



**BOARD OF DIRECTORS  
SAN LORENZO VALLEY WATER DISTRICT  
AGENDA  
February 18, 2016**

**MISSION STATEMENT:** Our Mission is to provide our customers and future generations with reliable, safe and high quality water at an equitable price; to create and maintain outstanding service and community relations; to manage and protect the environmental health of the aquifers and watersheds; and to ensure the fiscal vitality of the San Lorenzo Valley Water District.

Notice is hereby given that a regular meeting of the Board of Directors of the San Lorenzo Valley Water District will be held on **Thursday, February 18, 2016 at 7:00 p.m.**, at the Operations Building, 13057 Highway 9, Boulder Creek, California.

*In compliance with the requirements of Title II of the American Disabilities Act of 1990, the San Lorenzo Valley Water District requests that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at the District's Public Meeting can contact the District Secretary's Office at (831) 430-4636 a minimum of 72 hours prior to the scheduled meeting.*

*Agenda documents, including materials related to an item on this agenda submitted to the Board of Directors after distribution of the agenda packet, are available for public inspection and may be reviewed at the office of the District Secretary, 13060 Highway 9, Boulder Creek, CA 95006 during normal business hours. Such documents are also available on the District website at [www.slvwd.com](http://www.slvwd.com) subject to staff's ability to post the documents before the meeting.*

1. Convene Meeting/Roll Call

2. Additions and Deletions to Agenda:

*Additions to the Agenda, if any, may only be made in accordance with California Government Code Section 54954.2 (Ralph M. Brown Act) which includes, but is not limited to, additions for which the need to take action is declared to have arisen after the agenda was posted, as determined by a two-thirds vote of the Board of Directors (or if less than two-thirds of the members are present, a unanimous vote of those members present).*

3. Oral Communications:

*This portion of the agenda is reserved for Oral Communications by the public for items which are not on the Agenda. Any person may address the Board of Directors at this time, on any subject that lies within the jurisdiction of the District. Normally, presentations must not exceed three (3) minutes in length, and individuals may only speak once during Oral Communications. No actions may be taken by the Board of Directors on any Oral Communications presented; however, the Board of Directors may request that the matter be placed on a future agenda. Please state your name and town/city of residence at the beginning of your statement for the record.*

4. Written Communications:

- a. 2016 BOULDER CREEK BUSINESS ASSOCIATION INSTALLATION DINNER & AUCTION - Dinner Reply Card and Auction Donation Request

5. Consent Agenda:

*The Consent Agenda contains items which are considered to be routine in nature and will be adopted by one (1) motion without discussion. Any Board member may request that an item be withdrawn from the Consent Agenda for separate discussion.*

- a. MINUTES OF THE BOARD OF DIRECTORS MEETING FROM FEBRUARY 4, 2016  
Consideration and possible action by the Board to approve minutes for the February 4, 2016 Board of Directors meeting.
- b. BILL LIST FOR PERIOD ENDING FEBRUARY 18, 2016  
Consideration and possible action by the Board regarding the Bill List for the period ending February 18, 2016.
- c. QUARTERLY WATER CONSERVATION CREDIT REPORT  
Consideration and possible action by the Board regarding the Quarterly Water Conservation Credit Report.

6. Unfinished Business:

*Members of the public will be given the opportunity to address each scheduled item prior to Board action. The Chairperson of the Board may establish a time limit for members of the public to address the Board on agenda.*

- a. AWARD OF BID FOR LYON WATER TREATMENT PLANT OPERATIONAL AND SCADA CONTROLS REPLACEMENT  
Consideration and possible action by the Board to approve the Award of Bid for Lyon Water Treatment Plant Operational and SCADA Controls Replacement.
- b. AWARD OF BID FOR ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY  
Discussion and possible action by the Board regarding the Award of Bid for Cost of Service Financial Study.

7. New Business:

*Members of the public will be given the opportunity to address each scheduled item prior to Board action. The Chairperson of the Board may establish a time limit for members of the public to address the Board on agenda.*

- a. FINANCIAL SUMMARY REVIEW 12/31/15  
Discussion and possible action by the Board regarding the Financial Summary 12/31/16.

8. District Manager Reports:  
*Information reports by the District Manager, Staff, Committee and Board of Directors.*

a. MANAGER

(1) Department Status Reports  
Receipt and consideration by the Board of Department Status Reports regarding ongoing projects and other activities.

- (i) Q & A from prior Board Meetings
- (ii) Finance
- (iii) Operations

b. COMMITTEE/DIRECTOR REPORTS:

(1) Future Committee Agenda Items

(2) Committee Meeting Minutes

- (i) Spec. Environmental/Engineering/Planning Committee Minutes - 2.3.16

9. Informational Material:

a. FERN DRIVE BRIDGE REPLACEMENT PROJECT - COMMUNITY MEETING

10. Adjournment

**Certification of Posting**

I hereby certify that on February 12, 2016 I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 72 hours in advance of the meeting of the Board of Directors of the San Lorenzo Valley Water District (Government Code Section 54954.2).

Executed at Boulder Creek, California on February 12, 2016

\_\_\_\_\_  
Holly B. Morrison, District Secretary  
San Lorenzo Valley



**BOULDER CREEK**

*Downtown*

**RECEIVED**

JAN 19 2016

SAN LORENZO VALLEY  
WATER DISTRICT

Agenda: 2.18.16  
Item: 4a

# The Boulder Creek Business Association

P.O. Box 611, Boulder Creek, CA 95006 - [www.bcba.net](http://www.bcba.net) -

## 2016 Boulder Creek Business Association Installation Dinner and Auction

*Please join us for an evening of great food, friends and fun as funds are raised to support community events in Boulder Creek.*

**Saturday, February 27th, 2016 at Scopazzi's Restaurant**

**\$50** per person in advance / **\$60** at the door

**6:00 PM** - No host bar & Silent Auction opens

**7:00 PM** - Dinner followed by Live Auction (wine served with dinner)

### Auction Item Donations:

Do you have a Silent or Live auction item or gift certificate you'd like to donate? Help promote your business and support the many events sponsored by the BCBA. Please contact us by email at [bcbaboard@gmail.com](mailto:bcbaboard@gmail.com) or call 338-1371.

**We appreciate receiving your donations by February 20th!**

If you're unable to attend the event or donate an item but still would like to help, consider making a monetary donation to the BCBA. Your support is gratefully appreciated!

### 2016 BCBA Installation Dinner Reply Card

*(Please detach lower portion and mail with payment to: BCBA, PO Box 611, Boulder Creek CA 95006. You may also RSVP from our website at [BCBA.net](http://BCBA.net), and use the provided link to pay via PayPal.)*

\_\_\_\_\_ will be attending with a total party of \_\_\_\_\_

Total Dinners: \_\_\_\_\_ x \$50 each = \_\_\_\_\_. Please make checks payable to: **BCBA**

Dinner selection (wine included with dinner):

\_\_\_\_\_ Prime Rib

\_\_\_\_\_ Salmon

\_\_\_\_\_ Eggplant Parmigiana

Please provide a phone number and email address for confirmation or questions.

Name \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_





**BOULDER CREEK**

*Downtown*

RECEIVED

JAN 19 2016

SAN LORENZO VALLEY  
WATER DISTRICT

President	Agenda: 2.18.16	Justin Aclon
Vice President	Item: 4a	Chris Currier
Secretary		Janet Coil
Treasurer		Ann Marie Conrad
		Tamara O'Kelly
		Abigail Rohrbough
		Doris Splettsloesser
		Nancy Currier
		Jeff Angell

# The Boulder Creek Business Association

P.O. Box 611, Boulder Creek, CA 95006 - [www.bcba.net](http://www.bcba.net) -

Dear Business Owner,

The **Boulder Creek Business Association's 2016 Installation Dinner and Auction** will be held on Saturday, February 27, 2016 at Scopazzi's Restaurant. This annual event is our primary fundraiser to finance events that help make Boulder Creek such a special and unique mountain town. If you've ever attended the 4th of July Parade, the National Night Out, the Downtown Trick or Treat, or the 'Santa Comes to Town' events, you've seen BCBA dollars at work. The BCBA also facilitates Spring and Fall Town Sweeps each year to help keep our town clean. The newly installed historic acorn lights in the downtown are the result of the BCBA's collaboration with Caltrans and the County. The BCBA is very close to having our 'Light Up the Town' project finalized, which will outline downtown building rooflines with LED lights to enhance the historic beauty of Boulder Creek.

**We are asking for your donation to support the Installation Dinner, at which we'll host Silent and Live auctions to raise funds for 2016 events.** This annual dinner is an entertaining event held at Scopazzi's Restaurant, with 5<sup>th</sup> District Supervisor Bruce McPherson swearing in new Board members. Local business owners, family and friends turn out to bid on donated auction items, and the event provides a great opportunity for your business to gain visibility.

The Boulder Creek Business Association is a tax-exempt 501(c)(6) organization. Your donations to the BCBA are deductible in accordance with IRS regulations.

We hope you will contribute to our cause and attend the 2016 BCBA Installation Dinner and Auction. Your donations are gratefully appreciated.

Thank you for your consideration,

The BCBA Board

**SAN LORENZO VALLEY WATER DISTRICT  
BOARD MEETING MINUTES**

February 4, 2016

6:00 p.m.

**CONVENE MEETING/ROLL CALL:**

President Brown convened the meeting at 6:00 p.m.

Roll call showed Dirs.Hammer, Baughman and Ratcliffe were present. Director Bruce was excused. District Manager Lee, Director of Operations Rogers and Legal Counsel Hynes were also present.

Bruce Holloway, Boulder Creek, addressed the Board regarding the Public Employee Performance Evaluation.

**ADJOURNMENT TO CLOSED SESSION:**

President Brown adjourned to closed session at 6:00 p.m.

**RECONVENE TO OPEN SESSION:**

Pres. Brown reconvened the meeting to open session at 7:00 p.m.

Roll call showed President Brown, Dirs. Hammer, Baughman and Ratcliffe were present. District Manager Lee, Director of Operations Rogers and Legal Counsel Hynes were also present.

**REPORT ACTIONS TAKEN IN CLOSED SESSION:**

President Brown reported that the Board has assessed the District Managers performance as satisfactory.

**ADDITIONS AND DELETIONS TO AGENDA:**

District Manager Lee requested that item 10b be moved up as early as possible in the agenda.

**ORAL COMMUNICATIONS:** None

**WRITTEN COMMUNICATION:**

President Brown noted that there was a letter from a customer.

Dist. Mgr. Lee reported that we have provided the individual with a Leak Adjustment Request form.

**CONSENT AGENDA:**

9a. MINUTES FOR BOARD MEETING JANUARY 21, 2016

9b. BILL LIST FOR PERIOD ENDNG FEBRUARY 4, 2016

Director Ratcliffe made a motion to approve the Consent Agenda.

**ROLL CALL:**

Ayes: Hammer, Brown, Baughman, Ratcliffe

Noes:

Abstain:

Absent: Bruce

**UNFINISHED BUSINESS:**

10b SANTA MARGARITA GROUND WATER BASIN - BOUNDARY ADJUSTMENT RESOLUTION

District Manager Lee thanked John Ricker from the County of Santa Cruz Environmental and Health Services for attending the meeting. He went on to say that Mr. Ricker, along with Piret Harmon from Scotts Valley Water District and himself, has been working with Hydrometrics on the boundary adjustment of the Santa Margarita Groundwater Basin (SMGB) and the Mid-County Basin. All interested parties have agreed to the changes and now the District needs a resolution to support the adjustment.

Mr. Ricker said that the State doesn't recognize the SMGB. The EPA called it a sole source aquifer. All affected small water systems have to be and have been notified of the boundary changes. Purisima Mutual that they be moved to Mid County rather and SMGB. This process is time critical. There will be another round of public input after DWR begins consideration.

Dir. Baughman questioned the old boundaries. He also noted that he believed that Soquel Creek Water District is not interested in being in the GSA.

Mr. Ricker said that Soquel has made it clear that they are not interested in the GSA.

Pres. Brown asked about Lompico's role in the process.

DM Lee said that the assumption is that Lompico will no longer exist when the process is complete.

Director Baughman made a motion to approve Resolution No. 30 (15-16).

**ROLL CALL:**

Ayes: Hammer, Brown, Ratcliffe, Baughman

Noes:

Abstain:

Absent: Bruce

## 10a ORDINANCE 8 - RULES & REGULATIONS/POLICIES & PROCEDURES

DM Lee described the item to adopt Ordinance 108 and Resolution No. 27 (15-16) and repeal Ordinance 8. In the last pass at the document he tried to remove all masculine references and to take out all references to Ordinance 8 and replace it with Rules and Regulations. He thanked the Board for their patience in this process.

Dir. Ratcliffe is very pleased with the document.

John Fasolas, Felton, said that he thinks this is a very good thing.

Dir. Baughman noted that on item 5.06 (page 99) it says "retained" but it should be "returned".

Director Hammer made a motion to approve Ordinance 108.

### ROLL CALL:

Ayes: Brown, Baughman, Ratcliffe, Hammer  
Noes:  
Abstain:  
Absent: Bruce

Director Baughman made a motion to approve Resolution No. 27 (15-16).

### ROLL CALL:

Ayes: Hammer, Brown, Ratcliffe, Baughman  
Noes:  
Abstain:  
Absent: Bruce

## 10c 2010 URBAN WATER MANAGEMENT PLAN - ADDENDUM

DM Lee said that the District finally got around to submitting their 2010 Urban Water Management Plan (UWMP) and the state finally got around to reading and said that there are some things missing, most of it was missing on purpose because we didn't have anything to report, desalinization, sewer, etc. The biggest thing missing was a plan for the District to visit customers' homes to suggest water conservation projects, "house calls". We would have to hire a Conservation Coordinator or submit a cost analysis as to what the program would cost the District. He suggested that we add a Coordinator to the budget discussion.

President Brown questioned if a consultant could do that job.

DM Lee said that we have to prepare an appendix to the 2010 UWMP that will be open to public comment for 60 days. The Board will then hold a public hearing on the matter at the April 7 Board of Directors meeting.

Dir. Ratcliffe made a motion to set a date for the 60 day comment period and to hold the public hearing on April 7, 2016.

ROLL CALL:

Ayes: Hammer, Brown, Baughman, Ratcliffe  
Noes:  
Abstain:  
Absent: Bruce

**NEW BUSINESS:**

11a PUBLIC EMPLOYEE COMPENSATION - DISTRICT MANAGER

President Brown explained that the District Manager is entitled to a cost of living increase in salary of 2.75% for a satisfactory performance evaluation, as reported out from the Closed Session. He is also entitled to a merit increase up to 5%.

Director Hammer made a motion to approve the Dist. Manager salary increase in the amount of 2.75%, for a satisfactory performance evaluation.

District Manager Lee noted that there is an error in the memo for this item. Instead of a Capital Cost of \$14,996 it should read \$12,787 in Personnel Costs (if the entire 7.75% is awarded).

John Fasolas, Felton, shared a story.

ROLL CALL:

Ayes: Brown, Baughman, Ratcliffe, Hammer  
Noes:  
Abstain:  
Absent: Bruce

Director Ratcliffe has been very happy with Mr. Lee's performance, particularly with the public's attitude. She has received positive public feedback.

Director Baughman agreed with Dir. Ratcliffe. He has also received positive feedback with very few exceptions.

Director Hammer said that he was specifically tasked with cleaning up in-house and he has done a fantastic job. Brian has been prepared and on top of issues. He also corrects the Board when it is wrong.

Pres. Brown said he has done a very good job. He mentioned however, that we need prudence in regard to the financial situation of the District.

Director Baughman agreed that the financial situation of the District should be considered.

Dir. Ratcliffe is concerned about the status of our budget. Can the budget handle the full 5% merit increase?

Dir. Hammer said that the Budget and Finance Committee should have projected the increases for personnel, this is a common budget item. He would worry if we couldn't

afford a 5% increase. Brian has saved the District money and he thinks he should receive the full 5% increase.

Dir. Ratcliffe agrees that his performance in saving the District warrants consideration. The performance of the District has been improved.

Director Hammer noted the improvements to the work/health environment of the office that was directed by the Dist. Manager.

Dir. Ratcliffe understands that it is the duty of Finance Committee to watch the numbers.

Pres. Brown was concerned about the public perception and the District's financial situation.

Dir. Hammer said that his contract had an incentive that if he did a good job he would earn an increase. He followed through and hit that goal, in fact exceeded it. We shouldn't have offered it in his contract if we aren't prepared to follow through.

Dir. Baughman was concerned that the increase would not be sustainable if he does a great job every year.

Dir. Ratcliffe said we should only be looking at this year.

Dir. Hammer asked the District Manager how he feels about his performance and merit raise.

District Manager Lee said that he believed that he earned the full 5% merit increase. He feels that he stepped into a difficult situation and the contract said that it is a merit increase based on performance and not financials. He thinks that the District is on stronger financial footing and he along with the entire Board brought that about. This was a public agenda item, the public has had an opportunity to review this and this is the level of public participation that came forward.

Pres. Brown agrees that this is about this year's evaluation. DM Lee scored very well on the evaluation, therefore he should receive a higher salary increase.

Dir. Hammer made a motion to approve the 5% merit salary increase for the District Manager.

ROLL CALL:

Ayes:	Brown, Ratcliffe, Hammer
Noes:	Baughman
Abstain:	
Absent:	Bruce

John Fasolas, Felton, said that he would like to say that 5% seems very warranted. Getting that 5% will get you 10%.

Dir. Baughman said that he would like to say that he is very happy that Mr. Lee is here.

## 11b 2016 DISTRICT MANAGER GOALS AND OBJECTIVES

President Brown introduced the 2016 Manager Performance Goals and Objectives document. It will be reviewed in 6 months.

Dir. Ratcliffe agreed that the 6 month review is a good thing.

John Fasolas, Felton, likes the goals and is pleased with the document.

Dir. Hammer said that he would like to see a review of staff cost related to the budget.

DM Lee said that the cost of service review will include staffing.

President Brown requested that the document be posted to the website.

## 11c BOARD OF DIRECTORS MEETING - ORAL COMMUNICATIONS

President Brown described the item as mostly for information. Public communication is limited to 3 minutes and only one opportunity to speak.

Dir. Baughman thinks that a small amount of information should be appropriate by the District Manager. Simply informational.

Dir. Ratcliffe agrees that the public doesn't always understand why the Board can't discuss during Oral Communication.

DM Lee said that the Board should have time to give an appropriate response at the next agenda.

President Brown suggested that staff be directed to respond.

Dir. Ratcliffe suggested that staff be directed to collect contact information for a response.

District Counsel Hynes suggested that a short informational response is appropriate.

Dir. Baughman said that the time limit has to be respected and then a short informational response.

DM Lee said that all communication should be directed to the President. Staff will come back to the Board with a revision to the current agenda paragraph. He questioned if the Board be agreeable to a timer.

Dist. Counsel Hynes

## **GENERAL MANAGER REPORTS:**

12a1ii District Manager Lee shared the highlights from the Admin/Eng Status report.

12a1iii District Manager Lee shared the highlights from the Environmental Status report.

**COMMITTEE/DIRECTOR REPORTS:**

President Brown noted the committee notes.

**ADJOURNMENT:**

President Brown adjourned the meeting at 9:00 p.m.



# Accounts Payable

## Outstanding Invoices

User: KendraNegro  
 Printed: 2/10/2016 - 4:17 PM  
 Date Type: JE Date  
 Date Range: 01/23/2016 to 02/10/2016

**BILL LIST SUMMARY**  
 Check Register Total : \$155,538.41  
 AP Outstanding Total: \$61,596.94  
 Payroll 2/03: \$85,018.98  
**TOTAL FOR APPROVAL: \$302,154.33**



13060 Highway 9  
 Boulder Creek, CA 95006-9119  
 (831) 338-2153 phone  
 (831) 338-7986 fax

**Vendor**

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
<b>00016 - GREENWASTE RECOVERY,INC</b>						
01-100-5420	2/10/2016	2/1/2016	1910220	00068-08-2016	262.82	BUILDING MAINTENANCE
Total for Vendor 00016 - GREENWASTE RECOVERY,INC:					262.82	
<b>00047 - SOIL CONTROL LAB</b>						
01-800-5202	2/4/2016	1/25/2016	6010562	00038-08-2016	145.00	WATER ANALYSIS - GEN PHYSICAL
01-800-5202	2/4/2016	1/27/2016	6010563	00038-08-2016	37.00	WATER ANALYSIS - METALS DIGESTION
01-800-5202	2/10/2016	1/12/2015	5110582	00068-08-2016	117.00	WATER ANALYSIS - TOTAL PHOSPHATE
01-800-5202	2/10/2016	1/26/2016	6010562	00068-08-2016	145.00	WATER ANALYSIS - GEN PHYSICAL
01-800-5202	2/10/2016	1/24/2016	6010563	00068-08-2016	37.00	WATER ANALYSIS - METALS DIGESTION
Total for Vendor 00047 - SOIL CONTROL LAB:					481.00	
<b>00054 - PACIFIC GAS &amp; ELECTRIC</b>						
01-400-5500	2/10/2016	1/29/2016	012916	00067-08-2016	5,211.79	GAS/ELECTRIC CHARGES - FINANCE
02-600-5500	2/10/2016	1/29/2016	012916	00067-08-2016	179.82	GAS/ELECTRIC CHARGES - WTP
01-800-5500	2/10/2016	1/29/2016	012916	00067-08-2016	16,854.15	GAS/ELECTRIC CHARGES - WTP
01-100-5500	2/10/2016	1/29/2016	012916	00067-08-2016	606.55	GAS/ELECTRIC CHARGES - ADMIN
01-400-5500	2/10/2016	2/3/2016	020316	00067-08-2016	9.53	ELECTRIC CHARGES - OPS
Total for Vendor 00054 - PACIFIC GAS & ELECTRIC:					22,861.84	
<b>00055 - AT&amp;T</b>						
02-600-5510	2/10/2016	2/1/2016	020116	00067-08-2016	320.05	TELEPHONE SERVICE - BCEWW
01-800-5510	2/10/2016	2/1/2016	020116	00067-08-2016	1,519.51	TELEPHONE SERVICE - WTP
01-400-5510	2/10/2016	2/1/2016	020116	00067-08-2016	3,196.66	TELEPHONE SERVICE - OPS
01-100-5510	2/10/2016	2/1/2016	020116	00067-08-2016	139.81	TELEPHONE SERVICE - ADMIN
Total for Vendor 00055 - AT&T:					5,176.03	
<b>00076 - ERNIE'S AUTO CENTER</b>						

**Vendor**

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
<b>00076 - ERNIE'S AUTO CENTER</b>						
01-400-5410	2/4/2016	1/19/2016	646098	00038-08-2016	55.53	TRUCK 309 LIGHTS - LIGHT REPAIR VE-309
Task Label:		Type:	PO Number:	0000100278		
Total for Vendor 00076 - ERNIE'S AUTO CENTER:					55.53	
<b>00080 - GRANITE CONSTRUCTION CO</b>						
01-400-5300	2/4/2016	1/6/2016	926140	00038-08-2016	686.46	BASE ROCK AND ROCK - JOHNSON BLDG STOCK
Task Label:		Type:	PO Number:	0000100269		
01-400-5300	2/10/2016	1/12/2016	927579	00068-08-2016	834.60	RECYCLE FEE - RECYCLE OF ASPHALT
Task Label:		Type:	PO Number:	0000100288		
01-400-5300	2/10/2016	1/14/2016	928319	00068-08-2016	47.85	MAIN REPAIR - FILL SAND
Task Label:		Type:	PO Number:	0000100299		
01-400-5300	2/10/2016	1/21/2016	930462	00068-08-2016	383.86	BASE ROCK - PROBATION ACCESS RD
Task Label:		Type:	PO Number:	0000100295		
01-400-5300	2/10/2016	1/25/2016	931224	00068-08-2016	56.77	BASE ROCK - MAIN REPAIR
Task Label:		Type:	PO Number:	0000100297		
Total for Vendor 00080 - GRANITE CONSTRUCTION CO:					2,009.54	
<b>00082 - MID VALLEY SUPPLY</b>						
01-400-5600	2/4/2016	1/29/2016	192922	00038-08-2016	42.22	OFFICE SUPPLIES - OPS
01-400-5600	2/4/2016	1/29/2016	192922	00038-08-2016	42.22	OFFICE SUPPLIES - ADMIN
Total for Vendor 00082 - MID VALLEY SUPPLY:					84.44	
<b>00097 - JIM WALTERS TRACTOR</b>						
01-400-5200	2/10/2016	1/27/2016	5692	00068-08-2016	330.00	SPOIL REMOVAL
Task Label:		Type:	PO Number:	0000100296		
Total for Vendor 00097 - JIM WALTERS TRACTOR:					330.00	
<b>00115 - ATKINSON-FARASYN</b>						
01-100-5210	2/4/2016	1/26/2016	012616	00038-08-2016	262.50	LEGAL SERVICES
01-100-5210	2/4/2016	1/26/2016	012616A	00038-08-2016	531.25	LEGAL SERVICES
01-100-5210	2/4/2016	1/26/2016	012616B	00038-08-2016	1,293.75	LEGAL SERVICES
Total for Vendor 00115 - ATKINSON-FARASYN:					2,087.50	
<b>00129 - UNITED RENTALS NORTHWEST INC</b>						
01-400-5300	2/4/2016	1/5/2016	133296423-002	00038-08-2016	1,947.50	FUEL TANK STORAGE RENTAL - MONTHLY RENTAL FEE
Task Label:		Type:	PO Number:	0000100264		

Vendor	Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
Total for Vendor 00129 - UNITED RENTALS NORTHWEST INC:						1,947.50	
00204 - FEDERAL EXPRESS CORP							
	01-400-5200	2/4/2016	1/19/2016	011916	00038-08-2016	113.63	SHIPPING CHARGES
	Task Label:		Type:	PO Number:	0000100267		
	01-100-5650	2/4/2016	1/19/2016	011916A	00038-08-2016	17.73	SHIPPING CHARGES
Total for Vendor 00204 - FEDERAL EXPRESS CORP:						131.36	
00213 - CHESTNUT IDENTITY							
	01-400-5171	2/4/2016	1/26/2016	102492	00038-08-2016	70.31	UNIFORMS - BEASLEY
	01-400-5171	2/4/2016	1/26/2016	102494	00038-08-2016	96.07	UNIFORMS - KUHNLEIN, SIFTON
Total for Vendor 00213 - CHESTNUT IDENTITY:						166.38	
00233 - LADD'S AUTO BODY & TOWING							
	01-800-5410	2/10/2016	12/7/2015	5425	00067-08-2016	3,478.26	BODY REPAIRS -TRUCK 249
	Task Label:		Type:	PO Number:	0000100043		
Total for Vendor 00233 - LADD'S AUTO BODY & TOWING:						3,478.26	
00236 - IDEXX DISTRIBUTION CORP							
	01-800-5300	2/4/2016	1/18/2016	297035992	00038-08-2016	218.48	LAB SUPPLIES - MICRO ORGANISMS
	Task Label:		Type:	PO Number:	0000100273		
Total for Vendor 00236 - IDEXX DISTRIBUTION CORP:						218.48	
00263 - RAYNE WATER CONDITIONING							
	01-800-5300	2/10/2016	1/31/2016	013116	00068-08-2016	31.75	SOFTENER EXCHANGE - KIRBY PLANT
	Task Label:		Type:	PO Number:	0000100291		
Total for Vendor 00263 - RAYNE WATER CONDITIONING:						31.75	
00268 - WATTS ON							
	01-800-5200	2/4/2016	1/19/2016	11644	00038-08-2016	850.00	LYON PLANT - GENERATOR - FUEL POLISH
	Task Label:		Type:	PO Number:	0000100274		
	01-800-5200	2/4/2016	1/19/2016	11645	00038-08-2016	1,325.00	KIRBY PLANT - FUEL POLISH - GEN AND TAN TRAI
	Task Label:		Type:	PO Number:	0000100274		
Total for Vendor 00268 - WATTS ON:						2,175.00	
00343 - ERNIE'S SERVICE CENTER							
	01-400-5410	2/10/2016	1/28/2016	49220	00068-08-2016	1,517.69	TRUCK 485 - NEW BRAKES VE-485

**Vendor**

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
00343 - ERNIE'S SERVICE CENTER						
Task Label:		Type:	PO Number:	0000100285		
Total for Vendor 00343 - ERNIE'S SERVICE CENTER:					1,517.69	
00362 - ACCELA, INC #774375						
01-200-5200	2/10/2016	1/31/2016	INV32627	00068-08-2016	1,968.00	WEB PAYMENT FEES
Total for Vendor 00362 - ACCELA, INC #774375:					1,968.00	
00367 - INFOSEND, INC						
01-200-5650	2/10/2016	1/29/2016	101741	00068-08-2016	2,662.73	POSTAGE
01-200-5200	2/10/2016	1/29/2016	101741	00068-08-2016	1,107.68	CONTRACT SERVICES
01-200-5200	2/10/2016	2/1/2016	101881	00068-08-2016	175.00	PROGRAMMING
Total for Vendor 00367 - INFOSEND, INC:					3,945.41	
00369 - CAROLE TRIANTAFILLOS						
01-200-5630	2/10/2016	2/10/2016	021016	00067-08-2016	82.13	EMPLOYEE REIMBURSEMENT - SEMINAR
Total for Vendor 00369 - CAROLE TRIANTAFILLOS:					82.13	
00398 - WATSONVILLE METAL CO.,INC						
01-400-5200	2/10/2016	1/29/2016	8424701	00068-08-2016	600.00	DUMPSTER PICKUP - OLY DUMPSTER
Task Label:		Type:	PO Number:	0000100284		
Total for Vendor 00398 - WATSONVILLE METAL CO.,INC:					600.00	
00450 - EUROFINS EATON ANALYTICAL, INC						
01-800-5200	2/10/2016	2/1/2016	250338	00068-08-2016	100.00	WELL SAMPLING - PASO WELLS
Task Label:		Type:	PO Number:	0000100292		
01-800-5200	2/10/2016	2/5/2016	251011	00068-08-2016	80.00	WATER ANALYSIS - PASO WELLS
Total for Vendor 00450 - EUROFINS EATON ANALYTICAL, INC:					180.00	
00478 - MWH AMERICAS						
01-100-5200	2/4/2016	1/22/2016	17703597	00038-08-2016	5,821.25	CONSULTING SERVICES - 12/5/15- 1/15/16
Total for Vendor 00478 - MWH AMERICAS:					5,821.25	
00480 - LAW OFFICES OF MARY L TOPLIFF						
01-100-5210	2/10/2016	12/31/2015	4427	00067-08-2016	750.00	LEGAL SERVICES
01-100-5210	2/10/2016	1/31/2016	4450	00067-08-2016	120.00	LEGAL SERVICES

**Vendor**

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
Total for Vendor 00480 - LAW OFFICES OF MARY L TOPLIFF:					870.00	
00703 - DATAFLOW BUSINESS SYSTEMS, INC						
01-400-5200	2/10/2016	1/27/2016	174923	00068-08-2016	7.50	OPERATIONS TONER - SHIPPING FOR TONER
Task Label:		Type:	PO Number:	0000100298		
Total for Vendor 00703 - DATAFLOW BUSINESS SYSTEMS, INC:					7.50	
00721 - UNITED SITE SVCS.,INC						
01-400-5200	2/4/2016	1/21/2016	3685848	00038-08-2016	148.15	QUAIL 5 TOILET - SERVICE AND CLEANING
Task Label:		Type:	PO Number:	0000100263		
Total for Vendor 00721 - UNITED SITE SVCS.,INC:					148.15	
00788 - COMCAST						
01-800-5510	2/10/2016	2/3/2016	020316	00067-08-2016	30.84	INTERNET SERVICE - WTP
Total for Vendor 00788 - COMCAST:					30.84	
10002 - CONNEY SAFETY PRODUCTS						
01-400-5401	2/4/2016	1/26/2016	5083299	00038-08-2016	179.24	HEARING PROTECTION - BANDS AND PODS EAR PLUGS
Task Label:		Type:	PO Number:	0000100275		
Total for Vendor 10002 - CONNEY SAFETY PRODUCTS:					179.24	
10019 - SCHWARZBACH ASSOCIATES, INC.						
01-100-5420	2/4/2016	1/16/2016	160116-1	00038-08-2016	1,665.44	JOHNSON PROPERTY MAINTENANCE
01-100-5420	2/4/2016	1/23/2016	160123-1	00038-08-2016	360.05	JOHNSON PROPERTY MAINTENANCE
Total for Vendor 10019 - SCHWARZBACH ASSOCIATES, INC.:					2,025.49	
10023 - AT & T CAPITAL SERVICES, INC						
01-100-5510	2/10/2016	2/8/2016	2979310	00067-08-2016	396.07	TELEPHONE MAINTENANCE
Total for Vendor 10023 - AT & T CAPITAL SERVICES, INC:					396.07	
10056 - JOAN GRIFFITHS						
01-000-1200	2/10/2016	2/5/2016	06510160	00067-08-2016	1,289.24	CUSTOMER DEPOSIT REFUND
Total for Vendor 10056 - JOAN GRIFFITHS:					1,289.24	
10057 - JOHN CAHILL						

**Vendor**

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
10057 - JOHN CAHILL						
01-000-1200	2/10/2016	2/5/2016	07824513	00067-08-2016	1,038.50	CUSTOMER DEPOSIT REFUND
Total for Vendor 10057 - JOHN CAHILL:					1,038.50	
Report Total:					61,596.94	

# Accounts Payable

## Checks by Date - Detail by Check Number

User: KendraNegro  
Printed: 2/10/2016 4:08 PM



13060 Highway 9  
Boulder Creek, CA 95006-9119  
(831) 338-2153 phone  
(831) 338-7986 fax

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
10628	00589 7077 7077	ALLARD'S SEPTIC CONTRACT SERVICES - FTB CONTRACT SERVICES	01/28/2016		-75.00 300.00
Total for Check Number 10628:				0.00	225.00
10629	00767 919527621A 919527621B	ANTHEM BLUE CROSS MEDICARERX - JAN 2016 MEDICARERX - FEB 2016	01/28/2016		132.00 132.00
Total for Check Number 10629:				0.00	264.00
10630	00309 011916 011916A 011916B	AT&T IP SERVICES IP SERVICES - ADMIN IP SERVICES - OPS IP SERVICES - WTP	01/28/2016		381.01 381.00 381.00
Total for Check Number 10630:				0.00	1,143.01
10631	00686 011316 011316A 011316B	AT&T LONG DISTANCE LONG DISTANCE - ADMIN LONG DISTANCE - OPS LONG DISTANCE - WTP	01/28/2016		1.95 93.30 29.37
Total for Check Number 10631:				0.00	124.62
10632	00145 314-292490	BATTERIES PLUS BENNET CHLOR STATION - GENERATOR B	01/28/2016		157.68
Total for Check Number 10632:				0.00	157.68
10633	10053 077-203-16	JESSE BRUMBAUGH CUSTOMER INSTALLATION REFUND	01/28/2016		1,275.92
Total for Check Number 10633:				0.00	1,275.92
10634	00099 012616	JOEL BUSA CALPERS MEDICAL	01/28/2016		125.00
Total for Check Number 10634:				0.00	125.00
10635	00566 1601000	C S S C ANSWERING SERVICE	01/28/2016		407.78
Total for Check Number 10635:				0.00	407.78
10636	00234 012016	CITY OF SCOTTS VALLEY SEWER CHARGES - 11/15/15 - 01/15/16	01/28/2016		79.00
Total for Check Number 10636:				0.00	79.00
10637	00788	COMCAST	01/28/2016		

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	011616	INTERNET SERVICE - 264 ORCHARD			136.08
	011916	INTERNET SERVICE - 7400 HWY 9			141.08
					<hr/>
Total for Check Number 10637:				0.00	277.16
10638	00273	CORELOGIC, INC.	01/28/2016		
	81652197	CONTRACT SERVICES - REALQUEST			93.75
	81652197A	CONTRACT SERVICES - REALQUEST			93.75
					<hr/>
Total for Check Number 10638:				0.00	187.50
10639	00343	ERNIE'S SERVICE CENTER	01/28/2016		
	48192	RADIATOR REPLACEMENT - TRUCK 325			776.39
	48596	ANNUAL SMOG INSPECTIONS - VE 249			44.78
	48619	ANNUAL SMOG INSPECTIONS - VE 340			44.78
	48640	ANNUAL SMOG INSPECTIONS - VE 280			47.69
	48656	ANNUAL SMOG INSPECTIONS - VE 338			44.78
	48660	ANNUAL SMOG INSPECTIONS - VE 480			115.99
					<hr/>
Total for Check Number 10639:				0.00	1,074.41
10640	00662	JAMES A. MUELLER	01/28/2016		
	012616	CALPERS MEDICAL			50.00
					<hr/>
Total for Check Number 10640:				0.00	50.00
10641	00625	OFFICE DEPOT	01/28/2016		
	817185104001	OFFICE SUPPLIES			43.42
	817185567001	OFFICE SUPPLIES			6.48
	817185568001	OFFICE SUPPLIES			4.86
					<hr/>
Total for Check Number 10641:				0.00	54.76
10642	10004	PETTY CASH - ANDI O'NEAL	01/28/2016		
	012616A	PETTY CASH			42.97
	012616B	PETTY CASH			13.02
	012616C	PETTY CASH			15.00
	012616D	PETTY CASH			23.69
					<hr/>
Total for Check Number 10642:				0.00	94.68
10643	00011	VERIZON WIRELESS	01/28/2016		
	011315	CELL PHONE CHARGES - WTP			778.29
	011315	CELL PHONE CHARGES - ADMIN			85.46
	011315	CELL PHONE CHARGES - OPS			661.91
	011315	CELL PHONE CHARGES - ENG			85.46
	9758861294	TABLET CHARGES			369.90
					<hr/>
Total for Check Number 10643:				0.00	1,981.02
10644	00057	AFSCME COUNCIL 57	02/01/2016		
	FEB 2016	UNION DUES - FEB 2016			603.90
					<hr/>
Total for Check Number 10644:				0.00	603.90
10645	00115	ATKINSON-FARASYN	02/01/2016		
	FEB 2016	LEGAL FEES - FEB 2016			3,500.00
					<hr/>
Total for Check Number 10645:				0.00	3,500.00
10646	00240	NEW RESOURCE BANK	02/01/2016		
	FEB 2016	KIRBY SOLAR LEASE			2,380.00



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 10646:	0.00	2,380.00
10647	UB*00077	ROBERTO ALBANESE Refund Check	02/04/2016		108.08
			Total for Check Number 10647:	0.00	108.08
10648	00686 011916	AT&T LONG DISTANCE LONG DISTANCE - KIRBY WTP	02/04/2016		77.52
			Total for Check Number 10648:	0.00	77.52
10649	10054 079-191-26	STEPHEN AUFDERMAUR CUSTOMER INSTALLATION DEPOSIT REFU	02/04/2016		2,000.00
			Total for Check Number 10649:	0.00	2,000.00
10650	10025 80005154	BADGER METER, INC BEACON SERVICES	02/04/2016		65.86
			Total for Check Number 10650:	0.00	65.86
10651	UB*00076	FRED BURR Refund Check Refund Check Refund Check	02/04/2016		17.57 61.60 5.12
			Total for Check Number 10651:	0.00	84.29
10652	00363 FEB 2016	CINCINNATI LIFE INSURANCE CO LIFE INSURANCE - FEB 2016	02/04/2016		28.00
			Total for Check Number 10652:	0.00	28.00
10653	00788 012616	COMCAST INTERNET SERVICE - 195 KIRBY	02/04/2016		141.08
			Total for Check Number 10653:	0.00	141.08
10654	00444 010816 012116 122915	COSTCO-CAPITAL ONE COMMERCIAL OFFICE SUPPLIES - ADMIN OFFICE SUPPLIES - ADMIN OFFICE SUPPLIES - ENG	02/04/2016		207.78 51.16 38.29
			Total for Check Number 10654:	0.00	297.23
10655	10005 020316	ICMA RETIREMENT C/O M & T RETIRI RETIREMENT WITHHOLDING	02/04/2016		1,185.00
			Total for Check Number 10655:	0.00	1,185.00
10656	00058 12182	IHWY, INC. INTERNET BUSINESS HOSTING	02/04/2016		25.00
			Total for Check Number 10656:	0.00	25.00
10657	00172 398905	JOSEPH F. CONE REIMBURSEMENT - AFTER HOURS MEALS	02/04/2016		15.00
			Total for Check Number 10657:	0.00	15.00
10658	UB*00080	JAYSON MADANI	02/04/2016		

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
		Refund Check			29.12
			Total for Check Number 10658:	0.00	29.12
10659	00625	OFFICE DEPOT	02/04/2016		
	819493007001	OFFICE SUPPLIES - ADMIN			32.46
	819493095001	OFFICE SUPPLIES - FINANCE			32.46
	819493096001	OFFICE SUPPLIES - FINANCE			15.58
	820508602001	OFFICE SUPPLIES - FINANCE			81.72
	820508602001	OFFICE SUPPLIES -ADMIN			6.27
			Total for Check Number 10659:	0.00	168.49
10660	00054	PACIFIC GAS & ELECTRIC	02/04/2016		
	012616	ELECTRIC CHARGES - ZAYANTE/ROSEBLC			72.90
	012616A	ELECTRIC CHARGES - LAZYWOODS			2.17
	012816	ELECTRIC CHARGES - ZAYANTE/ROSEBLC			23.37
			Total for Check Number 10660:	0.00	98.44
10661	UB*00079	DEBBI PARIS	02/04/2016		
		Refund Check			47.52
		Refund Check			6.20
		Refund Check			21.28
			Total for Check Number 10661:	0.00	75.00
10662	00298	STATE OF CALIFORNIA	02/04/2016		
	012916	CASE #557151242			75.00
			Total for Check Number 10662:	0.00	75.00
10663	00642	STEVEN M.BUTLER,R.P.F.	02/04/2016		
	010416	WATERSHED MAINTENANCE - 5-MILE ANI			1,052.62
			Total for Check Number 10663:	0.00	1,052.62
10664	UB*00078	LORETTA STUCKERT	02/04/2016		
		Refund Check			9.85
			Total for Check Number 10664:	0.00	9.85
10665	00399	VISION SERVICE PLAN	02/04/2016		
	FEB 2016	VISION INSURANCE - ADMIN			50.31
	FEB 2016	VISION INSURANCE - OPS			262.22
	FEB 2016	VISION INSURANCE - WT			57.63
	FEB 2016	VISION INSURANCE - ENG			16.30
	FEB 2016	VISION INSURANCE - WATERSHED			8.15
	FEB 2016	VISION INSURANCE - FINANCE			120.67
			Total for Check Number 10665:	0.00	515.28
10666	00711	ROBERTS & BRUNE CO.	02/04/2016		
	S1531614.002	MTR VLV PIPE-MTR STRT 3/4X5/8"			508.54
	S1531614.002	FULL CIRCLE 3/4-3 REDI-CLP 244			72.64
	S1531614.002	BACKFLOW RED.PRESS.3/4" W/BALL			1,467.12
	S1531614.002	FULL CIRCLE 4.95-5.35 7.50"			146.60
	S1531614.002	FLEX COUPLING 2" X 5" OD 2.375			368.73
	S1531614.002	SADDLE HDPE 6 X 1 IP			277.33
	S1531614.002	FULL CIRCLE 2.35-2.63 12.50"			190.63
	S1531614.002	FULL CIRCLE 4.45-4.73 12.50"			236.64
	S1531614.002	COLLAR LEAK CLAMP 2" X 7.5"			122.68

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	S1531614.002	FULL CIRCLE 4.95-5.35 12.50"			125.13
	S1531614.002	SADDLE DS 2.35-2.56 x 1"			132.41
	S1531614.002	FLEX COUPLING 1-1/4" X 5"			181.75
	S1532423.003	MISC PARTS - STORM PREP			1,423.75
	S1535830.001	OPERATING SUPPLIES			354.48
	S1535830.003	SUPPLIES - RIVERSIDE GROVE			215.73
			Total for Check Number 10666:	0.00	5,824.16
10667	00001 7719-600438	ROYAL WHOLESALE ELECTRIC TURBIDIMETER INSTALL - LYON PLANT-M	02/04/2016		37.10
			Total for Check Number 10667:	0.00	37.10
10668	00142 62110 62233	SAN LORENZO LUMBER GRINDER - TRUCK 275 TANK REPAIR - UPPER SWIM TANK	02/04/2016		97.96 43.90
			Total for Check Number 10668:	0.00	141.86
10669	00125 263730 263832 263941 263993 264208 264303 264310 264311 264321 264330 541927 541949 541994 542099 542160 542185 542198 542343 542361 542433 542644	SCARBOROUGH LUMBER 17 FEET LINK CHAIN - QUAIL 5 YARD LOMPICO GENERATOR - BLOCKING MATE DOWN SPOUT REPAIR - OPERATIONS BLD SCREEN MATERIAL - TANK OVERFLOW C LIGHT BULBS - QUAIL FACILITY TANK REPAIR - UPPER SWIM TANK - MISC CREDIT TANK REPAIR - SWIM TANK REPAIR TANK REPAIR - SWIM TANK REPAIR TANK REPAIR - SWIM TANK REPAIR 5-MILE INTAKE SERVICE - VISQUEEN FOR CHAIN SAW MIX - 2 STROKE MIX NAILS - MISC PARTS 5-MILE LOCKING HASP - HASP FOR LOCKING FUE LYON PLANT - CLEANING SUPPLIES MISC, BOLTS, ROOFING CEMENT - HIGHL/ TANK REPAIR - HATCH INSTALLATION FA ADMIN QUIET ROOM - PAINT FOR GLASS PUTTY KNIFE, CAULKING - ADMIN QUIET TANK REPAIR - SWIM TANK REPAIR MISC TOOLS - TIRE REPAIR & SHOVEL	02/04/2016		57.23 146.43 29.20 20.12 29.97 117.81 -10.59 27.84 20.23 25.89 15.42 66.43 10.70 19.28 27.74 29.70 4.40 4.81 13.96 59.98 36.01
			Total for Check Number 10669:	0.00	752.56
10670	00168 143256 143342	SCOTTS VALLEY SPRINKLER TANK REPAIR - UPPER SWIM TANK MISC PARTS FOR FORMAN INTAKE	02/04/2016		232.34 20.26
			Total for Check Number 10670:	0.00	252.60
10671	00729 6012710	ALPHA ANALYTICAL LABS WASTEWATER MONITORING	02/05/2016		926.00
			Total for Check Number 10671:	0.00	926.00
10672	00609 21518-1215	BALANCE HYDROLOGICS, INC CONTRACT/PROFESSIONAL SERVICES	02/05/2016		5,894.56
			Total for Check Number 10672:	0.00	5,894.56
10673	00423	BAY AREA BARRICADE	02/05/2016		

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	0334485-IN	TRAFFIC SAFETY ITEMS - CONES, CONSTI			1,241.58
			Total for Check Number 10673:	0.00	1,241.58
10674	00220 28028	BAY BUILDING JANITORIAL,INC JANITORIAL SERVICE - JAN 2016	02/05/2016		424.42
			Total for Check Number 10674:	0.00	424.42
10675	00139 18773 18773	BAYSIDE OIL 18 DEEP CYCLE BATTERIES - QUAIL, BTN 18 DEEP CYCLE BATTERIES - QUAIL, BTN	02/05/2016		1,776.12 1,776.12
			Total for Check Number 10675:	0.00	3,552.24
10676	00012 64796W	C & N TRACTORS FERMEC TRACTOR LINK ARM - LINK ARM	02/05/2016		793.40
			Total for Check Number 10676:	0.00	793.40
10677	00415 FEB 2016 FEB 2016 FEB 2016	CA BANK & TRUST/GOV SVC DEPT 1976 SAFE DRINKING WATER BOND 1976 SAFE DRINKING WATER BOND - BAN 1976 SAFE DRINKING WATER BOND - INTE	02/05/2016		11,828.29 15.00 3,738.14
			Total for Check Number 10677:	0.00	15,581.43
10678	00265 2250	COMMUNITY TELEVISION OF CONTRACT SERVICES - BOARD COVERAG	02/05/2016		175.00
			Total for Check Number 10678:	0.00	175.00
10679	00703 173140 173659 173660 173661 173662 173663	DATAFLOW BUSINESS SYSTEMS, INC ANNUAL COPIER FEES LYON PLANT - REP SAVIN 917 SPF COPIER- OPS FY 15/16 ANNUAL COPIER FEES ANNUAL COPIER FEES ANNUAL COPIER FEES ANNUAL COPIER FEES	02/05/2016		302.65 83.85 34.18 172.87 950.36 166.68
			Total for Check Number 10679:	0.00	1,710.59
10680	00061 719	DHS PUBLIC HEALTH LAB TICK TEST FOR LYME DISEASE	02/05/2016		31.00
			Total for Check Number 10680:	0.00	31.00
10681	00319 65000	ECOLOGY ACTION OF SANTA CRUZ WATER CONSERVATION PROGRAM	02/05/2016		1,563.51
			Total for Check Number 10681:	0.00	1,563.51
10682	00450 248082 249460	EUROFINS EATON ANALYTICAL, INC WATER ANALYSIS WATER ANALYSIS	02/05/2016		80.00 80.00
			Total for Check Number 10682:	0.00	160.00
10683	00118 63308881	FARMER BROTHERS COFFEE COFFEE - OPS COFFEE SUPPLIES	02/05/2016		194.37
			Total for Check Number 10683:	0.00	194.37

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
10684	00164 891468	FIRST ALARM ALARM SERVICE - BBCEWW SOLAR PANE	02/05/2016		345.35
			Total for Check Number 10684:	0.00	345.35
10685	00365 010816	FREITAS + FREITAS SWIM TANK PROJECT	02/05/2016		6,565.60
			Total for Check Number 10685:	0.00	6,565.60
10686	00016 1859625	GREENWASTE RECOVERY,INC BUILDING MAINTENANCE	02/05/2016		262.82
			Total for Check Number 10686:	0.00	262.82
10687	00236 296663664	IDEXX DISTRIBUTION CORP BACTEE BOTTLES - BACTEE BOTTLES & C	02/05/2016		1,009.84
			Total for Check Number 10687:	0.00	1,009.84
10688	00695 123015	PAUL JENSEN CONTRACT SERVICES - LOST ACRES DR	02/05/2016		1,040.00
			Total for Check Number 10688:	0.00	1,040.00
10689	00097 5677	JIM WALTERS TRACTOR HAULING - ROCK FROM QUARRY TO BC	02/05/2016		302.50
			Total for Check Number 10689:	0.00	302.50
10690	00756 98495 98495A 98495B	KENNEDY/JENKS CONSULTANTS INTERTIE #3 PROJECT INTERTIE #4 PROJECT	02/05/2016		18,383.92 53,397.02 8,799.70
			Total for Check Number 10690:	0.00	80,580.64
10691	00082 192095	MID VALLEY SUPPLY HOUSEHOLD SUPPLIES	02/05/2016		89.74
			Total for Check Number 10691:	0.00	89.74
10692	00152 135270	NORTH GLASS QUIET ROOM - FROSTED GLASS	02/05/2016		92.38
			Total for Check Number 10692:	0.00	92.38
10693	00047 5120636 5120808 6010155 6010156 6010408 6010409	SOIL CONTROL LAB WATER ANALYSIS WATER ANALYSIS WATER ANALYSIS WATER ANALYSIS WATER ANALYSIS WATER ANALYSIS	02/05/2016		510.00 39.00 145.00 39.00 145.00 39.00
			Total for Check Number 10693:	0.00	917.00
10694	01084 011516	LAURIE SWETT ADMIN BUILDING REMODEL CONSULTAT	02/05/2016		1,350.00
			Total for Check Number 10694:	0.00	1,350.00
10695	00727	ULINE SHIPPING SUPPLY	02/05/2016		

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	73517110	SUPER GRIPTION GLOVES - LARGE & EXT			97.61
			Total for Check Number 10695:	0.00	97.61
10696	00129 134256793-001	UNITED RENTALS NORTHWEST INC LIGHT TOWER - MAGNUM PRO MLT 360	02/05/2016		3,572.25
			Total for Check Number 10696:	0.00	3,572.25
			Report Total (69 checks):	0.00	155,538.41

# CASH REQUIREMENTS

THIS REPORT SUMMARIZES YOUR PAYROLL TRANSACTIONS FOR THE CHECK DATE 02/03/16. IT DOES NOT REFLECT MISCELLANEOUS ADMINISTRATIVE CHARGES. PLEASE REFER TO YOUR INVOICE(S) FOR THE TOTAL CASH REQUIRED FOR THIS CHECK DATE.

## TRANSACTION DETAIL

**ELECTRONIC FUNDS TRANSFER** - Your financial institution will initiate transfer to Paychex *at or after 12:01 A.M.* on transaction date.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>		<b>BANK DRAFT AMOUNTS &amp; OTHER TOTALS</b>
02/02/16	WELLS FARGO BANK, NA	xxxxxx1358	Direct Deposit	Net Pay Allocations	36,904.71	<b>36,904.71</b>
02/02/16	WELLS FARGO BANK, NA	xxxxxx1358	Taxpay®	Employee Withholdings		
				Social Security	5,307.17	
				Medicare	1,241.20	
				Fed Income Tax	9,959.88	
				CA Income Tax	3,315.43	
				CA Disability	770.40	
				<b>Total Withholdings</b>	<b>20,594.08</b>	
				Employer Liabilities		
				Social Security	5,307.18	
				Medicare	1,241.18	
				Fed Unemploy	129.58	
				<b>Total Liabilities</b>	<b>6,677.94</b>	<b>27,272.02</b>
02/02/16	WELLS FARGO BANK, NA	xxxxxx1358	401(k) Traditional	PXROTH 401 EEPO	956.88	
				PX401 EECU		
				PX401 ERMTCH		
				PXROTH 401 EECU		
				PX401 ERCUM		
				PX401 EEPRE	898.56	<b>1,855.44</b>
02/02/16	WELLS FARGO BANK, NA	xxxxxx1358	Section 125	PXDCA EE PRE	180.00	
				PXUME EE PRE	350.00	<b>530.00</b>
<b>EFT FOR 02/02/16</b>						<b>66,562.17</b>
<b>TOTAL EFT (Does not reflect administrative charges)</b>						<b>66,562.17</b>

**NEGOTIABLE CHECKS** - Check amounts will be debited when payees cash checks. Funds must be available on check date.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>		<u>TOTAL</u>
02/03/16	WELLS FARGO BANK, NA	xxxxxx1358	Payroll	Check Amounts	18,456.81	
<b>TOTAL NEGOTIABLE CHECKS</b>						<b>18,456.81</b>

# CASH REQUIREMENTS

THIS REPORT SUMMARIZES YOUR PAYROLL TRANSACTIONS FOR THE CHECK DATE 02/03/16. IT DOES NOT REFLECT MISCELLANEOUS ADMINISTRATIVE CHARGES. PLEASE REFER TO YOUR INVOICE(S) FOR THE TOTAL CASH REQUIRED FOR THIS CHECK DATE.

**REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES** - Paychex does not remit these funds. You must ensure accurate and timely payment of applicable items.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>	<u>TOTAL</u>
02/03/16	Refer to your records for account	Information	Payroll	Employee Deductions	
				Advance	630.58
				Aflc/Col Post	55.11
				Aflc/Col Pre	389.65
				Calper 457	125.00
				DPer	5,456.76
				Health	1,796.58
				ICMA	1,185.00
				Life Ins	14.00
				Union dues	322.08
				<b>Total Deductions</b>	<b>9,974.76</b>
<b>TOTAL REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES (Does not reflect administrative charges)</b>					<b>9,974.76</b>

**PAYCHEX WILL MAKE THESE TAX DEPOSIT(S) ON YOUR BEHALF** - This information serves as a record of payment.

<u>DUE DATE</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>	
02/10/16	Taxpay®	FED IT PMT Group	23,056.61
02/10/16	Taxpay®	CA IT PMT Group	4,085.83



## MEMO

TO: Board of Directors  
FROM: District Manager  
WRITTEN BY: Environmental Programs Manager  
SUBJECT: WATER CONSERVATION CREDIT PROGRAM  
DATE: February 18, 2016

### RECOMMENDATION

It is recommended that the Board of Directors review and file this memo regarding the Water Conservation Credit Programs.

### BACKGROUND

Since March 6, 2003 the District has offered a Water Conservation Credit Program. The program has changed over the years and most recently; on June 19, 2014 the Board approved Resolution No. 35 (13-14) which implemented a Water Conservation Credit Program update to include the following credits:

- A. Lawn replacement with drought tolerant landscape including but not limited to water wise grasses for a credit not to exceed \$1.50 per square foot and/or up to \$750 per account.
- B. Greywater irrigation materials credit, not to exceed \$150.00 per fixture per household.
- C. Toilet Retrofit Credit up to \$200 for the replacement of a toilet that uses 3.5 gpf or more with an EPA WaterSense-approved Ultra High Efficiency Toilet (1.0 gallon per flush or less) or an EPA WaterSense-approved High Efficiency toilet 1.28 gallons per flush or less.
- D. Hot Water Circulation System not to exceed \$100 per household for the installation of a self-activated or on demand hot water recirculation system
- E. High Efficiency Clothes Washer Credit not to exceed \$100 per fixture for the purchase and installation of High Efficiency Clothes Washers.
- F. Drip Irrigation System Credit for the replacement of an existing outdoor spray irrigation system with an appropriately installed drip irrigation system of at least 100 square feet in area. Credit is not to exceed \$20 per 100 square feet and/or \$500 per customer.
- G. Weather-Based Irrigation Controller Credit of up to \$75 or \$125, depending on the type of controller.

Since the update to the credit program, drought conditions have caused a surge in applications for conservation credits and the credit program budget has been expensed

before the end of the fiscal years. Therefore the program was suspended in January 2015 and again in October 2016.

In the first quarter of fiscal year 2015/16 the credit program was so popular that 205 applications were received, up from an average of 50 per quarter the previous year. The rebate program initial budget was set at \$25,000. In order to process the surge of applications in the first quarter, an additional \$53,000 was reallocated bringing the rebate program to \$78,000, and the program was suspended. The District is continuing to process those applications and are not accepting any more applications. The second quarter rebates reflect the outstanding applications from the first quarter.

During the period October through December, District staff has processed 43 rebate credits totaling \$12,709. The District will see a permanent water savings of 537,046 gallons per year from the 43 rebates processed in the 2<sup>nd</sup> quarter. And a grand total of 1,753,772 gallons or 5.38 acre feet per year saved for the first two quarters of combined of fiscal year 2015/16. Details are provided below:

### 2nd Quarter Ending December 31, 2016

Type	# Rebates	Amount	Gallons/y saved
Drip	7	\$2,549.36	15,296
Clothes Washers	4	\$400.00	20,400
Recirculation System	3	\$300.00	23,400
Lawn	11	\$6,466.94	193,491
Toilet 1.6	3	\$225.00	3,840
Toilet 3.5	14	\$2,643.00	280,000
Irrigation Controller	1	\$125.00	619
<b>Totals</b>	<b>43</b>	<b>\$12,709.30</b>	<b>537,046</b> 1.65AFY

Estimated water savings associated with the Water Conservation Credit Program are based upon average consumption of a 4-person household. Individual results may vary.

- High Efficiency Washing Machines assume average estimated annual savings of 5,100 gallons/year per replacement of a low-efficiency clothes washer with a high-efficiency washer.
- Conversion of spray to drip irrigation system is estimated to save approximately 4,500 gallons of water per year for a 500 square foot landscape.
- Installation of a weather based irrigation controller is estimated to result 1.7gallons per sq ft per year reduction in landscape water.

- Drip system conversion average water conservation results in 4,500 gallons/ 500 sq ft landscape converted per year.
- Recirculation results in 7800 gallons average savings per year.
- Lawn conversion results in 6 ft/sq ft per year. Or 44.88 gallons per year per square foot of lawn removed.
- Toilets: 1.6 retrofit to 1.28 or less results in 1280 gal/year and 3.5 or more will result in approximately 5000 gallons per capita per year.

There is further documentation and explanations of the rebate programs available on the District website.

It is recommended that the Board of Directors review and file this memo regarding the Water Conservation Credit Programs for the period stated above.

FISCAL IMPACT:

2015/16 Current Year to Date - \$43,709

2013 STRATEGIC PLAN:

Strategic Element 1.7 Water Conservation

## MEMO

To: Board of Directors  
From: District Manager  
Prepared By: Director of Operations  
Subject: Lyon Water Treatment Plant Operational and SCADA Controls Replacement, Award of Bid  
Date: February 10, 2016

### RECOMMENDATION:

It is recommend that the Board of Directors review this memo and approve by motion of the Board, Emerson Process Management proposal for upgrade to the Lyon Water Treatment Plant Operational and SCADA Controls for a total of \$142,810.00.

### BACKGROUND:

The District's Lyon Water Treatment Facility was constructed in 1994. The treatment plant is operated through a series of remote terminal units (RTUs), programmable logic controllers (PLCs), multiple input/output (IO) terminals in digital and or analog signals. In addition to operating the Water Treatment Plant this equipment is intergraded with the Districts master SCADA system. The existing hardware equipment is manufactured by Emerson Process and is proprietary. The current equipment has reached its life expectancy and requires replacement.

On August 20, 2015 the District's Board of Directors approved a waiver of formal bidding procedures and sole source procurement for the Lyon Water Treatment Plant Operational and SCADA Control update. The Board also authorized staff to move forward with a replacement proposal and return to the Board for approval.

On January 27, 2016 the District received a proposal from Emerson Process Management (see attached) for a complete upgrade to the treatment plant's Operational and SCADA Controls in the amount of \$142,810.00. The current

Fiscal Budget 2015-16 provides \$150,000 for replacement of said equipment. Staff has review the proposal and is recommending the Board accept the proposal and direct staff to move forward with the equipment upgrade.

FISCAL IMPACT:

\$142,810

STRATEGIC PLAN:

Strategic Element - 3.1 Capital Improvement Project



Emerson Process Management  
*Power & Water Solutions, Inc.*  
200 Beta Drive  
Pittsburgh, PA 15238  
Tel 1 (412) 963-4000

January 27, 2016

San Lorenzo Valley Water District  
13060 Highway 9  
Boulder Creek, CA 95006-7986

**Attention:** Rick Rogers

**Subject:** Lyon Water Treatment Plant Upgrade Offer  
Emerson Process Management Power & Water Solutions, Inc.  
Offer No.WAS\_AM\_01262016\_CB001

Dear Mr. Rogers,

Emerson Process Management Power & Water Solutions, Inc. (Emerson) is pleased to submit this offer for the Lyon Water Treatment Plant located at San Lorenzo Valley Water District. This offer is in response to the subject inquiry and consists of the contents of this letter (including attachments) and any reference made herein.

Thank you for the opportunity to submit this offer. If you have any questions or require additional information, please contact Cathi Bradley at (760) 405-7431. Any resulting purchase order may be sent through the normal ControlWave Storefront channel using [PWS.WAS\\_Storefront@Emerson.com](mailto:PWS.WAS_Storefront@Emerson.com) email.

Sincerely,

*Josue Salazar/Cathi Bradley*  
Emerson Process Management  
Power & Water Solutions, Inc.

Attachment(s): Scope of Work  
Emerson Process Management Terms & Conditions of Sale Form B (01 08)  
RAS Terms & Conditions

### **Summary of Existing Site**

San Lorenzo Valley Water District Lyon Water Treatment Plant is currently utilizing the Bristol Babcock 33XX controllers and remote I/O. The 33XX equipment is obsolete and no longer supported by the manufacturer.

- Existing SCADA system is iFix 4.5 & 5.0
- Operating System is Win7
- OpenBSI 5.7, Workbench and Harvester are installed on the existing workstations.
- Two SCADA Workstations (WTP1 & WTP2) with a third computer, as well, running Harvester.
- There are RTU's with multiple remote I/O units installed
  - WTP - 3330 (SLV has chosen to abandon this unit)
  - Plant Operations - PCP1 is a 3335 with four (4) 3331's
  - Alarms/Field – PCP2 is a 3335 with four (4) 3331's
- PCP2 – Big Steel site is connected to PCP2 via 9600 Baud communications and is a 3330. Big Steel site will be upgraded in the future and is not included in this scope of work.
- Four chart recorders are installed on the panel doors. These will remain.
- PCP1 & PCP2 –Panel Alarm annunciator panel is currently installed and being used to acknowledge alarms. The audible horns are no longer being used and will be removed and covered under this scope of work.
- PCP1 & PCP2 – Each panel door has a myriad of indicator lights, as well as, HOA buttons and switches. SLV has identified the lights, switches and indicators they would like to remove and replace with blanks.

### **Objectives for the Upgrade**

Emerson's objective is to provide the district with an upgrade solution that:

1. Provides the functionality that the District requires. The existing program logic is retained and re-used to the extent required by the District.
2. Minimize the downtime of the plant's automatic controls by providing new hardware and software that is compatible with the existing installation. This will be accomplished via a migration path from the 33XX family to the ControlWave family of platforms.
3. Minimize the need for rewiring the existing I/O.
4. Using methods of removal or replacement of equipment that is as aesthetically pleasing as possible.
5. Allows for possible expansion of I/O capability in the future.

### **Scope of Work**

Emerson will furnish the ControlWave Micro controller hardware with necessary remote I/O modules and terminal blocks to compliment the current installation at the plant. Emerson will translate the existing 33XX ACCOL-based loads to programs based on the IEC 61131-3 standard using the Structured Text language.

Emerson will consult with San Lorenzo Valley Water District on any changes or modifications to the existing control logic, alarms and notifications. These changes will be incorporated into the upgrade provided by Emerson.

Emerson will revise the programs in the existing controllers at the Operations Center as needed to accommodate revisions that may arise during the migration process. The communication link logic will be revised as needed for the Data Concentrator (OPS), existing Redwood School (RED) alarming and for upgraded remote sites (PCP1, PCP2 and WTP). Emerson will revise the communication interfaces to accommodate any new Zone-700 alarms and other alarm changes as needed.

Emerson will also add new logic to the PCP1 and PCP2 controllers such that the new Maple System touchscreen displays will perform in a similar fashion to the existing Panalalarm Annunciators.

Emerson will bench test all hardware and software in house prior to installation.

As an option, customer training will be provided on the ControlWave Micro hardware tutorial, startup and troubleshooting tips.

#### **PCP1 Control Panel**

Emerson will provide the ControlWave Micro hardware mounted on retrofit panel assemblies to be installed in the existing enclosure. The ControlWave Micro Remote I/O blocks will be mounted so as to fit into the existing positions currently housing the 3331's. The Remote I/O units will be utilizing the Remote Termination I/O Modules so as to manage the existing wiring in a similar manner as it is currently installed.

Emerson will remove the existing Panalarm annunciator. Emerson will provide a pair of Maple Systems touchscreen displays, mounted on a customized retrofit plate assembly, to be installed in its place.

The Acknowledge, Test & Rest buttons will be removed and replaced with blank plates painted the same color as the existing enclosure.

The audible horn will be removed and a blank plate will be installed in its place.

#### **PCP2 Control Panel**

Emerson will provide the ControlWave Micro hardware mounted on retrofit panel assemblies to be installed in the existing enclosure. The ControlWave Micro Remote I/O blocks will be mounted so as to fit into the existing positions currently housing the 3331's. The Remote I/O units will be utilizing the Remote Termination I/O Modules so as to manage the existing wiring in a similar manner as it is currently installed.

Emerson will remove the existing Panalarm annunciator. Emerson will provide a pair of Maple Systems touchscreen displays, on a customized retrofit plate assembly, to be installed in its place.

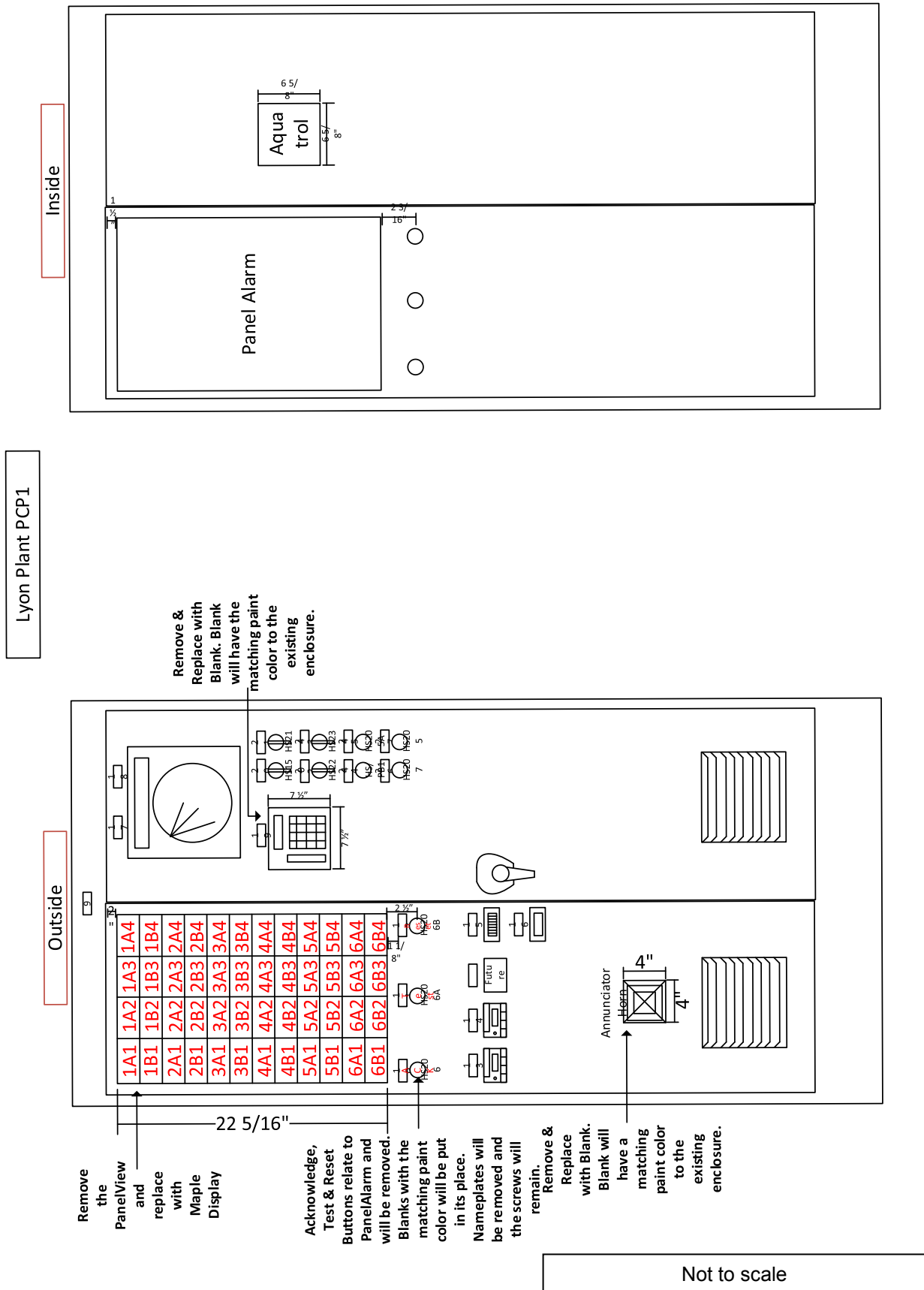


Indicators (T3, T4, & T5) and switches (SW4, SW5, SW6, SW10, SW11, & SW12) will be removed and replaced with blanks painted the same color as the existing enclosure.

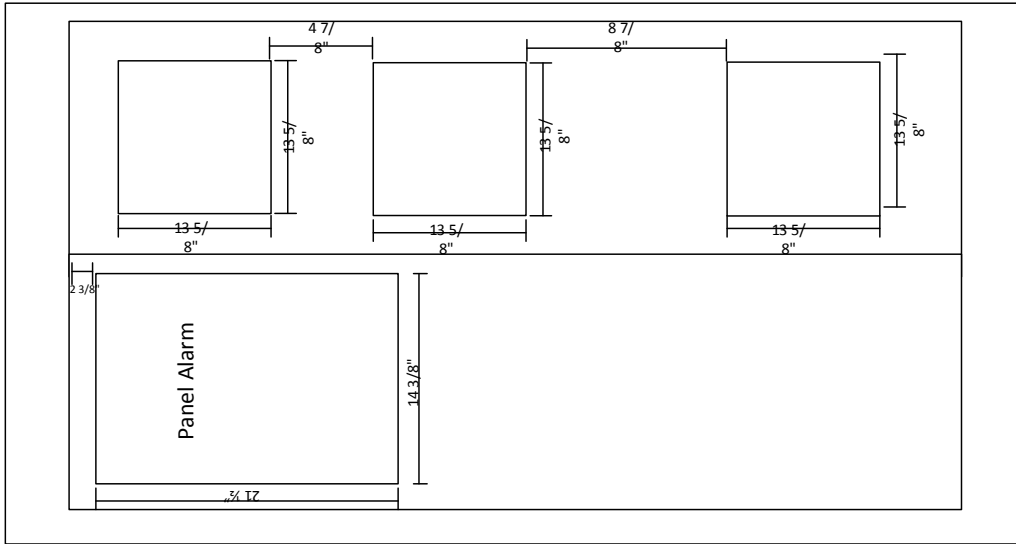
The audible horn will be removed and a blank plate will be installed in its place.

**WTP Control Panel**

Emerson has included effort to upgrade the WTP Control Panel to support the customer with the historical database or other activity, as needed.

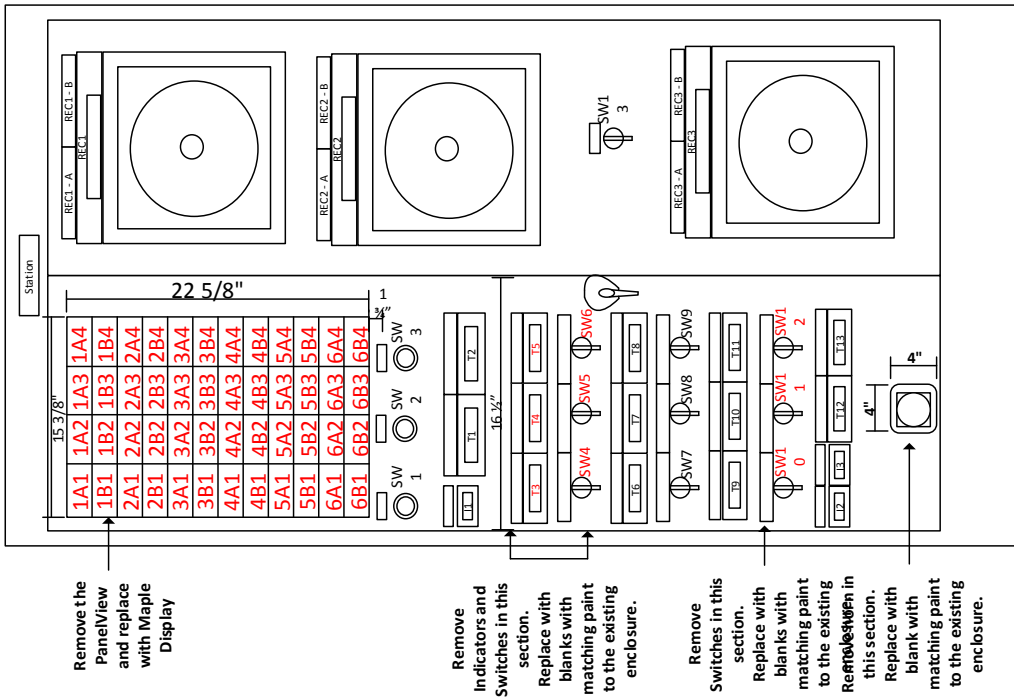


Inside



Lyon Plant PCP2

Outside



Remove the PanelView and replace with Maple Display

Remove Indicators and Switches in this section. Replace with blanks with matching paint to the existing enclosure.

Remove Switches in this section. Replace with blanks with matching paint to the existing enclosure. Repeat steps in this section. Replace with blank with matching paint to the existing enclosure.

Not to scale

**Bill of Materials**

**PCP1 & PCP2 ControlWave Micro**

4	EA	396560-01-6 CWM 8 SLOT CHASSIS
4	EA	396559-02-6 CWM 4 SLOT EXPLANSION CHASSIS
2	EA	396563-16-3S CWM CPU
4	EA	396657-01-0 CWM POWER SYS CONTROLLER
8	EA	396571-04-2 CWM 16PT DI MODULE, REMOTE TERMINATION W/ LEDs
12	EA	396572-04-9 CWM 16PT DO MODULE, REMOTE TERMINATION W/ LEDs
2	EA	396563-18-0 CWM CPU
4	EA	396604-02-1 CWM 8PT AI MODULE, REMOTE TERMINATION W/ LEDs
4	EA	396603-02-5 CWM 8PT AO MODULE, REMOTE TERMINATION W/ LEDs
12	EA	396545-01-7 CWM BLANK COVER
14	EA	395622-04-2 CWM DI REMOTE TERMINAL BLOCK
25	EA	395622-00-0 CWM DO REMOTE TERMINAL BLOCK
16	EA	396391-02-8 CWM AI/AO REMOTE TERMINAL BLOCK
2	EA	395622-02-6 CWM DI REMOTE TERMINAL BLOCK
72	EA	CWM REMOTE TERMINATION CABLE

**Enclosures and Front Panels**

4	EA	MAPLE HMI5150XL DISPLAY
10	EA	BLACK BOX EMEDIN 19" RACK MOUNT
18	EA	PHOENIX 3022218 CLIPFIX 35 END BRACKET
17	EA	PHOENIX 0441504 USLKG 5 TERMINAL BLOCK
4	EA	PHOENIX 2770011 UKK3 TERMINAL BLOCK
10	EA	PHOENIX 2966171 PLC-RSC-24DC/21
10	EA	PHOENIX 3022276 CLIPFIX 35-5 END BRACKET
29	EA	PHOENIX 3002555 UK 3-RETURN-PE TERMINAL BLOCK
180	EA	TERMINAL MARKERS
2	EA	PHOENIX 2966786 PLUG-IN JUMPER
2	EA	CUSTOM PLATE WITH CUTOUTS FOR FOR MAPLE DISPLAY, F63TXH3776 POLANTE "T"
2	EA	CUSTOM PLATE, 4"X4", F63TXH3776 POLANTE "T"
1	EA	CUSTOM PLATE, 7.5"X7.5", F63TXH3776 POLANTE "T"
1	EA	CUSTOM PLATE, 16.5"X3", F63TXH3776 POLANTE "T"
2	EA	CUSTOM PLATE, 16.5"X7", F63TXH3776 POLANTE "T"
1	EA	CUSTOM 19"X19" PLATE, WHITE

**Services**

1. Project Management
2. Engineering, Coordination, Review, and Procurement
3. Coordination Meetings with Electrical Contractor
4. Panel Design Submittal
5. Panel Design Drawings
6. Loop Drawings Submittal and Production
7. Bench Testing, FAT Unwitnessed, and FAT Witnessed (at Riverside office)
8. Field Start up and Testing
9. SCADA HMI startup and testing
10. OPTIONAL – Customer Training on ControlWave hardware, startup and troubleshooting

Emerson's offer is based in the attached Terms and Conditions of Sale (Form B), and any clarification, exceptions, or exclusions submitted with this offer. The Clarifications and the Bill of Materials (BOM) quantify the equipment and services included in this offer.

### **General Clarifications and Exclusions**

#### **A. Materials not included:**

- Any wire or cable (power, fiber optic, patch cables, signal, communications, grounding or other), conduit, junction boxes, and/or other material and hardware pertaining to the installation of equipment, including but not limited to, ground wires, ground lugs, ground rods, wire labels, wire lugs and/or connectors, unless otherwise indicated in this offer.
- Any mounting, fastening and support hardware and materials (such as nuts, bolts, washers, Unistrut, channels, antenna mounting hardware, cable hanging kits, etc.), custom installation hardware, special brackets and U-bolts/V-bolts, lightning rods, antenna towers, poles, and masts of any kind, mounting stands, pipe stands, etc. for instruments and/or other equipment, and concrete bases that may be required to mount panels, instruments and/or other equipment unless otherwise indicated in this proposal.
- Except for the materials and services specifically defined in Emerson's bill of material, all materials and services are excluded from Emerson's scope of supply.

#### **B. Services**

- Emerson's scope is exclusive of any interdisciplinary site coordination for all scheduling and planning of site activities as well as third party material and services.
- Services as part of this proposal are to be provided during normal business hours between 8:00 a.m. and 5:00 p.m. with one hour for lunch, Monday through Friday, except legal holidays. Overtime rate will apply to all hours worked or traveled in excess of eight (8) hours on weekdays and all time worked or traveled on Saturdays, Sundays and holidays.
- All on site shipments, receiving, handling, safe storage and local transportation will be by others.
- All physical installation and electrical installation (including but not limited to moving, mounting and fastening of equipment, signal wiring and terminations, communication wiring and terminations, power wiring and terminations, and ground wiring and terminations), will be by others unless otherwise indicated herein.

#### **C. Other**

- Power and signal wiring and grounding of all equipment supplied hereunder must be completed in full accordance with the manufacturer's requirements and in compliance with applicable specifications, codes standards, including but not limited to, NEC.
- Duties and taxes are excluded from Emerson's offer.

**Commercial Description for San Lorenzo Valley Water District Lyon Water Treatment Plant**

This document defines the commercial basis under which Emerson makes this offer to San Lorenzo Valley Water District for the upgrade at Lyon Water Treatment Plant.

<b>Terms and Conditions</b>	This offer expressly limits acceptance to the terms of this offer including the terms and conditions set forth in the Emerson Process Management Terms and Conditions of Sale Form B (01 08) and the Software Licensing Agreement, as included with this offer.
<b>Pricing</b>	The price as offered is <b>\$142,810.00</b> . Delivery shall be FOB jobsite. Optional service not included.
<b>Warranty</b>	1 Year Warranty for equipment listed herein after date of substantial completion  The terms of the warranty are defined in the attached Terms and Conditions of Sale Form B.
<b>Delivery</b>	Delivery will be based on mutually agreeable delivery schedule.  If, after the project has started, the Contractor requests a delay in delivery, installation, or acceptance testing of any of the products or services purchased under this offer, then Emerson reserves the right to invoice for payment for all goods and services provided to date, and close out the project. Upon Emerson's request, the Contractor will issue a new purchase order for any remaining scope of supply using the previously offered pricing.
<b>Terms of Payment</b>	Invoices will be issued for each of the following deliverable line items with payment due Net 30 days from the date of the invoice. The amount of each invoice shall be calculated by applying the percentages (%) shown below against the total Purchase Order price including any changes.  30% Upon Submittal Approval 60% Upon Delivery 10% Customer Acceptance
<b>Bid Validity</b>	This offer shall remain valid for sixty (60) days from the date of this letter, unless otherwise extended, modified, or withdrawn in writing by Emerson. The return of a purchase order acceptable to Emerson during such validity period will be sufficient to form an agreement based exclusively on the terms and conditions of this offer.
<b>Proprietary and Confidential Information</b>	This offer and any subsequent communications relative to this offer are considered to be proprietary and confidential information of Emerson. Accordingly, such proprietary and confidential information shall not be published, used, reproduced, transmitted, or disclosed to others outside your organization without prior written consent by Emerson.

## MEMO

TO: Board of Directors

FROM: District Manager

SUBJECT: Discussion and Possible Action on Recommendation to Award a Professional Services Contract to NBS to prepare an Enterprise Wide Cost-of-Service Study.

DATE: February 18, 2016

### RECOMMENDATION:

It is recommended that the Board of Directors review this memo, review the attached documentation and recognize NBS as the most qualified professional firm responding to the District's Request for Proposal to conduct an Enterprise Wide Cost-of-Service study. Additionally, it is recommended that the Board authorize Staff to enter into negotiations and execute a professional services agreement with NBS to conduct said study for a time-and-material not-to-exceed price of \$75,542.

### BACKGROUND:

For the better part of the last nine months the Budget and Finance Committee has been developing a plan to address the District's current rate structure and determine the need for future adjustments. This effort is focused to look at the entire District; water and sewer. Out of the discussions it was agreed that conducting a Cost-of-Service study was of paramount importance to any future rate review. It was also determined that the Cost-of-Service study was important enough to justify contracting it separate from a rate study. The District should conduct a multi-year rate study after the Cost-of-Service study is completed.

The Budget and Finance Committee authorized the release of the attached Request for Proposals (RFP) to Conduct an Enterprise Wide Cost of Service Study. Three firms responded with proposals (attached).

The three Budget and Finance committee members, along with three key District staff members, individually reviewed and ranked each proposal. The individual scores were averaged into a qualifications score.

To keep the rankings focused on qualifications the proposed fee estimates were kept hidden from the scorers and were only revealed after the rankings were submitted. Fee scores were then added to the qualifications score for a Final score.

The Final scores were reviewed at the Budget and Finance Committee's regularly scheduled February 9th meeting. Based on that review and discussion the Budget and Finance Committee recommended that staff bring this item to the full Board with a recommendation to award a contract to NBS.

CEQA REQUIREMENTS:

- Categorically Exempt:

***Section 15262. Feasibility and Planning Studies.***

*A project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted, or funded does not require the preparation of an EIR or negative declaration but does require consideration of environmental factors. This section does not apply to the adoption of a plan that will have a legally binding effect on later activities.*

STRATEGIC PLAN:

Element 5.0 – Fiscal Planning

FISCAL IMPACT:

Department: 01 – Administration

Account: 5020, Contract/Professional Services

Charge: \$30,000

Budgeted: Yes

Department: 01 – Administration

Account: 5020, Contract/Professional Services

Charge: Up to \$9,542

Budgeted: No

Department: 06 – Wastewater

Account: 5020, Contract/Professional Services

Charge: \$36,000

Budgeted: Yes





**REQUEST FOR PROPOSALS**

**TO PROVIDE:**

**CONSULTING SERVICES TO THE  
SAN LORENZO VALLEY WATER DISTRICT**

**PROJECT TITLE:**

**ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY**

**RESPONSE DUE BEFORE 3:00 P.M.**

**ON**

**JANUARY 15, 2015**

**San Lorenzo Valley Water District  
13060 Highway 9  
Boulder Creek, CA 95006  
(831) 430-4625**

## I. INTRODUCTION

The San Lorenzo Valley Water District is soliciting proposals from qualified firms to conduct a Cost of Service study (including a staffing study) for its water and sewer enterprise funds beginning in February 2016. This Cost of Service study will serve as a key component and basis for a future Multi-Year Rate Study. It will be imperative that this Cost of Service study be comprehensive and provide enough layers to parse identified costs among the District's various customer bases.

## II. GENERAL INFORMATION

### A. Water

San Lorenzo Valley Water District (SLVWD or District) is an urban water supplier established in 1941 and serves several communities within the 136 square-mile San Lorenzo River watershed. The District owns, operates, and maintains three water systems comprised of thirty-three pressure zones. Each service area has separate individual water sources. The North Service Area includes the unincorporated communities of Boulder Creek, Brookdale, and Ben Lomond. The South Service Area encompasses portions of the City of Scotts Valley and adjacent unincorporated neighborhoods. The Mañana Woods subdivision became part of the South Service Area as a result of the District's annexation of the Mañana Woods Mutual Water Company in July 2006. The Felton Service Area was acquired by the District from California American Water in September 2008 and includes the town of Felton and adjacent unincorporated areas.

The District's legal boundaries encompass approximately 60 square miles. Land uses include timber, State and regional parks, water supply watersheds, rural residential, low-density urban residential and commercial, quarries, agriculture, and other open space. Within these boundaries, the District's three service areas have a combined area of approximately 24 square miles and individual areas as follows: North Service Area (20.9 square miles), South Service Area (0.8 square mile), and Felton Service Area (2.2 square miles). Their individual water supply systems are referred to as the North, South, and Felton Systems.

The District relies on both surface water and groundwater resources, including nine currently active stream diversions, one groundwater spring, and eight active groundwater wells. These sources are derived solely from rainfall within the San Lorenzo River watershed. Each service area is supplied as follows:

- North Service Area – Supplied by both stream diversions and groundwater wells. Six points of diversion draw from Peavine, Foremen, Clear, and Sweetwater creeks. Two active groundwater wells draw from the Santa Margarita Sandstone aquifer in each of the Quail Hollow and Olympia areas.
- South Service Area – Supplied by groundwater wells producing from the Lompico Sandstone aquifer, and the overlying Santa Margarita Sandstone aquifer where saturated. These include three active Pasatiempo wells and one active Mañana Woods well.
- Felton Service Area – Supplied by three points of diversion: Fall Creek, Bull Creek, and Bennett Spring.

The scale and complexity of SLVWD's water distribution system (33 pressure zones) reflect the San Lorenzo Valley's rugged topography, dispersed pattern of development, and widely distributed raw water sources. The District's three systems have limited above-ground storage capacity equal to a few days' average use, and rely on groundwater for seasonal and year-to-year storage. The District produces and treats water based on immediate water demand.

Water Enterprise operating expenses for the 2015/16 year are budgeted at \$5.727M. The District is expecting to operate the Water Enterprise fund at a \$117,255 loss for the 2015/16 year, excluding capital projects and depreciation expenses.

## B. Wastewater

The District's Bear Creek Estates Wastewater System operates in and around the neighborhoods along Deerwood Drive, Harmon Gulch and Timberwood Road. The Bear Creek Estates Sanitary System (BCESS) system serves approximately four dozen homes. The System consists of:

1. Gravity sewer pipes collecting wastewater from individual homes within the service area. Total length and size of gravity system is unknown
2. Force main delivering wastewater from a centralized collection point to a treatment plant. Size, material and length of force main are unknown.
3. One pump station.
4. One bio-treatment plant with leach field disposal

The system is operated under California Regional Water Quality Control Board Order No. 00-043.

The District currently budgets a flat \$100,000 annual operational revenue for the wastewater Enterprise. The District is expecting to operate the Wastewater Enterprise fund at a \$22,500 loss for the 2015/16 year excluding capital projects and depreciation expenses. Yearly operational costs fluctuate, but regularly exceed annual revenue. Historically, funds have not been adequate to properly maintain the collection system and treatment plant. Capital Improvement and replacement projects have been financially constrained and limited to emergency or mandatory work only. The wastewater enterprise fund currently has no capital reserves. The District currently has no Capital Improvement Program for BCESS. The District has not constructed any major Capital projects in years and rates have remained unchanged since 2010.

## C. Recent History

The District currently employs 26 individuals within four departments (Administration, Accounting/Customer Service, Operations (Distribution and Treatment), and Engineering).

The District last completed a rate study in 2013. The model that the District utilized for this rate study and rate change will be available for the selected consultants review and use. The District's last rate change as a result of the 2013 rate study occurred on January 1, 2016. Recent changes in operating and maintenance costs (The Drought) along with a revised capital improvement program have created the need to reassess the revenue requirements and cost of service of the District's water and wastewater services. The District anticipates that a budget based rate structure will continue to be utilized for its water service fees.

The District recently adopted a new accounting and general ledger system (Springbrook), including a new chart of accounts in 2015. One of the objectives of implementing the new system is to more accurately account for costs between the two enterprise funds.

The District desires to conduct a Cost of Service study that determines the totality of costs for both the water and sewer enterprise funds with sufficient detail to ensure a future rate study will have adequate data to distribute costs across the District's various customer bases.

As a part of this Cost of Service Study, the selected consultant shall conduct a staffing study and provide an expert opinion regarding what size and distribution of a workforce would be ideal for a system of equal complexity and distribution as SLVWD. This staffing study will not include a salary review or attempt to determine what range of salaries and benefits are appropriate for current

positions at the District. The District will be conducting a separate Compensation and Benefits study at a later date.

The Cost of Service Study will include professional opinions regarding appropriate capital, operational, labor and reserve commitments. As stated prior, this Cost of Service Study will become the basis for a future rate study (Rate Study RFP anticipated to be released in the Spring of 2016).

District anticipates a 5-month schedule for completion of this Cost-of-Service study. Estimated completion and Board presentation is anticipated in June 2016.

### **III. PROJECT SCOPE OF SERVICES**

The proposed scope of required services for this project includes:

#### **TASK 100 – PROJECT MANAGEMENT AND INFORMATION COLLECTION**

Consultant shall provide overall project management including contract administration, budget and schedule tracking, kick-off and progress meetings and controls.

Consultant shall assume five meetings with staff and three public meetings (Board and/or special meetings).

Consultant shall provide internal quality control and quality assurance procedures.

Consultant shall propose a project schedule that meets or exceeds the timeline provided in this Request for Proposals.

Consultant shall research and review existing studies and reports regarding how the District has historically provided for each enterprise fund.

#### **TASK 200 – COST OF SERVICE**

The consultant shall perform an overall analysis of the function, classification and allocation of costs. The consultant shall make recommendations as appropriate for improvements consistent with industry standards, best practices, and State law. The consultant shall prepare a cost of service study that provides a clear, written analysis of the methodology used and the basis for allocating the costs of providing services between the enterprise funds.

The analyses shall:

- Identify various direct costs included in the District's budget and make recommendations for any changes necessary to ensure direct operational costs are properly aligned with the appropriate service.
- Recommend administrative overhead allocations that will improve equity in the application of overhead costs between the two enterprise funds.
- Demonstrate the cost of providing the different services.
- Prepare a standardized cost of service study utilizing industry accepted practices for the functionalization, classification and allocation of costs to the two customer classes (water and sewer), along with any recommended changes.
- Ensure that all costs can be allocated among property owners and users in an accurate and equitable manner. The methodology used shall be sufficiently documented and justified consistent with State law. The Cost of Service study must be fine grained enough to ensure future Rate Study has enough facets to be adjustable.

Key components to be considered during the Cost of Service study:

- Capital – Consultant shall review the District's current capital inventory and develop a high-level replacement value for both enterprise funds. Using said replacement values, Consultant shall determine what an average yearly capital replacement spending plan should be for each of the District's Enterprise Funds.
- Labor – Consultant shall conduct a staffing study and make recommendations regarding size and organization of the District's labor forces. The District desires to know what a 'best fit' staffing plan would be for proper maintenance and function of the two Enterprise funds. Consultant shall provide professional opinion on what size and make-up of the labor pool the District should employ by applying industry standards to the District's operating environment. The staffing study should include discussion regarding possible utilization of consultants for select staffing needs.
- Operational – The cost to deliver water sources shall be analyzed separately (Stream Diversions and Groundwater). Electrical requirements and consumable (chlorine, coagulants, etc.) shall be included in cost analysis.

Of particular interest to the District is a review of seasonal costs associated with water production. The Winter months are primarily surface water through stream diversions. THE summer months are primarily groundwater through wells. The District is interested in reviewing cost of winter source water versus summer source water.

The District is also concerned regarding the cost of maintaining our watershed. The District owns significant (300+ acres) watershed within the local mountains. The District is very interested in analyzing what the cost of maintaining that watershed, including costs associated with protecting the groundwater basin.

The cost to properly operate the District's Wastewater Treatment and Collection system shall be analyzed, including industry standard preventative maintenance.

- Reserve – Consultant shall review the District's current reserve policy. Consultant shall provide a professional opinion regarding the adequacy of the District's reserve policy based on size and complexity of the District's operational and capital components.

Consultant shall analyze the cost characteristics for providing reliable service. Calculations used in the cost of service analysis will include, as a minimum, administrative overhead, operations, maintenance, and replacement & enhancements of facilities to comply with new and revised regulations and ensure system reliability.

Consultant shall study available documentation and conduct sufficient field investigation to establish appropriate knowledge of the age, condition and workings of the existing system to make appropriate assumptions regarding all capital facilities. The need to fund long-term capital replacement is of critical importance to this study.

Consultant shall consider the impact of current and proposed environmental regulations on the operation and discharge requirements of the system.

Cost of service components to consider include, but are not limited to pumping, treatment, collection, operation and maintenance, administrative and overhead, replacement and capital improvements, debt service and reserves.

### **TASK 300 – FINAL RATE ANALYSIS REPORT**

Consultant shall prepare a final report that provides a detailed analysis of work performed and assumptions made. The report shall provide a clear written analysis of the basis upon which Costs-of-Service was calculated.

Consultant shall provide a model (Excel workbook) and appropriate training for District staff to use going forward.

Consultant shall provide seven (7) hard copies (one wet signature and six copies) and a digital pdf of the final report.

#### **IV. PROPOSAL REQUIREMENTS**

The proposal shall not exceed 15 pages excluding resumes, cover letter, dividers, front and back covers. Responses to this RFP shall be in the following order and shall include:

1. Executive Summary (2 pages maximum)

Summarize the contents of your firm's proposal in a clear and concise manner.

2. Project Description (3 pages maximum)

- i. Explain the objective of the project and how you propose to accomplish the recognized goals.
- ii. Describe the services and deliverables to be provided.
- iii. Include a statement on what makes your firm uniquely qualified.

3. Identification of Prime Consultant (1 page maximum)

- i. Legal name and address of the company.
- ii. Legal form of company (partnership, corporation).
- iii. If company is wholly owned subsidiary of a "parent company," identify the "parent company."
- iv. Name, title, address and telephone number of person to contact concerning the Response Submittal.
- v. Number of staff and the discipline/job title of each.

4. Identification of Sub Consultants, if any (1 page maximum)

- i. Legal name and address of the company.
- ii. Name, title, address and telephone number of prime contact
- iii. Number of staff and the discipline/job title of each.

5. Project Organization and Experience of the Project Team (3 pages maximum, not including resumes)

- i. Describe proposed project organization, including identification and responsibilities of key personnel, including sub-consultants. Include only one-page resumes.
- ii. Describe the experience of the Project Manager and the experience that the proposed personnel have working on past projects as a team.
- iii. Describe project management approach to the work effort, locations where work will be done, responsibilities for coordination with the District, lines of communication necessary to maintain design on schedule.
- iv. Describe a proposed schedule showing all facets of work that will meet the District's objectives and goals in a timely manor.
- v. Describe the Firm's capacity to perform the work within the time limitations, considering the firm's current and planned workload and the firm's current and planned work force.

6. Experience and Past Performance, Including Cost and Schedule Control (3 pages max / 3 projects max, not including final work product)

- i. Include a summary of the past experience and performance of the Project Manager on similar projects. Include the following information:
  1. Owner, contact name and phone number

- 2. Project size and description
- 3. Project budget and total dollar value of completed project
- 4. Budgeted project schedule and total time to completion
- 5. Estimated costs and actual costs
- 6. Final work product with appendices (pdf format)

ii. Describe the firm’s past experience and performance on similar projects. Include the information listed above.

7. Firm’s Local Experience (1 page maximum)

Describe the firm’s experience and knowledge with Cost of Service Studies.

8. Creative Alternatives (1 pages maximum)

Discuss any creative solutions to meet the project objectives.

9. Proposed Total Professional Fee and Fee Schedules Submitted Under Separate Sealed Cover

- i. Proposed fee shall be organized with appropriate breakdown into subtasks.
- ii. Proposed Fee Schedule shall include an estimated timeline (Gantt Chart Format) for completion of each task and subtask.
- iii. Proposed fee shall not be the sole basis of award, but will be used to evaluate the Consultant’s understanding of the Scope of Work.
- iv. Include the hourly rates of all staff that will charge directly to the project.

10. Exceptions to this RFP

The Consultant shall certify that it has fully read the RFP and takes no exceptions to this RFP including, but not limited, to the Consultant Services Agreement (attached). If the Consultant does take exception(s) to any portion of the RFP, the specific portion of the RFP to which exception is taken shall be identified and explained.

The District will require a professional liability insurance verification for coverage of not less than \$1,000,000.00.

**V. EVALUATION CRITERIA**

The evaluation criteria and the respective weights that will be given to each criterion are as follows:

1. Executive Summary .....	10%
2. Project Description .....	25%
3. Identification of Consultant .....	5%
4. Project Organization and Experience .....	25%
5. Past Performance, Including Cost and Schedule Control .....	20%
6. Firm’s Local Experience .....	5%
7. Creative Alternatives .....	5%
8. Proposed Fee .....	5%

## VI. SELECTION PROCESS

The District will enter into negotiations with the top ranked firm. At this time, the District contemplates the use of a Time and Material Not to Exceed contract for the services requested. Negotiations will cover: scope of work, contract terms and conditions, office arrangements, attendance requirements and appropriateness of the proposed fee.

After negotiating a proposed agreement that is fair and reasonable the District Manager will present the contract to the District's Board for authorization to execute a contract with the most responsive firm.

## VII. SELECTION SCHEDULE

The District anticipates that the process for selection of firm and awarding of the contract will be according to the following tentative schedule:

<b>Proposal Due Date</b>	<b>January 15, 2015</b>
Interview (TBD-If Necessary)	TBD
Board of Directors Approval	February 18, 2016
Final Selection and Notification	February 23, 2016

## VIII. SPECIAL CONDITIONS / ATTACHMENTS

The following documents are available (On the District's website or by request) to provide background:

- Draft Professional Services Agreement
- 2010 Urban Water Management Plan
- 2015/16 District Budget
- 2014/15 Audit Statement
- 2015 Strategic Plan
- 2013 Water and Wastewater Charges Study
- 2015 Financial Reserve Policy
- Salary Schedule and Job Classifications

## IX. SUBMITTAL REQUIREMENTS

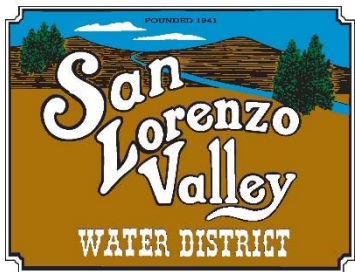
1. One (1) executed original marked "ORIGINAL" in red ink and three (3) copies of the Proposal shall be submitted. One single sealed Proposed Fee Estimate marked "FEE ESTIMATE" in red ink shall be submitted separate from the proposal. Emailed proposals will not be accepted. Submit one electronic copy of the proposal in PDF format (on CD, DVD or Thumb Drive). The Response shall be signed by an individual, partner, officer or officers authorized to execute legal documents on behalf of the Firm.
2. The Response Proposal must be received no later than **3:00 p.m.** local time, on or before **January 15, 2015** at the office of:

**San Lorenzo Valley Water District  
13060 Highway 9  
Boulder Creek, CA 95006**

**Attn: District Secretary (Holly Morrison)**

Failure to comply with the requirements of this RFP may result in disqualification. Questions regarding this RFP shall be submitted in writing to [hmorrison@slvwd.com](mailto:hmorrison@slvwd.com).

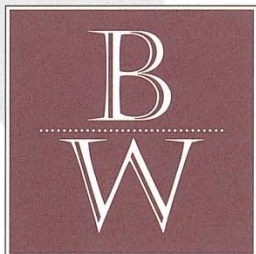




# San Lorenzo Valley Water District

## Proposal for Enterprise Wide Cost of Service Financial Study

January 15, 2016



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS

Agenda: 2.18.16  
Itme: 6b  
1889 Alcatraz Avenue  
Berkeley, CA 94703  
T: 510-653-3399  
www.bartlewells.com

January 15th, 2016

San Lorenzo Valley Water District  
13060 Highway 9  
Boulder Creek, CA 95006

Re: Proposal for Enterprise Wide Cost of Service Financial Study

Dear District Secretary,

Bartle Wells Associates (BWA) is pleased to submit this proposal to conduct an enterprise wide Cost of Service Financial Study for the San Lorenzo Valley Water District. Our firm specializes in providing independent financial advisory and utility rate consulting services to California water and wastewater agencies. We have extensive expertise developing long-term financial plans, utility rates, and development impact fees for a wide range of agencies.

Over the past 50 years, BWA has completed water and wastewater rate studies for hundreds of California public agencies. In the past few years, we have performed rate analyses for regional cities and special districts including: City of Morgan Hill, City of Gilroy, Mid-Peninsula Water District, West Valley Sanitation District, Redwood City, City of Sunnyvale, City of Santa Clara, and many others.

BWA has enlisted the help of Infrastructure Engineering Corporation (IEC) as a sub consultant on this project. IEC is an engineering, construction management, and environmental consulting firm primarily serving public agency clients. Select services IEC provides to municipal customers include: assessment engineering, capital improvement program management, plan checking and development review, site civil planning and design, and as-needed engineering staff extension.

**BWA anticipates several key issues will be addressed in the study including:**

- 1. Conduct an Analysis of District Staffing Needs:** Provide professional recommendations regarding the size and make-up of the District's labor force. Include a discussion of the possible utilization of consultants for certain staffing needs.
- 2. Analyze and Implement the District's Reserve Policy:** Analyze the adequacy of the District's March 2015 adopted reserve policy. BWA's proposed rates will be designed to meet the District's reserve policy. In March of 2015, the District identified shortfalls in the Capital Replacement and Working Capital reserve balances. The wastewater capital fund balance has been depleted and wastewater capital projects have been reduced to emergency repair projects.
- 3. Separately Analyze the Cost of Source of Supply for Water and Wastewater Treatment and Collection for Wastewater:** Analyze the cost to deliver water including electrical and consumable costs. Review seasonal

costs associated with water production due to the difference in utilized water supplies (groundwater during summer and stream diversions during winter). Analyze the cost of maintain the District's 300+ acre watershed and groundwater protection. Include an analysis of the costs to properly operate the District's Wastewater Treatment and Collection system, including industry standard maintenance costs and the potential impact of current and proposed environmental regulations.

- 4. Evaluate the Existing Water and Wastewater Rate Structure:** BWA will evaluate the District's existing water and wastewater rate structure and perform an analysis of costs attributable to the water and wastewater enterprises. BWA will propose alternative rate structures for District consideration. Proposed rate structures will ensure equity between customer classes in compliance with Proposition 218 and will be designed in a clear, well documented manner, easily adjustable with updated information.
- 5. Fund the Cost of Providing Service:** The District's water and wastewater enterprises are budgeted to operate at an \$117,255 and \$22,500 loss respectively for FY 2015/16, excluding capital projects and depreciation expenses. BWA proposed rates will fully cover the cost of service, including funding for maintenance, repairs, and capital projects. Review the District's capital inventory and will develop a replacement value for each system, as well as an average annual capital spending plan for each fund.

We have served over 500 public agencies from all areas of California. Our clients have ranged from small cities and districts to large cities, special districts, joint power authorities, and counties. We have helped a number of agencies develop strategic financial plans to address escalating operating expenses and long-term infrastructure needs. Our rate studies are based on a comprehensive analysis of each agency's customer base, consumption patterns, and demands to ensure rate structure recommendations reflect local needs and objectives.

Our proposal includes our project approach, a description of our firm, resumes and experience, a proposed scope of work, a schedule and budget. We are very interested in working with the District on this project and hope this proposal provides a suitable basis for our selection. Please contact me at (510) 653-3399, ext. 110 if you have any questions or would like any additional information.

Sincerely,

BARTLE WELLS ASSOCIATES



Douglas Dove, PE, CIPFA  
Principal/President

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## Section 1: Bartle Wells Associates Project Description

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### **METHODOLOGY**

BWA's approach to each project is based on a comprehensive analysis of each agency's unique financial situation, customer base, consumption patterns, and demands. We do not have a "one-size-fits-all" rate model. We tailor each study to fit the distinct requisites of each agency to ensure that all recommendations reflect local needs and objectives.

### **TASK A. PROJECT INITIATION & DATA COLLECTION**

#### **1. Project Team Orientation**

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

- Identify members of staff, Board Members/Subcommittees, engineering consultants, and other consultants/advisors who will participate in the project.
- Determine the roles and responsibilities of all project participants.
- Identify other parties that may have a significant interest in the project, such as community groups, business organizations, and large customers.
- Establish project schedule and key milestone dates.
- Confirm the key goals and expectations of the project team.

#### **2. Investigation and Data Collection**

Assemble the information necessary to understand the District's utility systems, finances, customers and usage, rate and fee structures, and legal agreements with other agencies. 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 each enterprise and its finances, and to reach an agreement on basic assumptions to be used in the study.

### **TASK B. TEN-YEAR FINANCIAL PLANS**

#### **1. Develop Forecasts and Projections**

Based on evaluation of the data assembled and input provided by staff and other members of the project team, prepare forecasts and projections to be used in the development of financial projections for the District's water and wastewater enterprises. Develop projections for the following areas (and others as appropriate):

#### **2. Recommend Adjustments to the Current Reserve Policies**

Evaluate the adequacy of the District's current water and wastewater enterprise fund reserves. The capital reserve balance for the wastewater enterprise has been depleted. Recommend fund reserve targets based on the District's operating and capital funding needs. Develop an implementation plan for achieving and maintaining the recommended reserve fund levels.

#### **3. Develop Ten-Year Cash Flow Projections**

Develop cash flow projections showing the financial position of the District's water and wastewater enterprises over the next 10 years. The cash flows will project fund balances, revenues, expenses, potential debt service, and debt service coverage and will incorporate the forecasts developed with staff input, including funding needs for future repairs and replacements. After developing a base-case cash flow scenario, we can develop alternatives for additional evaluation such as capital project alternatives, project financing alternatives, the impacts of different levels of growth, and the impacts of various levels of water conservation, etc.

#### **4. Evaluate Rate Increase Options**

Based on the cash flow projections, determine the annual revenue requirements for the water and wastewater enterprises and project required utility rate increases. Evaluate the financial impact of various rate adjustment alternatives, such as financing with debt proceeds.

#### **5. Review Existing Financial Policies & Recommend New Policies as Appropriate**

Review the District's existing financial and/or rate policies relevant to the District's utility enterprises; i.e. the 2010 Urban Water Management Plan, 2015/16 District Budget, 2014/15 Audit Statement, 2015 Strategic Plan, 2013 Water and Wastewater Charges Study, 2015 Financial Reserve Policy, and Salary Schedule and Job Classifications. Discuss potential policy modifications and/or other policies that the District may want to consider adopting to help provide policy guidance for long-term financial health.

### **TASK C. WATER AND WASTEWATER RATE STUDIES**

#### **1. Review the District's Existing Water and Wastewater Rate Structures & Alternatives**

The District has a conservation-based water rate structure. Customers have a "tiered-rate" model with four rate tiers - higher levels of water consumption are subject to higher rates. The District charges its wastewater customers fixed monthly rates. BWA will discuss advantages and disadvantages of the existing rate structure compared to other rate approaches for each utility. Summarize and discuss findings with the District's project team.

#### **2. Conduct Rate Fee Survey of Regional Utility Agencies**

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

#### **3. Identify Rate Structure Modifications & Alternatives**

Identify alternative rate structures or modifications to the District's existing rates designed to better achieve District objectives. For each utility, discuss pros and cons of different rate structure options and their general impacts on different types of customers. Rate structure options will be refined as the study progresses based on input from the District's project team and will be evaluated to ensure that any modifications can be accommodated within the District's billing system.

#### **4. Allocate Costs to Billing Parameters for Each Utility**

For each utility, update parameters for equitably allocating costs. Allocate revenue recovery targets identified in the financial plans to appropriate rate parameters to determine the underlying unit charges

that will be used to calculate rates. Apply the underlying unit rates to the utility loading profiles of each customer class to ensure rate equity between different types of customer classes.

### **5. Develop Equitable Cost Allocations**

Allocate revenue recovery targets identified in the financial plan to appropriate fixed and variable rate components to determine the underlying unit charges that will be used to calculate rates. Apply the underlying unit rates to calculate rates for each customer class and meter size. Rates will be designed to ensure equity between different types of customer classes and comply with the substantive requirements of Proposition 218.

### **6. Develop Preliminary & Final Rate Recommendations**

Based on the rate analyses and the financial plan update, develop draft rate recommendations. The recommendations can include a multi-year phase in of both overall rate increases and proposed rate structure adjustments. Review preliminary recommendations and key alternatives with the District's project team and Board of Directors. Based on input received, develop final draft water and wastewater rate recommendations.

Final rate recommendations will be designed to a) fund each utility's long-term costs of providing service, b) be fair and equitable to all customers, c) provide a prudent balance of revenue stability and conservation incentive, and d) comply with the substantive requirements of Prop. 218. Based on input from staff, develop a plan for implementing any rate structure modifications and/or rate adjustments.

### **7. Evaluate Rate Impacts on 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 water or wastewater use, 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 D. MEETINGS/PRESENTATIONS, REPORTS, FINANCIAL MODEL. & PROP 218**

### **1. Meetings/Presentations (5 project team meetings including a kickoff meeting, 3 Board meetings, including attendance at Proposition 218 hearing)**

Meet with the District's project team to present findings, discuss alternatives and their impacts, gain ongoing input, and develop and hone recommendations. Present findings to the Board of Directors. Additional meetings with committees and citizens group may also be included if warranted by District staff. Meetings can also be combined, e.g. progress meetings can be scheduled on the same day as Board meetings, to reduce costs.

Presentations will provide brief background and study objectives, make a clear case why rate increases are needed, describe the rate structure (and potentially key alternatives) approved by the project team, show rate impacts on various customer profiles, present findings of the rate survey, and discuss related financial and policy recommendations. We have substantial experience in presenting our findings to both technical and governing boards and to audiences without a background in water rates or finances.



## Section 2: Infrastructure Engineering Corp. Project Description

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### **TASK A. DEVELOP CAPITAL INVENTORY**

Using the District's existing capital inventory, IEC will develop a replacement value for both enterprise funds (i.e. water and sewer) using unit cost information, developed by IEC as part of this task. Based upon the replacement value, IEC will develop an average yearly capital replacement spending plan.

### **TASK B. STAFFING STUDY**

IEC will conduct a staffing study relating to the size and organization of the District's labor force for both the water and sewer enterprises. The appropriate level of staffing will be based upon the desired "level of service" by the District. IEC will District staff to determine the appropriate "level of service".

Staffing recommendations will be made based upon Industry standard staffing studies (i.e. AWWA, CWEA) and by comparing staffing levels of neighboring utilities providing a similar "level of service".

### **TASK C. OPERATIONAL**

Costs to deliver water sources will be analyzed separately (i.e. Stream Diversions versus groundwater) and electrical requirements and consumables (i.e. chlorine, coagulants, etc.) will be included in the cost analysis.

### **TASK D. TECHNICAL MEMORANDUM**

The results and findings of the above tasks will be summarized in the form of a technical memorandum and submitted to the District for review and comment.

Upon incorporation of District comments, a final technical memorandum will be submitted to the District.

## Section 3: Identification of the Prime Consultant

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### FIRM QUALIFICATIONS

Bartle Wells Associates (BWA) is an independent financial advisor to public agencies with expertise in water and wastewater rates and finance. Our firm was established in 1964 and is owned and managed by its principal consultants. We have over 50 years of experience advising local governments on the complexities and challenges in public finance. We have advised over 500 public agency clients in 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 stable, well-qualified professional team. Our education and backgrounds include civil engineering, business, public administration, and public policy. The firm is owned and managed by its principal consultants who have been with the firm for many years.

BWA specializes in three professional services: utility rate and fee studies, financial plans, and project financing. We are the only independent financial advisor providing *all three* of these interrelated services to public agencies.



### CONTACT INFORMATION

**Bartle Wells Associates**

1889 Alcatraz Avenue  
 Berkeley, CA 94703  
 Telephone: 510.653.3399  
 Fax: 510.653.3769  
 Website: [www.bartlewells.com](http://www.bartlewells.com)

**Contact Person**

Douglas R. Dove, PE, CIPFA  
 Telephone: 510.653.3399, extension 110  
 E-mail: [ddove@bartlewells.com](mailto:ddove@bartlewells.com)

### BARTLE WELLS ASSOCIATES PROFESSIONAL STAFF

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Name	Title	Academic Background
Douglas R. Dove	Principal Consultant	Civil Engineering
Alex Handlers	Principal Consultant	Public Administration
Catherine Tseng	Senior Financial Analyst	Urban Planning
Alison Lechowicz	Senior Consultant	Public Administration
Michael DeGroot	Financial Analyst III	Business Administration
Matthew Griffin	Financial Analyst II	Interdisciplinary Studies
JP Branson	Financial Analyst II	Business Administration

## Section 4: Identification of Sub Consultants

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### FIRM QUALIFICATIONS

Infrastructure Engineering Corporation is an engineering, construction management, and environmental consulting firm primarily serving public agency clients. Our founding philosophy is to build the firm based on exceptional client service and employee satisfaction. We offer our clients an unmatched commitment to responsiveness and quality and exceptional professional opportunities to our staff.

IEC offers clients a full range of municipal engineering services, including the following:

- As-needed engineering staff extension
- Capital improvement program management
- Street and drainage design
- Planchecking and development review
- Streetscape and traffic calming
- NPDES stormwater quality management programs
- Grant fund procurement
- Site civil planning and design
- Assessment engineering

### CONTACT INFORMATION

**Infrastructure Engineering Corporation**

1 Peters Canyon Drive, Suite 130

Irvine, CA 92606

Telephone: 949.440.1674

Fax: 949.387.0800

Website: [www.iecorporation.com](http://www.iecorporation.com)

**Contact Person**

Scott F. Humphrey, P.E., GISP

Telephone: 949.440.1674

E-mail: [shumphrey@iecorporation.com](mailto:shumphrey@iecorporation.com)

### INFRASTRUCTURE ENGINEERING CORPORATION PROFESSIONAL STAFF

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Name	Title	Academic Background
Karen Svet	Senior Project Manager	Mechanical Engineering
Shawnele K. Morelos	Project Engineer	Engineering
Scott Humphrey	Senior Project Manager	Chemical Engineering

## Section 5: Project Organization and Experience of the Project Team

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### PROJECT ORGANIZATION

BWA uses a **team approach** for all projects, typically assigning two or three consultants to each assignment, including at least one principal consultant. All project staff, from the most senior partners to financial analysts are available to clients at all times, whether for a phone call or meeting. All BWA staff work out of our single office in Berkeley, California. BWA has a long track record of completing assignments on-schedule and on-budget.

### KEY PERSONNEL

BWA proposes to assign Doug Dove, a firm principal, as project manager and principal-in-charge for this project. He has extensive experience developing financial plans and utility rate and fee studies for numerous California agencies. Doug also has significant experience evaluating financing alternatives for capital improvement programs and has helped California agencies obtain over \$2 billion of low-cost project funding.

Doug is proposed to be assisted by Alison Lechowicz, Senior Consultant. Alison has substantial experience conducting water and wastewater cost of service analyses and financial plans for public agencies.

### SUBCONSULTANT

IEC proposes to assign Scott Humphrey as the lead sub consultant on this project. Mr. Humphrey has a civil engineering background with an emphasis on water, wastewater, and recycled water hydraulic modeling and master planning. He is knowledgeable in computer hydraulic modeling using InfoWater, WaterGEMS, InfoSWMM, SewerGEMS, H2ONET, H2OMap Water, H2OMap Sewer, INFOsewer, HYDRA, and XP-SWMM. He is knowledgeable in Geographic Information Systems (GIS) using ArcGIS (ArcINFO) and Autodesk Map, including Geodatabase (GDB) design and maintenance and Spatial Database Engine (SDE) database management. Mr. Humphrey is also proficient in the development of Urban Water Management Plans (UWMPs) and Sewer System Management Plans (SSMPs).

Scott will be assisted by Karen Svet, Senior Project Engineer, and Shawnele K. Morelos, Project Engineer.



## DOUGLAS DOVE, PE, CIPFA

### *Project Manager*

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 26 years of consulting experience, he specializes in strategic financial planning, utility rate setting and bond/debt marketing. Since joining Bartle Wells Associates in 1990, he has worked for a wide variety of public agencies and developed numerous financing plans and rate studies to support small and large capital programs as well as managing over \$1 billion in municipal debt sales and the procurement of over \$300 million in state and federal grants and low-interest loans. Mr. Dove's expertise 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, private placement loans and other types of debt.

### Representative Projects

- **City of Milpitas:** Long-range utilities water, wastewater, recycled water financial master plan and rate studies (FUMP)
- **West Valley Sanitation District (Campbell, CA):** Developed long-range financing plan, user fee study, and capacity fee study and facilitated the sale of bonds to finance the District's capital improvements.
- **East Bay Municipal Utility District:** Water system rate study and connection fee review. Wastewater cost allocation study and review of capacity fee, financial evaluation of District's Resource Recovery Program. Review of Wet Weather Facilities Charges collected on county property tax bills.
- **Alameda County Water District:** Comprehensive water/recycled water capacity fee study and update of fee structure.
- **City of Santa Clara:** Comprehensive wastewater rate and capacity fee study.
- **South Bay (San Jose Area) Water Recycling Program, Phases 1 & 2:** Financial plan and rate study for \$200+ million regional wastewater recycling program.
- **Foster City/Estero Municipal Improvement District:** Water and wastewater rate studies and developed financial models.
- **City of Alameda:** Long-range sewer rate study and financial plan to comply with the EPA Consent Decree. In-depth analysis of contractor bid documents for pipeline replacements.
- **City of Davis:** Water rate study and long-term capital financing plan. Worked with 15 member committee to develop best rates possible.
- **Big Bear Area Regional Wastewater Agency:** Wastewater rate study and refinancing.
- **City of Chula Vista:** Wastewater capacity fee analysis.
- **City of Glendale:** Cost of service water rate study with new meter capacity ratios and drought rates.
- **City of Santa Clarita:** Sewer maintenance feasibility study. Analysis of the costs of sewer operation under the current agreement with the Los Angeles County Consolidated Sewer Maintenance District and under City operation.

### Education

M.S., Civil Engineering - University of California, Berkeley

B.S., Civil Engineering – Drexel University

### Certifications

Certified Independent Public Finance Advisor (CIPFA), and registered Professional Engineer (PE) in California



## ALISON M. LECHOWICZ, MPA

### Senior Analyst

Alison M. Lechowicz is a financial analyst with Bartle Wells Associates. She works closely with public agencies, engineers, legal counsel, and other consultants to develop water and sewer rates and assessments, and long-term financial plans for utility enterprises. Alison helps agencies evaluate financing alternatives for public works projects, coordinates state and federal grant and loan applications, and evaluates bond refinancing opportunities. Alison is also an expert witness on electric rate design and has testified before the California Public Utilities Commission.

### Representative Projects

- **City of Berkeley:** Sanitary sewer rate study. Developed volume-based sewer rates to fund EPA Consent Decree mandated sewer improvements. Conducted Proposition 218 printing, mailing, and counting of protest ballots.
- **City of Alameda:** Sewer financial plan and rate study. Developed a capital improvement plan for the spend-down of bond proceeds. Conducted Proposition 218 printing, mailing, and counting of protest ballots.
- **Town of Discovery Bay Community Services District:** Water and sewer rate and capacity fee studies; assisted Town in negotiations with developers regarding capacity fees; financial model for the Town's Community Center
- **City of Morgan Hill:** Water and sewer rate and impact fee studies, included sewer rates and impact fees to fund a \$40 million expansion of the regional sewage treatment plant.
- **City of Milpitas:** Water and sewer revenue requirements, evaluation of renewal and replacement reserves, financial master plan.
- **City of Modesto:** Drafted the credit review package and secured financing of \$130M for the City's wastewater treatment plant through the Clean Water State Revolving Fund Loan Program. Litigation support for a legal challenge to the City's industrial wastewater rates. Sewer rate study and connection fee.
- **Napa Berryessa Resort Improvement District:** Financing plan for \$11.1 million in water and sewer improvements, prepared application for USDA loan, prepared assessment district documents.
- **Home Gardens Sanitary District:** Sewer rate study, capacity fee evaluation, and financial plan.
- **Root Creek Water District:** Water, sewer, and storm drain rates and connection fee studies.
- **City of Hemet:** Water and sewer rate studies and system valuation.
- **City of Chula Vista:** Wastewater capacity fee analysis. Salt Creek development impact fee analysis.
- **City of Santa Clarita:** Sewer maintenance feasibility study. Analysis of the costs of sewer operation under the current agreement with the Los Angeles County Consolidated Sewer Maintenance District and under City operation.
- **City of Palmdale:** 3-year schedule of sewer collection system charges, evaluated customer sewerage generation rates as a method for apportioning costs to customer groups, developed multiyear financial plan, reviewed service charge ordinances.

### Education

M.P.A., Columbia University

B.S., University of California, Berkeley

### Certifications

Certified Independent Professional Municipal Advisors (CIPMA)

# Scott Humphrey, PE, GISP

## Senior Project Manager

### Professional Registration

Registered Professional Engineer  
California No. 64206  
Oregon No. 80320

### Education

University of Pittsburgh  
B.S. Chemical Engineering,  
Specialty in Environmental  
Engineering, 1992

### Professional Affiliations

American Water Works  
Association

Association of California Water  
Agencies

### Awards

2005 Award of Excellence -  
Rincon Del Diablo Municipal  
Water District Water Master  
Plan, ASCE San Diego Section  
2006 Award of Merit - San  
Luis Rey Municipal Water  
District Water, Wastewater, and  
Recycled Water Master Plan,  
ASCE San Diego Section

### Qualifications

Mr. Humphrey has a civil engineering background with an emphasis on water, wastewater, and recycled water hydraulic modeling and master planning. He is knowledgeable in computer hydraulic modeling using InfoWater, WaterGEMS, InfoSWMM, SewerGEMS, H2ONET, H2OMap Water, H2OMap Sewer, INFOsewer, HYDRA, and XP-SWMM. He is knowledgeable in Geographic Information Systems (GIS) using ArcGIS (ArcINFO) and Autodesk Map, including Geodatabase (GDB) design and maintenance and Spatial Database Engine (SDE) database management.

Mr. Humphrey is also proficient in the development of Urban Water Management Plans (UWMPs) and Sewer System Management Plans (SSMPs).

### Project Experience

**Water, Wastewater, and Recycled Water Master Plan, City of Hesperia** – Project Manager. Responsible for preparing a water, wastewater, and recycled master plan update for the City that included the development of a water, sewer, and recycled system hydraulic model through GIS integration, system demand projections to the year 2040, and a Capital Improvement Program (CIP).

**Water System and Sewer Master Plans, City of Mountain View** – Project Manager for on-going project responsible for preparing a combined Water and Sewer System Master Plan for the City. The major elements of this project include:

- Water and wastewater design criteria
- Water demand and wastewater flow projections
- Development of a water system hydraulic model using InfoWater
- Development of a sewer system hydraulic model using InfoSWMM
- Water storage requirements
- Water supply alternatives
- Pump Station evaluation
- Wastewater Treatment Plant evaluation
- Wastewater treatment alternatives
- Water and wastewater capital improvement program (CIP)
- Water and Sewer connection fees
- Seismic evaluation
- Sanitary Sewer Management Plan (SSMP)

An integrated GIS-based approach was utilized to develop the water and sewer system hydraulic models using the City's water and sewer system ESRI-based geodatabases.

**2010 Water Master Plan, San Dieguito Water District** – Project Manager for preparation of a Water Master Plan that included development of a water system hydraulic model, water system Capital Improvement Program (CIP), and development of an Asset Management Program.

**2015 Urban Water Management Plan, San Dieguito Water District** – Staff Engineer responsible for the development of the District’s 2015 UWMP. In addition to the core requirements of the UWMP (Water Use, Baselines and Targets, System Supplies, Water Supply Reliability, and Water Shortage Contingency Planning), IEC will also be preparing the optional Climate Change section that accompanies Chapter 6 – System Supplies. IEC will also be assisting the District with the on-line submission of the UWMP, as the DWR is not accepting hard copies of the 2015 UWMPs.

**GIS Reconciliation, Leucadia Wastewater District** – Lead GIS Consultant responsible for the conversion of the District’s existing shape file based GIS into a newly designed Geodatabase complete with attribute domains, full network connectivity through a Geometric Network, and a link to the District’s existing CMMS.

**As-needed GIS Services, Leucadia Wastewater District** – Lead GIS Consultant responsible for on-going maintenance of the District’s existing GIS. Responsibilities include the creation of new facilities, linking of as-built record drawings to the Geodatabase, and as-requested changes to the existing system mapping.

**Capital Improvements Program, Vallecitos Water District** – Managed design and construction of CIP projects. As Capital Facilities Coordinator, prepared RFPs, reviewed proposals and selected design teams. Reviewed and approved design reports, plans and specifications. Checked submittals for conformance to specifications. Examined and prepared pay requests, change orders and RFIs during construction. Participated in public relations with community, including conducting public meetings and responding to phone calls and written inquiries.

**Village Park Recycled Water Project, Olivenhain Municipal Water District** – Project Engineer/Hydraulic Modeler responsible for the development of demands and an associated backbone recycled water distribution system for OMWD. This project included the development of alternative alignments to serve the maximum amount of recycled water with the lowest capital cost. This project also included the development of a demand versus cost analysis to assist with the selection of a preferred system alternative alignment. Hydraulic modeling of a proposed recycled water pump station was also included with this project.

**Palms Reservoir Hydraulic Analysis, Olivenhain Municipal Water District** – Project Manager responsible for the development of Palms Reservoir Hydraulic Model using InfoWater software. Developed a set of recommended system improvements based on removing the Palms Reservoir from service.

**Graham Reservoir Hydraulic Modeling, City of Mountain View** – Responsible for performing hydraulic analysis, using the City’s existing H2ONet hydraulic model, to determine the optimum operational strategy for incorporating the proposed 8.0 MG Graham reservoir into the City’s existing water distribution system. A 14-day extended period simulation (EPS) was performed to determine the optimum operational strategy of the City’s existing turnout structures, pump stations and reservoirs to adequately operate the proposed Graham Reservoir. The model was



also used to size the proposed Zone 1 and Zone 2 pump stations also included in the design of the Graham reservoir.

**North Twin Oaks Reservoir No. 2, Vallecitos Water District** – Utilized the District’s existing WaterCAD 6.5 water system hydraulic model to develop system head curves and help size the North Twin Oaks Pump Station, which supplies the North Twin Oaks Reservoir No. 2.

**Mass Grading Project, Twin Oaks Reservoir, Vallecitos Water District** – Phase I, San Marcos, CA. As District Project Manager, negotiated numerous contractor-initiated change orders, resulting in a \$70,000 cost savings to the District. Project was completed on time and under budget. Project used cast-in-place concrete pipe technology.

**Twin Oaks Reservoir Phase II, Vallecitos Water District** – 33.0-million-gallon Pre-Stressed Concrete Reservoir, San Marcos, CA. District Project Manager of design and construction of pre-stressed concrete reservoirs. Attended bi-weekly design meetings and aided in development and review of technical memorandums incorporated into the design report.

**Recycled Water Master Plan, West Basin/Central Basin Municipal Water District** – Project Engineer involved in the addition of new facilities and customers into existing H2ONET hydraulic model. New customers in ArcView shape file format were imported into H2ONET. Hydraulic analysis of eight (8) phases of development to determine impacts upon existing pump stations and reservoirs, and to determine necessary improvements to meet system design criteria.

**Water Distribution System Hydraulic Analysis, City of Vernon** – Project Manager responsible for the development and calibration of a water system hydraulic model that was used to evaluate the feasibility of removing the City’s only storage reservoir from the water distribution system. The results of the hydraulic analysis were used to determine the improvements necessary for the City to operate as a closed system. The water system model was developed by integrating the City’s existing GIS water system data into H2OMap Water hydraulic modeling software.

**City of Mountain View Review of Capital Infrastructure, City of Mountain View** – Responsible for preparing a review of the City of Mountain View’s water system capital infrastructure for use in obtaining bond financing for the proposed Graham Reservoir. The review included a description of existing facilities and supply sources and identified the cost and timing of future infrastructure needs.

**Study and Capacity Fee Development, City of Lemon Grove (sub to Bartle Wells Associates)** – Project Engineer responsible for review of wastewater flows and wastewater CIP to support development of wastewater rates and wastewater capacity fees developed by Bartle Wells Associates.

## Section 6: Experience and Past Performance

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### REFERENCES AND EXPERIENCE

BWA has provided water and wastewater rate and financial advisory services to over 500 public agencies throughout California. This section includes descriptions and references of some relevant BWA assignments.

#### City of Morgan Hill

Located in southern Santa Clara County, the City of Morgan Hill provides water and sewer services to a population of about 41,000. BWA was tasked with reviewing both monthly rates as well as impact fees for the water and sewer enterprises. In 2007, and again in 2011, BWA completed comprehensive utility rate and fee studies for the City. BWA developed detailed five-year revenue requirements for water and sewer enterprises, and recommended rehabilitation and replacement capital funding targets for each. We worked closely with the Utilities and Environment Committee of the City Council to address policy issues such as conservation rates, low income assistance, and out-of-city surcharges. BWA recommended multi-year, phased rate increases for both the water and sewer enterprises and cost-of-living escalation for both utilities to keep pace with rising costs in the future.



In 2015, BWA completed a water rates study which, after having reviewed the water utility, recommended emergency drought surcharges. Morgan Hill had recently seen a significant reduction in water use while anticipating further reduction in light of the State Water Board's conservation targets. Less water use resulted in lower than projected water revenues. BWA was able to work with the City to determine two levels of drought surcharges that would recover lost revenue for current levels of water use (20% below normal, 2013 use), as well as possible further decreases of water use in the future (30% below normal).

#### Agency Contact:

Contact: Mario Iglesias, Utility Systems Manager  
Address: 17575 Peak Avenue, Morgan Hill, CA 95037-4128  
Phone Number: (408) 310-4164  
Email: mario.iglesias@morganhill.ca.gov

#### Montecito Water District

The Montecito Water District (District) is located in the southern coastal portion of Santa Barbara County and includes the unincorporated communities of Montecito and Summerland. With a population of approximately 13,100, the District provides water to around 4,500 customers. In response to the statewide drought, MWD retained BWA in December 2014 to develop a water shortage emergency (WSE) surcharge. In March 2014, the District implemented monthly base allocations for all ratepayers to urge customers to use less water. Customers were charged a penalty per unit of water consumed above their base allocations. Since then, total consumption decreased nearly 45%, resulting in a significant drop in water sales revenues which has threatened the District's financial standing. The WSE surcharge was designed to restore financial stability during periods of drought by recovering ongoing operating and capital costs while funding additional drought-related expenses, including water purchases and pumping and conservation costs. The WSE surcharge is an additional separate volumetric charge levied on all consumption that will be



charged on a temporary basis. The surcharge will be phased out when the District determines that water supply conditions have returned to normal and water shortage emergency-related costs and revenue reductions have been recovered.

**Agency Contact:**

Contact: Thomas R. Mosby, General Manager  
Address: 583 San Ysidro Road Santa Barbara, CA 93108  
Phone Number: (805) 969-2271  
Email: tom@montecitowater.com

## City of Monterey



In 2011, BWA developed a comprehensive financing plan and wastewater rate and fee study for the City. The study was in connection with a major sewer main rehabilitation program that the City is facing. The initial phase of the project involved a condition assessment update and project prioritization for the entire sewer system. This was performed by an engineering firm serving as a subconsultant to BWA. Working closely with the City, BWA recommended a phased rate increase strategy coupled with funding via State Revolving Fund Loans and Pay-As-You-Go. BWA also recommended that the City implement a new sewer capacity fee to help pay for main improvements. The recommended plan was presented at three public workshops to receive input before it was finalized and presented to the Council. BWA assisted the City in preparing the Prop. 218 notices. Council unanimously approved the financing plan and rate and fee increases in August 2011.

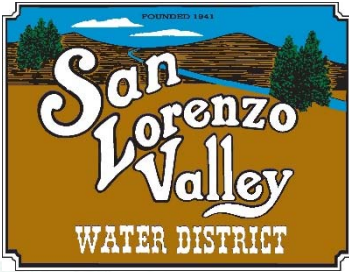
**Agency Contact:**

Contact: Jeff Krebs, Senior Engineer  
Address: 580 Pacific Street Monterey, CA 93940  
Phone Number: (831) 646-3877  
Email: krebs@ci.monterey.ca.us

## Section 7: Selected Regional Clients: Past Three Years

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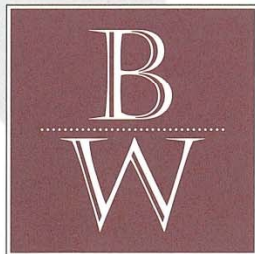
Alameda County Water District  
Benicia, City of  
Brentwood, City of  
Davis, City of  
Diablo Water District  
Dixon, City of  
Dublin - San Ramon Services District  
East Bay Municipal Utility District  
East Palo Alto Sanitation District  
Fairbanks North Star Borough  
Ironhouse Sanitary District  
Lemon Grove, City of  
Menlo Park, City of  
Mid-Peninsula Water District  
Milpitas, City of  
Montara Water & Sanitary District  
Monterey, City of  
Monterey Peninsula Water Mgmt District  
Morgan Hill, City of  
Mountain View, City of  
Mountain View Sanitary District  
Novato Sanitary District  
Patterson, City of  
Petaluma, City of  
Placerville, City of  
Redwood City, City of  
San Bruno, City of  
San Francisco Public Utilities Commission  
San Mateo, City of  
Santa Clara, City of  
Sewer Agency of Southern Marin  
Sonoma County Water Agency  
South Bayside System Authority  
South San Francisco, City of  
Stege Sanitary District  
Sunnyslope County Water District  
Sunnyvale, City of  
Union Sanitary District  
Vacaville, City of  
Victor Valley Wastewater Reclamation Authority  
West Valley Sanitation District  
Williams, City of  
Zone 7 Water Agency



# San Lorenzo Valley Water District

## Cost Proposal for Enterprise Wide Cost of Service Financial Study

January 15, 2016



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS

## Availability & Fees

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Bartle Wells Associates is prepared to begin work upon the District's authorization to proceed.

1. During the project development period, we will be available at all reasonable times and on reasonable notice for meetings and for consultation with District staff, attorneys, consulting engineers, and others as necessary.
2. Bartle Wells Associates and IEC will perform all work related to the assignment. Doug Dove, a firm principal and President will be assigned as project leader on this assignment. He will serve as the lead contact person for BWA and will be involved with the project a day-to-day basis.
3. The fees for services outlined in this proposal will not exceed \$88,940.

The fee is based on the following assumptions:

- a. The project will be completed by August 1, 2016. BWA will work to meet all District scheduling requirements and deadlines.
  - b. All necessary information will be provided by the District and/or its other consultants in a timely manner.
  - c. Development of draft, final draft, and final versions of tables. Time and expenses involved in revising tables and assumptions may constitute additional services if not achievable within the budget.
  - d. The fee is based on a total of up to 8 trips to the District for meetings and presentations including the Proposition 218 rate hearing.
4. Progress payments and direct expenses are payable monthly on a time and materials basis as the work proceeds as provided in our Billing Rate Schedule 2016, which will remain in effect for this project.
  5. In addition to the services provided under this proposal, the District may authorize Bartle Wells Associates to perform additional services for which the District will compensate us based on consultants' hourly rates at the time the work is performed, plus direct expenses.
  6. Additional services may include, but are not limited to:
    - Meetings or presentations in excess of six (8) scheduled meetings/presentations
    - Changes in project scope
    - Delays in project schedule
    - Coordination of printing and mailing of Proposition 218 Notices
    - Project financing
    - Any other services not specified
  7. Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance as provided in the Certificate of Insurance attached.

8. 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 notification of such termination is received.
9. This proposal may be withdrawn or amended if not accepted within 120 days of its date.

## PRELIMINARY SCHEDULE

Bartle Wells Associates is prepared to begin work upon the District’s authorization to proceed. The following chart presents a preliminary schedule for completing the project. BWA will work with the project team to develop key milestones and a final schedule that meets the District’s scheduling needs.

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### Proposed Project Schedule

PROJECT TASK	FEB	MAR	APR	MAY	JUNE	JULY
Project Initiation & Data Collection						
Develop Financial Plans & Engineering Estimates						
Water and Wastewater Rate Analysis						
Project Team Meetings						
Presentations/Workshops/Prop 218 Hearing						

## PROJECT BUDGET

This section presents a proposed budget. *A final budget can be developed with input from the District to ensure the project cost is in line with District objectives and expectations.*

TASK	Estimated Hours	D. Dove @ \$235/hr	A. Lechowicz @ \$205/hr	Total Cost
<b>TASK A. PROJECT INITIATION &amp; DATA COLLECTION</b>	28	12	16	\$6,100
1. Project Team Orientation				
2. Investigation and Data Collection				
<b>TASK B. TEN-YEAR FINANCIAL PLANS</b>	80	40	40	\$17,600
1. Develop Forecasts and Projection				
2. Recommend Adjustments to the Current Reserve Policies				
3. Develop 10-Year Cash Flow Projections				
4. Evaluate Rate Increase Options				
5. Review Existing Financial Polciies				
<b>TASK C. WATER&amp; WASTEWATER RATE STUDIES</b>	80	40	40	\$17,600
1. Review the District's Existing Water and Wastewater Rate Structures & Alternatives				
2. Conduct Rate Fee Survey of Regional Utility Agencies				
3. Identify Rate Structure Modifications and Alternatives				
4. Allocate Costs to Billing Parameters for Each Utility				
5. Develop Equitable Cost Allocations				
6. Develop Preliminary & Final Rate Recommendations				
7. Evaluate Rate Impacts on District Customers				
<b>TASK D. MEETINGS, PRESENTATIONS, &amp; PROP. 218</b>	60	30	30	\$13,200
1. Meetings/Presentations (8)				
	248	122	126	\$54,500
<b>SUBCONSULTANT SERVICES (IEC)</b>	188			\$32,940
<b>ESTIMATED DIRECT EXPENSES</b>				\$1,500
<b>TOTAL PROJECT COSTS</b>				\$88,940
<b>CONTINGENCY FOR ADDITIONAL SERVICES (OPTIONAL)</b>				\$10,000

*Note: The final budget can be revised based on consultation with District staff.*



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## **BARTLE WELLS ASSOCIATES BILLING RATE SCHEDULE 2016**

Rates Effective 1/1/2016

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### **Professional Services**

Financial Analyst I.....	\$105 per hour
Financial Analyst II .....	\$125 per hour
Financial Analyst III.....	\$145 per hour
Senior Financial Analyst.....	\$175 per hour
Senior Consultant .....	\$205 per hour
Principal Consultant.....	\$245 per hour

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The professional time rates include all overhead and indirect costs. Bartle Wells Associates does not charge for secretarial support services and internal computer time. Expert witness, legal testimony or other special limited assignment will be billed at one and one-half times the consultant's hourly rate.

The above rates will be in effect through December 31, 2016 at which time they will be subject to change.

### **Direct Expenses**

Subconsultants will be billed at cost plus ten percent. Word processing and computer-assisted services related to official statement production are charged as direct expenses at \$60 per hour. 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
- Long distance telephone and fax
- Printing and report binding
- Special statistical analysis
- Outside computer services
- Bond ratings
- Automobile mileage
- Messenger services and mailing costs
- Photocopying
- 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 will be 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.

**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>▪ \$4,000,000 General Aggregate</li> <li>▪ \$4,000,000 Products Comp/Op Aggregate</li> <li>▪ \$2,000,000 Personal &amp; Advertising Injury</li> <li>▪ \$1,000,000 Each Occurrence</li> </ul>	6/1/16
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>	6/1/16
Automobile Liability	Hartford Insurance Company Policy #35-UEC VU2842	<ul style="list-style-type: none"> <li>▪ \$1,000,000 Combined Single Limit</li> </ul>	6/1/16
Workers Compensation & Employers' Liability	Hartford Underwriters Insurance Company Policy #35-WEC FG7858	Workers' Compensation: Statutory Limits for the State of California. Employers' Liability: <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>	6/1/16
Professional Liability	Chubb & Son, Inc. 81714947	Solely in the performance of services as municipal financing consultants for others for a fee.	6/1/16
Excess Professional	ACE G27437606001	Limit: \$2,000,000 Per Occurrence & Aggregate (including defense costs, charges, and expenses). Excess Professional. Limit: \$3,000,000 Per Occ. & Aggregate	

# San Lorenzo Valley Water District

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## Proposal for Enterprise Wide Cost of Service Financial Study

January 15, 2016

### OFFICE LOCATIONS:

*Temecula - Headquarters*  
32605 Temecula Parkway, Suite 100  
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Prepared by

 **NBS**™ helping communities fund tomorrow





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San Francisco, CA 94102  
Toll free: 800.676.7516

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January 15, 2016

Holly Morrison  
District Secretary  
**San Lorenzo Valley Water District**  
13060 Highway 9  
Boulder Creek, CA 95006

**SUBJECT: ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY**

Dear Ms. Morrison, District Staff and Selection Committee,

NBS is delighted to submit our proposal in response to the San Lorenzo Valley Water District ("District") Request for Proposals for an Enterprise Wide Cost of Service Study. We understand that this study requires the consultant to address a number of challenges related to the District's water and wastewater rates. In addition to providing a thorough cost of service analysis, our proposal includes a group of subconsultants with extensive specialized expertise in field assessment of water and wastewater systems and with municipal water and wastewater staffing studies.

We have developed an overall approach to this study that encompasses a review and confirmation of the District's broader cost-of-service study goals and objectives, such as ensuring adequate funding for operations and capital improvements, long-term revenue stability, and provide cost-of-service results that prepare the District to complete the subsequently planned rate study. We also recognize the importance of working closely with key District personnel and ultimately, with the Board and public in addressing the cost-of-service challenges and policy issues that will arise during the study

NBS' proposal offers the District the following benefits and advantages:

1. **LOCAL EXPERIENCE** -The NBS team has local experience with several agencies, such as the Scott's Valley Water District, the City of Santa Cruz, and many similar small water districts throughout the state. Our project manager has performed water/sewer rate studies for rural water districts in Sonoma County and Lake County (Office of Special Districts), Hidden Valley Lakes Water District, the Valley of the Moon Water District, and Humboldt CSD.
2. **DEDICATED PROJECT TEAM** - Regardless of the "national experts and experience" that a firm may offer, the more important question is "Who will actually work on the District's study?" NBS offers a team of senior consultants that include Greg Clumpner (project manager), Robert DeLoach, and Vivian Housen, who will conduct and complete this study for the District from start to finish, including attending meetings with the District Board and public. We also offer other proven staff consultants who will support the technical tasks that are critical to the overall success of this study.
3. **GOING THE EXTRA MILE** - In addition to a dedicated team, we believe NBS' most valuable qualification is our record of going the extra mile to ensure our clients are satisfied. We are genuinely concerned about the project's success and your satisfaction. Because of this, we often go beyond what is expected of a consultant, including:
  - Refining our approach and tailoring the schedule to what works best for the District.
  - Understanding how recent changes to laws and regulations may affect the study.
  - Working with you as partners, and paying attention to your concerns.
  - Striving to educate District staff, the Board and the public throughout the process.

- Soliciting your active involvement in the study, yet respecting your time by not burdening you with unnecessary requests.
4. **TAILORED PROJECT APPROACH:** We have presented a creative approach that we believe will enhance the value and success of this study, but we also intend to work with District staff to refine our scope of work and study approach to better reflect:
    - Study results that balance environmental and financial sustainability.
    - Evaluating the District's costs in light of Proposition 218 requirements, including the recent San Juan Capistrano appellate court ruling and changes in regulatory environmental statutes.
    - Working cooperatively with District staff to evaluate the pros and cons of various cost-of-service alternatives and illustrating how they can affect customer bills and revenue stability.
  5. **TECHNICALLY SOUND COST-OF-SERVICE STUDY TASKS:** Working with many similar agencies throughout the State, we understand the various approaches that can and have been used in similar studies. Based on the 30-years of experience of our project manager, along with our close ties with legal experts in Proposition 218 rate issues, our proposal offers sound and implementable solutions.
  6. **DEMONSTRATED CLIENT SATISFACTION:** We believe our greatest single qualification is our record of successful projects and satisfied clients, as demonstrated by recent client references included in this proposal.

Please review the revised scope of work and cost proposal, and feel free to contact Greg Clumpner at 530.297.5856 or [gclumpner@nbsgov.com](mailto:gclumpner@nbsgov.com) if you have any questions.

Sincerely,



Greg Clumpner  
Director – Utility Rate Practice Group



Michael Rentner  
President & CEO

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# 1. EXECUTIVE SUMMARY

The San Lorenzo Valley Water District (District) is facing a number of challenges as it anticipates conducting this cost-of-service study. The following is an outline our project understanding and summary of what the NBS team believes are the key issues our proposal will address.

## Project Understanding:

The District serves three geographically separate service areas within a diverse area encompassing 24 square miles. It has a small customer base within the District's 60 square mile boundary, which is located within a 136 square mile watershed that is both a key water supply source and a significant environmental resource that needs proper protections and management. The District's water system is the larger utility and encompasses more system assets (compared to the sewer system) and is a greater concern with respect to operations and budgets.

We understand that the District is looking for study findings and recommendations that include:

- **Field Conditions of System Assets** – Assessing the current condition and develop planning-level costs estimates for long-term repair and rehabilitation, as well as related activities necessary to adequately maintain the water and wastewater assets.
- **Financial Plan** – Prepare a projected financial plan that incorporates these asset-related costs estimates along with other annual operating, debt service, and administrative costs, as well as adequate contributions to reserves. This plan will summarize “what's needed” without evaluating “what's affordable” (which will be the subject of the District's follow-on multi-year rate study).
- **Staffing Study** – As a part of this study and the financial plan, a staffing analysis will evaluate the size and distribution of the District's workforce and the possibility of using consultants to augment the Districts staffing needs; these results will be reflected in the financial plan.
- **Cost of Service Analysis** – Once all costs are identified (and reviewed with District staff), NBS will prepare a cost-of-service analysis that functionalizes and allocates costs into appropriate categories, resulting fair and equitable revenue requirements by customer class. How those costs are then collected from each customer class would be addressed later in the rate study.

Broader objectives that also need to be considered in the study include:

- **Joint Costs** – How to best allocate joint costs between the water and wastewater enterprises
- **Seasonal Cost Differences** – How to allocate costs in a manner that provides the District with the ability to establish seasonal (winter and summer) volumetric rates
- **Other Service Costs** – How to incorporate unique aspects of the District's service are into the cost-of-service analysis (e.g., cost differences for elevation zones, different treatment facilities, differences in costs to customers receiving gravity-fed vs. pumped water service).
- **Watershed Management** – How to provide long-term protection and management of the watershed that plays such a key role in the District long-term source of supply.

## Overview of NBS' Proposal:

We have prepared our proposal to address the issues and objectives outlined above. We have constructed our project team to include experts in each of these key areas:

- **Financial Plans and Cost Allocation** – NBS staff (as the prime consultant) will provide the services necessary to fully address these components.
- **Field Condition of Assets and Cost Estimates** – Vivian Housen & Associates will provide the planning level assessment and cost estimates of critical system assets and develop long-term plans

for properly maintaining the reliability of the District's water and wastewater infrastructure. Both Robert DeLoach and Schaaf & Wheeler provide additional resources as needed.

- **Staffing Analysis** – Robert DeLoach & Associates specializes in the type of study, and will work closely with District staff to ensure this analysis is appropriately addressed.
- **Additional Engineering Assistance** – Schaaf & Wheeler will be available as needed to assist with field assessment of specific system assets and concerns, preliminary cost estimates, and related tasks. We will meet with District staff early on in the study to ensure that we have the right project team members on the right tasks, and that the NBS team is appropriately addressing the areas the District sees as priorities.

NBS' proposal provides the following differentiating factors and benefits to the City:

- **Dedicated Project Team and Project Manager:** A very important question in this type of study is, "Who will actually work on the District's study?" NBS offers a project manager who will conduct and complete this study for the District from start to finish. Our project manager, Greg Clumpner, is located in our Davis office, and senior consultant, Kim Boehler along with other staff, will be readily available to attend meetings with community/building industry groups and answer questions in person. Vivian Housen is located in the East Bay Area and close by for meetings as needed. NBS team will receive provide the necessary personal attention on this study.
- **Technically Sound Study Tasks:** Based on the 30-years of experience of our project manager, subconsultants, and our close ties with legal experts in rate issues, we have a long history and understanding of dealing with cost of service and system planning and management issues. Our proposal offers sound and implementable solutions.
- **Client References:** We have provided numerous examples of similar studies along with client references, all which underscore what we believe is our most important qualification – our exceptional client references and excellent working relationships with our clients.
- **Client Service:** In addition to a dedicated team, NBS' record of satisfied clients reflects our genuine concern for the project's success and your satisfaction. Because of this, we often go beyond what is expected of a consultant, including:
  - Tailoring our methodology to the specific details of the District's case.
  - Understanding how recent changes to laws and regulations may affect the study.
  - Working with you as partners and paying attention to your concerns.
  - Striving to educate District staff and, as needed, Board members throughout the process.
  - Soliciting your active involvement in the study, yet respecting your time by not burdening you with unnecessary requests.
  - We can provide access to legal expertise as subconsultants if/when needed, such as Best Best & Krieger (Kelly Salt) and Colantuono, Highsmith and Whatley, PC (Michael Colantuono).

We will work closely with District staff with the objective of creating recommendations that are both defensible and easy for the public to understand.



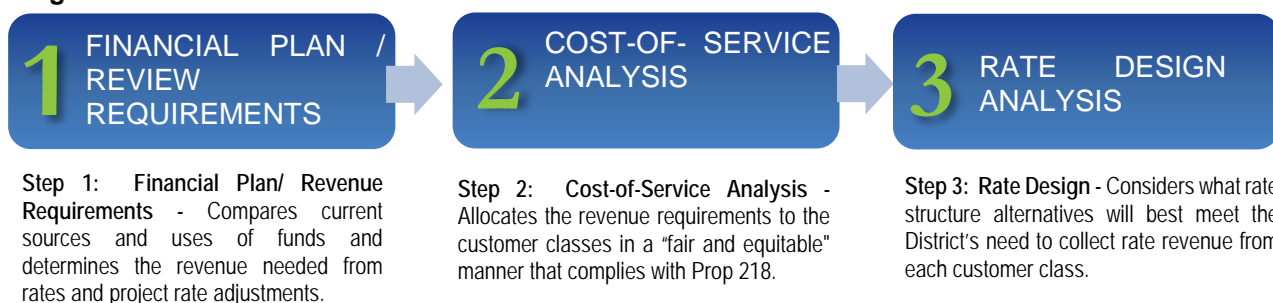
## 2. PROJECT DESCRIPTION

### Project Objective and Approach

This study focuses on three primary tasks: (1) preparing cost estimates related to the long-term reliability of system assets, (2) how those costs should be incorporated along with other costs into a financial plan, and (3) allocating costs to customer classes.

The normal components of a “*comprehensive rate study*” are summarized in Figure 1. This is also the normal order in which these components are completed. Our proposed scope of work will address only the first two of these components; the rate design component will be covered in the District’s planned rate study. The scope of work covering these first two components is outlined below.

**Figure 1. PRIMARY COMPONENTS OF A RATE STUDY**



### TASK 1. KICKOFF MEETING AND DATA COLLECTION

The intent of this task is to clearly communicate and work with District staff to obtain necessary data and review study objectives, tasks, and schedule. Task deliverables Include:

- Data request to District staff prior to the kick-off meeting.
- Kick-off meeting with District staff.
- Preliminary plan for Board workshops and public outreach.

### TASK 2. STAFFING STUDY

DeLoach & Associates will conduct a detailed analysis of the current staffing and organizational structure to determine the optimal allocation of labor for a water/wastewater agency the size and scope of the District. Work will consist of the following tasks:

- Conduct project kick-off meeting with the General Manager and designated staff.
- Review current organization structure, reporting relationships, span of control and degree of cross functionality.
- Review employee job descriptions and relationships between job classifications. Designated employees will be provided a Position Description Questionnaire to facilitate a ‘Job Match Survey’.
- Conduct interviews of designated employees (and employee work units) to include the General Manager, supervisors and operational personnel to assess individual skill and training levels.
- Conduct inventory and analysis of the current allocation of labor and equipment by task and function and quantify existing maintenance and service levels across all operational functions.
- Conduct comparative evaluation and ‘benchmarking’ of existing programs and services against industry trends and best practices.
- Identify opportunities for increased efficiency and improved service levels through utilization of consultants or outside labor to augment existing operations.

- Develop recommendations for augmentation of existing staffing structure and modifications of existing organizational structure.
- Prepare Staffing Study report to be included in the final Cost of Service Study Report.

### **TASK 3. INFRASTRUCTURE FIELD ASSESSMENT AND COST PROJECTIONS**

V.W. Housen & Associates (VH&A), with assistance from NBS and DeLoach & Associates as needed, will review the District's asset inventory and conduct limited field assessments to determine condition and level of long-term rehabilitation and repair needed. Based on this review and assessment, annual estimates of future expenditures needed to maintain the reliability of the system assets will be prepared. VH&A will also review the annual wastewater treatment plant and collection system costs and determine if current levels of expenditure for preventative maintenance should be adjusted.

The following is a summary of the key subtasks involved in this effort; results of this task will be reflected in the financial plan developed:

- Review capital system inventory and develop replacement values
- Determine average annual replacement spending plan
- Operational cost to operate the District's wastewater treatment and collection system including industry standards for preventative maintenance
- System-wide condition survey and documentation review to determine long-term capital needs

### **TASK 4. FINANCIAL PLAN**

NBS will prepare a detailed financial plan that incorporates revenues, expenditures, reserves, debt coverage ratios, capital improvement costs, repair and replacement costs, and administrative costs. Based on our review of reserve fund policies, those contributions will also be incorporated into the financial plan. This plan is intended to document the total projected capital and operating costs, including the longer-term repair and replacement costs identified in Task 3 that are "what the District needs".

### **TASK 5. COST OF SERVICE ANALYSIS**

The cost-of-service analysis is intended to equitably allocate the revenue requirements to individual customer classes, which provides the basis for subsequently developing rate alternatives. This analysis is critical for establishing a defensible administrative record for cost-based rates.

**Initial Functionalization** – Cost allocations will be allocated into functional categories, and some will require partial allocations by percentage to more than one category, as follows:

- Water vs. wastewater
- Functional classifications (e.g., capacity, commodity, customer, fire, direct allocation)
- Secondary functionalization including:
  - Winter vs. summer
  - Elevation zones

**Allocations to Customer Classes** – Once costs are functionalized, they will then be allocated (within water or wastewater enterprises) into customer classes such as residential, commercial, irrigation, fire (based on discussions with District staff about the desired classes) based on various allocation factors, such as:

- Annual consumption
- Peaking factors (most likely monthly, if available)
- Number of meters/accounts within each class

*See Figure 2 below for examples of functional categories and allocation factors*

The District's current rate structure indicates there are no "customer classes" other than meter sizes. This may or may not be a practice the District wants to continue, but the above process offers the opportunity to create customer classes if so desired.

**Figure 2. Example of Functional Categories and Allocation Factors**

Cost Classification Category	Commodity	Capacity	Customer
<b>Allocation Factors</b>	Water Consumption by Customer Class	Peak Water Use	Number of Accounts by Customer Class
<b>Types of Costs</b>	<i>Costs associated with the consumption of water over time.</i>	<i>Costs associated with the maximum demand required at one point in time or the maximum size of facilities required to meet this demand.</i>	<i>Costs associated with having customers connected to the system.</i>
<b>Examples of Costs</b>	<ul style="list-style-type: none"> <li>• Variable Cost of Purchased Water</li> <li>• Electricity</li> <li>• Chemicals</li> </ul>	<ul style="list-style-type: none"> <li>• Primarily capital facilities</li> <li>• Fixed cost of purchased water</li> </ul>	<ul style="list-style-type: none"> <li>• Meter Reading</li> <li>• Customer Billing</li> <li>• Customer Service</li> </ul>

Also, once the functionalization and allocation data is evaluated, NBS will be able to provide a better assessment of whether creating elevation zone surcharges are possible, and whether this is a viable option.

**Accounting Bridgeway** – One of the subtasks that might be worth considering is for NBS to create a “bridgeway accounting process” whereby the District’s account line items are identified by the various functional categories. This allows a very simple means of taking the existing budget items (and future updates) and seeing a summary of how the budget breaks down into costs related to capacity (fixed), commodity (variable), customer (fixed), etc. The District’s subsequent rate study would then have the necessary cost allocations by functional category and customer class that are necessary to undertake the rate design task.

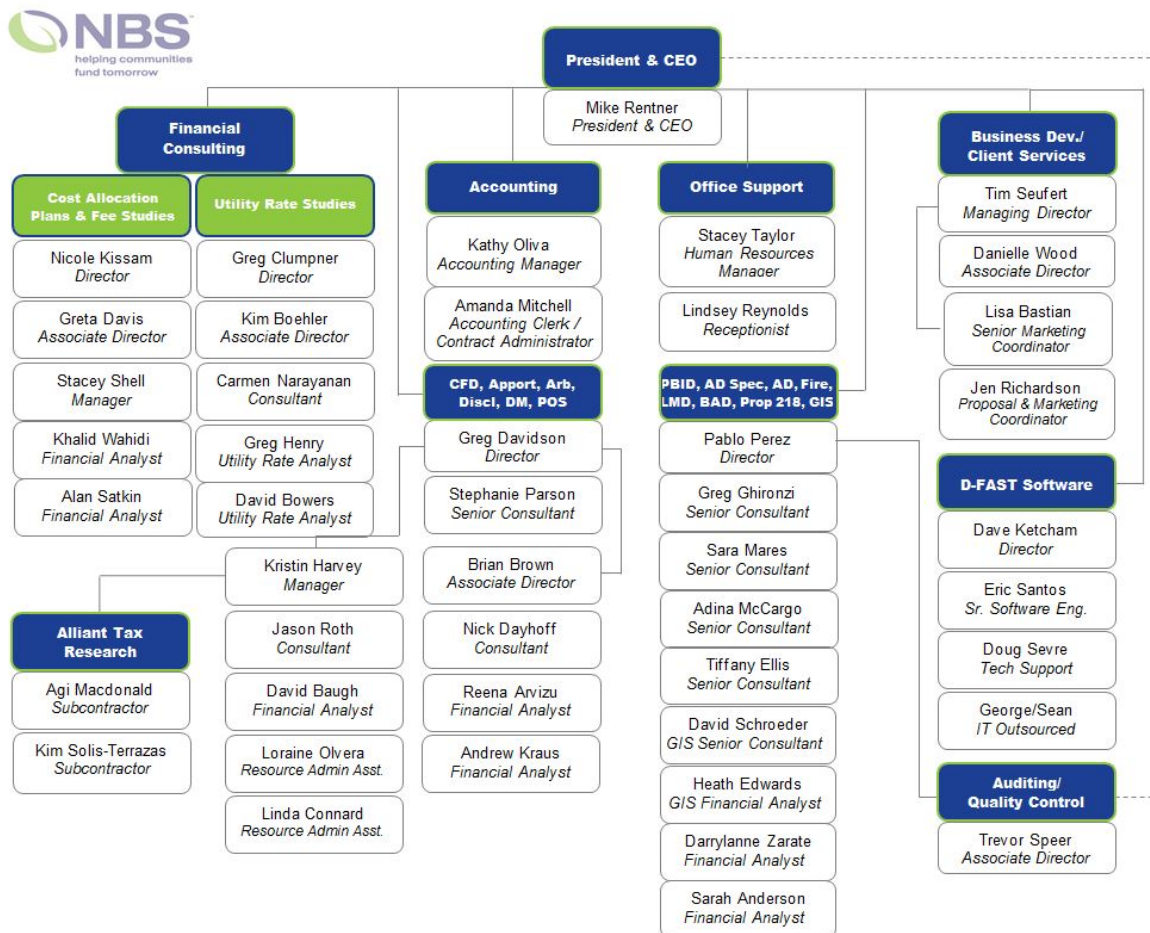
**TASK 6. MEETINGS AND WRITTEN STUDY REPORT**

NBS will provide the necessary meetings as well as a study report as follows:

- Five meetings with District staff (two of these will include field investigations in which we will need assistance from District staff to tour and discuss various system assets).
- Three public meetings with the District Board (workshops and/or special meetings)
- Draft and final study reports; after discussions and review by District staff, comments on the draft report will be incorporated into the final report. The final report (7 hard copies and pdf) will provide a clear, concise and overview and sufficient documentation, and include:
  - An executive summary
  - Tables, graphs, and charts as appropriate
  - Findings and recommendations.
  - Overall study methodology, with reference to AWWA M1 Manual and industry standards as needed.
  - Description of the capital improvement program, as provided by the District.
  - Appendix with supporting justification in the form of calculation tables that a judge and general public could understand.
- Excel Model – NBS will provide a final Excel model as final documentation of all data sources, calculations, and results, along with a four-hour training time with staff. The model will also include footnotes and comments identifying data sources, key assumptions, and directions.

### 3. IDENTIFICATION OF PRIME CONSULTANT

**Legal Name:** NBS Government Finance Group, dba NBS  
**Legal Form of Company:** Corporation  
**Principal place of business:** *Corporate Headquarters Office:*  
 32605 Temecula Parkway, Suite 100  
 Temecula, CA 92592  
**Contact person:** Greg Clumpner, Director  
 Phone Number: 800.676.7516  
**Number of Staff:** The organization chart below is **CONFIDENTIAL** and should not be distributed.



## 4. IDENTIFICATION OF SUB CONSULTANTS

### DELOACH & ASSOCIATES

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**Legal Name:** DeLoach & Associates, Inc.  
**Address:** 8780 19<sup>th</sup> Street, Suite 402  
Alta Loma, CA 91701  
**Contact person:** Robert DeLoach  
Phone Number: 909.758.0273  
robertadeloach1@gmail.com  
**Number of Staff:** 2

### SCHAAF & WHEELER

---

**Legal Name:** Schaaf & Wheeler Consulting Civil Engineers  
**Address:** Corporate Headquarters:  
1171 Homestead Road, Suite 255  
Santa Clara, CA 95050  
**Contact person:** Andrew Sterbenz, P.E., Senior Engineer  
Phone Number: 831.883.4848  
**Number of Staff:** 33

### VIVIAN HOUSER

---

**Legal Name:** V.W. Housen & Associates, Inc.  
**Address:** 185 Front Street, Suite 207  
P.O. Box 634  
Danville, CA 94526  
**Contact person:** Vivian Housen  
Phone Number: (925) 518-3487  
VHousen@samcleanswater.org  
**Number of Staff:** 6

## 5. PROJECT ORGANIZATION AND EXPERIENCE OF THE PROJECT TEAM

### Key Personnel and Structure

The following staff will perform professional services in support of the project team.

#### Organizational Chart

The NBS project team has work together on other studies and each has tasks in which they are experts. The functional relationships of our proposed project team are detailed in Exhibit A.

**Exhibit A.**  
**NBS Project Team for the San Lorenzo Valley Water District**



#### Project Team

NBS staff has an in-depth understanding and applications of the laws and requirements affecting municipal water and sewer agencies, including Proposition 218. Recognized as leaders in their field, they are often asked to teach continuing education courses. In addition, NBS works cooperatively with its clients as partners, developing an understanding of their needs and concerns, and strive to develop the best solutions for the issues at hand.



The NBS project team provides a committed senior project manager and experienced local staff, which will be critical to the success of this project:

#### **GREG CLUMPNER, PROJECT MANAGER**

**Project Role and Responsibilities:** Mr. Clumpner will manage and direct the technical aspects of the study and will work closely with the District's project manager to develop the overall approach, consisting of technical rate alternatives best suited to the District's needs, creative options to consider, and final report and presentations to various staff members, and if necessary, the District's Board and public. Mr. Clumpner's role will play a central part in evaluating alternatives and will bring a creative approach in order to provide the best solutions to District' rate issues.

**Summary of work experience:** Mr. Clumpner's 30-year professional career has focused on financial and economic analyses for municipal water, wastewater, and recycled water agencies. His experience includes 16 years at engineering firms where he was involved in a broad range of water system planning and development tasks, include reservoir planning and feasibility analysis, economic and financial feasibility studies for water and sewer upgrade and expansion projects, and issuance of new debt (as part of financial teams that issued over \$500 million in new debt).

As the Director of the Utility Rate Practice at NBS, he is also a regular presenter at water and wastewater industry conferences on topics such as rate design, conservation rates, and utility financial management topics. He joined NBS in January 2012 after three years as the California rate and finance business class leader at HDR Engineering. He also created and managed Foresight Consulting where, for six years, his practice focused on water and sewer rate analyses. Greg has completed over 300 similar studies during his career. Mr. Clumpner also worked on Sacramento's Combined Sewer System feasibility studies earlier in his career at CH2M Hill.

Additionally, Mr. Clumpner has served on the utility rate advisory committee for the City of Davis and was the Chair of the Davis Planning Commission for over two years. He also works with legal counsel on an on-going basis; he knows the general legal constraints as well as when to solicit critical legal input to ensure alternatives will meet specific legal requirements.

#### **KIM BOEHLER, ASSISTANT PROJECT MANAGER/SENIOR CONSULTANT**

**Project Role and Responsibilities:** Under the direction of Mr. Clumpner, Ms. Boehler will serve as the assistant project manager and coordinate data analysis, development of financial models, identifying costs allocated to various customer classes by capacity fee alternatives, and serve as the primary consultant on other aspects of this study.

**Summary of work experience:** With over eight years in NBS' Financial Consulting practice and over 50 similar studies in California, Ms. Boehler prepares water and wastewater utility rate and capacity fee studies for cities and special districts throughout California. Ms. Boehler is responsible for developing financial models, cost-of-service analyses, designing rate structure alternatives, and related financial analyses. She works directly with Mr. Clumpner on a daily basis performing similar rate studies. Together they have completed more than 70 complex water and sewer rate analyses over the last three years.

#### **CARMEN NARAYANAN, CONSULTANT**

**Project Role and Responsibilities:** Under the direction of Mr. Clumpner and Ms. Boehler, Ms. Narayanan will assist with data collection and analysis, initial aspects of the financial model and cost-of-service analyses, and will help with other tasks as needed.

**Summary of work experience:** Ms. Narayanan offers six years of combined experience in financial analyses, budgeting and financial projections, as well as general business management. She provides support to project teams completing water and wastewater utility rate studies and capacity fees, including development of financial models, budget projections, establishing revenue requirements, multi-year financial plans, rate adjustment strategies, and performing initial cost-of-service analysis.



## RESUME HIGHLIGHTS

- 30-years of experience in financial and economic analyses
- Consulting practice focuses on municipal water, wastewater, and recycled water utilities
- Completion of over 300 rate studies

## EDUCATION

- M.S., Agricultural/Managerial Economics, U.C. Davis, 1983
- B.S., Environmental Planning, UC. Davis, 1977

## PROFESSIONAL AFFILIATIONS

- Vice-Chair, City of Davis Utility Rate Advisory Committee
- Former Chairman, City of Davis Planning Commission
- Past President, Sacramento Economics Roundtable
- Association of California Water Agencies (ACWA), Member
- American Water Works Association (AWWA), Member

## RECENT SPEAKING ENGAGEMENTS

- “Fiscal Health vs. Pricing for Conservation” (Panel Discussion, Finance Session Planning), ACWA Fall Conference, Indian Wells, December 2015.
- “What’s in Your Rates? Drought? Recycled Water? Social Justice?” – AWWA/ACE 2015 National Conference, Anaheim, CA, June 2015.
- “The California Drought – What’s in Your Rates?” – Calif. Municipal Finance Officer Association, February 2015.
- “Water Rates: Fairness, Equity and ‘Social Justice’?”, NBS Primer, 2014

## BIOGRAPHY

Mr. Clumpner’s 30-year professional career has focused on financial, economic, and cost-of-service rate analyses for municipal water, wastewater, recycled water and solid waste agencies. He regularly presents technical papers at industry conferences and client workshops. His practice has increasingly focused on management consulting related to municipal utility operations and capital improvements.

- **Utility Cost-of-Service Rate Studies:** Mr. Clumpner has prepared more than 200 multi-year financial plans, cost-of-service analysis, and rate design studies as well as conservation-oriented water rates, funding analysis for water, sewer, and solid waste utilities. These rate studies have primarily been for California clients, although he has also completed projects in Malaysia, Sri Lanka, Egypt, and Mexico.
- **Management Consulting & Strategic Planning:** His management consulting and strategic planning experience includes system operations, financial analyses, and long-term funding strategies for municipal agencies. He also has an extensive background in system valuations of capital facilities and systems, facility acquisitions, and municipal versus private operations.
- **Project Financing/Bond Feasibility Studies:** His financing/bond feasibility study experience includes successfully preparing bond feasibility reports resulting in the issuance of more than \$500 million in revenue bonds to finance the acquisition or construction of municipal facilities.

*“You have done a great job on this project, especially with the challenges we faced. I would be happy to serve as a client reference whenever needed in the future. Please have any of your prospective clients call me.”*

**JIM ABERCROMBIE**  
GENERAL MANAGER  
EL DORADO IRRIGATION DISTRICT

[Greg Clumpner served as the Project Manager in completing a Cost-of-service Study of Water, Sewer and Recycled Water Rates for the District]





**RESUME HIGHLIGHTS**

- Over eight years of experience
- Over 90 cities, counties, and special districts served
- Specialist in financial, rate and cost analysis for municipal water and wastewater utilities
- American Water Works Association (AWWA), Member

**EDUCATION**

- Bachelor of Science, Business Administration and concentration in Finance, California State University, San Bernardino, 2004

**SPEAKING ENGAGEMENTS**

- “Drought Impacts and Recycled Water Pricing” and “Water and Sewer Rate Studies and Key Issues Affecting Rates in California,” American Water Works Association Water Education Seminar, August 2014
- “Recycled Water Pricing Methodologies”, CWEA, May 2014 *(co-presented with Greg Clumpner)*
- “Water and Sewer Rate Studies and Key Issues Affecting Rates in California,” American Water Works Association Water Education Seminar, August 2013
- “Financial Viability and the “New Normal” - The Unique Challenges of California Wastewater Agencies” and “Maintaining Financial Viability in the Face of the “Perfect Storm” – Meeting the Challenges in California Today,” CWEA, April 2012 *(co-presented with Greg Clumpner)*

**BIOGRAPHY**

Kim Boehler is a Senior Consultant at NBS. Her primary area of expertise is in performing financial and cost-of-service rate analysis for municipal water and wastewater utilities. She has a comprehensive understanding of agency funding needs through her work completing cost allocation plans and user fee studies and providing special financing district administration services to cities, counties and special districts in California at NBS. The following are her responsibilities in the Utility Rate Practice at NBS:

- Ms. Boehler prepares water and wastewater utility rate and capacity fee studies for cities and special districts throughout California.
- She has completed projects for over 40 agencies in this capacity by developing financial models, cost-of-service analyses, rate structure alternatives, and related financial analyses.
- She prepares comprehensive rate study reports, presents study results to City Councils, Boards and Citizen’s Committees, and works with stakeholders to develop rate adjustment strategies.
- Her high level of expertise in spreadsheet and database platforms provides support, research, documentation, and analysis required as deliverables to NBS clients.
- Her technical skills are essential in analyzing and manipulating large and complex data sets extracted from client information systems, operating and capital budgets and staffing or systems plans.

*“... Kim Boehler displayed the superb technical knowledge needed to complete the study. Further, the willingness of each of you to go above and beyond most expectations by grinding through multiple iterations of the study as requested by the City on short notice was exemplary.”*

**CITY OF REDDING**  
**KENT MANUEL**  
**SENIOR PLANNER**

[Kim Boehler served as the primary consultant in completing a multi-utility rate and connection fee study for the City]



### RESUME HIGHLIGHTS

- Six years of management experience and knowledge of Finance and Accounting methods.
- Extensive experience working with analysis software, databases, and spreadsheets.

### EDUCATION

- Master of Business Administration, University of California, Davis Graduate School of Management
- Bachelor of Business Administration, University of Montevallo

### BIOGRAPHY

Carmen Narayanan is a Consultant at NBS for the Financial Consulting Group's Utility Rate Practice. She offers six years of combined experience in annual financial analyses, annual budgets and projections, as well as business and general office management.

Ms. Narayanan provides support to project teams completing water and wastewater utility rate studies, cost allocation plans and user fee studies for cities and special districts in California. Ms. Narayanan provides support for the development of financial models, establishing revenue requirements, multi-year financial plans, rate adjustment strategies, performing cost-of-service analysis and rate design for utility rate studies. Ms. Narayanan's years of technical skills are essential to the work performed by NBS.

Prior to working at NBS, Carmen held various management positions, which included operations, finance and accounting expertise.

### RELEVANT PROJECT EXPERIENCE

- City of Benicia, Water and Sewer Rate Study
- Cucamonga Valley Water District, Water and Sewer Rate Study
- Hidden Valley Lake Community Services District, Water Rate Study
- City of Lancaster, Recycled Water Rate Study
- Pajaro Sunny Mesa, Water Rate Study
- City of Sacramento, Impact Fee Study
- Twentynine Palms Water District, Water Rate Study
- City of Vallejo, Water Rate Study
- Valley of the Moon, Water Rate Study
- City of Yuba City, Water and Wastewater Rate Study



### RESUME HIGHLIGHTS

- Five years of experience and knowledge of financial and economic analysis
- Over three years of hands-on work experience in a local agency setting, within water and sewer enterprise and general funds
- Extensive experience with analysis software, databases and spreadsheet programs

### EDUCATION

- Chartered Financial Analyst Level 3 Candidate
- Master of Science, Mathematics, University of Houston, 2004
- Bachelor of Arts, Mathematics, Mississippi State University, 2002

### BIOGRAPHY

Greg Henry is a Rate Analyst at NBS for the Financial Consulting Group's Utility Rate Practice. He has extensive experience with financial and statistical analyses and modeling. This includes long term financial forecasting, net present value modeling for capital projects and budget analysis. Further, in his previous position as a management analyst for a California municipality, he examined completed utility rate studies to quantify accuracy and verify the results and conclusions.

Mr. Henry is an expert in manipulating utility billing software to extract and prepare data for utility rate studies, acting as the primary analyst for a municipal agency for two water and sewer rate studies. In addition, he developed a model to determine future revenue losses due to drought and develop drought rates to help off-set the projected water conservation by utility customers.

Mr. Henry provides support to project teams completing water and wastewater utility rate and fee studies, cost allocation plans and user fee studies for cities and special districts in California. Mr. Henry provides support for the development of financial models, establishing revenue requirements, multi-year financial plans, rate adjustment strategies, performing cost-of-service analysis and rate design for utility rate studies. His high level of expertise in various spreadsheet and database platforms is utilized in providing the support, documentation, and analysis required as deliverables to NBS clients. Mr. Henry's technical skills are essential to the work we perform and are utilized in analyzing and manipulating large and complex data sets extracted from client information systems, operating and capital budgets and staffing or systems plans.



## EDUCATION/LICENSE

- Bachelors of Science Engineering, University of California at Berkley
- Master of Science Structural Engineering, Stanford University
- Professional Civil Engineer, California No. C46324

## PROFESSIONAL AFFILIATIONS

- American Water Works Association
- Bay Area Water Works Association
- Water Environment Federation
- California Water Environment Association
- California Association of Sanitation Agencies (2012 Associates Committee Chair / 2013 Executive Board)

## BIOGRAPHY

Vivian Housen has 25 years of experience in the planning, design, and management of water and wastewater infrastructure projects. She is a hands-on manager for programs and projects involving wastewater facility improvements, hydraulic modeling, master planning, utility asset management, and regulatory compliance. Vivian also assists agencies with interim management needs and improving O&M efficiencies. She is strategic and forward-thinking, and is recognized for her ability to build consensus among diverse organizations. She has demonstrated success delivering controversial programs significantly under budget.

## RELEVANT PROJECT EXPERIENCE

### Asset Management

Served as the Project Manager for the following projects to evaluate and manage asset data, identify and prioritize repairs and replacements, and develop long-term maintenance strategies to dovetail with capital plans:

- Linear Asset Management Plan, West Bay Sanitary District, Menlo Park, California
- Infrastructure Asset Management Plan, Ross Valley Sanitary District, San Rafael, California
- Conveyance System Reliability Improvement Project, Delta Diablo Sanitation District, Antioch, California
- Sewer Collection System Lifecycle Asset Management Project, San Francisco Public Utilities Commission, California

### Operations and Maintenance Support

As the Project Manager, led the review of operations and maintenance practices and in the design and tracking of improvements to these activities for the following agencies:

- Collection System of the Future Initiative, multiple SF Bay Area jurisdictions
- System Operations and Maintenance Support, City of Sausalito, California
- Sewer System Management Plans and Overflow Emergency Response Plans for over a dozen sewer collection system agencies
- Regulatory Compliance Support, Sewerage Agency of Southern Marin, Mill Valley, California

### Agency Management

Provided interim general management and district engineering services to numerous agencies, including the following;

- Delta Diablo, Antioch, California
- Sewer Authority Mid-Coastside, Half Moon Bay, California
- West Bay Sanitary District, Crockett, California
- Ross Valley Sanitary District, San Rafael, California



### **BRIEF BIOGRAPHY**

Robert DeLoach is the founder of a management consulting firm focusing on public agency and utility management operations and asset management. His primary focus is on organizational development, strategic planning, human capital and performance management.

### **RELEVANT PROJECT EXPERIENCE**

**Placer County Water Agency, Brent Smith, Director of Technical Services**

**Project Description:** Retained to conduct a staffing assessment of the Drinking Water Division of the Placer County Water Agency. Project included a review of the organizational structure, allocation of labor and workload demand for water treatment operations, job classification review, utilization of technology to augment labor and a review of options for 24-hour shift schedules. Dec. 2015 – Feb. 2016

**Association of California Water Agencies, Tim Quinn, Executive Director**

**Project Description:** Retained to conduct an organizational performance assessment and prepare a report and recommendations to the Association's Executive Committee and Executive Director. Project components included a 360-degree internal review of operations consisting of employee interviews, analysis of staffing and training needs and identifying opportunities for improved internal coordination and efficiency. Aug. 2015 – Nov. 2015

**Elsinore Valley Municipal Water District, John Vega, General Manager**

**Project Description:** Developed a Comprehensive Organizational Development Plan for the District that consisted of three components; a Strategic Plan, an Organizational Performance Assessment and development of a Handbook of Best Practices for the Board of Directors. The performance assessment phase of the project included an analysis of staffing and workload demands, supervisory span of control, maintenance management systems, organizational structure efficiency improvements and cost analysis for outsourcing several internal and external operational functions. July 2015 – Jan. 2016

**Scotts Valley Water District, Chris Perri, Board of Directors**

**Project Description:** Retained to conduct an assessment of District operations including field operations, financial management, engineering and strategic planning. Project components consisted of an analysis of staffing competency and labor allocation, job classification and compensation review, management of critical groundwater facilities, maintenance management activity levels, analysis of expanding the recycled water delivery system and opportunities to partner with adjacent agencies for shared resource management. Jan. 2013 – Aug. 2013

**Pajaro/Sunny Mesa Community Services District, Don Rosa, General Manager**

**Project Description:** Retained to conduct a staffing assessment as part of a water rate study. Project consisted of reviewing employee job classifications, allocation of labor and work process demand, maintenance management levels and opportunities to reallocate portions of private water distribution system. The project also included development of new job descriptions and conducting a classification and compensation study. Sept. 2014 – April 2015

**Sonoma County Water Agency, Grant Davis, General Manager**

**Project Description:** Retained to conduct a staffing and organizational assessment and compensation and classification study of the Environmental Resources and Public Affairs Division of the Agency. Project components also consisted of an analysis of the organizational structure, reporting relationships, supervisory span of control and opportunities to reallocate labor and programs for added efficiency. Aug. 2012 – Jan. 2014

## Schaaf & Wheeler

### EDUCATION

- Master of Science, Civil Engineering, Massachusetts Institute of Technology
- Bachelor of Science, University of Texas at San Antonio

### LICENSES

- Registered Civil Engineer California #C69703, Texas #93537

### AFFILIATIONS

- American Water Works Association
- Society of American Military Engineers
- American Public Works Association
- Monterey Bay Water Works Association

### BIOGRAPHY

Andrew A. Sterbenz, P.E. has over 25 years of experience managing engineering organizations and solving engineering problems, and is recognized for developing and implementing creative solutions to complex problems. In 2006-2007 and 2012-2013 he served as the full-time District Engineer for the Marina Coast Water District, managing a \$150 million water and sewer capital improvements budget that includes the development of new groundwater, recycled and desalinated water supplies for the former Fort Ord. He has prepared long-range water supply plans in California and Texas. Plans include the projection of population and water demands, the assessment of current water supply availability, and the analysis of water management strategies to meet projected shortages. He is adept at analyzing, researching, planning, coordinating and executing strategies to achieve organizational goals. Andy has prepared detailed plans and specifications for bidding and construction for public agencies, and managed construction projects for the client agencies. He has conducted environmental studies and remediation design, and assisted with environmental permitting. He is well experienced with state and federal environmental regulations.

### MAJOR PROJECT ACCOMPLISHMENTS

#### **Water and Wastewater Systems Planning and Design**

Pure Water Monterey Groundwater Replenishment Project – Denise Duffy & Assoc. – Monterey County, CA (2013-2015)

Reclamation Ditch Yield Study – Monterey Peninsula Water Management District - Monterey County, CA (2013-2014)

Blanco Drain Yield Study – Monterey Peninsula Water Management District - Monterey County, CA (2013-2014)

Aptos Booster Pump Station – Soquel Creek Water District – Aptos, CA (2012-2015)

McGregor Drive Booster Pump Station – Soquel Creek Water District – Capitola, CA (2012-2015) Interim District Engineer - Marina Coast Water District - Marina, CA (2006-2007, 2012-2013)

Soquel Drive Cast Iron Main Replacement-Soquel Creek Water District-Soquel, CA (2012)

Watkins Gate Well and Pipeline– Marina Coast Water District – Marina, CA (2011-2012)

Stonegate Water Supply Project – San Benito County Public Works-Hollister, CA (2011-2013)

Castroville Community Plan Infrastructure Estimate – Monterey County Redevelopment Agency – Monterey, CA (2009-2010)

Sewer Feasibility Study for Commercial Parkway – Monterey County Redevelopment Agency – Castroville, CA (2010)

Boronda Meadows General Development Plan Peer Review – PMC, Inc. – Salinas, CA (2010)

Modular Wastewater Treatment System - LOGCAP – Balkans, Yugoslavia (1999)

#### **Water Delivery Systems**

Raw Water Pump Station Design and Construction - Coastal Water Authority - Houston, Texas (2000)

Moses Bayou 84-Inch Siphon - Gulf Coast Water Authority - Texas City, Texas (2001)

System Water Audit - Gulf Coast Water Authority - Texas City, Texas (1999)



## 6. EXPERIENCE AND PAST PERFORMANCE

We encourage the District to check our references. Below are the three recent projects you have requested. Final work products are submitted separately as PDF files.

### CITY OF REDDING, CA WATER, SEWER, AND SOLID WASTE RATE AND IMPACT FEE STUDY



NBS completed an extensive and highly visible cost-of-service study of water, sewer, and solid waste rates and system capacity charges (and has been selected to update this study in 2016). The City had not conducted a cost-of-service rate study in over 15 years, and this study addressed City policies and overall objectives in developing rate structure alternatives for the City to consider. A key part of this study was working with a City Council appointed Citizens Advisory Group that reviewed rate alternatives and provided recommendations to the Council. Key tasks included preparing financial/rate setting policies, financial plans, projecting net revenue requirements, cost-of-service analyses, and alternative rate designs.

**Client contact:** Kent Manuel, Development Services Manager  
**Address:** 777 Cypress Ave., Redding, CA 96001  
**Phone & Email:** 530.225.4170 | kmanuel@ci.redding.ca.us  
**Budget/Cost:** \$160,000  
**Schedule:** 14 months, completed in August 2013

City of Redding  
KENT MANUEL  
Senior Planner

*"As expected, both you and Kim Boehler displayed the superb technical knowledge needed to complete the study. Further, the willingness of each of you to go above and beyond most expectations by grinding through multiple iterations of the study as requested by the City on short notice was exemplary."*

### CITY OF MORGAN HILL, CA COMPREHENSIVE WATER & WASTEWATER RATE STUDY

The City retained NBS in June 2015 to conduct comprehensive water and wastewater rate studies for a number of reasons, including meeting long-term revenue requirements, ensuring revenue stability in water rates, providing adequate funding for capital improvements, and ensuring rates comply with applicable laws, including Proposition 218. The rates developed in this study meet Proposition 218 requirements and were developed based on industry standards, including recent court rulings (e.g., the San Juan Capistrano case) affecting how the cost basis for water rates must be established. In developing proposed new water and wastewater rates, NBS worked cooperatively with City staff and the City Council in developing rate study alternatives and results, including develop new elevation zonal surcharges intended to recover costs related to service in three main elevation zones. Review of study results and recommendations included two City Council workshops and subsequent public meetings with the City Council. The final rate study report was completed in December 2015 and is currently undergoing the Prop 218 approval process.



**Client contact:** Karl Bjarke, Public Works Director  
**Address:** 17575 Peak Avenue, Morgan Hill, CA 95037  
**Phone & Email:** 408.776.7332 | Karl.Bjarke@morganhill.ca.gov  
**Budget/Cost:** \$74,000  
**Schedule:** 9 months, completed in January 2016

## CITY OF SAUSALITO, CA SEWER AND DRAINAGE SYSTEM RATE STUDY



NBS completed a cost-of-service rate study for the City's sewer and drainage utilities that accomplished (1) Conversion of sewer rates from equivalent dwelling units (EDUs) to a similar rate structure that relies on average winter consumption to determine EDUs, (2) Financial planning that provided solid long-range funding for capital improvement plans and CIP projects, (3) Equity and fairness of rates, particular as they relate to Prop 218 and (4) Storm drainage fees that address longer-term capital funding requirements. As a part of this study, NBS projected revenues and expenditures, developed net revenue requirements, evaluated cost-of-service cost allocations and rate design alternatives. Three appendices at the end of the report documented the results, including key tables and figures.

**Client Contact:** Charlie Francis, Finance Director  
Jonathan Goldman, Public Works Director  
**Address:** 420 Litho Street, Sausalito, CA 94965  
**Phone & Email:** 415.289.4105 cfrancis@ci.sausalito.ca.us JGoldman@ci.sausalito.ca.us  
**Budget/Cost:** \$84,000  
**Schedule:** 9 months, completed in February 2014

### *Excerpt from the recent*

## **MARIN COUNTY GRAND JURY REPORT ON SEWER SYSTEMS:**

**Summary:** The Grand Jury conducted a survey of all wastewater agencies in Marin (except the park services), with the intention of shedding light on the operational, financial and governance aspects of these agencies. [They] also inquired about [the agencies'] experiences cooperating with each other and their views on consolidation.

**City of Sausalito Rate Study:** The City of Sausalito completed a Rate Study (February 27, 2014 [conducted by NBS] ) and adopted a resolution in March 2014 whereby their rates will be increased over a 5-year period and a volumetric charge, based on annualized winter water consumption, will be incorporated into the base rate. The approach taken by this study could be considered by other agencies looking at rate increases and how to incorporate a usage element.

**Grand Jury Findings:** The City of Sausalito's Rate Study (February 27, 2014 [conducted by NBS] ), presents a combination of fixed and variable fees to meet capital improvement projects and create greater equity among ratepayers.

**Grand Jury Recommendations:** The City of Sausalito share its rate study dated February 27, 2014, with all the collection agencies in Marin County.

**Full report:** <http://www.marincounty.org/depts/gj/reports-and-responses/reports-responses/2013-14/-/media/Files/Departments/GJ/Reports%20Responses/2013/SewerScoop1.pdf>

**See Reference Letters in the Appendix.**



## Managing Timelines and Project Costs

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We understand that budgets and timelines are critical to the success of this study, and our commitment to the District is that our proposed tasks will not cost more than budgeted or take longer than originally planned (to the extent that NBS has control over the schedule). If additional funds are needed due to tasks not included in the proposal, we will discuss this with the District and propose options for revising the budget and/or the scope of work. No additional work will be undertaken prior to approval by the District's project manager.

NBS has standard consulting-industry accounting systems and practices that track consulting hours by task, by team member, and by client. We provide monthly detailed reports and invoicing, but will discuss any particular needs the District may have with regard to invoicing and tracking of costs. Our projects are performed on a time-and-materials basis with not-to-exceed limits, thus guaranteeing that we will not exceed the proposed costs.

## 7. FIRM'S LOCAL EXPERIENCE

### NBS Experience

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**Helping communities fund tomorrow.** NBS was founded in 1996 by experienced finance and engineering professionals, and has worked with more than 300 public agencies to date. NBS is an independent consulting firm serving local governmental agencies, including cities, towns, counties, municipal utilities, and special purpose districts. The ultimate goal of NBS is to provide support, expertise and solutions that promote long-term financial health. NBS currently has 37 employees located in Temecula (corporate headquarters), Irvine, Davis and San Francisco.

Our Financial Consulting Practice focuses primarily on cost recovery mechanisms and supporting justification for various agency revenue streams, including the following:

- ✓ Rate studies for municipal water, sewer, storm drainage and solid waste utilities.
- ✓ Financial plans for public utilities.
- ✓ System capacity and development impact fees.

NBS' project team offers extensive cost-of-service experience on water and sewer rate studies, including a project manager with more than 30 years of experience, successful completion of more than 300 similar studies, and wide-ranging experience with system capital improvement planning. The following is a summary of some of our team qualifications:

- **EXPERIENCE WITH SIMILAR AGENCIES:** The NBS team has experience with several nearby agencies, such as the Scott's Valley Water District, the City of Santa Cruz, and many similar small water districts throughout the state. Our project manager has performed water/sewer rate studies for rural districts such as Sonoma County (unincorporated water districts), Lake County Special District Office, Hidden Valley Lakes Water District, Valley of the Moon Water District, and Humboldt CSD.
- **PROJECT MANAGEMENT EXPERIENCE:** NBS offers a team of senior consultants Greg Clumpner (project manager) and Kim Boehler (assistant project manager/senior consultant) who will conduct and complete this study for the District from start to finish, including attending meetings with the District Board and public. We also offer other proven staff consultants who will support the technical tasks that are critical to the overall success of this study.
- **ABILITY TO TAILOR STUDY TASKS:** We have presented a creative approach that we believe will enhance the value and success of this study, based on our experience with many similar clients will work with District staff to refine our scope of work and study approach to better reflect:
  - Study results that balance environmental and financial sustainability.
  - Evaluating the District's costs in light of Proposition 218 requirements, including the recent San Juan Capistrano appellate court ruling.
  - Working cooperatively with District staff to evaluate the pros and cons of various cost-of-service alternatives and illustrating how they can affect customer bills and revenue stability.
- **TECHNICALLY SOUND TASKS:** Working with similar agencies throughout the State, we understand the various approaches that can and have been used in similar studies. Based on the 30-years of experience of our project manager, along with our close ties with legal experts in Proposition 218 rate issues, our proposal offers sound and implementable solutions.
- **DEMONSTRATED CLIENT SATISFACTION:** We believe our greatest single qualification is our record of successful projects and satisfied clients, as demonstrated by recent client references included in this proposal.

## 8. CREATIVE ALTERNATIVES

The NBS team has already incorporated our customized approach in our scope of work outlined above. The following are a few of the specific items that we can call attention to:

**Staffing study** – DeLoach & Associates, who will conduct the detailed analysis of the current staffing and organizational structure, offer unique expertise to this task. Mr. DeLoach has experience as a general manager and also brings local agency experience, having worked with Scotts Valley Water District and Pajaro Sunny Mesa CSD.

**Elevation zone surcharges** – We recently developed elevation zone surcharges for the City of Morgan Hill and have evaluated these issues for many similar agencies. The 33 elevation zones in the District present a challenge that needs to be carefully evaluated from a legal, financial, and practical (ease of administration, public understanding, etc.). NBS will work with District staff and Board to offer advice and alternatives on this issue.

**Accounting bridgeway** – One of the subtasks that might be worth considering is for NBS to create a “bridgeway accounting process” whereby the District’s account line items are identified by the various functional categories. This allows a very simple means of taking the existing budget items (or future updates) and seeing a summary of how the budget breaks down into costs related to capacity (fixed), commodity (variable), customer (fixed), etc. The District’s subsequent rate study would then have the necessary cost allocations by functional category and customer class that are necessary to undertake the rate design task.

**Data request** – We have included a list of data items that we would request from the District, if selected for this study.

## 9. PROPOSED TOTAL PROFESSIONAL FEE AND FEE SCHEDULES

Our fee section is included under separate cover per the RFP. This includes the proposed study budget and estimated timeline.

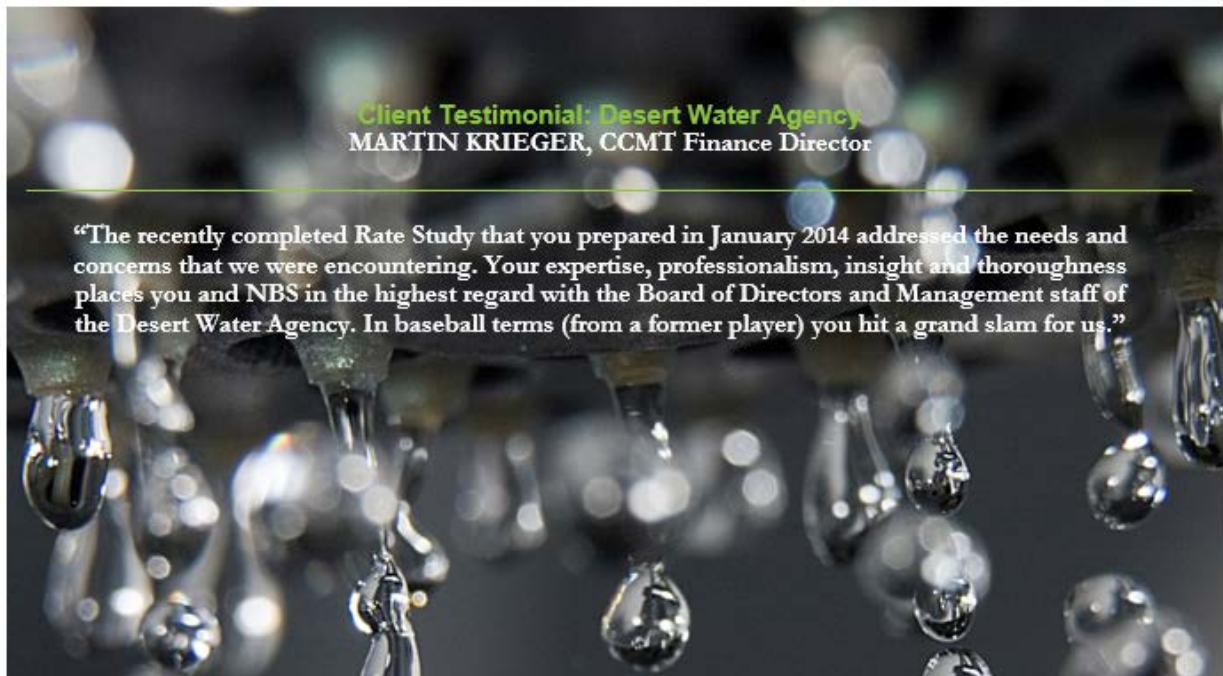
## 10. EXCEPTIONS TO THIS RFP

NBS has reviewed the Consultant Services Agreement and has no exceptions.

## APPENDIX

The appendix of this proposal includes the following:

- Reference Letters
- NBS Profile
- Similar Projects
- Data Requests from the District
- Final Work Products



Craig A. Ewing, President  
James Cioffi, Vice President  
Joseph K. Stuart, Secretary-Treasurer  
Patricia G. Oygard, Director  
Richard Oberhaus, Director



David K. Luker, General Manager-Chief Engineer  
Best, Best & Krieger, General Counsel  
Krieger & Stewart, Consulting Engineer

April 11, 2014

NBS  
Greg Clumpner, Director  
2010 Amador Ave.  
Davis, CA 95616

Dear Greg;

The purpose of this letter is extend the Desert Water Agency's heartfelt appreciation to you and your staff for the outstanding efforts and guidance you have provided to us for the past four years. The recently completed Rate Study that you prepared in January 2014 (this was the third study that you have performed for us since 2010) addressed the needs and concerns that we were encountering. Your expertise, professionalism, insight and thoroughness places you and NBS in the highest regard with the Board of Directors and Management staff of the Desert water Agency.

From the initial meetings, to working through the complex details, to Board presentations and ultimately to the public workshops; you have far exceeded our expectations on what we hoped to achieve. In baseball terms (from a former player) you hit a grand slam for us.

It is important for you and your dedicated staff to know how appreciative we are. When we are ready to initiate our next rate study or need additional consultant services, you will be the only phone call we make. Please share our comments with your staff.

Best,

Martin Krieger, CCMT  
Finance Director

MK/km





## CITY OF FORT BRAGG

*Incorporated August 5, 1889*  
416 N. Franklin St.  
Fort Bragg, CA 95437  
Phone: (707) 961-2823  
Fax: (707) 961-2802  
<http://city.fortbragg.com>

June 16, 2014

Mr. Greg Clumpner  
NBS  
*Transmitted via email*

**Subject: Sincere appreciation for excellent consultant services**

Dear Greg,

I would like to offer my sincere appreciation to you and your staff for the 2013 utility rate study and the recent follow-on services that NBS provided to the City of Fort Bragg. Yours was the third utility rate study that I have been involved with here in Fort Bragg and it was, by far, the most intelligible process and work product. You have an extraordinary ability to translate the complicated mechanisms involved in creating a financial plan and rate model into easily understood concepts. With your assistance, City staff and our City Council subcommittee were able to delve deeply into the rate structure and help define a model that met the City's varied financial and policy objectives.

Further, I would like to express my gratitude for the invaluable follow-on services that you provided to Fort Bragg over the past several months. You can only imagine our dismay when our Finance Department realized that the newly implemented water rates were not generating expected revenues. With your assistance, we discovered that the City's utility billing system had provided inaccurate account information for the rate model. Your ability to accurately troubleshoot the problem and to define multiple potential solutions really saved the day. Your patience and willingness to run alternative rate structures, again and again, was greatly appreciated.

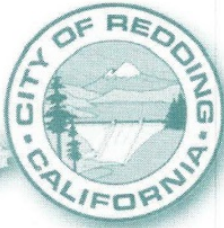
Thank you and I hope we have the opportunity to work together in the future.

Sincerely,

  
Linda Ruffing  
City Manager



# CITY OF REDDING



## DEVELOPMENT SERVICES DEPARTMENT

PLANNING DIVISION

777 Cypress Avenue, Redding, CA 96001-2718

P.O. Box 496071, Redding, CA 96049-6071

530.225.4020 FAX 530.225.4495

April 17, 2014  
A-050

Mr. Greg Clumpner, Director  
NBS  
2010 Amador Avenue  
Davis, CA 95616

Dear Mr. Clumpner:

I want to express my appreciation for the expertise and excellent customer service demonstrated by your firm in helping the City of Redding update its Water and Wastewater Development Impact Fee programs in 2013. As expected, both you and Kim Boehler displayed the superb technical knowledge needed to complete the study. Further, the willingness of each of you to go above and beyond most expectations by grinding through multiple iterations of the study as requested by City staff on short notice was exemplary.

I just wanted you to know that we appreciate your outstanding customer service and advice you provided to ensure that our program was successful.

Sincerely,

Kent Manuel  
Senior Planner

KM:amf  
Ltr14F-04-17L-GC

## NBS History



NBS' Financial Consulting Practice focuses primarily on cost recovery mechanisms and supporting justification for various agency revenue streams, including the following:

- ✓ Rate studies for municipal water, sewer, storm drainage and solid waste utilities.
- ✓ Financial plans for public utilities.
- ✓ System capacity and development impact fees.
- ✓ User and regulatory fees for a wide variety of local government programs and services.
- ✓ Overhead cost allocation analysis.

These services are performed within the requirements and framework of California-specific statutes and guidelines, including:

- ✓ Proposition 218, 26, and subsequent legislation and case law.
- ✓ Article XIII of the California state Constitution (as applies to user and regulatory fees).
- ✓ State Controller's Office Handbook of Cost Plan Procedures; and federal guidelines, including the Office of Management and Budget Circular A-87.
- ✓ Mitigation Fee Act (Government Code 66000 et seq., codified by "AB 1600").

NBS also provides special financing district consulting and administration focusing on the formation and ongoing administration of Assessment Districts, Business Improvement Districts (BIDs), Community Facilities Districts (CFDs), Local Improvement Districts (LIDs), property-related fee districts, and special parcel tax districts. NBS is staffed with seasoned experts dedicated to providing our clients with the best possible results. The company is in a strong financial position with little to no debt and continually invests in the highest-quality software and technology.

***The NBS Project Team has an in-depth understanding of all changes to laws, codes, and regulations affecting local governments, including Proposition 218. Recognized as leaders in their field, they are often asked to teach continuing education courses and participate in workouts for troubled agencies. In addition, NBS works with its clients as partners by developing an intimate knowledge of their needs and responding with strategic and timely solutions.***

*"Working with NBS on Proposition 218 has been informative and we would not hesitate to contract for their services again. The staff at NBS are true professionals and experts in their field. They treated us with respect and patience as they guided us through the process ensuring that we understood their recommendations and the reasons behind everything that they did; not withstanding their combined years of expertise in the field of special districts but taking us to the Code and documented court rulings that substantiated their decisions."*

**INGRID BRUCE**  
**GIS/Special Districts Manager**  
**CITY OF RANCHO CUCAMONGA**

## Similar Projects

In addition to the references and relevant projects provided in Section 2 (Client References), the following is a sampling of California municipal agency clients for which the proposed NBS project team has completed (or recently selected as the most qualified firm to complete) projects similar to the District's study.

### Exhibit B. Sampling of agencies for which NBS has recently or is in the process of completing similar rate studies

Avila Beach CSD	City of Redding	County of San Mateo
Calaveras County Water District	City of San Carlos	Cucamonga Valley Water District
City of Arvin	City of Santa Paula	Desert Water Agency
City of Benicia	City of Sausalito	El Dorado Irrigation District
City of Colton	City of Seal Beach	East Valley Water District
City of Culver City	City of Solvang	Hidden Valley Lake Community Services District
City of East Palo Alto	City of Taft	Humboldt Community Services District
City of Fort Bragg	City of Thousand Oaks	Pajaro/Sunny Mesa Community Services District
City of Greenfield	City of Vallejo	Rural North Vacaville Water District
City of Lancaster	City of Victorville	Suisun-Solano Water Authority
City of Los Altos	City of Waterford	Sussex County
City of Livermore	City of Winters	Twenty-nine Palms Water District
City of Pasadena	City of Yuba City	Valley of the Moon Water District
Dixon-Solano Water Authority	County of Calaveras	West County Wastewater District



**MSRB Municipal Advisor:** NBS is registered with the Municipal Securities Rulemaking Board (MSRB) as a Municipal Advisor.

As a new rule covered under the Dodd-Frank Wall Street Reform and Consumer Protection Act, any firm that is a provider of debt issuance support services must be registered with the Securities Exchange Commission (SEC) and MSRB in order to legally provide these related services.





## helping communities fund tomorrow

### *From the flow of water to the flow of revenue*

NBS helps facilitate the intricate balancing act that keeps communities running strong. We develop smart solutions for municipalities, and for the public they serve.

NBS consultants and engineers have provided focused consulting, assessment engineering, special assessment software, ongoing administration, financial analyses and related support to over 300 public agencies. Our Financial Consulting practice focuses primarily on cost recovery mechanisms and supporting justification for various agency revenue streams; including user and regulatory fees, overhead cost allocation analysis, rate studies for municipal water, sewer, storm drainage and solid waste utilities, financial plans for public utilities, system capacity and development impact fees. The ultimate goal of NBS is to ensure quality results for the local public agency so that they are seen as serving their constituents in an exemplary manner.

Navigating the laws, codes and regulations affecting local governments requires guidebooks. And so we wrote two, coining new industry phrases and capturing definitions that have become a ready resource for local government professionals. The *NBS Rates, Fees and Charges Compendium* as well as the *NBS Special Financing Districts Primer* are both available for download free at [www.nbsgov.com/expertise/publications](http://www.nbsgov.com/expertise/publications).

Every year we keep things fresh by sponsoring content-rich workshops that bring industry insiders together to learn, share ideas and meet with their peers. The NBS University seminars are held annually. Well respected in their fields, our staff is often asked to speak at trade events and on panel discussions.

## Data Requests

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Below is a list of data items that we would request from the District, if selected for this study. While this is intended to be a comprehensive list of data needs, additional information may be identified and requested at a later time.

### Financial Information Needs

1. Fiscal Year 2014/15 and 2015/16 **operating budgets** for the water and wastewater utilities that show line item detail for annual expenditures and revenues (rate and non-rate).
2. Summary of **user charge/rate revenues by month** for the most recent three years. If possible, please present the details by customer class (residential, commercial, industrial, etc.) and meter size (for water) for both the fixed monthly revenue and the volume-based revenue. Excel files would be the ideal format for this information.
3. **Capital improvement plans** (CIP) including project descriptions and costs by year. The CIP provided should include estimated project expenditures by year and the expected amount funded as renewal and replacement. Please identify whether the projected costs are in current-year dollars (i.e., estimated costs without inflation), or future year dollars (i.e., they include inflation).
4. **Master Plans** that include capital improvements planned for the water and wastewater utilities.
5. **Cash balances** in all utility-related funds/reserves for the beginning of Fiscal Year 2013/14 and 2014/15. (A Trial Balance report often fulfills this request.)
6. **Repayment schedules** for all outstanding bonds and loans (i.e., periodic principal and interest payments due during the remaining term of any outstanding loans or bonds to which the utilities are obligated).
7. **Bond/loan documents** for all outstanding bonds and loans. These documents may be in the form of a master resolution or bond ordinance. Often the information is contained within the Official Statement (OS) for the bond issue. At a minimum, please provide the sections from the OS that describe the indenture, rate covenants, additional bonds tests, and definitions.
8. If available, a list of any District **policies** related to rates, rate structures, reserve management, and capital improvement financing and any related rate studies.
9. Please include **projected growth rates** for number of accounts as well as O&M costs if they are available. Otherwise, we will work with staff to develop relevant O&M growth rates.

### Cost of Service Analysis Information Needs

10. **Monthly water sales** for the last two years by customer class, and if available, projected water sales, including any projections of **supply reductions** for the next year or two.
11. Total **annual water system production**, estimated system losses, peak monthly production, by source of supply (if available).
12. If available, peak-day factors by customer class for the water utility.

## Final Work Products

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*(Submitted separately as PDF files)*



# San Lorenzo Valley Water District

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## Cost Proposal for Enterprise Wide Cost of Service Financial Study

January 15, 2016

### OFFICE LOCATIONS:

*Temecula - Headquarters*  
32605 Temecula Parkway, Suite 100  
Temecula, CA 92592

*Irvine - Regional Office*  
18012 Cowan Street, Suite 290  
Irvine, CA 92614

*San Francisco - Regional Office*  
870 Market Street, Suite 1223  
San Francisco, CA 94102

*Davis - Regional Office*  
140 B Street, Suite 5-292  
Davis, CA 95616

Phone: 800.676.7516  
[www.nbs.gov.com](http://www.nbs.gov.com)

Prepared by

 **NBS**™ helping communities fund tomorrow



870 Market Street, Suite 1223  
San Francisco, CA 94102  
Toll free: 800.676.7516

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

January 15, 2016

Holly Morrison  
District Secretary  
**San Lorenzo Valley Water District**  
13060 Highway 9  
Boulder Creek, CA 95006

**SUBJECT: ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY**

Dear Ms. Morrison,

Thank you for considering our cost proposal and timeline presented below. Please do not hesitate to contact me at 530.297.5856 or at [gclumpner@nbsgov.com](mailto:gclumpner@nbsgov.com) if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Greg Clumpner".

Greg Clumpner  
Director - Utility Rate Practice Group

A handwritten signature in blue ink, appearing to read "Michael Rentner".

Michael Rentner  
President & CEO



# COST PROPOSAL

Our detailed project budget is shown in Exhibit A below. Our professional fees are based on our understanding of the District's needs and the effort we believe is necessary to complete the scope of services/task plan described. We express this honestly and transparently through our price proposal. **Additional services requested**, such as additional community meetings or additional rate alternatives, can be provided based on the hourly labor rates shown in the budget table below. All tasks would be mutually agreed upon by NBS and the District prior to proceeding.

We are very interested in working for the District on this study and, should our proposed project cost fall outside of the District's expectations, please let us know and we would be glad to work with the District to adjust the scope and budget in a manner that is mutually agreeable and better meet the District's needs.

## Exhibit A. Detailed Project Budget

PROJECT BUDGET (Time and Materials, Not to Exceed)									
San Lorenzo Valley Water District: Enterprise Wide Cost of Service Financial Study									
Cost of Service Tasks	NBS Labor (Hours)			NBS Totals		Subconsultant Hrs.		Subcon. Costs	Grand Total Study Costs
	Project Manager (Clumpner)	Assistant Project Manager (Boehler)	Consultant or Analyst (Narayanan or Henry)	Labor Hours	Labor Cost	DeLoach & Assoc.	V.W. Housen & Assoc.	DeLoach & Assoc. and V.W. Housen & Assoc.	
Hourly Rate	\$235	\$180	\$140			\$229	\$229		
Task 1 - Kickoff Meeting & Data Collection	8.0	2.0	16.0	26.0	\$4,480	-	-	\$0	\$4,480
Task 2 - Staff Study (D&A)	-	-	-	-	\$0	37.0	-	\$8,473	\$8,473
Task 3 - Field Assmt & Cost Projections									
Review System Assets/Estimate R&R Costs	-	-	-	-	\$0	-	32.0	\$7,328	\$7,328
Develop Annual Replacement Cost Budgets	-	-	-	-	\$0	-	15.0	\$3,435	\$3,435
Develop WWTP/Coll. System Prev. Maint. \$	-	-	-	-	\$0	-	32.0	\$7,328	\$7,328
Impacts of Env. Regs on System O&M Costs	-	-	-	-	\$0	8.0	8.0	\$3,664	\$3,664
Task 4 - Financial Plan	10.0	6.0	16.0	32.0	\$5,670	-	-	\$0	\$5,670
Task 5 - Cost of Service Analysis	12.0	8.0	30.0	50.0	\$8,460	8.0	8.0	\$3,664	\$12,124
Task 6 - Meetings and Written Study Report <sup>1</sup>	40.0	8.0	6.0	54.0	\$11,680	20.0	20.0	\$9,160	\$20,840
<b>Task Totals</b>	<b>70.0</b>	<b>24.0</b>	<b>68.0</b>	<b>162.0</b>	<b>\$30,290</b>	<b>73.0</b>	<b>115.0</b>	<b>\$43,052</b>	<b>\$73,342</b>
Reimbursable Expenses					\$1,000			\$1,200	\$2,200
<b>GRAND TOTAL NOT TO EXCEED</b>	<b>70.0</b>	<b>24.0</b>	<b>68.0</b>	<b>162.0</b>	<b>\$31,290</b>	<b>73.0</b>	<b>115.0</b>	<b>\$44,252</b>	<b>\$75,542</b>

D&A - DeLoach & Associates

VHA - Vivian Housen & Associates

1. Assumes DeLoach and VHA each attend three meetings (5 hours each meeting) and spend 5 hours each on reports. Additional meetings for D&A and/or VHA can be added for approximately \$1,100 each (not included in this budget).

## Exhibit B. Project Timeline

The District has indicated that this study would be performed over a five-month period, roughly through June 2016. The following is a preliminary schedule for planning purposes:

PROJECT SCHEDULE - Enterprise Wide Cost of Service Study	February	March	April	May	June
Task 1 - Kickoff Meeting & Data Collection		■			
Task 2 - Staff Study		■	■	■	■
Task 3 - Field Assmt & Cost Projections		■	■	■	■
Task 4 - Financial Plan		■	■	■	■
Task 5 - Cost of Service Analysis		■	■	■	■
Task 6 - Meetings and Written Study Report					
Meetings with District Staff				■	■
Board Meetings				■	■
Draft and Final Report				■	■

■ Active task work  
■ Draft and Final Reports  
■ Meeting or Presentation (estimated, to be scheduled as needed)



# SAN LORENZO VALLEY WATER DISTRICT

**Enterprise Wide Cost of  
Service Financial Study**

*Proposal / January 15, 2016*





24640 Jefferson Ave.  
Suite 207  
Murrieta, CA 92562

Phone 626 . 583 . 1894  
Fax 626 . 583 . 1411

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

January 14, 2016

Ms. Holly Morrison  
District Secretary  
San Lorenzo Valley Water District  
13060 Highway 9  
Boulder Creek, CA 95006

**Subject: Request for Proposals for the Enterprise-wide Cost of Service Financial Study**

Dear Ms. Morrison:

Raftelis Financial Consultants, Inc. (RFC) is pleased to submit this proposal to provide consulting services to the San Lorenzo Valley Water District (SLVWD or District) for its Enterprise-Wide Cost of Service Financial Study. Given our experience in working with neighboring districts and cities and our knowledge of the area, we believe that our unique combination of qualifications, resources, experience, and knowledge will ensure an added value project that will benefit the District and its customers.

RFC, established in 1993, has the largest practice in California and the country specializing in financial and rate consulting for water, wastewater, recycled water, and stormwater utilities. RFC is confident in our ability to provide financial, rate, and management consulting services of the highest quality.

**Unparalleled Experience.** RFC has conducted numerous such studies in California and across the United States. RFC's staff have assisted more than 500 water, recycled water, and/or wastewater utilities with a wide variety of financial and rate consulting services.

**Depth of Resources.** RFC has more than 50 utility financial and rate consultants firm-wide, including 12 California consultants who have extensive Proposition 218 expertise. We solely focus on financial, rate, and management consulting for water, wastewater, recycled water, and stormwater utilities, and RFC has the technical capabilities to address the most complex challenges confronting our clients. Our depth of resources will allow us to expeditiously meet the District's needs on this project.

**Industry Leadership.** Members of our Project Team have served as co-authors of industry standard guides on utility ratemaking including the American Water Works Association's (AWWA) *Manual of Water Supply Practices M1, Principles of Water Rates, Fees and Charges (Manual M1)* and the Water Environment Federation's (WEF) *Manual of Practice No. 27, Financing and Charges for Wastewater Systems (MOP 27)*. RFC also co-publishes the biennial national *Water and Wastewater Rate Survey* with the AWWA, and the *California-Nevada Water Rate Survey* in collaboration with the CA-NV section of the AWWA.

**Industry Focus.** Our services are solely focused on financial, rate, management, and operational aspects of water, wastewater, recycled water, and storm water utilities. This focus allows RFC's staff to develop and maintain the specialized skills required to meet the needs of our clients and provide advice to our clients in an independent and objective manner.

**Local Knowledge.** RFC has worked with numerous utilities throughout the California and across the United States to examine the cost of service for their water and wastewater enterprises, and subsequently developing sustainable rates cognizant of ongoing drought conditions and other constraints on systems while minimizing impacts on customers. We are currently assisting agencies throughout the state in preparing their cost of service analyses to implement rates that acknowledge immediate mandatory



cutbacks and long-term passive conservation through efficiency and price. These projects include studies for the City of Santa Cruz, Watsonville, East Bay MUD, Elk Grove Water District, Livermore Water Agency, Alameda County Water District, East Valley Water District, Redlands, Ontario, Chowchilla, Merced, Arroyo Grande, Central Western Municipal Water District, Sierra Madre, Ventura, Santa Barbara, El Toro Water District, Castaic Lake Water Agency, and many others.

To meet the District's objectives for this project, we have assembled a team with extensive experience:

- » I will serve as Project Manager and will manage the day-to-day aspects of the project ensuring it is within budget, on schedule, and effectively meets the District's objectives. I will attend and lead all in-person meetings and also lead the consulting staff in conducting analyses and preparing project deliverables. I have a background in applied mathematics and over 13 years of experience.
- » Sanjay Gaur will serve as Project Director, and will be responsible for the overall project accountability, ensuring the project meets both RFC and industry standards. Mr. Gaur has 18 years of public-sector consulting experience and has worked on many capital facilities fee studies throughout California.
- » Sudhir Paridwala, PE will serve as Technical Reviewer, providing oversight and providing insights into various technical components of the project. He has over 37 years of experience assisting water and wastewater utilities in California.

In addition, the District will also have the support of RFC's full staff of more than 50 utility financial, rate, and management consultants to provide support for the project as necessary.

RFC is excited to have the opportunity to assist the District with this important study. If you have any questions, please don't hesitate to contact me using the following contact information:

Habib Isaac, Manager  
Phone: 951.698.0985 / Email: hisaac@raftelis.com  
Address: 24640 Jefferson Avenue, Suite 207, Murrieta, CA 92562

Very truly yours,  
**RAFTELIS FINANCIAL CONSULTANTS, INC.**



**Habib Isaac**  
Manager



**Sanjay Gaur**  
Vice President

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# 1. EXECUTIVE SUMMARY

The RFC Team's work approach is based on our understanding of the District's project objectives as presented in its Request for Proposals (RFP) and upon our extensive experience in providing utility rate and cost of service consulting services. Our proposed approach reflects our experience with developing utility financial plans and cost of service studies for numerous utilities in California and across the country, including many that are conscientious of the impacts of drought.

Our scope of work is tailored to address the specific objectives and concerns as identified in the District's RFP, while also including the elements that we believe are essential for a successful project. Based on our review of the RFP, the primary objectives of this study are to conduct a cost of service analysis and financial plan for each the potable and wastewater enterprises in conjunction with a staffing study that:

- » Reflects the cost of service for delivering water, wastewater, and recycled water to different customer classes
- » Assesses each enterprise's current capital inventory and establishes a capital replacement spending plan
- » Provides adequate reserves that are consistent with industry standards while meeting the District's specific requirements of revenue and rate stability
- » Continues to encourage efficient water usage through budget-based rates
- » Provides recommendations for the District's labor pool
- » Analyzes seasonal costs associated with the District's water production
- » Incorporates the costs to deliver water sources and maintaining the District's watershed

- » Is easy to understand and implement
- » Conforms to legal requirements such as California Constitution Articles XIII, C and D (Proposition 218)

We believe that the tasks outlined our proposal will lead to a successful project that addresses the District's goal of completing a cost of service study that ensures equity, is amenable to the District's customers, and establishes the foundation upon which the District will build its subsequent rate study. The scope contains several opportunities to build consensus of the new analysis with District staff, the District Board, and the public. In all, the proposal includes a total of four scheduled meetings and two optional meetings if needed. The complete task list is shown below:

1. Project Orientation, Administration, Data Collection, and Policy Discussion
2. 5-Year Financial Plan Development
3. Cost of Service Analysis
4. Cost of Service Workshops and Presentation
5. Report Development & Presentation, Model Delivery and Training



# 2. PROJECT DESCRIPTION

## OBJECTIVE

The San Lorenzo Valley Water District (District), encompasses three distinct service areas, serving 60 square miles in the San Lorenzo River watershed. It relies on several water sources, including stream diversions and groundwater wells, all of which require rainfall within the San Lorenzo River watershed, making it particularly susceptible to the current drought. Furthermore, the District exceeded the State-mandated reduction of 12%, decreasing summer water use by 40% in July 2015. While this allowed the District to conserve its rainfall-based supply, it presents issues for sufficient revenue collection.

In addition, the District provides wastewater services through Bear Creek Estates Wastewater System for approximately 50 customers. This enterprise is also expected to operate at a loss, and, with no capital improvement plan, improvement and replacement projects have not been able to be adequately addressed, with only emergency or mandatory work being funded.

In response to these challenges, the District wishes to conduct a cost of service study for both its water and wastewater enterprises in order to accurately assess its capital, operation, labor, and reserve costs in addition to shortfalls due to the current drought. The District wishes to also include a staffing study to ensure it is employing a workforce sufficient for its complex service area. The study should accurately and equitably distribute the costs for each enterprise to customers.

## TASKS

The utility industry consistently seeks RFC as an advisor to lead the national discourse concerning rate structures. The value RFC adds to the rate design process is based not only on the level of technical expertise that results from experience, but the ability to glean the best ideas and strategies through the collaborative process. RFC's industry-leading technical expertise and deep experience – particularly with respect to the cost of service principals of Proposition 218 – will provide the foundation for a collaborative process to tackle the District's needs and concerns.

This section outlines the tasks that we propose to complete comprehensive cost of service studies that accomplish all of the District's goals for its water and wastewater utilities. While tasks are listed consecutively, elements of tasks may be done concurrently with other tasks.

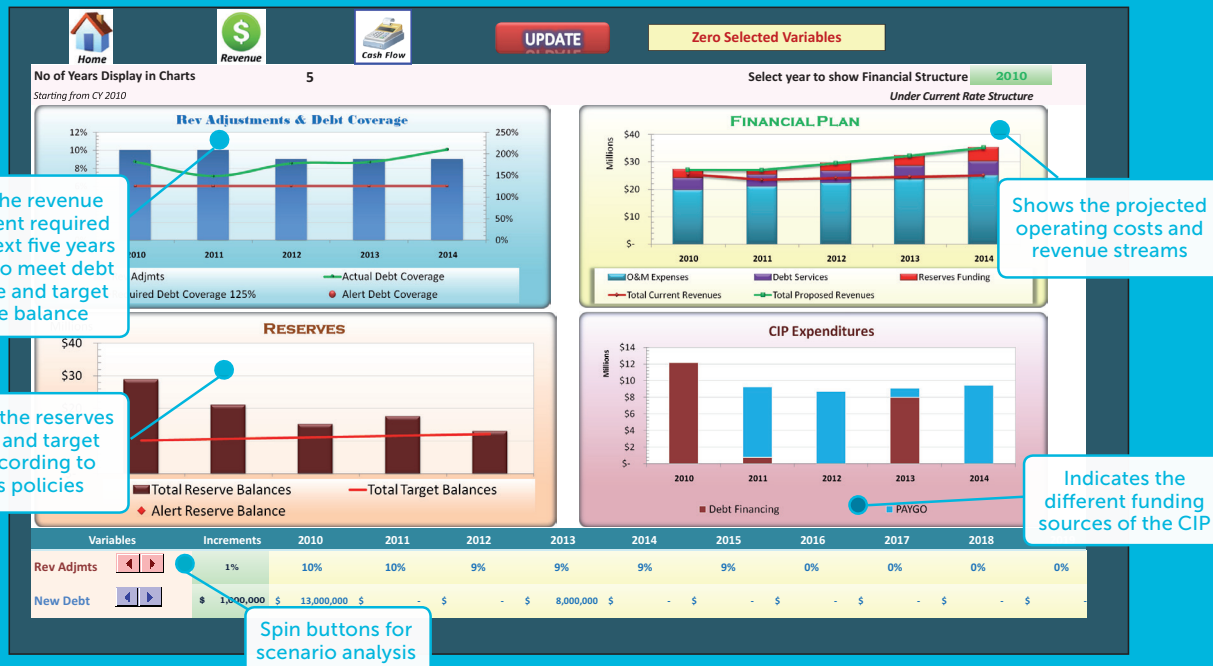
### TASK 1: PROJECT ORIENTATION, ADMINISTRATION, DATA COLLECTION, AND POLICY DISCUSSION

The objective of this task is to provide a solid foundation for the project and ensure mutual agreement as to the project's approach, work plan, schedule, and priorities. In the kick-off meeting, RFC will discuss: 1) key financial challenges confronting the District; 2) the methodologies for the existing rate structures; 3) the implications of Proposition 218 and other legal rulings as they relate to the District; and 4) communicating the value of water and wastewater management and reliability to customers. In addition, forecast assumptions, master plans, and the District's financial policies will all be reviewed.

RFC will submit a detailed data request list to the District prior to the meeting so the District can provide all appropriate data in the required format. RFC will develop an understanding of the nature of both utilities' revenue streams and revenue requirements over the study period. In addition, RFC will review the District's current reserve policy, then develop recommendations for appropriate

## SAMPLE MODEL DASHBOARD

The Dashboard allows quick decision-making by visually displaying impacts of changes to selected variables.



reserve requirements for each enterprise that are consistent with industry standards as well as the District's risk management practices. Next, RFC will discuss with District staff the District's capital needs and seasonal costs of water production and the cost of maintaining the District's watershed. This task will also include ongoing project management such as client correspondence, billing, project documentation, and administration of the study control plan.

**Meetings:** One kick-off meeting

**Deliverables:** Data request list, kick-off meeting agenda, and kick-off meeting minutes

-----

### TASK 2: FINANCIAL PLAN DEVELOPMENT

RFC will project the District's revenue needs for both enterprises over a five-year study period. This will include an estimate of revenues based on current rates, usage characteristics, and non-operating revenues. RFC will project revenue requirements based on historical results, the current budget, capital needs, existing debt service and other obligations, and current economic trends. Reserve requirements will also be projected for operations, capital projects, emergencies, and rate stabilization based on the reserve goals of needs of the District. RFC will also ensure that the generated revenue meets best management practices regarding rates

and other up-to-date industry standards. RFC will develop a five-year cash flow analysis to determine revenue adjustments needed to meet projected revenue requirements for the planning period, while minimizing sharp rate fluctuations and debt coverage requirements. Upon completion of the financial plan models, RFC will hold a webinar with District staff to review them and the assumptions, and finalize each financial plan.

**Meetings:** One webinar with District staff to review assumptions and other inputs

**Deliverables:** Financial Plan component of the models

-----

### TASK 3: COST OF SERVICE ANALYSIS

RFC will conduct a cost of service analysis for each enterprise that re-evaluates the cost distribution amongst customers. This portion of the study is often viewed as a compliance measure for regulations such as Proposition 218; another perspective is the defensibility the analyses provide the District in terms of rate structures. This level of confidence provides additional support for the District when selecting the most appropriate rate structures for the District and its customers.

RFC specializes in the development of rates for potable water and wastewater utilities. Analyses will be subject

to technical review from personnel who have decades of experience on both the financial and engineering sides and continue to be recognized as industry leaders. Based on this, RFC is confident in its determination of the cost allocation factors that steer the cost of service process.

RFC will review and analyze customer historical consumption, revenue records, and billing summaries to determine water usage and peaking characteristics. RFC will then estimate the relative responsibility of each customer tier for each of the functional cost elements of the water enterprise. RFC will also analyze the wastewater service provided to customers in the Bear Creek Estates Sanitary System under the current flat rate. Allocations will be based on billing summary data, other locally available data which may be applicable, and RFC’s experience with other utilities exhibiting similar usage characteristics and patterns. It will provide the basis for equitable cost allocations. RFC will functionalize costs into main functions such as: for water - supply, transmission & distribution, treatment; and, for wastewater – flow, BOD, and TSS. The costs will then be allocated to cost centers such as: for water - commodity, maximum hour, maximum day; and, for wastewater – flow and treatment to determine the unit cost for each cost center. Next, costs will be allocated based on the determination of units of service for each customer classification and the application of unit costs of service to the respective units. RFC will comply with the District’s policy considerations, procedures, and guidelines and ensure that proposed rates are in compliance with Proposition 218.

*Meetings: One webinar with District staff to review cost allocation inputs*

*Deliverables: Cost of service analysis component of the water and wastewater models*

-----

**TASK 4: COST OF SERVICE WORKSHOPS AND PRESENTATION**

RFC will conduct a workshop with District staff to examine the cost of service studies completed for the water and wastewater enterprises. This workshop will identify the various costs associated with each enterprise and their equitable cost distribution. RFC will also discuss the results of the staffing study. Changes and suggestions from District staff will be incorporated into the analyses.

Following the District staff workshop, RFC will conduct a workshop with the District Board. RFC will present the costs of service for each enterprise, covering capital, labor, and operational costs, in addition to a discussion of proposed reserve policies for both enterprises. RFC will also incorpo-

RFC will present the results of the study to the public and the District Board. The presentation will highlight the collaborative process used to identify and prioritize the important issues facing the District. RFC will present each enterprise’s cost of service along with other resulting study recommendations.

*Meetings: One workshop with District staff to review rate design and cost of service analysis, one workshop for the public and District Board, one presentation to the public and District Board*

*Deliverables: Presentation materials*

-----

**TASK 5: REPORT DEVELOPMENT AND PRESENTATION, MODEL DELIVERY, AND TRAINING**

The process for developing the financial plan and cost of service for each enterprise will be described in a draft report of findings and recommendations. The body of the draft report will provide a clear, written analysis of the methodology used for allocating the costs of service and reserve requirement analysis. The report will be submitted to the District and will include appropriate supporting data from the model to address the requirements of Proposition 218. Following review of the Draft Report with staff and the District Board, RFC will incorporate comments into the Final Report and the model will be refined to reflect appropriate issues or concerns raised.

RFC will provide one training session to staff in the use of the model. Throughout the engagement, RFC will utilize each meeting to educate and train District staff on the model, which will allow the final day of training to be devoted primarily to more specific questions. Upon completion of the training session, RFC will formally deliver both the water and recycled water models and any training materials to staff.

*Meetings: One webinar with staff to review Report and one webinar training session with staff*

*Deliverables: Draft and Final Cost of Service Study Report, Water and Wastewater Cost of Service Models, training materials*

**WHAT MAKES RFC UNIQUELY QUALIFIED**

*In Section 3 of this proposal, on the following page, we’ve included information describing what makes RFC uniquely qualified for this project.*

# 3. IDENTIFICATION OF PRIME CONSULTANT

## LEGAL NAME AND ADDRESS OF COMPANY

Raftelis Financial Consultants, Inc.  
Charlotte Office (Headquarters)  
1031 S. Caldwell Street, Suite 100, Charlotte, NC 28203

## CONTACT PERSON

Habib Isaac, Manager  
24640 Jefferson Avenue, Suite 207, Murrieta, CA 92562  
E: hisaac@raftelis.com / P: 951.698.0985

## LEGAL FORM OF COMPANY: Corporation

## NUMBER OF STAFF AND DISCIPLINE/ JOB TITLE OF EACH

RFC has 58 employees, 24 of whom are managers/executives, 34 of whom are consultants, and 5 of whom are support staff.

## FIRM BACKGROUND

In 1993, Raftelis Financial Consultants, Inc. (RFC) was founded to provide services that help utilities function as sustainable organizations while providing the public with clean water at an affordable price.

## OUR ABILITY TO PERFORM THE SERVICES REQUIRED

**Depth of Resources:** RFC has the largest and most experienced water industry financial and rate consulting practice in California and the nation. Our depth of resources will allow us to sufficiently staff this project with the qualified personnel necessary to efficiently and expeditiously meet the objectives of the District.

**Local and National Experience:** RFC staff have assisted more than 500 water and/or wastewater utilities across the country on financial, rate, and management consulting engagements. These utilities include some of the largest and most complex utilities in the country. In addition, we have worked with numerous utilities throughout the State of California on hundreds of studies, including financial plans, cost of service, and pricing. Our extensive national and local experience will allow us to provide innovative and insightful recommendations to the District, and will provide validation for the proposed methodology ensuring that industry best practices are incorporated.

**Industry Leadership:** Our senior staff is involved in shaping industry standards by chairing various committees within the AWWA and WEF. RFC's staff members have authored and co-authored many industry standard books regarding utility rate setting, and RFC publishes the national *Water and Wastewater Rate Survey*, which is co-published with AWWA, and the *CA-NV Water Rate Survey*, which is co-published with the CA-NV AWWA. Being so actively involved in the industry will allow us to keep the District informed of emerging trends and issues, and to be confident that our recommendations are insightful and founded on sound industry principles.

**Focus:** RFC's services are solely focused on providing financial, pricing, and management consulting services to water-industry utilities. This focus allows RFC professionals to develop and maintain knowledge and skills which are extremely specialized to the services that we provide, and will allow us to provide the District with independent and objective advice.

**Experts on California Regulatory Requirements:** The regulatory environment in California has become more stringent due to Proposition 218 and Government Code Section 54999. RFC staff are very knowledgeable about these regulations and have made presentations on this subject for the Association of California Water Agencies (ACWA), California Society of Municipal Finance Officers (CSMFO), and CA-NV AWWA.

**Modeling Expertise:** RFC has developed some of the most sophisticated yet user-friendly financial/rate models available in the industry. Our models are custom-built on a client-by-client basis, ensuring that the model fits the specific needs and objectives of the client. Our models are tools that allow us to examine different policy options and cost allocations and their financial/customer impacts in real time. Our models are non-proprietary and are developed with the expectation that they will be used by the client as financial planning tools long after the project is complete.

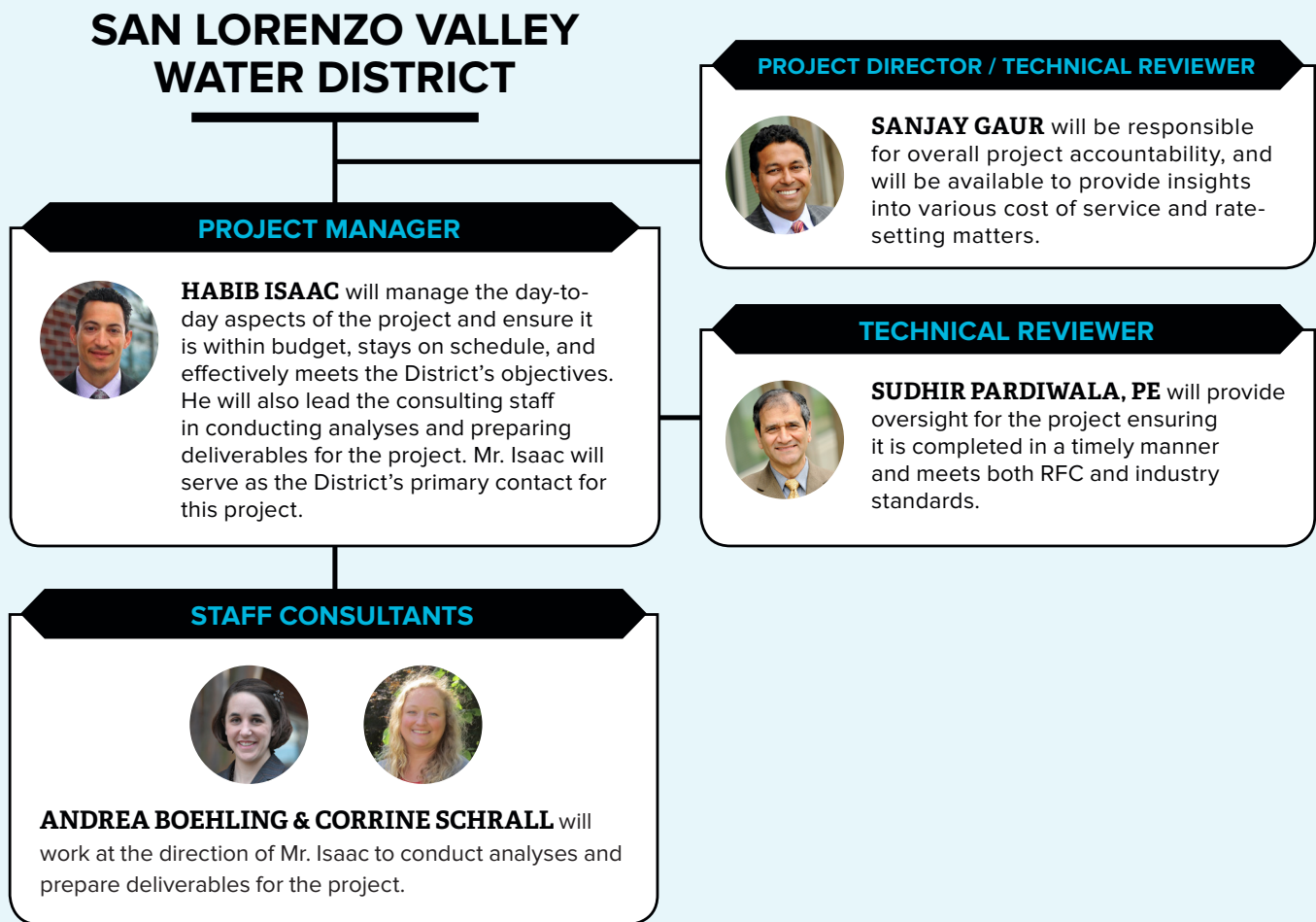
# 4. IDENTIFICATION OF SUB CONSULTANTS

RFC will not be utilizing the services of any subcontractors for this contractor. We are fully confident that we will be able to successfully complete this project to the satisfaction of the District using only in-house personnel.

# 5. PROJECT ORGANIZATION AND EXPERIENCE OF THE PROJECT TEAM

Our Project Team consists of some of the most knowledgeable and skilled financial consulting professionals in the water and wastewater utility industry. For this project, we have included senior-level personnel to provide experienced leadership for the project, with support from talented consultant staff. RFC places a high priority on being responsive to our clients and, therefore, actively manages each consultant’s project schedule to ensure appropriate availability for addressing client needs.

RFC currently has a team of more than 50 consultants specializing in financial and management consulting services for water, wastewater, and stormwater utilities. In addition to our dedicated Project Team, the District will have the support of RFC’s full staff for this project. Below, we have included an organizational chart showing the structure of our Project Team and roles for each Team member. On the following pages, we have included brief resumes for each of our Team members.





## EXPERIENCE WORKING ON PAST PROJECTS AS A TEAM

The Project Team that we have assembled for this engagement consists of senior-level staff members and staff consultants that have worked together on numerous cost of service studies. More specifically, Project Manager Habib Isaac, has worked in tandem with Sanjay Gaur and Sudhir Pardiwala on projects in which Mr. Isaac either leads the project and Mr. Gaur or Mr. Pardiwala provides internal technical review or vice versa. Recent projects with Mr. Isaac and Mr. Gaur include Livermore Water Agency, Alameda County Water District, City of Watsonville, City of Vista, Helix Water District, Lake Elsinore Valley Water District, and Rancho California Water District. Similarly, recent projects with Mr. Isaac and Mr. Pardiwala include South San Francisco, Elk Grove Water District, City of Galt, City of Arroyo Grande, East Valley Water District, and Rincon del Diablo MWD. In addition, one or more of the staff consultants assigned to this project have worked on the projects listed above.

Before submitting a proposal for consideration, RFC first determines whether or not we have sufficient staff availability during the requested project schedule. We are very conscientious in delivering the highest-quality of work in the industry, which requires us to be very selective with our staff utilization and total work capacity. Therefore, through our internal due diligence, we can affirm that our Project Team will not change during the course of this engagement and that we have sufficient staff availability to work on this project.

## PROJECT MANAGEMENT APPROACH

RFC's organizational structure is designed to allow members of our executive team to devote a significant amount of time to client consulting activities in the role of Project Director. The Project Director has ultimate accountability for meeting the technical requirements of the project on schedule and on budget. Perhaps more importantly, the Project Director serves as an invaluable technical resource for RFC's Project Managers and Senior Consultants on strategic financial planning challenges and complex cost allocation and rate design issues.

Reporting to the Project Director is our Project Manager who is responsible for client communications, project management, providing a high level of technical expertise gained through significant industry experience.

RFC assigns one or more Staff Consultants who are responsible for the production of work products, such as financial plans, cost of service studies, and other technical analyses. Staff Consultants report to the Project Manager and prepare work products under the direct supervision of the Project Manager. Our Team will have the support of multiple Staff Consultants for this engagement, as necessary.

RFC employs several management strategies to heighten the effectiveness of the services we provide to our clients. Each week, RFC's executive and management team participates in a conference call to review the number of consulting hours required to meet the needs of our clients during the upcoming week. This weekly meeting allows RFC's Project Managers to deploy our consulting staff in a flexible manner that ensures a suitable level of hours will be devoted to each client. RFC also uses Deltek Vision to monitor project progress and hours, and we have recently added Deltek's Client Relationship Management Module to more effectively manage our projects.

## LOCATIONS WHERE WORK WILL BE DONE

### Murrieta Office

24640 Jefferson Avenue, Suite 207, Murrieta, CA 92562

### Los Angeles Office

445 S. Figueroa Street, Suite 2270, Los Angeles, CA 90071

## RESPONSIBILITIES FOR COORDINATION WITH THE DISTRICT/LINES OF COMMUNICATION NECESSARY TO MAINTAIN DESIGN ON SCHEDULE

The success or failure of any consulting engagement is defined by the quality and effectiveness of communications between the client and consultant. A cornerstone of RFC's success providing consulting services to clients throughout North America is our commitment to regular, fully transparent and highly effective communications with our client.

RFC has used many different approaches in past consulting engagements to ensure the timely flow of information and documents between the firm, the client, and other relevant parties. These approaches are defined by the client to meet the client's unique needs and preferred communications protocols. These protocols have included weekly, bi-weekly, or monthly meetings, telephone calls, and/or email communications between RFC's Project Manager and our designated client contact. In addition, RFC frequently uses a web meeting tool, GoToMeeting, that allows clients to see in real-time the results of our work product on their computer screens, thus providing an efficient and effective method of communication in addition to face-to-face meetings.

We encourage all of our clients to contact us day or night if they require any type of assistance.

## RFC'S CAPACITY TO PERFORM THE WORK WITHIN THE TIME LIMITATIONS

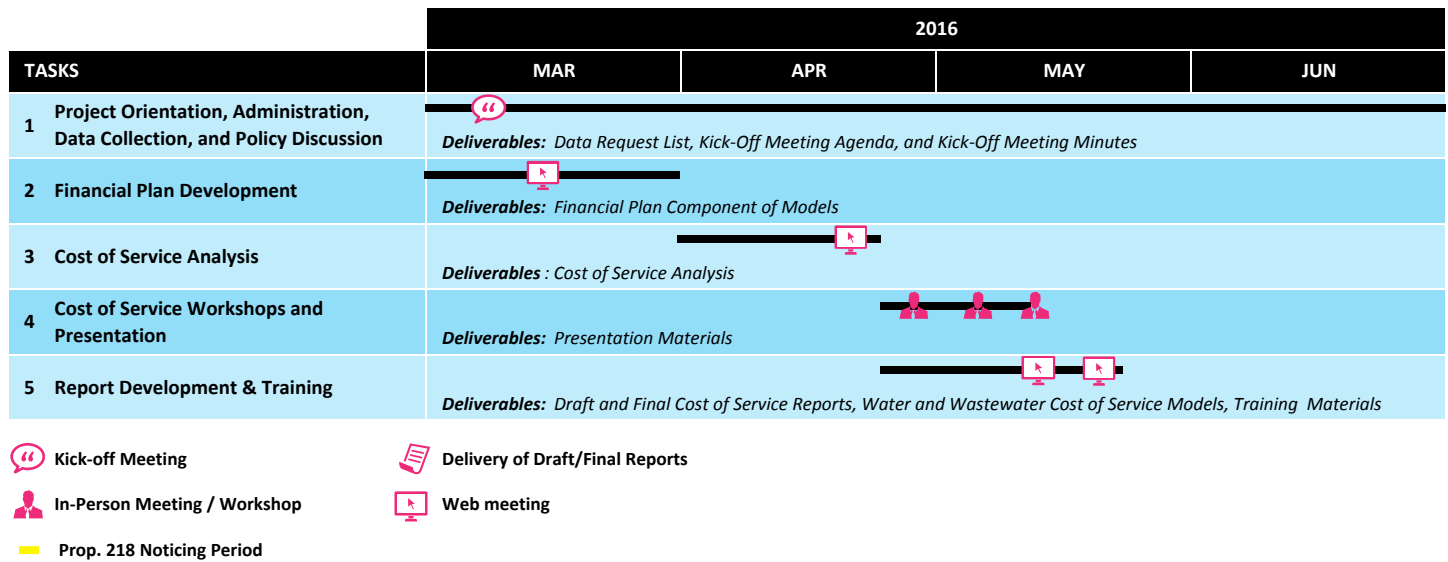
RFC places a high priority on being responsive to our clients and, therefore, each of our project schedules are individually formulated to manage and identify the work effort associated with the scope of services, and we actively manage each consultant's project schedule to ensure appropriate

availability for addressing client needs. RFC’s staff has the capacity to perform the requested services for the District. It is RFC’s policy to maintain fully staffed offices with senior, junior, and supporting personnel to meet client needs and

commitments. Our team’s current workload will allow them to begin work on the project immediately and all of our Team members have the availability to provide the requested services for the project.

## PROPOSED SCHEDULE

RFC will complete the scope of services within the timeframe shown in the schedule below. The proposed schedule assumes a notice-to-proceed by the beginning of March 2016, and that RFC will receive the needed data in a timely manner and be able to schedule meetings as necessary.





# SANJAY GAUR

**PROJECT DIRECTOR:** Vice President

**PROFILE:** Mr. Gaur has 18 years of public-sector consulting experience, primarily focusing on providing financial and rate consulting services to water and wastewater utilities. His experience includes providing rate structure design, cost of service studies, financial analysis, cost benefit analysis, connection/development fee studies, conservation studies, and demand forecasting for utilities spanning the west coast. His project experience includes engagements with the Metropolitan Water District of Southern California, San Diego County Water Authority, Eastern Municipal Water District, Alameda County Water District, and East Bay Municipal Water District, among many others. Mr. Gaur is considered one of the leading experts in the development of conservation rate structures. He has often provided his insight into utility rate and conservation-related matters for various publications and industry forums, including: authoring articles in *Journal AWWA*; being quoted in various newspaper articles including the *Los Angeles Times* and the *New York Times*; participating in a forum regarding the future of water in Southern California sponsored by the Milken Institute; being quoted on National Public Radio; speaking at various industry conferences including American Water Works Association (AWWA), the Utility Management Conference, Association of California Water Agencies, and California Society of Municipal Finance Officers; and, co-authoring several industry guide books including AWWA's *Manual M1 Principles of Water Rates, Fees and Charges, 6th Edition* as well as AWWA's *Water Rates, Fees, and the Legal Environment, Second Edition*. Mr. Gaur co-authored a chapter entitled, "Understanding Conservation and Efficiency Rate Structures," for the Fourth Edition of the industry guidebook, *Water and Wastewater Finance and Pricing: The Changing Landscape*. Mr. Gaur is also active in a number of utility-related associations, including serving as a member of AWWA's Rates and Charges Committee.

## RELEVANT PROJECT EXPERIENCE

- » Alameda County Water District (CA) – Conservation Rate Structure Evaluation and Design
- » City of Chowchilla (CA) – Water and Wastewater Rate Study
- » Eastern Municipal Water District (CA) – Water Budget Study
- » El Toro Water District (CA) – Water Budget Study
- » City of Hollister (CA) - Sewer Rate and Impact Fee Study
- » City of Huntington Beach (CA) - Sewer Rate Study and Water Budget Study
- » Indio Water Authority (CA) - User Fee Study and Water Rate Study
- » City of Livingston (CA) - Water Rate Study
- » Los Angeles Department of Water and Power (CA) - Daily Demand Estimates
- » City of Lynwood (CA) - Cost Allocation Plan
- » Metropolitan Water District of Southern California (CA) - Drought Allocation Model, Long Range Financial Plan and Cost of Service Evaluation
- » Municipal Water District of Orange County (CA) - Conservation Potential Study
- » City of Newport Beach (CA) – Water Rate Study
- » Pasadena Water and Power (CA) - Water Cost-of-Service and Rate Design Study
- » Rancho California Water District (CA) – Water Budget Study, New Water Demand Offset Fee
- » San Diego County Water Authority (CA) - Indexing Model and Wholesale Water Rate
- » City of Vista (CA) - Sewer Rate and Connection Fee Study
- » Walnut Valley Water District (CA) - Water Rate Study
- » Western Municipal Water District (CA) - Water Budget Study
- » Yorba Linda Water District (CA) - Water Budget Study

## PROFESSIONAL HISTORY

- » Raftelis Financial Consultants, Inc.: Vice President (2015-present); Senior Manager (2012-2014); Manager (2009-2012)
- » Red Oak Consulting, Division of Malcolm Pirnie (2007-2009)
- » MuniFinancial (2005-2006)
- » A & N Technical Services (1999–2003)
- » United States Peace Corps, Bulgaria (1995-1997)

## EDUCATION

- » Master of Public Administration, Public Administration/International Development, Kennedy School of Government - Harvard University (2003)
- » Master of Science, Applied Economics - University of California, Santa Cruz (1994)
- » Bachelor of Arts, Economics and Environmental Studies - University of California, Santa Cruz (1992)

## PROFESSIONAL MEMBERSHIPS

- » American Water Works Association - Rates and Charges Committee
- » California Society of Municipal Finance Officers

## PROFESSIONAL RECOGNITION

- » Who's Who in America, 63rd Edition (2009)
- » Finalist, National Venture Competition (2003); Goldman Sachs Foundation
- » Roy Environmental Fellowship (2002), Kennedy School of Government, Harvard University
- » Academic Scholarship (2001-2003), Kennedy School of Government, Harvard University
- » Certificate of Outstanding Service (1997), United States Peace Corps

# HABIB ISAAC

**PROJECT MANAGER:** Manager

**PROFILE:** Mr. Isaac has extensive experience in financial and utility rate modeling and has been serving public agencies as a lead consultant for more than 12 years. With a background in applied mathematics and computer programming, Mr. Isaac has developed a number of financial models and has recently incorporated sophisticated macros into his models to create a user-friendly interface that can save and store scenarios “on-the-fly” for comparative analysis. Mr. Isaac is also well-versed with the cost of service principles and special benefit provisions of Proposition 218. In addition, he has also provided consulting services for conducting fiscal impact analyses for agencies in determining the impact generated by new development on services, and has prepared cash flow pro formas for securing bond issues, including mello-roos bonds, revenue bonds, and a number of refunding.

Mr. Isaac has assisted clients in the preparation and presentation of public awareness and information programs related to municipal projects ranging from utility rate studies to agency-wide taxes, and feasibility studies. He has developed procedures and supervised the preparation of extensive computer models for utility rate studies. Such experience generally relates to performing budget analyses, customer and usage analyses, development of revenue requirements, and cost of service allocations related to the implementation of rate structures designed to promote conservation while accounting for revenue sufficiency and price elasticity. As a mathematician, Mr. Isaac understands the sensitivity between competing variables that are commonly present in utility rate studies, such as, cost based tiers and economic price signaling.

## RELEVANT PROJECT EXPERIENCE

- » City of Arroyo Grande (CA) – Water Cost of Service and Financial Plan Study
- » City of Coachella (CA) - Water Rate Study
- » City of Covina (CA) - Water Rate Structure Redesign
- » City of Dania Beach (FL) - Water and Wastewater Financial Plan Update
- » Town of Danville (CA) - Cost Allocation Plan
- » City of Delano (CA) – Water, Wastewater, Refuse, and Street Sweeping Rate Study
- » East Valley Water District (CA) – Rate Study
- » Elk Grove Water District (CA) – Water Rate Study and Updates
- » Encina Wastewater Authority (CA) – Asset Allocation
- » Helix Water District (CA) – Water Rate Study
- » City of Irvine (CA) - Cost Allocation Plan and UF
- » City of La Mirada (CA) - Cost Allocation Plan and UF
- » City of Lompoc (CA) – Water and Wastewater Rate Study
- » City of Modesto (CA) - Cost Allocation Plan
- » City of Pacifica (CA) - Cost Allocation Plan and UF
- » Phelan Pinon Hills Community Services District (CA) - Cost of Service Analysis and Financial Plan
- » Rincon Del Diablo Water District (CA) – Water Cost of Service and Rate Study
- » City of San Fernando (CA) - Water and Wastewater Rate Study
- » City of Sierra Madre (CA) – Water and Sewer Financial Plan Update and Water Rate Structure Redesign
- » City of Tulare (CA) - Water Rate Study and Cost Allocation Plan
- » Zone 7 Water Agency (CA) – Wholesale Rate Study

## PROFESSIONAL HISTORY

- » Raftelis Financial Consultants, Inc.: Manager (2014-present); Senior Consultant (2013)
- » MuniFinancial: (2004-2013)
- » David Taussig & Associates: (2003-2004)

## EDUCATION

- » Bachelor of Science in Applied Mathematics with Emphasis in Computation Science - San Diego State University (2002)

# SUDHIR PARDIWALA, PE

**TECHNICAL REVIEWER:** Executive Vice President

**PROFILE:** Mr. Pardiwala has 37 years of experience in financial studies and engineering. He has extensive expertise in water and wastewater utility financial and revenue planning, valuation and assessment engineering. He has conducted numerous water, stormwater, reclaimed water and wastewater rate studies involving conservation, drought management, risk analysis, as well as system development fee studies, and has developed computerized models for these financial evaluations. Mr. Pardiwala has assisted public agencies in reviewing and obtaining alternate sources of funding for capital improvements, including low interest state and federal loans and grants. He has assisted several utilities with State Revolving Fund and Water Reclamation Bond loans. Mr. Pardiwala authored the chapter on reclaimed water rates in the *Manual of Practice, Financing and Charges for Wastewater Systems*, published by the Water Environment Federation (WEF) and presented papers at various conferences. He also authored a chapter entitled, "Recycled Water Rates," for the Fourth Edition of the industry guidebook, *Water and Wastewater Finance and Pricing: The Changing Landscape*. He was vice-chairman of the CA-NV AWWA Business Management Division and Chairman of the Financial Management Committee.

## RELEVANT PROJECT EXPERIENCE

- » City of Anaheim (CA) – Water Rate Study
- » Beaumont Cherry Valley Water District (CA) - Water Rate and Connection Fee Study
- » City of Beverly Hills (CA) - Asset Replacement Study, Connection Fee Study, Conservation Rate Study, Valuation and Development of Replacement Program and Asset Inventory, and Water Rate Study and Update
- » City of Brea (CA) - Water Rate Study, Connection Fees and Related Fees and Charges Study
- » City of Carlsbad (CA) - Asset Replacement Study and Water, Wastewater and Reclaimed Water Revenue Program
- » City of Chowchilla (CA) – Water and Wastewater Rates Study
- » El Toro Water District (CA) – Water Budget and Wastewater Rate Studies and Connection Fees
- » Goleta Water District (CA) – Water and Wastewater Rates and Connection Fees Studies, Asset Management, and Financing Plan
- » City of Livingston (CA) – Water, Wastewater and Solid Waste Rates Study and Litigation Support
- » Los Angeles Department of Water and Power (CA) – Water Rate Study and Wheeling Charge Review
- » Mammoth Community Water District (CA) – Water and Wastewater Rate Study
- » Olivenhain Municipal Water District (CA) – Water and Wastewater Financial Planning Studies and Recycled Water Rate Study
- » City of Ontario (CA) - Water, Wastewater and Solid Waste Rate Study
- » City of Redlands (CA) - Impact Fee Study, Non-Potable Water Fee Study, Rocky MWC, Valuation and Lease Study, Bi-annual Rate Updates, Reclaimed Water Funding, and Water and Wastewater Rate Study
- » County of San Bernardino (CA) - Water and Wastewater Rate Study and Connection fees
- » City of San Diego (CA) - Recycled Water Rate Study, Valuation Study, and Water and Wastewater Financial Plan, Rate and Connection Fees Study, Litigation Support
- » City of San Francisco (CA) – Water, Wastewater Rate Study and Stormwater Incentives for Low Impact Development
- » City of Santa Barbara (CA) – Water and Wastewater Rate Study
- » City of South Pasadena (CA) – Water and Wastewater Rate Study

## PROFESSIONAL HISTORY

- » Raftelis Financial Consultants, Inc.: Executive Vice President (2013-present); Vice President (2004-2013)
- » Black & Veatch: Principal Consultant (1997-2004)
- » MWH: Principal Engineer (1985-1997)
- » CF Braun: Senior Engineer (1979-1985)
- » PFR Engineering Systems: Research Engineer (1977-1979)

## EDUCATION

- » Master of Business Administration - University of California, Los Angeles (1982)
- » Master of Science in Chemical Engineering - Arizona State University (1976)
- » Bachelor of Science in Chemical Engineering - Indian Institute of Technology, Bombay (1974)

## PROFESSIONAL MEMBERSHIPS

- » American Water Works Association
- » Water Environment Federation
- » California Municipal Finance Officers Association

## PROFESSIONAL REGISTRATIONS

- » Registered Professional Engineer: CA (Chemical (1981) and Civil (1988))

- » Raftelis Financial Consultants, Inc.: Consultant (2014-present)
- » Willdan Financial Services: Financial Analyst II (2012-2014)
- » State of Tennessee: Legislative Information Systems Auditor II (2006-2012)

**EDUCATION**

- » Bachelor of Science in Business Administration with a major in Accounting – University of Alabama in Huntsville (2005)
- » Studied Computer Engineering, DeVry University (2000-2002)

# ANDREA BOEHLING

**STAFF CONSULTANT:** Consultant

**PROFILE:** Ms. Boehling has a strong background in mathematics and accounting and has been serving public agencies for over 8 years. She possesses extensive analytical and modeling skills which she has used to perform various financial analysis such as cost of service user fee studies, utility rate studies, fiscal impact analysis, special district formations, cost allocation plan modeling, etc. Ms. Boehling is well-versed with the cost of service principles and special benefit provisions of Proposition 218. In addition, with over 6 years of experience in the auditing field, she is very familiar with monitoring and evaluating compliance with regulations, performing data analysis, and performing data integrity testing.

## RELEVANT PROJECT EXPERIENCE

### HELIX WATER DISTRICT (CA)

The Helix Water District (District) hired RFC to conduct a comprehensive cost of service analysis and financial plan update. The last cost of service study was conducted back in 1988 and needed to be updated to be in compliance with Government Code Section 54999.7(c). Ms. Boehling’s responsibilities included supporting project managers and conducting fiscal analysis, data compilation, and modeling. Various rate structures, components, and objectives were evaluated and cost of service based rates were developed. The study incorporated a pass-through component to clearly identify and account for San Diego County Water Authority costs which are outside of the District’s control. Ms. Boehling assisted with the preparation of the study report which is currently under review. Once the report has been finalized and the Proposition 218 noticing requirements met, it is anticipated that rates will be adopted.

### CITY OF TULARE (CA)

The City was depleting reserves in recent years and needed to conduct a comprehensive review of their rates to ensure revenue sufficiency, and that cost of service principles were utilized to achieve equity across customers. Ms. Boehling assisted in implementing a rate structure that achieved City and Board of Public Utilities (BPU) objectives and which effectively and clearly communicated key proposed structure components. Responsibilities also included assistance in the development of the budget and revenue requirements in the model, the completion of the report, and Proposition 218 database analysis, noticing, and compliance requirements.

## OTHER RELEVANT PROJECT EXPERIENCE

- » City of Cerritos (CA) – Community Facilities District No. 2013-1 Formation
- » Crescent City (CA) – Proposition 218 Database Analysis and Noticing Requirements
- » City of Delano (CA) – Proposition 218 Database Analysis and Noticing Requirements
- » Elk Grove Water District (CA) – Water Rate Study
- » City of Hayward CA) – Cost Allocation Plan and User Fee Study
- » Town of Los Altos Hills (CA) – Cost Allocation Plan and User Fee Study
- » City of Madera (CA) – Community Facilities District Formation
- » McKinleyville Community Services District (CA) – Proposition 218 Database Analysis and Noticing Requirements
- » City of Menifee (CA) – Community Facilities District No. 2014-01 (Town Center) Formation
- » City of Oviedo (FL) – Utility Rate Comparison and presentation
- » Phelan Pinon Hills Community Services District (CA) – Proposition 218 Database Analysis and Noticing Requirements
- » City of Pittsburg (CA) – Cost Allocation Plan and User Fee Study
- » City of Placentia (CA) – City-wide Community Facilities District No. 2014-01 (Public Services) Formation and Fiscal Analysis
- » City of Red Bluff (CA) – Full Cost Allocation Plan
- » Sacramento Metro Fire District (CA) – Fire Assessment Study
- » County of San Diego (CA) – Community Facilities District Formation and Acquisition Auditing
- » City of Soledad (CA) – Water Rate Study
- » City of Thousand Oaks (CA) – Cost Allocation Plan
- » City of Tustin (CA) – Community Facilities District Formation



- » Raftelis Financial Consultants, Inc.: Consultant (2015-present)
- » CSI Capital Management, Inc.: Tax Clerk (2007-2011)
- » Origins Natural Resources, Inc.: Assistant Manager (2006-2008)
- » RWR Homes, Inc.: Land Acquisitions Coordinator (2004-2006)

**EDUCATION**

- » Master of Environmental Management – Duke University (2015)
- » Bachelor of Arts in Business Economics and German Studies – University of California, Santa Barbara (2003)

# CORRINE SCHRALL

**STAFF CONSULTANT:** Consultant

**PROFILE:** Ms. Schrall has a background in economics and policy. At Duke University, she focused on water resource issues, specifically exploring the challenges California faces. Her expertise lies in complex data analysis, project management, and environmental policy.

## RELEVANT PROJECT EXPERIENCE

### **CASTAIC LAKE WATER AGENCY (CA)**

Ms. Schrall assisted in the review process for the 2014 Facility Capacity Fee Study for the Castaic Lake Water Agency. This included conducting research and assessing the conclusions of the model.

### **CITY OF CAMARILLO (CA)**

Ms. Schrall assisted in the preparation of the 2015 water, wastewater, and recycled water rate study report for the City of Camarillo. In this report, she provided an analysis of the rate structures and the reasoning for them.

## RELEVANT PROFESSIONAL EXPERIENCE

### **CSI CAPITAL MANAGEMENT, INC.: TAX CLERK 2007-2011**

As tax clerk for CSI Capital Management, Ms. Schrall oversaw the accurate preparation of complex Federal, state, and city tax returns for a clientele of 300 high profile, high wealth individuals. She ensured the timely submittal of multiple personal, entity, and foundation tax returns for each client. Additionally, she responded to Federal and state tax audits and notices for clients with complicated tax liabilities due to multiple income streams, entities, and taxing jurisdictions. This required thorough analysis to substantiate line items and successfully defend client liabilities. Furthermore, Ms. Schrall managed the tax portion of 250 professional athlete clients’ pay. She worked with teams across the NBA, WNBA, NFL, and MLB to ensure all bonuses and salary payments included the correct withholding for each client’s tax liability.

### **RWR HOMES, INC.: LAND ACQUISITIONS COORDINATOR 2004-2006**

Ms. Schrall managed the due diligence and contract execution processes for all land purchases. She reviewed all due diligence documents for project evaluation. In addition, she directly interfaced with government entities and consultants to bring communities through entitlement.

# 6. EXPERIENCE AND PAST PERFORMANCE

RFC has provided financial, rate, and/or management consulting services to more than 500 utilities in the U.S., including some of the largest and most complex water, wastewater, and stormwater utilities in California and the nation. In the past year alone, RFC worked on more than 300 financial, rate, management, and operational consulting projects for over 200 water, wastewater, and/or stormwater utilities in 30 states, the District of Columbia, Canada, and Puerto Rico. Below, we have provided detailed descriptions of three similar projects performed by RFC under direction of Project Manager, Habib Isaac, along with client references. We have included electronic versions of the final work products for all of these projects, except the City of Santa Cruz as that project is scheduled to conclude in the first quarter of 2016.

## CITY OF SANTA CRUZ (CA)

**OWNER:** City of Santa Cruz

**CLIENT REFERENCE:** Rosemary Menard, Water Director /  
P: 831.420.5205

**PROJECT SIZE:** Approximately 93,000 customers

**PROJECT BUDGET/ESTIMATED COSTS:** \$86,450

**TOTAL DOLLAR VALUE OF COMPLETED PROJECT/  
ACTUAL COSTS:** \$86,450

**BUDGETED PROJECT SCHEDULE:** 8 months

**TOTAL TIME TO COMPLETION:** 8 months

**PROJECT DESCRIPTION:** The City of Santa Cruz (City) Water Department provides water service to a population of approximately 93,000. The City relies entirely on local sources for the community's water supply which is currently susceptible to water supply instability. Similar to many other cities and utilities in California, the City's water department is faced with several challenges including aging infrastructure and the resulting intensive capital improvement costs, drought and its subsequent impacts, increasing operations and maintenance costs, and volatile water sales. These obstacles in recent years has driven the City to develop financial policies to help mitigate potential risks and to establish sound financial management practices, and conduct a long-range financial plan to ensure financial sufficiency and sustainability of the City's water system.

RFC is currently working on a series of projects for the City of Santa Cruz to help ensure the financial sustainability of the City's water system. The City engaged RFC to conduct a Water Demand Offset Fee Study to evaluate the feasibility of implementing a Water Demand Offset Fee for the City. Water Demand Offset Fees are a form of funding of conservation measures which are used to offset the demand generated by new developments. Water savings can be achieved in many different ways, such as installing high-efficiency retrofits to replace inefficient fixtures, removing turf, or converting irrigation accounts to recycled water. RFC used the water conservation measures savings and costs from

the Water Conservation Master Plan to calculate the proposed Water Demand Offset Fee. RFC presented the results of the study to the Water Commission and assisted the City with evaluating the fees and policy decision of whether or not to implement such a fee.

RFC also evaluated the City's system development charges to ensure new customers, or existing customers requiring larger meters, pay an equitable share when connecting to the system. The City's system development charges had not been updated since 2004, did not account for any changes that occurred to the system, and were under charging new customers. RFC calculated the proposed system development charges using the equity buy-in approach. RFC presented the proposed system development charges to the Water Commission in December or 2014. The results of the study were summarized in the Systems Development Charge Report and was presented to the City Council in July of 2015.

Recently, the City has been under a Stage 3 water shortage due the continued drought. In October 2014, the City implemented drought cost recovery fees effective for the following two years. Under mandatory curtailment and rationing customers use less water and therefor the Water Department earns less revenue. The City engaged RFC to develop a revenue calculator to examine the effects on the City's revenue from various levels of water usage. This tool helps the City understand the financial impacts caused by the rationing and helps project the expected revenues from the drought cost recovery fees.

Additionally, RFC is currently working with the City to design an appropriate, Proposition 218 compliant, water rate structure. RFC conducted a pricing objective workshop with the Water Commission and City Council to prioritize rate-setting objectives. RFC analyzed and set forth the pros and cons for a number of rate structures and discussed these with City Staff, the Water Commission, and the City Council. Based on the input and direction provided by key staff, the Water Commission, and the City Council, RFC will present a framework for the rate structure best suited for the City and will perform a cost of service based rate design. The rate design is expected to be completed in the

first quarter of 2016.

In 2012, the City commissioned RFC to develop a Financial Plan Model as a tool to assess the financial implications of different financial policies. RFC evaluated the risks associated with water supply variances, various capital spending plans, etc. RFC presented the Model to the Water Commission to illustrate the Water Enterprise's financial health under various scenarios related to financial policies. The Model was delivered to City staff along with a training session to demonstrate all key aspects of the Model. RFC also provided a user manual to assist City staff with use of the Model in the future.

## CITY OF WATSONVILLE (CA)

**OWNER:** City of Watsonville

**CLIENT REFERENCE:** Steve Palmisano, Director of Public Works / P: 831.768.3100

**PROJECT SIZE:** 66,000 customers

**PROJECT BUDGET/ESTIMATED COSTS:** \$133,360

**TOTAL DOLLAR VALUE OF COMPLETED PROJECT/ACTUAL COSTS:** \$133,360

**BUDGETED PROJECT SCHEDULE:** 6 Months

**TOTAL TIME TO COMPLETION:** 6 Months

**PROJECT DESCRIPTION:** RFC was engaged to develop 10-year financial plans for the City of Watsonville's (City) water, wastewater, and solid waste enterprise funds. The goal was to develop a financial plan model that could be used as a financial planning tool to determine the necessary rate adjustments and bond issuances for maintaining operations as well as handling several large capital projects. For example: the City has to build several chromium 6 treatment plants in order to remain in compliance with state mandated water quality levels. RFC helped the City create a financial plan to fund these expenditures with a combination of rate increases and debt issuances. This model included three dashboards (one for each enterprise), that can be used as a policy tool and show how changes to the financial plan affect each enterprise fund as the changes are made.

Additionally, this model was used to develop new rates for all three enterprises for the next five years. These rates were based on cost of service principals. The City of Watsonville adopted these rates at a public hearing on September 8, 2015.

## CITY OF GALT (CA)

**OWNER:** City of Galt

**CLIENT REFERENCE:** John Griffin, PE, Senior Civil Engineer / 380 Civic Dr., Galt, CA 95632 / P: 209.366.7277 / E: jgriffin@ci.galt.ca.us

**PROJECT SIZE:** 8,000 accounts

**PROJECT BUDGET/ESTIMATED COSTS:** \$49,758

**TOTAL DOLLAR VALUE OF COMPLETED PROJECT/ACTUAL COSTS:** \$59,758 (The final cost was higher than the budgeted cost due to additional meetings and an expanded analysis on projected usage from non-metered accounts.

**BUDGETED PROJECT SCHEDULE:** 6 Months

**TOTAL TIME TO COMPLETION:** 6 Months

**PROJECT DESCRIPTION:** RFC was engaged by the City of Galt to conduct a comprehensive cost of service study for its water enterprise. The City serves just under 8,000 accounts composed of both metered customers and non-metered customers. The City relies entirely on city owned and operated active groundwater wells, four above ground storage tanks, and four treatment plants to meet their water supply needs. The current rate structure consists of a flat rate for unmetered customers and a uniform commodity charge plus a fixed monthly charge based on meter size for metered customers.

As part of the study, it is anticipated that all accounts will be metered by the end of Calendar Year 2015. The transition to all metered accounts will result in a shift in revenue recovery from the current 84% fixed / 16% variable to 10% fixed / 90% variable, when applying the current adopted metered rates. When reviewing the expected revenue once all customers are metered, the current metered rates would generate a revenue deficiency of approximately \$325,000. Collectively, this projected revenue deficiency as well as the significant shift in revenue recovery, from fixed to variable, resulted in the need to restructure metered rates to ensure the amount of revenue recovered is the same amount as current rates, equal to approximately \$3.1M. Therefore, RFC updated the City's rate schedule based on a thorough review of consumption data and an analysis on the amount of water usage per account as non-metered customers transition over to metered customers. This effort was lead by Mr' Habib Isaac and the Public Hearing on the proposed new rates is scheduled for January 19, 2016. As part of the rate restructuring, Mr. Isaac recommended adjusting the current metered rate structure from 10% fixed / 90% variable (which is based on all accounts being metered) to one of the following options: 1) 30% fixed / 70% variable; 2) 40% fixed / 60% variable; 3) 50% fixed / 50% variable, or 60% fixed / 40% variable. These options were presented to the City Council over two sessions on October 6, 2015 and October 20, 2015, and on October 20, 2015, City Council approved setting rates using the revenue split of approximately 60% Fixed / 40% Variable. The City plans to utilize shadow billing so that customers can see impacts from the revised rates for a few months until the new rates are implemented.

# 7. FIRM'S LOCAL EXPERIENCE

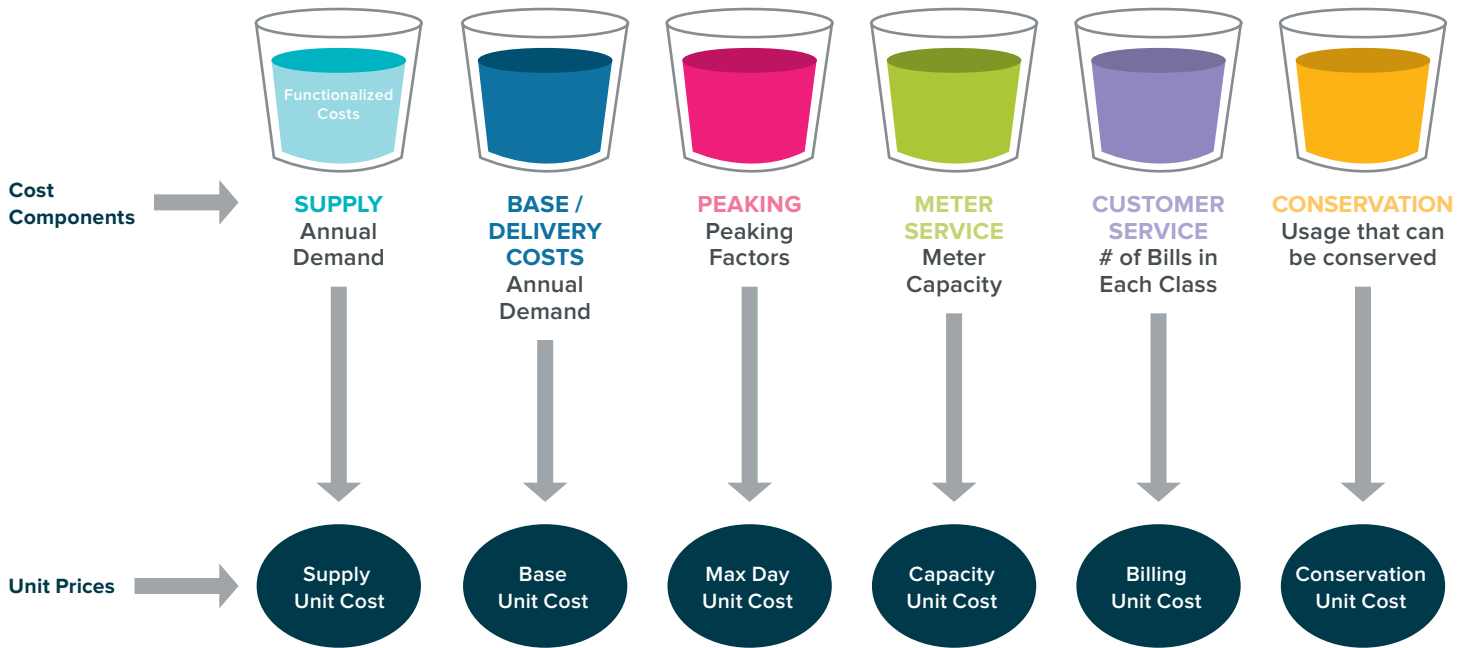
This table lists a sample of the California utilities that RFC has assisted over the past five years on financial, rate, and/or management consulting projects.

CLIENT	AFFORDABILITY ANALYSIS & PROGRAM DEVELOPMENT	DEBT ISSUANCE SUPPORT	DISPUTE RESOLUTION	FINANCIAL AND CAPITAL IMPROVEMENTS PLANNING	RATE CASE SUPPORT	RATE DESIGN	RISK ANALYSIS	COST OF SERVICE	DEVELOPMENT / IMPACT FEES	STORMWATER UTILITY DEVELOPMENT	ORGANIZATIONAL OPTIMIZATION	WATER/WASTEWATER UTILITY VALUATION
Alameda County Water District		●		●		●	●	●				
Arcadia, City of				●		●		●				
Arroyo Grande, City of				●		●	●	●				
Banning, City of		●		●		●		●	●			
Beverly Hills, City of		●		●		●	●	●	●		●	
Camarillo, City of		●		●		●		●	●			
Carlsbad Municipal Water District		●		●		●	●	●				
Carpinteria Sanitary District				●		●	●	●				
Castaic Lake Water Agency			●	●		●	●	●	●			
Chowchilla, City of				●		●	●	●				
East Bay Municipal Utilities District				●				●				
East Orange County Water District				●		●		●				
El Toro Water District				●		●		●				
Elk Grove Water District	●			●		●	●	●	●			
Elsinore Valley Municipal Water District				●		●			●			
Escondido, City of		●		●		●	●	●	●			
Goleta West Sanitary District			●	●		●	●	●	●			
Hollister, City of				●		●		●	●			
Huntington Beach, City of				●		●	●	●				
Inland Empire Utilities Agency				●								
La Canada Irrigation District				●		●		●				
Las Virgenes Municipal Water District				●		●		●				
Merced, City of				●		●		●	●			
Metropolitan Water District of Southern California			●									
Monterey, City of		●		●		●	●					
Napa Sanitation District				●		●		●				
Olivenhain Municipal Water District				●		●	●					
Palmdale Water District				●		●	●	●				
Palo Alto, City of				●		●	●	●				
Phelan Pinon Hills Community Services District	●			●		●		●	●			
Rancho California Water District						●	●	●	●			
Redlands, City of				●		●	●					
Riverside Public Utilities				●		●	●	●	●			
Sacramento, City of				●		●		●				
San Bernardino, County of				●		●		●	●			
San Clemente, City of				●		●	●	●				
San Diego, City of				●		●						●
San Gabriel, City of				●		●		●				
San Juan Capistrano, City of				●		●	●	●	●			
Santa Barbara, City of				●		●	●	●	●			
Santa Cruz, City of				●		●	●	●				
Sierra Madre, City of	●			●		●		●				
Thousand Oaks, City of				●		●	●	●	●			
Torrance, City of				●		●		●				
Ventura, City of	●	●	●	●	●	●	●	●	●			
Western Municipal Water District				●		●		●	●			



# 8. CREATIVE ALTERNATIVES

The review of the District’s costs and how they are incurred will be of critical importance for this study. Based on the means by which water is available and delivered to its customers, the cost of service study should include various discrete cost components that clearly delineates general categorized components into specific unit rates for each water supply. Doing so will provide credence to the rates and charges that will ultimately be developed from this cost of service study. As part of our cost of service analysis, we will develop unit rates that could then be used to determine the total financial responsibility associated with each customer class, and thereby, each customer. We will functionalize costs and then allocate the costs based on how that cost is incurred. Below is an example of how our approach directly correlates and complies with the cost of service principles of Proposition 218.



For water supply, we envision that this cost component would be further broken down to determine the unit prices for each water supply available to the District, which could be used to drive rates between tiers as well as rates between different seasons based on availability.

# 9. PROPOSED TOTAL PROFESSIONAL FEE AND FEE SCHEDULES

In a separately sealed envelope, we have provided our proposed fee and fee schedule.

# 10. EXCEPTIONS TO THIS RFP

RFC has fully read the RFP and takes no exceptions to this RFP including, but not limited to, the Consultant Services Agreement.

# 9. PROPOSED TOTAL PROFESSIONAL FEE AND FEE SCHEDULES

## PROPOSED FEE

RFC proposes to complete the scope of work outlined above on a time-and-materials basis with a not-to-exceed cost of **\$59,870**. The following work plan provides a breakdown of the estimated level of effort required for completing each task described and the hourly billing rates for the personnel scheduled to complete the project.









Task Descriptions		Web Meetings	No of In-Person Meetings	Hours Requirements						Total Fees & Expenses
				PD	PM	TR	SC	Admin	Total	
HOURLY RATES				\$275	\$225	\$305	\$185	\$70		
1	Project Orientation, Administration, Data Collection, and Policy Discussion		1	2	8		8	2	20	\$4,605
2	Financial Plan Development	1		2	16	4	32		54	\$11,830
3	Cost of Service Analysis	1		2	20	4	44		70	\$15,110
4	Cost of Service Workshops and Presentation		3	4	32	6	24		66	\$16,535
5	Report Development & Training	2		4	16	6	24	4	54	\$11,790
TOTAL ESTIMATED MEETINGS / HOURS		4	4	14	92	20	132	6	264	
PROFESSIONAL FEES				\$3,850	\$20,700	\$6,100	\$24,420	\$420		\$55,490
									Total Fees	\$55,490
									Total Expenses	\$4,380
									<b>TOTAL FEES &amp; EXPENSES</b>	<b>\$59,870</b>

PD - Project Director (Sanjay Gaur)  
 PM - Project Manager (Habib Isaac)  
 TR- Technical Reviewer (Sanjay Gaur)  
 SC - Staff Consultants (Andrea Boehling & Corrine Schroll)  
 Admin - Administrative Staff

\* Onsite Field Investigation is not part of the above fee schedule as the amount of time and extent of review can substantially vary based on needs and expectations

# PROPOSED FEE SCHEDULE

RFC will complete the scope of services within the timeframe shown in the schedule below. The proposed schedule assumes a notice-to-proceed by the beginning of March 2016, and that RFC will receive the needed data in a timely manner and be able to schedule meetings as necessary. Project completion is estimated for June 2016.

TASKS	2016			
	MAR	APR	MAY	JUN
1 Project Orientation, Administration, Data Collection, and Policy Discussion	 <b>Deliverables:</b> Data Request List, Kick-Off Meeting Agenda, and Kick-Off Meeting Minutes			
2 Financial Plan Development	 <b>Deliverables:</b> Financial Plan Component of Models			
3 Cost of Service Analysis	 <b>Deliverables:</b> Cost of Service Analysis			
4 Cost of Service Workshops and Presentation	   <b>Deliverables:</b> Presentation Materials			
5 Report Development & Training	  <b>Deliverables:</b> Draft and Final Cost of Service Reports, Water and Wastewater Cost of Service Models, Training Materials			

-  Kick-off Meeting
-  In-Person Meeting / Workshop
-  Prop. 218 Noticing Period
-  Delivery of Draft/Final Reports
-  Web meeting

COST OF SERVICE RFP - EVALUATIONS																					
Criteria	Bartle Wells Assoc.							NBS							Raftelis Financial						
	CB	RB	JH	SH	BL	RR	Avg	CB	RB	JH	SH	BL	RR	Avg	CB	RB	JH	SH	BL	RR	Avg
Executive Summary (10 pts)	1.0	0.0	7.0	6.0	5.0	5.0	4.0	9.0	10.0	9.0	9.0	8.0	9.0	9.0	7.0	5.0	9.0	9.0	9.0	5.0	7.3
Project Description (25 pts)	5.0	5.0	18.0	18.0	0.0	10.0	9.3	20.0	25.0	23.0	20.0	10.0	22.0	20.0	15.0	10.0	15.0	22.0	5.0	16.0	13.8
Identification of Consultant (5pts)	3.0	5.0	5.0	3.0	5.0	4.0	4.2	5.0	5.0	5.0	4.0	5.0	5.0	4.8	5.0	5.0	5.0	4.0	5.0	0.0	4.0
Project Organization and Experience (25 pts)	10.0	10.0	5.0	16.0	25.0	16.0	13.7	20.0	25.0	10.0	18.0	25.0	22.0	20.0	15.0	10.0	25.0	22.0	24.0	14.0	18.3
Past Performance, Including Cost and Schedule Control (20 pts)	10.0	0.0	10.0	13.0	15.0	8.0	9.3	15.0	15.0	20.0	15.0	18.0	15.0	16.3	15.0	10.0	15.0	18.0	20.0	10.0	14.7
Firm's Local Experience (5 pts)	1.0	2.0	2.0	3.0	3.0	3.0	2.3	4.0	5.0	5.0	3.0	5.0	5.0	4.5	3.0	0.0	2.0	5.0	3.0	2.0	2.5
Creative Alternatives (5 pts)	0.0	0.0	0.0	1.0	0.0	0.0	0.2	5.0	5.0	5.0	3.0	3.0	4.0	4.2	3.0	2.0	2.0	5.0	5.0	3.0	3.3
Proposed Fee (5 pts)							2.0							2.0							5.0
<b>TOTAL</b>	<b>30.0</b>	<b>22.0</b>	<b>47.0</b>	<b>60.0</b>	<b>53.0</b>	<b>46.0</b>	<b>45</b>	<b>78.0</b>	<b>90.0</b>	<b>77.0</b>	<b>72.0</b>	<b>74.0</b>	<b>82.0</b>	<b>81</b>	<b>63.0</b>	<b>42.0</b>	<b>73.0</b>	<b>85.0</b>	<b>71.0</b>	<b>50.0</b>	<b>69</b>

### Proposed Fee Estimate Ranking:

Lowest Fee .....	5 pts
< 110% of Lowest Fee.....	4 pts
< 125% of Lowest Fee.....	3 pts
< 150% of Lowest Fee.....	2 pts
< 200% of Lowest Fee.....	1 pt
> 199% of Lowest Fee .....	0 pts

				points
Raftelis	\$ 59,870	100%	lowest	5
NBS	\$ 75,542	126%		2
Bartell Wells	\$ 88,940	149%		2

M E M O

TO: Board of Directors  
FROM: District Manager  
SUBJECT: FINANCIAL SUMMARY  
DATE: February 10, 2016

RECOMMENDATION:

It is recommended that the Board of Directors review and file the Financial Summary Report.

BACKGROUND:

The District is in the process of implementing the new software, Springbrook. Through this process we will be able to utilize much more powerful reporting tools than before. Having the ability to extract data and write custom reports will allow me to gradually build a financial summary report we will use going forward. I hope to have a more detailed quarterly report in April.

As you can see from the Monthly Usage by Class graph, December consumption is drastically down versus prior months.

- December consumption was down 16% compared to the prior month
- November consumption was down 40% compared to the highest month of the summer, September.

With the decrease in consumption comes a decrease in revenue. This is typical during this time of the year.

Regards,

Stephanie Hill  
Finance Manager



13060 Highway 9  
Boulder Creek, CA 95006-9119  
(831) 338-2153 phone  
(831) 338-7986 fax

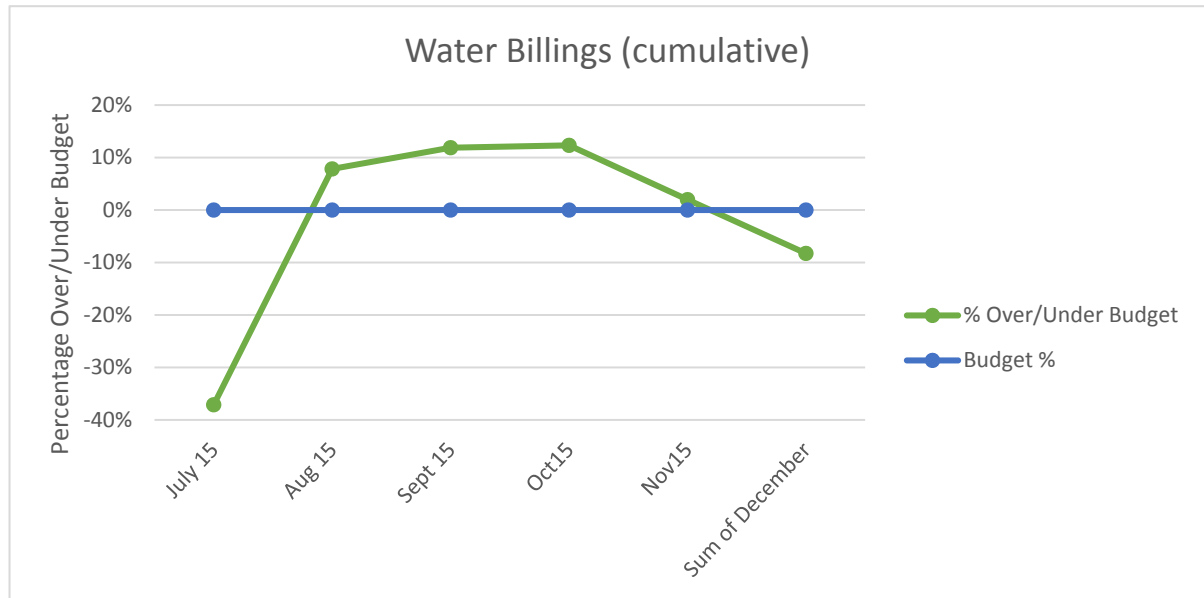
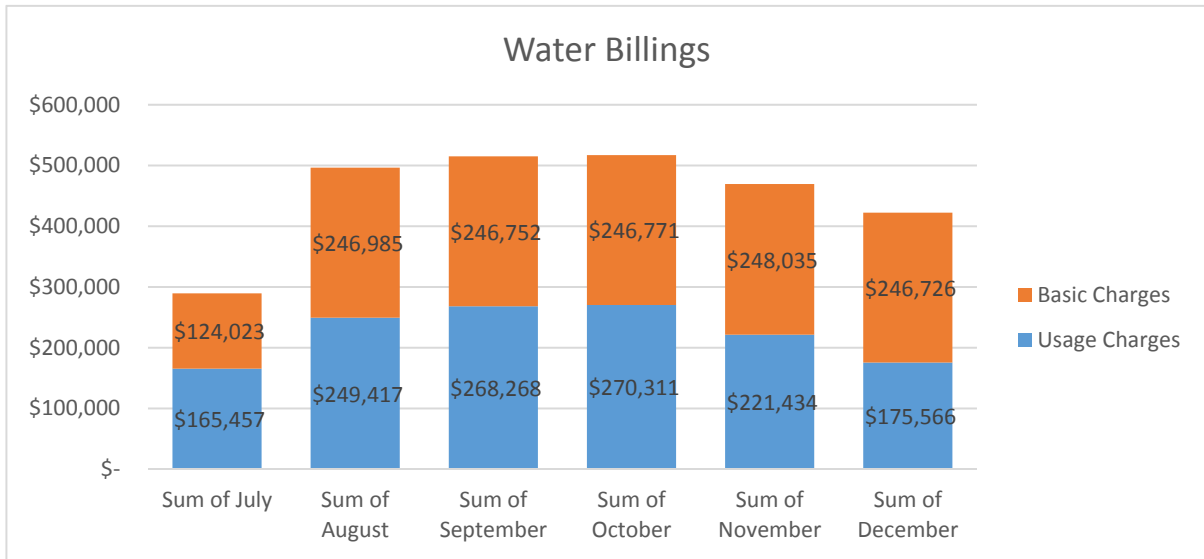
## OPERATING INCOME FINANCIAL SUMMARY

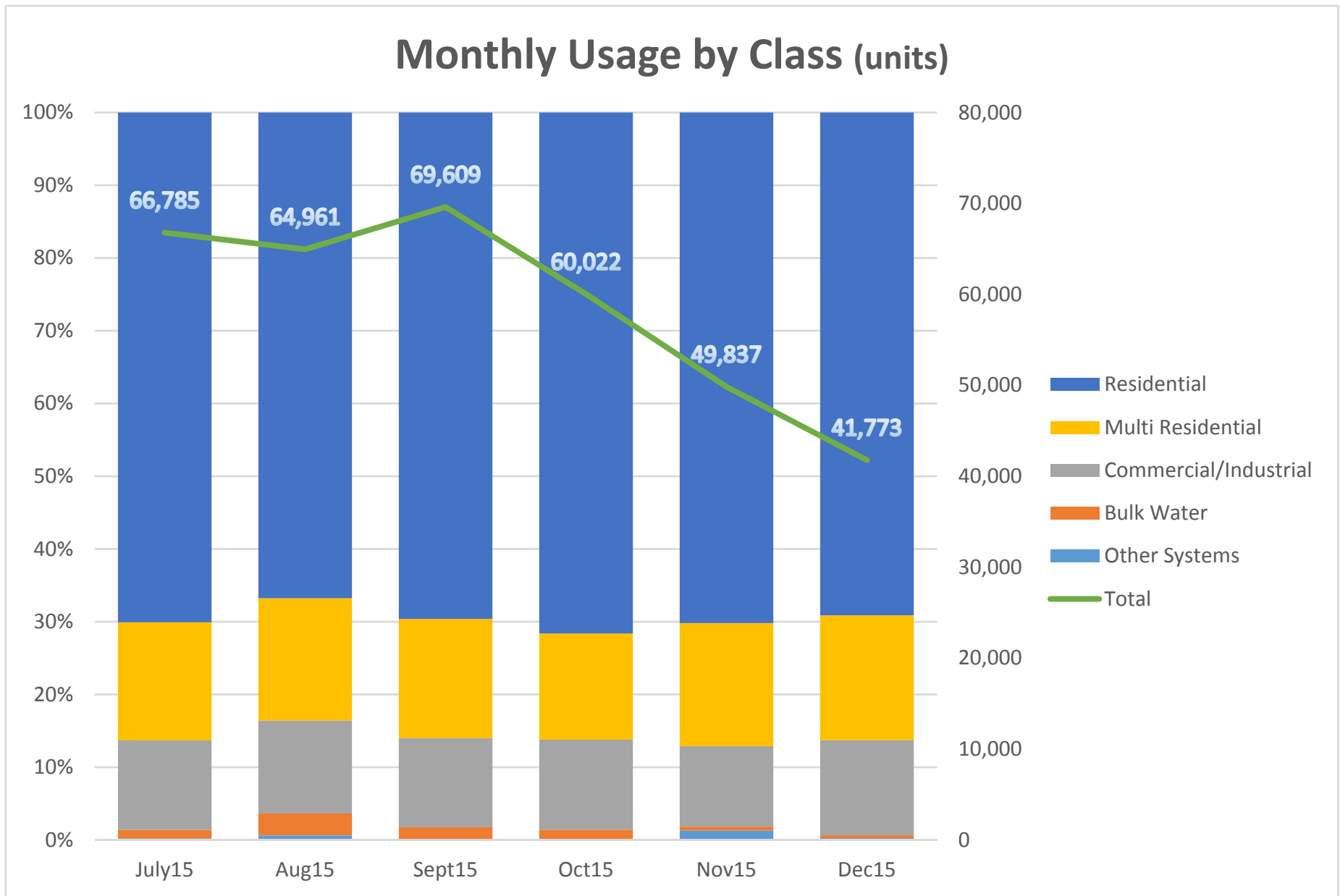
[A]	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	YTD	FY1516 BUDGET	% of Budget
OPERATING REVENUE	[B]								
Water Basic	124,023	246,985	246,752	246,771	248,035	246,726	1,359,292		
Water Usage	165,457	249,417	268,268	270,311	221,434	175,566	1,350,454		
Water Fees	2,610	4,000	9,545	7,740	7,815	7,815	39,525		
Water Misc	(4,913)	16,984	13,632	23,405	2,270	14,104	65,484		
Sewer	-	8,209	8,195	8,195	8,195	8,130	40,924		
Sewer Misc	-	-	-	-	-	-	-		
<b>TOTAL OPERATING REVENUE</b>	<b>287,178</b>	<b>525,594</b>	<b>546,393</b>	<b>556,423</b>	<b>487,749</b>	<b>452,342</b>	<b>2,855,679</b>	<b>5,710,000</b>	<b>50.0%</b>
OPERATING EXPENSES:									
Salaries & Benefits	333,370	237,346	382,719	351,514	207,487	284,092	1,796,527		
Materials & Services	215,699	211,103	96,715	216,007	183,761	156,276	1,079,560		
<b>TOTAL OPERATING EXPENSES</b>	<b>549,069</b>	<b>448,449</b>	<b>479,434</b>	<b>567,520</b>	<b>391,247</b>	<b>440,367</b>	<b>2,876,087</b>	<b>5,849,755</b>	<b>49.2%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(261,891)</b>	<b>77,145</b>	<b>66,959</b>	<b>(11,097)</b>	<b>96,501</b>	<b>11,975</b>	<b>(20,408)</b>	<b>(139,755)</b>	<b>14.6%</b>

[A] There are still some journal entries to be made from the conversion of data. For example, Water Misc. in July will not have a negative balance once all journal entries are posted.

[B] The switch to two billing cycles causes July to appear to only have one billing cycle have gone out since the second cycle was billed 8/5/15. This will cause this fiscal year to look off half a cycle since revenue is booked as it is invoiced.

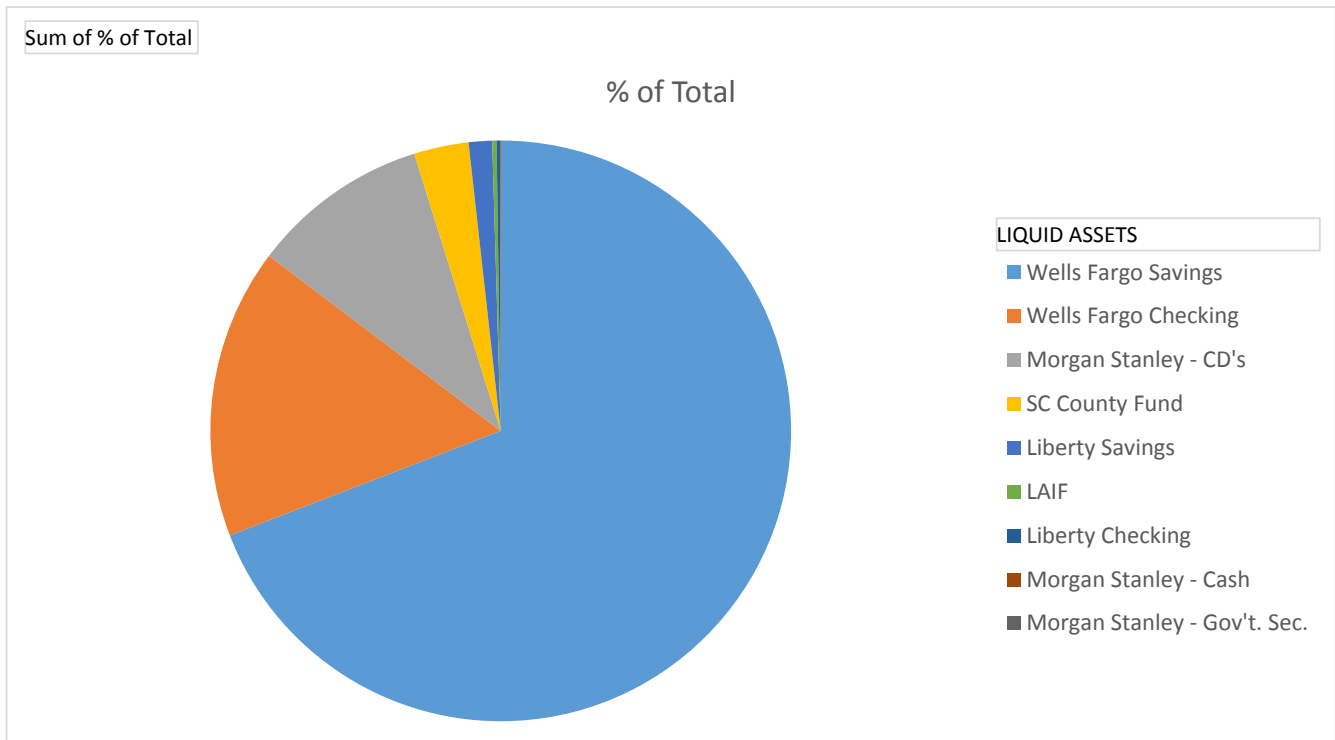






AS OF 12/31/15

<b>LIQUID ASSETS</b>	<b>\$ Amount</b>	<b>% of Total</b>	<b>Ave Interest Rate</b>
Wells Fargo Checking	222,509	16.2%	0.180%
Wells Fargo Savings	952,135	69.1%	0.260%
Liberty Checking	2,544	0.2%	0.001%
Liberty Savings	17,922	1.3%	0.150%
Morgan Stanley - Cash	601	0.0%	0.010%
Morgan Stanley - Gov't. Sec.	-	0.0%	0.010%
Morgan Stanley - CD's	136,179	9.9%	1.360%
SC County Fund	41,875	3.0%	0.578%
LAIF	3,356	0.2%	0.357%
	<b>\$ 1,377,121</b>	<b>100%</b>	



M E M O

TO: Board of Directors  
FROM: District Manager  
SUBJECT: FINANCE DEPARTMENT STATUS REPORT  
DATE: February 10, 2016

RECOMMENDATION:

It is recommended that the Board of Directors review and file the Finance Department Status Report.

BACKGROUND:

**SPRINGBROOK**

Bringing up fixed assets, work orders and equipment maintenance are very intense modules to bring up. There are a lot of data and initial set-up involved. I have about the next month solid of implementation. We are still on track to be fully up and running end of March.

**ELECTRONIC NOTIFICATION SYSTEM**

We have had a great response in customers signing up for the notification program. The programming side has had a slight delay, but we plan to have part of the program implemented in February, with a hopeful March test go-live.

**E-BOX**

A popular payment method for customers is using bill pay offered through their personal bank. Approximately 20% of our customers pay their bills this way.

The majority of vendors and utilities these days are signed up to electronically receive the funds, which typically happens within 24hrs after the customer initiates it. We currently do not, which means those ~1,300 checks come to us through the mail, 5-10 days after the customer initiates it, and are processed in our office manually. This is a constant call/complaint we receive from customers.

In our continued efforts to modernize the District, we are in the process of implementing Wells Fargo's E-Box services. This has the dual benefit of creating efficiencies within our procedures, but more importantly is a benefit to the customer. We hope to have this implemented by end of March.

**CUSTOMER SERVICE DEPT SUMMARY**

<b>Monthly Stats:</b>	<b>January</b>	<b>December</b>	<b>November</b>	
Cut In/Outs	67	52	83	<i>These are new tenants moving in/out or new owners</i>
Final Bills	30	47	47	<i>Final bills sent to tenants/owners</i>
Tags *	360	411	400	<i>Number of late payment notices left at service address</i>
Turn-offs *	67	76	68	<i>Number of turn offs for not paying the late tag notification</i>

*\* we are hoping the new Notification System will help customers take care of any past due balances before we need to hang a physical tag. The tag and turn off process is very laborious and time consuming and something we are looking to modernize.*

**Online / Going Green**

*As of 2/10/2016*

Online Sign-ups	2,125	2,058	1,963
E-Bills	551	526	487
Auto Pay	1,552	1,511	1,458

## MEMO

TO: District Manager  
FROM: Director of Operations  
SUBJECT: OPERATIONS DEPARTMENT PROJECT STATUS  
REPORT JANUARY 2016  
DATE: February 11, 2016

### RECOMMENDATION:

It is recommended that the District Manager review and file the Operations Department Project Status Report for the month of January 2016.

### BACKGROUND:

#### OPERATIONS DEPARTMENT PROJECT STATUS REPORT

The Operations Department Status Report continues transition to a new format adding statistical data in regard to the operations of the District's three service areas. This report contains the January 2016 Operations Department Report.

#### DROUGHT CONTINGENCY PLANNING

Staff continues monitoring consumption/production throughout the system. With rainfall surface water sources have increased in the North System. The North system well field is in standby with the increase in surface water. Water production system wide is down 23.67% from October 2013. As we move into the winter months where there is no outside watering demand stabilizes from year to year.

#### EL NINO RESPONSE

Staff continues to prepare and plan for the possibility of heavy rains/winds associated with El Nino conditions. Rainfall has been relatively mild with totals to date 25.16 inches collected in Downtown Boulder Creek. Preparation includes additional generators, backup fuel, updated response plan and staff training.

## FACILITY MAINTENANCE

Lower Swim Tank - Float valve replacement.

Riverside Grove Tank - replace overflow & vent screens.

Highland Tank - Replace access hatch with water tight hatch.

Blur Ridge Tank - Replace access hatch with water tight hatch.

Upper Swim Tank - Drain and repair large leak in floor boards, replace access hatch with water tight hatch.

## MAINLINE ABANDONMENT

Staff abandon approximately 600 lineal feet of two-inch water line in Ben Lomond. The dead end main had no service connections and leaking.

Rick Rogers  
Director of Operations



## SAN LORENZO VALLEY WATER DISTRICT PRODUCTION

Source	This Month January	Last Month December 2015	This Month 2013	Difference This Year To 2013
<b>North System</b>				
<b>Surface Water Sources</b>				
Foreman Creek	12,517,000	5,488,560	15,866,000	
Peavine Creek + Hydro	0	980,000	9,002,000	
Clear Creek	6,900,000	2,194,690	4,965,000	
Sweetwater Creek	4,600,000	2,887,750	3,310,000	
<b>Sub-Total (Streams)</b>	<b>24,017,000</b>	<b>11,551,000</b>	<b>33,143,000</b>	-27.54%
<b>Wells (North)</b>				
Olympia No. 2	-	6,148,000	0	
Olympia No. 3	-	-	0	
Quail Well No. 4-A	740,000	7,385,000	0	
Quail Well No. 5-A	431	3,569,000	3,800	
<b>Sub Total North Wells</b>	<b>740,431</b>	<b>17,102,000</b>	<b>3,800</b>	19385.03%
<b>South System Wells</b>				
Pasatiempo 5A	1,857,600	2,355,600	N/A	
Pasatiempo 6	2,410,000	3,204,000	4,357,000	
Pasatiempo 7	752,000	1,130,000	1,644,000	
<b>Sub Total Pasatiempo Wells</b>	<b>5,019,600</b>	<b>6,689,600</b>	<b>6,001,000</b>	-16.35%
<b>North South All Sources Combined</b>	<b>29,777,031</b>	<b>35,342,600</b>	<b>39,147,800</b>	-23.94%
<b>Felton System - Surface Water</b>				
Fall Creek	3,485,900	5,873,826	3,873,810	
Bennett Spring	2,155,200	2,011,495	3,651,200	
Bull 1 & 2	3,715,302	1,839,240	4,487,200	
<b>Total Felton System Sources</b>	<b>9,356,402</b>	<b>9,724,561</b>	<b>12,012,210</b>	-22.11%
<b>Manana Woods System</b>				
Well 1	-	-	106,775	
Paso Mana By Pass	398,849	575,915	713,543	
<b>Total Manana Woods Sources</b>	<b>398,849</b>	<b>575,915</b>	<b>820,318</b>	
<b>Sub - Total Production</b>				
<b>North / Felton / Manana</b>	<b>39,532,282</b>	<b>45,643,076</b>	<b>51,980,328</b>	-23.95%
<b>Less South /Manana Inter-Tie</b>	<b>398,849</b>	<b>575,915</b>	<b>713,543</b>	
<b>Total Production</b>	<b>39,133,433</b>	<b>45,067,161</b>	<b>51,266,785</b>	-23.67%

**SAN LORENZO VALLEY WATER DISTRICT  
PRODUCTION BY SYSTEM  
+/- INTERTIES  
JANUARY 2016**

<b>North System All Sources</b>	<b>29,777,031</b>
<b>Interties IN +</b>	<b>0</b>
<b>Interties OUT -</b>	<b>454,039</b>
<b>TOTAL NORHT SYSTEM</b>	<b>29,322,992</b>
<b>Felton Water system All Sources</b>	<b>9,356,402</b>
<b>Interties IN +</b>	<b>169,843</b>
<b>Interties OUT -</b>	<b>0</b>
<b>TOTAL FELTON SYSTEM</b>	<b>9,526,245</b>
<b>Manana Woods System</b>	<b>0</b>
<b>Interties IN +</b>	<b>398,849</b>
<b>TOTAL MANANA WOODS</b>	<b>398,849</b>

# SAN LORENZO VALLEY WATER DISTRICT INTERTIE USAGE JANUARY 2016

## INTERTIE 2

SLVWD to SVWD 0

SVWD to SLVWD 0

## INTERTIE 3

SLV SOUTH to SLV NORTH -

SLV NORTH to SLV SOUTH 0

## INTERTIE 4

SLVWD to MHWD 0

MHWD to SLVWD 0

## INTERTIE 6

SLV NORTH to SLV FELTON 454,039

SLV FELTON to SLV NORTH 0

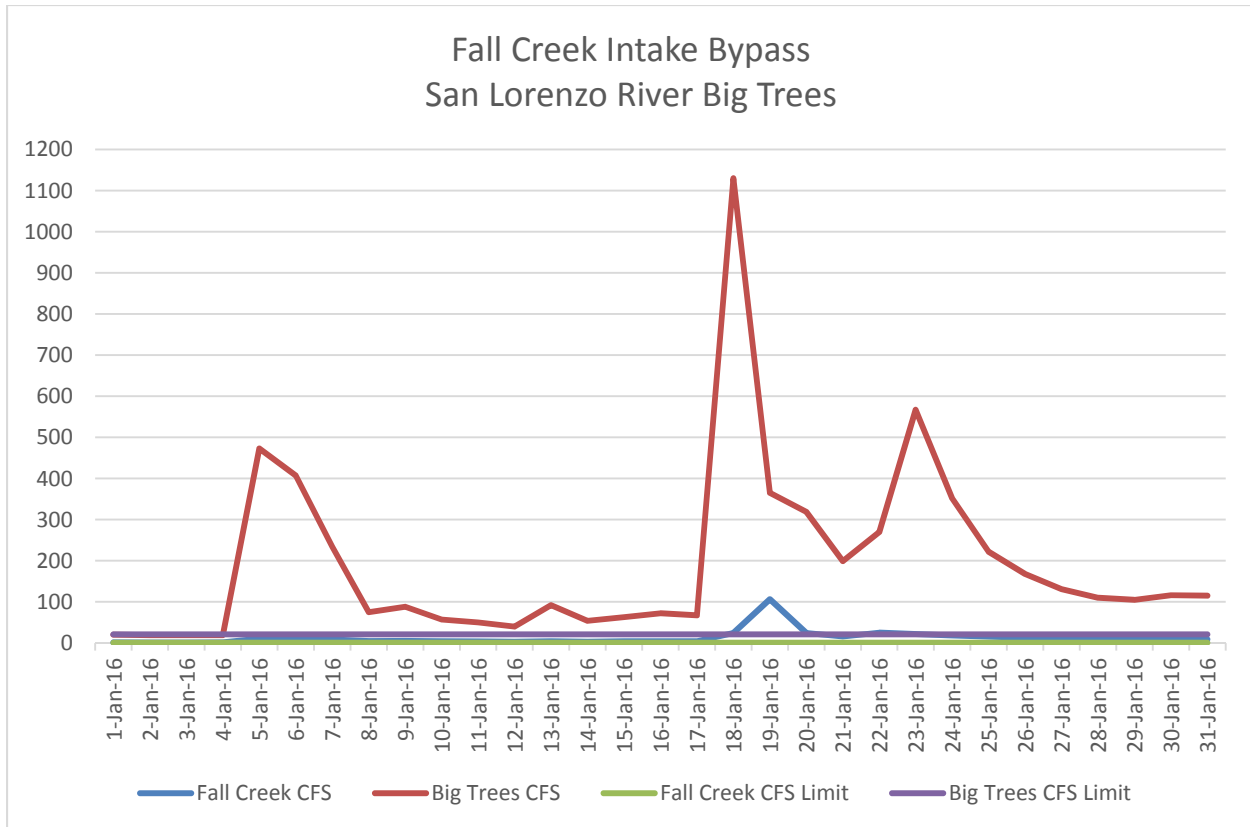
## LOMPICO INTERTIE

SLV NORTH to LOMPICO -

## MANANA WOODS INTERTIE

SLVWD to MANANA WOODS 398,849

## Fall Creek Intake January 2016



### Normal Rainfall Fall Creek Intake Bypass Requirements

April 1 through October 31                      1.0 cubic feet per second

November 1 through March 31                      1.5 cubic feet per second

### Dry Conditions Fall Creek Intake Bypass Requirements

April 1 through October 31                      0.5 cubic feet per second

November 1 through March 31                      0.75 cubic feet per second

Number of Days in month 0.75 cfs or below, 4 **days**

### San Lorenzo River USGS Big Trees Flow Requirements

September                                              10 cubic feet per second

October                                                      25 cubic feet per second

November 1 through May 31                      20 cubic feet per second

## Fall Creek Intake January 2016

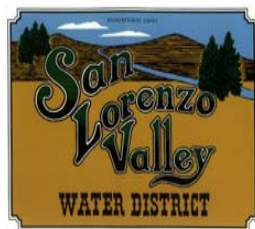
For the protection of fish and wildlife, during the period: (a) April 1 through October 31 bypass a minimum of 0.5 cfs; (b) November 1 through March 31 bypass a minimum of 1.5 cfs past the Fall Creek point of diversion. The natural streamflow shall be bypassed whenever it is less than 1.5 cfs; provided, however, that during a dry year, the bypass requirement shall be reduced from 1.5 to 0.75 cfs. A dry year is defined on a monthly basis of cumulative runoff beginning October 1 of each season in the San Lorenzo River at the USGS gage at Big Trees. These runoff figures are based on approximately 50 percent of normal runoff as the dividing level between normal and dry year runoff and are as follows:

- November 1 for the month of October 500 af
- December 1 for October-November, inclusive 1,500 af
- January 1 for October-December, inclusive 5,000 af
- February 1 for October-January, inclusive 12,500 af
- March 1 for October-February, inclusive 26,500 af

# Fall Creek Weir Measurement

Agenda: 2/18/16

Month:	January			Year:	2016		Big Trees > 26,500 Acre-ft Oct-Feb Normal Yr	Big Trees <26,500 Acre-ft Oct-Feb Dry Yr	Item:	8a1iii		
Date	Time	Initials	Pump #	Fall Cr. GPM into Kirby plant	Weir Board Height	Weir Height Measurement	Fall Creek (Cubic Feet per Second)	Big Trees (Cubic Feet per Second)	Rainfall (Felton gauge)	Met Fall Cr, Bypass Requirement: Normal Year April 1 - Oct 31 1.0 cfs Dry Year April 1- Oct 31 0.5 cfs Nov. 1 - March 31 0.75 cfs (yes/no)	Met Big Trees Requirement Nov-May 21cfs Sept 11 cfs Oct 26 cfs (yes/no)	Notes
1	10:00:	jt	2	0	25.0	32.3	1.258	20.0	0	Yes	No	
2	11:00	jt	2	159	25.0	31.6	0.9714	19.0	0.02	Yes	No	
3	10:05	JT	2	184	25.0	31.6	0.9714	19.0	0.40	Yes	No	
4	13:15	ho	2	160	25.0	32.7	1.419	19.0	3.00	Yes	No	
5	15:00	jg	2	130	25.0	42.2	10.59	473	1.35	Yes	Yes	
6	15:00	jg	1	90	25.0	43.0	11.93	407	0.70	Yes	Yes	
7	15:05	jg	1	90	25.0	41.0	8.33	234	0.03	Yes	Yes	
8	10:05	jg	1	90	25.0	37.4	4.63	75	0.05	Yes	Yes	
9	07:45	ho	1	0	25.0	37.9	4.89	88.0	0.10	Yes	Yes	
10	10:50	ho	1	79	25.0	36.6	3.910	57.0	0	Yes	Yes	
11	11:05	jg	1	80	25.0	36.0	3.515	50.0	0	Yes	Yes	
12	14:50	jg	1	161	25.0	35.2	2.88	40.0	0.77	Yes	Yes	
13	14:55	jg	1	148	25.0	36.6	3.91	92	0.04	Yes	Yes	
14	14:10	jg	1	145	25.0	35.4	2.970	54	0.72	Yes	Yes	
15	14:25	jg	1	145	25.0	36.6	3.91	63	0.40	Yes	Yes	
16	10:25	jg	1	138	25.0	36.8	4.117	72	0.35	Yes	Yes	
17	10:35	jg	1	140	25.0	36.8	4.117	67	2.85	Yes	Yes	
18	10:10	jg		0	25.0	51.1	24.5	1130	3.15	Yes	Yes	Fall Cr Off
19	9:50	jg		0	25.0	68.2	106.5	365	0	Yes	Yes	Fall Cr Off
20	16:00	db	1		25.0	48.5	24.49	319	0	Yes	Yes	No Value for Fall Cr
21	14:15	jg	1	172	25.0	45.1	15.61	199	1.60	Yes	Yes	
22	10:05	jg	1	110	25.0	49.3	25.2	270	0.85	Yes	Yes	
23	13:55	ho	2	100	25.0	48.9	21.5	567	0.5	Yes	Yes	
24	09:31	ho	2	80	25.0	46.6	18.8	352	0	Yes	Yes	
25	15:45	jg	2	77	25.0	44.7	14.91	222	0	Yes	Yes	
26	15:05	jg	2	95	25.0	43.3	12.33	168	0	Yes	Yes	
27	13:45	jg	2	90	25.0	42.6	11.15	131	0	Yes	Yes	
28	15:10	jg	2	95	25.0	41.8	9.52	110	0.05	Yes	Yes	
29	8:35	jg	2	80	25.0	41.2	9.16	105	0.52	Yes	Yes	
30	9:10	jt	2	72	25.0	41.2	9.16	116	0.34	Yes	Yes	
31	09:10 <sup>160</sup>	jt	2	0	25.0	41.0	8.83	<sup>8</sup> 115	0	Yes	Yes	No Value on FCmeter

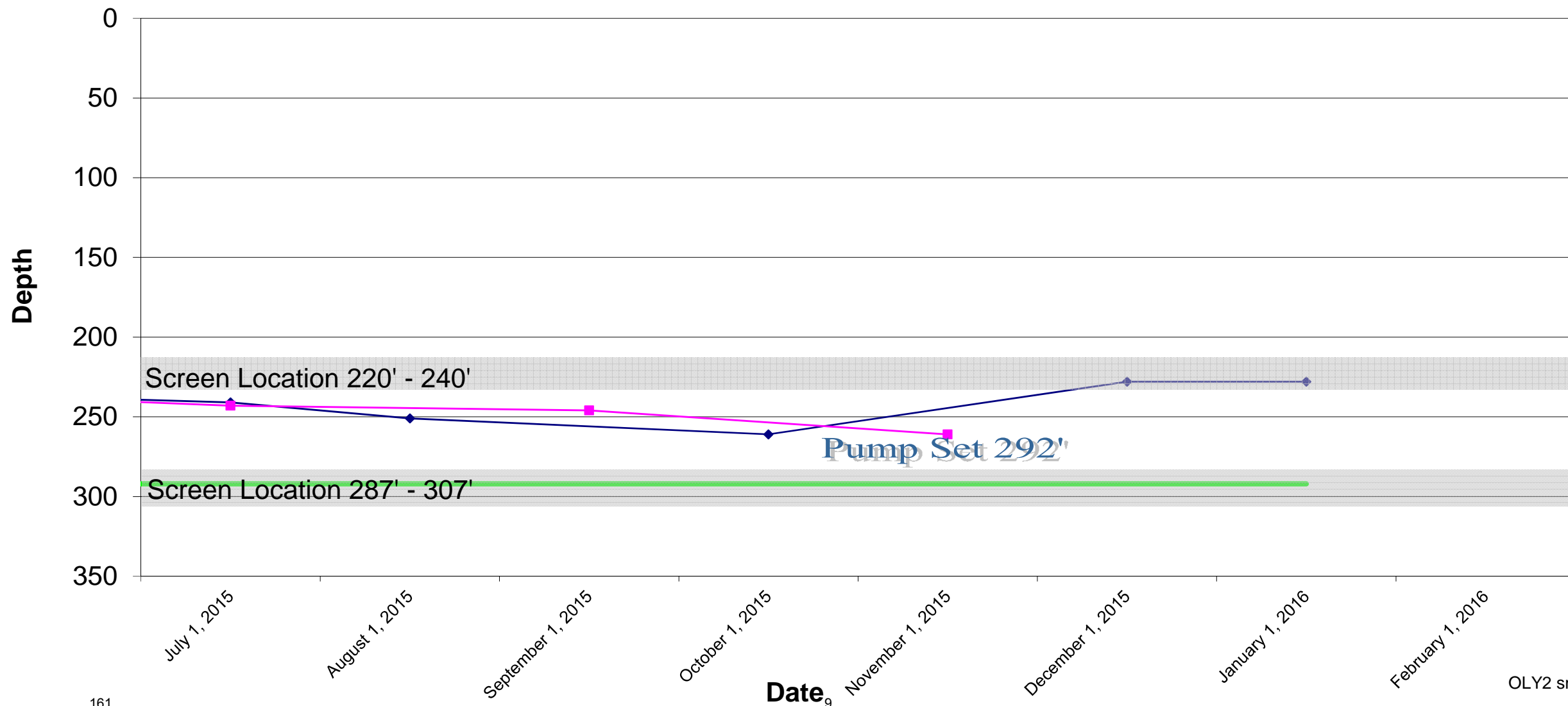


# SAN LORENZO VALLEY WATER DISTRICT

## Well Drawdown Report

### Olympia 2

Location: 7701 E. Zayante Rd.  
Elevation: 525'  
Installed: April 28, 1980  
State Well #: 10S/O2W-11P01  
New #: 4410014-010  
Completed Depth: 300'

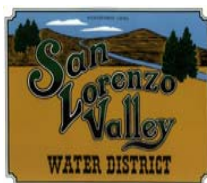




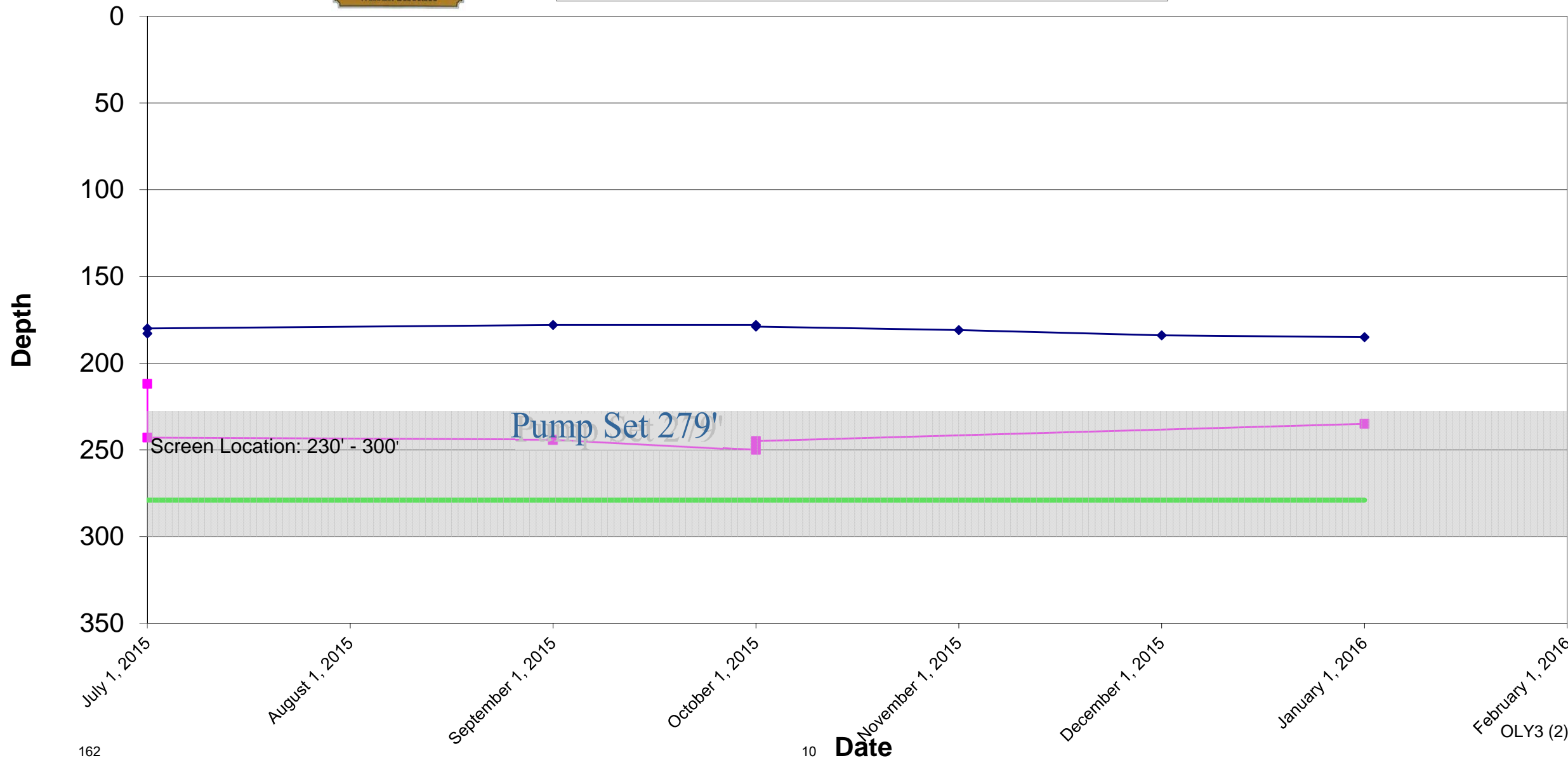
# SAN LORENZO VALLEY WATER DISTRICT

## Well Drawdown Report

### Olympia 3



Location: 7701 E. Zayante Rd  
Elevation: 538' Mean Sea Level  
Installed: 8-15-90  
State Well #: 4410014-022  
Completed Depth:

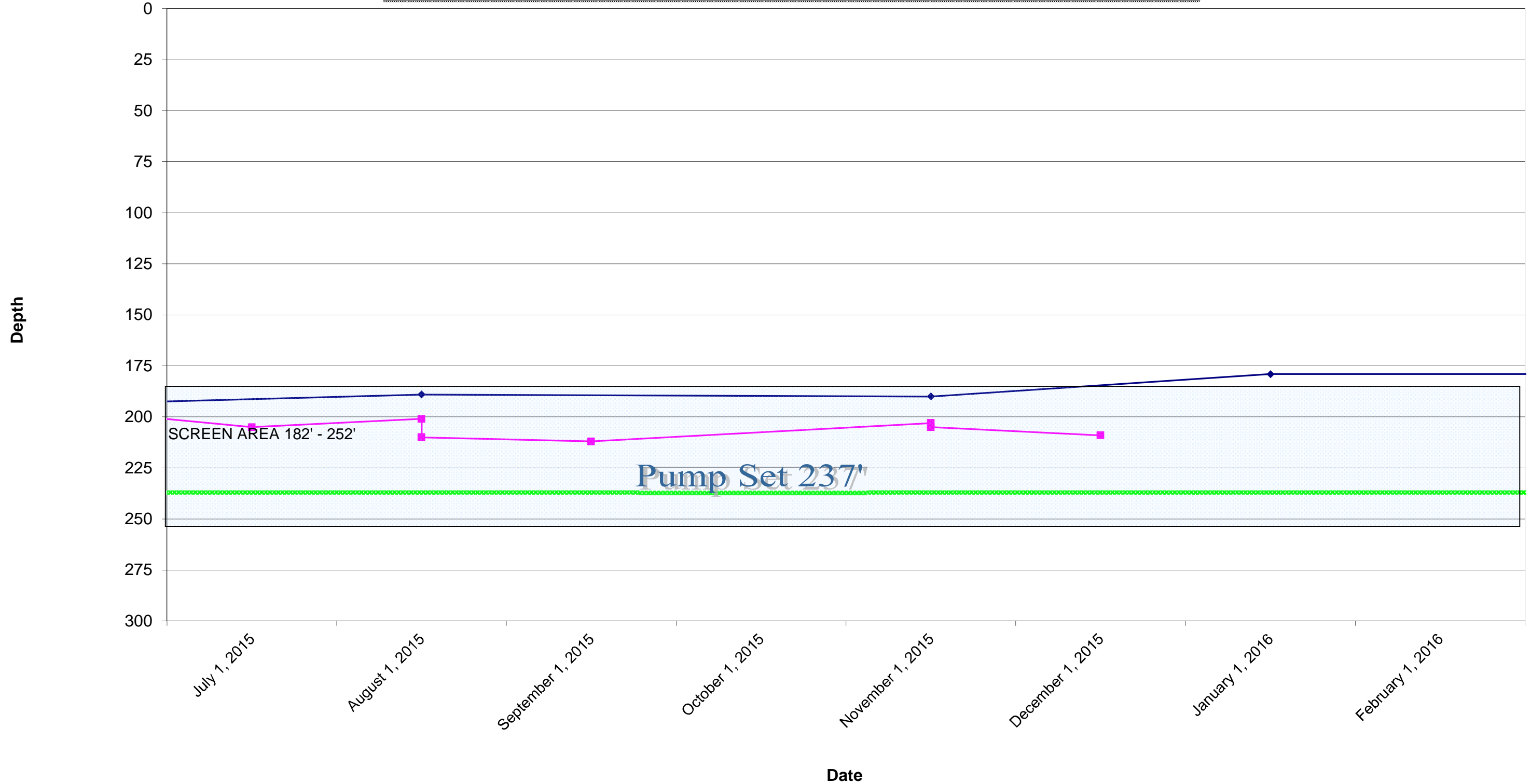
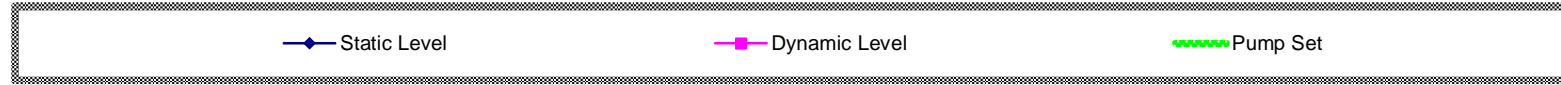
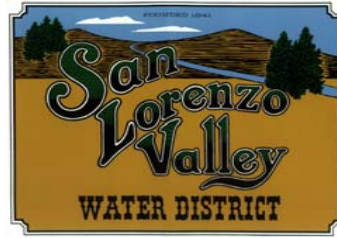


# SAN LORENZO VALLEY WATER DISTRICT

## Well Drawdown Report

### Quail Well 4-A

Location: Cumora Ln. Ben Lomond  
Elevation: 596.54 ft @ Pad  
Installed: 6-07-2001  
State Well #: 4410014-026  
Completed Depth: 265

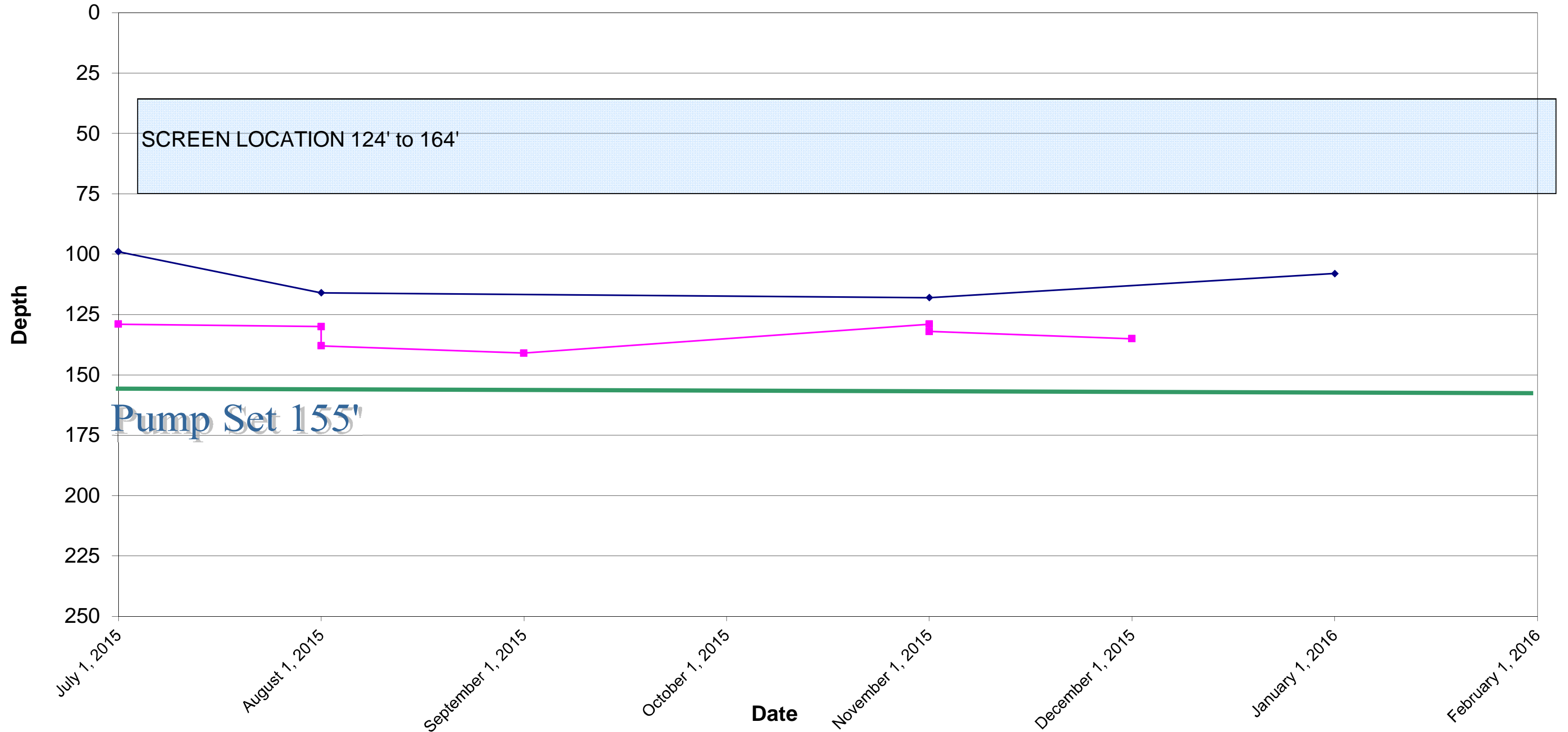
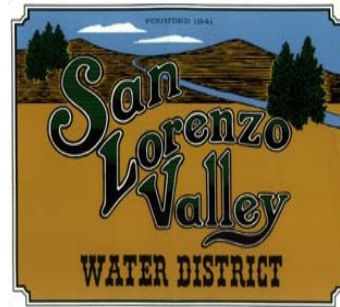


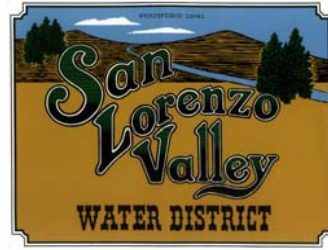
# SAN LORENZO VALLEY WATER DISTRICT

## Well Drawdown Report

### Quail Well 5-A

Location: Quail Hollow Rd.  
Ben Lomond  
Elevation: 517.65 ft. @ Pad  
Installed: March 2000  
State Well #: 4410014-025



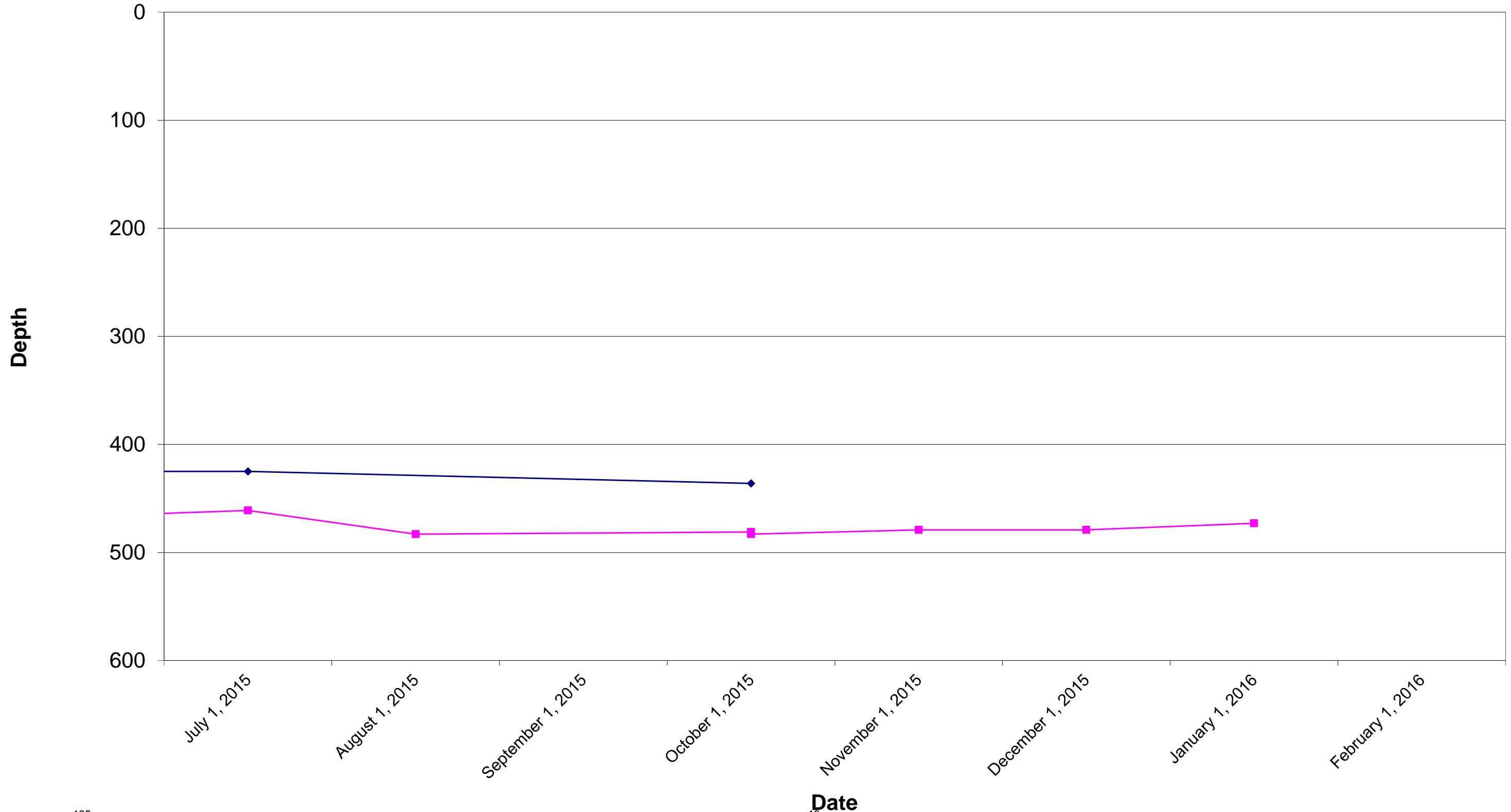


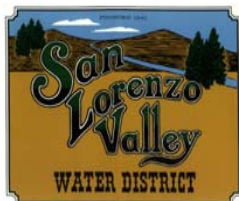
# SAN LORENZO VALLEY WATER DISTRICT

## Well Drawdown Report

### Pasatiempo 5

Location: So. Of 3650 Graham Hill Rd  
Elevation: 752'  
Installed 1-1-14  
State Well #: 4410014-014  
Completed Depth: 710'



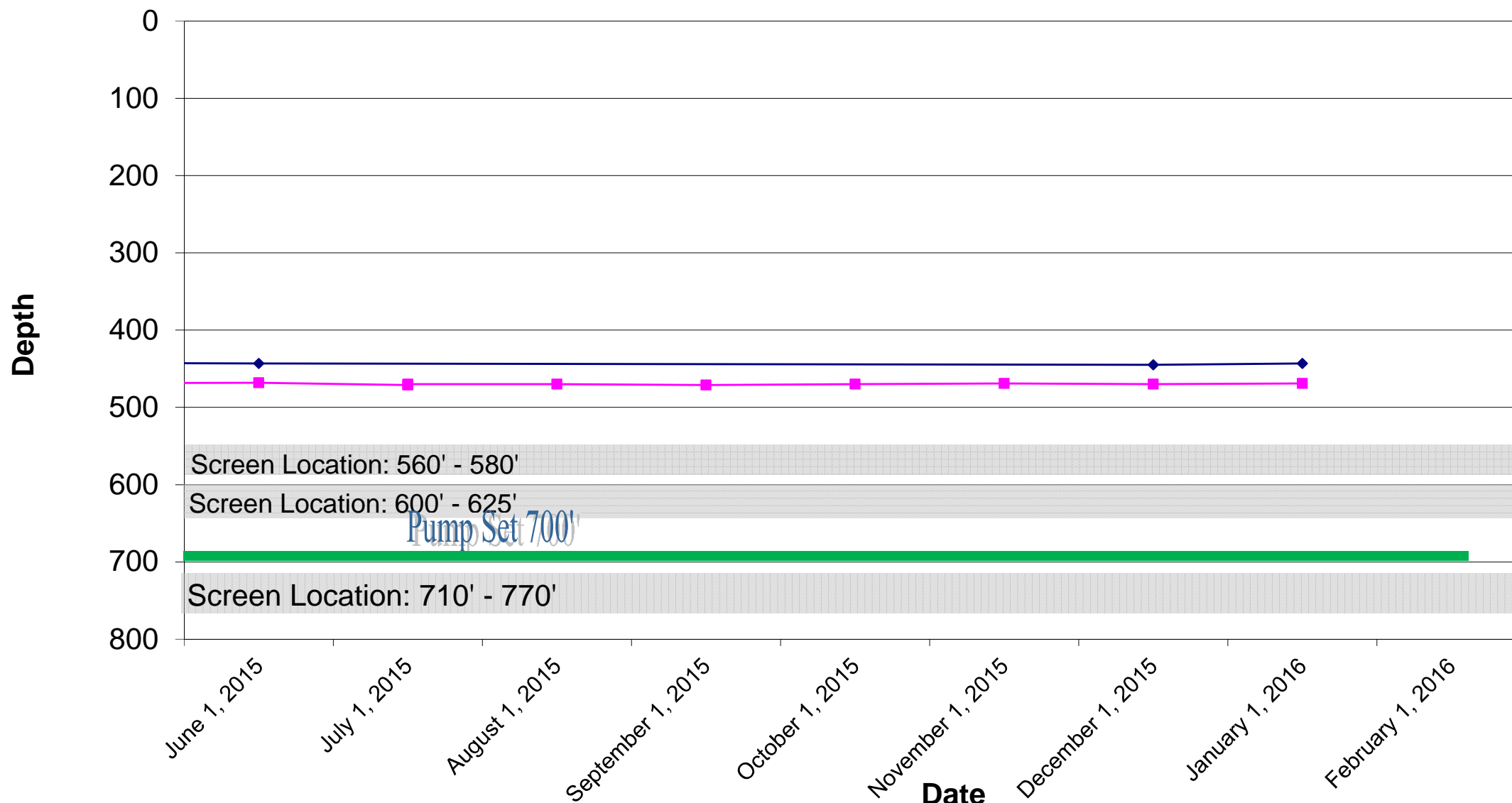


# SAN LORENZO VALLEY WATER DISTRICT

## Well Drawdown Report

### Pasatiempo 6

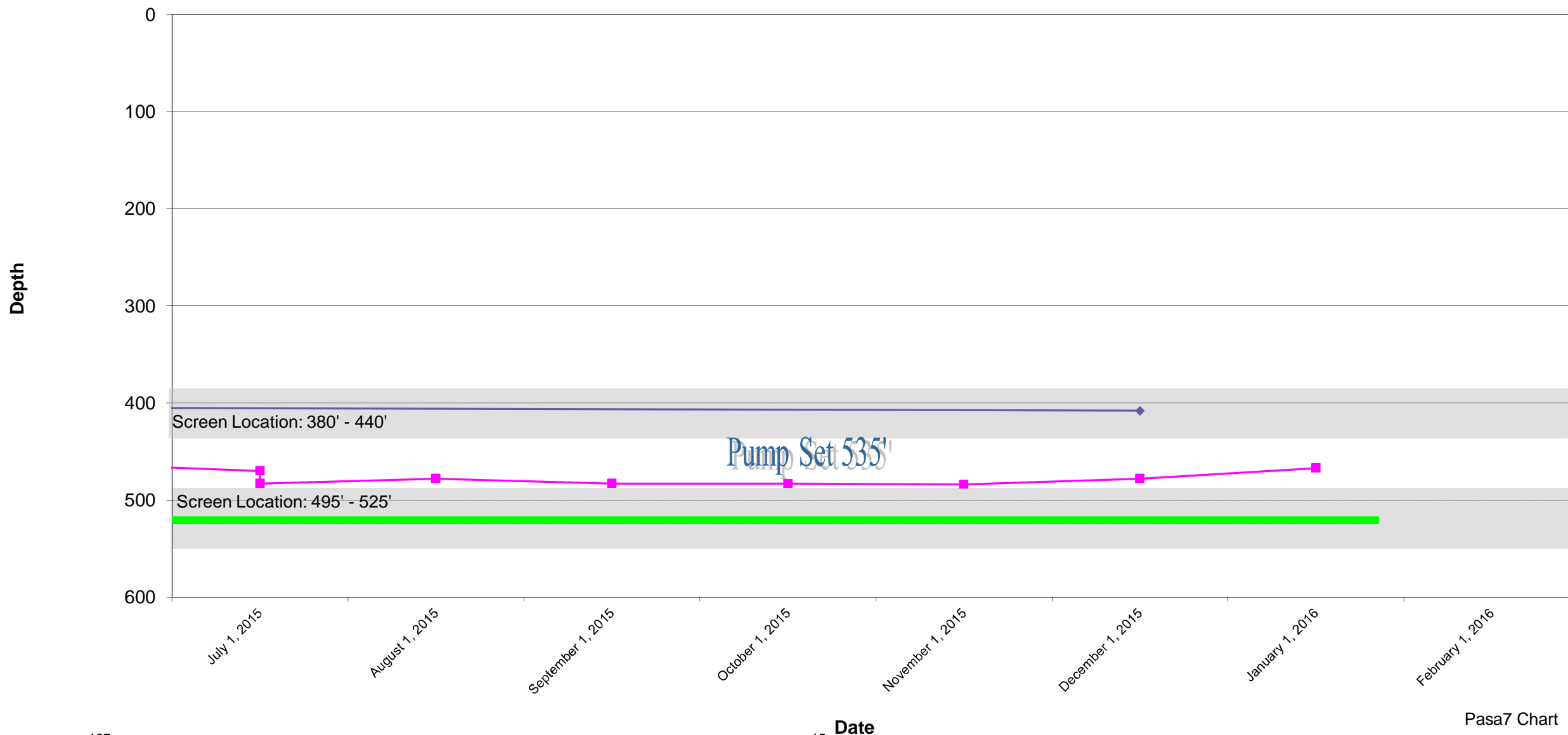
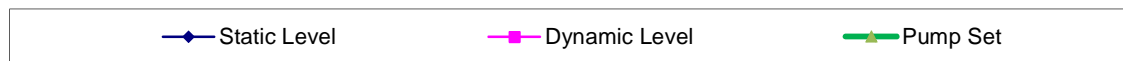
Location: Behind 3650 Graham Hill Rd.  
Elevation: 775'  
Installed: 5-30-91  
State Well #: 4410014-023  
Completed Depth: 796'





### SAN LORENZO VALLEY WATER DISTRICT Well Drawdown Report Pasatiempo 7

Location: South of Probation Center  
Elevation: 734' MSL  
Installed: July 21, 1990  
State Well #: 4410014-024  
Completed Depth: 540'



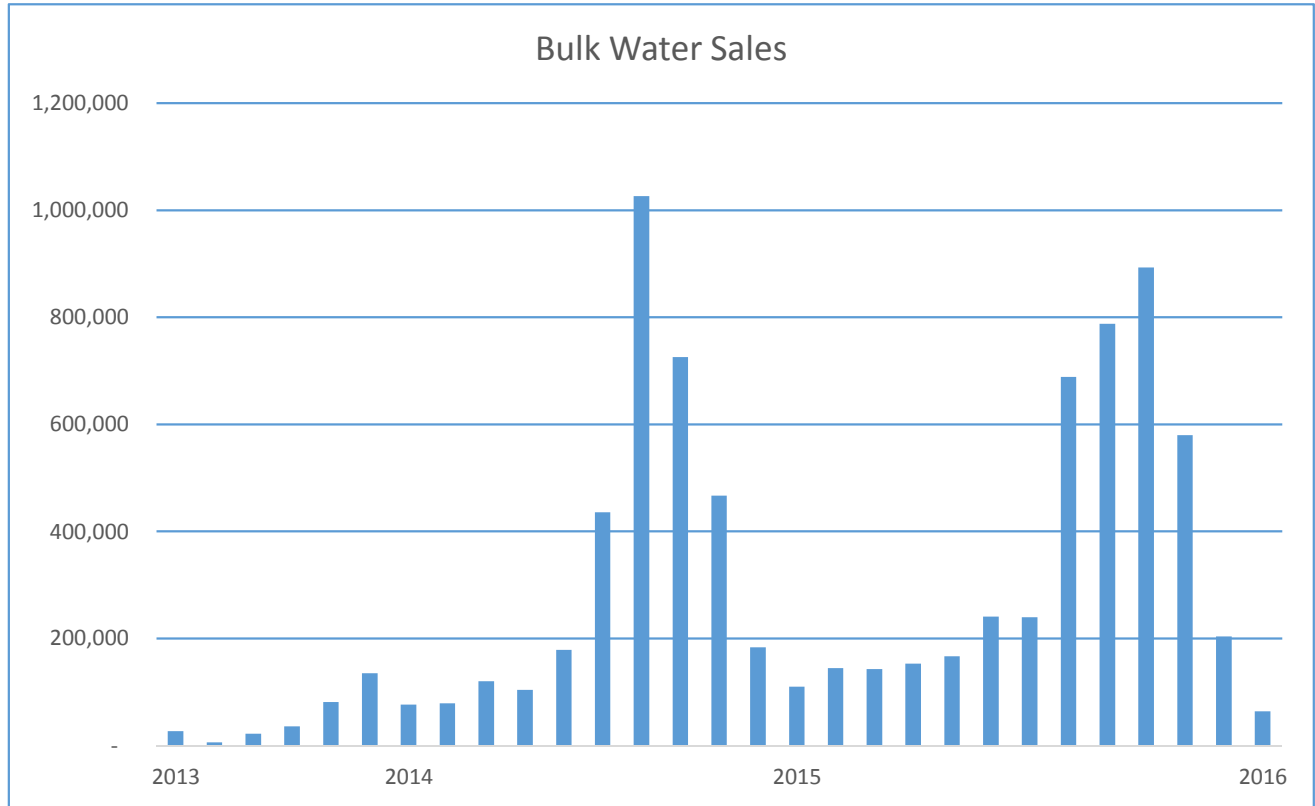
Agenda: 2.18.16  
Item: 8a1iii

# SAN LORENZO VALLEY WATER DISTRICT

## BULK WATER SALES

### GALLONS

### JANUARY 2016



<u>Month</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
January	26,928	76,296	109,965	63,850
February			144,364	
March	5,984	78,540	142,868	
April			152,592	
May	21,692	119,680	166,804	
June		103,972	240,983	
July	35,904	178,772	239,360	
August		435,336	688,160	
September	81,352	1,026,256	787,644	
October		725,560	893,112	
November	134,640	466,752	579,700	
December		183,260	203,456	
<b>Totals</b>	<b>306,500</b>	<b>3,211,164</b>	<b>4,349,008</b>	

SAN LORENZO VALLEY WATER DISTRICT  
 MONTHLY LEAK REPORT  
 January 2016 2015

Agenda: 2.18.16  
 Item: 8a1iii

NORTH SYSTEM

Leak Type	Location	Town	Gallons Lost
Main Leak	1540 Jackson Ave	Ben Lomond	23,085
Main Leak	Brookside Dr. & Ono Way	Boulder Creek	1,468
Main Leak	North side of Irwin Way Bridge	Boulder Creek	18,000
Main Leak	126 Moon Ridge	Brookdale	6,408
Sub Total North			48,961

FELTON SYSTEM

Service Line	5734 Plateau Dr	Felton	3,296
Sub Total Felton			3,296

MANANA WOODS

Sub Total Manana 0

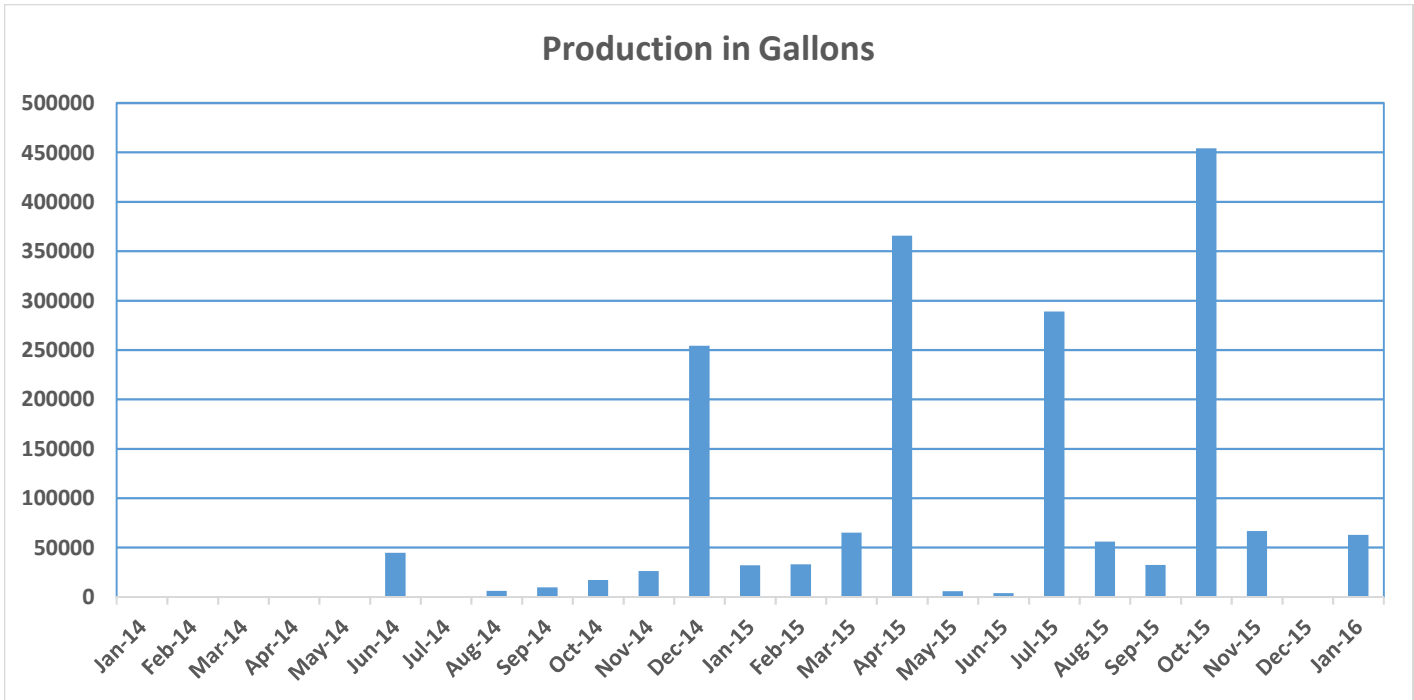
Total All Systems 52,257



San Lorenzo Valley Water District  
Authorized Unmetered Water Use  
Gallons  
January 2016

<u>North System</u>	Monthly Total	Yearly Total
Mainline Flushing		
Tank Leakage Redwood Tanks	361,584	
Probation	1.2 GPM	
Upper Swim	6.2 GPM	
Blue Ridge	0.4 GPM	
Echo	0.1 GPM	
*Highland	0.2 GPM	
Process Water	100,656	
Lyon CL2 Analyzer	0.02 GPM	
Quail 5 CL2 Analyzer	0.11 GPM	
Olympia CL2 Analyzer	1.32 GPM	
Paso 5a CL2 Analyzer	0.70 GPM	
Firefighting		
Tank Overflow	0	
Waste Water	0	
Sub Total North	<u>462,240</u>	
 <u>Felton Water System</u>		
Mainline Flushing		
Tank Leakage El Solyo	0.2 GPM	8,928
Process Water		
Kirby WTP Analyzers	0.80 GPM	
Firefighting		
Tank Overflow		
Sub Total Felton		<u>44,640</u>
 <u>Manana Wood System</u>		
Mainline Flushing		
Tank Leakage		
Process Water		
Firefighting		
Tank Overflow		
Sub Total Manana Woods		0
Total all System		<u>506,880</u>
*New in October		

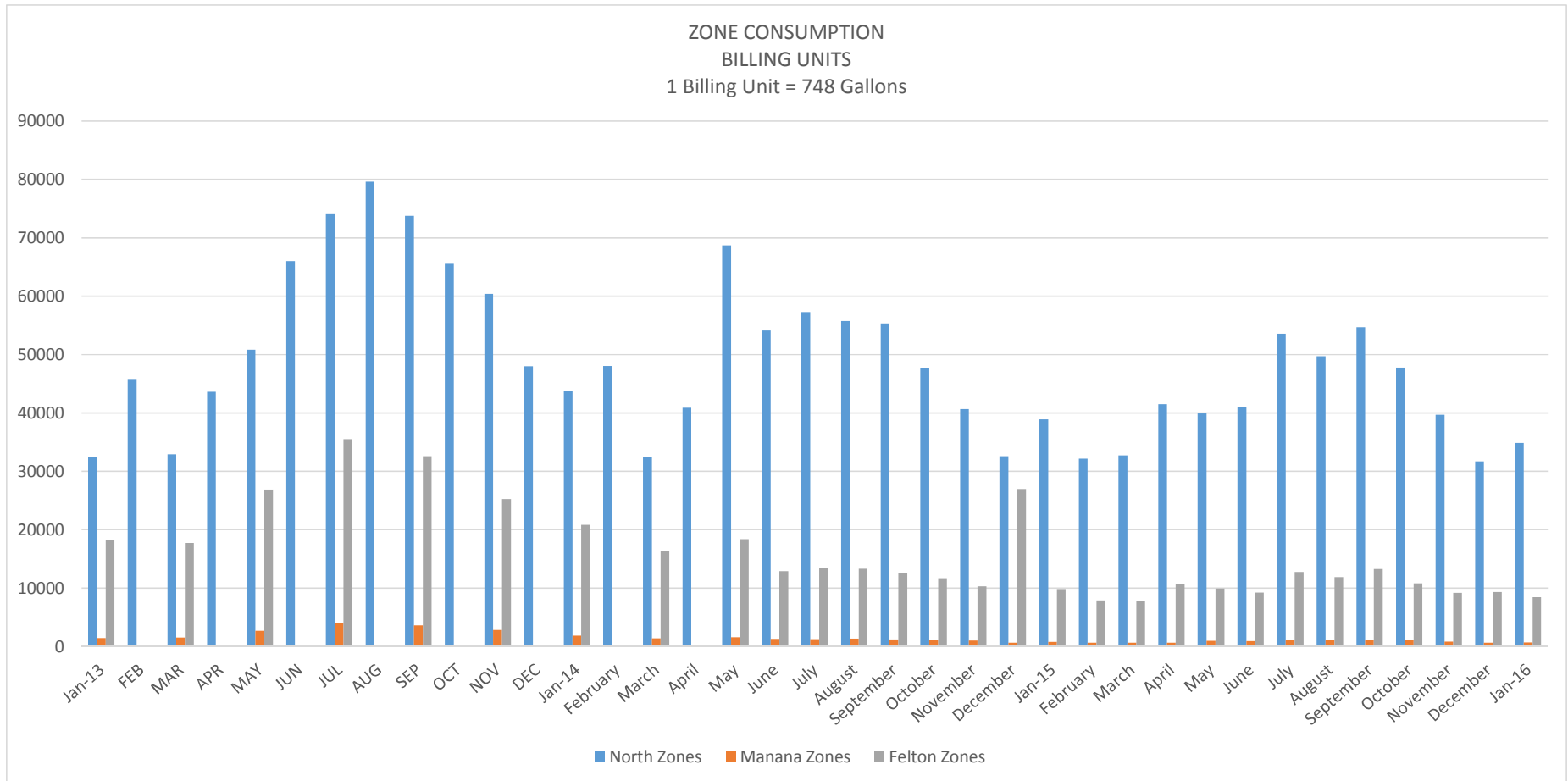
**SAN LORENZO VALLEY WATER DISTRICT  
LOMPICO INTERTIE  
JANUARY 2016**



Month / Year	2014	2015	2016
January		32,164	62,641
February		32,912	
March		65,076	
April		365,540	
May		3,740	
June	44,800	3,740	
July		288,728	
August	5,984	55,934	
September	9,724	32,252	
October	17,204	454,036	
November	26,180	66,572	
December	254,320	0	
<b>Totals</b>	<b>358,212</b>	<b>1,400,694</b>	<b>62,641</b>

# SAN LORENZO VALLEY WATER DISTRICT

## Consumption by Zone



SAN LORENZO VALLEY WATER DISTRICT  
CONSUMPTION BY ZONE

Zones	Jan-13	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	0	742	0	684	0	1053	0	1315	0	1267	2	1204
2	0	174	0	199	0	486	0	631	0	519	0	458
3	0	436	0	399	0	653	0	814	0	850	5	676
4	1	14856	0	13189	16	20742	5	25687	18	20923	8	15756
5	0	2782	0	2430	3	4121	1	4676	5	3612	0	2820
6	0	100	0	90	0	105	0	157	0	104	0	82
7	0	118	0	147	0	315	0	333	0	297	0	266
8	52	9308	19	9210	60	13143	52	15349	107	12132	123	9060
9	0	622	0	701	0	1182	0	1671	0	1289	0	907
10	0	231	0	66	0	122	0	278	0	188	0	152
11	0	1144	2	1180	9	1869	0	2131	0	2353	6	1613
12	0	18	0	20	0	48	0	47	0	42	0	39
13	0	694	0	668	14	1198	0	1420	2	1117	0	828
14	0	1024	0	981	0	1837	0	2144	0	1648	5	1251
15	0	13	0	33	0	58	0	74	0	54	0	37
16	12023	9045	12059	9786	16486	13371	25131	16108	27729	13526	20690	7555
17	0	592	0	569	0	736	0	891	2	707	10	674
18	8	1752	0	1457	0	2087	1	2386	0	2001	1	1907
19	2	608	0	538	1	815	5	869	1	842	0	796
20	1203	12	1359	9	2262	12	3325	44	2985	12	2900	11
21	5759	0	5447	3	8307	0	12741	7	12050	2	9618	0
22	12014	0	12416	0	20676	11	28212	29	26767	24	23624	0
23	1340	0	1567	0	2932	0	4511	30	4056	9	3360	0
24	26	1408	26	1284	55	2060	36	2521	40	2062	29	1902
<b>North Totals</b>	<b>32428</b>	<b>45679</b>	<b>32895</b>	<b>43643</b>	<b>50821</b>	<b>66024</b>	<b>74020</b>	<b>79612</b>	<b>73762</b>	<b>65580</b>	<b>60381</b>	<b>47994</b>
25	1053	0	1118	0	1773	0	3000	0	2760	0	2136	0
26	302	0	332	0	855	0	937	0	725	0	561	0
27	55	0	65	0	80	0	136	0	121	0	105	0
<b>Manana Totals</b>	<b>1410</b>	<b>0</b>	<b>1515</b>	<b>0</b>	<b>2708</b>	<b>0</b>	<b>4073</b>	<b>0</b>	<b>3606</b>	<b>0</b>	<b>2802</b>	<b>0</b>
28	675	0	632	0	970	0	1308	0	935	0	827	0
29	185	0	177	0	436	0	699	0	637	0	464	0
30	514	0	580	0	691	0	991	8	1000	0	765	0
31	13634	0	13424	0	20483	14	27588	10	25615	12	19096	0
32	239	0	258	0	321	0	307	0	293	0	324	0
33	2978	0	2663	1	3984	0	4604	-54	4080	58	3777	0
<b>Felton Totals</b>	<b>18225</b>	<b>0</b>	<b>17734</b>	<b>1</b>	<b>26885</b>	<b>14</b>	<b>35497</b>	<b>-36</b>	<b>32560</b>	<b>70</b>	<b>25253</b>	<b>0</b>

SAN LORENZO VALLEY WATER DISTRICT  
CONSUMPTION BY ZONE

Agenda: 2.18.16  
Item: 8a1iii

Zones	Jan-14	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
1	0	911	0	686	616	548	514	562	492	457	411	300
2	0	397	0	279	228	197	190	214	217	149	167	92
3	0	577	0	422	373	284	311	389	266	310	235	163
4	17	14471	5	12306	10732	9023	9868	9573	8845	8286	6338	5540
5	5	2647	-22	2116	1829	1600	1654	1652	1407	1291	1184	854
6	2	104	0	89	71	52	53	51	44	42	45	41
7	0	215	81	134	133	94	106	101	107	89	61	41
8	238	9707	0	8387	5879	5312	6271	5501	6341	5593	4051	3837
9	0	900	0	631	457	496	425	515	419	426	380	221
10	0	106	4	105	101	102	88	94	139	68	51	33
11	0	1533	0	1109	789	716	700	644	725	542	545	379
12	0	22	0	25	29	18	17	20	40	18	19	6
13	2	887	0	721	648	484	561	515	457	472	327	261
14	0	1258	0	902	756	702	761	704	653	691	466	354
15	0	33	11804	30	26	30	32	18	19	19	12	8
16	15851	9694	0	9163	18029	14392	14747	15650	14297	11712	10482	7978
17	0	578	0	490	306	263	302	273	309	260	222	325
18	7	1747	0	1481	1578	947	957	868	1034	799	823	533
19	1	762	0	544	417	317	351	320	363	301	321	194
20	1973	11	1334	15	1487	1060	1203	987	964	971	778	593
21	7125	25	5372	0	6284	4518	4780	4705	4212	3912	3450	3327
22	16003	11	12196	2	14711	10524	10920	10121	11515	9124	8293	6193
23	2451	0	1634	0	1960	1562	1315	1264	1472	1215	1045	730
24	33	1474	31	1286	1260	920	1172	990	969	894	927	604
<b>North Totals</b>	<b>43708</b>	<b>48070</b>	<b>32439</b>	<b>40923</b>	<b>68699</b>	<b>54161</b>	<b>57298</b>	<b>55731</b>	<b>55306</b>	<b>47641</b>	<b>40633</b>	<b>32607</b>
25	1435	0	1049	0	1172	1008	973	1025	909	830	777	514
26	404	0	300	0	348	250	245	286	237	210	206	133
27	49	0	40	0	47	21	23	22	22	19	31	12
<b>Manana Totals</b>	<b>1888</b>	<b>0</b>	<b>1389</b>	<b>0</b>	<b>1567</b>	<b>1279</b>	<b>1241</b>	<b>1333</b>	<b>1168</b>	<b>1059</b>	<b>1014</b>	<b>659</b>
28	730	0	541	0	602	412	375	466	345	355	326	229
29	311	0	182	0	317	248	286	257	248	247	173	138
30	640	0	457	0	526	355	414	319	300	333	246	183
31	15707	3	12246	1	13736	9945	10294	10341	9717	8968	7894	25290
32	289	0	345	0	426	260	266	243	276	229	241	155
33	3134	0	2584	0	2782	1690	1802	1700	1683	1555	1424	966
<b>Felton Totals</b>	<b>20811</b>	<b>3</b>	<b>16355</b>	<b>1</b>	<b>18389</b>	<b>12910</b>	<b>13437</b>	<b>13326</b>	<b>12569</b>	<b>11687</b>	<b>10304</b>	<b>26961</b>

SAN LORENZO VALLEY WATER DISTRICT  
CONSUMPTION BY ZONE

Zones	Jan-15	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
1	326	311	347	322	397	375	402	458	415	425	343	258
2	83	81	121	183	170	164	189	223	237	221	196	94
3	189	185	203	220	208	237	326	253	291	274	229	166
4	6869	5450	5779	7138	6624	7035	9539	7914	8396	7595	5959	5021
5	1724	944	1032	1115	1169	1405	1512	1356	1652	1463	1085	976
6	60	44	51	49	52	51	52	62	63	60	48	36
7	71	59	64	78	67	68	100	89	114	82	70	66
8	4567	3788	3864	4590	4438	4849	6115	5352	6775	5380	4144	3964
9	302	255	287	340	274	293	386	353	466	363	301	151
10	54	41	40	59	55	75	85	68	70	79	45	32
11	649	464	401	538	468	528	709	571	667	654	514	426
12	13	10	12	15	12	15	17	17	17	23	12	6
13	437	270	298	391	350	390	508	383	507	407	399	249
14	516	415	428	589	514	538	689	595	846	617	439	368
15	8	8	15	20	17	18	27	14	44	23	14	12
16	8729	7826	8767	10388	10232	10971	13128	13307	14181	13525	10530	7906
17	282	217	214	258	226	281	268	258	314	234	228	265
18	827	673	674	810	705	717	911	776	962	755	737	586
19	284	246	256	312	264	261	317	280	373	278	295	212
20	742	597	605	823	761	732	1018	889	940	1013	789	590
21	3367	2493	2587	3317	3984	3259	5163	5226	4947	4679	4120	3026
22	7333	6458	5402	8115	7125	7006	9817	9032	9940	7359	7438	6031
23	720	761	716	1160	937	979	1331	1187	1561	1327	1079	711
24	736	584	592	684	867	715	935	1063	929	929	696	536
<b>North Totals</b>	<b>38888</b>	<b>32180</b>	<b>32755</b>	<b>41514</b>	<b>39916</b>	<b>40962</b>	<b>53544</b>	<b>49726</b>	<b>54707</b>	<b>47765</b>	<b>39710</b>	<b>31688</b>
25	576	524	506	667	774	701	857	920	877	884	667	528
26	154	132	141	165	202	177	219	220	201	225	164	137
27	25	17	21	18	14	15	20	22	36	23	15	9
<b>Manana Totals</b>	<b>755</b>	<b>673</b>	<b>668</b>	<b>850</b>	<b>990</b>	<b>893</b>	<b>1096</b>	<b>1162</b>	<b>1114</b>	<b>1132</b>	<b>846</b>	<b>674</b>
28	264	227	206	276	288	259	322	374	364	208	148	124
29	158	130	125	179	140	154	234	198	243	185	171	179
30	239	193	191	268	286	231	333	256	307	271	236	212
31	7477	6048	5906	8188	7683	7018	9736	9279	10208	8432	7030	7588
32	231	176	210	236	207	212	268	244	359	275	297	173
33	1446	1108	1175	1590	1346	1350	1877	1548	1772	1445	1324	1043
<b>Felton Totals</b>	<b>9815</b>	<b>7882</b>	<b>7813</b>	<b>10737</b>	<b>9950</b>	<b>9224</b>	<b>12770</b>	<b>11899</b>	<b>13253</b>	<b>10816</b>	<b>9206</b>	<b>9319</b>

SAN LORENZO VALLEY WATER DISTRICT  
CONSUMPTION BY ZONE

Zones	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
1	328.68											
2	76											
3	437											
4	7122											
5	1235											
6	46											
7	65											
8	3970											
9	227											
10	42											
11	527											
12	6											
13	311											
14	405											
15	14											
16	8487											
17	284											
18	755											
19	267											
20	661											
21	3036											
22	4955											
23	535											
24	1063											
<b>North Totals</b>	<b>34854.68</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
25	529											
26	160											
27	17											
<b>Manana Totals</b>	<b>706</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
28	133											
29	350											
30	195											
31	6347											
32	223											
33	1176											
<b>Felton Totals</b>	<b>8424</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**San Lorenzo Valley Water District  
Emergency Interties 2, 3, & 4  
Construction Project Status  
January 2016**

Notice To Proceed	1/15/15	Contract Value	\$5,733,682.50
Total Contract Duration (Calendar Days)	365	Contract Value Added	\$170,550.04
Time Extensions (Calendar Days)	47	Contract Value Subtracted	(\$242,668.84)
Revised Total Contract Duration (Calendar Days)	412	Contract Value Net Change	(\$72,118.80)
Contract End Date	03/02/16	Revised Contract Value	\$5,661,563
Contract Days Elapsed (through meeting date)	391	No. of Change Orders Issued & Approved	19
Contract Days Remaining	21	Pending Change Order#	1

**Approved Change Orders**

	Description	Increase	Decrease
1	Revisions to contract, order of precedence	0	
2	SCADA Installation Interties ¾	118,286.00	
3	Intertie ¾ Electrical Services	0	
4	Progress payment retention	0	
5	Utility Crossing Station 109+80, 116+75, and 118+40 install pipe above instead of below -	10,005.00	10,005.00
6	Pump station 2/3 add membrane waterproofing to outside face stem wall of the interior.	2,479.40	
7	Pump Station 2, provide pressure gages, remove SCADA control		182,995.00
8	Generator receptacle Intertie No ¾		2,426.00
9	Relocation of lighting panelboard, additional wiring gutter, and wall mount transformer Pump Station 2	2,788.75	
10	Shallow trench storm drain Lockwood Lane, exploratory potholing and temporary kicker	10,126.20	
11	Install electrical disconnect Pump Station 2	3,049.80	
12	Additional tee and valve at Probation Tank	4,341.17	
13	Seal perimeter of steel plates welded to Conference Drive Bridge. Increase two working days.	7,192.29	
14	Delete CMU block filler and paint		4,780.55
15	Time extension four working days. Roaring Camp Thomas the Train, and water service install	-0-	-0-
16	Bridge Railing, Fire Service Casing, & Bridge Pipe Brackets		35,270.32
17	Lockwood Lane Connection Tie-In		812.29
18	Increased areas of roadway requiring paving and slurry sealing	5,901.75	
19	27 calendar day extension PG&E delay	-0-	-0-



## CONSTRUCTION UPDATE:

On November 6, 2014 the Board of Directors awarded construction of Interties 2, 3, & 4 to Monterey Peninsula Engineering totaling \$5,733,682.50. During the reporting period the Biologist continued performing Worker Environmental Awareness monitoring. The contractor completed with construction of Intertie 2 (SV to SLV) and is continuing with construction of Intertie 3/4 pump stations. Pipeline construction is 100% completed and water has moved through the pipeline from South to North as part of the project. During the reporting period punch list items were completed while waiting for PG&E to install power.

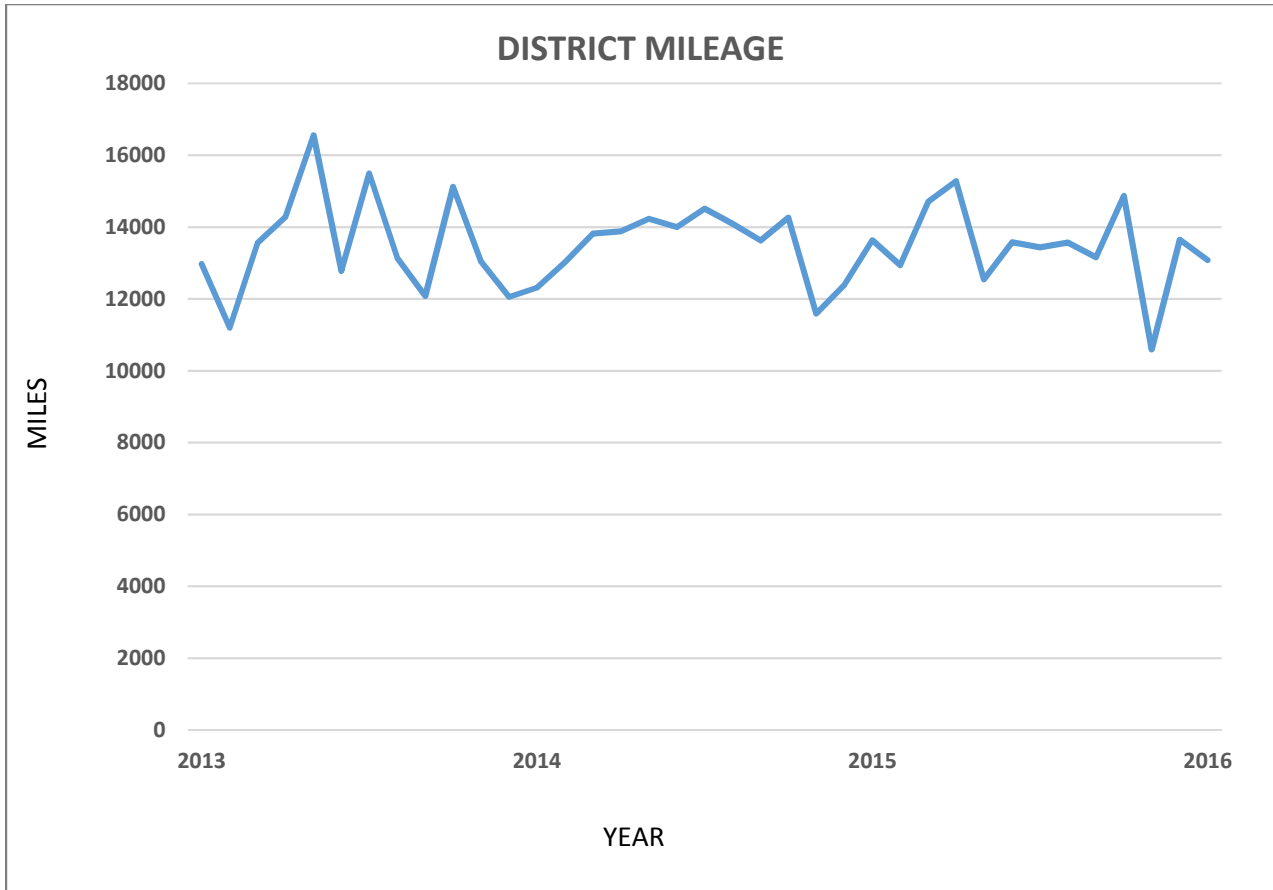
The project has a completion date of March 02, 2016 and is approximately 97% completed.

Agenda: 2.18.16  
Item: 8a1iii

# SAN LORENZO VALLEY WATER DISTRICT

## VEHICLE MILEAGE

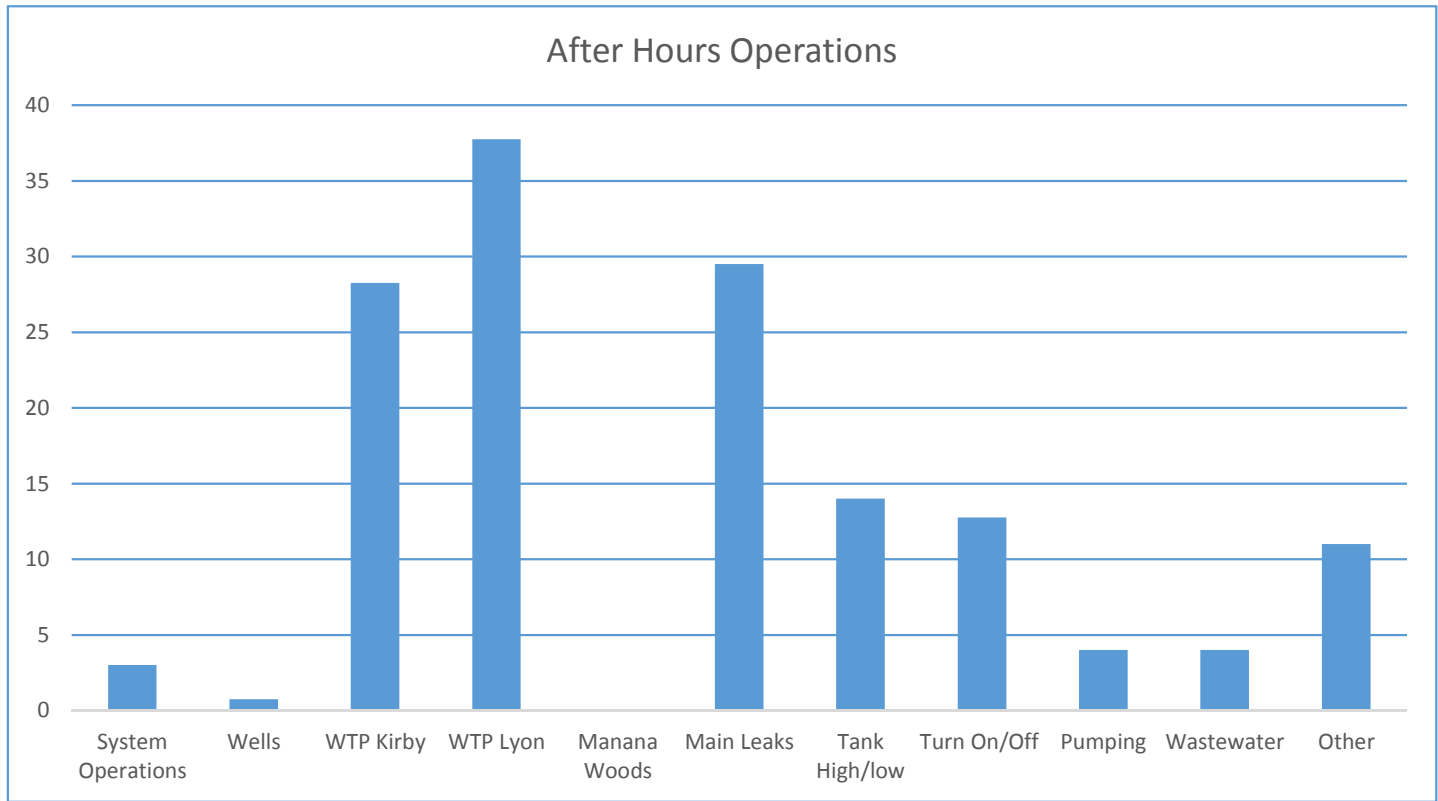
### JANUARY 2016



Month	2013	2014	2015	2016
January	12,976	12,317	13,633	13,082
February	11,201	13,015	12,934	
March	13,558	13,817	14,714	
April	14,283	13,883	15,279	
May	16,560	14,228	12,550	
June	12,780	14,000	13,582	
July	15,497	14,519	13,441	
August	13,136	14,096	13,569	
September	12,087	13,622	13,137	
October	15,120	14,261	14,868	
November	13,046	11,594	10,591	
December	12,060	12,394	13,648	
<b>Totals</b>	<b>162,304</b>	<b>161,746</b>	<b>161,946</b>	<b>13,082</b>

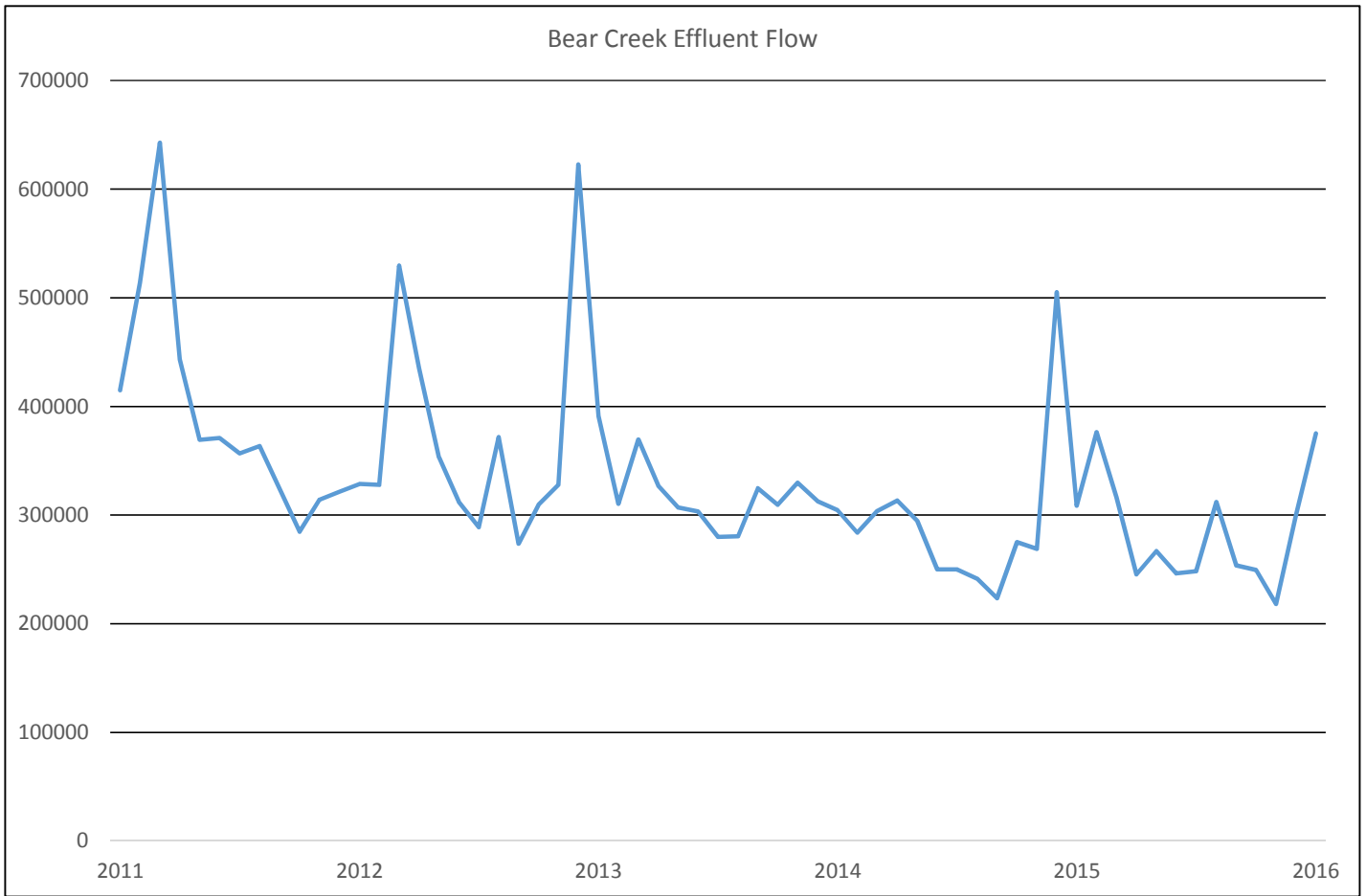
**SAN LORENZO VALLEY WATER DISTRICT  
OPERATIONS DEPARTMENT  
JANUARY 2016**

Agenda: 2.18.16  
Item: 8a1iii



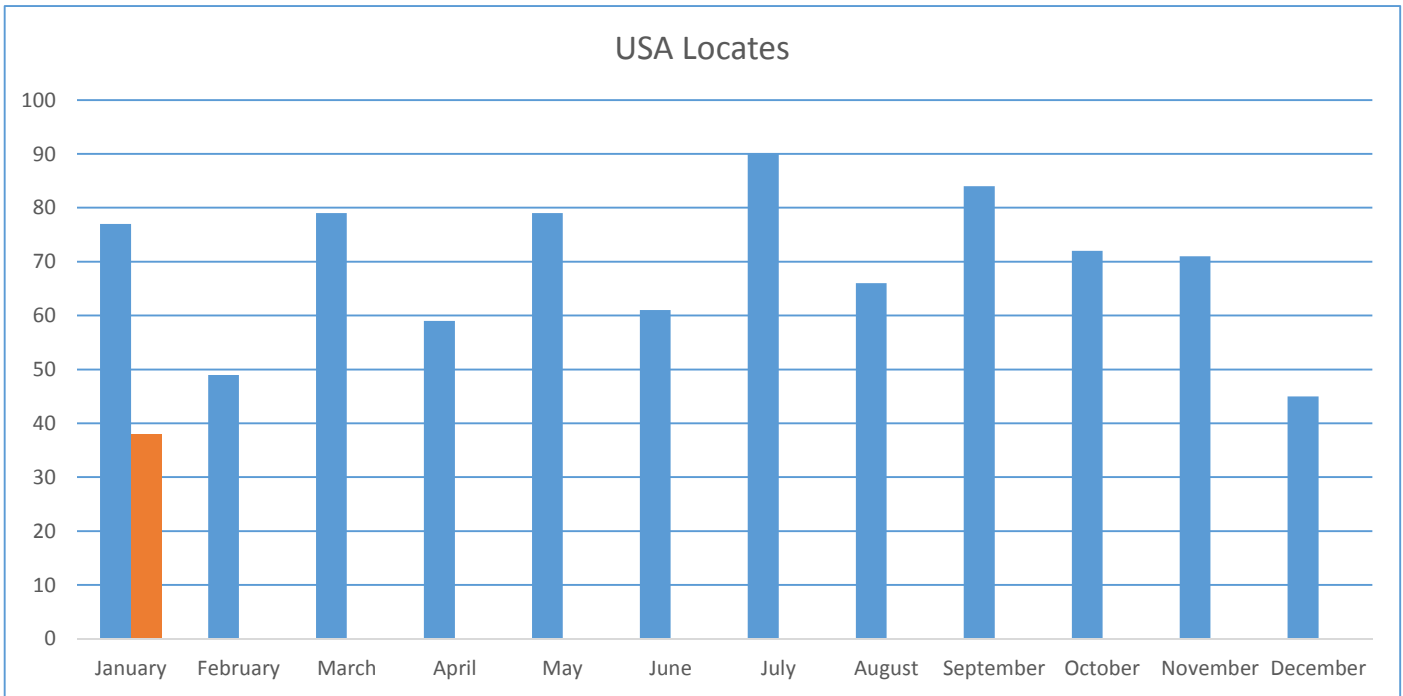
<u>Description</u>	<u>Hours</u>	January	2015	2016
			N/A	145
System Operations	3	February	N/A	
Wells	0.75	March	N/A	
WTP Kirby	28.25	April	82.50	
WTP Lyon	37.75	May	104.75	
Manana Woods	0	June	172.50	
Main Leaks	29.5	July	124.25	
Tank High/low	14	August	111.75	
Turn On/Off	12.75	September	230.25	
Pumping	4	October	128.25	
Wastewater	4	November	114.25	
Other	11	December	186.25	
<b>Total</b>	<b>145</b>		<b>1254.75</b>	<b>145.00</b>

SAN LORENZO VALLEY WATER DISTRICT  
 BEAR CREEK ESTATES WASTEWATER  
 JANUARY 2016



Month/Year	2011	2012	2013	2014	2015	2016
January	414,900	328,500	391,200	304,700	308,500	375,200
February	513,700	327,600	310,100	283,800	376,100	
March	642,800	529,700	369,500	303,800	316,100	
April	443,400	435,300	326,800	313,200	245,500	
May	369,200	353,200	306,900	294,400	266,700	
June	370,800	311,900	303,300	250,000	246,200	
July	356,800	288,900	297,800	250,000	248,200	
August	363,400	371,800	280,400	241,500	311,900	
September	324,400	273,600	324,600	223,300	253,500	
October	284,700	309,400	304,900	274,900	249,300	
November	314,100	327,700	329,600	268,900	218,100	
December	321,500	622,500	312,900	505,100	300,200	
<b>Totals</b>	<b>4,719,700</b>	<b>4,480,100</b>	<b>3,858,000</b>	<b>3,513,600</b>	<b>3,340,300</b>	<b>375,200</b>

SAN LORENZO VALLEY WATER DISTRICT  
OPERATIONS DEPARTMENT  
JANUARY 2015



<u>Month</u>	<u>2015</u>	<u>2016</u>
January	77	38
February	49	
March	79	
April	59	
May	79	
June	61	
July	90	
August	66	
September	84	
October	72	
November	71	
December	45	
<b>Total to Date</b>	<b>832</b>	<b>38</b>



**Know what's below.  
Call before you dig.**

Minutes of the Special Meeting of the  
Environmental, Engineering and Planning Committee  
February 3, 2016 10 a.m.

Meeting was convened by Director Ratcliffe at 10:01, roll call showed Directors Hammer and Ratcliffe were present. The new public member will be at the next regular meeting in late February.

Oral Communication: Fred McPherson spoke about progress made on the fall Creek video project.

Old Business:

3a Fish Ladder Update by Jen Michelsen.

The district was recently notified of a new, extended permit requirement by NOAA. Under this new interpretation, the streamlined permit coordination currently underway by RCD will not be acceptable. Staff will complete the plans and submit them for full agency review, including Army Corps. This will delay the process by approximately one year, and affect district operations because environmental staff time will be substantially devoted to this one project. The engineering aspect of the fish ladder is not affected. District Manager Lee suggested a change of focus for the Felton zone, from Fall Creek to Bull and Bennett in the coming year. Funds currently slated for the fish ladder could be used to upgrade these pipelines.

3b Interties 2,3 and 4 Update

This project is substantially complete. The anticipated start date for these facilities is early March. DM Lee says there is a 'hiccup' with the paving on Graham Hill Road. The County has not approved the paving, and wants the entire job redone, due to unsatisfactory asphalt grooving. DM Lee suggested hiring a third-party paving expert to evaluate the situation, as it is an unusual standard. Director Hammer asked for clarification about liability; the County is satisfied to leave it until dry season for repaving. Director Ratcliffe inquired about state reimbursement; this is not affected by the paving controversy.

New Business:

4a Energy generation ideas, including ACWA conference information, were presented by Director Ratcliffe. ACWA preferred provider programs can provide us a free feasibility assessment of inline hydro generation. This is an excellent, cost-effective alternative to our limited solar capacity. Consensus was for further investigation of this option, Director Ratcliffe will forward contacts to DM Lee for follow-up.

4b Classic Watershed Education Grants

Staff outlined the schedule for the 2016 grant process. The announcement will be published Feb. 8, deadline on March 9, and grants are anticipated to be awarded at the April 7 Board meeting.

Informational Material: none

Director Ratcliffe adjourned the meeting at approximately 12.

**FERN DRIVE BRIDGE REPLACEMENT PROJECT  
COMMUNITY INFORMATION MEETING**

RECEIVED

FEB 04 2016

SAN LORENZO VALLEY  
WATER DISTRICT

The Santa Cruz County Department of Public Works will be hosting a community meeting on the Fern Drive Bridge Replacement Project on Monday February 29, 2016 at 6:30 p.m. at Camp Campbell, Boulder Creek.

The meeting will include discussion of the proposed bridge design alternatives, environmental mitigation measures, permit and agency approvals required, tentative project design schedule and construction timing, and a question and answer period.

Contact: Martha Shedden, 831.454.2802, [martha.shedden@santacruzcounty.us](mailto:martha.shedden@santacruzcounty.us)

**COMMUNITY MEETING**

**WHEN:** Monday February 29, 2016 at 6:30 p.m.

**WHERE:** YMCA Camp Campbell, 16275 Highway 9, Boulder Creek, CA

