

Agenda of the Regular Meeting
Of the
Board of Directors of the
Camp Meeker Recreation and Park District

Tuesday, October 17, 2017 7:00 pm
DISTRICT OFFICE (Next to the Fire Station)
CAMP MEEKER, CALIFORNIA

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF AGENDA

IV. STATEMENTS OF ABSTENTION

V. PUBLIC COMMENT

The public may address the Board of topics NOT covered by this agenda. Testimony is limited to three minutes. Please state your first and last names clearly so that it can be correctly entered in the minutes.

VI. CONSENT ITEMS (10 minutes)

- A. Approval of Minutes
- B. Payment of Claims
- C. Journal Entry Approval
- D. Administrative and Financial Report

VII. REPORT OF THE WATER SYSTEM OPERATOR (Russian River Utility, 10 minutes)

- A. Report of operations for the current month.

VIII. ACTION ITEMS

- A. BRELJE AND RACE SCOPE OF ENGINEERING SERVICES AND COST ESTIMATE 5 YEAR CAPITAL IMPROVEMENT PLAN (Anthony Tominia, Gary Helfrich and Brelje and Race, 15 minutes)

DESCRIPTION: The Board will discuss and review the scope of engineering services and cost estimates for an evaluation of the water system capital facility improvements, repairs and maintenance including priority, anticipated schedule and estimated cost. The water system was constructed twenty (20) years ago and some facilities are requiring increasing maintenance for continued operations. The Plan is needed to determine appropriate water rates to offset costs of system operations.

PROPOSED ACTION: The Board may/may not authorize Brelje and Race to conduct a 5-Year Capital Improvement Plan.

B. WATER RATE STUDY (Dave Coleman, Rich Ingram-Brelje & Race and Gary Helfrich/Anthony Tominia, 10 minutes)

DESCRIPTION: Water rates have not been increased since early 2011 despite ongoing increases in costs. Brelje and Race staff and water sub-committee will present information relative to water rates, Prop 218 concerns, capital replacement program and costs for water rate study.

PROPOSED ACTION: The Board may/may not move forward with a water rate study conducted by the Reed Group in conjunction with Brelje & Race.

IX. DIRECTORS' REPORTS

DESCRIPTION: This item is for information reporting only. In conformance with the Brown Act, there shall be no discussion or actions taken by the Board on any such report. No public testimony shall take place. If discussion and/or action is desired, the matter may be placed on a future agenda, notice thereof duly given, and action/discussion had at the future meeting.

PROPOSED ACTION: No action or discussion to take place

X. ADJOURNMENT

HOW TO GET AN ITEM ON THE AGENDA

Requests for items for the agenda of the regular meetings of the Camp Meeker Recreation and Park District must be submitted to the District in writing or through the District's website.

Regular meetings are held the 3rd Tuesday of each month. The District must receive submissions no later than ten (10) calendar days before the meeting.

Submit your agenda items in writing to: Camp Meeker Recreation and Park District, Post Office Box 461, Camp Meeker, CA 95419.

Be sure to include your name, address and phone number. Anonymous submissions will not be considered for discussion.

Submit your agenda items using the District's website at the following address:

http://www.campmeeker.org/wordpress/?page_id=224.

**CHERYL DORAN GIRARD
CLIENT MEMORANDUM**

TO: CAMP MEEKER RECREATION & PARK DISTRICT BOARD MEMBERS
FROM: CHERYL DORAN GIRARD
SUBJECT: OCTOBER 17, 2017 WARRANTS AND FINANCIAL INFORMATION
DATE: OCTOBER 12, 2017

Financial Statements and Warrant Detail are NOT in the board packet following this memorandum due to the continuing impact of Santa Rosa fire on electric and internet services availability. Tasks were prioritized according to what Lynn and I considered most urgent to conduct the Board meeting.

2017/2018-004	RP-October 2017	3,630.16
\$14,772.87	Water- October 2017	11,378.18

Financial data will be updated as soon as practically possible. Additionally, I anticipate lost time preparing for the audit by State Comp and the District's auditor depending on fire conditions. All the District's records stored in my office have been returned to the District office except what I have retained to complete this month's data. September minutes will be presented for approval at the November meeting.

I have the additional component of my firefighter son's mandatory work requirements in Berkley while the birth of grandson #4 is anticipated any day. If I am not able to attend the meeting, I will make sure that the warrants & checks with backup are at the office for signature and ask that a Board member take minutes.

I hope you and your families are all safe and well.

In the event that you need to contact me, I can be reached via cell phone 707-696-2876 or my office line 545-2108. I will be available by cell during my time in New England.



CAMP MEEKER RECREATION AND PARK DISTRICT

WARRANT REQUEST # 2017-2018-004

VENDOR	CHECK AMOUNT	R&P FUND	WATER FUND	EXPLANATION
Anderson, Cathie	30.00	30.00		Director Stipend-October 2017
Larson, Valery	30.00	30.00		Director Stipend-October 2017
Watson, Lynn	30.00	30.00		Director Stipend-October 2017
Doran-Girard, Cheryl	3,830.00	900.00	900.00	Consulting-September-October 2017
Doran-Girard, Cheryl	-	112.50	112.50	Consulting-September-October 2017
Doran-Girard, Cheryl	-	900.00	900.00	Consulting-September-October 2017
Doran-Girard, Cheryl	-	5.00	-	Shreding Service
Camp Meeker Water	80.94	80.94		Water Services
PGE	94.30	94.30		Electric Service
Fedex Office	125.31	40.88	40.89	Printing
Fedex Office		43.54		Printing-Gran Fondo
Perry Johnson	60.00	30.00	30.00	Legal Services
US Bank	1,258.27	50.00		PayPhone
US Bank		124.50	124.50	Software Lease
US Bank		36.24	36.24	Verizon-District Phone
US Bank	-	886.79	-	A. Hall --Supplies/Equipment
Russian River Utility	9,234.05		8,391.31	Contract Services
Russian River Utility			842.74	Electric Service

Total	<u>14,772.87</u>	<u>3,394.69</u>	<u>11,378.18</u>	-
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DIRECTOR APPROVAL:

DATE:

10/17/17

Camp Meeker Recreation & Parks District
Check/Voucher Register - CDG-Current Register
1010 - Cash In Wells Fargo Bank-Operating
From 9/20/2017 Through 10/17/2017

<u>Check Number</u>	<u>Check Description</u>	<u>Vendor Name</u>	<u>Effective Date</u>	<u>Check Amount</u>
1643	System Generated Check/Vo...	Camp Meeker Wa...	10/17/2017	80.94
1644	System Generated Check/Vo...	Cheryl Doran-Girard	10/17/2017	3,830.00
1645	System Generated Check/Vo...	Fedex Office	10/17/2017	125.31
1646	System Generated Check/Vo...	P G & E	10/17/2017	94.30
1647	System Generated Check/Vo...	Perry Johnson An...	10/17/2017	60.00
1648	System Generated Check/Vo...	Russian River Utility	10/17/2017	9,234.05
1649	System Generated Check/Vo...	US Bank	10/17/2017	1,258.27
1650	Director Stipend-October 2017	Cathie Anderson	10/17/2017	30.00
1651	Director Stipend-October 2017	Valery Larson	10/17/2017	30.00
1652	Director Stipend-October 2017	Lynn Watson	10/17/2017	30.00
Total 1010 - Cash In Wells Fargo Bank-Operating				14,772.87
Report Total				14,772.87

SCOPE OF ENGINEERING SERVICES

for

CAMP MEEKER WATER SYSTEM – 5 YEAR CAPITAL IMPROVEMENT PROGRAM (CIP)

CAMP MEEKER RECREATION AND PARK DISTRICT

prepared by

BRELJE & RACE CONSULTING ENGINEERS (CONSULTANT)

OCTOBER 6, 2017

PROJECT UNDERSTANDING

The Board of Directors of the Camp Meeker Recreation and Park District has directed an evaluation be conducted concerning the Camp Meeker Water System. The purpose of the evaluation will be to determine needed capital facility improvements, repairs and maintenance for the Water System including the priority, anticipated schedule and the estimated cost of each element. Primary elements of the water system were constructed 20 years ago and some facilities are currently showing their age and/or are requiring increasing maintenance for continued operation.

Since the Board of Directors are responsible for setting water rates, the Board is considering conducting a rate study to determine appropriate rates to offset costs incurred by the System. As a precursor to conducting the rate study, the Board desires information to be developed regarding necessary capital projects and their costs for the water system that are needed now and looking ahead for a 5 year planning horizon.

SCOPE OF SERVICES

The following tasks will be completed by Brelje & Race Engineers:

- 1.01 Review the condition and approximate useful life of existing water system infrastructure
- 1.02 Review existing water system deficiencies and needs. Develop a list of desired improvements
- 1.03 Interview the water system operator regarding maintenance issues, discuss suggested capital improvement projects
- 1.04 Develop a list of capital projects; prepare project descriptions
- 1.05 Rank the capital projects based on their priority need to accomplish as it relates to time
- 1.06 Develop cost estimates for the projects that are recommended to be accomplished in a 5 year horizon
- 1.07 Develop a 5 year capital improvement program that illustrates planned projects and outlines the timing of the allocation of funds required for permitting, environmental review, engineering design and construction
- 1.08 Prepare a draft summary report
- 1.09 Submit the draft summary report to the District for review and comment. Attend a Board or subcommittee meeting to discuss the Board's comments.

- 1.10 Prepare revisions to the draft report and submit hard 6 copies and one digital file of the final report to the District

FEES

Brelje & Race proposes to accomplish the work described in our proposal on a time and materials not-to-exceed basis within a budget of \$22,200. This is based on the work being performed prior to March 2017 and the effort levels indicated on the attached fee sheet.

SCHEDULE AND ABILITY TO PERFORM

We understand that the Board is considering a proposal from Bob Reed Associates for a rate study that may begin as early as November 2017 and that the CIP development should ideally proceed that work. We anticipate completing the work within two months of a Notice to Proceed from the Board.

PERSONNEL

Our proposed team includes Dave Coleman (Associate Principal), Rich Ingram (Senior Project Advisor) and Sophia Grubb (Engineer). These key members provide the experience, expertise, and the effective communications needed to coordinate and complete the project successfully and on time, while keeping the Camp Meeker Board fully apprised of progress. Dave will serve as Project Manager and will review all final work products.

ASSUMPTIONS AND LIMITATIONS

Project descriptions and cost estimates for capital projects will be prepared on a “study” level basis. Condition assessments of infrastructure will be limited to visual observations and operator interviews. Testing of pumps, measurement of paint thicknesses, inspection of the interior of the tanks, and similar active testing of the water system to determine system performance and condition is not included as part of the work.

Five Year CIP
Camp Meeker Recreation and Park District
TASK, WORK HOUR and COST TABULATION
October 6, 2017

PHASE	TASK	DESCRIPTION	WORKHOURS				
			Senior Project	Associate Principal	Engineer	Technical Writer	Sub cons
1 <i>add phase name here</i>	1.01	Existing Infrastructure Review	4	2	12		
	1.02	List Desired Improvements	4	4	10		
	1.03	Interview Water Operator	2	2	8		
	1.04	Project Descriptions	2	1	8		
	1.05	Rank by Priority	1	1	4		
	1.06	Cost Estimates	1	2	12		
	1.07	Deliniate Timing of Projects	1	2	12		
	1.08	Draft Summary Report	2	4	16	4	
	1.09	Attend Board Meeting	2	2	4		
	1.10	Revisions for Final Report		1	8	2	
	1.11						
	1.12						
		Subtotal	19	21	94	6	\$0
Total Hours			19	21	94	6	N/A
Hourly Rate			\$200	\$180	\$150	\$90	N/A
Subtotal Cost			\$3,800	\$3,780	\$14,100	\$540	\$0
SUBTOTAL			\$22,220				
SUBCONSULTANT							
MARK-UP 10%			\$0				
TOTAL			\$22,200				



August 31, 2017

Cheryl Doran-Girard
Camp Meeker Recreation and Park District
P.O. Box 461
Camp Meeker, CA 95419

Subject: Proposal to Conduct a Water Rate Study

Dear Ms. Doran-Girard,

As a follow-up to our recent conference call, The Reed Group, Inc. is pleased to offer assistance to the Camp Meeker Recreation and Park District in preparing a water rate study. This proposal letter includes a scope of services, schedule, cost estimate, and initial information request for the study based on the recent conversation with you and Anthony Tominia, as well as Richard Ingram and Dave Coleman from Brelje & Race Consulting Engineers (B&R). B&R will be a sub-consultant to The Reed Group for this study.

The study described herein includes the technical and financial analysis for preparing a 5-year financial plan for the District's water utility with consideration of ongoing operation and maintenance expenses, debt obligations, capital improvement needs, and financial reserves. The financial plan will be used to identify annual water rate revenue requirements. The study will also include the cost of service analysis and rate structure design resulting in proposed multi-year water rate schedules that meet the revenue needs of the utility. The study process includes (1) a presentation to the Board of Directors prior to the Proposition 218 notification process, and (2) a presentation during a public hearing to consider proposed water rates. If necessary, the study scope and schedule could be modified to accommodate any additional needs of the District, including adding additional public meetings.

The District provides water service to about 360 homes in Camp Meeker with a water supply from the Russian River. Water system operation is provided by Russian River Utilities (RRU), under an operating agreement. The District also wheels water through its distribution system to Occidental Community Services District (OCS). Water rates were last adjusted in 2011. Current water rates are comprised of a flat monthly charge and a tiered water usage rate structure. There is also a parcel charge on property tax bills. It is our understanding that costs are exceeding revenues, such that financial reserves are being gradually depleted. One of the purposes of the study is to provide water rates that will meet with utility's financial obligations for operation and maintenance, debt service, and rehabilitation of the water system.



Water rates must meet the requirements of California Constitution Article XIID (Proposition 218), which requires that water rates reflect the cost of providing service, and that cost be allocated to customers on a proportionate basis. A number of court cases have helped to clarify the requirements Proposition 218. One decision in particular – the *San Juan Capistrano*¹ decision – has had a significant impact on the requirements for justifying tiered water rates. Based on that decision and discussions regarding the District’s water supply and operations, at this time it is suggested that the District modify its water rate structure to eliminate the tiers, and instead provide a uniform water usage rate. However, the scope of services below includes an optional task to evaluate the potential for developing a tiered water usage rate structure consistent with the requirements of the recent decision, if that is the preference of the Board of Directors.

The proposal includes limited technical support from B&R including attend one Board meeting, attend the public hearing, review existing documentation regarding CMRPD’s capital improvement needs, prioritize identified projects and acquire additional information from the District. B&R may express an opinion on the adequacy of the CIP based on their limited review. If additional CIP development is deemed necessary, a contract amendment may be required or the District may elect to solicit additional engineering services directly.

Scope of Services

Specific tasks for the proposed water rate study include:

- *Develop 5-Year Financial Plan* – The financial plan will include consideration of annual operating and maintenance costs, current and potential future debt service obligations, capital improvement needs, prudent reserves, and revenues to the water utility. The financial plan will be used to identify the annual water rate revenues requirement. In developing the financial plan, consideration will be given to the District’s need to rehabilitate water system facilities as the system ages. We will also consider how reserve policies might help to reduce financial risk, reduce the need for future debt, and moderate annual rate adjustments. The revenue requirement is the amount needed to meet financial obligations and goals with consideration of reserves and reserve policies. Specific recommendations for establishing and maintaining operating and capital replacement reserves will be developed as part of this study.

The financial plan will be based on the current budget, existing debt obligations, CIP needs, the water system operating agreement with RRU, the water wheeling agreement with OCSD, and other relevant information. We will also examine recent water demand trends and the potential for a post-drought rebound in water demand.

¹ On April 20, 2015, the Fourth District Court of Appeal issued a decision in *Capistrano Taxpayers Association v. City of San Juan Capistrano* (235 Cal App. 4th 1493). The decision upheld that public agencies have the authority to design tiered water rate structures. However, the Court determined that agencies cannot justify any portion of a higher rate on a conservation basis alone. The Court determined that it is insufficient to merely balance its total costs of service with its total revenues; individual tier rates must be directly supported by higher costs incurred to provide water service at higher levels of water service.



B&R will assist in reviewing the District's multi-year capital improvement program and help prioritize projects, but not develop a new CIP.

- *Analyze the Costs of Service and Calculate Water Rates* – This task will include cost of service analyses and calculation of water rates. We will follow the requirements of Proposition 218 in determining water rates and in proportionately allocating costs to each customer. Rate analyses will be consistent with meeting the revenue needs identified through the financial plan. Consideration will be given to the current parcel charge (billed on the property tax bill), as well as the flat monthly charge and a uniform water usage rate.

This task will result in proposed water rate schedules with annual rate adjustments covering the 5-year planning period. Many utilities find it advantageous to adopt multi-year rate plans, and that option will be presented to the Board of Directors.

- *Evaluate Potential Suitability for Tiered Water Usage Rates (OPTIONAL)* – It is our understanding that the District established the current tiered water rates to help encourage water conservation. As an optional task, at the request of the Board of Directors, we will explore the potential suitability of a tiered water rate structure given the District's supply and operating characteristics and the requirements delineated in the *San Juan Capistrano* decision.
- *Prepare and Present Draft Rate Study Report* – Draft recommendations on the financial plan and water rates will be documented in a draft report including all underlying assumptions, proposed financial strategy, cost allocations, water rate calculations, and policy recommendations. Draft recommendations will be presented to the Board of Directors during a regular board meeting or in a workshop setting. This will provide an opportunity to describe how each of the key issues identified for this project were addressed and resolved, as well as provide an opportunity to address public comments and questions before the formal rate adoption process begins².
- *Finalize Rate Study and Recommendations* – Based on comments and direction received from staff and the Board of Directors, financial and rate analyses will be refined, as necessary, and study recommendations finalized. We will also work with staff to prepare the required public hearing notice in compliance with Proposition 218. A draft of the notice will be prepared for staff and legal review. The District will be responsible for printing and mailing the notices. This notice must be mailed to all customers/property owners at least 45 days prior to a public hearing.
- *Present Rate Recommendations at a Public Hearing* – The Reed Group will present final study recommendations to the Board of Directors during a public hearing to consider new water rates for adoption. Under the requirements of Proposition 218, if the District does not receive written protests on the proposed water rates from customers/property owners representing 50 percent of the affected parcels, the Board will be able to adopt and implement the proposed water rates.

² It is recommended that the District's legal counsel review the draft water rate study report and participate in the rate adoption process to ensure legal compliance with Proposition 218.



- *Conduct Additional Public Meeting/Workshop (OPTIONAL)* – Depending on the interests of the Board of Directors and the public, it may be advantageous to conduct one or more additional public meetings or workshops to ensure that all relevant issues are adequately addressed. An additional meeting could be added either during the development stage of the study (e.g., after a preliminary financial plan has been developed) or during the 45-day public review period prior to the public hearing. The former would provide an opportunity for greater input during the rate development process and the later would provide greater opportunity to explain proposed rates and address questions from the public in advance of the public hearing.

Cost and Schedule

It is estimated that water rate study, excluding optional tasks, can be performed for **\$24,550**, including expenses. This cost includes a presentation to the Board of Directors prior to initiating the Proposition 218 rate adoption process and a presentation at the public hearing to adopt rates. The optional task to evaluate the suitability of a tiered water rate structure is \$5,500. Additional public meetings/workshops can be added to the work plan for \$3,450 each, including expenses.

To save time and reduce costs for this project, all interim meetings with staff will be conducted via conference call, and draft and final reports will be provided in PDF format. Presentation materials will be provided in PowerPoint or PDF formats in advance of each public meeting.

It is our practice to bill clients monthly for actual time and expenses, subject to the not-to-exceed limit of the study. Payments are due within 30 days. My hourly billing rate for this study is \$275. It is anticipated that expenses will be limited to mileage reimbursement.

The Reed Group will be available to start this project at the beginning of November. An initial time line for the project is listed below. The timeline will be reviewed with staff at the outset of the study and, if necessary, adjusted to meet the District's needs. Adding either of the additional tasks would affect the timeline. The proposed timeline would enable the District to adopt new water rates before the end of the current fiscal year.

Authorization to proceed	Early November
Financial plan development	November
Water rate calculations	December
Prepare and submit draft report	Early January
Present draft report to Board of Directors	Late January
Prepare and submit final report	Early February
Prepare and mail Proposition 218 notice	Early February
Conduct public hearing on water rates	Late March

The schedule for the water rate study can be adjusted to meet the District's needs. We will work closely with staff to ensure that your needs are addressed throughout the study.



Initial Information Needs

Below is a list of the primary documents and information that will be needed to conduct the water rate study. Our proposal assumes that the District will be able to provide all requested documents and information within the first two weeks of an authorization to proceed.

1. FY 17-18 budgeted water system revenues and expenses
2. FY 16-17 actual water system revenues and expenses
3. Water fund/reserve balances as of June 30, 2017 (cash and cash equivalents)
4. Official statements or similar documents associated with existing long-term debt, including debt repayment schedules and security requirements (e.g., debt service coverage)
5. Multi-year capital improvement plan
6. Operating agreement with Russian River Utilities
7. Wheeling agreement with Occidental Community Service District
8. Monthly water deliveries to OCSD for FY 16-17
9. Monthly water production records for FY 12-13 through FY 16-17
10. Current water rate schedule
11. Summary of the current number of active customer accounts, including meter size
12. Summary of monthly billed water sales (dollars and volume) for FY 16-17
13. Any existing financial reserve policies
14. Any additional information that may be relevant for the study
15. If the optional tiered rate task is selected, detailed monthly water usage data from FY 16-17 for each water service connection, in Excel format.

If this information can be provided by early November the study will be off to a fast start.

* * * * *

Please let me know if you have any questions regarding this proposal. The Reed Group appreciates the opportunity to be of service to the Camp Meeker Recreation and Park District.

Sincerely,

Robert Reed
The Reed Group, Inc.



THE REED GROUP, INC.

The Reed Group, Inc. (TRGI) is a Sacramento-based management consulting firm specializing in financial management services for local governments. Our mission is to provide clients with an exceptional level of service and responsiveness, to develop creative yet practical solutions to clients needs, and to broaden understanding and facilitate consensus on complex issues. As such, we believe we are uniquely qualified to offer services for municipal utilities in the following areas:

- Water and wastewater rate studies
- Cost of service analyses
- Capacity charge nexus studies
- Long-range financial and strategic planning
- Public participation and facilitation
- Litigation support

The firm brings the following strengths to client engagements:

- Extensive California and national experience in water and wastewater utility operations, management, finance, and planning.
- Broad knowledge of traditional practices and innovative techniques in water and wastewater rates, fees, and cost of service analyses.
- Familiarity with legal and regulatory requirements affecting public agency rate setting and finance.
- Leadership in developing public participation and consensus-oriented approaches to rate and fee setting.
- A network of resources and an ability to coordinate and manage multi-disciplinary project teams on broad ranging engagements.

Bob Reed is President of TRGI. He brings over 30 years of experience as an engineer for a major water/wastewater agency and a management consultant to local governments. He has provided a diverse range of services to more than 60 clients. Approximately two-thirds of the engagements have been for clients for whom he has provided multiple services. A partial listing of clients and projects is provided below, followed by a resume.



The Reed Group, Inc.
Summary and Qualifications

Client	Engagement
City of Santa Rosa	<ul style="list-style-type: none">• Multiple water/wastewater financial plans and rate studies• Water conservation pricing analysis• Water/wastewater demand fee studies• Water shortage contingency planning• Financial reserve policy analysis• Recycled water economic and rate analyses
Town of Windsor	<ul style="list-style-type: none">• Multiple water and wastewater rate studies and financial plans• Water and wastewater capacity fee studies• Recycled water program analysis• Water shortage financial and rate analysis
City of Healdsburg	<ul style="list-style-type: none">• Multiple water and wastewater financial plans and rate studies• Water and wastewater capacity charge study• Litigation support
City of Rohnert Park	<ul style="list-style-type: none">• Wastewater financial plan, cost of service, and rate structure analysis• Water financial plan, cost of service, and rate structure analysis• Water financial plan and rate update• Wastewater financial plan and rate update
City of Cotati	<ul style="list-style-type: none">• Water and sewer financial plans and rate study
City of Petaluma	<ul style="list-style-type: none">• Water and wastewater financial plans, rate structure analyses, and financing assistance
City of Cloverdale	<ul style="list-style-type: none">• Water and sewer financial plans and rate studies
City of Ukiah	<ul style="list-style-type: none">• Water financial plan and rate study
City of St. Helena	<ul style="list-style-type: none">• Multiple water and wastewater rate studies and financial plans• Citywide impact fee study
Tamalpais Community Services District	<ul style="list-style-type: none">• Sewer rate studies• Multi-year financial planning• Dispute resolution assistance
Marin Municipal Water District	<ul style="list-style-type: none">• Connection fee study
Amador Water Agency	<ul style="list-style-type: none">• AWS long-range plan, rates, and participation fee studies• CAWP long-range plan, rates, and fees• Martell wastewater rates



The Reed Group, Inc.
Summary and Qualifications

	<ul style="list-style-type: none"> • System-wide water rate study • Litigation support • Water shortage rate development
San Juan Water District	<ul style="list-style-type: none"> • Multiple retail and wholesale financial plan and water rate studies • Retail and wholesale connection fee studies • Water shortage financial and rate analysis
City of Roseville	<ul style="list-style-type: none"> • Meter retrofit program development • Water, sewer, solid waste rate studies • Development of stormwater mgmt. program and funding strategy • Recycled water cost and rate analysis • Water shortage rate development
Carmichael Water District	<ul style="list-style-type: none"> • Multiple water rate studies • Metered water rate development • Proposition 218 litigation support • Business financial plan development • Water shortage financial analysis and rate development
Sacramento Suburban Water District	<ul style="list-style-type: none"> • CIP, financial plan, and water rate studies • Facilities development charge studies • Wheeling water rates
Fair Oaks Water District	<ul style="list-style-type: none"> • Meter implementation study • Water financial plan and rate studies
City of Folsom	<ul style="list-style-type: none"> • Water rate study • Meter implementation plan
City of Sacramento	<ul style="list-style-type: none"> • Water system development fee study • Metered water rate development • Water service annexation study
City of West Sacramento	<ul style="list-style-type: none"> • Financial plan, water rate, and connection fee study • Metering implementation plan
City of Plymouth	<ul style="list-style-type: none"> • Water financial plan and rate studies • Debt service cost allocation analysis
City of Sutter Creek	<ul style="list-style-type: none"> • Wastewater financial plan and rate study
City of Manteca	<ul style="list-style-type: none"> • Water rate and financial planning studies • Water capacity charge studies
Contra Costa Water District	<ul style="list-style-type: none"> • Metering policy & procedure development • Wheeling water rate presentation • Capacity charge litigation support • Wholesale water rates



The Reed Group, Inc.
Summary and Qualifications

City of Lodi	<ul style="list-style-type: none">• Water rate and financial planning study• WTP financing assistance• Water capacity charge study• Wastewater financial plan and rate study• Metered water rate development and implementation assistance
Solano Irrigation District	<ul style="list-style-type: none">• Multiple long-range financial plan and water rate studies• Organization, job classification and compensation study
Millview County Water District	<ul style="list-style-type: none">• Water financial plan and rate study
Quincy Community Services District	<ul style="list-style-type: none">• Long-range plans• Water/wastewater rates & capacity charges• Grant application assistance
City of Dixon	<ul style="list-style-type: none">• DSMWS long-range plan, water rate and connection fee study• Wastewater financial plan, rate and connection fee studies
City of Suisun City	<ul style="list-style-type: none">• SSWA long-range plan, water rate and connection fee studies
Nipomo Community Services District	<ul style="list-style-type: none">• Multiple water and sewer financial plans, rates, and capacity charge studies• Water rate structure analysis



Bob Reed

The Reed Group, Inc.

Mr. Reed is President of The Reed Group. He has over 30 years of experience providing a broad range of financial and management consulting services to local governments in the areas of water and wastewater utility management, as well as public works and engineering functions. The Reed Group's mission is to provide clients with an exceptional level of service and responsiveness, to develop creative yet practical solutions to client needs, and to broaden understanding and facilitate consensus on complex issues. Areas of specialty include:

Utility Rate/Fee Studies – water and wastewater cost of service and rate design studies; wholesale and retail rates; water conservation pricing; community-based rate-setting methodologies.

Capital Facility Financing Studies - evaluation of the economic and financial feasibility of capital improvement programs; capital facility financial planning; development impact fee and capacity charge studies

Resources Management – meter retrofit programs, water conservation planning; drought impact studies; water conservation rate incentives; water use analysis, and supply/demand sensitivity analyses.

Litigation Support - litigation support, including expert witness testimony and mediation assistance, in matters related to water and wastewater rates and charges including Proposition 218.

Representative Projects

- *City of Santa Rosa, CA (since 1997)* -- Water and wastewater rate studies. Performed multiple water and wastewater rate studies for Santa Rosa Water. Studies included detailed cost of service analyses, refinement of current rate structures, development of a five- and ten-year financial plans, and review of financial policies and practices. Some studies have included extensive workshops with City staff to explore rate and financial issues in detail. Mr. Reed also performed studies pertaining to demand fees (capacity charges), water shortage rates, water conservation incentives embodied in rate structures, financial reserve policies, and economic and cost sharing issues related to expansion of the recycled water system into urban areas. In 2015, Mr. Reed completed a comprehensive water and wastewater rate study.
- *Town of Windsor (since 2006)* - Developed multi-year financial plans for the Town's water and wastewater utilities prepared user rate studies to recommend water and wastewater rates that reflect the cost of providing service and meet each utility's revenue needs. Multiple studies have included workshops with the Town Council and consideration of special cost of service issues, as well as assessing the potential rate impacts of future capital project financing. Also performed a financial analysis of the Town's recycled water program and expansion options. In 2015, Mr. Reed completed a water and wastewater rate update study, including an analysis of the financial impact of water shortage and water shortage rates. In 2016, Mr. Reed performed a study to update the Town's water and wastewater capacity fees.
- *City of Healdsburg (since 2007)* - Conducted a wastewater rate study, including development of a multi-year financial plan. This study resulted in increases to the City's wastewater rates to meet operating, capital program, and debt service obligations. The wastewater rate structure for residential was modified such that user rates reflect the winter water use characteristics of each customer. This change improved equity among customers and helped to encourage water conservation. Subsequently performed multiple financial plan and rate studies for the City's water and wastewater utilities, as well as a capacity charge study.
- *City of Rohnert Park (since 2010)* - Assisted the City with the development of new wastewater rates following a 50 percent rollback in rates that resulted from an initiative process. Since the original study,



Mr. Reed has led other water and wastewater financial planning and rate studies. Water studies have included analyzing the relative costs of SCWA water supplies and local groundwater production.

- *City of Cotati* – In 2017, Mr. Reed conducted a water and sewer financial plan and rate study for the City of Cotati. The study included evaluating cost differences between SCWA water supplies and local groundwater production. The study also included developing a water shortage financial strategy and rate surcharges, which could be implemented in a future water shortage.
- *Amador Water Agency (since 1998)* – Mr. Reed has assisted the Amador Water Agency with a variety of water and wastewater financial planning and rate issues including assisting with the analysis of financing options, cost of service analysis involving wholesale and retail rates, as well as treated and untreated water, participation fee studies, rate consolidation, rate restructuring, and other issues. Studies frequently include workshops with the Board of Directors, as well as meeting with key stakeholders. Mr. Reed's initial work for the Agency helped prevent potential litigation, and has provided a solid basis for water and wastewater rates in an often-contentious environment.
- *Carmichael Water District (since 1998)* – Water rate study and 5-year financial plan. Conducted 10 workshops with an 11-member citizen advisory committee (including 2 Board members). Focus of study was on cost of service issues and rate design with a transition from flat to metered rates. The District's largest customers were represented on the committee. Mr. Reed has continued to assist the District with water rate and financial plan updates, as well as litigation support services. He also assisted the District in successfully rebutting a legal challenge to the District's water rates on Proposition 218 grounds. In 2015 he worked with the District to update its financial business plan and water rates. An update to this work was performed in 2016.
- *City of Roseville (since 1999)* – In 1999 Mr. Reed assisted with a controversial study to develop a water meter retrofit program, including developing a strategy whereby customers would pay for water meters. This study involved working with a citizens advisory committee, and conducting community meetings, prior to taking recommendations to the City Council. Mr. Reed also assisted with the development of the City's stormwater management program with particular focus of cost estimating and identifying potential funding sources. For the past eight years, Mr. Reed has assisted in preparing biennial rate recommendations for water, wastewater, and solid waste. He has also assisted in revising water rates to better achieve conservation objectives, and helped develop water shortage rates to be implemented during periods of water shortage. Recently performed an analysis of the City's recycled water program, and an update of the City's water rate structure in the wake of the SJC decision.
- *San Juan Water District (since 1998)* – Conducted multiple retail and wholesale financial plans and rate studies. Retail rate analyses included developing a metered water rate structure while working closely with a citizens advisory committee and members of the Board. Wholesale rate analyses have included developing an equitable cost of service methodology and working both with the District and member agencies. The Reed Group also assisted the District in updating retail and wholesale connection fees, as well as developing a water shortage financial analysis and temporary water shortage rate structure. In 2017, Mr. Reed updated both wholesale and retail financial plans and assisted the District in adopting 5-year rate plans for both wholesale and retail customers.
- *Sacramento Suburban Water District, CA* – Mr. Reed worked with the Sacramento Suburban Water District to prepare an update to their capital improvement plan, multi-year financial plan, and water rates. Mr. Reed worked with the predecessor Northridge Water District on to develop two previous five-year water rate plans and FDC calculations. He also developed recommendations on wheeling charges whereby other entities could wheel water through the District's transmission facilities. Mr. Reed also assisted the Arcade Water District (also a predecessor to SSWD) in working with their



Irrigation Task Force and developing an alternative conservation-oriented water rate structure for public agency irrigation customers.

- *City of Sacramento* – Mr. Reed has assisted the City of Sacramento Utilities Department with several projects over a number of years. Most recently, he assisted the City with the development of metered water rates applicable to both residential and non-residential customers. The rates reflect the cost of providing water service, address financial stability and fairness issues, and will assist the City in meeting requirements associated with the implementation of the meter retrofit program. Mr. Reed previously assisted the City with updating water system impact fees.
- *Solano Irrigation District* – Water rate and financial plan studies. Assisted the District in three separate studies to address policy issues related to rate structures, revenue strategies, financial policies, and long-range financial planning. Separate studies were performed for the Dixon-Solano Municipal Water Service (joint water system with City of Dixon), the Suisun-Solano Water Authority (joint water system with the City of Suisun City), and SID's General Fund. Public workshops have been conducted with elected officials and the public in each study. In 2000, Mr. Reed served as Project Manager on a classification, compensation, and organization study for the District. The study included interviews with about one-half of the staff throughout the organization and focused on organizational structure issues to improve operational effectiveness. A compensation survey was performed to compare the District with its labor market, and job descriptions were updated to reflect the work performed for each of about 40 staff positions.
- *Nipomo Community Services District* – Prepared water and wastewater financial plans, as well as developed water and wastewater capacity charges for the District in multiple studies. Restructured water and wastewater rates to meet District rate setting objectives, including encouraging water conservation and reflecting the cost of providing service. Studies have included workshops with the Board of Directors and community meetings.
- *Contra Costa Water District* – Wholesale (raw) water rate structure study affecting the District's municipal and industrial customers. Working with a Technical Advisory Committee (TAC), we developed recommendations for modifying the water rate structure to better achieve District objectives. Also provided litigation support and expert witness assistance in litigation on the District's Facilities Reserve Charges.

Education

B.S., Engineering, University of California, Los Angeles, 1982
M.S., Water Resources Engineering, University of California, Davis, 1990
M.B.A, Public Policy and Management, University of California, Davis, 1990
Former licensed Civil Engineer in California (Lic. No. 41064), retired

Professional Background

East Bay Municipal Utility District, Water Resources Planning, 1983-1988
Ernst & Young, Governmental Consulting Practice, 1990-1992
David M. Griffith & Associates, Utility Consulting Practice, 1992-1996
Hilton Farnkopf & Hobson, Water/Wastewater Practice, 1996-1998
The Reed Group, Inc., President, 1998-present