in California, with additional studies conducted nationally, the firm is able to provide a depth of experience to draw upon for this study, using knowledge of methods and alternative rate structures that will be of benefit to the District. The District can be assured that quality services will be provided through our extensive experience and from our client references themselves.

**California Regulatory Requirements.** Tuckfield & Associates has experience with the California regulatory environment which will be beneficial to the District for the best outcome. Recent State legislation includes the enactment of Proposition 218, AB3030, and the state’s 20x2020 plan and these have been addressed in previous studies.

**Communication.** A critical aspect of this study is the need to communicate results to the public. Communicating the reasons for the rate increases and the impacts to customers is imperative to acceptance by the public and a successful rate implementation.



**Personalized Service.** Mr. Tuckfield works in a collaborative manner with its clients, providing consulting services in a professional and transparent manner with easy explanation of study results. **Our collaborative service creates professional relationships that have spanned a decade for some clients.**

# Qualifications

## Tuckfield & Associates Consulting

Tuckfield & Associates is a specialized consulting firm providing financial solutions for publicly owned utilities. Mr. Clayton Tuckfield, founder and principal of Tuckfield & Associates, has managed or been directly involved in publicly owned utility financial services for over 35 years. Since 1985, Mr. Tuckfield has used innovative methods combined with time-tested strategies to assist municipalities and special districts in achieving their financial goals. Clients have included public utilities, state and county governments, municipalities, and public districts.

## Services

Tuckfield & Associates provides comprehensive consulting services intended to safeguard the financial viability of the client’s multi-million-dollar utility. Key elements include financial plans that anticipate economic contractions and expansions, capital planning for improvement financing options, allocation of costs to appropriate customers based on cost causative principles, and rates that are designed to be fair and equitable. Services provided by Tuckfield & Associates include the following.

- Cost of Service and Rate Studies
- Capacity Charge Studies
- Rate Stabilization Studies
- Supporting Information for Bond Official Statements
- Capital Improvement Plan Financing Analyses
- Computer Modeling

<i>Tuckfield &amp; Associates Qualifications Summary</i>	
▪	35 years of experience
▪	Over 100 rate studies
▪	Public Agency Specialization
▪	Tested Strategies
▪	Project Management

## Commitment to Clients

Tuckfield & Associates approaches each study with the commitment to exceed our client’s expectations. Our strength lies in our proven capability to provide comprehensive, practical, and implementable programs that serve our clients, with personal relationship-driven service.

Tuckfield & Associates is highly qualified to provide the professional services requested by the District. The firm specializes in rate and capacity charge studies with extensive experience serving cities and special districts in California.

# Scope of Work

Based on our understanding of the District’s needs, the following tasks describe our proposed scope of work to complete the Water and Wastewater Rate Study and Capacity Charge Study. While the tasks listed below are consecutive, elements of certain tasks may be conducted concurrently with other tasks.

## Task 1 – Initial Meeting/Data Collection

The focus of this initial meeting with District Staff will be to define goals and objectives for the study and explore the issues generated by District Staff. The meeting serves as an important first step in assuring that all key members develop a clear understanding of the study elements and data required. Some of the major objectives of the study to be discussed include the following:

- Identify key staff members and the point of contacts for the study
- Establish roles and responsibilities for the project and data gathering
- Identify objectives, goals, and expectations for the study
- Discuss Current District Policies
- Review available funding to support District activities
- Discuss details of alternative rate structures
- Review project schedule and set dates for meetings and deliverables

Prior to the meeting, a request will be submitted to the District for information to be gathered by District Staff. The information request will include several items such as audits, budgets, master plans, design reports, capital improvement plans, billing information, debt service schedules, and several others.

**Deliverables: Request for Information**

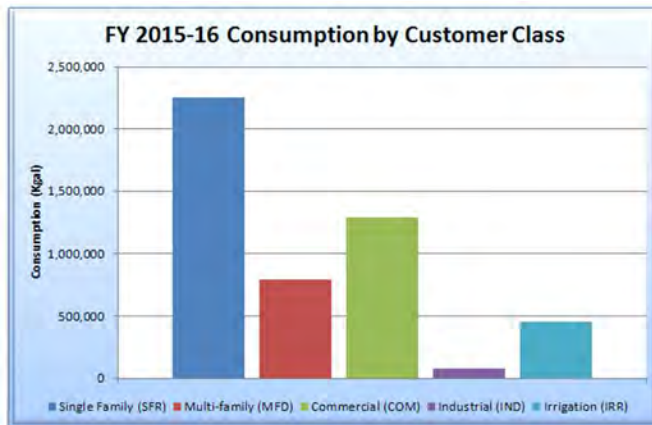
## Task 2 – Long Range Financial Planning

The objective of this task is to develop ten-year financial plans for the water and wastewater enterprises that projects the revenue and revenue requirements for the study period. This task requires an assessment of the sufficiency of revenues based on the existing rates and fee schedules, the District’s ability to meet projected revenue requirements, and the determination of the level of any revenue adjustments required with any additional financing requirements. Specific tasks include the following.

### Task 2.1: Review Financial Information, Policies, and Practice

The District’s policies regarding the financial, operating and capital reserves, and rate practices will be reviewed and evaluated. These items are essential to the long-term sustainability of the utility. From the evaluation, recommendations will be made that will enhance the utility’s ability to meet its financial goals. The policy recommendations will at least include the following.

- Target reserve levels for operating and capital programs
- Annual infrastructure replacement funding from operations
- Debt service coverage to ensure strong bond ratings



*Review and summary of billing information provides an understanding of user characteristics.*

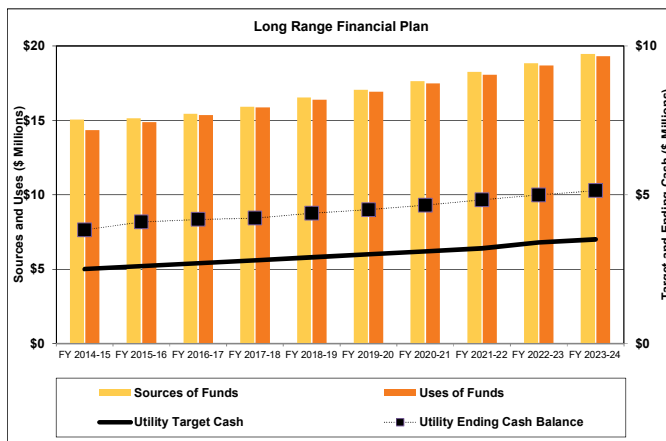
**Task 2.2: Review and Summarize Billing Information**

The customer billing information that is received from the District will be reviewed, analyzed, and summarized for use in the rate study. The information will be reviewed for accuracy and reasonableness for use to understand user characteristics. In addition to water sales information, influent flow to the wastewater treatment plant will assist in estimating wastewater flows and peaking characteristics for customer classifications.

**Task 2.3: Develop Long Range Financial Plans**

In this task, the annual revenue requirements of the water and wastewater utilities will be identified and projected. Budget items and any future obligations will be projected for a ten-year forecast period. Revenue Requirements will include operation and maintenance expenses, existing debt service, annual replacement, identification and financing of future capital improvements (CIP), transfers to/from the utility funds, and use of reserves. Revenue requirements will be projected from a review of historical results, current budget, and current economic trends while accounting for expected operational changes and system growth. Miscellaneous fees will be reviewed and updated as appropriate. Such fees may include plan check fees, inspection fees, and FOG program fees and the revenue from such fees will be projected and included into the long-range financial plan.

A ten-year pro forma cash flow will be developed to compare revenue using the existing rates to projected revenue requirements over the planning period. Revenues will be projected by developing assumptions regarding customer growth and estimated usage information. Analysis of the cash flow will determine if any revenue adjustments are needed to meet the revenue requirements while recognizing the financial planning criteria developed for each fund. The long-range financial plan developed above will be modeled such that



*The long range financial plan illustrates the stability of the revenue stream over time as well as the degree to which financial planning criteria are met.*

assumptions/variables may be changed to assess the impacts to the plan. By varying these assumptions, their sensitivity may be evaluated and the need for higher or lower revenue increases may be determined. Several options for revenue increases may be explored and presented to District Staff.

**Deliverables:** Assumptions, billing summaries, long-range financial plan alternatives

### Task 3 – Cost of Service Analyses

The cost of service phase of the study will focus on allocation of costs (revenue requirements) to customer classifications based on cost causative methodologies. The cost allocations will be developed using standards and methodologies from the AWWA, WEF, and best management practices. The cost of service analysis part of the study provides the defensibility for the selected rate structures and rates, providing compliance with Proposition 218.

#### Task 3.1: Analyze Customer Usage Patterns and Recommend Customer Classifications

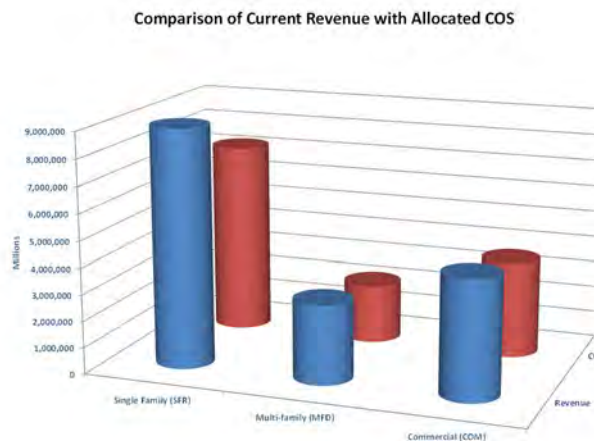
Historical billing summaries that were summarized in Task 2.2 will be reviewed and analyzed by customer classification to determine water consumption, estimate wastewater discharge volumes, and establish user characteristics. Estimates may be made assuming census persons per household.

#### Task 3.2: Allocate Costs to Functional Cost Components

The annual revenue requirements will be allocated to functional cost components following standards in the AWWA and WEF manuals of practice. Allocations of operation and maintenance expenses will be allocated separately from capital requirements of the system.

#### Task 3.3: Distribute Functional Costs to Customer Classifications

Costs that have been allocated to functional cost components are distributed to the various customer classifications based on their responsibility for the service provided. Responsibility is established from the units of service (such as HCF, HCF/day, and number of customers) applicable to each functional cost component. Unit costs are developed which are then applied back to the units of service by customer class, which determines each customer classification’s cost responsibility.



*The equity of the current rate structure and rates is assessed through a comparison of current revenue with the allocated Cost of Service.*

## Task 4 – Rate Structure Analysis and Rate Design

The rate structures that are selected for each utility should be responsive to the needs and philosophy of both the utility and its customers. The selected rate structures are a blend of what may be several competing objectives to accomplish the overall goals desired by the utility and general public. Through discussion with District staff, our evaluations of the existing rate structures and design of new rate structures will meet the expectations of the utility and public.

### Task 4.1: Evaluate Rate Structures and Calculate Rates

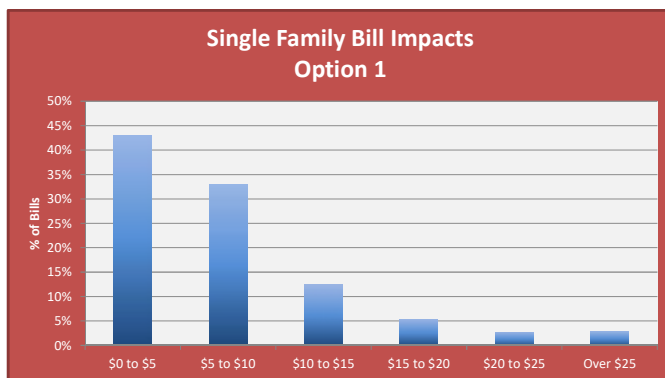
The current rate schedules will be evaluated to validate their applicability for District’s cost structure and customer base. Additionally, up to two alternative rate structures will be proposed to address the goals and objectives of the District while enhancing the fairness and equitability among the users. A recommendation will be made as to which rate structures best meets the District’s objectives.

It is intended that the recommended rate structure will result in revenue stability, will be easy to administer and understand, and comply with industry practices such as the AWWA, WEF, and federal, state, and local regulations for rate setting in California.

### Task 4.2: Determine Bill Impacts

The impact to customer bills is an important aspect of any rate change. The financial impacts to customers that results between the existing and alternative rate structure will be determined and a series of tables and figures will be created that show projected rate impacts on different types of customers at different levels of usage.

Description	Use (Kgal)	Current Bill	Proposed Bill	Percent Change
Very Low	10	\$42.76	\$44.88	5.0%
Low	20	\$62.36	\$65.45	5.0%
Median	16	\$54.52	\$57.23	5.0%
Average	22	\$67.58	\$69.57	2.9%
High	40	\$126.26	\$131.16	3.9%
Very High	50	\$158.86	\$165.38	4.1%



*The impacts to customer bills can be identified for each rate structure alternative prior to implementation.*

### Task 4.3: Bill Comparison with Other Communities

Rate schedules will be gathered from other local communities for the purpose of calculating typical bills at various levels of water and wastewater volume. The number of communities chosen for analysis will be agreed upon with the District. Example bills will be developed using the proposed rate structure and compared with typical bills of the other communities at the same volumes.

**Deliverables: Cost of service analyses, proposed rates and presentation material**

## Task 5 – Report Preparation and Models

A Draft Report will be prepared that includes forward looking financial plans, cost allocations, and proposed rates. The Draft Report will include an executive summary highlighting the major issues, assumptions, and findings and recommendations. Sections will be included that discuss the financial plans, cost allocation methodologies, design of the proposed rate structures and rates, and rate comparisons.

**Deliverables:** An electronic copy and five (5) hard copies of the draft report

Comments received will be incorporated into a Final Report for submission to the District. The Final Report and results and findings will be presented to the Board of Directors at a regular Board of Directors meeting. Models will be provided to the District and the conclusion of the study.

**Deliverables:** An electronic copy and five (5) hard copies of the final report

## Task 6 – Proposition 218 Support

Tuckfield & Associates will prepare the Proposition 218 notice for review and approval by the District’s legal counsel and will attend and present the Final Report at the Proposition 218 Public Hearing for the adoption of the new rates. To comply with Proposition 218, the notices must be sent to all property owners/customers at least 45 days prior to the Public Hearing. Additional meetings will be provided based on time at standard hourly billing rates and actual cost.

**Meeting:** One (1) on-site meeting with Board of Directors including a Public Hearing

**Deliverables:** Presentation materials for Public Hearing

## Task 7 – Annual Financial Reviews FY 2023-2026

Annual financial reviews will be provided on a date determined by the District. The purpose of the review is to ensure that the rate model accurately reflects annual fluctuation in revenues and expenses. Specific tasks, hourly work effort, and costs may be refined as agreed upon between District and Consultant, however an estimate is provided in the cost matrix near the end of this proposal.

**Deliverables:** Letter report describing actual and budgeted revenue and expenses and the degree to which the District is on track with its five-year plan

# References

Mr. Tuckfield has been providing rate consulting services for over 35 years. Listed below are representative engagements and references for studies delivered by Tuckfield & Associates. These recent and successful municipal utility financial plans and rate studies are a sample of the work provided to California communities. The studies have been prepared in conformance with



Proposition 218 and all studies use the cost of service and allocation methods described in the AWWA Manual M1 for water utilities and WEF Manual of Practice No. 27 for wastewater utilities.

## Water and Wastewater Rate Studies, Nipomo CSD, California

Tuckfield & Associates completed water rate studies for the District in 2010, 2014, 2017, and in 2020. The studies addressed the District's groundwater supply and the supplemental water costs from the City of Santa Maria.

In the 2020 study, Mr. Tuckfield assisted the District with evaluating several financial planning scenarios and rates regarding the financing and implementation of the supplemental water project. Rates were ultimately established to cover O&M and capital, without the project, to allow the District to meet its on-going obligations while the District pursued establishing an assessment district to finance the project.

In 2013, Tuckfield & Associates assisted the District for a bond offering by providing a statement of revenue, expense and debt coverage information for its Official Statement, used to secure partial financing for the supplemental water project. The financing was incorporated into the 2014 rate study which developed a supplemental water rate structure that passed at the Proposition 218 public hearing.

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### Client Reference

*Mr. Mario Iglesias*  
*General Manager*  
*Nipomo CSD*  
*(805) 929-1133*  
*Email: [miglesias@ncsd.ca.gov](mailto:miglesias@ncsd.ca.gov)*

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In 2015 and in 2021, Tuckfield & Associates conducted a Wastewater Rate Study for the District. The studies included preparing a long-range financial plan that included reserve targets, debt coverage ratios, and funding of the CIP. Wastewater rates were developed following cost of service principles from the WEF manual of practice.

## Water and Wastewater Rate Study, City of Pismo Beach, California

Tuckfield & Associates completed a comprehensive water and wastewater rate study for the City of Pismo Beach in 2007, 2013, and 2018. The 2018 study accounted for all financial aspects of the water and wastewater rates, including the Central Coast Blue new water supply source, utility debt and assessment debt, and various sub-funds of the utilities. The study included financial planning, cost of service, and rate structures for both water and wastewater. The 2018 study results were adopted by city council.

The 2013 study addressed the city's 2010 Urban Water Management Plan finding that the city needed to reduce its per capita water consumption annually to comply with SB x7-7 as well as plan for significant replacement of infrastructure. One of the water rate structures proposed included a four-block rate structure to promote conservation. Wastewater rates were developed following the WEF and SWRCB guidelines as the City has several loans through the SRF program. Both the water and wastewater proposed rates were adopted by the city council.

---

### Client Reference

*Ms. Nadia Feeser*  
*Administrative Services Director*  
*City of Pismo Beach*  
*(805) 773-7010*  
*Email: [nfeeser@pismo-beach.org](mailto:nfeeser@pismo-beach.org)*

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## Water and Wastewater Rate Study, Heritage Ranch CSD, California

Tuckfield & Associates completed a Water and Wastewater Rate Study for the District in 2017. The study's scope of work included preparing several financial plan scenarios to demonstrate the impact of the CIP on cash flow by showing revenues necessary to meet O&M, O&M with replacement, and O&M with replacement and debt financing of the CIP. The financial plan alternatives provide for maintaining cash balances at policy target levels while meeting O&M escalation, future debt service, and annual repair and replacement expenditures.

The District engaged Tuckfield & Associates again in July 2021 to perform a water and wastewater Study. The new study will include financing options for a wastewater treatment plant expansion.

---

### Client Reference

*Mr. Scott Duffield  
General Manager  
Heritage Ranch CSD  
(805) 470-3140  
Email: [scott@heritageranchcsd.com](mailto:scott@heritageranchcsd.com)*

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## Water and Wastewater Rate Study, City of Arroyo Grande, California

Tuckfield & Associates completed a water and wastewater rate study for the City of Arroyo Grande in March of 2020 and was engaged again for an update in July 2021. The 2020 study initially included water, wastewater and storm water enterprises, however, was reduced to water and wastewater based on legal issues related to storm water rate implementation.

Tuckfield & Associates developed financial plans, cost of service, and rates for water and wastewater service. The water enterprise analyses included developing rates with and without the Central Coast Blue Project while developing a tiered rate structure for single-family residential customers while accounting for irrigation as a separate class for other customers. Wastewater rates were developed that included a mostly volumetric rate that accounted for wastewater contributed return volume of single-family residential, multifamily, and commercial classifications. Wastewater treatment is provided by the South San Luis Obispo County Sanitation District as fixed charges to the city's customers.

---

### Client Reference

*Mr. Shane Taylor  
Utilities Manager  
City of Arroyo Grande  
(805) 473-5464  
Email: [staylor@arroyogrande.org](mailto:staylor@arroyogrande.org)*

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## Water Rate Study, City of Buena Park, California

Tuckfield & Associates completed a water financial plan and rate study for the City of Buena Park in 2016 and in 2021 which is on-going. The 2016 study scope of work included (1) preparing a long-range financial plan that includes assessment of current revenues to meet the current and future obligations of the water fund, establishing operating and capital reserve policies, and incorporating financing of the proposed capital improvement program (CIP) spending plan and (2) design of an appropriate rate structure that complies with Proposition 218.

Three financial plan alternatives were prepared and discussed with City Staff that funded the same CIP but with various combinations of cash, bond financing, and annual revenue increases. The cost of service and rate portion of the study included a review and justification of the City’s current rate structure and rates and preparing two tiered-rate structure alternatives. The rate structures addressed the recent San Juan Capistrano court decision regarding conservation rates by preparing a new tiered rate structure to replace the current conservation rate structure while also developing a uniform volume rate structure for all customers. The rates were adopted by city council.

**Client Reference**

*Mr. Nabil Henein, PE  
 Director of Public Works  
 City of Buena Park  
 (714) 562-3672  
 Email: [nhenein@buenapark.com](mailto:nhenein@buenapark.com)*

# Schedule

Tuckfield & Associates has a strong track record of meeting client schedules. Our experience in performing rate studies enables us to meet the District’s goals in a timely and efficient manner. A suggested time-line schedule is presented below in a graphical format showing key milestone and target dates. Tuckfield & Associates is capable of presenting the study within six months of notice-to-proceed. The schedule is approximate based on timely receipt of information and acceptance of the study by the District and public. The time-line can be adjusted to meet the District’s specific needs.

San Simeon Community Services District Water and Wastewater Rate Study - Project Schedule																
Major Task Description	Calendar Days from Notice to Proceed															
	NTP	8	22	36	50	64	78	92	106	120	134	148	162	176	190	221
Initial Meeting & Data Collection	█															
Long Range Financial Plan		█	█	█	█											
Cost of Service				█	█	█	█									
Rate Structure Analysis and Rates				█	█	█	█	█	█							
Draft Report										█						
Receive Comments											█					
Final Report												█				
Present Draft Final Report													█			
Proposition 218 Support														█		
Present at Public Hearing																█
Meetings					1							2				3

Meeting 1 - Presentation to Board of Directors  
 Meeting 2 - Final Report Presentation  
 Meeting 3 - Public Hearing

# Proposed Fee

Tuckfield & Associates provides comprehensive studies with competitive pricing and billing rates. We propose to accomplish the tasks described in our scope of work section for a cost not-to-exceed estimate of \$29,900. Annual financial reviews are provided as an estimate of about \$7,500 each.

The cost estimate is based on our standard hourly billing rates and the number of hours estimated to complete each task. Direct expenses will be billed at cost and will include expenses related to travel, mileage, printing, and other direct costs. A cost schedule showing personnel, estimated hours, hourly billing rates, out-of-pocket expenses, and total estimated project cost is provided below.

Additional meetings can be provided at our standard hourly billing rates with direct actual expenses. Invoices for work effort associated with the rate studies will be invoiced monthly and payable within 30 days of the invoice date.

## San Simeon Community Services District Water and Wastewater Rate Study - Detailed Cost Breakdown

Major Task Description	Rate Study			Each Annual Review			
	Hours			Hours			
	On-site Meeting	Clayton Tuckfield	Total Budget	On-site Meeting	Clayton Tuckfield	Total Budget	
	Hourly Rate		\$175			\$175	
<b>Task 1: Data Collection</b>		2	\$350				
<b>Task 2: Long Range Financial Plans</b>							
Task 2.1: Review Financial Info, Policy & Practice		4	\$700				
Task 2.2: Review and Summarize Billing Info		18	\$3,150				
Task 2.3: Develop Long Range Financial Plans	1	33	\$5,775				
<b>Task 3: Cost of Service Analyses</b>							
Task 3.1: Analyze Customer Usage Patterns & Classes		12	\$2,100				
Task 3.2: Allocate Costs to Cost Components		14	\$2,450				
Task 3.3: Distribute Costs to Customer Class		10	\$1,750				
<b>Task 4: Rate Analysis and Design</b>							
Task 4.1: Evaluate Rate Structures & Calc Rates		24	\$4,200				
Task 4.2: Determine Bill Impacts		10	\$1,750				
Task 4.3: Bill Comparison with Other Communities		6	\$1,050				
<b>Task 6: Report Preparation and Models</b>	1	16	\$2,800				
<b>Task 6: Proposition 218 Support</b>	1	12	\$2,100				
<b>Task 7: Annual Financial Review</b>				1	40	\$7,000	
	<b>Total</b>	<b>3</b>	<b>161</b>	<b>\$28,175</b>	<b>1</b>	<b>40</b>	<b>\$7,000</b>
	<b>Other Direct Costs (ODCs): Travel, Mileage &amp; Printing:</b>		<b>\$1,725</b>			<b>\$483</b>	
	<b>Total Study Cost:</b>		<b>\$29,900</b>	<b>Each Annual Review:</b>		<b>\$7,483</b>	

# Appendix A

## Resume

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A resume for Clayton Tuckfield is provided in Appendix A.

# Clayton Tuckfield, PE MBA

Principal, Tuckfield & Associates Consulting

## Education

M.B.A. – Finance,  
University of Kansas,  
Lawrence, KS, 1985

B.S. – Mechanical  
Engineering, Kansas State  
University, 1980

## Registration

Professional Engineer:  
Kansas

## Years of Experience

35

## Presentations

CSDA 2011 Nov/Dec  
Magazine

CSDA 2011 Rate Webinar

AWWA Annual Conference  
and Exposition  
Toronto, Canada

ASCE, Phoenix, AZ

AFOA, Phoenix, AZ

Mr. Tuckfield is the Principal of Tuckfield & Associates consulting. He has over 35 years of experience serving in various capacities on work performed for publicly owned water and wastewater utilities. Mr. Tuckfield has performed a variety of financial feasibility and economic analyses studies including utility cost of service and rate design studies, impact fee studies, development of pro forma statements of revenue and operating expense, cash flow analyses, preparation of engineer's reports for revenue bond official statements, valuations of facilities use plans, preparation of alternative financing plans for capital improvement programs, and development of training material for presentation to international interest groups.

Mr. Tuckfield has conducted or managed over 100 water and wastewater rate studies for various cities and special districts in California and nationwide. Clients have included the cities of Long Beach, Ventura, Buena Park, Fullerton, and Loma Linda and special districts including Nipomo CSD, Heritage Ranch CSD, Templeton CSD, Keyes CSD, Hilmar CWD, and for many other clients.

**Water and Wastewater Utility Rate Studies, City of San Buenaventura, Ventura, California.** Mr. Tuckfield has performed rate study updates almost on an annual basis for the City from 1990 through 2010. In the most recent study, Mr. Tuckfield worked with City Staff to extend the study period to 10 years, develop various cash flow scenarios for alternative CIP plans, expand water customer classifications to reflect actual operations, developed analyses regarding the City's outside rate differential, and presented draft results to City Staff. He has also prepared information for City Staff's use for conducting internal meetings on an as needed basis.

**Water and Wastewater Cost of Service and Rate Study, Long Beach, California.** Mr. Tuckfield was responsible for cost of service and rates for the water and wastewater utilities for the City. The project work included development of utility rates to promote water conservation and to allow easy implementation and acceptance. The work effort also included development of computer models to enable the Department to annually review utility rates. The project included working closely with a departmental task force to develop alternative rate structure for eventual implementation.

## Representative Water and Wastewater Rate Studies

- City of Avondale, AZ
- City of Arroyo Grande, CA
- City of Battle Creek, MI
- City of Brawley, CA
- City of Buena Park, CA
- City of Charleston, SC
- City of Georgetown, TX
- City of Grover Beach, CA
- City of Homestead, FL
- City of Imperial Beach, CA
- City of Imperial, CA
- City of Kalamazoo, MI
- City of Pismo Beach, CA
- City of Santa Cruz, CA
- Santa Barbara, CA
- City of Sioux City, IA
- City of Sioux Falls, SD
- City of Westmorland, CA



# Clayton Tuckfield, PE MBA

*Principal, Tuckfield & Associates Consulting*

- City of Chesapeake, VA
- City of El Monte, CA
- City of Fayetteville, AR
- City of Firebaugh, CA
- City of Flagstaff, AZ
- City of Florence, AZ
- City of Fullerton, CA
- City of Loma Linda, CA
- City of Long Beach, CA
- City of Modesto, CA
- City of Oakdale, CA
- City of Orange Cove, AZ
- City of Peoria, AZ
- City of Phoenix, AZ
- DuPage County, IL
- Hilmar County WD, CA
- Mission Springs WD, CA
- Nipomo CSD, CA
- San Miguel CSD, CA
- Templeton CSD, CA
- Town of Cave Creek, AZ

## Representative Municipal Bond Feasibility Studies

- City of Alexandria, LA
- City of Kansas City, MO
- City of Owensboro, KY
- City of Firebaugh, CA
- City of Salem, OR
- City of Tacoma, WA
- Eugene Water & Elec, OR
- City of Livingston, CA
- Litchfield Park, AZ
- Memphis Gas, Water, TN
- San Dieguito WD, CA
- City of Buena Park, CA

## Other Feasibility Studies

- City of Brownsville, TX - Electric Utility Rate Study
- City of Detroit, MI - Organizational Study
- City of Phoenix, AZ - Impact Fee Review
- County of Maui, HI - Pretreatment Program
- Imperial Irrigation District, CA - Financial Feasibility Study
- Imperial Valley Task Force, CA - Financial Alternatives Study
- MWD of Southern California, CA - Review of New Demand Charges
- Saudi Consolidated Electric Co. - Electric Generation Dispatch Model
- Texas A&M University, TX - Power Supply Alternatives Study
- United Water Conservation District - Water Supply Pricing Model

## Publications/Presentations

"Value of Rate Study in Project Finance", CSDA November/December 2011 Magazine, Sacramento, California

"Role of Rate Study with USDA Financing", CSDA Webinar, September 22, 2011, Sacramento, California

"Committee Involvement Facilitates Rate Implementation", AWWA Annual Conference and Expo, Toronto, Canada 1996

"Arizona Utility Rates", ASCE Arizona Fall Conference, Phoenix, Arizona 1997

"Utility Rate Seminar", Arizona Finance Officers Association, Spring Meeting, Flagstaff, Arizona 1998



# San Simeon Community Services District

Water and Wastewater Rate Study

Robert D. Niehaus, Inc. | July 1, 2021  
Ichiko Kido 805-618-2968 | [Ichiko@rdniehaus.com](mailto:Ichiko@rdniehaus.com)  
140 East Carrillo Street, Santa Barbara, CA 93101

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July 1, 2021

**San Simeon Community Services District**

Attn: Charles Grace, General Manager  
9345 Balboa Ave, San Simeon, CA 93452  
P: 805-927-0365  
E: cgrace@graceenviro.com

**Robert D. Niehaus, Inc.**

Ichiko Kido, Senior Financial Analyst  
140 E Carrillo St, Santa Barbara, CA 93101  
P: 805.962.0611  
E: ichiko@rdniehaus.com

**SUBJECT: RDN Proposal for San Simeon Community Services District Water and Wastewater Rate Studies**

Dear Mr. Grace,

Robert D. Niehaus, Inc. (RDN) is pleased to submit our quote to conduct water and wastewater rate studies (Study) for the San Simeon Community Services District (District). RDN is a boutique economic and financial consulting firm that specializes in providing rate- and fee-setting services to smaller California water agencies. We are confident that our experience and our unique combination of financial and economic expertise will deliver water and wastewater rate studies that benefit the District and its customers.

We understand the importance of securing adequate funding for the District's capital improvement projects in the planning horizon. As economists, we leverage econometric analyses to provide a more accurate forecast of costs and revenue, such as precise itemized cost escalation of operating costs and multi-leveled, in-depth customer demand projections. We have successfully employed this approach to ensure adequate funding and the successful timing of capital improvement projects for our clients throughout the state. We also conduct extensive bill impact analyses as part of the rate design process. This analysis allows us to refine rate alternatives until we identify the structure that poses the least impact on customers while still meeting revenue requirements. Incorporating these analyses allows us to develop defensible rate recommendations that will equip the District with the necessary funds to meet CIP and operational goals.

We are proud of the team and resources we can offer the District on this important project. Please coordinate with Ichiko Kido, Program Manager and Senior Financial Analyst, (805) 962-0611, Ichiko@RDNiehaus.com, if you would like to discuss our proposal, which is valid for a 120-day period. We look forward to a successful, collaborative, and productive partnership.

Respectfully submitted,



Robert Niehaus, Ph.D.  
Managing Director, Principal Economist



Ichiko Kido, M.B.A.  
Program Manager, Senior Financial Analyst



## **Task 1. Project Management/Meetings**

RDN is committed to providing transparent project management that fosters collaboration and ensures study success. We will prepare a Project Management Plan that will guide project administration. Our quality assurance processes will ensure that products are delivered error-free. Ahead of the kick-off meeting, we will provide the District with a detailed data request form. At the kick-off meeting, we will solidify the project timeline and priorities. We will also hold bi-weekly meetings to discuss project progress.

## **Task 2. 10-Year Financial Plan**

RDN will meticulously review District data to develop a 10-year financial plan based on revenue generated from current rates, fees, and other revenue sources, budgeted and projected expenses, potential debt service payments, and reserve contributions for both water and wastewater systems individually. The cash flow projections and revenue requirements will plan for the study period. For our projections, we use an econometric, data-driven approach that provides the highest level of accuracy and reliability for the District's financial plan.

## **Task 3. Cost of Service Analysis**

RDN will allocate costs among customers commensurate with their service requirements. We will evaluate existing customer classes and recommend changes to cost allocations, as necessary. The cost of service analysis will ensure that costs are equitably distributed to ratepayers in compliance with Proposition 218 and that established rates adequately cover the costs to provide reliable service. To conduct the analysis, we will employ methodologies approved by the American Water Works Association *Manual M1: Principles of Water Rates, Fees and Charges* and the Water Environment Federation (WEF) *Manual 27: Financing and Charges for Wastewater Systems* and ensure the analysis meets industry standards.

As part of this analysis, we will evaluate the service requirements of the California Department of Parks and Recreation's use of the District's wastewater treatment facilities based on their discharge flow and strength as well as the capacity necessary to provide service. We provide recommendations for an appropriate pricing structure which can be incorporated into contract renewal with California Parks.

## **Task 4. Water and Wastewater Rate Design**

RDN will design water and wastewater rates that follow cost-of-service ratemaking principles as outlined in the AWWA M1 and WEF. We will review the District's current rate structures for all customer classes and provide recommendations on how to balance fixed and volumetric charges to ensure revenue adequacy while maintaining rate affordability. Recommended rates will have a clear connection between the costs and pricing to ensure compliance with all legal requirements, including Proposition 218.

## **Task 5. Reports and Models**

RDN will provide final executive reports and Microsoft Excel models for the rate studies to District staff upon project completion. Our reports will describe the process of the rate studies in sufficient detail to meet Proposition 218 and all other relevant legal requirements.

## **Task 6. Proposition 218 Support**

RDN's Proposition 218 support will include Proposition 218 notice design and presentations that effectively communicate the District's message to customers. Our cost proposal assumes that the District will print and mail notices. RDN can add printing and mailing to the scope of this project, if desired.

## **Task 7. Annual Financial Reviews FY 2023-26**

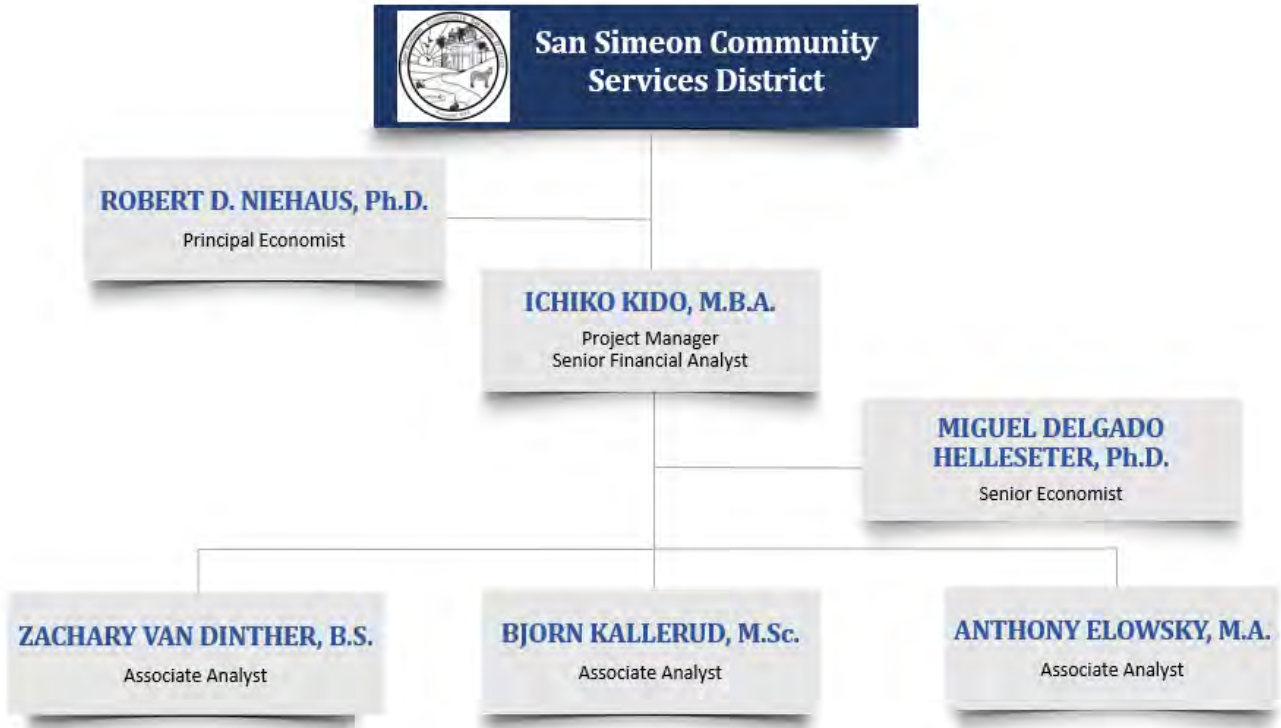
After the successful implementation of new rates, RDN recommends an annual financial review to ensure the rate model accurately reflects annual fluctuations in expenses and revenues. We will review two of the more volatile

inputs to the rate model: available PAYGO amount and actual customer demand. The resulting analysis will equip the District to make any necessary financial decisions and finalize rate adjustment for the following year.

### Project Team

RDN’s proposed project team is led by our principal economist, Dr. Robert Niehaus, and project manager, Ichiko Kido. Ms. Kido will serve as the District’s main point of contact and lead the conduct of data collection, analysis, rate-setting, and report drafting. Brief resumes for all team members are provided on the following pages, as well as each member’s proposed project role.

Figure 1: RDN Project Team





## Robert D. Niehaus, Ph.D.

PROJECT DIRECTOR, PRINCIPAL ECONOMIST



### Project Role and Responsibilities:

- Oversee all aspects of the rate- and fee-making process
- Assure timely, high-quality, within-budget performance and the District's complete satisfaction with all efforts on this Project
- Review all deliverables for accuracy and economic rigor
- Lead major internal project meetings

### Experience and Qualifications:

- 46 years of experience (38 with the firm)
- Conducted hundreds of comparable water and resource projects including California City; California Rural Water Association; Napa County; Mid-Peninsula Water District;
- Received his Ph.D. in Economics from the University of Maryland

## Ichiko Kido, M.B.A.

PROJECT MANAGER, SENIOR FINANCIAL ANALYST



### Project Role and Responsibilities:

- Lead all day-to-day aspects of the rate- and fee-setting process
- Serve as primary point of contact between RDN and the District
- Develop and maintain the rate & fee models for financial planning, rate & fee design, capital funding, and reserve policies
- Present the study findings to District staff and the public

### Experience and Qualifications:

- 30 years of experience (15 with the firm)
- Expertise in financial analysis; COS analysis; rate & fee design; model design; state regulations & legislation
- Financial, rate & fee consulting experience with California City; Mid-Peninsula Water District; Santa Clarita Valley Water Agency; Palmdale Water District; Napa County

## Miguel Delgado Hellester, Ph.D.

TECHNICAL REVIEWER, SENIOR ECONOMIST



### Project Role and Responsibilities:

- Data management advisor to assure the quality and accuracy of the data produced using R and Stata
- Review methodologies of demand projections and programming

### Experience and Qualifications:

- 21 years of experience (10 with the firm)
- Finance/Rate Review Experience with water agencies including Rosamond CSD and Palmdale Water District
- Expertise in analyses of water agency budgets, water demand forecasting, water rate elasticity estimates, and demographic forecasting

## Anthony Elowsky, M.A.

ASSOCIATE ANALYST



### Project Role and Responsibilities:

- Work at the direction of Ms. Kido to organize and analyze District data
- Prepare rate and fee comparisons
- Produce long-term expense projections

### Experience and Qualifications:

- 20 years of experience (five with the firm)
- Financial/rate consulting experience with the California Rural Water Association, Palmdale Water District, Mid- Peninsula Water District, Quartz Hill Water District, Hi-Desert Mutual Water Company, and Orsi Public Utility District

## Bjorn Kallerud, M.Sc.

ASSOCIATE ANALYST, ECONOMIST



### Project Role and Responsibilities:

- Employ econometric modelling on possible use scenarios and develop revenue and expense projections

### Experience and Qualifications:

- Six years of experience (four with the firm)
- Specializes in data science & econometric modelling using statistical programming languages R and Python
- Financial/rate consulting experience with Quartz Hill Water District; Santa Clarita Valley Water Agency; California Rural Water Association

## Zachary Van Dinter, B.S.

ASSOCIATE ANALYST



### Project Role and Responsibilities:

- Collect and analyze data from agencies' budgetary documents and customer billing records

### Experience and Qualifications:

- Three years of experience (one with the firm)
- Worked and performed research for Dr. Janice Beecher at the Institute of Public Utilities at Michigan State University
- Financial/rate consulting experience with the California Rural Water Association, Quartz Hill Water District, and City of California City.



## References

With over 90 percent of our work resulting from repeat business, RDN prides itself on continuing relationships that we have developed over three decades of consulting. We invite you to contact our references to verify our quality of service on similar engagements. These projects are highlighted in the Previous Rate Structures Section.

### Quartz Hill Water District

#### **Water Rate Study (August 2020 - January 2021)**

*RDN staff: Niehaus, Kido, Helleseeter, Elowsky, Kallerud, and Van Dinther*

Quartz Hill Water District engaged RDN to design a water budget rate structure that ensures revenue stability, financial sufficiency, and provides the appropriate price signals for different supply costs, peaking costs, and conservation program funding for the District. We improved the outdoor water budget allocations using GIS data, complementing the District's long-term goals to ensure water efficiency and support water supply management. The budget-based rate structure was also simplified to improve customer understanding. RDN is currently providing Proposition 218 support, and rates are scheduled to be implemented in January 2021.

#### **Chad Reed**

General Manager  
661-943-3170  
5034 W Ave L  
Quartz Hill, CA 93536

### Napa County

#### **Water and Wastewater Rate Studies (2020 – Ongoing)**

*RDN staff: Niehaus, Kido, Helleseeter, Elowsky, and Kallerud*

Napa County retained RDN on behalf of Napa Berryessa Resort Improvement District (NBRID) and Lake Berryessa Resort Improvement District (LBRID) to conduct water and wastewater cost of service studies. From the outset, both Districts desired financial stability for each utility system while maintaining affordable rates for their economically disadvantaged communities. RDN stabilized the 10-year financial plan and cash reserve policy, evaluating the operating and capital expenses, debt service, and reserve requirements to mitigate financial risk. Defensible and affordable rates were designed with low-income residents in mind.

#### **Annamaria Martinez**

Assistant Engineer  
707-259-8378  
804 First Street  
Napa, CA 94559

### California Rural Water Association

#### **Water and Wastewater Rate Studies (2018 – Ongoing)**

*RDN staff: Niehaus, Kido, Helleseeter, Elowsky, and Kallerud*

RDN has partnered with the CRWA to conduct approximately a dozen water and wastewater rate studies annually, supporting utilities in economically disadvantaged communities. We work to inform how and when capital improvements may be implemented within the financial capacity of each agency to ensure utility rates are within reach of households they serve. A complete picture of each community's financial stability is considered, with our financial plans and cash flow forecasts accounting for regional economic factors that influence the effective burden of program financing. Affordability for essential use, revenue stability, ease of administration, customer equitability, and Proposition 218 support are pillars of our proposed solutions.

#### **Dustin Hardwick**

Director of Resource Development  
760-920-0842  
1234 N Market Blvd  
Sacramento, CA 95834

## Cost Proposal

The table below presents our not-to-exceed cost proposal to conduct water and wastewater rate studies for San Simeon Community Services District. The hours for Task 7 in the following table reflect the total hours for FY 2023-2026, where RDN's labor rates escalated by three percent annually. Our not-to-exceed proposal for the Study and annual financial reviews through FY 2026 is \$44,934.

**Table 1: RDN Quote for Water and Wastewater Rate Study for San Simeon Community Services District**

Tasks	Robert D. Niehaus, Inc.			Total Hours	Total Cost
	Principal	Senior Analyst	Associate Analyst		
<b>Task 1. Project Management/Meetings</b>	-	20	20	<b>40</b>	<b>\$6,100</b>
<b>Task 2. 10-Year Financial Plan</b>	2	20	22	<b>44</b>	<b>\$6,940</b>
<b>Task 3. Cost of Service Analysis</b>	-	8	8	<b>16</b>	<b>\$2,440</b>
<b>Task 4. Water and Sewer Rate Design</b>	2	20	16	<b>38</b>	<b>\$6,160</b>
<b>Task 5. Reports and Models</b>	2	18	24	<b>44</b>	<b>\$6,850</b>
<b>Task 6. Proposition 218</b>	-	8	16	<b>24</b>	<b>\$3,480</b>
<b>Materials, Travel, and Other Costs</b>					<b>\$1,200</b>
<b>Total Hours</b>	<b>6</b>	<b>94</b>	<b>106</b>	<b>206</b>	
<b>Hourly Rate</b>	\$290	\$175	\$130		
<b>Total Project Costs</b>	<b>\$1,740</b>	<b>\$16,450</b>	<b>\$13,780</b>	<b>\$33,170</b>	

**Table 2: RDN Quote for Annual Financial Reviews for San Simeon Community Services District**

Additional Tasks	Robert D. Niehaus, Inc.			Annual Hours	Annual Cost
	Principal	Senior Analyst	Associate Analyst		
<b>Annual Financial Review*</b>	1	8	8		
<b>Hourly Rate by Fiscal Year</b>					
Fiscal Year 2023	299	180	134	<b>17</b>	<b>\$2,812</b>
Fiscal Year 2024	308	186	138	<b>17</b>	<b>\$2,896</b>
Fiscal Year 2025	317	191	142	<b>17</b>	<b>\$2,983</b>
Fiscal Year 2026	326	197	146	<b>17</b>	<b>\$3,073</b>
<b>Total Task Costs</b>	<b>\$1,250</b>	<b>\$6,033</b>	<b>\$4,482</b>	<b>\$11,764</b>	

\*For Annual Financial Reviews, RDN's labor rates are escalated by 3 percent annually.







**SAN SIMEON**  
Community Services District

# Proposal for a Water and Sewer Rate Study



*August 27<sup>th</sup>, 2021*



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS







**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS

2625 Alcatraz Ave, #602  
Berkeley, CA 94705  
Tel 510 653 3399  
www.bartlewells.com

August 24, 2021

San Simeon Community Services District  
111 Pico Avenue  
San Simeon, CA 93452

Attn: Charles Grace, General Manager

Re: Proposal for a Water and Sewer Rate Study

Bartle Wells Associates (BWA) is pleased to submit a proposal to develop a water and sewer rate study for the San Simeon Community Services District. Since 1964, our firm has specialized in providing independent financial and utility rate consulting services to California water and wastewater agencies. We offer an unmatched level of financial planning expertise and are the only firm in California to provide both financial advisory services for project financing as well as utility rate consulting services.

We have served over 600 public agencies throughout California and the western United States. Bartle Wells Associates has extensive experience providing water and sewer rate studies for central coast agencies including the Cities of Paso Robles, King City, Solvang, Morro Bay and Guadalupe as well as San Miguel CSD and Cambria CSD. We will bring our knowledge gained from working on these projects to our work for the District.

We have helped many similar agencies develop strategic financial plans to address escalating costs related to operating and long-term infrastructure needs. We have also assisted many agencies in modifying their existing rate structures to provide a better balance of revenue stability, customer equity, and compliance with the evolving interpretations of Proposition 218. Our rate studies are based on a comprehensive analysis of each agency's costs, customer base characteristics, and demands to ensure rate structure recommendations reflect local needs and objectives.

We are very interested in working with the District on this project and hope this submission provides a suitable basis for our selection. We are prepared to complete the project according to the District's scheduling needs and within eight months of a notice to proceed and appreciate your consideration. Please do not hesitate to contact us if you have any questions or would like additional information.

Sincerely,

Douglas R. Dove, PE, CIPMA  
Principal/ President

Erik Helgeson, MBA  
Assistant Vice President



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**Bartle Wells Associates**  
**2625 Alcatraz Ave #602**  
**Berkeley, CA 94705**  
**510.653.3399**

BWA Contacts

Doug Dove, PE, CIPMA

Tel: 510.853.2336

E-mail: [ddove@bartlewells.com](mailto:ddove@bartlewells.com)

Erik Helgeson, MBA

Tel: 509.998.7602

E-mail: [erik@bartlewells.com](mailto:erik@bartlewells.com)

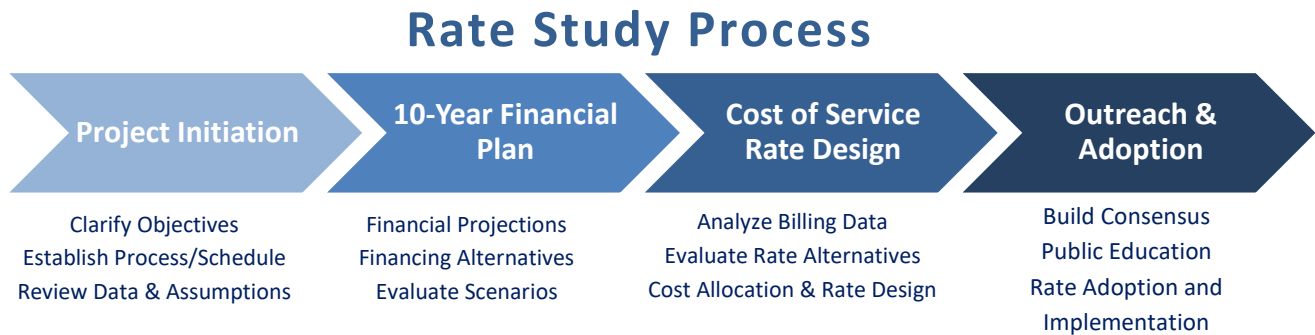
Bartle Wells Associates was established in 1964 and is a California Corporation and certified State of California Small Business. Our Federal Tax ID number is 94-1664409

# Executive Summary



## Project Process & Objectives

BWA will develop a comprehensive, cost of service based, water and sewer rate study with the goal of helping the District implement a series of rates for upcoming years that a) fund the District’s projected costs of providing service, b) maintain financial stability, and c) are fair to all customers. Our general rate study process is summarized in the following graphic:



Key tasks of our study will include:

- **10-year Water & Sewer Utility Financial Plans:** Develop comprehensive 10-year financial plan for the District’s water and sewer utilities. The plans will facilitate evaluation of a range of scenarios and assumptions, and serve as financial roadmaps for funding projected operating, maintenance and capital programs while maintaining long-term financial stability. The financial plan will include evaluation of financing alternatives for capital projects, recommendation of fund reserve targets, and development of a strategy for funding long-term repairs, replacements, and other capital needs.
- **Cost of Service Rate Analysis:** Develop an updated cost-of-service analysis to support proposed water, and sewer rates. The goal will be to recommend rates that a) reflect the underlying costs of providing service, b) are fair and equitable to all customers, c) are easy to understand and administer, d) provide a prudent balance of conservation incentive and revenue stability, and e) comply with the substantive legal requirements

**Build Consensus for Final Recommendations:** BWA has a strong track record of building consensus and public acceptance for final recommendations. Rate and fee adjustments can be controversial. We have found that ratepayers are more accepting of rate increases when they both understand the need for the increases and believe they are being treated fairly. BWA will present a summary of recommendations at Board meetings and can assist with public outreach efforts. Our goal will be to build consensus and public acceptance for final recommendations.



# Section 1: Firm Organization and Project Team



## **BARTLE WELLS ASSOCIATES**

**Leaders in Water, Wastewater & Stormwater Rates and Finance Since 1964**

Bartle Wells Associates (BWA) is an independent financial advisory firm with expertise in the areas of water, wastewater, and stormwater finance. BWA was established in 1964 and has over 50 years of experience advising cities, special districts, and other agencies on the complexities and challenges in public finance. We have advised over 600 public agency clients throughout California and the western United States. We have a diversity of abilities and experience to evaluate all types of financial issues faced by local governments and to recommend the best and most-practical solutions.

Bartle Wells Associates has a highly qualified professional team of five consultants. Our educational backgrounds include finance, civil engineering, business, public administration, public policy, and economics.

BWA specializes in three professional services: utility cost-of-service rate and fee studies, financial plans, and project financing. We are one of the few independent financial advisors providing *all three* of these interrelated services to public agencies.



**RATE AND FEE STUDIES** Our rate studies employ a cost-of-service approach and are designed to maintain the long-term financial health of a utility enterprise while being fair to all customers. We develop practical recommendations that are easy to implement and often phase in rate adjustments over time to minimize the impact on ratepayers. We also have extensive experience developing impact fees that equitably recover the costs of infrastructure required to serve new development. BWA has completed hundreds of utility rate and fee studies. We have helped communities implement a wide range of rate structures and are knowledgeable about the legal requirements governing rates and impact fees. We develop clear, effective presentations and have represented public agencies at hundreds of public hearings to build consensus for our recommendations.

**FINANCIAL PLANS** Our financial plans provide agencies with a flexible roadmap for funding long-term operating and capital needs. We evaluate the wide range of financing options available, develop a plan that recommends the best financing approach, and clearly identify the sources of revenue for funding projects and repaying any debt. We also help agencies develop prudent financial policies, such as fund reserve targets, to support sound financial management. BWA has developed over 2,000 utility enterprise financial plans to help public agencies fund their operating and capital programs, meet debt service requirements, and maintain long-term financial health.

**PROJECT FINANCING** Our project financing experience includes over 300 bond sales and numerous bank loans, lines of credit, and a range of state and federal grant and loan programs. We generally recommend issuing debt via a competitive sale process to achieve the lowest cost financing possible. To date, we have helped California agencies obtain over \$5 billion of financing via bonds, bank loans/private placements, lines of credit, low-rate State Revolving Fund Loans, and other funding programs. We work only for public agencies; we are independent financial advisors and do not buy, trade, or resell bonds. Our work



is concentrated on providing independent advice that enables our clients to finance their projects on the most favorable terms—lowest interest rates, smallest issue size, and greatest flexibility.

Bartle Wells Associates is a charter member of the **National Association of Municipal Advisors (NAMA)**, which establishes strict criteria for independent advisory firms. All of our lead consultants are *Certified Independent Professional Municipal Advisors* and are Registered Municipal Advisors.



**BWA has served over 550 public agencies throughout California and the western United States.**

Bartle Wells Associates is committed to providing value and the best advice to our clients. Our strength is *quality*—the quality of advice, service, and work we do for all our clients.

**EXPERIENCE** BWA has extensive experience developing long-term financial plans, utility rates, and capacity fees for public agencies from all areas of California and the western U.S. In recent years, we have completed assignments for many agencies including:

Sample Water/Sewer/ Stormwater Districts

- Monterey One Water
- South San Luis Obispo County San District
- San Miguel Community Services District
- Rio Linda/ Elverta Community Water District
- Alameda County Water District
- Cambria Community Services District
- Sonoma County Water Agency
- Mid-Peninsula Water District
- Novato Sanitary District
- Silicon Valley Clean Water
- Ramona Municipal Water District
- East Bay Municipal Utility District
- Sausalito-Marín City Sanitary District
- Union Sanitary District
- Novato Sanitary District
- Montara Water & Sanitary District
- West Valley Sanitation District
- Joshua Basin Water District
- Napa Sanitation District

Sample Cities

- City of Paso Robles
- City of Morro Bay
- City of Modesto
- City of San Mateo
- City of King
- City of Guadalupe
- City of Fresno
- City of San Carlos
- City of Davis
- City of Santa Barbara
- City of Solvang
- City of Berkeley
- City of Monterey
- City of Sunnyvale
- City of Millbrae
- City of Vacaville
- City of Santa Clara
- City of Sunnyvale
- City of Mountain View

## PROJECT TEAM

Our general project approach is to work closely with staff and other members of the project team, identify objectives, set milestones, have frequent communication, and remain flexible to resolve unanticipated issues.

Bartle Wells Associates approaches each project with a highly-qualified professional team. Our education and backgrounds include finance, civil engineering, business, public administration, public policy, and economics. Bartle Wells Associates has a long track record of completing projects on time and on or under budget.

Bartle Wells Associates will perform all work related to this assignment and does plan to use any subcontractors for this project. Our consulting staff has availability to assist on this project as needed to ensure all project work and deliverables are completed on schedule.

### **Doug Dove (BWA), Principal Consultant**

Doug Dove is President of BWA and one of BWA's principal consultants. He has more than 30 years of professional experience, specializing in all areas of public finance, including utility rate setting, capacity fee implementation, strategic financial planning and infrastructure financing. He has extensive experience developing strategic financial plans and utility rate studies and has consulted for more than 200 California agencies. Doug has substantial experience working with public agency staff and governing bodies to build understanding and consensus for recommendation. *Doug will serve as the Principal Consultant and ensure the project is performed on time and within the budget. He provides high level guidance and review.*

### **Erik Helgeson (BWA), Project Manager**

Erik Helgeson is an Assistant Vice President of BWA and a senior consultant with 11 years of experience in municipal finance. He has substantial experience developing long-term financial models and utility rates based on a cost of service approach. His experience includes working as a senior finance analyst for Denver Water in the rates and charges group and as a utility finance consultant in Colorado and California. His prior experience working for a utility gives him a unique perspective on the internal challenges a utility faces when implementing a study's recommendations. He currently serves on American Water Works Association's Rates and Charges Committee. *Erik will serve as will serve as the primary contact person and manage the day-to-day project work. He will be involved in all aspects of the project from kickoff to implementation.*



**Principal Consultant**  
Doug Dove, PE, CIPMA

**Project Manager**  
Erik Helgeson

## RESUMES

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### DOUGLAS R. DOVE



#### Principal Consultant

Douglas R. Dove is President of Bartle Wells Associates and directs the operation of the firm while maintaining a principal consultant's role. With over 30 years of consulting experience, he specializes in utility rate analysis, strategic financial planning, and project financing. Mr. Dove has developed utility rate structures and financing plans for a wide variety of public infrastructure programs. He has managed the procurement of over \$1 billion in municipal debt and over \$300 million in state and federal grants and low-interest loans. Mr. Dove frequently shares his expertise and has given presentations at conferences including the Association of California Water Agencies (ACWA), the American Water Works Association (AWWA), the California Association of Sanitation Agencies (CASA), the California Municipal Rates Group (CMRG), the California Special District's Association (CSDA), the California Municipal Treasurers Association (CMTA), the California Water Environment Association (CWEA) and Water Reuse. By special request in July 2015, Mr. Dove made a presentation to the California Water Resources Control Board regarding water conservation pricing. Mr. Dove is also a published author of a water rate paper in the Journal of the American Water Works Association (Implementing Consumption-Based Fixed Rates in Davis, Calif.). Mr. Dove's expertise also includes assisting agencies in securing state and federal grants and loans and in issuing certificates of participation (COPs), revenue bonds, general obligation bonds, assessment district bonds, Marks-Roos revenue bonds, CFD (Mello-Roos) bonds, private placement loans and other types of debt. Mr. Dove recently finished his term on the board of directors of the National Association of Municipal Advisors (NAMA).

#### Education

M.S., Civil Engineering - University of California, Berkeley  
B.S., Civil Engineering – Drexel University, Philadelphia, PA

#### Representative Projects

- **City of Modesto:** Provided rate expert litigation support in wastewater rate litigation. Developed water and wastewater cost-of-service and capacity fee studies.
- **Modesto Irrigation District:** Developed cost allocation methodology between the district's domestic water, irrigation, and electric enterprises.
- **City of Davis:** Comprehensive water rate study developed with a 15-member Water Advisory Committee. Completed a water capacity fee study for the City as well.
- **City of Placerville:** Wastewater rate study and capacity fees
- **Napa-Berryessa Resort Improvement District:** Developed financing plan for water and wastewater public-private partnership (P3). Prepared assessment engineers report. Formed an assessment district and secured \$11.1 million in federal funding from US Department of Agriculture.
- **City of American Canyon:** Comprehensive, multi-year water and wastewater rate study.
- **Madera County, CA:** Rate studies for twenty-three of the county's water and sewer special service districts
- **City of Patterson:** Water and wastewater rate studies and five-year financing plans.

- **City of San Juan Bautista:** Water and Wastewater rate and capacity fee studies, DIF study, Revenue bonds for water and wastewater projects, continuing disclosure services.
- **Del Paso Manor Water District:** Comprehensive water financial plan and rate study.
- **Browns Valley ID:** Water rate study
- **Rio Linda/ Elverta Community Water District:** Comprehensive water financial plan, connection fee and rate study.
- **City of Imperial, CA:** Water and wastewater financial plans and rate studies.
- **East Bay Municipal Utility District:** Comprehensive water rate study and AB 1600 capacity fee review, Wastewater cost-of-service review and capacity fee review, various other financial studies
- **City of Santa Barbara:** Comprehensive water rate and capacity fee study.
- **Newhall County Water District:** Provided rate expert litigation support in water rate litigation.
- **City of Monterey:** Developed financing plan and rate study for \$20 million wastewater pipeline rehabilitation project.
- **San Miguel Community Services District, CA:** Water and wastewater financial plans and rate studies.
- **City of Santa Clara:** Wastewater rate and capacity fee study.
- **City of Gilroy:** Water and wastewater rate studies.
- **West Valley Sanitation District (Campbell, CA):** Wastewater rate study, financing plan and bond issuance.
- **City of Ontario/Ontario Redevelopment Agency:** financial advisor on \$134.3 million in development refunding and new money issues (2), which included financing for the Ontario Convention Center.
- **El Dorado Irrigation District:** Water and wastewater rate studies.
- **Lake Arrowhead Community Services District:** Financial master plan, \$28 million revenue bond refinancing and water and wastewater rate studies.
- **California Statewide Communities Development Authority:** Financial advisor for statewide pooled revenue bond program (over \$250 million issued for over 32 borrowers).
- **South Bay Water Recycling Program, Phases 1 & 2:** Financial plan and rate study for \$200+ million regional (San Jose area) wastewater recycling program.
- **City of Tulare:** Financial advisor to the city, sale of \$63 million in bonds (3 issues), water and wastewater rate studies.
- **Big Bear Area Regional Wastewater Agency:** Regional wastewater rate study, sale of bonds (2 issues) and bank loans (2 loans).

#### Professional Memberships

- National Association of Municipal Advisors (former Board Member)
- League of California Cities
- American Water Works Association
- Association of California Water Agencies
- California Water Environment Association
- California Association of Sanitation Agencies
- California Special Districts Association
- Water Reuse Association

#### Certifications

Certified Independent Professional Municipal Advisor (CIPMA), Registered Professional Engineer (PE) in California (PE# 45642) and MSRB -Registered Municipal Advisor – Series 50

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## ERIK W. HELGESON

### Senior Project Manager



Erik Helgeson an assistant vice president of Bartle Wells and Associates. His areas of expertise include the development of financial plans, ratemaking, and policy solutions for water, stormwater and wastewater utilities. He has ten years of utility finance experience- as a finance analyst at Denver Water and now as a utility rate consultant. Erik has extensive expertise in working with executive level staff and assisting in strategic decisions. He serves on the American Water Works Association (AWWA) Rates and Charges Committee and has presented at the Utility Management Conference.

### Education

M.B.A. – University of Colorado, Denver CO

B.A., Business Administration – Gonzaga University, Spokane WA

### Representative Projects

- **San Miguel Community Services District, CA:** Lead consultant providing water and wastewater financial plans and rate studies. The District was nearing insolvency and large rate increases were needed to save the District.
- **King City, CA:** Wastewater financial plan and rate study
- **Paso Robles, CA:** Wastewater financial plan and rate study
- **Big Bear City CSD, CA:** Water, sewer and solid waste cost-of-service rate studies
- **Pico Water District, CA:** Lead consultant for a water financial plan and rate study. The study was designed to fund new water treatment facilities and revise the rate structure to align with the District's objectives.
- **Castle Pines North Metropolitan District, CO:** Lead consultant providing annual water and wastewater financial plans and rate study updates
- **City of Modesto, CA:** Analytical support for water and wastewater financial plans and rate studies
- **Modesto Irrigation District:** Designed an allocation methodology between the district's domestic water, irrigation, and electric enterprises.
- **Patterson Irrigation District, CA:** Analysis of financing alternatives
- **City of Placerville, CA:** Analytical support for water financial plans and rate studies.
- **City of Hemet, CA:** Water budget rate design and cost of service study
- **City of Vacaville, CA:** Water and wastewater capacity fee studies
- **Union Sanitary District, CA:** Wastewater capacity fee study
- **San Luis Water District, CA:** Prop. 218 Assessment Election
- **City of Imperial, CA:** Lead consultant providing water and wastewater financial plans and rate studies
- **Madera County, CA:** Lead consultant providing rate studies for twenty-three of the county's water and sewer special service districts
- **Alameda County, CA:** Reviewed proposed wheeling charges on behalf of the local agency partners working on the Los Vaqueros Dam expansion project.
- **Las Gallinas Valley Sanitary District, CA:** Support for annual budget process



- **Arapahoe Parks and Recreation District, CO:** Reviewed water rates for fairness
- **Leland Meadows CSD, CA:** Project manager for water and sewer rate studies
- **City of Willits, CA:** Lead consultant providing water and wastewater financial plans and rate studies
- **The Cities of Pinole and Hercules, CA:** Assisted the cities with the co-financing of a wastewater project with SRF loans. This included the design of the payment and reimbursement process, the administration of the process, and navigating the State requirements.
- **Humboldt Bay Municipal Water District, CA:** Lead consultant providing 10-year financial plan update
- **Marin Municipal Water District, Marin, CA:** Analyst supporting the financial plan and rate study update in 2016.
- **Carlsbad, CA:** Played a key role in completing the 2016 water cost of service study. Created a supply-based cost allocation and supply layered, tiered, water rate design
- **Sacramento County Water Authority, Sacramento, CA:** Lead analyst supporting water financial plan and rate study

### **Public Utility Experience**

#### **Denver Water, Denver, CO:**

*Senior Finance Analyst-* Assisted with the annual cost of service study and financial plan, provided regular revenue reports, and oversaw the gathering and reporting of metrics to support Denver Water’s organizational improvement initiatives. As the lead analyst on the initiative to change the rate design he facilitated research (customer survey and affordability study), performed rate design analysis, and assisted with stakeholder outreach (municipalities, customers, business representatives, non-profits, and Denver Water executives and Board) which led to the adoption of new rate structures. He coordinated the implementation efforts between various business units to ensure a successful rollout of the new rates and rate structures.

### **Professional Memberships**

American Water Works Association – Member of Rates and Charges Committee

### **Certifications**

MSRB-Registered Municipal Advisor (Series 50)

## Section 2: Water and Sewer Cost of Service Study



This section presents a draft work plan and scope of services that we believe forms a sound basis for completing a comprehensive Water and Wastewater Cost of Service Study. Bartle Wells Associates can work with the District to finalize a scope of services that meets the District's objectives.

### Collaborative Project Approach & Process

BWA uses a collaborative project approach to ensure final recommendations reflect the policy preferences and objectives of the agencies we serve. Our general approach will be to work closely with the District's project team to identify objectives, evaluate alternatives and their impacts, gain ongoing input, and remain flexible to resolve unanticipated issues.

BWA will assist the District in all phases of the study, from project initiation through final adoption and implementation. Rate and fee increases can be controversial. BWA has extensive experience helping agencies build consensus for final recommendations and has assisted many agencies with public outreach efforts aimed at fostering understanding and acceptance for rate and fee increases. BWA also has substantial experience working with citizen advisory groups, community groups, and other stakeholders, and has a long track record of completing projects on time and on budget. We have helped many agencies successfully adopt rate increases in challenging political environments.

### Task 1. Project Initiation & Data Collection

#### 1. Kickoff Session

To initiate our work, hold a meeting with District staff, Board and others as appropriate, to accomplish the following:

- Present a high level explanation of cost-of-service rate studies
- Provide an overview of the project timeline
- Explain how rates can impact District objectives e.g. conservation or revenue stability.
- Clarify District objectives

*BWA recommends holding the kickoff meeting after we have reviewed preliminary information. This will enable the kickoff meeting to be more substantive and facilitate more in-depth discussion of key issues and preliminary observations and potential alternatives.*

#### 2. Investigation and Data Collection

Assemble the information necessary to understand the District's water and sewer systems, finances, customers and usage, rate and fee structures, capital improvement needs and alternatives, and legal agreements. Assistance and cooperation of District staff will be needed to assemble the relevant background information. The objectives of investigation and data collection are to develop a complete understanding of the District's utilities and finances, and to reach an agreement on basic assumptions to be used in the study as well as key alternatives for evaluation.

#### Task 1 Deliverables Include:

- Project kickoff meeting
- Identification of project goals and objectives
- Identification of key issues impacting the study

## Task 2. 10-Year Financial Plans

### 1. Develop Forecasts and Projections

Based on evaluation of the data assembled and input provided by the District, prepare forecasts and projections to be used in the development of financial models for the District's water and sewer utilities. Develop projections for the following areas (and others as appropriate). Review projections and alternatives with District staff for agreements on assumptions, interpretation of data, and completeness of approach.

- **Capital Improvements Including Long-Term Repairs & Replacements:** Based on input from District staff, identify future capital improvement program costs or alternatives to include in the financial analysis and determine a reasonable amount to include for future, ongoing capital repairs and replacements. BWA often recommends that agencies phase in funding for long-term system rehabilitation.

- **Projected Water and Sewer Demand:** With District input, forecast water and sewer demand. Identify future demand scenarios for evaluation.

- **Growth & New Development:** Work with the District to identify levels of growth to incorporate in the financial projections. Evaluate financial impacts under different levels of growth.

- **Cost Escalation Factors:** Review historical cost trends and work with project team to develop reasonable cost escalation factors for both operating and capital expenditures. Work with District staff to identify any anticipated changes in future staffing, benefits, and/or other operating costs.

### 2. Evaluate Financing Alternatives for Capital Improvements

Evaluate options for financing capital improvement projects. Our evaluation will:

- Allocate capital improvement costs to existing customers and new development based on the share of each project benefitting current vs. future customers.
- Estimate the amount and timing of any debt, if needed, to finance capital projects.
- Evaluate the alternative borrowing methods available including bonds, COPs, state and federal loan programs (including the State Revolving Fund Financing Program), bank loans and lines of credit, and other options.
- Recommend the appropriate type of debt, its term and structure.
- As needed, develop debt service estimates to incorporate in the financial projections.

### 3. Establish Prudent Minimum Fund Reserve Targets

Evaluate the adequacy of the District's current utility fund reserves. Establish prudent minimum fund reserve targets based on the District's operating and capital funding projections. Develop an implementation plan for achieving and maintaining the recommended reserve fund levels.

### 4. Develop 10-Year Financial Projections & Evaluate Scenarios

Develop 10-year cash flow projections showing the financial position of the water and sewer utilities over the next 10 years. The cash flows will project fund balances, revenues, expenses, and debt service coverage, and will incorporate the forecasts developed with staff input. After developing a base-case cash flow



*The 10-year financial plans will serve as financial roadmaps for funding future operating and capital programs while supporting long-term financial stability.*

scenario, we can model alternatives for additional evaluation such as capital improvement alternatives, project financing alternatives, the impacts of various levels of water demand, etc. During this phase, BWA will work closely with the project team to evaluate financial and rate projections under alternative scenarios.

## 5. Evaluate Rate Increase Options

Based on the cash flow projections, determine future annual revenue requirements from rates and project the overall level of required rate increases. Evaluate rate adjustment alternatives, such as gradually phasing in required rate increases over a number of years. If appropriate, evaluate different levels of rate increases and their impacts on the District's ability to fund future operating and capital needs.

### Task 2 Deliverables Include:

- Summary of 10-year capital improvement plans and/or key alternatives
- Evaluation of financing alternatives for capital improvements
- Minimum fund reserve target recommendations
- 10-year financial projections with supporting tables
- Evaluation of alternative scenarios as needed
- Evaluation of rate increase options
- Meet with the District's project team to present findings, discuss alternatives, and gain input

## Task 3. Cost of Service Rate Analysis

### 1. Identify & Evaluate Water and Sewer Rate Structure Alternatives

Review the District's current water and sewer rate structures and discuss advantages and disadvantages compared to other rate approaches. Identify potential alternatives and modifications that could help improve rate equity, address District concerns, or help achieve other District objectives. Discuss pros and cons of different rate structure options and their general impacts on different types of customers. Rate structure options can be refined as the study progresses based on input from the project team.

### 2. Conduct Survey of Regional Utility Rates

Review and summarize water and sewer rates of other regional agencies. Summarize results in easily understandable tables and/or charts.

### 3. Analyze Consumption & Utility Billing Data

Analyze current and historical usage and utility billing data to determine reasonable and conservative estimates of water and sewer demand to use in developing financial projections and rates. Water use can fluctuate from year to year depending on various factors such as weather and local and regional conservation efforts. Ideally, we would prefer to analyze multiple years of utility billing data in order to determine slightly conservative demand projections and evaluate water and sewer demands under various normal year and water shortage scenarios.



*Rates will be developed based on a cost-of-service approach designed to equitably recover the cost of providing service to all customers.*

#### **4. Cost of Service Allocation**

Cost allocation is the “meat” of the rate study that will provide the legal justification for the rates and charges of the City. BWA will allocate costs based on industry standard practice, guidance from recent court cases, and ease of implementation/practicality.

BWA will provide a detailed, functional cost allocation for operating, capital, debt service, fixed and variable costs, water supply, and wastewater treatment. Functionalized cost categories may include water supply, transmission, distribution, wastewater collection and treatment, and customer costs. Determine the units of service and assign costs to each unit of service. Example units of service for the water utility could include number of accounts, efficient indoor water use, outdoor use, excessive use, lot size. Typical units of service for the wastewater utilities are sewer flow and pollutant loading (BOD and TSS). We may want to include nitrogen, phosphorous, and ammonia in order to accurately allocate costs.

#### **5. Develop Preliminary & Final Rate Recommendations with District Input**

Based on evaluation of rate structure alternatives and the overall level of rate increases identified in the financial plans, develop draft rate recommendations for District input. The recommendations may include a multi-year phase in of both overall rate increases and proposed rate structure adjustments in order to help mitigate the annual impact on ratepayers. Review preliminary recommendations and key alternatives with the District Board’s Utilities Committee and others as directed. Revise recommendations based on input received. Final rate recommendations will be designed to:

- a) fund each utility’s long-term costs of providing service, including operating, capital, and debt service funding needs
- b) be fair and equitable to all customers,
- c) provide a prudent balance of conservation incentive and revenue stability,
- d) be easy to understand and administer, and

#### **6. Evaluate Use of Automatic Rate Pass-Throughs**

Identify and evaluate the potential for implementing automatic pass-throughs for future wholesale rate increase and/or ongoing cost inflation. BWA has helped many agencies implement pass-through provisions to protect agencies against unanticipated wholesale cost increases and keep rates aligned with the cost of providing service.

#### **7. Evaluate Customer Equity**

Review the fairness of each rate and charge across all customer groups. Confirm that all customers are charged for service proportional to how they use the utility systems. If desired, review options to aid in affordability for disadvantaged customers. Compare typical/sample bills from each customer class to the bills of other local public utilities. As needed, seek input from vocal customers such as business groups and developers.

#### **8. Evaluate Rate Impacts on a Range of District Customers**

Calculate the rate impacts of each rate alternative on a range of utility customers (e.g. different customer classes, customers with different levels of use, seasonal impacts etc.). Work with the project team to identify customer and usage profiles to use for calculating the rate impacts. Discuss additional rate structure adjustments that may reduce the impact on certain customers if warranted and/or requested by the project team

**Task 3 Deliverables Include:**

- Evaluation of current utility rates and potential rate structure modifications
- Regional utility rate surveys
- Analysis of historical consumption and utility billing data
- Cost of service analysis to support equitable and legally-defensible rates
- Development of draft rate alternatives for District evaluation and input
- Meet with District to discuss findings and alternatives, gain input, and develop recommendations

**Task 4. Reports, Presentations, Model and Rate Implementation****1. District Board Meetings/Rate Workshops (1 District Board Meeting)**

Attend District Board Meetings (via video conference or in person) to present findings, recommendations and alternatives, and receive input. Incorporate input as warranted to ensure final recommendations reflect Board preferences. Present revised recommendations at a subsequent Board Meeting with the goal of gaining Board approval to move forward with the process to adopt rate increases.

**2. Water and Wastewater Financial Planning Models**

BWA will provide user-friendly models customized to the needs of the District. BWA has developed numerous rate and financial models for utility enterprises. We have found that keeping a model as straightforward as possible, without unnecessary complexity, can increase the model's usability and improve effectiveness as an in-house planning tool. BWA's philosophy is that models should flow in a way that is easy to understand, be reliable, and provide relevant outputs.

**3. Prepare Draft & Final Reports**

Develop a draft report summarizing study objectives, findings and draft recommendations. The report will provide an administrative record supporting the proposed utility rates. The report will be written for a non-technical audience and will clearly explain the rationale for recommendations and key alternatives when applicable. Submit a draft report for District review and feedback. Incorporate input into a revised report and ultimately provide the District with printed and electronic copies as needed. The report will be provided in PDF format and can also be provided in editable Word and Excel files.

**4. Rate Adoption Meeting**

Attend the meeting where the Board will vote to adopt rates. BWA remain available to present a summary of findings and recommendations and respond to Board and public comments. BWA has extensive experience presenting financial and rate recommendations to non-technical audiences, dealing with challenging questions, and building acceptance for final recommendations.

**5. Public Education and Consensus-Building**

Rate and fee adjustments are often controversial. BWA has helped many agencies with their public education and outreach efforts regarding rate and fee increases. We understand the importance of building consensus and public acceptance for our recommendations and can assist the District in any outreach and public education efforts.

**Task 4 Deliverables Include:**

- Board Meetings/Rate Workshops
- Draft and final reports summarizing key findings and recommendations and demonstrating compliance with legal requirements for rates



## Task 5. Annual Financial Review

BWA will provide annual financial review to ensure the rate model accurately reflects annual fluctuations in expenses and revenues.

### 1. Update Model

BWA will update the rate model new actual and budgeted revenues and expenses. BWA will also review the timing of CIP projects.

### 2. Revue Revenue Requirements

BWA will review the updated model to ensure rate revenue is sufficient to meet the District's needs.

### 3. Review Results with District

BWA will hold a call or video conference with the District to review the results of the model update.

#### Task 5 Deliverables Include:

- Update Model
- Revue Revenue Requirements
- Review Results with District



## San Miguel Community Services District, CA

The District retained Bartle Wells Associates to perform comprehensive water and wastewater rate studies. The District was in a critical financial position, facing many deferred capital projects and large operating deficits. Bartle Wells determined that the District needed to more-than double its rates to be financially sufficient. A Prop. 218 protest was organized to stop the proposed rate increases. The District and BWA held a series of community meetings to show that the increases would allow customers to receive a higher level of service at a lower cost than the alternatives of bankruptcy or privatization. The rate increase opposition caused the Board to request several detailed meetings to ensure sure they were making the right decision. The rates were eventually adopted, allowing the District to continue to provide service to the community. The key to the project's success was education and outreach, which allowed the District's Board and customers to understand why increasing their rates and retaining public control of their District was the best option.

**Contact:**

Kelly Dodds, Director of Utilities

(805) 467-3388 Ext 206

[kdodds@sanmiguelcsd.org](mailto:kdodds@sanmiguelcsd.org)





## **King City, CA**

King City is located in the southern Salinas Valley of California's Central Coast in Monterey County, California, roughly half-way between the cities of Salinas and Paso Robles along US Route 101. The City has a population of approximately 14,900.

In 2018, the City retained Bartle Wells Associates (BWA) via a competitive RFP process to develop a financial plan and rate study for its sewer enterprise. The City is planning on constructing a new treatment plant to be funded via combination of grants and subsidized loans. BWA worked closely with City staff and the City's engineering consultants to develop a long-term financial plan, evaluate alternatives and develop rate recommendations. BWA developed rate increases phased in over six years. The proposed rates also included some rate structure modifications designed to improve equity and reflect the cost of providing wastewater service to all customer classes.

After holding a community meeting and a successful 218 process, the proposed rates were adopted unanimously by the City despite substantial concern regarding the impact on the City's customer base.

### **Agency Contact:**

Geoff English, Public Works Special Projects Coordinator  
(831) 386-5921  
genglish@kingcity.com





## Big Bear City Community Services District, CA

Bartle Wells Associates first assisted the District in 1967. BWA developed the district's early financing and revenue programs to build sewers and finance wastewater improvements. BWA assisted the district with the authorization and sale of three series of general obligation bonds and supervised the sale of five assessment bond issues in the Sugarloaf and Pinewood areas.

In 1994, BWA prepared a water rate study under the close supervision of a Water Rate Study Committee made up of citizens and board members. The water rate study addressed issues of water rate equity with the mobile home park.

In 2015, BWA assisted the district in developing water, wastewater and solid waste 5-yr financing plans and rate studies.

Most recently, in 2019, BWA performed comprehensive water, wastewater and solid waste cost-of-service rate studies. BWA recommended a series of rate increases designed to meet each utility's operating and capital funding needs. BWA also reviewed the water and solid waste rate structures and customers classes and recommended modifications designed to equitably recover the costs of providing service, comply with Proposition 218, and achieve the District's objectives.

BWA assisted the District with the Proposition 218 noticing and the rate adoption process which ultimately resulted in Board's adoption of recommended rate increases and cost-of-service based rate structure modifications.

### Contact:

Shari Strain  
Finance Officer  
909-585-6525  
[sstrain@bbccsd.org](mailto:sstrain@bbccsd.org)







## Madera County Special Districts, CA

Madera County is located in California's Central Valley. In 2016, the County retained Bartle Wells to perform comprehensive water and wastewater rate studies for its special service districts. Madera County has approximately forty-four water and sewer special service districts serving a population of about 60,000 people. The primary source of water for the districts is groundwater.

Prior to our work, many of the service districts had not implemented rate increases for over five years resulting in rates that had fallen behind the cost of service. Additionally, California water quality regulations were significantly impacting water treatment requirements in the Central Valley, resulting in the need for increased funding. These factors resulted in many of the districts operating with deficits that needed to be funded by the County's general fund. BWA developed rate recommendations designed to comply with Proposition 218 and enable individual districts to become financially self-sufficient, reimburse the County for prior loans, and ultimately build reserves to prudent levels.

A key concern was the potential for majority protests against the proposed rate increases, particularly in some of the County's smaller service districts. BWA assisted with community outreach efforts designed to help customers understand the need for and benefits of the rate increases, which ultimately helped facilitate public acceptance and substantially contribute to the success of the project.

### Contact:

Andrea Saldate, Deputy Director

Madera County Public Works

(559) 675-7811

[Andrea.Saldate@co.madera.ca.gov](mailto:Andrea.Saldate@co.madera.ca.gov)





## City of Modesto, CA

In 2015, BWA was retained to work with the City and the Industrial customers to develop a new wastewater rate structure based on the 2014 Tolling Agreement. Working closely with an accountant hired by the City's large industrial customers, BWA developed a separate large industrial wastewater rate structure and capacity fee schedule for cannery customers. BWA also developed new rates reflecting the City's tertiary treatment stream and secondary treatment "scalping." We met with stakeholder groups, the wastewater master planning engineering team, Finance Committee, and City Council on many occasions to vet our recommendations and gain consensus. Our rate study was implemented by City Council April 2016.

In 2015, the City retained BWA to conduct a comprehensive water rate study. The City had not raised rates since 2013 and experienced reduced revenue due to drought conditions. BWA developed drought surcharges and analyzed individualized rate structures for each of the City's outlying service areas. A Proposition 218 hearing to adopt proposed rates was successfully completed in Fall 2016.

In 2021 BWA was retained again to perform water and sewer rate studies. BWA is in the process of completing these studies.

**Contact:**

William Wong, P.E., Director of Utilities

(209) 571-5801

[wwong@modestogov.com](mailto:wwong@modestogov.com)



***Additional References are Available Upon Request***



## Section 6: Study Schedule



Provided below is a draft timeframe for completion of the Project. BWA will work with the District to develop a final schedule designed to meet the District's objectives. BWA has the capacity to complete the projected on a compressed timeline if necessary.

### **Proposed Project Schedule**

- Conduct Rate Study - October 2021 – January 2022
- Draft Rate Study report completed - Early February 2022
- Final Rate Study report completed - End February 2022
- Present Rate Study results to the Board - March, 2022
- Update Rate Model – February 2023
- Present Updated Rate Study results to the Board - March, 2023
- Proposition 218 notice period (45 days) – April 2023 – May 2023
- Present recommendations at the Proposition 218 hearing - June 2023
- Implementation of new rate structure – July 2023

## Section 7: Cost Proposal



Provided below is a draft breakdown of our budget by task. We remain available to work with the District to refine the scope and budget to meet the District’s objectives and expectations.

TASK	Estimated	D. Dove	E. Helgeson	Total
	Hours	@ \$265/hr	@ \$225/hr	Cost
<b>TASK 1. PROJECT INITIATION &amp; DATA</b>	<b>15</b>	<b>5</b>	<b>10</b>	<b>\$3,525</b>
<b>TASK 2. LONG-RANGE FINANCIAL PLAN</b>	<b>50</b>	<b>10</b>	<b>40</b>	<b>\$11,550</b>
<b>TASK 3. COST OF SERVICE RATE ANALYSIS</b>	<b>62</b>	<b>12</b>	<b>50</b>	<b>\$14,310</b>
<b>TASK 4. PRESENTATIONS, REPORT &amp; 218</b>	<b>37</b>	<b>7</b>	<b>30</b>	<b>\$8,535</b>
<b>(Optional) Update model After FY 21/22. Update actual customer demand, revue and expenses.</b>	<b>10</b>	<b>2</b>	<b>8</b>	<b>\$2,310</b>
<b>SUBTOTAL HOURS</b>	<b>174</b>	<b>36</b>	<b>138</b>	<b>\$40,230</b>
<b>ESTIMATED NOT-TO-EXCEED EXPENSES</b>				<b>\$1,500</b>
<b>TOTAL PROJECT COSTS</b>				<b>\$41,730</b>
<b>TASK 5. ANNUAL FINANCIAL UPDATE</b>	<b>10</b>	<b>2</b>	<b>8</b>	<b>\$2,310</b>

1. Bartle Wells Associates is prepared to begin work upon authorization to proceed.
2. During the project development period, Bartle Wells Associates will be available at all reasonable times and on reasonable notice for meetings and for consultation with staff, attorneys, consulting engineers, and others as necessary.
3. Bartle Wells Associates will perform all work related to the assignment. Douglas Dove, a firm principal and president, will be assigned as principal consultant on this assignment. Doug will be assisted by Erik Helgeson, a senior consultant, who will serve as the lead contact person for BWA and will be involved with the project a day-to-day basis. This project team may be assisted by other BWA analysts as needed.
4. The fees for services outlined in this proposal will not exceed \$41,730 for the Water and Wastewater Cost of Service Rate Studies and \$2,310 for the Annual Fee Review. The fee is based on the following assumptions:
  - a. All necessary information will be provided by the client agency in a timely manner.
  - b. Development of a draft, final draft, and final version of tables, presentations, and reports. Time and expenses involved in revising tables and assumptions or developing additional versions of documents may constitute additional services if not achievable within the budget.
  - c. Up to three (3) trips to the District for meetings and/or presentations. Additional meetings or presentations may constitute additional services if not achievable within the budget.
5. Progress payments and direct expenses are payable on a time and materials basis as the work proceeds as provided in our Billing Rate Schedule 2021, which will remain in effect through the duration of this assignment.
6. Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance as provided in the Certificate of Insurance attached.
7. If the project is terminated for any reason, Bartle Wells Associates is to be reimbursed for professional services and direct expenses incurred up to the time we receive notification of such termination.
8. This proposal may be withdrawn or amended if not accepted within 90 days of its date.
9. We will not require a formal contract of employment and will consider a letter or e-mail from an appropriate official as sufficient authority to proceed.



**BARTLE WELLS ASSOCIATES**  
**BILLING RATE SCHEDULE 2018**  
 Rates Effective 1/1/2021

**Professional Services**

Financial Analyst I .....	\$110 per hour
Financial Analyst II .....	\$135 per hour
Consultant.....	\$165 per hour
Project Consultant .....	\$180 per hour
Senior Consultant.....	\$195 per hour
Senior Project Manager .....	\$225 per hour
Principal Consultant.....	\$265 per hour

The hourly rates for professional services include all overhead and indirect expenses. Bartle Wells Associates does not charge for administrative support services. Expert witness, legal testimony, or other special limited assignments will be billed at one and one-half times the consultant’s hourly rate.

The above rates will be in effect through December 31, 2021 at which time they will be subject to change.

**Direct Expenses**

LSA Advisors will be billed at the hourly rate of \$225. Additional Subconsultants (if any) will be billed at cost plus ten percent. Other reimbursable direct expenses incurred on behalf of the agency will be billed at cost plus ten percent. These reimbursable costs include, but are not limited to:

- Travel, meals, lodging
- Printing and photocopying
- Special statistical analysis
- Outside computer services
- Bond ratings
- Automobile mileage
- Messenger services and mailing costs
- Graphic design and photography
- Special legal services
- Legal advertisements

**Insurance**

Bartle Wells Associates maintains insurance in the amounts and coverage as provided in the attached schedule of insurance. Additional or special insurance, licensing, or permit requirements beyond what is shown on the schedule of insurance are billed in addition to the contract amount.

**Payment**

Fees are typically billed monthly for the preceding month and will be payable within 30 days of the date of the invoice. A late charge of 1.0 percent per month may be applied to balances unpaid after 60 days.

# MUNICIPAL ADVISOR DISCLOSURES



This section provides certain disclosures required by the Municipal Securities Rulemaking Board (MSRB) regarding our duties as a Municipal Advisor to the extent any such duties apply to this assignment.

\* Bartle Wells Associates will provide advice and conduct activities with a “duty of care” and a “fiduciary duty” to the District. Our role and responsibilities during this engagement will continue through the completion of the project.

\* Bartle Wells Associates is a registered Municipal Advisor with the Securities and Exchange Commission (SEC Registration No. 867-00740) and the Municipal Securities Rulemaking Board (MSRB ID K0414).

\* Bartle Wells Associates has never been cited for any legal or disciplinary action regarding municipal advisory activities.

\* Bartle Wells Associates has not and will not receive any compensation from any third party seeking to provide services, municipal securities transactions, or municipal financial products related to this transaction. BWA or any of its employees will not engage in any activities that would produce a direct or indirect financial gain for the firm other than compensation for our services identified in this proposal.

\* Bartle Wells Associates is not aware of any conflicts of interest that would affect our ability to provide independent and objective advice and Municipal Advisory services in a manner consistent with the requirements of MSRB Rule G-42.

\* The website address for the Municipal Securities Rulemaking Board (MSRB) is [www.MSRB.org](http://www.MSRB.org). The MSRB’s website provides a municipal advisory client brochure that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority. The municipal advisory client brochure is accessible via a link on [www.MSRB.org](http://www.MSRB.org) or can be downloaded from <http://www.msrb.org/~media/Files/Resources/MSRB-MA-Clients-Brochure>.

# SCHEDULE OF INSURANCE



## SCHEDULE OF INSURANCE

Insured: BARTLE WELLS ASSOCIATES

*Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance in the amounts and coverage as provided in this schedule. If additional insurance is required, and the insurer increases the premium as a result, then the amount of the increase will be added to the contract price.*

TYPE OF INSURANCE	COMPANY POLICY NUMBER	COVERAGES AND LIMITS	EXP. DATE
Commercial General Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> <li>▪ \$2,000,000 General Aggregate</li> <li>▪ \$2,000,000 Products Comp/Op Aggregate</li> <li>▪ \$2,000,000 Personal &amp; Advertising Injury</li> <li>▪ \$1,000,000 Each Occurrence</li> </ul>	6/1/22
Excess/Umbrella Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> <li>▪ \$1,000,000 Aggregate</li> <li>▪ \$1,000,000 Each Occurrence</li> </ul>	6/1/22
Automobile Liability	Hartford Insurance Company Policy #35-UEC VU2842	<ul style="list-style-type: none"> <li>▪ \$1,000,000 Combined Single Limit</li> </ul>	6/1/22
Workers Compensation & Employers' Liability	Hartford Underwriters Insurance Company Policy #35-WEC FG7858	<p>Workers' Compensation: Statutory Limits for the State of California. Employers' Liability:</p> <ul style="list-style-type: none"> <li>▪ Bodily Injury by Accident - \$1,000,000 each accident</li> <li>▪ Bodily Injury by Disease - \$1,000,000 each employee</li> <li>▪ Bodily Injury by Disease - \$1,000,000 policy limit</li> </ul>	6/1/22
Professional Liability	Chubb & Son, Inc. BINDO94045	<p>Solely in the performance of services as municipal financing consultants for others for a fee.</p> <p>Limit: \$2,000,000 Per Occurrence &amp; Aggregate (including defense costs, charges, and expenses)</p>	6/1/22