

**ITEM #5.A**

*Approval of Minutes of the July 05, 2022 Meeting*



**REGULAR MEETING OF THE BOARD OF DIRECTORS  
DEL PASO MANOR WATER DISTRICT**

**DRAFT MINUTES**

**July 5, 2022, 6:00 PM  
1817 Maryal Drive, Suite 300, Sacramento 95864**

**1. CALL TO ORDER:**

President Saunders called the meeting to order at 6:02 p.m.

**2. ROLL CALL:**

Directors Present: President Ryan Saunders, Carl Dolk, Osmar Macias, Bob Matteoli and Gwynne Pratt

Staff Present:

General Manager	Alan Gardner
Office Manager	Victoria Hoppe
Field Manager	Mike Jenner
Certified Public Accountant	Robert Merritt
District Engineer	Alan Driscoll
General Counsel	Elena Pacheco

A quorum of the Board was present.

**3. ADOPTION OF AGENDA:** Members may pull an item from the agenda.

Director Matteoli requested Item 8.E. be postponed to the next meeting for more transparent noticing of the item. There was not consensus of the Board to postpone.

Upon call for public comment, no one from the public addressed the Board.

Director Dolk made a motion to adopt the agenda. The motion was seconded by Director Macias. The agenda was adopted on a 4 Yes/1 No (Matteoli) roll call vote.

**4. PUBLIC COMMENTS:** The Board of Directors welcomes participation at these meetings. Matters under the jurisdiction of the Board that are not posted on the agenda may be addressed by the public, California law prohibits the Board from acting on any matter which is not on the posted agenda, unless the members determines that it is an emergency or other situation specified in Government Code Section 54954.2. Public comments are limited to five (5) minutes per individual. Please make your comments directly to the DPMWD President. Comments will be accepted via teleconference and in writing.

President Saunders called for public comment. Seeing no one come forward, he closed public comment.

**5. CONSENT CALENDAR:** All items under Consent Calendar will be considered together by one action of the Board, any Member or members of the public may request that an item be removed and considered separately.

(0:11 minutes)

Requests were made for Items 5.B and 5.C to be discussed and considered separately.

President Saunders called for public comment. Seeing no one come forward, he closed public comment.

**Item 5.A: A Resolution of the Board of Directors of the Del Paso Manor Water District and on behalf of Commissions and Committees created by the Board of Directors pursuant to Government Code section 54952(b) authorizing the Board's continued use of teleconference meetings in compliance with Assembly Bill 361 to continue to allow members of the public to safely participate in local government meetings.**

Director Dolk made a motion to approve Item 5.A. The motion was seconded by Director Pratt. The motion was approved on a 5 Yes/0 No roll call vote.

**Item 5.B: Approval of Minutes of the June 6, 2022 Meeting**

It was noted there was a scrivener's error on Item 5.A in the minutes and requested correction.

Director Pratt made a motion to approve Item 5.B. The motion was seconded by Director Macias. The motion was approved on a 5 Yes/0 No roll call vote.

**Item 5.C: Approval of Warrants and Payroll**

Director Dolk made inquiry regarding the credit card payments. Office Manager Victoria Hoppe provided the requested clarification.

Director Dolk made a motion to approve the warrants and payroll. The motion was seconded by Director Macias. The motion was approved on a 5 Yes/0 No roll call vote.

**6. PUBLIC HEARING:**

There were no Public Hearing items to consider.

**7. OLD BUSINESS:**

There were no Old Business items to consider.

## **8. NEW BUSINESS:**

(0:27 minutes)

### **Item 8.A: Budget to Actuals**

Certified Public Accountant Robert Merritt presented the staff report and fielded questions from the Board.

Discussion commenced amongst the Directors and General Manager Alan Gardner provided clarifications to the Board's inquiries and fielded questions.

President Saunders called for public testimony. Seeing no one come forward, he closed public comment.

### **Item 8.B: Resolution No. 22-0705-02 Re-Authorizing District Investment in the Local Agency Investment Fund**

District Engineer Alan Driscoll presented the staff report and fielded questions from the Board.

Discussion commenced amongst the Directors and General Manager Alan Gardner and General Counsel Elena Pacheco provided clarifications to the Board's inquiries and fielded questions.

President Saunders called for public testimony. Seeing no one come forward, he closed public comment.

Director Dolk made a motion to approve Resolution No. 22-0705-02 with an amendment to include the fund be transferred to a District account. The motion was seconded by Director Macias. The motion was approved on a 5 Yes/0 No roll call vote.

### **Item 8.C: Request for Proposal for Water Rate Consultant**

General Manager Alan Gardner presented the staff report and fielded questions from the Board.

President Saunders called for public testimony.

Trish Harrington provided public comment.

Director Dolk made a motion to approve issuance of a request for proposal to hire a consultant to prepare a cost-of-service study for water service rates. The motion was seconded by Director Macias. The motion was approved on a 5 Yes/0 No roll call vote.

### **Item 8.D: Request for Proposals Seeking a Contract for Public Relations and Community Outreach**

General Manager Alan Gardner presented the staff report and fielded questions from the Board.

President Saunders called for public testimony.

Trish Harrington provided public comment.

Director Dolk made a motion to approve the request for proposal for a District public relations firm. The motion was seconded by Director Macias. The motion was approved on a 5 Yes/0 No roll call vote.

**Item 8.E: Consideration and Approval of a Resolution No. 22-0705-03 Awarding a Merit Bonus for Victoria Hoppe**

(1:12)

General Manager Alan Gardner presented the staff report and fielded questions from the Board.

President Saunders called for public testimony.

Carol Rose provided public comment.

Director Matteoli expressed concern in approving the resolution.

Director Pratt made a motion to approve Resolution No. 22-0705-03. The motion was seconded by Director Macias. The motion was approved on a 5 Yes/1 No (Matteoli) roll call vote.

**9. FIELD REPORT:** Verbal report

(1:32)

**Item 9.A: Field Report on Current and Upcoming Project**

Field Manager Mike Jenner provided a brief summary of his written report and fielded questions from the Board.

**10. CLOSED SESSION:**

There was no Closed Session item to consider.

**11. GENERAL MANAGERS COMMENTS:** Verbal report

(1:36)

General Manager Alan Gardner provided a brief report on District matters and fielded questions from the Board.

**12. DIRECTORS COMMENTS:** Verbal information, non-action comments.

(1:53)

Director Macias requested information be disseminated regarding water conservation. This request was supported by Director Pratt. Director Saunders stated Regional Water Authority had a robust conservation program.

Director Matteoli requested a legal review and report back regarding ground water rights.

**13. FUTURE AGENDA REQUESTS:** Directors can suggest topics they would like on future agendas

There were no requests.

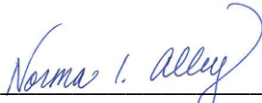
**14. ADJOURNMENT:** Next Regular Board of Directors meeting is scheduled for July 05, 2022

Director Macias made a motion to adjourn. Director Dolk seconded the motion. There being no further business, the Board of Directors meeting adjourned at 8:04 p.m.

APPROVAL:

ATTEST:

\_\_\_\_\_  
Ryan Saunders, President of the Board

  
\_\_\_\_\_  
Norma I. Alley, MMC, Clerk of the Board

**ITEM #5.B**

*Approval of Minutes of the August 01, 2022 Meeting*



**REGULAR MEETING OF THE BOARD OF DIRECTORS  
DEL PASO MANOR WATER DISTRICT**

**DRAFT MINUTES**

**August 1, 2022, 6:00 PM  
1817 Maryal Drive, Suite 300, Sacramento 95864**

**1. CALL TO ORDER:**

President Saunders called the meeting to order at 6:00 p.m.

**2. ROLL CALL:**

Directors Present: President Ryan Saunders, Carl Dolk, Osmar Macias, Bob Matteoli and Gwynne Pratt

Staff Present:

General Manager	Alan Gardner
Office Manager	Victoria Hoppe
Certified Public Accountant	Robert Merritt
District Engineer	Alan Driscoll
General Counsel	Elena Pacheco

A quorum of the Board was present.

**3. ADOPTION OF AGENDA:** Members may pull an item from the agenda.

Director Dolk made a motion to adopt the agenda. The motion was seconded by Director Pratt. The agenda was adopted on a 5 Yes/0 No roll call vote.

**4. PUBLIC COMMENTS:** The Board of Directors welcomes participation at these meetings. Matters under the jurisdiction of the Board that are not posted on the agenda may be addressed by the public, California law prohibits the Board from acting on any matter which is not on the posted agenda, unless the members determines that it is an emergency or other situation specified in Government Code Section 54954.2. Public comments are limited to five (5) minutes per individual. Please make your comments directly to the DPMWD President. Comments will be accepted via teleconference and in writing.

President Saunders called for public comment.

Trish Harrington provided public comment.

Roy Wilson provided public comment.

Carol Rose provided public comment.



General Manager Alan Gardner fielded questions from public comment.

**5. CONSENT CALENDAR:** All items under Consent Calendar will be considered together by one action of the Board, any Member or members of the public may request that an item be removed and considered separately.

(0:10 minutes)

Requests were made for Items 5.D and 5.F to be discussed and considered separately.

President Saunders called for public comment. Seeing no one come forward, he closed public comment.

Trish Harrington spoke requesting item 5.F be pulled.

**Item 5.A:** A Resolution of the Board of Directors of the Del Paso Manor Water District and on behalf of Commissions and Committees created by the Board of Directors pursuant to Government Code section 54952(b) authorizing the Board's continued use of teleconference meetings in compliance with Assembly Bill 361 to continue to allow members of the public to safely participate in local government meetings.

**Item 5.B:** Approval of Minutes of the June 15, 2022 Meeting

**Item 5.C:** Approval of Minutes of the June 20, 2022 Meeting

**Item 5.E:** Approval of Minutes of the June 30, 2022 Meeting

President Saunders called for public testimony. Seeing no one come forward, he closed public comment.

Pratt made a motion to approve Item 5.A, 5.B, 5.C, 5.D, and 5.E. The motion was seconded by Director Macias. The motion was approved on a 5 Yes/0 No roll call vote.

**Item 5.D:** Approval of Minutes of the June 22, 2022 Meeting

Director Matteoli requested correction to his comments under Item 12.

President Saunders called for public testimony. Seeing no one come forward, he closed public comment.

Director Dolk made a motion to approve Item 5.D. The motion was seconded by Director Macias. The motion was approved on a 5 Yes/0 No roll call vote.

**Item 5.F:** Approval of Warrants and Payroll

President Saunders called for public testimony.

Trish Harrington provided public comment.

Roy Wilson provided public comment.

General Manager Alan Gardner and Certified Public Accountant Robert Merritt fielded questions.

Director Macias made a motion to approve the warrants and payroll. The motion was seconded by Director Pratt. The motion was approved on a 5 Yes/0 No roll call vote.

**6. GENERAL MANAGERS COMMENTS:** Verbal report

(0:35)

General Manager Alan Gardner provided a brief report on District matters and fielded questions from the Board.

Director Matteoli left the meeting at 6:41 p.m. and returned at 6:42 p.m.

**7. PUBLIC HEARING:**

There were no Public Hearing items to consider.

**8. OLD BUSINESS:**

There were no Old Business items to consider.

**9. NEW BUSINESS:**

**Item 9.A: Budget to Actuals**

(0:51 minutes)

Certified Public Accountant Robert Merritt presented the staff report and fielded questions from the Board.

President Saunders called for public testimony.

Trish Harrington provided public comment.

Roy Wilson provided public comment.

Discussion commenced amongst the Directors and General Manager Alan Gardner provided clarifications to the public's comments and Board's inquiries.

**Item 9.B: Resolution Establishing Rules for Teleconference Participation During District Meetings Subject to the Ralph M. Brown Act**

(1:15)

General Manager Alan Gardner and General Counsel Elena Pacheco presented the staff report and fielded questions from the Board.

Discussion commenced amongst the Directors and General Manager Alan Gardner and General Counsel Elena Pacheco provided clarifications to the Board's inquiries and fielded questions.

President Saunders called for public testimony. Seeing no one come forward, he closed public comment.

Director Pratt made a motion to approve Resolution No. 22-0801-02 with an amendment to eliminate Section 2, paragraph b). Motion failed for lack of second.

Director Dolk made a motion to approve Resolution No. 22-0801-02, as presented. The motion was seconded by Director Matteoli. The motion was approved on a 5 Yes/0 No roll call vote.

**Item 9.C:     Approve District Use of Social Media Platform Nextdoor**

(1:42)

General Manager Alan Gardner presented the staff report and fielded questions from the Board.

President Saunders called for public testimony.

Trish Harrington provided public comment.

Director Macias made a motion to approve District use of social media platform Nextdoor. The motion was seconded by Director Pratt. The motion was approved on a 5 Yes/0 No roll call vote.

President Saunders called a break at 7:53 p.m. The meeting reconvened at 7:58 p.m.

**Item 9.D:     Appoint Ad Hoc Committee to Propose Amendment Director Compensation and Travel Allowance Policy**

(1:58)

President Saunders presented the staff report and appointed Director Macias and Matteoli to the Ad Hoc Committee and requested a report at an October meeting.

**Item 9.E:     Establish Board Priorities for Discussions with SSWD Regarding Possible Merger of Districts**

(2:05)

President Saunders provided the report and fielded questions from the Board.

President Saunders called for public comment. Seeing no one come forward, he closed public comment.

Discussion commenced amongst the Board and provided direction to President Saunders.

**Item 9.F:     Discussion of 218 process**

(2:05)

General Manager Alan Gardner presented the staff report and fielded questions from the Board.

President Saunders called for public comment. Seeing no one come forward, he closed public comment.

Discussion commenced amongst the Board and provided direction to staff.

**10. FIELD REPORT:** Verbal report

(2:55)

**Item 9.A: Field Report on Current and Upcoming Project**

President Saunders noted the Board received and filed the written report.

**11. CLOSED SESSION:**

There was no Closed Session item to consider.

**12. DIRECTORS COMMENTS:** Verbal information, non-action comments.

(2:57)

Director Macias announced he was not running for re-election.

Director Matteoli reminded the Covenants, Conditions and Restrictions (CC&Rs) must be published annual.

**13. FUTURE AGENDA REQUESTS:** Directors can suggest topics they would like on future agendas

(3:03)

Director Macias requested a draft of consolidated District accomplishments.

Director Matteoli requested a Board review of the CC&Rs at a future meeting.

**14. ADJOURNMENT:** Next Regular Board of Directors meeting is scheduled for August 15, 2022

Director Dolk made a motion to adjourn. Director Macias seconded the motion. There being no further business, the Board of Directors meeting adjourned at 9:11 p.m.

APPROVAL:

ATTEST:

\_\_\_\_\_  
Ryan Saunders, President of the Board

\_\_\_\_\_  
Norma I. Alley, MMC, Clerk of the Board

## **ITEM #5.C**

*Approval of Additional Warrants After August 01, 2022 Regular Meeting*

**Del Paso Manor Water District AUGUST 2022 VENDORS FOR APPROVAL**  
**(For Approval After 8/01/2022)**

VENDORS NAME	DESCRIPTION	CIP	AMOUNT	CHECK #
ACWA JPIA	Health		\$312.57	10378
ACWA JPIA	Cyber Liability Program (07/01/2022 - 06/30-2023)		\$628.65	
ADP	Payroll			EFT
ADP Taxes	Payroll Taxes			EFT
Appletree Answers	Answering service		\$456.70	CC
AT&T	Internet; Phone/Fax		\$69.55	CC
AT&T	Phone		\$253.88	CC
AT&T	Phone		\$213.18	CC
AT&T Mobility	Cell Phones; iPads			CC
BSK	Labs		\$3,453.00	
BSK	Labs		\$105.00	
CalPers	GASB-68 Report Fees - Misc. Pepra New Members		\$350.00	EFT
CalPers	GASB-68 Report Fees - Misc. First Level		\$350.00	EFT
CalPers	Employee Contribution - Pepra		\$3,428.54	EFT
CalPers	Unfunded Liability - Classic		\$6,243.83	EFT
CalPers	Unfunded Liability - Pepra		\$12.25	EFT
City of Sacramento - Revenue Division	Diversion Billing (January - June 2022)		\$3,230.63	
Emigh Hardware	Material/Supplies		\$159.87	10382
Ferguson Waterworks	Kensington Apartments		\$1,866.15	
Kronick, Moskovitz, Tiedemann & Girard	Services Rendered Through June 2022		\$36,105.10	
Rawles Engineering Inc.	3535 El Camino Avenue (Emigh Leak)		\$8,470.00	

**\$65,708.90**

**Additional warrents for Approval After 08/01/2022 Regular Meeting**

## **ITEM #8.A**

*Resolution No. 22-0815-01 Authorizing the General Manager to Negotiate and Execute an Agreement with Bartle Wells Associates for Water Rate Study Services for a Cost Not to Exceed \$45,000*

**DEL PASO MANOR WATER DISTRICT**  
**REGULAR MEETING OF THE BOARD OF DIRECTORS**

**DATE: August 15, 2022**

**AGENDA ITEM NO. 8.A**

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**SUBJECT: Resolution No. 22-0815-01 Authorizing the General Manager to Negotiate and Execute an Agreement with Bartle Wells Associates for Water Rate Study Services for a Cost Not to Exceed \$45,000**

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**STAFF CONTACT:**

General Manager

**BACKGROUND:**

At its July 5, 2022 Regular Meeting, the Board of Directors approved a Request for Proposal seeking qualified applicants for Water Rate Study Services. Responses were due on July 22, 2022 at 5:00PM.

The District received one responsive proposal from the financial advisors Bartle Wells Associates, and a second non-responsive proposal from another consultant. The second proposal was late and incomplete.

Upon review of the proposal the General Manager has determined that Bartle Wells satisfies the criteria established by the District in the Request for Proposal and has the expertise to manage the District's evolving needs as the Board of Directors continues its exploration of a possible merger with Sacramento Suburban Water District. Bartle Wells' entire proposal is attached.

The General Manager recommends awarding the contract for water rate study services to Bartle Wells.

**FINANCIAL IMPACT:**

Up to \$45,000 for services rendered pursuant to the hourly rates included in Attachment 2

**RECOMMENDATION:**

Approve resolution authorizing the General Manager to negotiate and execute an agreement with Bartle Wells Associates for water rate study services.

**Attachments:**

1. *Resolution of the Del Paso Manor Water District Board of Directors Authorizing the General Manager to Negotiate and Execute Agreement with Bartle Wells Associates for Water Rate Study Services for a Cost Not to Exceed \$45,000*
2. *Bartle Wells Associates Proposal for Water Rate Study Services*



**RESOLUTION NO. 22-0815-01**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
DEL PASO MANOR WATER DISTRICT AUTHORIZING THE GENERAL MANAGER  
TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH BARTLE WELLS ASSOCIATES  
FOR WATER RATE STUDY SERVICES IN AN AMOUNT NOT TO EXCEED \$45,000**

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**WHEREAS**, the Del Paso Manor Water District ("District") has a need to examine the costs of providing water service to its ratepayers to properly determine future rates; and

**WHEREAS**, the District Board of Directors approved a Request for Proposal seeking qualified applicants to provide water rate study services at its July 5, 2022 Regular Meeting; and

**WHEREAS**, the District received a timely, responsive proposal from the firm Bartle Wells Associates (BWA) to conduct a Water Rate Study that shall ultimately provide recommendations for cost allocation and rate setting;

**WHEREAS**, after evaluating the proposal the General Manager has determined that BWA possesses the knowledge and expertise to provide the service sought by the District ;

**WHEREAS**, District staff recommends that the Board of Directors of the Del Paso Manor Water District authorize the General Manager to negotiate and execute a contract with BWA for a cost not to exceed \$45,000.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DEL PASO MANOR WATER DISTRICT:**

1. The Board of Directors does hereby find that the foregoing recitals are true and correct and hereby incorporates them into its findings.

2. The Board of Directors authorizes the General Manager to negotiate and execute an agreement with Bartle Wells Associates for water rate study services in an amount not to exceed \$45,000.

3. The Board of Directors finds that this action is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guideline 15378 because the action is not a project as defined by CEQA.

I certify that the foregoing Resolution was adopted by the Board of Directors of the Del Paso Manor Water District at a special meeting held on the 15th day of August 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Ryan Saunders, President  
Board of Directors

ATTEST:

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Alan Gardner, General Manager

# ATTACHMENT 2

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# DEL PASO MANOR WATER DISTRICT

PROPOSAL FOR  
WATER RATE STUDY SERVICES



*July 22, 2022*

*Douglas Dove, President  
Bartle Wells Associates  
2625 Alcatraz Ave, Unit 602  
Berkeley, California 94705*

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July 22, 2022

Alan Gardner, General Manager  
1817 Maryal Drive, Suite 300,  
Sacramento, CA, 95864

RE: Proposal for Water Rate Study Services

Bartle Wells Associates (BWA) is pleased to submit this proposal to Del Paso Manor Water District (District) to prepare a comprehensive cost of service-based water rate study. BWA completed a water rate study for the District in 2017 and we appreciate the opportunity to work with the District on another assignment. Our firm specializes in providing independent utility rate and financial advisory consulting services to California water and wastewater agencies. We have extensive expertise developing long-term financial plans and utility rates for a wide range of agencies.

A critical step in this study is the incorporation of input from the community throughout the development of the new rates. Our proposal includes rate presentations at up to six in-person meeting including the Board of Directors meetings and three community workshops.

The key features of our proposal include:

- Water rate study developed by highly experienced consultants
- Community outreach via water rate workshops with the Board of Directors and public
- A total of up to six meetings/presentations at the District
- BWA will prepare an implementation and outreach strategy to fully engage the public and develop consensus on the new rates and fees
- BWA will craft an easy-to-understand Prop 218 notice for District review and mailing
- The scheduling will provide for the new rates to be effective July 1,2023
- Optionally, BWA can update the District's capacity fees

Our proposal includes a description of our firm, resumes, our project approach, experience, scope of work. and proposed schedule. Our cost proposal is provided in a separate sealed document. 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 us with any questions or revisions. We are flexible on all terms.

Sincerely,

BARTLE WELLS ASSOCIATES

Douglas R. Dove, PE, CIPMA  
President

Abigail Seaman  
Consultant



# BARTLE WELLS ASSOCIATES

INDEPENDENT PUBLIC FINANCE ADVISORS

**WHO WE ARE** Bartle Wells Associates (BWA) is an independent public finance advisory firm with expertise in the areas of utility rates and project financing. BWA was established in 1964 and has over 50 years of experience advising public agencies on the complexities and challenges in public finance. We have advised over 500 agencies from all areas of California and the western United States. We have a diversity of



abilities and experience to evaluate all types of financial issues faced by local governments and to recommend the best and most-practical solutions.

Bartle Wells Associates has a highly-qualified professional team. Our education and backgrounds include finance, civil engineering, business, public administration, public policy, and economics.

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

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



**UTILITY RATE & FEE STUDIES** Our rate studies employ a cost-of-service approach and are designed to maintain the long-term financial health of a utility enterprise while being fair to all customers. We develop practical recommendations that are easy to implement and often phase in rate adjustments over time to minimize the impact on ratepayers. We also have extensive experience developing impact fees that equitably recover the costs of infrastructure required to serve new development.

BWA has completed over 2,000 utility rate and fee studies. We have helped agencies implement a wide range of utility rate and fee structures and are knowledgeable about the legal requirements governing rates and development impact fees. We develop clear, effective presentations and have represented agencies at hundreds of public hearings to build consensus for our recommendations. We support our clients every step of the way, from project initiation through final adoption and implementation.



**PROJECT FINANCING** BWA has served as an independent municipal advisor to public agencies on over 300 financings. To date, we have helped California agencies obtain over \$5 billion of financing via bonds, bank loans, private placements, lines of credit, low-rate State Revolving Fund Loans, and other funding programs. We work only for public agencies. We are independent financial advisors and do not, trade, or resell bonds. BWA is a registered municipal advisory firm with the SEC and MSRB. All of our lead consultants are MSRB Registered Municipal Advisors. Our work is concentrated on providing independent and objective advice that enables our clients to finance projects on the most favorable terms: lowest interest rates, smallest issue size, and greatest flexibility.



Bartle Wells Associates is a charter member of the **National Association of Municipal Advisors**

and its predecessor, the *National Association of Independent Public Finance Advisors*. NAMA promotes high ethical and professional standards in the industry.

**COLLABORATIVE APPROACH** BWA has a strong track record building consensus and public acceptance for final recommendations. BWA uses a collaborative approach to ensure recommendations reflect the input and objectives of the agencies we serve. Our general approach is to work closely with our clients to clarify objectives, evaluate alternatives, gain ongoing input, and remain flexible to resolve unanticipated issues

**COMMUNITY OUTREACH**

Rate and fee increases can be controversial. BWA has assisted many agencies with community outreach efforts to help foster understanding and acceptance for final



recommendations. BWA has substantial experience working with governing boards and city councils, citizen advisory committees, community groups, and other stakeholders. We help agencies develop effective public outreach strategies and also work in partnership our client’s public relations staff and independent public relations firms. We have a long track record of helping our clients successfully adopt rate increases in challenging political environments.

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**ADVANTAGES OF BWA**

**Utility Rate & Finance Expertise**

- Successfully served over 500 public agencies
- Developed over 2,000 utility rate and fee studies
- Secured over \$5 billion of low-cost financing for public works projects
- Highly qualified and experienced staff

**Technical Expertise**

- Expertise in cost-of-service and rate-setting methodologies and strategic financial planning
- Knowledgeable about legal requirements governing utility rates and capacity charges
- Creative ability to tailor rate and finance recommendations to achieve client objectives

**Effective Communication**

- Extensive work with councils, boards, community groups and citizen advisory committees
- Clear and informative reports and presentations
- Effective Proposition 218 rate notices and community outreach strategies

**Outstanding Service & Results**

- Proven ability to build consensus for final recommendations
- Long track record of completing projects on time and on budget
- Helped many agencies successfully adopt rate increases in challenging political environments

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

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**CONTACT US**



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

-  (510) 653-3399
-  [bwa@bartlewells.com](mailto:bwa@bartlewells.com)
-  [www.bartlewells.com](http://www.bartlewells.com)

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

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# SECTION 2: RELEVANT EXPERIENCE

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## MISSION STATEMENT

Bartle Wells Associates is a consultancy devoted to developing financial solutions for municipal utilities. Our mission is to help agencies meet their cost of delivering service and provide for the long-term financial health of public utilities by offering sound financial master plans, rate and fee studies, and debt advisory services.

## OWNERSHIP

Bartle Wells Associates is owned and managed by its Principal Consultants, Douglas Dove, and Alex Handlers.

## PROFESSIONAL STAFF

Provided below is a listing of BWA professional staff. Bartle Wells Associates has staff members available to begin work immediately and complete the study so that rates will be effective on January 1, 2023.

## PROJECT TEAM

BWA uses a team approach for most projects, typically assigning two consultants to each assignment, including at least one principal consultant. We propose to assign Douglas Dove and Abigail Seaman to this rate study. Doug will serve as the project lead and will present at public meetings and workshops. Abigail’s role will be to collect and analyze data, develop the financial model, and forecast impacts on customers. Doug has over 30 years of water rate study experience and brings a wealth of knowledge to the District. Doug enjoys working with Directors, stakeholders, ratepayers, and others to develop consensus on difficult water rates and funding issues.



**TEAM MEMBERS**

**DOUG DOVE, PROJECT MANAGER**

**President, Bartle Wells Associates**

Doug Dove is the President of BWA and one of BWA’s principal consultants. He has more than 30 years of professional experience, specializing in all areas of public finance, including utility rate setting, capacity fee implementation, strategic financial planning, and infrastructure financing. He has extensive experience developing strategic financial plans and utility rate studies and has consulted for more than 200 California agencies. Doug has substantial experience working with public agency staff and governing bodies to build understanding and consensus for a recommendation.



***Doug will be the primary contact person and manage the day-to-day project work. He will be involved in all aspects of the project, from kickoff to implementation.***

**ABIGAIL SEAMAN, PROJECT CONSULTANT**

**Consultant, Bartle Wells Associates**

Abigail Seaman is a BWA consultant with seven years of experience developing long-term financial models and utility rates based on a cost-of-service approach. She has helped many water, wastewater and stormwater agencies achieve revenue stability and customer equity. She graduated from UC Davis with a degree in economics and spent four years in the greater Sacramento area before settling in the East Bay.



***Abigail will be the main project consultant and provide day-to-day project work.***

Project Team Resumes are provided on the next page.

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## DOUGLAS R. DOVE, PE, CIPMA



### Experience

Douglas R. Dove is President of Bartle Wells Associates and a Principal Consultant with more than 30 years of infrastructure finance and cost of service ratemaking experience. He specializes in strategic financial planning, bond marketing, utility rate setting, and development impact fees. He has worked for a wide variety of public agencies and developed financing plans to support more than 200 public works capital programs. Mr. Dove assists public agencies in evaluating financing alternatives for capital projects, conducting utility rate and development impact fee studies, and securing project financing, including state and federal grants, loans, and bonds. He has extensive experience developing rates and charges for water, wastewater, reclaimed water, and stormwater enterprises. He has substantial experience representing public agencies as an independent financial advisor on the issuance of debt.

### Education

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

B.S., Civil Engineering – Drexel University

### Representative Projects

- **East Bay Municipal Utility District:** Comprehensive water rate study and AB 1600 capacity fee review, wastewater cost-of-service review and capacity fee review, and various other financial studies.
- **City of Santa Barbara:** Water cost of service rate review and capacity fee update.
- **City of Davis:** Water rate study developed with a 15-member Water Advisory Committee.
- **Del Paso Water District:** Water rate update and financing plan study.
- **Rio Linda/Elverta Community Water District:** Water rate and capacity fee studies.
- **City of Modesto:** Water and wastewater rate studies.
- **City of Placerville:** Water and wastewater rate and capacity fee studies.
- **City of San Mateo:** Wastewater financing plans and rate studies.
- **City of Santa Clara:** Long-range wastewater financing plan, rate, and capacity fee study.
- **City of Sunnyvale:** Wastewater rates, fees, and long-range financial plan.
  - **West Valley Sanitation District:** Wastewater rate study, financing plan, and bond issuance.
  - **City of Hanford:** Wastewater financial plan and rate study, bond and bank loan issues, procurement of California Infrastructure Bank SRF loan.
- **City of Patterson:** Water and wastewater rate studies and five-year financing plans
- **City of Tulare:** Financial advisor to the city, sale of \$80 million in bonds (3 issues), water and wastewater rate studies. Sale of \$7 million in short-term notes.

### Memberships

National Association of Independent Public Municipal Advisors (former board member)

California Association of Sanitation Agencies

### Certifications

Certified Independent Public Municipal Advisor (CIPMA), and registered Professional Engineer (PE) in California, MSRB-registered Municipal Advisor – (Series 50 & 54)

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## ABIGAIL M. SEAMAN



### Project Consultant

Abigail Seaman is a project consultant with Bartle Wells Associates. She works closely with public agencies, engineers, legal counsel, and other consultants to develop water and sewer rates, assessments, and long-term financial plans for utility enterprises. Abigail helps agencies evaluate financing alternatives for public works projects, coordinates state and federal grant and loan applications, and evaluates bond refinancing opportunities.

### Education

B.A., Economics – University of California, Davis

### Representative Projects

- **City of Davis:** Water rate study update developed with Utility Rate Advisory Committee. Stormwater advisory services for South Davis Channel.
- **City of American Canyon:** Comprehensive, multi-year water and wastewater rate study.
- **Yolo County:** Assessment Engineer’s Report presenting costs per resident for water system consolidation project between North Davis Meadows CSA and City of Davis
- **City of Calistoga:** Long-range utility financial plan, water and wastewater rate studies
- **Sonoma County Water Agency:** Wastewater rate study to prepare for the annexation of a district into the City of Santa Rosa’s wastewater system.
- **California Rural Water Association:** On-call consultant for water and wastewater rate studies
- **City of Seaside:** Comprehensive water and wastewater rate study
- **Marina Coast Water District:** Water and wastewater capacity fee studies
- **City of Pacifica:** Comprehensive wastewater rate study including debt financing scenarios
- **City of Alameda:** City-wide capital improvement budget and revenue projections; analysis of historical revenue and expense trends
- **Town of Yountville:** Water and wastewater rate study, rate structure re-organization
- **City of Solvang:** Water and wastewater rate studies
- **Mariposa County:** Water and wastewater rate study for four districts within the County
- **Eastern Sierra Community Services District:** Wastewater capacity fee study
- **City of Coronado:** Breakeven analysis comparing the cost of imported water with project costs to improve City water infrastructure, assuming project financing and escalating annual costs

### Certifications

MSRB-Registered Municipal Advisor (Series 50)

## REFERENCES

### DEL PASO MANOR WATER DISTRICT

The Del Paso Manor Water District (District) in Sacramento County, CA. Retained Bartle Wells Associates to perform a comprehensive water rate update in late 2017. Rates had last been adjusted in 2011, and an increase was needed to address ongoing operating deficits. Before hiring Bartle Wells, the District had tried to increase rates earlier in 2017 and was met with a community outcry and protest, which stopped the initial rate proposal.

BWA worked closely with the District Board and staff to develop draft rate recommendations for flat and usage-based rates for presentation at community meetings. BWA presented its rate recommendations at three community meetings held between February and April 2018. Based on input received at the community meetings, BWA finalized its rate recommendations and developed a prop 218 notice for mailing to District ratepayers. The significant community outreach effort paid off and resulted in the District receiving very few written protests, and the new rates were adopted on June 4, 2018.

Contact: Debra Sedwick, former General Manager  
(916) 799-5075  
[debrasedwick@sbcglobal.net](mailto:debrasedwick@sbcglobal.net)



### CITY OF MODESTO

BWA has a strong working relationship with the City of Modesto and has worked on numerous projects since 2010. In 2015, BWA was retained to work with the City and the Can Seg customers to develop a new wastewater rate structure. We met with stakeholder groups, the wastewater master planning engineering team, Finance Committee, and City Council on many occasions to vet our recommendations and gain consensus. City Council implemented our rat in April 2016.

In 2015, the District retained BWA to conduct a comprehensive water rate study. The City had not raised rates since 2013 and experienced reduced revenue due to drought conditions. BWA developed drought surcharges and analyzed individualized rate structures for the City's outlying service areas. A Proposition 218 hearing to adopt proposed rates was completed in Fall 2016. In 2021, the City retained BWA to update its water and wastewater rates. City Council unanimously approved the wastewater rates in the spring of 2022. The water rate study is in progress.

Contact: William Wong, P.E., Director of Utilities  
209-571-5801  
[wwong@modestogov.com](mailto:wwong@modestogov.com)



## FOSTER CITY (ESTERO MUNICIPAL IMPROVEMENT DISTRICT)

The City provides water and wastewater service to approximately 32,500 in San Mateo County, CA. Bartle Wells Associates assisted the City of Foster City develop water and wastewater rates, customized computer rate models, and a long-range utilities financial master plan. Foster City, a BAWSCA member, purchases all of its drinking water from San Francisco's Hetch Hetchy system. The City and San Mateo jointly own a wastewater treatment facility that the City of San Mateo operates. The City faced significant capital costs for improvements to the Hetch Hetchy system and the jointly owned wastewater treatment plant.

Bartle Wells has served as the City's water and wastewater rate consultant since 1998 and most recently updated the rates in 2022. BWA has developed long-range financing plans for the capital projects and recommended prudent minimum reserve fund balance levels for the City's utility operating and capital funds. BWA also recommended changes to the City's water rate structure to reduce vulnerability to revenue shortfalls during droughts and to ensure legal compliance with Proposition 218. The City's water rates were balanced so that fixed meter charges cover the fixed costs of the system while volumetric charges cover volumetric costs such as water purchases, thereby minimizing the financial impact of conservation. BWA presented alternative scenarios to the Council which included changes to a number of tiers, volumetric wastewater rates, and a water budget rate structure. Throughout the project, BWA worked closely with a team of staff from the City's engineering, finance, and information technology departments.

BWA assisted City staff in developing PowerPoint presentations for Council workshops and rate hearings and preparing Proposition 218 notification for the proposed rate increases. The City Council approved the recommended water and wastewater financing plans, rate structure adjustments, and rate increases.

In Microsoft Excel, BWA incorporated the rate and financing recommendations into a user-friendly computer rate model. The model can be used by City staff each year to update utility cash flow projections and the City's water and wastewater rates.

Contact: Edmund Suen, Finance Director  
(650) 286-3265  
[esuen@fxostercity.org](mailto:esuen@fxostercity.org)



## CITY OF PATTERSON



The City of Patterson (the City) is a general law City located in western Stanislaus County with a population of approximately 21,000. The City owns and operates its own water and wastewater systems. In October 2009, the City retained Bartle Wells Associates to develop a long-term financial plans and rate recommendations for the water and sewer enterprises.

Both the water and sewer enterprises were facing significant capital improvement projects for the next 10 years. Major water projects included developing the non-potable water system, and for sewer, the capital program was largely comprised of biosolids handling and the treatment plant expansion. The objective was to implement rates that would enable the City to fund the projects through State loans, grants, and debt financing.

Our study included five-years of rate adjustments designed to keep rates in line with cost inflation while providing sufficient revenues for the City's operating and capital programs. BWA also recommended several adjustments to the water rate structure including aligning the fixed rates with the American Water Works Association's (AWWA) standard meter ratios and revising the tier breakpoints and adding a fourth tier to better distribute water sales. The tier breakpoints were based on historical water consumption and designed to minimize the impact on residential customers who use low to average consumption while encouraging conservation. For sewer rates, we recommended increasing the consumption rate for commercial and industrial customers by the same percentage as the fixed charge. In previous years, the consumption rate for non-residential customers had not been escalated.

In 2013, BWA principal Douglas Dove provided on-call infrastructure financing and utility rate consulting services in connection with the City's review of funding alternatives for future infrastructure projects. Mr. Dove assisted city staff and consultant Pacific Municipal Consultants in presenting funding alternatives to the City Council in closed session meetings.

Solid Waste Rate Study: BWA recently assisted the city in updating its solid waste rates including garbage, recycling and greenwaste collection services.

In 2021 and 2022, BWA assisted the City in updating water and sewer rates and capacity fees and evaluating other alternatives to ensure that growth pays their fair share.

### Agency Contact:

Mike Willet, Director of Public Works  
1 Plaza, Patterson, CA 95363  
(209) 895-8065  
[mwillet@ci.patterson.ca.us](mailto:mwillet@ci.patterson.ca.us)



## BODEGA BAY PUBLIC UTILITY DISTRICT

Bartle Wells Associates conducted a Water and Wastewater Rate Study for Bodega Bay Public Utility District in 2016. The District was facing a water revenue deficit and had a wastewater rate structure based on outdated Residential Unit Equivalent (RUE) estimates. BWA recommended that the District increase water rates, update water rates to align with AWWA meter flow factors and replace RUE-based wastewater charges with meter-based charges. We calculated the impact of the new rate structure on all customers and developed a notice to ratepayers explaining the change. Rates were successfully implemented in 2018.

In 2021, BWA updated the District's wastewater financial plan and rates to fund significant capital improvement costs with a combination of debt financing, reserves, and rate revenue. In 2022, BWA assisted the district in securing two bank loans to fund the 2022 Sewer Rehabilitation Project and refinance (refund) the District's outstanding 2015 loans.

**Contact:** Jan Ames, General Manager  
707.875.3332  
[j.ames@bodegabaypud.com](mailto:j.ames@bodegabaypud.com)



## PANOICHE WATER DISTRICT

In 2021, Bartle Wells Associates assisted Panoche Water District in levying an assessment to fund the conversion of its water service contract with United States Bureau of Reclamation (USBR) to a repayment contract and fund water system modernization projects. In order to convert the contract with the USBR, the District needed to repay the USBR for its portion of Central Valley Project capital expenses. The District needed a bond, supported by assessments, to finance the repayment. BWA assisted the District in the following ways:

- Determined the necessary assessments
- Developed an Engineer's report to support the assessments
- Assisted with workshops to explain the proposed assessments to landowners
- Combined parcel owner data from two counties with the District's parcel data
- Worked with the District and its legal counsel to draft a ballot template
- Created individualized ballots for each parcel
- Counted the ballots at the public hearing

**Contact:** Ara Azhderian, General Manager  
(209) 364-6136  
[aazhderian@panochewd.org](mailto:aazhderian@panochewd.org)





# SECTION 3. CONFLICTS OF INTEREST

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BWA confirms that our firm has no conflicts of interest with any activity related to this project.

# SECTION 4: PROJECT ORGANIZATION AND TIMELINE

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This section presents a detailed draft scope of services that we believe forms a sound basis for completing the water rate study. Our scope includes 3 remote meetings using the teleconferencing platform of the District’s choice, and six in-person meetings including three Board meetings (Presentation and 218 hearing) and three community outreach meetings.

## TASK 1. PROJECT INITIATION & DATA COLLECTION

### 1.1 Kick-off Meeting

To initiate our work, hold a kickoff meeting to accomplish the following:

- Identify members of District staff, Board Members, engineering consultants, and others who will participate in the project.
- Determine the roles and responsibilities of all project participants.
- Establish a project schedule and key milestone dates.
- Confirm the key goals and expectations of the project team.
- Identify key issues that may impact the results of our work.

### 1.2 Investigation and Data Collection

Assemble the information necessary to understand the District’s water system, finances, customers, usage, rate and fee structures, capital program and projected impacts of conservation. The objectives of the investigation and data collection are to develop a complete understanding of the District and its finances and to reach an agreement on basic assumptions to be used in the study as well as key alternatives for evaluation and to work with District staff gain an understanding of current system facilities, operational arrangements, staffing, and capital needs.

<p><b>Task 1 Deliverables Include:</b></p> <ul style="list-style-type: none"><li>▪ Project team contact list</li><li>▪ Information needs list</li><li>▪ Meeting #1: Kickoff Meeting</li></ul>
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## TASK 2. REVENUE REQUIREMENT

This task consists of developing the District’s baseline scenario reflecting the District’s current basic O&M requirements.

### 2.1 Develop Budget Projections

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

- **Drought Conditions:** Determine appropriate water use projections including different conservation targets for each customer group, evaluate the impacts of short-term vs. long-term drought conditions.
- **Rehabilitation and Replacements:** Identify a reasonable amount to include for future ongoing capital repairs and capital replacements for the District’s water system.
- **Growth, Development, and Redevelopment:** Evaluate historical growth trends and then develop appropriate and conservative assumptions for future development and redevelopment that can be incorporated into the financial plan/rate model.
- **Cost Escalation Factors:** Review historical cost trends and then work with the project team to develop reasonable escalation of cost factors for both operating expenditures and capital expenditures - in compliance with applicable laws. BWA will work with the District to identify future changes in operating costs and maintenance costs that should be accounted for when developing financial projections.

Review projections and alternatives with District staff for agreements on assumptions, interpretation of data, and completeness of approach.

### 2.2 Review and Recommend Fund Reserve Policies and Targets

Evaluate the District’s current reserve levels. Review fund reserve targets, based on the District’s operating and capital funding projections, if available. Evaluate reserve targets described in the District’s debt covenants.

Explore the District’s ability to absorb additional debt via an additional debt test. Identify potential changes to fund reserve policies and recommend prudent minimum fund reserve targets. Evaluate replacement funds and recommend an appropriate funding level. Develop a reasonable implementation plan for achieving and maintaining the recommended water fund levels in the long run.

<p><b>Task 2 Deliverables Include:</b></p> <ul style="list-style-type: none"><li>▪ Identification of key assumptions supporting the revenue requirement</li><li>▪ Budget projection and revenue requirement a “baseline scenario”</li><li>▪ Review of District debt covenants</li><li>▪ Review of fund reserve policies and targets</li></ul>
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## TASK 3. FINANCIAL PLAN=

### 3.1 Evaluate Funding Alternatives for Capital Improvements

While the last study only reviewed costs related to Operations and Maintenance, Capital improvements are now to be included in the analysis of revenue needs. We will evaluate funding for proposed capital improvement projects. Our evaluation will:

- Estimate the amount and timing of any debt, if needed, to finance capital projects.
- If appropriate, recommend type of debt, term and structure, and estimate debt service.
- Evaluate the refinancing of any existing debt.

### 3.2 Develop a 10-Year Cash Flow

Develop cash flow projections showing the financial position of the water enterprise over the next 10 years. The cash flows will project fund balances, revenues, expenses, and will incorporate the forecasts that were developed with staff input. After developing a base-case cash flow scenario, we can develop alternatives for additional evaluation such as but not limited to capital project alternatives, project financing alternatives, the impacts of different levels of growth, the impacts of various levels of water demand, conservation, and costs of supply, etc. During this phase, BWA will work closely with the project team to evaluate financial and rate projections under alternative scenarios and conduct a sensitivity analysis to assess the impacts of changes in key assumptions.

### 3.3 Evaluate Rate Increase Options

Forecast rate increases and recommend the structure needed to meet operating requirements, capital improvements, regulatory obligations, and reserve funding levels. Evaluate the financial impact of various rate increase alternatives, such as phasing in rate increases over a number of years. For each rate scenario, assess the sensitivity of the projected results to changes in key variables.

<p><b>Task 3 Deliverables Include:</b></p> <ul style="list-style-type: none"><li>▪ Development of 10-year financial projections to evaluate alternatives</li><li>▪ Evaluation of alternative rate increase scenarios</li></ul>
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## TASK 4. GUIDING PRINCIPLES FOR WATER RATES

Work with the District’s project team to identify key principles to guide development of the water rates. Use these guiding principles to compare rate alternatives to help identify the best options for consideration. Some potential guiding principles may include, but are not limited to, developing rates that are:

- Fair and equitable to all customer classes (although notions of equity can vary by perspective)
- Tailored to each customer class
- Generate adequate revenues
- Promote conservation to support the District’s water conservation goals
- Easy and cost-effective to implement and administer
- Compatible with District’s utility billing system
- Understandable to ratepayers and convey a conservation message
- Flexible and can easily be adjusted in future years as needed to help achieve different levels of water supply cutbacks while maintaining financial stability

**Task 4 Deliverables Include:**

- List of guiding principles for development of water rates

## TASK 5. COST OF SERVICE ALLOCATION

### 5.1 Analyze Utility Billing Data

Evaluate current and historical utility billing data and usage data obtained from the District to determine reasonable estimates of demand to use in developing rates. Usage can fluctuate from year to year, depending on various factors such as weather, local conservation efforts and regional conservation efforts. Ideally, we would prefer to analyze 3 years’ worth of utility billing data in order to determine conservative demand projections.

### 5.2 Allocate Costs to Rate Parameters

Allocate revenue recovery targets identified in the financial plan to appropriate rate components to determine the underlying unit charges that will be used to calculate rates. Recent court cases have emphasized the importance of cost allocation in the rate design process. First, BWA will allocate costs to fixed and variable cost categories. As a second step, BWA will allocate variable costs based on peaking factors, source of supply, and the cost of conservation programs (as appropriate). The variable cost allocation will serve as the basis for the District’s volume rate and potential tiered rates. Rates will be designed to ensure equity between different types of customer classes and comply with the substantive requirements of Proposition 218.

**Task 5 Deliverables Include:**

- Analysis of utility billing data
- Description of each customer type and the benefits received from the District's water system
- Detailed cost allocations supporting development of rates

## **TASK 6. RATE AND FEE DESIGN**

### **6.1 Conduct Survey of Regional Rates**

Review and summarize water rates of other regional and/or comparable agencies. This will include a comparison of customer classes and rate structures. BWA will summarize results in easily understandable tables and/or charts.

### **6.2 Identify and Evaluate Rate and Fee Structure Modifications or Alternatives**

Identify potential rate structure modifications or alternatives that could help improve rate equity. Discuss pros and cons of different rate structure options and their general impacts on different types of customers. Work with the District's project team to evaluate and hone rate structure modifications and/or alternatives. Modifications may include, but are not limited to:

- Changes to the overall level of fixed vs. variable revenue recovery
- Potential adjustments to the fixed charges for each meter size
- Potential modifications to improve equity between rates from different customer classes
- Potential development of various water quantity rate alternatives: alternatives may include changes to a) the number of water rate tiers, b) tier breakpoints, and c) tier steepness, or the differential in rates between lower and higher tiers
- Modifications based on industry standards such as guidelines from the American Water Works Association

### **6.3 Evaluate Drought Impacts**

Evaluate the revenue impacts of different levels of required cutbacks in water demand in response to drought, given the current 20% reduction required 20% cuts to water use while ensuring adequate fixed and volumetric revenue recovery. BWA often recommends a phase in of escalating drought rate responses in response to clear trigger points by the State.

### **6.4 Develop Preliminary and Final Rate Recommendations with District Input**

Based on the evaluation of rate structure alternatives and the financial plan update, BWA will develop draft rate and fee alternatives for District input. Final rate and fee recommendations will be designed to:

- Fund the water utility's long-term costs of providing service
- Be fair and equitable to all customers
- Achieve District objectives
- Be easy to understand and administer
- Comply with the substantive requirements of Propositions 218 and 26

**6.5 Evaluate Rate Impacts on a Range of District Customers**

Calculate the impacts of rate and fee alternatives on a range of District customers. Discuss additional rate structure adjustments that may reduce the impact on certain customers, if warranted.

- Task 6 Deliverables Include:**
- A survey of regional water rates
  - Evaluation of rate structure alternatives
  - Evaluation of proposed rate changes on customers
  - Meeting #3 (Zoom Progress Meeting)
  - Meet with District to present findings, discuss alternatives, gain input, and develop preliminary and final rate structure recommendations

**TASK 7: OPTIONAL TASK -- CAPACITY FEE STUDY**

Optionally, BWA can conduct a capacity fee study in concurrence with the water rate study. In general, the District’s fees should be periodically reviewed to account for changes in the District’s master plan, capital improvement program, project costs, and/or major changes in capacity needs.

**7.1 Review Current Capacity Fee Structure**

Review the District’s current capacity fees for general equity and adequacy. Discuss findings with District staff.

**7.2 Evaluate Alternative Capacity Fee Methodologies**

If applicable, identify and evaluate alternative methods for calculating capacity fees. Discuss advantages and disadvantages with District staff and determine a recommended approach.

**7.3 Determine Current Value & Capacity of Wastewater System Assets**

Calculate the current value of the District’s wastewater system assets. The current value is generally calculated by adjusting the depreciated value of each facility or component into current dollars using the Engineering News-Record Construction Cost Index, a widely-used measure of construction cost inflation. Also, determine the capacity of major components of the wastewater system.

**7.4 Allocate Capital Program Costs to Current & Future Users**

Equitably allocate capital improvement costs to existing and future users based on input from District and its consulting engineers. Some projects may entirely benefit one group while others will provide a portion of benefit to both correct existing system deficiencies and provide new capacity for growth

**7.5 Develop Preliminary Capacity Fee Recommendations**

Based on appropriate and technically sound methodology, recommend revisions to the current capacity fee based on the data developed above. Review fee for compliance with Government Code Section 66013 (AB-1600).

**7.6 Recommend a Method for Future Fee Updates**

Recommend a method to annually or periodically adjust the capacity fee to keep aligned with construction cost inflation.

**7.7 Meet with District to Review Capacity Fee Recommendations**

Meet with District staff review capacity fee recommendations and discuss key alternatives. Receive District input and revise recommendations as needed.

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| <p><b>Task 7 Deliverables Include:</b></p> <ul style="list-style-type: none"> <li>▪ Capacity Fee Analysis and Recommendations</li> </ul> |
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**TASK 8. DRAFT AND FINAL REPORTS AND FINANCIAL MODEL**

**8.1 Prepare a Draft and Final Report**

Develop a draft report summarizing key background issues, study objectives, findings, assumptions, draft recommendations, alternatives, impacts on ratepayers, and the rate and fee surveys. The report will clearly explain the rationale for recommendations. BWA will submit the draft report for District review and feedback. Then incorporate input from the District into a corrected draft. Provide the final report to the District with printed and electronic copies.

**8.2 Develop User-Friendly Financial Model**

Develop a user-friendly financial model in Excel designed to be used by District staff to update financial projections, evaluate “what if” scenarios and their impacts on finances and rates, and track financial results. BWA recommends the model be as straightforward as possible and avoid unnecessary complexity. We will work with District staff to ensure the model is easy to update and meets the District’s needs and objectives.

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| <p><b>Task 8 Deliverables Include:</b></p> <ul style="list-style-type: none"> <li>▪ Draft report</li> <li>▪ Final report</li> <li>▪ Meeting #4: Presentation of draft recommendations to the Board of Directors</li> <li>▪ User-friendly financial model to evaluate financial and rate scenarios and track results</li> </ul> |
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# TASK 9. IMPLEMENTATION AND OUTREACH

## 9.1 Implementation and Outreach Strategy

We will work closely with the District to develop an implementation and outreach strategy for approval of our final recommendations. The implementation strategy will include a timeline and proposed activities to receive input and approval from District staff, stakeholders, and Board of Directors. All materials used in our workshops with the public will be provided to staff ahead of time.

## 9.2 Proposition 218 Assistance

Identify substantive and procedural requirements for Proposition 218 and discuss requirements and options with District staff. As directed by the District, draft or assist in drafting the required Proposition 218 notice. BWA recommends the notice go beyond the minimum legal requirements and provide clear and concise explanation of the reasons for any rate adjustments as well as any actions the District has taken to help reduce costs.

## 9.3 Presentation of Final Results

Present findings, key alternatives, and preliminary recommendations to the public and the Board of Directors at a workshop for input and guidance. Develop PowerPoint presentations summarizing key study objectives, findings, draft recommendations, financial and rate alternatives, and impacts on a range of customers. As envisioned, the task would encompass three presentations: a community workshop presentation of preliminary findings, a presentation of the draft recommendations to the Board of Directors, and the Proposition 218 hearing presentation.

**Task 9 Deliverables Include:**

- Implementation and outreach strategy
- Proposition 218 assistance
- Meetings #5 - 7: Presentation of preliminary findings at Community Workshops
- Meeting #8: Presentation of final recommendations at Community Workshop
- Meeting #9: Proposition 218 rate hearing presentation

## TIMELINE & KEY MILESTONES

Provided below is a draft timeframe for completion of the Cost of Service Analysis. The timeframe can be condensed or extended to meet the District’s needs. We will develop a final project timeframe in consultation with the District during project initiation.

Rate Study Task	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL
TASK 1. Project Initiation												
TASK 2. Revenue Requirement												
TASK 3. Financial Plan												
TASK 4. Guiding Principles for Water Rates												
TASK 5. Cost of Service Allocation												
TASK 6. Rate Design												
TASK 7. Capacity Fee Study (Optional)												
TASK 8. Draft & Final Reports, and Financial Model		D	F									
TASK 9. Implementation and Outreach												

<b>August 4, 2022</b>	Award of Contract & Notice to Proceed
<b>September 4, 2022</b>	Draft Rate Study Submission
<b>TBD</b>	Up to 3 Meetings with Staff and Consultants
<b>October 2022</b>	October 2022 Final Draft Due
<b>TBD</b>	Board of Directors Presentation Authorization to Mail Proposition 218 Notice
<b>January – February 2023</b>	Community Meetings and Outreach
<b>April– March 2023</b>	Proposition 218 Hearing Period



## ***SECTION 5: COST (SEPARATED)***

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A cost proposal has been provided in a sealed envelope separate from this document per the District's Request for Proposals

## **SECTION 6: CONTRACT**

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Per the District's request, BWA has reviewed the District's Contract Services Agreement and finds the terms acceptable.



July 22, 2022

Alan Gardner, General Manager  
1817 Maryal Drive, Suite 300,  
Sacramento, CA, 95864

RE: **Cost Proposal** for Water Rate Study Services

Bartle Wells Associates (BWA) is pleased to submit this cost proposal to Del Paso Manor Water District (District), containing *Section 5: Cost* in our Proposal for Water Rate Study Services. This document includes an outline of the proposed budget by task, our 2022 Billing Rate Schedule, and latest Schedule of Insurance.

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 us with any questions or revisions. We are flexible on all terms.

Sincerely,

BARTLE WELLS ASSOCIATES

Douglas R. Dove, PE, CIPMA  
President

Abigail Marie Seaman (Series 50)  
Consultant

# SECTION 5: COST

## Proposed Budget

This section shows a breakdown of projected hours and the estimated budget for each task. The budget can be refined with the project team to meet the District’s study objectives.

TASK	Estimated Hours	D. Dove @ \$270/hr	A. Seaman @ \$170/hr	Total Cost
TASK 1. Project Initiation	6	1	5	\$1,120
TASK 2. Revenue Requirement	7	2	5	\$1,390
TASK 3. Financial Plan	11	3	8	\$2,170
TASK 4. Guiding Principles for Water Rates	7	2	5	\$1,390
TASK 5. Cost of Service Allocation	10	5	5	\$2,200
TASK 6. Rate Design	19	4	15	\$3,630
TASK 8. Draft & Final Reports, and Financial Model	43	13	30	\$8,610
TASK 9. Implementation and Outreach	57	23	34	\$11,990
<b>TOTAL ESTIMATED HOURS</b>	<b>160</b>	<b>53</b>	<b>107</b>	<b>\$32,500</b>
<b>ESTIMATED DIRECT EXPENSES</b>				
Travel/copies/binding/phone/fax/mail/miscellaneous				\$2,500
<b>Subtotal Estimated Expenses</b>				<b>\$2,500</b>
<b>TOTAL PROJECT COSTS</b>				<b>\$35,000</b>
TASK 7. Capacity Fee Study (Optional)	50	15	35	\$10,000
<b>TOTAL INCLUDING OPTIONAL TASKS</b>				<b>\$45,000</b>

# Statement of Availability and Fees

1. Bartle Wells Associates is prepared to begin work upon the District’s authorization to proceed.
2. 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.
3. Bartle Wells Associates will perform all work related to the assignment. Douglas 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.
4. The fees for services outlined in this proposal will not exceed \$35,000 plus \$10,000 optionally to perform a capacity fee study update. The fee is based on the following assumptions:
  - The project will be completed in time for rates to be effective on July 1, 2023. BWA will work to meet all District scheduling requirements and deadlines.
  - All necessary information will be provided by the District and/or its other consultants in a timely manner.
  - Development of a draft and a final version of tables and report. Time and expenses involved in revising tables and assumptions and additional report revisions may constitute additional services if not achievable within the budget
  - The fee is based on a total of 3 Zoom staff progress meetings and 6 in person meetings for Board presentations/community workshops and the final rate hearing
5. 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 2022 which will remain in effect for the duration of this project.
6. In addition to the services provided under this proposal, the District may authorize Bartle Wells Associates to perform additional services, which may include, but are not limited to:
  - Changes in project scope
  - Delays in project schedule resulting in additional revisions
  - Additional meetings and presentations
  - Any other services not specified
7. If the project is terminated for any reason, Bartle Wells Associates is to be reimbursed for professional services and direct expenses incurred up to the time notification of such termination is received.
8. This proposal may be withdrawn or amended if not accepted within 90 days.



**BARTLE WELLS ASSOCIATES**  
**BILLING RATE SCHEDULE 2022**  
 Rates Effective 1/1/2022

**Professional Services**

Financial Analyst I.....	\$110 per hour
Financial Analyst II.....	\$140 per hour
Consultant.....	\$170 per hour
Senior Consultant.....	\$200 per hour
Senior Project Manager .....	\$230 per hour
Principal Consultant.....	\$270 per hour

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

The above rates will be in effect for the duration of the project.

**Direct Expenses**

Subconsultants will be billed at cost plus ten percent. Other reimbursable direct expenses incurred on behalf of the agency will be billed at cost plus ten percent. These reimbursable costs include, but are not limited to:

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

**Insurance**

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

**Payment**

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

**ITEM #8.B**

*Resolution 22-0815-02 Amending Rules for Virtual Participation During  
Board Meetings*

**DEL PASO MANOR WATER DISTRICT**

**REGULAR BOARD MEETING**

**DATE: August 15, 2022**

**AGENDA ITEM NO. 8.B**

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**SUBJECT: Resolution 22-0815-02 Amending Rules for Virtual Participation During Board Meetings**

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**CONTACT:**

Alan Gardner, General Manager

**EXECUTIVE SUMMARY**

Staff requests the Board of Directors consider approving a resolution to require Directors to use both audio and video when participating in Board meetings.

**BACKGROUND:**

At its August 1, 2022 Regular Meeting, the Board of Directors approved Resolution No. 22-0801-02 establishing a requirement for all District Directors to use their video capabilities when appearing virtually for public meetings. The resolution also provided for an exception, permitting Directors to appear by audio-only if they adhered to the requirements of Government Code section 54953(b)(3). The Board has been meeting virtually during the COVID-19 pandemic for health and safety reasons.

Also on August 1, 2022, Governor Newsom declared a state of emergency pertaining to the statewide spread of monkeypox, a disease that can be transmitted through the air and contaminated surfaces or fabrics. Along with the ongoing health and safety risks posed by the COVID-19 pandemic, the existence of monkeypox heightens the health risks of in-person public meetings. Providing an option for Directors to regularly offer in-person access to their locations so that they can participate in public meetings by audio alone undermines the District's ability to safely hold public meetings during these multiple states of emergencies.

To ensure that the District holds its virtual meetings consistent with the health and safety findings it regularly makes in accordance with Government Code section 54953(e), and to continue its commitment to preserve the health and safety of meeting participants, staff recommends amending the recently adopted resolution so that Directors must simply participate in public meetings using audio and video capabilities. While a Board member who wishes to participate virtually without video may still do so, that Director would be running afoul of the District's policy. Such action could possibly be the subject of a reprimand from the Board.

**PROPOSED ACTION:**

Staff recommends the adoption of Resolution 22-0815-02

## **ATTACHMENTS**

1. Resolution 22-0815-02 Amending Rules for Virtual Participation During Del Paso Manor Water Board Meetings

## **ENVIRONMENTAL CONSIDERATIONS**

The consideration and approval of the above resolution is not a project for purposes of CEQA.



**RESOLUTION NO. 22-0815-02**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
DEL PASO MANOR WATER DISTRICT RESCINDING RESOLUTION 22-0801-02 AND  
ESTABLISHING RULES FOR VIRTUAL PARTICIPATION OF DIRECTORS DURING BOARD  
MEETINGS**

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

**WHEREAS**, on March 4, 2020 Governor Gavin Newsom proclaimed a state of emergency pertaining to the threat of human health and safety posed by the COVID-19 pandemic and that proclamation remains in effect to this day statewide; and

**WHEREAS**, pursuant to Government Code section 54953(e) the Del Paso Manor Water District ("District") has held its public meetings virtually; and

**WHEREAS**, on August 1, 2022 Governor Gavin Newsom proclaimed another state of emergency pertaining to the threat of human health and safety posed by monkeypox and the disease's spread throughout local jurisdictions; and

**WHEREAS**, on August 8, 2022 the Sacramento County Board of Supervisors also declared a public health and local emergency to ensure that Sacramento County has the resources necessary to sufficiently address an increasing number of confirmed monkeypox cases; and

**WHEREAS**, the heightened public health concerns created by monkeypox and the ongoing threat posed by the COVID-19 pandemic undermine an individual Director's ability to safely provide access to the public pursuant to Government Code section 54953(b)(3), which would create inconsistency with the District's own findings regarding the emergency conditions authorized pursuant to Government Code section 8636 et seq.; and

**WHEREAS**, the Board of Directors desires to continue its use of virtual participation platform but to require video conference of its Directors during Board meetings.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DEL PASO MANOR WATER DISTRICT AS FOLLOWS:**

Section 1. Recitals. The recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Repeal and Replace. The Board does hereby repeal Resolution No. 22-0801-02 in its entirety.

Section 3. Video Conference Requirements.

a) All Directors participating in a District public meeting remotely, as defined by Government Code section 54953(b)(4), must participate using both audio and visual capabilities.

Section 3. Conflict with State Law. In the event the requirements prescribed herein should conflict with State law, State law shall apply. Nothing herein shall permit or authorize any violation of California Government Code 54950 et seq.

I certify that the foregoing Resolution was adopted by the Board of Directors of the Del Paso Water District at a regular meeting held on the 15 day of August 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Ryan Saunders, President  
Board of Directors

ATTEST:

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Alan Gardner, General Manager

## **ITEM #8.D**

*Ad Hoc Committee Report on Bill Insert Summarizing District  
Improvements*

**Agenda of August 15, 2022**  
**Item Title: District Accomplishments**  
**Cover Memo**

**To:** Del Paso Manor Board of Directors  
**From:** Ad Hoc Committee - Macias and Pratt  
**Date:** August 11, 2022

**Ad Hoc Committee Report - District Accomplishments**

**Recommendations of Ad Hoc Committee:**

President Saunders established an Ad Hoc Committee for the purpose of creating a list of the District's accomplishments since October 2021. The Committee is comprised of Director Osmar Macias and Director Gwynne Pratt. The Committee recommends adoption of the List, attached as a separate document.

# Del Paso Manor Water District

## Accomplishments Since October 2021

At the October 1, 2021 Special Meeting, all vacancies on the Board were filled. The contract for the new General Manager, Alan Gardner, was approved at the October 5, 2021, regular meeting, with a start date of October 25, 2021. Since then, the Board, General Manager, and District Staff have worked to improve the standing and condition of the District. Under the leadership of the General Manager, the District has achieved a lengthy list of accomplishments. What follows is a much abbreviated list of some of the most significant achievements. The complete list as of June 16, 2022 is provided below.

1. The District has begun the “Prop 218” rate setting process, the steps which must be followed to increase rates. The General Manager has reviewed the District’s infrastructure to determine which projects will be prioritized. The District’s Engineer, Forsgren Engineering, is assisting in preparation of a Capital Improvement Plan (CIP) which will be used in the 218 rate setting proceeding. The Board will support whichever choice is most economical for ratepayers. The District is also exploring grant funding opportunities.
2. The General Manager and Field Manager have assessed the condition of the District’s wells, the amount of water which is available and the current level of demand. The District has improved the condition and operation of the wells in a cost effective manner with existing funds.
  - a. Well 2 – The well was video surveyed to assess the condition of the well’s casing. It was determined that the well could be rehabilitated by installing a new casing of smaller diameter and a new pump. The amount of water flow available is yet to be determined, but it is estimated it will increase the District’s available source capacity by up to 250 gallons per minute or over 50%
  - b. Well 3 – The District is exploring whether funding is available to address the 123-TCP which contaminates the well.
  - c. Well 4 – The well will be video surveyed to assess the condition of its casing. It will be rehabilitated with a new motor, pump, and controls, but is not a priority.
  - d. Well 6B – Controls at the well and the backup generator have been updated to increase automation and remote controls.
  - e. Well 7 - The District is exploring options to renovate the well site. This well is not currently in fulltime use because the site does not allow for the amount of chlorine required for disinfection. It is available for emergencies.
  - f. Well 8 – Not currently in use, the District is researching the source of contamination to determine if is possible to resume use of this well.

- g. Well 9 – The District is installing a backup generator and upgraded controls
3. The District has evaluated the condition of the pipelines used to distribution water in order to prioritize replacement. The General Manager has provided the Board with cost estimates based on current economic and supply issues.
  4. The District has an agreement with SSWD to ensure adequate water in case of an emergency, such as fire. New automated valves will be installed at the three intertie locations where the District's pipes intersect with the pipes of SSWD. The District has worked with the Sacramento County Fire Marshall and El Camino Fundamental High School regarding fire flow available to the School.
  5. Under the previous Board, SSWD prepared a safety report noting numerous deficiencies. The General Manager and Field Manager have resolved all of these deficiencies.
  6. The District responded to all issues raised in the Sacramento County Grand Jury investigation.
  7. The General Manager worked with the Sacramento County Local Agency Formation Commission (LAFCo) and has established a positive relationship. LAFCO has begun work to prepare a Municipal Service Review. The District has also communicated with local elected officials and regulatory agencies to establish positive relationships.
  8. The District is auditing all commercial meters and replacing broken meters to ensure maximum revenue collection.
  9. The District achieved the first unqualified (clear) audit report in four years.
  10. Board meeting agendas and packets have become more transparent, as required by the Brown Act (public meetings law). Agenda items now contain more detail and information to properly describe what action is being considered and what actions the Board has taken.
  11. Due to the work of the General Manager and Staff, and improvements made to the District since October 2021, SSWD is now willing to discuss the possibility of consolidation.

### **District Accomplishments From October 2021 Through June 2022**

<https://www.delpasomanorwd.org/district-accomplishments-from-october-2021-through-june-2022>