

Aerial view of Georgetown Divide Public
Utility District via Google Earth



GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Proposal for:

**Water and Wastewater Cost of
Service Analysis and Rate Study**

February 23, 2024



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

nbsgov.com

COVER LETTER

February 23, 2024

Elizabeth Olson
District Executive Assistant
Georgetown Divide Public Utility District
6425 Main Street
Georgetown, CA 95634

RE: Proposal for Water and Wastewater Cost of Service Analysis and Rate Study

Dear Ms. Olson,

Thank you for the opportunity to provide a proposal for the District's Water and Wastewater Cost of Service Analysis and Rate Study. Our proposal is structured to perform a comprehensive review of the current rate structure, develop final recommendations, and clearly communicate the results to the District's customers. The study report will also provide the administrative record necessary to comply with Proposition 218. Some of the key benefits of our proposal include:

- **Ensuring Revenue Sufficiency and Stability:** NBS will review all revenue sources and develop a financial plan that will fully fund the District's operating, maintenance, and capital improvements costs, as well as meet other financial obligations, such as debt service requirements and adequate reserve levels. This will include a cost-of-service analysis and a review of the current rate structure to ensure revenue stability.
- **Defensibility and Meeting Legal Requirements:** NBS will provide the expertise required to navigate the requirements under Proposition 218, AB 755 and other best methods to ensure new water (treated and raw) and wastewater rates are defensible and in line with industry standards. Our ultimate goal is to ensure that the study recommendations are legally defensible, comply with industry standards, are founded on reasonable assumptions, and are designed to meet the broader objectives of the District and its ratepayers.
- **Support with the New Rate Adoption Process:** NBS will assist District staff in communicating the outcomes and recommendations of the study in presentations to the public and with the Board of Directors.

In response to the RFP, please see the following responses regarding this Cover Letter

- *Proposer's legal name and corporate structure:* **NBS Government Finance Group; 100% employee-owned S-Corporation.**
- *Proposer's name, address, telephone number, and email:* **Jeremy Tamargo; 32605 Temecula Pkwy, Suite 100, Temecula, CA 92592; T: 800.434.8349 E: jtamargo@nbsgov.com**
- *Identification of use of subcontractors and scope of work to be performed by subcontractors:* **None. All work will be performed in-house by the employee-owners of NBS.**
- *Identification of any pending litigation against the proposer:* **None**

- Disclosure of any bankruptcy or insolvency proceedings in the last ten (10) years: **None.**
- Statement of the proposer’s credentials to deliver the services sought under the RFP: **Since 1996, NBS has supported California municipalities with the implementation and ongoing administration of local funding tools. We focus on sustainable water and wastewater utility rate programs, cost allocation plans, cost recovery, and legally justified fee design. Across all practice areas, we have worked with more than 500 public agencies to date, including cities, counties, school districts, utilities, and special districts. Our proposal is structured to perform a comprehensive review of the current rate structure, develop final recommendations, and clearly communicate the results to the District’s customers.**
- Statement indicating the proposal remains valid for at least 120 days: **The proposal remains valid for 120 days.**
- Statement that the proposer or any individual who will perform work for the proposer is free of any conflict of interest (e.g., employment by the District): **The proposer and all individuals who will perform work for the proposer are free of any conflicts of interest.**

Please contact me at 800.434.8349 or via email at jtamargo@nbsgov.com if you have any questions or would like to discuss our professional qualifications further. We would genuinely like to work on this project and help the District move forward successfully. As time is of the essence for this study, NBS staff are available to work immediately on this project and to perform the work within the timeline proposed.

Sincerely,



Jeremy Tamargo
Associate Director/Project Manager



Michael Rentner, Authorized Signer
President

TABLE OF CONTENTS

1 | SCOPE OF WORK 1

2 | RELEVANT EXPERIENCE AND EXPERTISE..... 8

3 | PROJECT TEAM..... 12

4 | QUALITY ASSURANCE AND CONTROL / CONFLICTS 22

5 | CLIENT REFERENCES 23

6 | CONTRACT AND INSURANCE REQUIREMENTS 25

7 | WORK PLAN AND SCHEDULE 26

8 | ADDENDA..... 27

APPENDIX | COST OF SERVICES 28



1 | SCOPE OF WORK

Water and Wastewater Rate Study

NBS will work cooperatively with District staff, management and the Board of Directors, to develop a financial plan and rate recommendations that are well suited to the District's needs, are practical and implementable, and can be confidently defended from both a technical and legal perspective.

The scope of services NBS offers for completing the study is presented in this section. We will also be prepared to make adjustments during the course of the study to reflect the direction of District staff and stakeholders as the study progresses. NBS will provide the leadership necessary to guide you through the various options, key concerns, and explaining the issues involved. These tasks serve as the basis for the proposed budget for this study.

TASK 1. KICKOFF MEETING AND DATA COLLECTION

NBS will hold a kick-off meeting with District staff at the beginning of the study. The kick-off meeting will be used to review and discuss the data from the billing/accounting system and data requirements in general and review study objectives, tasks, and schedule. A preliminary plan for public presentations will be discussed with the District during this meeting. The data the District will need to provide includes customer account information, such as:

- Customer billing information that includes: meter sizes, customer class and monthly water consumption for each customer (Excel file preferred).
- Financial data typically reported in financial statements.
- Capital Improvement and/or Master Plans (CIP projects by name, cost, and timing).

TASK 2. FINANCIAL PLAN

NBS will prepare a detailed financial plan for the water (treated and raw) and wastewater utilities that includes revenue, expenditures, reserves, debt coverage ratios, capital improvement costs, repair and replacement costs and net revenue requirements. Task deliverables will include:

- Financial projection model that will serve as a financial "roadmap" for the water (treated and raw) and wastewater utilities.
- Summary of current and projected net revenue requirements.
- Update reserve fund policies and targets potentially including reserves for operations, rate stabilization, repair and replacement, debt service and capital projects.
- Projected year-end reserve fund levels.
- Calculated debt service coverage ratios.
- Three alternatives (i.e., annual rate increases) that meet projected net revenue requirements.
- Funding sources (cash vs. debt) for capital improvements.

This financial plan will lay the groundwork for the cost-of-service and rate design analyses addressed in Tasks 3 and 4. The following are subtasks to the Financial Plan:

Projected Revenues and Expenditures – Using a cash-basis reflecting the District's system of accounts, NBS will prepare a projection of revenues, expenses, and increases in rate revenue needed to meet all obligations. This will provide the District with a financial planning tool to plan for rate adjustments to

address operating and maintenance costs, infrastructure improvements, asset replacement and maintaining appropriate reserve fund levels. The District's projected customer growth rates from master plan documents and planned cost inflation factors will be incorporated in this analysis.

Evaluate Reserve Fund Sufficiency – NBS will evaluate the sufficiency of existing reserve funds, target reserves, reserve fund policies, and related issues such as meeting debt service coverage ratios and other rate covenants. We will provide recommendations for reserve fund targets that are tailored to the District's specific needs such as operating, capital rehabilitation/replacement, rate stabilization and catastrophes, etc. We will develop a phased-in approach to funding reserves to minimize the impact on ratepayers.

Review Capital Improvement Program Funding – NBS will incorporate District plans for new facilities, infrastructure improvements, and asset replacement plans into the financial plan. We will evaluate the timing, costs, and available reserves used to fund various projects. We will work with District staff to develop a well-conceived approach to funding these capital needs, which may include an appropriate balance between debt-funded and cash-funded projects. The recommended solution will provide an appropriate balance between funding from rates, system development fees and, if necessary, the use of outside financing. Up to three levels of capital improvement program funding will be developed in the study for comparison purposes.

TASK 3. COST OF SERVICE ANALYSIS

Using the net revenue requirements developed in Task 2, NBS will equitably allocate costs to individual customer classes based on cost-of-service principles that comply with Prop 218. NBS will review and incorporate the historical consumption characteristics by customer class, including changes related to Covid-19 impacts, and determine how to best project future water consumption.

3.1 Water (Treated and Raw) Cost-of-Service Analysis

NBS will prepare a cost-of-service analysis to equitably allocate the revenue requirements to the individual customer classes based on industry standards. We will review existing customer classes and analyze the historical characteristics of each customer class. The main components of the cost-of-service analysis are as follows:

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

3.2 Sewer Cost-of-Service Analysis

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

wastewater treatment plant flow and loading data, and industry standard customer classification data. The cost allocation factors that will be developed include:

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

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

TASK 4. RATE DESIGN ANALYSIS

NBS will work with District staff to review the current rate structure and evaluate whether there are alternatives that better meet the District’s broader rate design goals and objectives. NBS will provide up to three water and wastewater rate structure alternatives for the District’s consideration, which will include the District’s existing rate structures and two alternatives. An evaluation of the pros and cons of each rate structure alternative will be included in this analysis. The following are subtasks to the Rate Design Analysis:

Develop Rate Design Recommendations – Utility rates will be developed based on the cost-of-service analyses, and we will include a discussion of the relative pros and cons of the current rate structure and the new alternatives. Evaluating the District’s desired rate complexity and resulting customer bills will be essential components of this process.

Criteria for Improving the Rate Design – When evaluating rate design, revenue sufficiency and financial resiliency are critical considerations. NBS’ general approach is to avoid significant **under-collection** of rate revenue, which is the worst-case scenario from a financial perspective. Other criteria for evaluating rate structures include:

- Ease of understanding the rate structure by customers.
- How costs allocated to fixed and volumetric rates affect revenue stability.
- How water conservation is reflected in the analysis.
- How summer peaking patterns are reflected in water rate design.
- How meter sizes are used in calculating fixed charges.
- The amount of revenue that should be collected within each tier.
- Impacts on customer monthly bills.
- How treatment plant costs are allocated to customers.
- Differences, if any, in collection system and general overhead and administrative costs and how they are allocated to various customers.
- Changes due to drought, conservation efforts, and Covid-19 over the last several years that may affect rates on a going-forward basis.
- The amount of revenue collected from fixed and variable charges (which can significantly impact customer bills).

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

Calculate Fixed and Volumetric Charges – Ideally, fixed charges should be used to cover fixed costs; however, due to the emphasis on using pricing signals to encourage conservation, this is rarely the case. As a result, many agencies have struggled with revenue stability during times of uncertain demands. Fixed charges will reflect the number of accounts, equivalent meters, and size of meters. In contrast, volumetric rates should cover variable costs and should be allocated in proportion to consumption. Determining the best combination of fixed and variable charges is also influenced by other factors, such as revenue stability, conservation, ease of understanding, and ease of administration. NBS will strive for an appropriate balance between fixed and variable charges.

Comparison of Customer Bills – In order to compare various financial plan and rate alternatives, we will prepare rate tables and bill comparisons for various customer classes to illustrate how the rate adjustments will affect customer bills. It is important to note that all rate structure alternatives will be “revenue neutral”: they all collect the same amount of revenue within each customer class. Basic customer bill comparisons will include:

- Impacts on customer bills for low-, average-, and high-strength customers.
- Impacts on single-family customer bills for low-, medium-, and high-consumption customers.
- Comparisons of customer bills based on the treatment plant cost allocation methodologies used.

TASK 5. REGIONAL BILL COMPARISON

NBS will compare current and proposed water and wastewater rates with up to ten neighboring communities to see how the District’s rates compare to other nearby water Agencies. The results of this comparison will be presented in the rate study report and in public presentations. The comparisons will provide District staff and Board of Directors with a basis to compare the cost of delivering service to customers in the region.

TASK 6. PREPARE ELECTRONIC RATE MODEL

NBS will develop the Excel-based rate model for use by District staff (users not limited) once the study is complete. The model will be custom-built to the District’s specific needs and will have the functionality to update revenue and expenses, prepare what-if scenarios, and determine annually if the proposed rate increase is needed, or if it can be modified or delayed. The model will have a dashboard where assumptions can be modified and will flow through to the rate alternative results, and a documentation tab that explains each tab and the interrelationships of each tab.

In addition, the model will include adjustable inflation factors and other variables and will graphically display charts and figures to communicate outcomes and recommendations. We will review the model with staff during the development of the rate study to make sure it meets the District’s requirements and preferences.

A training session can be provided with the District’s Project Manager at the conclusion of the study. The goal of this session will be to review all tabs in the model and to provide sufficient information for the District to accept the model and have the ability to use it going forward.

TASK 7. PREPARE RATE STUDY REPORT

NBS will prepare a draft study report that include proposed rates for the next five years for water and wastewater. An executive summary and introduction will present the purpose of the report and results of the study. Tables, graphs, and charts will be used as appropriate, but the emphasis will be on providing a clear, concise and understandable report that will provide the District with a thorough administrative record. Key assumptions, methodologies, and factors affecting the development of proposed rates will be highlighted with charts and graphs when helpful. However, more technical aspects of the study, particularly the tables documenting the calculations and sources of data, will be separately provided in technical appendices.

NBS will provide an electronic file in Microsoft Word format of the draft report for the District's review and comment. Once we have received the District's comments¹, we will incorporate those comments into a final report.

TASK 8. MEETINGS AND PRESENTATIONS

NBS plans to provide support to the District in public meetings to support the new rate adoption process. We will also plan to meet with District staff to review study results and recommendations throughout the project. The following meetings and presentations are anticipated for this study:

Meetings with District Staff – NBS proposes to hold progress meetings with District staff via conference call or web meeting format. These meetings will be used to review initial work products and gain input from Staff on the direction of the study. Prior to the public meetings, we also expect to have regular phone conversations with District staff to discuss how the study is proceeding, solicit input from Staff, and to review and discuss the study's initial results and work products. In addition, NBS will work with District Staff to discuss and understand talking points while continuously providing guidance on how to manage questions for community members to ensure a clear and transparent message.

Other Public Workshops/Presentations – NBS rate study staff will provide up to four (4) public workshops² including with a District Committee and Board of Directors. The rate team will prepare a PowerPoint presentation for these meetings, which will include visual aids, graphics, charts and additional worksheets or handouts. In these presentations, NBS will present study results, recommendations, receive input and guidance on the direction of the study and answer questions. Our team will work with District Staff to create an agenda and develop presentations that allow for clear and insightful presentations.

TASK 9. NOTICE OF PUBLIC HEARING MAILING

NBS will create a mailing list using the most recent County Assessor secured roll data available, combining that with the District's customer database. Duplicates will be removed to create a comprehensive mailing list. NBS will also draft the Notice to property owners subject to the proposed fee. Final form of the Notice will be reviewed and approved by legal counsel and District staff.

NBS will work with District staff to answer any questions that come up and guide you through the adoption process. The key technical tasks will be to prepare a draft and final Prop 218 Notice and provide the

¹ We assume District staff's comments will be in an electronic Microsoft Word file using track-changes mode.

² The number of meetings/presentations that NBS provides can be adjusted as necessary by District staff. We plan to discuss the number of meetings and plans for presentation at the kick-off meeting and adjust throughout the process as needed.

proposed rate tables included in the notices. NBS will work with District staff to review the draft and final notice prior to public release. The District should have legal counsel review all notices for legal compliance with the provisions of Prop 218, such as wording related to pass-throughs.

Optional Engagement Services

COMMUNICATION TOOLKIT

NBS will develop a comprehensive toolkit including talking points, multilingual FAQs, content releases, timelines for posting on the District’s website, and guidelines for various communication activities. This toolkit will aid staff and elected officials in communicating a cohesive message to the community and stakeholders.

RATE CALCULATOR

NBS will create a rate calculator for ratepayers to view the updated rates. This calculator can be hosted on the District’s website or CivicMic.com.

218 NOTICE SUPPLEMENT

NBS will also develop and design a detailed fact sheet to be mailed to community members. The fact sheet will include historical information that will help educate the community on the current project needs. The fact sheet will be translated into up to two languages based on community census data.

Optional Administration Services

BASE WATER CHARGE AND SEWER TAX ROLL BILLING SERVICES

NBS understands that the District is considering establishing a process that ensures the District’s base water charge and sewer tax roll billings are transferred to the County tax rolls, appropriately managed, and enrolled onto the annual tax bills. The following describes the proposed scope of work for our annual tax roll billing services as well as our initial consulting services for the sewer charge.

INITIAL KICK-OFF MEETING, ONE TIME SET UP, AND SYSTEMS DOCUMENTATION

This is a one-time meeting with District staff to discuss the items below:

- Review the tax roll billing process and appropriate annual timeline
- Method of application of the charge and the data required
- Review the process for any appeals or disputes
- For initial year tax roll billings, NBS will develop format, print, and send a mailing of notice regarding change in billing method to tax roll billing to all property owners (District staff to review this change with internal legal counsel).
- Collect Data from the District and/or other third parties, utilizing NBS’ proprietary software D-FAST, GIS, and satellite imagery

DATA COLLECTION AND MAINTENANCE

Gather and review data pertinent to the calculation and billing of the charge. Data will be obtained from various sources such as the County Assessor's Secured Roll, Assessor's parcel maps and the District's utility database as determined to be necessary based on the requirements of the formula. Maintain and periodically update a database for all parcels and relevant parcel information within the service area.

QUALITY CONTROL

Perform cross-reference tests looking at the various data sources, land use codes, and other pertinent information to improve accuracy of application of the charges. NBS has a multi-step approach to our quality control. We have built custom analysis tools within our software that assists in this process. Every database is reviewed by a top-level staff member before finalizing.

LEVY CALCULATION AND SUBMITTAL

Calculate the annual levy for each parcel within the service area following the guidelines established in the methodology. Submit the levy to the County Auditor Controller in the required electronic format. Levies rejected by the County Auditor Controller will be researched and resubmitted for collection on the County Tax Roll. Any parcels that are not accepted by the County for collection will be invoiced with payment to be directed to the District.

CONSULTING SUPPORT

NBS will provide a toll-free phone number for use by the District, other interested parties, and all property owners. Our staff will be available to answer questions regarding the charge. Bilingual staff is available for Spanish-speaking property owners.

2 | RELEVANT EXPERIENCE AND EXPERTISE



AT-A-GLANCE: HELPING COMMUNITIES FUND TOMORROW

28 YEARS In Business **100% ESOP** NBS is a 100% employee-owned S-Corporation

NBS HEADQUARTERS
32605 Temecula Pkwy | Suite 100
Temecula, CA 92592

SAN FRANCISCO REGIONAL OFFICE
870 Market Street | Suite 1223
San Francisco, CA 94102

CONTACT
Jeremy Tamargo | 800.434.8349
jtamargo@nbsgov.com

LEGAL NAME NBS Government Finance Group **DBA** NBS **60 EMPLOYEES**

INDIVIDUAL AUTHORIZED TO NEGOTIATE AGREEMENT
Michael Rentner, President

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

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

Utility Rate Group

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

500 STUDIES PERFORMED

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

PROP 218 COMPLIANT

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



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

How NBS Stands Out



NBS' Overview of Rates, Fees and Charges. We believe in continuing education, not only for our own team, but also for our clients and municipal staff.

As industry leaders, we have a unique set of qualifications and experience in the work we perform. In that regard, we have published four booklets on related industry topics that can be downloaded at no charge at www.nbsgov.com/insights (click on NBS Publications). For a hard copy, please call 800.676.7516 or email contactnbs@nbsgov.com

Rates, Fees and Charges Compendium has received high regard and interest from industry professionals and precisely relates to the District's current needs.

Additional NBS publications include:

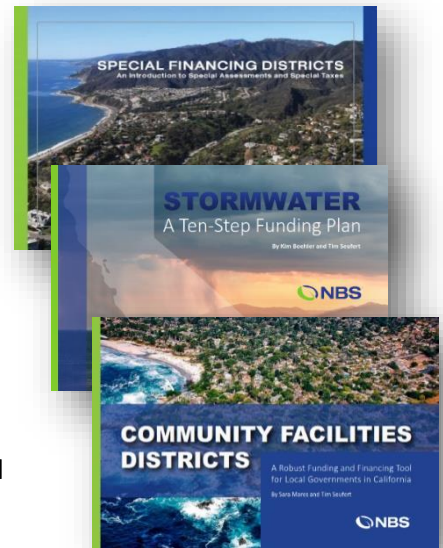
Special Financing Districts (SFDs) has been credited as the best publication on SFDs in a decade by prominent industry professionals.

Stormwater: A Ten-Step Funding Plan addresses the spectrum of stormwater needs in California. We have been asked to present this funding topic at CSMFO and FMA.

Community Facilities Districts (CFDs) explains this robust funding and financing tool for local governments.

To see a short video of our Utility Rate Group's consulting approach, please click on the link below:

<https://www.nbsgov.com/insights/challenges-today-in-setting-utility-rates/>



As communication is paramount, the NBS team developed the **CivicMic** platform, which focuses on providing collaborative governance services including outreach, public engagement, and adaptive management, bringing citizen voices into the governance process. Through our customized approach, we engage residents of diverse backgrounds for unique perspectives using social media and other collaborative activities.

NBS Similar Water and Sewer Project Experience

Below is a sample of projects for municipal agencies that our proposed team has completed (or is now completing) throughout the State of California. In Section 5, we have provided three specific references for clients in which NBS has performed work similar in scope and level of effort to the District’s study.

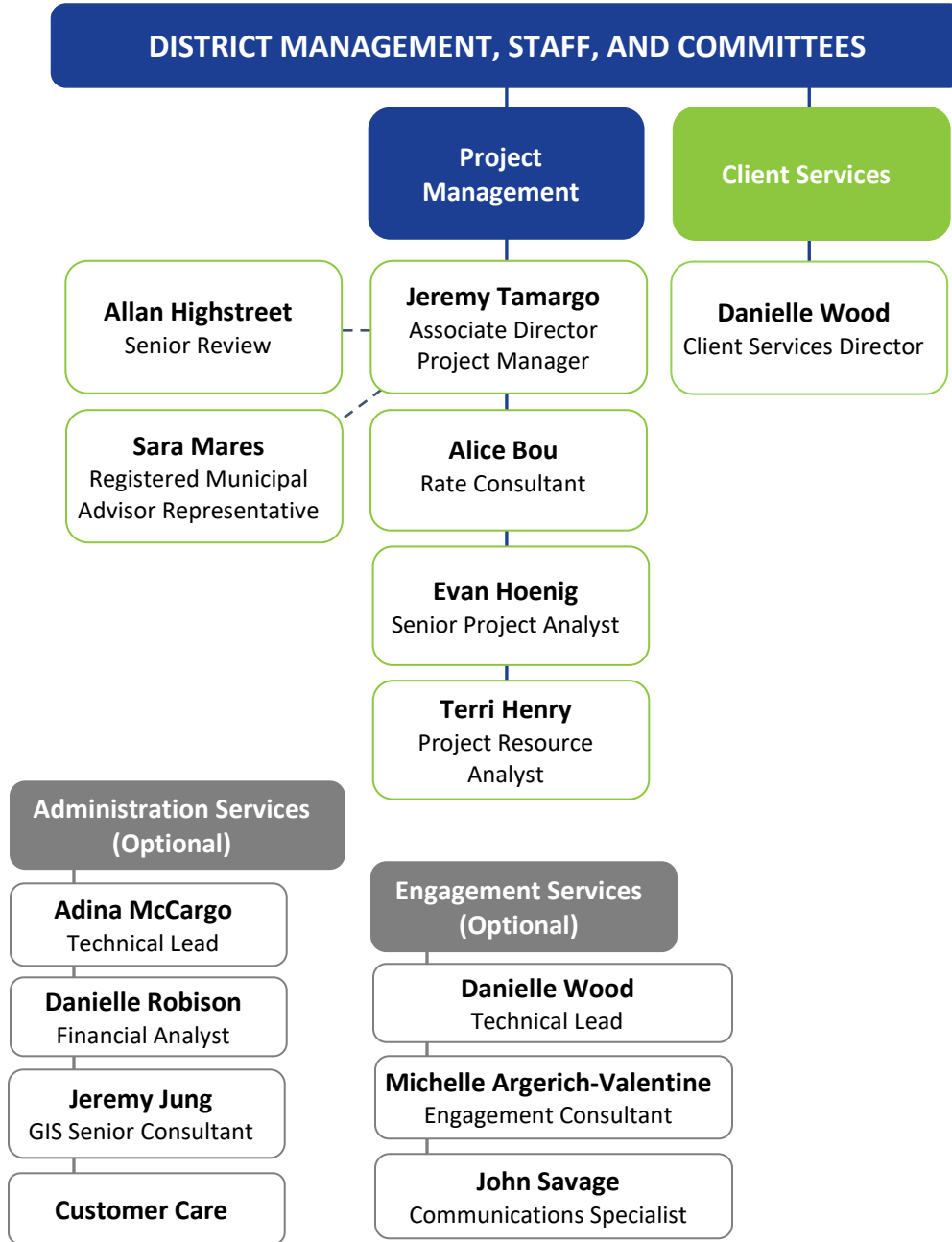
- Azusa Light and Water, *Water Rate Study*
- Alameda County Water Agency (Zone 7), *Connection Fee Update Study*
- Bellflower Mutual Water Company, *Water Rate Study*
- Calaveras County WD, *Water and Sewer Rate Study*
- Citrus Heights Water District, *Water Rate Study*
- City of Colton, *Water Rate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

* As subconsultant to Guide House/Navigant



NBS Project Team Organization

NBS’ staff include 60 professionals with extensive experience in the fields of finance, management, engineering, and local governance. The staff selected for Georgetown Divide Public Utility District’s Water and Wastewater Cost of Service Analysis and Rate Study are those most qualified based on their experience and backgrounds. The following is a brief overview of NBS’ proposed consulting team. Our team members work together seamlessly allowing your staff to focus on other priorities.



All work will be performed in-house by the above employee-owners of NBS. Biographies and full resumes for key personnel highlighting the experience of our team members are included in Section 3.

3 | PROJECT TEAM

The biographies shown below and resumes to follow detail the depth of experience of the consulting team proposed to manage and complete the scope of services noted for this engagement.

JEREMY TAMARGO, PROJECT MANAGER/ASSOCIATE DIRECTOR

Role and Responsibilities: Jeremy Tamargo will lead the work efforts as project manager. He will work closely with the District to review the overall approach, develop rate alternatives, and suggest creative solutions to consider. Jeremy will direct analytical efforts of the project team and monitor the schedule and delivery of work products to the District's satisfaction. He will be available for meetings with District staff and public presentations for this project.

Work Experience: Jeremy Tamargo is a professional engineer licensed in the State of Oregon and has an application in technical review with the California Board for Professional Engineers, Land Surveyors, and Geologists for comity licensure in the State of California. He has extensive experience in both the public and private sectors in civil engineering design as well as preparing utility master plans for municipal agencies in both Oregon and Washington. In his role as Assistant City Engineer at City of Tigard, Jeremy managed the City's System Development Charge program for the Public Works Department, which was used to pay for the installation, construction, extension, and expansion of the City's water, sanitary, sewer, stormwater, park and transportation systems. A member of the American Society of Civil Engineers, he is solutions-oriented and has a passion for focusing on excellence and sustainability on every project. Jeremy has a Master of Science in Environmental Engineering from Syracuse University and a Bachelor of Science in Civil Engineering from University of Notre Dame.

ALLAN HIGHSTREET, SENIOR REVIEW

Role and Responsibilities: Allan Highstreet will provide senior technical review on this project. He will be available as needed throughout the project to assist the project team with the analysis and technical issues as they arise.

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

SARA MARES, REGISTERED MUNICIPAL ADVISOR REPRESENTATIVE

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

Work Experience: Sara Mares has more than 23 years of experience with NBS and is a Registered Municipal Advisor Representative. She has extensive experience with modeling and structuring revenue mechanisms that support debt issuance. Sara forms Special Financing Districts (SFDs), including Community Facilities Districts and 1913 Act Assessment Districts, which provide land secured financing for limited obligation bonds. She has also provided bond issuance disclosure related to revenue bonds, both stand-alone that are

secured by utility rate revenue or as part of a pool bond structure. Sara also has more than 20 years of experience preparing and disseminating continuing disclosure annual reporting and listed event filings.

ALICE BOU, UTILITY RATE CONSULTANT

Role and Responsibilities: Alice Bou is on staff with NBS and brings more than two decades of project experience. She will support the project team in performing large scale data analysis and validation, data input, and will also help develop the financial plan, cost-of-service analysis, and rate design alternatives.

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

EVAN HOENIG, SENIOR PROJECT ANALYST

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

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

TERRI HENRY, PROJECT RESOURCE ANALYST

Role and Responsibilities: Under direction of the Project Manager, Terri Henry will coordinate content and review documentation and data analysis as needed on this project.

Work Experience: As a Project Resource Analyst, Terri Henry brings more than 30 years of experience to our project team. She has an extensive background in journalism, marketing, public relations, as well as administration, research, and project management. Terri earned a Bachelor of Arts in English from Christopher Newport University and has employed her skills as a newspaper reporter, editor, creative director, and legal administrative assistant.

DANIELLE WOOD, CLIENT SERVICES DIRECTOR

Role and Responsibilities: Danielle Wood will be responsible for obligating NBS to all commitments, schedule, and pricing for the project. She will ensure that the District's fundamental objectives are being met at all times. She is included on the team as an active representative of our corporate commitment to the highest level of service.

Work Experience: Danielle has nearly two decades of experience with NBS as a seasoned professional in Public Engagement and Special Financing Districts.

ADINA MCCARGO, TECHNICAL LEAD | OPTIONAL ADMINISTRATION

Role and Responsibilities: Adina McCargo will lead project management oversight for the annual administration activities. She will work closely with the administration team and provide support to the District as needed.

Work Experience: Adina is a Director with NBS and has more than 20 years of experience working with all aspects of SFD formation, annexation and administration including project management, budget analysis, levy calculation and submittal, continuing disclosure reporting and delinquency management as well as development of special assessment/tax formulas, and presentations.

DANIELLE ROBISON, FINANCIAL ANALYST | OPTIONAL ADMINISTRATION

Role and Responsibilities: Under the direction of the Project Manager, Danielle Robison will be actively involved with District staff on a regular basis. She will support facilitating data collection and reminders to District staff in order to keep efforts moving along the agreed upon timeline for the completion of each task.

Work Experience: Danielle Robison brings more than six years of experience to the NBS team. Her extensive background in accounting includes financial reporting, data collection and analysis, and maintenance of case cost and billing processes for an array of client projects. As a Financial Analyst with NBS, Danielle administers Special Financing Districts (SFDs) and is actively involved with the daily management of district administration operations. She has a Bachelor of Science degree in Actuarial Science from California Baptist University.

JEREMY JUNG, GIS SENIOR CONSULTANT | OPTIONAL ADMINISTRATION

Role and Responsibilities: Jeremy Jung will provide as needed GIS support services to confirm boundaries and/or map District improvements.

Work Experience: Jeremy Jung has extensive experience as a GIS technician. He creates and analyzes maps and data associated with County Assessor's Parcels, District Boundaries, and custom images utilizing the latest GIS technology. In addition, Jeremy is able to display GIS maps over satellite imagery in order to view properties and maps with a high degree of detail as well as extract GIS parcel data to compare to other data sources, such as county-secured property tax rolls.

CUSTOMER CARE TEAM | OPTIONAL ADMINISTRATION

Role and Responsibilities: Under the direction of the NBS staff, our Customer Care team will be readily available to answer all inquiries from third parties related to the District's project. Customer Care consists of tenured staff members (with decades of combined experience), fully trained and experienced in customer service support to answer all inquiries via toll free phone number and via email. NBS also offers bilingual staff to answer in Spanish.

DANIELLE WOOD, TECHNICAL LEAD | OPTIONAL ENGAGEMENT

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

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

MICHELLE ARGERICH-VALENTINE, ENGAGEMENT CONSULTANT | OPTIONAL ENGAGEMENT

Role and Responsibilities Michelle will work with the District’s project manager to develop strategies for engaging the public. She will lead and facilitate meetings and communication on behalf of the District.

Work Experience: Michelle Argerich-Valentine is a seasoned professional with more than nine years of specialized experience in community engagement and outreach. Her extensive background involves fostering positive relationships with diverse community groups, while implementing strategies to address their unique needs. Known for her innovative programs and initiatives, she has consistently demonstrated her passion for creating inclusive environments and promoting social impact. With a commitment to enhancing community welfare, Michelle’s work is a testament to her dedication, effective communication skills, and intuitive understanding of the intricacies of community dynamics.

JOHN SAVAGE, COMMUNICATIONS SPECIALIST | OPTIONAL ENGAGEMENT

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

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

Full resumes for our key project personnel are provided on the pages to follow.

EDUCATION

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

PROFESSIONAL AFFILIATION

- American Society of Civil Engineers

HIGHLIGHTS

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



“Jeremy did a great job presenting to our governing Board and answering tough questions. We threw lots of curve balls at NBS, and Jeremy always kept pace with our needs and timeline.”

*Rich Stevenson
Director of Finance
Sweetwater Authority*



BIOGRAPHY

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

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

- Supervising, planning, designing, and inspecting all phases of civil engineering public works construction projects
- Defining the scope of the project; securing adequate funding from Federal and State grant programs and other funding sources
- Coordinating with permitting and public utility agencies
- Surveying and engineering analysis of alternatives
- Preparing plans, specifications, and cost estimates
- Coordinating construction schedules with other projects and agencies
- Preparing and reviewing cost estimates and inspecting construction of projects to ensure compliance with construction documents
- Reviewing compliance criteria for the design and construction of streets, sidewalks, and public utilities

RELEVANT PROJECT EXPERIENCE

- **City of Redding – Water, Sewer, and Solid Waste Rate Studies:** Prepared a cost-of-service study for water, sewer, and solid waste rates. Rate design for utilities included addressing policies objectives and analyzing structure alternatives.
- **El Dorado Irrigation District, Placerville – Water, Sewer, and Recycled Water Cost-of-Service and Rate Design Study:** Worked with the district board and a dedicated committee to review/recommend policy changes; alternative rate designs; and recommended water, sewer, and recycled water rates.
- **City of Victorville –Sewer and Solid Waste Rate Studies:** Prepared a cost-of-service study of sewer and solid waste utility rates. Sewer and solid waste studies analyzed alternative rate structures as well as alternative recommended reserve targets for consideration by City staff.
- **Sweetwater Authority – Water Rate Study:** Prepared a cost-of-service study of water utility rates. Water rate study included numerous rate alternatives for residential tiered rates based on source of supply as well as a “phase-in” approach to adjusting the allocation of fixed vs. variable charges over the course of the rate implementation period.

EDUCATION

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

AFFILIATIONS

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

PROJECTS | CONT.

- **City of Tracy, Tracy, CA – Sewer Rate Studies:** Has prepared sewer rate updates for the City of Tracy since 1979. Originally done to satisfy SRF requirements, more recent updates focused on cost of service studies.
- **Senior Consultant, San Mateo Clean Water Program, San Mateo, CA.** Overseeing the preparation of the State Revolving Fund loan applications for the \$800M Clean Water Program. These efforts include developing a financial model to evaluate funding scenarios and preparing the application packages.
- **Project Economist, Wastewater Master Plan, Laguna County Sanitation District, Santa Barbara, CA.** Prepared a financial model that estimated user charges and demand fees for various capital improvement scenarios. The model's financial dashboard could vary in growth, timing of projects, escalation rates, financing terms, and rate structure alternatives to develop the appropriate master plan for the District.

HIGHLIGHTS

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

Allan is a senior economist with 43 years of experience in financial planning for water, wastewater, and stormwater utilities, including rate studies, project funding, and cost allocations. He has performed economic assessments, cost analyses, finance plans, and rate studies, including preparing loan applications and related documents for many municipal clients.

RELEVANT PROJECT EXPERIENCE

- **Rowland Water District – Water and Recycled Water Rate Study.** Update water and recycled water rates. Proposed a minor increase in order to fund maintenance of the water system. Update the cost-based rates and drought rates to coincide with the District's Water Shortage Contingency. Objectives for the recycled water system: develop a method for allocating costs in the District's budget to the potable and recycled water systems, establish a financial plan to have recycled water customers bear a greater percentage of their costs.
- **Project Economist, Groundwater Recovery Enhancement and Treatment Program, City of Oxnard, CA.** Prepared a Title 16 feasibility study to obtain a \$20 million grant from U.S. Bureau of Reclamation. This project comprised of a recycled water treatment, conveyance, and injection. Tasks included providing recycled water for groundwater injection and irrigation that would enable the City to build groundwater credits through injection and obtain groundwater allocations from agricultural users who would use recycled water in lieu of groundwater. Allocations and credits could then be used to make up the City's water supply deficit.
- **Project Economist, Finance Planning Framework, California Water Plan, California Department of Water Resources, CA.** Assisting in preparing the Finance Planning Framework for the 2013 and 2018 California Water Plan. The effort includes describing the current financial setting, developing approaches to prioritizing investments, and developing a menu of available financing strategies.
- **Merced Irrigation District, Merced, CA – Water Cost of Service Study:** Prepared a cost-of-service study that estimated user charges and fees for the water deliveries within the District. Also prepared the Proposition 218 material for the vote to enact the rates.
- **Byron Bethany Irrigation District, Byron, CA – Water Cost of Service Study:** Prepared a cost-of-service study that estimated user charges for the water deliveries within the District. Also prepared the Proposition 218 material for the vote to enact the rates.
- **Westlands Water District, CA – Evaluating Land Based Assessments:** Led an evaluation of possible land based assessments in the District, then prepared an Engineers Report to implement a benefit assessment for the District.
- **Oakdale Irrigation District, Oakdale, CA – Water Rate Study:** Prepared a cost-of-service study that estimated user charges for the water deliveries within the District. This study moved the District from a flat rate to tiered volumetric rates to comply with the Water Conservation Act of 2009 (SBx 7-7). Also prepared the Proposition 218 material for the vote to enact rates.

EDUCATION

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

HIGHLIGHTS

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

AFFILIATIONS

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

SPEAKING / MEDIA

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

BIOGRAPHY

Sara Mares is a Director with NBS and a Registered Municipal Advisor Representative. She has extensive experience with modeling and structuring revenue mechanisms that support debt issuance. Sara forms Special Financing Districts (SFDs), including Community Facilities Districts and 1913 Act Assessment Districts, which provide land secured financing for limited obligation bonds. She has also provided bond issuance disclosure related to revenue bonds, both stand-alone that are secured by utility rate revenue or as part of a pool bond structure. Sara also has more than 23 years of experience preparing and disseminating continuing disclosure annual reporting and listed event filings.

RELEVANT PROJECT EXPERIENCE

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



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

EDUCATION

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

HIGHLIGHTS

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



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

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



BIOGRAPHY

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

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

RELEVANT PROJECT EXPERIENCE

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

RELEVANT PROJECT EXPERIENCE | CONTINUED

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



“Alice, You are the best rate analyst I have ever worked with; you are very talented.”

*Cammie Morin
Finance Director
Solano Irrigation District*



EDUCATION

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

HIGHLIGHTS

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

AFFILIATIONS / AWARDS

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

BIOGRAPHY

Evan Hoenig will perform large-scale data analysis and validation, design and implement cost allocation and rate models, and prepare technical outcomes, as needed on this project. He will support facilitating data collection and reminders to staff to keep efforts moving along the agreed upon timeline for the completion of each task.

Evan is a Senior Project Analyst with NBS. He brings more than a decade of compliance management experience to our project team, as well as public budget development and administration, research, project management and financial analysis experience. He has extensive skills in analytical software, databases, and spreadsheets.

RELEVANT PROJECT EXPERIENCE

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

- **El Dorado Irrigation District, Placerville – Water, Sewer, and Recycled Water Cost-of-Service and Rate Design Study:** Assisted with the design of alternative rate designs; and recommended water, sewer, and recycled water rates.
- **City of San Jacinto – Cost Estimation Tool:** Provided in-depth research and analysis on capital assets and improvements, interpreted, and organized data, and assigned and evaluated costs.
- **City of Fresno – Impact Fee Study:** Study of the City's water and sewer capacity fees to ensure that the City's fees are updated to comply with legal and industry standards, and to ensure fees reflect the cost of capital infrastructure needed to serve new connections.
- **Sweetwater Authority – Financial Plan:** Performed detailed analysis of client operations and maintenance budgets, capital improvement and debt forecasting, and determination of rate revenue requirements.
- **City of Rio Vista – Water, Sewer, and Storm Water Rate Studies:** Completed comprehensive financial plans, cost of service analyses, and rate design for water and sewer utility studies.
- **City of Victorville – Sewer and Solid Waste Rate Studies:** Assisted with cost-of-service studies of sewer and solid waste utility rates. These studies analyzed alternative rate structures as well as alternative recommended reserve targets for consideration by City staff.

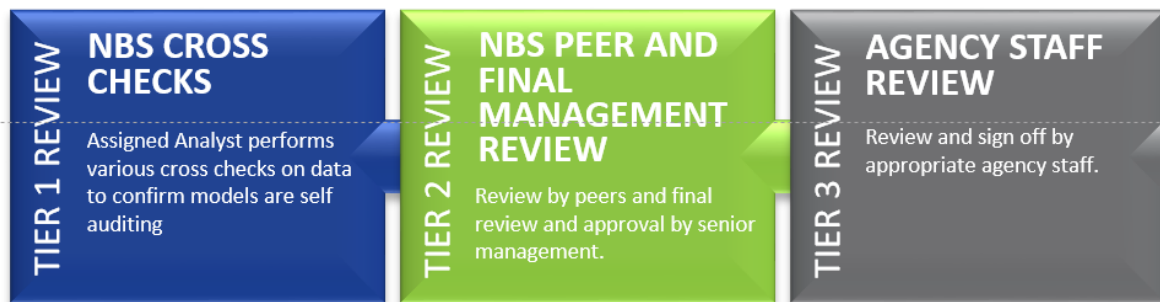
4 | QUALITY ASSURANCE AND CONTROL / CONFLICTS

Quality Assurance | Setting NBS Apart

Our team offers an extensive array of technical experience that will be essential for successfully completing this project. Quality assurance and quality control are paramount on every aspect of this endeavor.

NBS has redundant review processes and quality control systems in place to ensure the highest level of accuracy and service, including the following:

- Various cross checks on data; reconciliation of data to source files
- Management review of all processes and systems; monthly status reports
- Peer and management review of reports
- Review and sign off by appropriate agency staff
- Routine reminders regarding project timeline and outstanding data requests



This commitment to the quality of our work has allowed us to consistently provide outstanding services to our clients.

Conflicts

Based on the information provided in the District's Request for Proposal, NBS does not foresee any actual or potential conflicts.

5 | CLIENT REFERENCES

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

EL DORADO IRRIGATION DISTRICT

WATER, SEWER, AND RECYCLED WATER COST-OF-SERVICE AND RATE DESIGN STUDY

Years as client: Six (6) years/Last project completed December 2023



Contact Information

Jim Abercrombie
General Manager
2890 Mosquito Road,
Placerville, California, 95667
P: 530.642.4055
E: jmabercrombie@eid.org

NBS Project Team:

Greg Clumpner, Jeremy Tamargo,
Sara Mares

NBS was retained to conduct a comprehensive cost of service study of the District’s water, wastewater, recycled water, and agricultural/raw water rates. One of several key factors addressed in this rate study was the development of new financial plans to best manage the District’s \$321 million of planned capital improvement projects over the next five years.

Other key issues included: (1) the overall fairness and equity of rates, (2) whether improvements should be made to the District’s rate structures, and (3) whether any customer classes should be adjusted. Additionally, the District Board provided key policy direction throughout the process, including five public workshops during which District customers were also able to provide input.

CITY OF REDDING

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

Years as client: Ten (10) years/Last project completed Nov 2023



Contact Information

Ryan Bailey, PE
777 Cypress Ave.
Redding, CA 96001
P: 530.224.6030
E: rbailey@cityofredding.org

NBS Project Team:

Greg Clumpner, Jeremy Tamargo,
Alice Bou

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

Project dates for studies:

2013 Rate & Capacity Fee Study: March 2012 – August 2013

2016 Rate Update Study: January 2016 – November 2016

2017 Impact Fee Study: July 2017 – December 2017

2019 Rate Study Update: January 2019 – January 2020

2022 Utility Rate Study Update – Completed November 2023

CITY OF VICTORVILLE

WATER, SEWER AND SOLID WASTE RATE STUDIES, SEWER CAPACITY FEE STUDY, AND STORM DRAINAGE FEE FEASIBILITY STUDY

Years as client: Seven (7) years/Last project completed November 2023



Contact Information

Doug Mathews
Director of Public Works
14343 Civic Center Drive
Victorville, CA 92393
P: 760.243.6332
E: dmathews@ci.victorville.ca.us

NBS Project Team:

Jeremy Tamargo, Greg Clumpner,
Allan Highstreet, Alice Bou

NBS last updated the Water Rate Study for the Victorville Water District in 2016, and subsequently the Sewer and Solid Waste Rate Studies for the City of Victorville in 2018. We recently updated the water, recycled water, and sewer rates and sewer capacity fees.

Key assignments included: (1) Developing sewer rates and Industrial Pretreatment Program Fees for four significant industrial users that utilize the City's Industrial Wastewater Treatment Plant (IWWTP) and collection system, and (2) Developing rates for all residential and commercial customers that utilize a combination of City-owned and operated collection system, the IWWTP, and a regional wastewater treatment provider.

The Water Rate Study addressed key issues, such as developing a capital funding plan that would fund over \$55 million in rehabilitation and replacement projects, updating the water rate structure to one based on industry standards, and developing drought surcharges that can be implemented in drought stages.

A key part of all three rate studies was working with a challenging City Council to develop rate alternatives that all Council members could agree on and support in the public approval process.

Project dates for studies:

2016 Water and Sewer Rate Studies

2018 Solid Waste Rate Study

2021 Water Rate Study Update and Rate Design

2021 Sewer Capacity Fee Study

2022 Sewer Rate Study Update

2022 Solid Waste Rate Study Update

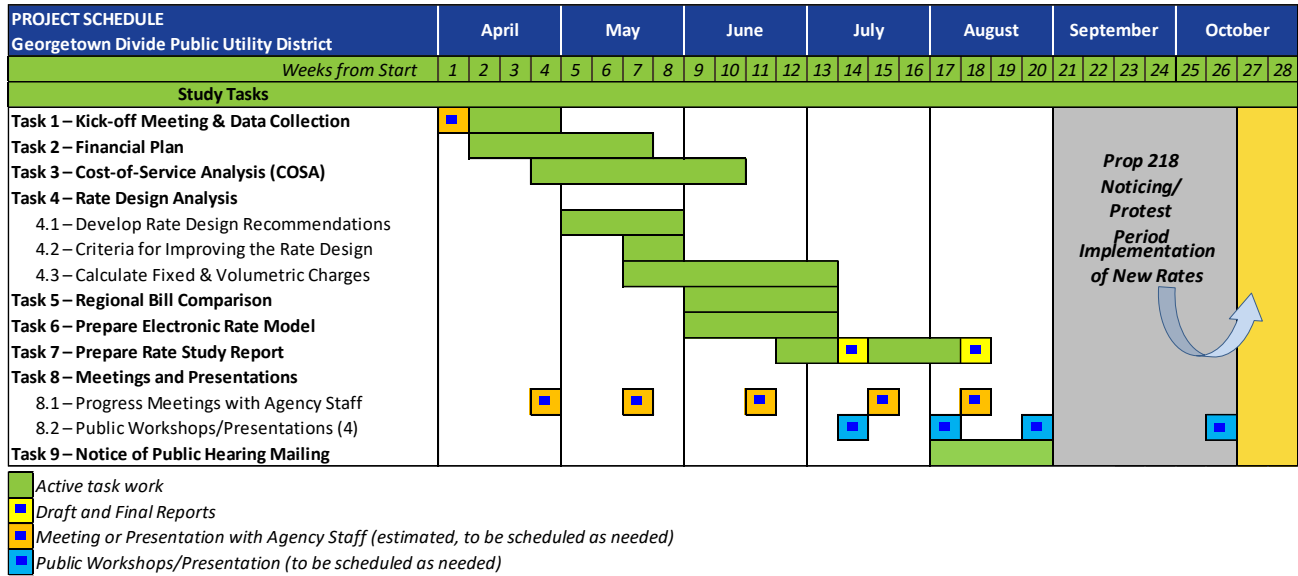
6 | CONTRACT AND INSURANCE REQUIREMENTS

NBS accepts the terms, conditions and general form of the Georgetown Divide Public Utility District standard Consultant Services Agreement.

7 | WORK PLAN AND SCHEDULE

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

PROJECT SCHEDULE FOR THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT



8 | ADDENDA

We are in receipt of Addendum No. 1 with RFP Questions and Responses posted on 2/9/24.

APPENDIX | COST OF SERVICES

Our professional fees are based on our understanding of District’s needs and the effort we believe is necessary to complete the scope of services described in our proposal. Work will be performed on a time and materials basis, at the hourly labor rates show in the budget table below, with a not-to-exceed fee of \$99,340.

PROJECT BUDGET: GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT							
Study Tasks	Consultant Labor (Hours)					Grand Totals	
	Senior Reviewer ¹ (Highstreet)	Associate Director (Tamargo)	Rate Consultant (Bou)	Sr. Project Analyst (Hoeng)	Project Resource Analyst (Henry)	Consultant Labor (Hrs.)	Consultant Costs (\$)
<i>Hourly Rate</i>	<i>\$250</i>	<i>\$225</i>	<i>\$175</i>	<i>\$165</i>	<i>\$130</i>		
Water and Wastewater Rate Tasks (costs shared equally between water and wastewater)							
Task 1 – Kick-off Meeting & Data Collection	2.0	10.0	-	24.0	-	36.0	\$ 6,710
Task 2 – Financial Plan							
2.1 – Projected Revenues and Expenditures	2.0	6.0	2.0	16.0	-	26.0	4,840
2.2 – Evaluate Reserve Fund Sufficiency	2.0	6.0	2.0	16.0	-	26.0	4,840
2.3 – Review Capital Improvement Program Funding	2.0	6.0	2.0	16.0	-	26.0	4,840
Task 3 – Cost-of-Service Analysis (COSA)	4.0	20.0	16.0	48.0	-	88.0	16,220
Task 4 – Rate Design Analysis							
4.1 – Develop Rate Design Recommendations		4.0	-	-	-	4.0	900
4.2 – Criteria for Improving the Rate Design	2.0	6.0	2.0	8.0	-	18.0	3,520
4.3 – Calculate Fixed & Volumetric Charges	2.0	8.0	6.0	24.0	-	40.0	7,310
4.4 – Comparison of Customer Bills	2.0	6.0	6.0	24.0	-	38.0	3,300
Task 5 – Regional Bill Comparison	2.0	2.0	6.0	16.0	-	26.0	4,640
Task 6 – Prepare Electronic Rate Model	2.0	4.0	6.0	24.0	-	36.0	6,410
Task 7 – Prepare Rate Study Report	6.0	16.0	4.0	20.0	8.0	54.0	10,140
Task 8 – Meetings and Presentations							
8.1 – Meetings with Agency Staff	4.0	10.0	-	6.0	-	20.0	4,240
8.2 – Public Workshops/Presentations (4 meetings)	4.0	40.0	-	16.0	-	60.0	12,640
Task 9 – Notice of Public Hearing Mailing ²	4.0	6.0	8.0	-	8.0	26.0	4,790
Travel Costs for (4) In-Person Meetings (not to exceed) ³							4,000
GRAND TOTAL NOT TO EXCEED	40.0	150.0	60.0	258.0	16.0	524.0	\$ 99,340
Additional Optional In Person Visits							
Additional Costs for Optional Site Visits and Presentations							
Labor Cost Per Visit/Presentation (NBS PM)							\$ 2,000
Travel Expenses per Meeting (not to exceed)							1,000
Total: Per Optional Visit/Presentation							\$ 3,000
Public Engagement Optional Services							
Communication Toolkit							\$ 9,500
Rate Calculator							4,750
218 Notice Supplement							4,575
Grand Total Public Engagement Optional Services Not to Exceed							\$ 18,825
Administration Optional Services							
One Time Set Up Fee - Water							\$ 9,500
Annual Administration Services - Water Tax Roll Billing							10,500
One Time Set Up Fee - Sewer							3,500
Annual Administration Services - Sewer Tax Roll Billing							4,500
Reimbursable Expenses (not to exceed)							6,000
Grand Total Administration Optional Services Not to Exceed							\$ 34,000

1. If time is required for municipal advisor services (Sara Mares), senior review hours would be utilized.
2. Mailing expenses excluded. NBS passes through mailing expense at cost without markup. Cost will depend on design choices and length of notice.
3. Travel-related cost and direct reimbursable expenses; all other expenses are included in labor rates. This will be zero if all meetings are attended virtually.

Additional services requested, such as additional public meetings or additional rate or fee alternatives, can be provided based on the hourly labor rates included in the table above. All tasks would be mutually agreed upon by NBS and the District prior to proceeding.