



FORT ORD REUSE AUTHORITY

REGULAR MEETING

FORT ORD REUSE AUTHORITY (FORA) WATER/WASTEWATER OVERSIGHT COMMITTEE Wednesday, August 16, 2017 at 9:30 a.m.

920 2nd Avenue, Suite A, Marina CA 93933 (FORA Conference Room)

AGENDA

1. CALL TO ORDER/ESTABLISHMENT OF QUORUM
2. PLEDGE OF ALLEGIANCE
3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE
4. PUBLIC COMMENT PERIOD

Members of the public wishing to address the Committee on matters within its jurisdiction, but not on this agenda, may do so for up to 3 minutes and will not receive Committee action. Whenever possible, written correspondence should be submitted to the Committee in advance of the meeting, to provide adequate time for its consideration.

5. APPROVAL OF MEETING MINUTES

- a. June 14, 2017 Meeting Minutes ACTION

6. BUSINESS ITEMS

Business items are for Committee discussion, debate, direction to staff, and/or action. Comments from the public are not to exceed 3 minutes or as otherwise determined by the Chair.

- a. MCWD Performance Assessment INFORMATION
- b. MCWD Rate Study Update INFORMATION/ACTION
 - i. Review of Scope and Schedule
 - ii. Committee recommendations
- c. Capital Improvement Program Review INFORMATION
 - i. Water and Sewer System South of Coe Avenue

7. ITEMS FROM MCWD

8. ITEMS FROM MEMBERS

Receive communication from Committee members as it pertains to future agenda items.

9. ADJOURNMENT

NEXT MEETING: September 13, 2017

For information regarding items on this agenda or to request disability related modifications and/or accommodations please contact the FORA office at (831) 883-3672, 48 hours prior to the meeting. Agendas are available on the FORA website at www.fora.org.



**FORT ORD REUSE AUTHORITY
WATER/WASTEWATER OVERSIGHT COMMITTEE
MEETING MINUTES**

920 2nd Avenue, Suite A, Marina CA 93933 | FORA Conference Room
9:30 a.m., Wednesday, June 14, 2017

1. CALL TO ORDER

Co-Chair Peter Said called a meeting of the whole to order at 9:40 a.m. Mr. Said determined the meeting would proceed without Action until Committee Member Riedl could arrive. Quorum was established at 9:47 a.m.

The following were present:
AR = After Roll Call

Committee Members:

Rick Riedl, City of Seaside (AR)
Mike Lerch, CSUMB
Steve Matarazzo UCSC
Brian McMinn, City of Marina

Other Attendees:

Mike Wegley, MCWD
Kelly Cadiente, MCWD
Patrick Breen, MCWD
Doug Yount, MCP

FORA Staff:

Steve Endsley
Peter Said

2. PLEDGE OF ALLEGIANCE led by Doug Yount

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

Committee Member Mike Lerch announced that he no longer manages maintenance at CSUMB. His focus is now solely the areas of energy and utilities.

Co-Chair Said tabled approval of the minutes until quorum could be reached. The agenda order was changed as follows:

- i. Business Item 6a - Receive MCWD Quarterly Report
- ii. Item 5a - Approval of Meeting Minutes
- iii. Business Item 6b - MCWD Update of Rate Study
 1. Rate Study Request for Proposal and Scope
 2. Estimated Action Plan and Timeline

4. PUBLIC COMMENT PERIOD

None.

5. APPROVAL OF MEETING MINUTES

- a. MOTION: Rick Riedl moved to approve the May 3, 2017 Water/Wastewater Oversight Committee (WWOC) minutes. Seconded by Steve Matarazzo.

MOTION PASSED: UNANIMOUSLY

6. BUSINESS ITEMS

- a. Receive MCWD Quarterly Report

Ms. Kelly Cadiente presented the Quarterly Report for Q3 of 2016/17. Ms. Cadiente provided highlights related to water consumption data, meter installation, significant O & M activities, status of required permits, water conservation activities, and quarterly fiscal activity. Ms. Cadiente informed the Committee that the fiscal activity information in the report has not yet been updated with Q3 data (through 3/31/17), and will provide current fiscal activity reports to FORA for distribution to the Committee in next few weeks. CIP updates were provided by Mike Wegley. Ms. Cadiente and Mr. Wegley responded to questions from the Committee.

Mr. Said updated the Committee with status of the Recycled Water Delivery and Supply Project. FORA paid approximately \$380,000 of \$6M in obligated reimbursement to date.

MOTION: Committee Member Steve Matarazzo moved to accept the MCWD 3rd Quarter 2016/17 Report. Second by Committee Member McMinn.

MOTION PASSED: UNANIMOUSLY

- b. MCWD Update of Rate Study

- i. Rate Study Request for Proposal & Scope

Copy of Request for Proposals for Water, Wastewater and Recycled Water Rate and Comprehensive Fee Study with a Cost Allocation Plan for the District released on May 16, 2017, provided to Committee. Proposals were due on June 12, 2017. Received 8 proposals. Will review, and present to MCWD Board with recommendations on June 26, 2017. Will coordinate 3 workshops after selection is complete.

Ms. Cadiente responded to questions from Mr. Lerch and the Committee.

- ii. Estimated Action Plan and Timeline

After June 26, 2017 MCWD Board Meeting and decision on contract award, rate workshops scheduled to begin in October, to be facilitated by FORA.

7. ITEMS FROM MCWD

None.

8. ITEMS FROM MEMBERS

None.

9. ADJOURNMENT

Chair Reidl adjourned the meeting at 10:50 a.m.

NEXT MEETING: August 16, 2017

WATER/WASTEWATER OVERSIGHT COMMITTEE MARINA COAST WATER DISTRICT EVALUATION FORM

Please use the following criteria to evaluate Marina Coast Water District's performance under the Water/Wastewater Facilities Agreement.

	Unsatisfactory		↔	Satisfactory	
	1	2	3	4	5
Timely development of annual operation & capital budgets					
Timely & accurate quarterly & annual financial reports (financial planning & fiscal management)					
Timely & accurate quarterly & annual operational reports					
Customer service orientation & MCWD's responsiveness to customer concerns (as shown in the quarterly & annual reports)					
Overall Performance Evaluation					

Additional Comments/Suggestions:

Name: _____ Title: _____

Signed: _____ Date: _____



Request for Proposals

***The Marina Coast Water District wishes to contract for an individual or firm to prepare a Water, Wastewater and Recycled Water Rate and Comprehensive Fee Study with a Cost Allocation Plan for the District
May 16, 2017***

Proposals due

**4:00 PM
June 12, 2017**

Proposals should be sent electronically to:
Kelly Cadiente at
kcadiente@mcwd.org

Proposals sent by mail must be directed to:
Marina Coast Water District
11 Reservation Road
Marina, CA 93933
ATTN: Kelly Cadiente

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I. INTRODUCTION

The Marina Coast Water District (“District”) is requesting proposals from a qualified individual or firm to prepare a comprehensive water, wastewater and recycled water rate & fee study with a cost allocation plan (“Study”). This Request for Proposals (RFP) is expected to result in a contract (Professional Services Agreement) with a cost not to exceed the listed amount. The selected consultant shall perform the tasks specified in the "Scope of Work" section IV of the RFP. The consultant is encouraged to suggest additions or modifications to the scope that will enhance or clarify the study and the suggestions should be incorporated into the proposal.

II. PURPOSE OF THE RFP

The District is seeking proposals from qualified individuals or firms to perform a comprehensive water, wastewater and recycled water rate & fee study with a cost allocation plan. The intent of the Study is to independently assess the District’s existing user rates and other fees charged by the District; and develop fair and equitable rates that are based on a cost of service analysis.

The District is also in the process for applying for grants, which could involve a Federal Award. The District wishes to obtain services for a Cost Allocation Plan to meet Title 2, CFR, Part 200, Cost Principles for State, Local, and Indian Tribal Governments, as well as provide an equitable method for distributing indirect costs. December 28, 2018 is the District’s target for the completion on the Regional Urban Water Augmentation Project (RUWAP) Pipeline. All indirect costs must be allocated using a single, transparent method that is equitable to all partner agencies and rate payers.

III. BACKGROUND

The Marina Coast Water District provides water service and wastewater collection service to 36,000 – 40,000 residents through approximately 8,200 connections in and adjacent to the City of Marina and on the former Fort Ord military installation. The District currently pumps all of its supply, approximately 4,200 acre feet of water (both Marina and Ord Systems) annually from groundwater wells. The District also conveys in excess of two million gallons per day of sewage to the Monterey Regional Water Pollution Control Agency for treatment.

The District assumed responsibility for operation of the water and wastewater utilities on Fort Ord pursuant to a water/wastewater facilities agreement dated March 13, 1998. In October 2001, title to the Ord Community facilities was conveyed to the District. Although, there are water inter-tie connections between the Marina and Ord systems, the Marina and Ord Community service areas are still maintained as separate operations, with separate financial records and accounts. The District has developed capital improvement programs for both the Marina and Ord Community service areas.

The District last completed its water and wastewater financial plan and rate study in August 2013. Copies of that financial plan and rate study are available for review on the District's website www.mcwd.org.

IV. SCOPE OF WORK

A. Rate and Fee Study

- i. Provide a comparison of current water, wastewater and recycled system costs (operational, capital improvements, and bonded debt) against appropriate benchmarks.
- ii. Provide a comparison of current and proposed water and wastewater rates and capacity charges against surrounding public agency water and wastewater and recycled water purveyors.
- iii. Evaluate the existing water, wastewater user fee structure for conformance with existing statutory regulations and make recommendations for any changes that are necessary to achieve compliance.
 1. Provide recommendations that may assist in more equity within the existing rate structure and justifications for any proposed changes.
 2. Demonstrate that any alternative rate structure is easy to understand and administer and can be accommodated with the existing Springbrook billing system.
- iv. Recommend rate structures based on the following:
 1. Current and future cost of providing services in accordance with established and anticipated standards and regulations
 2. Projected demands of growing community
 3. Age and condition of the water and wastewater systems and projected replacements for infrastructure based on the District's five-year CIP
 4. Funding requirements for all current and long-term liabilities and debt obligations
 5. Impact of current and future water, wastewater and recycled water regulations
 6. Provide a methodology for annual inflationary adjustments in compliance with Proposition 218
 7. Cash flow and working capital
 8. Projected revenues, operating expenses, and other funding source requirements; with an understanding of the District's historical trends
 9. Other impacts as identified
- v. Evaluate the current capacity connection fee and make recommendations for any changes for "buy-in" and new capacity.
- vi. Evaluate all user fees and additional fees (Exhibits A – D).
- vii. Provide a ten-year forecast of revenues, operation and maintenance expenses, capital improvement costs, identify a five-year rate structure to ensure that adequate revenues will meet reserve policy levels, bond debt coverage requirements, and capital funding.

1. Alternate levels of capital funding will be based on the District's ten-year CIP, with the ability to adjust the model for different levels of CIP funding.
 2. Alternatives include debt financing as compared to pay as you go scenarios to be considered.
- viii. Provide a user-friendly computer rate model which the District can use for forecasting and planning. This model should be capable of being updated with actual costs and users for future annual review of rates. This model must have the ability to run CIP scenarios and quickly show impact on rates.
1. Train District staff in the use of running "scenarios" that will provide a full understanding of how the rate model operates.
- ix. The recommended rate structures shall be consistent with industry practice for utility rate making in California. The study shall recommend a rate structure based upon standard rate practices that meet the criteria.
- x. The recommended rate structure shall be planned for five years.
- xi. Prepare a draft and final report, supplied in both hard copy and electronic format, which includes the following items:
1. A brief description of the District
 2. Service area description, including population served
 3. The source of supply as appropriate and projections on future growth and statement of consultant regarding sufficiency to meet demand
 4. A brief description of the capital improvement program, a five-year summary of proposed capital expenditures and a statement regarding reasonableness of those estimates; and a ten-year projection
 5. The revenue and expense projections for the District and each cost center
 6. The rate comparison of existing revenues to meet the required needs of the utility and discussion of any recommended rates and inflationary increases necessary to the future needs of each utility
- xii. Provide data supporting conclusions and observations made for each of the areas above and cite within the Study.
- xiii. Present the information to the Board of Directors and the Public at three workshops.

Rate and Fee Study Timeline

The District wishes to implement any rate adjustments for the Fiscal Year beginning July 1, 2018. Please provide a timeline of the proposed study. The project timeline must incorporate necessary time and tasks for review of the rate study, development and mailing of the Proposition 218 notice, and adoption of new rates by the MCWD Board of Directors. Adoption by the Board must include a first and second reading to be held at a regularly scheduled Board meeting, and a thirty (30) day effective date after the second reading. The District Board meetings are held on the third Monday of the month.

B. Cost Allocation Plan

- i. Work with District staff to define and refine the project scope, purposes, uses and goals of the District's Cost Allocation Plan to ensure it is accurate and appropriate for the District's needs.
- ii. Meet with staff to conduct interviews as needed to gain an understanding of the District's practices and operations.
- iii. Work with the Finance Department in developing service provisions, cost categories, and allocation criteria for current and future programs.
- iv. Develop a Full Cost Allocation Plan that:
 1. Establishes a full cost allocation methodology for specific administrative overheads that properly allocates costs among District cost centers and reimburses the District
 2. Is in compliance with CRF, Title 2, Part 200, Subpart E – Cost Principles, Uniform Requirements, Cost Principles and Audit Requirements for Federal Awards
 - a. Methodology appropriate for calculation and allocation of indirect cost rate complying with subpart E – Cost Principles
- v. Includes a study of each program with overhead costs that are borne directly in whole or in part by the District's main operations and that can receive overhead cost reimbursement from the State and Federal Governments, partner agencies, and/or other sources.
- vi. Allows for additions, revisions, or removal of direct and indirect costs so the cost allocation plan can be easily adapted to a range of activities both simple and complex.
- vii. Provides the ability for District staff to continuously update the plan from year to year to accommodate organizational changes.
- viii. Provides a software application which would enable staff to add, delete, or update the final cost allocation plan as needed in future periods. This program may be as simple as an Excel model or as complicated as a software program that is Windows Operating System compatible.
 1. Train staff on the use and update of the software application.

Cost Allocation Plan Timeline

The District desires to implement the cost allocation plan in conjunction with the Fiscal Year 2018-2019 Budget. Please provide a timeline of the proposed plan.

V. PROPOSAL FORMAT AND CONTENT

The proposal for the Fee Study and Cost Allocation Plan shall include the information specified within this Proposal Format and Content section. A title page should separate the Study and the Plan. If responses are the same for Sections 1-2, reference can be made within the proposal to avoid duplication. The numbering sequence and titles for each section shall follow the format as contained in this Request for Proposal.

A. General

- i. Title page showing the request for proposal's subject; the firm's name, the name, address and telephone number of a contact person; and the date of the proposal
- ii. The title page should indicate "Proposal for Fee Study" or "Proposal for Fee Study and Cost Allocation Plan"
- iii. Table of contents
- iv. Signed letter briefly stating the firm's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement
- v. A statement that the proposal is a firm and will be valid for ninety (90) days.
- vi. Signature of a person authorized to bind consultant to the terms of the proposal.

B. Qualifications and References

- i. Qualifications of the firm
 1. Identify the size of your firm and the location of the office from which the work will be conducted
- ii. References
 1. Please provide a list of consulting experiences similar to the type and size of MCWD
 2. List three (3) client references that are of similar size and scope of service utilization as the Agency. If providing a proposal on the Cost Allocation Plan, as well as the Rate Study, please provide three references for each type of study. If the same client contracted for a Rate Study and Cost Allocation Plan, referencing the same client is acceptable. Please indicate that information next to the description of services provided. Include the following information for each reference:
 - Customer name
 - Contact name and title
 - Telephone and fax number
 - Street address, State, zip code
 - Number of Years as Customer
 - Description of services provided

The Agency reserves the right to contact each of the references listed for additional information regarding your firm's qualifications.

3. Qualifications of Professional Staff – Identify the key engagement partners, managers, and other staff members who would be assigned to conduct the Study and indicate their qualifications. If submitting proposals for both the Fee Study and Cost Allocation Plan, include qualifications for staff members assigned to each area of study

4. Subcontractors – Please clearly indicate whether subcontractors will be used in fulfilling either proposal. If the firm plans to use subcontractors, please provide an overview of the firm, project involvement, and qualifications of staff

C. Study Approach

- i. Describe your approach to this project any special ideas, techniques or suggestions that you think might make the project proceed more smoothly.
- ii. Set forth a work plan, including an explanation of the methodologies to be followed to perform the services required of this proposal. Indicate what type of documents will be referenced in performing this project, such as the District's budget and related materials, financial statements, and utility data
- iii. The proposal shall provide a listing of the records and documentation that the District is expected to provide
- iv. The proposal shall describe your schedule for the project.

D. Agreement

- i. A copy of the proposed agreement is attached (Attachment F). Evidence of Insurance and IRS Form W-9 must be received prior to agreement implementation.

VI. EVALUATION OF PROPOSALS AND NEGOTIATIONS

All proposals submitted will be reviewed by an evaluation panel consisting of the Marina Coast Water District and/or other personnel. At the completion of the proposal review, the panel may elect to invite the top scoring firms to make a presentation at no cost to the District. The District may request Best and Final offers. Based on the presentation and the Best and Final offers, if requested, the panel will select the proposal that best fulfills the District's requirements. The District may negotiate with that firm to determine final pricing, and contract form. There will be no public opening and reading of bids.

Proposals will be evaluated on the following criteria:

- Qualifications of the firm
- Qualifications of the personnel
- Related experience
- References
- Ability to understand the Agency's needs
- Completeness of response
- Reasonableness of cost and price
- Availability schedule

A selection panel will be convened of District staff, which will include Finance, Customer Service, and possibly other departments.

VII. CONDITIONS AND STIPULATIONS

The District reserves the right to reject any and all proposals, cancel all or part of this RFP, and waive any non-material irregularities or informalities and to request additional information and clarification regarding any particular service from the proposing firms.

By requesting proposals, the District is in no way obligated to select any proposal or pay expenses of the proposing firms in connection with the preparation or submission of a proposal. The District reserves the right to reject any firm for any reason. The proposal should be the best effort possible by the firm, since the District reserves the right to award the contract with no further negotiations. Conversely, the District reserves the right to negotiate with the successful proposer any additional terms and conditions not contained in their proposal, which are in the best interest of the District or to otherwise revise the scope of this RFP. All proposals, whether accepted or rejected, shall become the property of the Marina Coast Water District. All proposals received become public records. The District's decision to award a contract will be based on many factors including, but not limited to service, cost, experience, and ability to deliver, or for any other reason deemed by the District to be in the best interest of the District. No single factor, such as cost, will determine the final decision to award. This RFP and the firm's response, including all promises, warranties, commitments, and representations made in the successful proposal, shall become binding contractual obligations, and will be incorporated by reference in the final agreement between the Marina Coast Water District and the selected firm. All terms and conditions not specifically identified as exceptions will be considered acceptable to Contractor.

VIII. ESTIMATED TIMELINE (DATES ARE SUBJECT TO CHANGE)

- May 15, 2017 – Board approve RFP for independent audit services
- May 16, 2017 – Distribution of RFP
- May 30, 2017 – Deadline for questions
- June 12, 2017 – Closing Date
- June 13 – 20, 2017 – Proposal evaluations and possible interviews
- June 26, 2017 – Present Recommendations to District Board for contract award
- October 2, 2017 – Rate Workshop #1
- November 6, 2017 – Rate Workshop #2
- December 4, 2017 – Rate Workshop #3

IX. CONTACTS

For questions regarding the scope of the proposal or the proposal process, please submit questions through email only to:

Kelly Cadiente, Director of Administrative Services at kcadiente@mcwd.org

X. DEADLINE FOR SUBMISSION OF PROPOSALS

The District must receive proposals by June 12, 2017, 4:00 PM:

Electronic Submissions should be sent to:

Kelly Cadiente, Director of Administrative Services at kcadiente@mcwd.org

Physical and U.S. Mail Address:

Marina Coast Water District
Kelly Cadiente, Director of Administrative Services
11 Reservation Road
Marina, CA 93933

Proposals must be received by the deadline of June 12, 2017, 4:00 PM. Postmark does not constitute receipt.

XI. ATTACHMENTS

- Exhibit A: MCWD Central Marina User Fees Ordinance 56
- Exhibit B: MCWD Central Marina Capacity Fee Ordinance 57
- Exhibit C: MCWD Ord Community Capacity Fees Resolution No. 2014-18
- Exhibit D: MCWD Ord Community User Fees Resolution No. 2014-20
- Exhibit E: MCWD Other Rates, Fees and Charges
- Exhibit F: MCWD Professional Services Agreement

Thank you for your interest in working with the Marina Coast Water District for this service. We look forward to receiving your proposal.

MARINA COAST WATER DISTRICT
ORDINANCE NO. 56

AN ORDINANCE AMENDING SECTIONS 6.08.030, 6.08.060, 6.08.080, 6.08.100, AND
6.12.050 OF THE DISTRICT CODE
CHANGING RATES, FEES AND CHARGES FOR WATER AND SEWER SERVICES
FOR THE CENTRAL MARINA SERVICE AREA

Be it ordained by the Board of Directors of
Marina Coast Water District
as follows:

Section 1. Authority. This Ordinance is enacted pursuant to Sections 30000 and following of the California Water Code, and Section 6 of Article XIII D of the California Constitution.

Section 2. Findings.

- A. This ordinance is considered for action by the Board of Directors at a regularly scheduled and noticed meeting. The agenda was posted in accordance with County Water District law with opportunity for public review in advance of the meeting and public comment during consideration of the ordinance by the Board. The District has complied with publication, notice and hearing requirements of Section 6 of Article XIID of the California Constitution and Section 31105 of the California Water Code.
- B. The District Code establishes, among other things, water consumption charges, minimum monthly charges, monthly sewer charges, various service charges, and water and sewer capacity charges for the District's customers. Based on the recommendations of the District's General Manager and engineering and financial advisors, and the 2013 5-Year Water and Wastewater Financial Plan and Rate Study adopted by the Board of Directors on August 26, 2013, revised rates, fees and charges are necessary to meet operating and capital expenses for sound operation of the District in accordance with Water Code Section 31007 and to enable the District to provide continued water and sewer service within the District's Central Marina service area.
- C. The District's legal counsel advises, and the Board finds, that adoption of this ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273 because this ordinance pertains to the adoption of rates, fees and charges necessary to maintain services with the District's existing service area.
- D. The rates, fees and charges adopted by this ordinance will not exceed the estimated reasonable costs of providing the services for which the rates, fees or charges are imposed and will not exceed the proportional cost of the service attributable to the parcel receiving the service.

Section 3. Purpose of Ordinance. The purpose of this Ordinance is to revise charges for water and wastewater services for the District’s Central Marina service area. This Ordinance amends Sections 6.08.030, 6.08.060, 6.08.080, 6.08.100, and 6.12.050 of the District Code.

Section 4. Temporary Water Service. Section 6.08.030 (F) of the District Code is amended to read as follows:

“6.08.030 Temporary water service.

F. The applicant shall be responsible for district equipment utilized for this purpose and the necessary repair or replacement costs shall be deducted from the applicant's deposit. The applicant is responsible for returning the district equipment and closing the account promptly after the job is complete. If a meter is not returned promptly, the district shall deduct the cost of replacing the meter from the applicant’s deposit.

Gate Valve/Meter deposit	\$ 650.00
Water consumption deposit minimum	\$1,100.00
Set or remove hydrant meter	\$ 140.00
Relocate meter per occurrence	\$ 140.00
Meter set, other than on fire hydrant	Actual Cost
Minimum monthly service charge (Effective July 1, 2014)	\$ 87.33
Minimum monthly service charge (Effective January 1, 2015)	\$ 89.95
Minimum monthly service charge (Effective January 1, 2016)	\$ 92.65
Minimum monthly service charge (Effective January 1, 2017)	\$ 95.43
Minimum monthly service charge (Effective January 1, 2018)	\$ 98.29

Monthly quantity rate for each HCF (see Section 6.08.100 Water Consumption Rates”

Section 5. Monthly Minimum Water Charges. Section 6.08.060 of the District Code is hereby amended to read as follows:

“6.08.060 Monthly minimum water charges.

The monthly minimum charges for water service shall be:

METER SIZE	CHARGES (Effective July 1, 2014)	CHARGES (Effective January 1, 2015)	CHARGES (Effective January 1, 2016)	CHARGES (Effective January 1, 2017)	CHARGES (Effective January 1, 2018)
5/8” or 3/4”	\$19.87	\$20.46	\$21.07	\$21.71	\$22.36
1”	\$32.05	\$33.01	\$34.00	\$35.02	\$36.07
1-1/2”	\$52.36	\$53.94	\$55.55	\$57.22	\$58.94
2”	\$76.73	\$79.04	\$81.41	\$83.85	\$86.36
3”	\$133.64	\$137.65	\$141.78	\$146.03	\$150.41
4”	\$214.85	\$221.30	\$227.93	\$234.77	\$241.82
6”	\$417.96	\$430.50	\$443.41	\$456.71	\$470.42
8”	\$824.41	\$849.14	\$874.62	\$900.86	\$927.88

Section 6. Private Fire Service. Section 6.08.080 of the District Code is hereby amended to read as follows:

“6.08.080 Private fire service.

The monthly charges for private fire service shall be:

METER SIZE	CHARGES (Effective July 1, 2014)	CHARGES (Effective January 1, 2015)	CHARGES (Effective January 1, 2016)	CHARGES (Effective January 1, 2017)	CHARGES (Effective January 1, 2018)
1”	\$1.49	\$1.53	\$1.58	\$1.63	\$1.68
1-1/2”	\$4.32	\$4.45	\$4.59	\$4.72	\$4.87
2”	\$9.21	\$9.49	\$9.78	\$10.07	\$10.37
2-1/2”	\$16.57	\$17.07	\$17.58	\$18.11	\$18.65
3”	\$26.77	\$27.57	\$28.40	\$29.25	\$30.13
4”	\$57.04	\$58.75	\$60.51	\$62.33	\$64.20
6”	\$165.69	\$170.66	\$175.78	\$181.05	\$186.49
8”	\$353.09	\$363.68	\$374.59	\$385.83	\$397.40

Section 7. Water Consumption Rates. Section 6.08.100 (A) of the District Code is hereby amended to read as follows:

“6.08.100 Water consumption rates.

A. Water consumption by District Customers shall be measured in units of one hundred cubic feet (seven hundred forty-eight gallons). The quantity charge for water consumption per one hundred cubic feet (HCF) shall be as follows:

CONSUMPTION	CHARGES (Effective July 1, 2014)	CHARGES (Effective January 1, 2015)	CHARGES (Effective January 1, 2016)	CHARGES (Effective January 1, 2017)	CHARGES (Effective January 1, 2018)
0-8 hcf	\$2.47 per hcf	\$2.55 per hcf	\$2.62 per hcf	\$2.70 per hcf	\$2.78 per hcf
9-16 hcf	\$2.83 per hcf	\$2.92 per hcf	\$3.01 per hcf	\$3.10 per hcf	\$3.19 per hcf
16+ hcf	\$5.00 per hcf	\$5.15 per hcf	\$5.31 per hcf	\$5.47 per hcf	\$5.63 per hcf

Construction Water Depots (same as Temporary Water Service rates):

Minimum monthly charge (Effective July 1, 2014)	\$ 87.33
Minimum monthly charge (Effective January 1, 2015)	\$ 89.95
Minimum monthly charge (Effective January 1, 2016)	\$ 92.65
Minimum monthly charge (Effective January 1, 2017)	\$ 95.43
Minimum monthly charge (Effective January 1, 2018)	\$ 98.29
Monthly Quantity rate for each HCF (see above table for Consumption Rates)”	

Section 8. Wastewater Collection Rates. Section 6.12.050 of the District Code is amended to read as follows:

“6.12.050 Wastewater collection rates.

Wastewater collection rates for all classes of customers within the District shall be as follows per month per equivalent dwelling unit (EDU), calculated using the table of user classifications and wastewater demand factors set forth in Appendix D of this code.

\$10.10 per equivalent dwelling unit (Effective July 1, 2014)

\$11.11 per equivalent dwelling unit (Effective January 1, 2015)

\$12.22 per equivalent dwelling unit (Effective January 1, 2016)

\$13.44 per equivalent dwelling unit (Effective January 1, 2017)

\$14.78 per equivalent dwelling unit (Effective January 1, 2018)

Section 9. Requirements for Rates, Fees and Charges. The rates, fees and charges adopted by this ordinance shall not exceed the reasonably estimated costs of providing the services for which the rates, fees or charges are imposed.

Section 10. Effective Date. All sections of this Ordinance pertaining to water service rates, fees, and charges shall be in full force and effect thirty (30) days from and after the date of adoption. All sections of this Ordinance pertaining to wastewater service rates, fees, and charges shall be in full force and effect immediately upon adoption in accordance with section 31105(a) of the California Water Code.

Section 11. Publication and Posting. Within 10 days after adoption, the district shall publish, in a newspaper published in Monterey County and circulated within the district, a summary of this ordinance with the names of those directors voting for and against adoption, and shall post in the district office a certified copy of the full text of this ordinance as adopted along with the names of those directors voting for and against adoption.

Section 12. Notice of Exemption Notice of Determination. The Secretary is authorized and directed to give due notice of exemption of this ordinance from the provisions of CEQA, pursuant to Title 14 California Code of Regulations section 15062.

Section 13. Existing Charges. Existing rates, fees and charges in effect when this ordinance is adopted shall remain in effect unless specifically changed by this ordinance.

Section 14. Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional or invalid, or superseded by some other provision of law, such provisions shall be severed from and shall not affect the validity of the remaining provisions of this ordinance. The Board hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any other part thereof be unconstitutional or invalid, or superseded by some other provision of law. The parts of this ordinance which are not unconstitutional, invalid, or superseded shall remain in full force and effect and shall be enforced according to their terms.

Section 15. Interpretation. Words and phrases used in this ordinance shall be read conjunctively with and shall have the same meaning as in prior district ordinances and the district Code, unless specifically changed by this ordinance or unless the context requires some other construction. If there is any inconsistency between this ordinance and prior provisions, this ordinance shall control.

Section 16. Annual Modification of Rates and Charges. All rates, fees and charges specified in this ordinance are the maximum amounts that may be imposed by the District for the applicable time period. The Board of Directors as part of its review and adoption of the annual District budget may determine by resolution to impose less than the applicable rate, fee or charge set forth in this ordinance for all or a portion of the time period covered by that District budget.

On motion of Director Gustafson, seconded by Vice President Shriner; the foregoing Ordinance is enacted and shall take effect upon adoption by the following roll call of the Board:

Ayes: Gustafson, Shriner, Moore
Nays: Lee
Absent: Le
Abstained: None

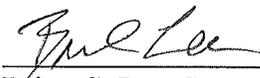
By 
Thomas P. Moore, President

ATTEST:


Brian C. Lee, Secretary

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that the foregoing Ordinance was adopted and approved by the Board of Directors at a special meeting on May 19, 2014.


Brian C. Lee, Secretary

MARINA COAST WATER DISTRICT
ORDINANCE NO. 57

AN ORDINANCE AMENDING SECTIONS 6.08.090, 6.12.020, AND 6.12.040,
OF THE DISTRICT CODE
CHANGING CAPACITY CHARGES FOR WATER AND SEWER SERVICES
FOR THE CENTRAL MARINA SERVICE AREA

Be it ordained by the Board of Directors of
Marina Coast Water District
as follows:

Section 1. Authority. This Ordinance is enacted pursuant to Sections 30000 and following of the California Water Code, and Sections 66013 and 66016 of the California Government Code.

Section 2. Findings.

- A. This ordinance is considered for action by the Board of Directors at a regularly scheduled and noticed meeting. The agenda was posted in accordance with County Water District law with opportunity for public review in advance of the meeting and public comment during consideration of the ordinance by the Board. The District has complied with publication, notice and hearing requirements of Section 66016 of the California Government Code and Section 31105 of the California Water Code.
- B. The District Code establishes, among other things, water and sewer capacity charges for the District's customers. Based on the recommendations of the District's General Manager and engineering and financial advisors, and the 2013 5-Year Water and Wastewater Financial Plan and Rate Study adopted by the Board of Directors on August 26, 2013, revised charges are necessary to meet operating and capital expenses for sound operation of the District in accordance with Water Code Section 31007 and to enable the District to provide continued water and sewer service within the District's Central Marina service area.
- C. The District's legal counsel advises, and the Board finds, that adoption of this ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273 because the ordinance pertains to the adoption of charges necessary to maintain services within the District's existing service area.
- D. The charges adopted by this ordinance shall not exceed the estimated amount required to provide the services for which the charges are imposed.
- E. No written requests are on file with the District for mailed notice of meetings on new or increased fees or service charges pursuant to Government Code Section

66016. At least 10 days prior to the meeting, the District made available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service.

Section 3. Purpose of Ordinance. The purpose of this Ordinance is to revise capacity charges for water and wastewater services for the District's Central Marina service area. This Ordinance amends Sections 6.08.090, 6.12.020, and 6.12.040 of the District Code.

Section 4. Capacity Charges for New or Modified Potable and Recycled Water Service Connections. Section 6.08.090 (A) of the District Code is hereby amended to read as follows:

“6.08.090 Capacity charges for new or modified potable and recycled water service connections.

- A. The water capacity charge for each equivalent dwelling unit (“EDU”, as defined in Section 1.04.010) shall be as follows:

\$ 4,526 per EDU

Appendix C shall be the basis for determining capacity charges for water service connections. The General Manager shall determine the assigned water rate for those uses not specified in Appendix C. The assigned water rate for any use not specified in Appendix C may be increased within six months after the end of the first full year of any such use, if actual, metered water use for the year is higher than the use determined by the General Manager in calculating the capacity charge.

Section 5. Capacity Charge. Section 6.12.020 (A) of the District Code is hereby amended to read as follows:

“6.12.020 Capacity charge.

- A. The collection system capacity charge for residential and equivalent dwelling units (“EDU”, as defined in Section 1.04.010) shall be as follows:

\$ 2,333 per EDU

Section 6. Capacity Charge for new and modified sewer service connection. Table 6.12.040 within Section 6.12.040 of the District is hereby amended to read as follows:

Table 6.12.040
SEWER CAPACITY CHARGES

Residential Units

Sewer collection system capacity charge \$2,333.00 per EDU.

Same charge per unit for single-family, multiple dwelling, condominium, trailer space, or mobile home.

Nonresidential Units

Sewer collection system capacity charge—Based on fixture units as defined in the Uniform Plumbing Code per structure.

Fixture units are to be assigned based on ultimate plumbing fixtures per approved building plans, regardless of number of fixtures initially installed.

Each twenty fixture units are equivalent to one equivalent dwelling unit (EDU). For each hotel/motel unit a minimum of one EDU per room will be applied.

The sewer collection system capacity charge is collected at the ratio of one EDU per each twenty fixture units. For example, twenty-four fixture units equals one point two (1.2) EDU's for a capacity fee of \$2,780.00 when the capacity charge per EDU is \$2,333.00.

Each nonresidential connection is a minimum of one EDU.

Section 7. Requirements for Rates, Fees and Charges. The charges adopted by this ordinance shall not exceed the estimated amount required to provide the services for which the charges are imposed. Revenues derived, respectively, from water and sewer capacity charges shall not be used for any purpose other than for capital facilities to provide, respectively, water and sewer service. If the capacity charges adopted by this ordinance create revenues in excess of actual cost, those revenues shall be used to reduce the capacity charges creating the excess.

Section 8. Effective Date. All sections of this ordinance shall be in full force and effect sixty (60) days from and after the date of the publication of this ordinance in accordance with Section 9 below or July 1, 2014, whichever occurs last.

Section 9. Publication and Posting. Within 10 days after adoption, the district shall publish, in a newspaper published in Monterey County and circulated within the district, a summary of this ordinance with the names of those directors voting for and against adoption, and shall post in the district office a certified copy of the full text of this ordinance as adopted along with the names of those directors voting for and against adoption.

Section 10. Notice of Exemption Notice of Determination. The Secretary is authorized and directed to give due notice of exemption of this ordinance from the provisions of CEQA, pursuant to Title 14 California Code of Regulations section 15062.

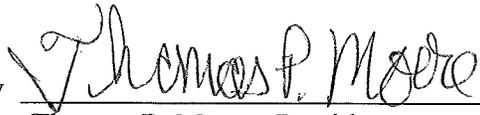
Section 11. Existing Charges. Existing rates, fees and charges in effect when this ordinance is adopted shall remain in effect unless specifically changed by this ordinance and, if specifically changed by this ordinance, then until the Effective Date of this ordinance.

Section 12. Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional or invalid, or superseded by some other provision of law, such provisions shall be severed from and shall not affect the validity of the remaining provisions of this ordinance. The Board hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any other part thereof be unconstitutional or invalid, or superseded by some other provision of law. The parts of this ordinance which are not unconstitutional, invalid, or superseded shall remain in full force and effect and shall be enforced according to their terms.

Section 13. Interpretation. Words and phrases used in this ordinance shall be read conjunctively with and shall have the same meaning as in prior district ordinances and the district Code, unless specifically changed by this ordinance or unless the context requires some other construction. If there is any inconsistency between this ordinance and prior provisions, this ordinance shall control.

On motion of Vice President Shriner, seconded by President Moore; the foregoing Ordinance is enacted and shall take effect upon adoption by the following roll call of the Board:

Ayes: _____ Lee, Shriner, Moore _____
Nays: _____ Le _____
Absent: _____ Gustafson _____
Abstained: _____ None _____

By  _____
Thomas P. Moore, President

ATTEST:



Brian C. Lee, Secretary

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that the foregoing Ordinance was adopted and approved by the Board of Directors at a special meeting on May 5, 2014.



Brian C. Lee, Secretary

May 5, 2014

Resolution No. 2014-18
Resolution of the Board of Directors
Marina Coast Water District
Approving Changes to Capacity Charges for Water and Wastewater Services
Of the Ord Community Service Area

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on May 5, 2014 at 211 Hillcrest Avenue, Marina, California as follows:

1. Authority. This Resolution is adopted pursuant to Sections 30000 and following of the California Water Code and Sections 66013 and 66016 of the California Government Code.

2. Findings.

A. This resolution is considered for adoption by the Board of Directors at a regularly scheduled and noticed meeting after a properly notice public hearing. The agenda was posted in accordance with the law and with opportunity for public review in advance of the meeting and public comment during consideration of the resolution by the Board. The District has complied with publication, notice and hearing requirements of Section 66016 of the California Government Code.

B. District Resolution No. 2005-38 adopted Capacity Charges and Capital Surcharges for the Ord Community on July 13, 2005.

C. The District’s legal counsel advises, and the Board finds, that adoption of this resolution is exempt from the requirements of the California Environmental Quality Act (“CEQA”) pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273 because the resolution pertains to the adoption of charges necessary to maintain services within the District’s existing service area.

D. The charges adopted by this resolution shall not exceed the estimated amount required to provide the services for which the charges are imposed.

E. No written requests are on file with the District for mailed notice of meetings on new or increased fees or service charges pursuant to Government Code Section 66016. At least 10 days prior to the meeting, the District made available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service.

3. Purpose of Resolution. The purpose of this Resolution is to revise capacity charges for water and wastewater services for the District’s Ord Community service area. This Resolution supersedes the capacity charges set forth in Resolution No. 2005-38 except as to Capital Surcharges under Section 9, Capital Surcharge, of this Resolution.

4. Use of Terms in District Code. To the extent that a word or term is used in this Resolution is not defined herein but an equivalent word or term is used in the District Code for

the same type of service, then the word or term used in this Resolution shall have the same meaning and effect as used in the District Code. For example, the term “equivalent dwelling unit or “EDU” as used herein shall have the same meaning as that term is defined in District Code section 1.04.010.

5. Capacity Charges for New or Modified Potable and Recycled Water Service Connections for EDU.

A. The water capacity charge for each equivalent dwelling unit (“EDU”) shall be as follows:

\$ 8,010 per EDU

B. Appendix C of the District Code shall be used for determining capacity charges for water service connections. The General Manager shall determine the assigned water rate for those uses not specified in Appendix C. The assigned water rate for any use not specified in Appendix C may be increased within six months after the end of the first full year of any such use, if actual, metered water use for the year is higher than the use determined by the General Manager in calculating the capacity charge.

6. Collection System Capacity Charge for New or Modified Wastewater Service Connections for Residential and EDU.

A. The collection system capacity charge for residential and equivalent dwelling units (“EDU”) shall be as follows:

\$ 3,322 per EDU

7. Collection System Capacity Charge for New or Modified Wastewater Service Connections for Nonresidential Units.

A. Section 6.12.040 of the District Code is incorporated into this Resolution by reference, except that the following summary table shall apply instead of the table in Section 6.12.040:

<p>SEWER CAPACITY CHARGES</p> <p>Residential Units</p> <p>Sewer collection system capacity charge <u>\$ 3,322 per EDU.</u></p> <p>Same charge per unit for single-family, multiple dwelling, condominium, trailer space, or mobile home.</p>
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Nonresidential Units

Sewer collection system capacity charge—Based on fixture units as defined in the Uniform Plumbing Code per structure.

Fixture units are to be assigned based on ultimate plumbing fixtures per approved building plans, regardless of number of fixtures initially installed.

Each twenty fixture units are equivalent to one equivalent dwelling unit (EDU). For each hotel/motel unit a minimum of one EDU per room will be applied.

The sewer collection system capacity charge is collected at the ratio of one EDU per each twenty fixture units. For example, twenty-four fixture units equals one point two (1.2) EDU's for a capacity fee of \$ 3,986.40 when the capacity charge per EDU is \$ 3,322.00.

Each nonresidential connection is a minimum of one EDU.

8. Payment of Capacity Charges. Capacity Charges shall be paid to the District upon the issuance of the building permit, which includes the applicable service connections, unless the District is authorized by law to require payment at an earlier time.

9. Requirements for Capacity Charges. The charges adopted by this resolution shall not exceed the estimated amount required to provide the services for which the charges are imposed. Revenues derived, respectively, from water and wastewater capacity charges shall not be used for any purpose other than for capital facilities to provide, respectively, water and wastewater service. If the capacity charges adopted by this resolution create revenues in excess of actual cost, those revenues shall be used to reduce the capacity charges creating the excess.

10. Capital Surcharge. “Capital Surcharge” means a monthly charge for capital expenses and facilities. The Capital Surcharge for both water and wastewater shall be paid monthly by the customer receiving service, starting at the time a water service meter is installed. If only water or wastewater service, but not both, is provided, then only the Capital Surcharge for the applicable service shall be paid monthly by the customer receiving service, starting at the time a water service meter is installed. If no water service meter is installed, then at the time the District determines that wastewater service is available for the customer’s sewer connection. The monthly Capital Surcharges for water connections payable at \$20 per month adopted by Resolution No. 2005-38 shall continue in effect for each water service connection subject to the Capital Surcharge prior to the Effective Date of this Resolution. The monthly Capital Surcharges for wastewater connections payable at \$5 per month adopted by Resolution No. 2005-38 shall continue in effect for each wastewater service connection subject to the Capital Surcharge prior to the Effective Date of this Resolution. From and after the Effective Date of this Resolution, any new water or wastewater connection subject to the new Capacity Charges shall not pay a monthly Capital Surcharge.

11. The District will comply with the requirements of Government Code section 54999.3 before imposing a new or increased capital facilities fee (as defined in Government Code section 54999.1) on any school district, county office of education, community college district, the California State University, the University of California or other state agency.

12. Effective Date. All sections of this Resolution shall be in full force and effect sixty (60) days from and after the date of its adoption or July 1, 2014, whichever occurs last. To the extent that capacity charges for the Ord Community Service Area come within the meaning of budgets or compensation plans under Section 7, Financial Provisions, of that certain 1998 Water/Wastewater Facilities Agreement between the Fort Ord Reuse Authority and the District, then the Effective Date could be potentially modified by the review process prescribed in that Section 7.

13. Notice of Exemption. The Secretary is authorized and directed to give due notice of exemption of this resolution from the provisions of CEQA, pursuant to Title 14 California Code of Regulations section 15062.

14. Existing Charges. Existing rates, fees and charges in effect when this resolution is adopted shall remain in effect unless specifically changed by this resolution and, if specifically changed by this resolution, then until the Effective Date of this resolution.

15. Severability. If any section, subsection, sentence, clause, or phrase of this resolution is for any reason held to be unconstitutional or invalid, or superseded by some other provision of law, such provisions shall be severed from and shall not affect the validity of the remaining provisions of this resolution. The Board hereby declares that it would have passed this resolution and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any other part thereof be unconstitutional or invalid, or superseded by some other provision of law. The parts of this resolution which are not unconstitutional, invalid, or superseded shall remain in full force and effect and shall be enforced according to their terms.

16. Interpretation. Words and phrases used in this resolution shall be read conjunctively with and shall have the same meaning as in prior district resolutions and the district Code, unless specifically changed by this resolution or unless the context requires some other construction. If there is any inconsistency between this resolution and prior provisions, this resolution shall control.

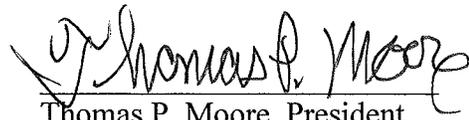
PASSED AND ADOPTED on May 5, 2014, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors Lee, Shriner, Moore

Noes: Directors Le

Absent: Directors Gustafson

Abstained: Directors None


Thomas P. Moore, President

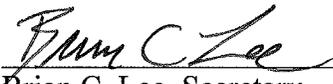
ATTEST:



Brian C. Lee, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2014-18 adopted May 5, 2014.



Brian C. Lee, Secretary

May 19, 2014

Resolution No. 2014-20
Resolution of the Board of Directors
Marina Coast Water District
Adopting the New District Rates, Fees, and Charges for the
Ord Community Water and Wastewater Service Area, excluding Capacity Charges

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on May 19, 2014, at 211 Hillcrest Avenue, Marina California as follows:

Recitals

A. The District and FORA, entered into a “Water/Wastewater Facilities Agreement” (“Agreement”) on March 13, 1998, and have subsequently duly amended the Agreement; and,

B. Since the finalization of the Agreement, (i) FORA has permanently transferred the water and wastewater facilities to the District pursuant to the Agreement, (ii) the District physically interconnected the Ord Community water and wastewater systems with the Marina Coast systems, and (iii) the District has consolidated the two water systems under a single Public Water System Permit issued by the California Department of Public Health; and

C. The District has commissioned and received a Financial Plan and Rate and Fee Study, dated September 2013, which determines the costs of providing service to the District’s service areas, including the Ord Community Service area; and

D. The new rates, fees, and charges, excluding capacity charges are set forth in attached Exhibit A, which is incorporated herein by reference, for water, recycled water and wastewater services to the Ord Community Service Area; and,

E. In accordance with Section 7.1.3 of the Agreement, District staff prepared and filed with the Water/Wastewater Oversight Committee (“WWOC”) of FORA as required by FORA on February 27, 2014, the draft FY 2014-2015 Budget and the proposed water and sewer rates, fees, and charges for the period July 1, 2014, through June 30, 2015, as set forth in the attached Exhibit A; and,

F. The proposed new water and sewer rates, fees, and charges provides for funds necessary to meet operating and capital expenses for the sound operation and provision of the water, recycled water and wastewater facilities within the existing Ord Community service area on the former Fort Ord within FORA’s jurisdictional boundaries as required by Section 7.1.2 of the Agreement and by Water Code Section 31007; and,

G. The proposed new water and sewer rates, fees, and charges are consistent with the District’s Financial Plan and Rate and Fee Study, dated September 2013, and with the new water and sewer rates, fees and charges the District adopted for the Central Marina service area through Ordinance No. 56; and,

H. The District's imposition and administration of the rates, fees and charges (excluding Capacity Charges) set forth in attached Exhibit A shall comply with the substantive provisions contained in Section 6(b) of Article XIID of the California State Constitution; and,

I. The District's legal counsel advises, and the Board finds, that adoption of this resolution is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273 because the resolution pertains to the adoption of charges necessary to maintain services within the District's existing service area.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Board of Directors of the Marina Coast Water District does hereby approve and adopt the new rates, fees, and charges, excluding Capacity Charges, set forth in attached Exhibit A for water, recycled water and wastewater services to the Ord Community Service Area.

2. The District is authorized to charge and collect rates for provision of water and wastewater services within the boundaries of FORA in accordance with the rates, fees and charges set forth in Exhibit A, excluding Capacity Charges. The District is further authorized to use the same rates, fees and charges in providing services to the area of Ord Community within the jurisdiction of the U.S. Army.

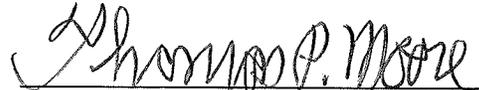
3. The rates, fees and charges authorized by this Resolution shall not exceed the estimated reasonable costs of providing the services for which the rates, fees or charges are imposed.

4. Notice of Exemption. The Secretary is authorized and directed to give due notice of exemption of this resolution from the provisions of CEQA, pursuant to Title 14 California Code of Regulations section 15062.

5. Effective Date. All sections of this Resolution shall be in full force and effect on July 1, 2014. To the extent that rates, fees, and charges for the Ord Community Service Area come within the meaning of budgets or compensation plans under Section 7, Financial Provisions, of the Agreement, then the Effective Date could be potentially modified by the review process prescribed in that Section 7.

PASSED AND ADOPTED on May 19, 2014, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes:	Directors	<u>Gustafson, Shriner, Moore</u>
Noes:	Directors	<u>Lee</u>
Absent:	Directors	<u>Le</u>
Abstained:	Directors	<u>None</u>



Thomas P. Moore, President

ATTEST:



Brian C. Lee, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2014-20 adopted May 19, 2014.



Brian C. Lee, Secretary

EXHIBIT A to Resolution No. 2014-20

ORD SERVICE AREA MONTHLY WATER RATES

RATE	
Water Consumption Charge	
Effective July 1, 2014	
	\$2.22 per hcf (0-8 hcf)
	\$3.40 per hcf (9-16 hcf)
	\$4.59 per hcf (16 + hcf)
Effective January 1, 2015	
	\$2.60 per hcf (0-8 hcf)
	\$3.98 per hcf (9-16 hcf)
	\$5.37 per hcf (16 + hcf)
Effective January 1, 2016	
	\$2.97 per hcf (0-8 hcf)
	\$4.56 per hcf (9-16 hcf)
	\$6.14 per hcf (16 + hcf)
Effective January 1, 2017	
	\$3.40 per hcf (0-8 hcf)
	\$5.22 per hcf (9-16 hcf)
	\$7.03 per hcf (16 + hcf)
Effective January 1, 2018	
	\$3.68 per hcf (0-8 hcf)
	\$5.65 per hcf (9-16 hcf)
	\$7.62 per hcf (16 + hcf)
Monthly Flat Rate Billing	
Effective July 1, 2014	
	\$98.36 per unit without meter
Effective January 1, 2015	
	\$112.65 per unit without meter
Effective January 1, 2016	
	\$127.29 per unit without meter
Effective January 1, 2017	
	\$143.94 per unit without meter
Effective January 1, 2018	
	\$153.99 per unit without meter

One hcf, or hundred cubic feet, is 748 gallons, edu - equivalent dwelling unit

ORD SERVICE AREA MONTHLY WASTEWATER RATES

RATE	
Effective July 1, 2014	\$26.49 per equivalent dwelling unit
Effective January 1, 2015	\$27.55 per equivalent dwelling unit
Effective January 1, 2016	\$28.65 per equivalent dwelling unit
Effective January 1, 2017	\$29.80 per equivalent dwelling unit
Effective January 1, 2018	\$32.18 per equivalent dwelling unit

ORD SERVICE AREA MONTHLY WATER SERVICE FEES

METER SIZE	FEE (Effective July 1, 2014)	FEE (Effective January 1, 2015)	FEE (Effective January 1, 2016)	FEE (Effective January 1, 2017)	FEE (Effective January 1, 2018)
5/8" or 3/4"	\$28.96	\$31.48	\$34.37	\$37.55	\$38.79
1"	\$45.18	\$49.11	\$53.62	\$58.57	\$60.51
1-1/2"	\$72.21	\$78.49	\$85.71	\$93.62	\$96.71
2"	\$104.64	\$113.74	\$124.20	\$135.66	\$140.14
3"	\$180.37	\$196.05	\$214.09	\$233.85	\$241.57
4"	\$288.45	\$313.52	\$342.36	\$373.96	\$386.31
6"	\$558.75	\$607.31	\$663.18	\$724.39	\$748.31
8"	\$1,099.66	\$1,195.24	\$1,305.19	\$1,425.66	\$1,472.72
Temporary Water Service	\$96.89	\$110.93	\$125.32	\$141.69	\$151.56

ORD SERVICE AREA MONTHLY FIRE SERVICE FEES

METER SIZE	FEE (Effective July 1, 2014)	FEE (Effective January 1, 2015)	FEE (Effective January 1, 2016)	FEE (Effective January 1, 2017)	FEE (Effective January 1, 2018)
1"	\$1.69	\$1.83	\$2.00	\$2.19	\$2.26
1-1/2"	\$4.90	\$5.33	\$5.82	\$6.35	\$6.56
2"	\$10.44	\$11.35	\$12.40	\$13.54	\$13.99
2-1/2"	\$18.78	\$20.41	\$22.29	\$24.35	\$25.15
3"	\$30.34	\$32.97	\$36.01	\$39.33	\$40.63
4"	\$64.65	\$70.26	\$76.73	\$83.81	\$86.58
6"	\$187.79	\$204.11	\$222.88	\$243.46	\$251.49
8"	\$400.18	\$434.96	\$474.97	\$518.81	\$535.94

**MARINA & ORD COMMUNITY
WATER & WASTEWATER SYSTEM
RATES, FEES and CHARGES
FY 2017 - 2018
Effective July 1, 2017**

General Manager	\$156.00 per hour
District Engineer	\$130.00 per hour
Director of Administrative Services	\$105.00 per hour
Capital Projects Manager	\$95.00 per hour
Projects Manager	\$99.00 per hour
Associate Engineer	\$83.00 per hour
Engineering Administrative Assistant	\$67.00 per hour
Engineering Assistant	\$55.00 per hour
Lab Supervisor	\$85.00 per hour
O&M Superintendent	\$106.00 per hour
O&M Supervisor	\$92.00 per hour
Operations & Maintenance System Operator 3	\$81.00 per hour
Operations & Maintenance System Operator 2/Backflow Specialist	\$79.00 per hour
Operations & Maintenance System Operator 2	\$82.00 per hour
Operations & Maintenance System Operator 1	\$58.00 per hour
Conservation Specialist III	\$66.00 per hour
Conservation Specialist I/II	\$51.00 per hour

Work Truck	\$20.00 per hour
Backhoe Tractor	\$30.00 per hour
Front Loader Tractor	\$58.00 per hour
Vactor Truck	\$30.00 per hour
Dump Truck	\$30.00 per hour
Ground Penetrating Radar Unit	\$10.00 per hour
CCTV Camera	\$65.00 per hour

Photocopy Charges \$0.20 per copy

Size	<u>Meter Installation Fee</u>
5/8" or 3/4"	\$350.00
1"	\$400.00
1 1/2"	\$450.00
2"	\$700.00
3" or Larger	

Actual direct and indirect cost to district.

Advance payment to be based on estimated cost.

Preliminary Project Review Fee (large projects)	\$500.00
Plan Review Fees:	
Existing Residential Modifications	\$200.00 per unit plus additional fees
Existing Commercial Modifications	\$400.00 per unit plus additional fees
Plan Review	\$500.00 per unit plus additional fees
Water/Sewer Permit Fee	\$30.00 each
Small Project Inspection Fee (single lot)	\$400.00 per unit
Large Project Inspection Fee (large projects)	\$500.00 per unit plus 3% of water & sewer construction cost
Building Modification/Addition Fee	\$200.00 per unit
Deposit for a Meter Relocation	\$200.00 deposit, plus actual costs
Mark and Locate Fee (USA Markings)	\$100.00 first mark and locate at no-charge, each additional for \$100
Backflow/Cross Connection Control Fee	\$45.00 per device
Additional Backflow/Cross Connection Device	\$30.00 per device
Deposit for New Account/Re-Establish Account	\$35.00 per edu
Meter Test Fee	\$15.00 for 3/4" meter, actual cost for 1" and larger
Returned Check Fee	\$15.00 per returned item
Basic Penalty	10% of the delinquent amount
Additional Penalty	1.50% per month of the delinquent amount

**PROFESSIONAL SERVICES AGREEMENT FOR
CONSULTING SERVICES
BETWEEN
MARINA COAST WATER DISTRICT
AND
[CONSULTANT]**

Some of the important terms of this Agreement are printed on Page 2. For your protection, make sure that you read and understand all provisions before signing. The terms on Page 2 are incorporated in this document and will constitute a part of the Agreement between the parties when signed.

TO: Marina Coast Water District DATE: _____
11 Reservation Road
Marina, CA 93933

The undersigned Consultant offers to furnish the following:

The scope of services is included in the District's RFP for Rate and Fee Study with Cost Allocation Plan Services dated May 16, 2017.

Contract price \$ _____

Completion date _____

Instructions: Sign and return two originals. Upon acceptance by the Marina Coast Water District, a copy will be signed by its authorized representative and promptly returned to you.

Accepted: Marina Coast Water District	[Consultant]
By _____	By _____
Name <u>Keith Van Der Maaten</u>	Name _____
Title <u>General Manager</u>	Title _____

Consultant agrees with the Marina Coast Water District that:

1. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant will defend, indemnify and hold harmless the Marina Coast Water District, its directors, officers, employees, or authorized volunteers from all claims and demands of all persons that arise out of, pertain to, or relate to the Consultant's negligence, recklessness, or willful misconduct in the performance (or actual or alleged non-performance) of the work under this agreement. Consultant shall defend itself against any and all liabilities, claims, losses, damages, and costs arising out of or alleged to arise out of Consultant's performance or non-performance of the work hereunder, and shall not tender such claims to District nor to its directors, officers, employees, or authorized volunteers, for defense or indemnity.

2. Other than in the performance of professional services, to the fullest extent permitted by law, Consultant will defend, indemnify and hold harmless the Marina Coast Water District, its directors, officers, employees, and authorized volunteers from all claims and demands of all persons arising out of the performance of the work; including but not limited to claims by the Consultant or Consultant's employees for damages to persons or property except for the sole negligence or willful misconduct or active negligence of the Marina Coast Water District, its directors, officers, employees, or authorized volunteers.

3. By his/her signature hereunder, Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that Consultant will comply with such provisions before commencing the performance of the professional services under this Agreement. Consultant will keep workers' compensation insurance for their employees in effect during all work covered by this Agreement and shall file with the Marina Coast Water District the certificate required by Labor Code Section 3700.

4. This paragraph is part of the contract. Yes or No (Circle One) [This section applies in most cases except for laboratory work.] Consultant will file with the Marina Coast Water District, before beginning professional services, a certificate of insurance satisfactory to the District evidencing professional liability coverage of not less than \$1,000,000 per claim and annual aggregate, requiring 30 days notice of cancellation (10 days for non-payment of premium) to the Marina Coast Water District. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A-:VII, or equivalent, or as otherwise approved by the District. The retroactive date (if any) is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least Three years after the completion of the contract work. Consultant shall purchase a one-year extended reporting period i) if the retroactive date is advanced past the effective date of this Agreement; ii) if the policy is canceled or not renewed; or iii) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

5. This paragraph is part of the contract. Yes or No (Circle One) Consultant will file with the Marina Coast Water District before beginning professional services, certificates of insurance satisfactory to the Marina Coast Water District evidencing general liability coverage of not less than \$1,000,000 per occurrence (\$2,000,000 general and products-completed operations aggregate (if used)) for bodily injury, personal injury and property damage; auto liability of at least \$1,000,000 for bodily injury and property damage each accident limit; workers' compensation (statutory limits) and employer's liability (\$1,000,000) (if applicable); requiring 30 days (10 days for

non-payment of premium) notice of cancellation to the Marina Coast Water District. The general liability coverage is to state or be endorsed to state "such insurance shall be primary and any insurance, self-insurance or other coverage maintained by the Marina Coast Water District, its officers, directors, employees, or authorized volunteers shall not contribute to it". The general liability insurance shall give Marina Coast Water District, its officers, directors, employees and its authorized representatives and volunteers insured status using ISO endorsement CG2010, CG2033 or equivalent. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A- :VII or as otherwise approved by the Marina Coast Water District.

6. If any of the required coverages expire during the term of this agreement, the Consultant shall deliver the renewal certificate(s) to the District at least ten (10) days prior to the expiration date.

7. Consultant shall not accept direction or orders from any person other than the General Manager or his designee.

8. The terms of this agreement shall commence on July 1, 2015 and continue in full force unless terminated by a 15-day written notice by either party to the other.

9. Any change in the scope of the professional services to be done, method of performance, nature of materials or price thereof, or to any other matter materially affecting the performance or nature of the professional services will not be paid for or accepted unless such change, addition or deletion be approved in advance, in writing by a supplemental agreement by the Marina Coast Water District. Consultant's "authorized representative(s)" has (have) the authority to execute such written change for Consultant.

10. In the course of providing services under this Agreement, Consultant and its directors, officers, employees and agents will be handling financial, accounting, statistical, and personnel data of customers of Marina Coast Water District and of the District itself. All such data is confidential and shall not be disclosed, directly or indirectly, or used by Consultant, its directors, officers, employees and agents, in any way except as authorized by this Agreement.



**Marina Coast Water District
2017 Comprehensive Rate and Fee Study
And Cost Allocation Plan
Estimated Timeline
(As of July 24, 2017)**

- **May 15, 2017** – Draft Request for Proposals (RFP) to MCWD Board for Approval
- **May 16, 2017** – Distribution of RFP
- **May 30, 2017** – Deadline for Questions
- **June 12, 2017** – Closing Date
- **June 13 – 20, 2017** – Proposal Evaluations and possible Interviews
- **June 26, 2017** – MCWD Board for Contract Award
- **July 24, 2017** – Kick-Off meeting with Carollo Engineers and MCWD Staff
- **August 1 – 18, 2017** – MCWD data gathering and submit to Carollo, form Rate Advisory Committee
- **September 11 – 15, 2017** – Staff review preliminary results of the Rate Study and Allocation Plan with Carollo Engineers
- **September 16 – 23, 2017** – Staff and Advisory Committee review of the preliminary results of the Rate Study and Allocation Plan with Carollo Engineers
- **October 2, 2017** – Rate Workshop #1
- **November 6, 2017** – Rate Workshop #2
- **December 4, 2017** – Rate Workshop #3
- **December 18, 2017** – MCWD Board Approves Rate Study and Prop 218 Notification
- **December 19, 2017** – Prop 218 Notification is mailed
- **January 16, 2018** – First Reading of Rate Ordinances by MCWD Board
- **February 5, 2018** – Prop 218 Protest Public Hearing, MCWD Board receives Prop 218 protest results, Second Reading of Rates Ordinances by MCWD Board, Rates are adopted by Board (provided Prop 218 protest is unsuccessful)
- **March 8, 2018** – Distribute Draft Ord Budget to FORA (3 months prior to June 8, 2018 FORA Board meeting)



Comprehensive Water, Wastewater, and Recycled Water Rate & Fee Study with a Cost Allocation Plan

PROPOSAL | JUNE 2017

TITLE PAGE

MARINA COAST WATER DISTRICT

PROPOSAL FOR FEE STUDY AND OPTIONAL COST ALLOCATION PLAN

REQUEST FOR PROPOSAL'S SUBJECT:

Comprehensive Water, Wastewater, and Recycled Water Rate &

Fee Study with a Cost Allocation Plan

FIRM NAME: Carollo Engineers, Inc.

CONTACT PERSON: Pierce Rossum

3150 Bristol Street, Suite 500

Costa Mesa, CA 92626

(714) 593-5100 | prossum@carollo.com

DATE: 6/12/2017

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June 12, 2017

Ms. Kelly Cadiente, *Director of Administrative Services*
Marina Coast Water District
11 Reservation Road
Marina, CA 93933

Subject: Proposal to Provide Comprehensive Rate & Fee Study with a Cost Allocation Plan

Dear Ms. Cadiente:

Since the last study, the California water rate environment was significantly altered. In April 2015, in response to the on-going drought, the State Water Resources Control Board issued a 25-percent conservation mandate and an adverse ruling on the San Juan case was received. In a time of increasing litigation and water demand challenges, it is critical that the Marina Coast Water District (District) selects a team with not only proven utility finance and engineering expertise, but a firm understanding of the District mission and community stakeholders. Carollo Engineers (Carollo) is not only a leader in cost-of-service rate setting, but also possesses the knowledge, resources, and capabilities to provide the engineering backstop required to support this complex undertaking.

By carefully addressing several key issues and challenges, your study will provide a cohesive roadmap for the equitable recovery of costs from system users. MCWD's specific issues and challenges include:

- ▶ Understanding the impacts of the recent Proposition 218 and 26 court cases, and how District can continue to achieve customer equity through its rates.
- ▶ Communicating and addressing future fiscal, operational, and capital impacts and how continued and on-going conservation measures impact revenues and expenditures.
- ▶ Defining overhead costs and how to adequately allocate and appropriately recover costs from each enterprise fund.
- ▶ Providing that the entire rate-setting process is clearly communicated and presented to the community and key stakeholders.

We have recently addressed these issues throughout California, including Irvine Ranch Water District and South Coast Water District, and the City of San Francisco. We are pleased to submit this proposal as we view this Study as a continued partnership with the District, the District Board, Fort Ord Reuse Authority (FORA), and the local community. We are committed to finish the Study on time, and at the completion of this Study, we trust that you will move forward with confidence that the Study will provide a long-range financial roadmap, supporting the District's programs and reflecting the community values. Should you have any questions in regard to this proposal, please contact us at (925) 932-1710.

This proposal is firm and will be valid for 90 days from the due date.

Sincerely,

CAROLLO ENGINEERS, INC.


Lou Carella
Principal-in-Charge


Pierce Rossum
Project Manager

QUALIFICATIONS OF THE FIRM

National Water and Wastewater Experts

Carollo is the nation's largest environmental engineering firm specializing exclusively in the planning, design, and construction of water and wastewater facilities. Since 1933, Carollo has successfully completed more than 20,000 projects for public sector clients. Carollo is currently ranked within *Engineering News-Record's* (ENR) top 100 design firms and among the top firms for water and wastewater treatment plant design.

Water-Related Rate Study Leaders

For 84 years, Carollo has provided water and wastewater system planning and financial services to utilities throughout California and the United States. Over the past 5 years, Carollo has become one of the most successful and largest rate consultants in California. Collectively, the individuals assigned to manage and deliver this project have provided financial planning services for more than 300 utilities, including Orange County Sanitation District, Inland Empire Utilities Agency, San Francisco Public Utility Commissions, and Sacramento Regional County Sanitation District. We have successfully completed and delivered projects to clients with service area populations ranging in size from several hundred to 4 million residents. Our comprehensive financial studies for public agencies include financial modeling, cost allocations, and rate and fee developments.

WATER
OUR FOCUS
OUR BUSINESS
OUR PASSION

Carollo has been a **leader in the water and wastewater system planning and financial services** to utilities throughout the United States and has **one of the most successful group of rate consultants** in California.

Unparalleled Service
Your satisfaction defines who we are. We pride in the **highest level of service** in the industry.

Innovative Solutions
Combined with the **extensive experience** in water and wastewater system, we deliver **innovative business solutions** to meet or exceed our clients' needs.

Talented People
We are **one of the most successful rate consultants** in California with expertise in water and wastewater systems. We strive to **employ some of the most talented** people in the industry.

Long-Term Relationships
It is our **commitment to build long-term relationships** with our clients by exceeding expectations, developing mutual trust, and fostering a collegial collaborative environment.

The elements of Carollo BSG's core character move us toward our goal of delivering innovative, cost-conscious, and superior water-related business solutions to our clients.

Carollo Business Solutions Group

To achieve success in the cost-conscious and results-driven modern utility market, it is important for utilities to provide creative technical solutions executed within the context of sound business practices.

Combined with the technical expertise in water and wastewater systems, the Business Solutions Group (BSG) has been successfully helping its clients like no other consultant can in the industry. The BSG works with utility managers to effectively administer business operations with creative solutions to evolving challenges. As a leading environmental consulting firm specialized in the utility market, our experts understand the unique hurdles that agencies face.

The solutions must be executed within the context of sound, innovative business practices to be successful in the competitive and results-driven utility market. Our goal is to provide you with the information and advice to help you successfully implement the best solutions to fit your needs.

Combined with the technical expertise in water and wastewater system, the Carollo Business Solutions Group (BSG) has been successfully helping its clients like no other consultant can in the industry.

The BSG is a team of professionals with proven and practical experience in delivering innovative business solutions tailored to each client's needs. We provide a broad range of services in addition to rate studies. Our services are grouped into the following disciplines:

- ▶ Finance, Funding, and Economic Sustainability.
- ▶ Asset Management.
- ▶ Strategy and Business Case Evaluations.
- ▶ Information Management.
- ▶ Organizational Development.
- ▶ Operations and Maintenance Management.

Our mission is clear: we help our clients navigate their utility into the future with resiliency, efficiency, sustainability, and equity.

Location of Primary Office

Carollo currently maintains 42 offices in 17 states with more than 960 employees throughout the United States. Carollo's work on this project will be managed from Carollo's Walnut Creek office with support provided by others throughout the company as required.

Our Walnut Creek office is home of more than 80 professional, technical, and administrative staff and is located in:

2700 Ygnacio Valley Road, Suite 300
Walnut Creek, CA 94598

REFERENCES

Many firms can conduct a rate study or/and cost allocation. However, this study requires a consulting team that will partner with District staff, building on the internal knowledge and expertise. This team must also be industry leaders, have experience working with regional agencies, and have demonstrated the ability to clearly communicate complex issues to boards and public stakeholders.

Comprehensive Financial Planning Experience

Our combined financial and engineering expertise provides us with the unique ability to efficiently allocate rates in a fair and equitable way, thus reducing potential Propositions 26 and 218 concerns. Our

technical expertise, paired with proven financial strategies, allows us to anticipate and meet the specific objectives for this study. While not a complete list, the matrix on the following page demonstrates the breadth and depth of our financial services expertise.

On the following pages, we have provided references of clients for whom we have completed similar projects (rate and fee study, and cost allocation plan) within the last 2 years. We take pride in the continuing relationships we have developed with our clients. We encourage you to contact our references who will be happy to attest to the quality of service and responsiveness provided by our team members on similar projects.



Having successfully performed rate studies and financial planning for utilities of all sizes while undertaking complex legal and uncertain demand challenges, **Carollo has become one of the largest and most successful rate consultants in California.** Combined with the technical expertise, Carollo has provided its clients **with added confidence in the rate studies that will provide long-term support for the District and its community.**



Capital Planning



Capital Funding Strategy



Cost-of-Service Rate Structure Analysis



Revenue Requirements



Fiscal Policy Review



Connection/Impact Fee



Financial Modeling

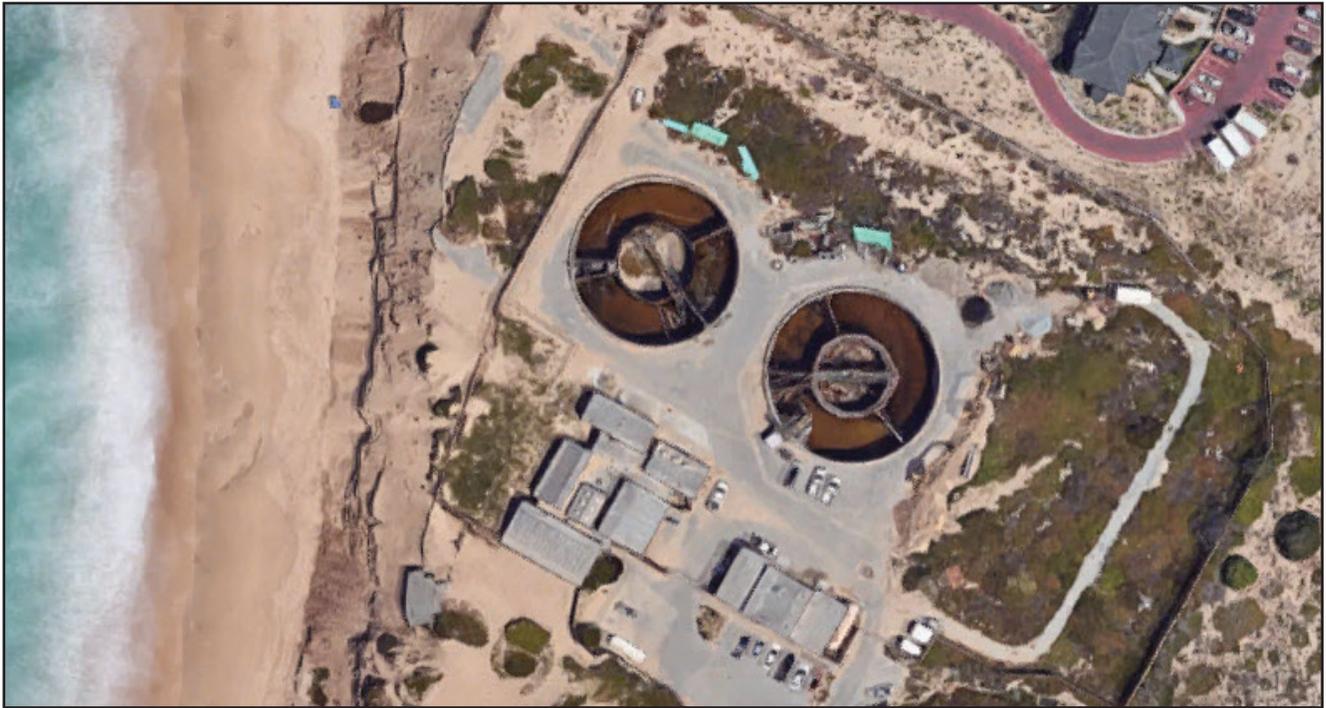


Bond Coverage Evaluation



Stakeholder Involvement/
Public Outreach

	Capital Planning	Capital Funding Strategy	Cost-of-Service Rate Structure Analysis	Revenue Requirements	Fiscal Policy Review	Connection/Impact Fee	Financial Modeling	Bond Coverage Evaluation	Stakeholder Involvement/ Public Outreach
City of Carlsbad, CA	●	●	●	●	●	●	●	●	●
City of Chula Vista, CA	●	●	●	●	●	●	●	●	●
City of Del Mar, CA	●	●	●	●	●	●	●	●	●
City of Las Vegas, NV	●	●	●	●	●	●	●	●	●
City of Reedley, CA	●	●	●	●	●	●	●	●	●
City of Los Angeles, CA	●	●	●	●	●	●	●	●	●
City of Modesto, CA	●	●	●	●	●	●	●	●	●
City of Oceanside, CA	●	●	●	●	●	●	●	●	●
City of Omaha, NE	●	●	●	●	●	●	●	●	●
City of Portland, OR	●	●	●	●	●	●	●	●	●
City of Lindsay, CA	●	●	●	●	●	●	●	●	●
City of Riverside, CA	●	●	●	●	●	●	●	●	●
City of Sacramento, CA	●	●	●	●	●	●	●	●	●
City of San José, CA	●	●	●	●	●	●	●	●	●
City of Scottsdale, AZ	●	●	●	●	●	●	●	●	●
City of Seattle, WA	●	●	●	●	●	●	●	●	●
City of Simi Valley, CA	●	●	●	●	●	●	●	●	●
City of Upland, CA	●	●	●	●	●	●	●	●	●
City and County of Honolulu, HI	●	●	●	●	●	●	●	●	●
Clean Water Service, OR	●	●	●	●	●	●	●	●	●
Delta Diablo Sanitation District, CA	●	●	●	●	●	●	●	●	●
Eastern Municipal Water District, CA	●	●	●	●	●	●	●	●	●
El Paso Water Utilities Public Service Board, TX	●	●	●	●	●	●	●	●	●
El Toro Water District, CA	●	●	●	●	●	●	●	●	●
Inland Empire Utilities Agency, CA	●	●	●	●	●	●	●	●	●
Irvine Ranch Water District, CA	●	●	●	●	●	●	●	●	●
King County, WA	●	●	●	●	●	●	●	●	●
Marin Municipal Water District, CA	●	●	●	●	●	●	●	●	●
Marina Coast Water District, CA	●	●	●	●	●	●	●	●	●
Monte Vista Water District, CA	●	●	●	●	●	●	●	●	●
Orange County Sanitation District, CA	●	●	●	●	●	●	●	●	●
Palmdale Water District, CA	●	●	●	●	●	●	●	●	●
Sacramento County Department of Water Resources, CA	●	●	●	●	●	●	●	●	●
Sacramento Regional County Sanitation District, CA	●	●	●	●	●	●	●	●	●
San Diego County Water Authority, CA	●	●	●	●	●	●	●	●	●
San Francisco Public Utility Commission, CA	●	●	●	●	●	●	●	●	●
Santa Ana Watershed Project Authority, CA	●	●	●	●	●	●	●	●	●
Santa Margarita Water District, CA	●	●	●	●	●	●	●	●	●
West County Sanitation District, CA	●	●	●	●	●	●	●	●	●
Western Riverside County Regional Wastewater Authority, CA	●	●	●	●	●	●	●	●	●



Marina Coast Water District, CA

Water, Sewer, and Recycled Water Financial Plan and Rate and Fee Study

Number of Years as Customer

11 years, last rate study performed in 2013.

Reference

Ms. Kelly Cadiente, *Director of Administrative Services*

11 Reservation Road, Marina, CA 93933

Ph: (831) 883-5950 | Fax: (831) 384-0197 | E: kcadiente@mcwd.org

Marina Coast Water District (District) hired Carollo to develop a comprehensive and tailored financial plan to provide a cost-of-service basis for defensible rates and capacity charges for the water, wastewater, and recycled water operations.

Carollo evaluated the existing rates and established the revenue requirements to meet the District's short- and long-term objectives, including operating and capital costs, and possible regulatory changes. In collaboration with the District staff, Carollo identified specific customer classes based on calculated demand factors and allocated the cost to each class.

At the end of the study, having worked with the staff, Board, and FORA, Carollo was able to provide recommendations and specific modifications to the existing rate structure to achieve defensible and equitable rates achieving the District's specific needs.



San Francisco Public Utilities Commission, CA Utility Rate Study & Cost Allocation Plan

Number of Years as Customer

24 years, last rate study completed in 2014 and were reselected to prepare 2019 rates.

Reference

Mr. Crispin Hollings, *Director of Financial Planning*
525 Golden Gate Avenue, San Francisco, CA 94102
Ph: (415) 487-5235 | Fax: (415) 487-5258 | E: chollings@sflower.org

San Francisco Public Utilities Commission (SFPUC) has aggressively sought to implement environmentally and socially conscious programs, while undertaking critical capital investments to maintain long-term system reliability. In upcoming years, SFPUC requires significant increases in rate revenue due to major improvements of the existing system to maintain long-term system reliability.

A detailed cost-of-service analysis and CAP evaluated expenses including O&M, administration costs, and existing and future debt service related to construction of facilities. These costs were categorized according to their benefit and attributed to various customer classes, based on existing billing data and demand patterns. As part of the study, Carollo developed a new connection fee. Based on the resulting analysis, Carollo recommended the water connection fee be imposed solely based on meter size for all customer classes. Similarly for wastewater, Carollo recommended modifications to the existing structure to provide streamlining and improved clarity.

After determining the annual revenue requirement, Carollo developed and evaluated multiple rate recovery alternatives along with acceptable levels of revenue increase, as discussed with SFPUC and the Rate Fairness Board, before ultimately delivering recommendations. Throughout this process, it was important that members involved in public outreach were actively engaged. The proposed water and wastewater rates were designed to provide sufficient funding of current annual costs in addition to the roughly \$7.5 billion, multi-year Water and Sewer System Improvement Plans.



San Diego County Water Authority, CA Cost-of-Service Rate and Charge Study & Cost Allocation Plan Review

Number of Years as Customer

25 years, have worked with the Authority over the past 5 years performing annual rate and cost of service review.

Reference

Mr. David Shank, *Financial Planning Manager*

4677 Overland Avenue, San Diego, CA 92123

Ph: (858) 522-6676 | Fax: (858) 522-6568 | E: dshank@sdcwa.org

San Diego County Water Authority (SDCWA) hired Carollo to develop an independent rate model as well as to review their existing cost-of-service methodology to confirm the appropriateness of the existing structure, and for compliance with AWWA cost-of-service standards and industry best practices. Additionally, we were requested to compare the rates and charges with Board policies and California legal requirements.

Carollo established the revenue requirement, allocated it to rate categories, and determined the rates to equitably collect these costs. Based on independent review, we determined that the amount of money reasonably anticipated to be generated through SDCWA's proposed water rates and charges, when combined with other SDCWA revenues, was reasonable to recover the costs of SDCWA's activities.

Ultimately, Carollo determined that the existing methodology yields an appropriate and reasonable method for allocating costs. The manner in which each of the rates and charges were allocated to SDCWA's member agencies bore a fair, reasonable, and logical relationship to each member agency's burdens on or benefits from SDCWA services.



South Coast Water District, CA Water, Sewer, and Recycled Water Rate Study & Cost Allocation Analysis

Number of Years as Customer

25 years, have developed rates for the District over the past decade.

Reference

Ms. Carolyn Rathbone, *Chief Financial Officer*

31592 West Street, Laguna Beach, CA 92651

Ph: (949) 499-4555, x3151 | Fax: (949) 499-4256 | E: crathbone@scwd.org

Seeking to review the South Coast Water District's water, sewer, and recycled water rates, the District engaged Carollo to perform a comprehensive cost-of-service and rate design study. The review addressed recent changes to the California legal environment, notable the San Juan Decision, as well as mandates from the State to cut water use by 25 percent.

Through an extensive education and public input workshop process, Carollo developed various cost-of-service rate design alternatives to balance the District's competing objectives. Carollo held nine public workshops with the Board and community to develop rates in a open, transparent, and communicative process.

Facing declining revenues (due to the drought and conservation mandate) and a need to develop resilient revenues, Carollo developed a innovative rate design to provide greater fixed revenues while still providing an incentive to conserve. Based on the design and utilization of the system, a Demand Charge was developed to align the cost to carry/support capacity year-round based on a customer's peak demand from the system.

Carollo's keen understanding of engineering and finance, also provided cost based refinements to the District's Recycled Water and Sewer Rate. At the end of the process, the Board, Staff, and community unanimously approved and supported the updated rate analysis.

SOUTH COAST



WATER DISTRICT

Board of Directors

Wayne Rayfield
President

Rick Erkeneff
Vice President

Dick Dietmeier
Director

Dennis Erdman
Director

William Green
Director

July 27, 2016

Mr. B. Narayanan
Chief Executive Officer
Carollo Engineers, Inc.
2700 Ygnacio Valley Road #300
Walnut Creek, CA 94598

RE: Letter of Appreciation

Dear Mr. Narayanan:

In September of this year, South Coast Water District undertook a Cost of Service/Rate Design Study with your firm. Mr. Pierce Rossum was assigned to work with our District.

We cannot say enough about the preparation, quality, and professionalism that Pierce displayed during the entire study. Pierce was efficient at coming up to speed with the District's current rate model, requesting customer and financial information, as well as meeting with us to identify our concerns regarding the District's current rate structure.

Board Workshops, nine of them, were run as a learning environment for the District and the public. Pierce was always prepared and able to present the material for the workshop in a way that everyone could understand. He responded to questions from Directors with ease and was always respectful of any differences of opinion that came up. Pierce also answered all questions from public attendees in a friendly and direct manner and did an excellent job in representing the District.

At the Board of Directors meeting held on June 23, 2016, the District held a public hearing for the approval of the rates. Five years of rates and the Cost of Service Report were approved unanimously.

On behalf of our District, we want to express our deep appreciation for the great work that Pierce did for South Coast Water District - Outstanding Performance!

Mailing Address: P.O. Box 30205, Laguna Niguel, CA 92607-0205

Street Address: 31592 West Street, Laguna Beach, CA 92651

Fax: (949) 499-4256 **Phone:** (949) 499-4555

Sincerely,



Wayne Rayfield
President



Rick Erkeneff
Vice President



Richard Dietmeier
Director



Dennis Erdman
Director



William Green
Director



Andrew Brunhart
General Manager

cc: Mr. Kyle Rhorer
Vice President
Strategic Lead – Program Management Group

Mr. Robb Grantham
Vice President
Business Solutions Group

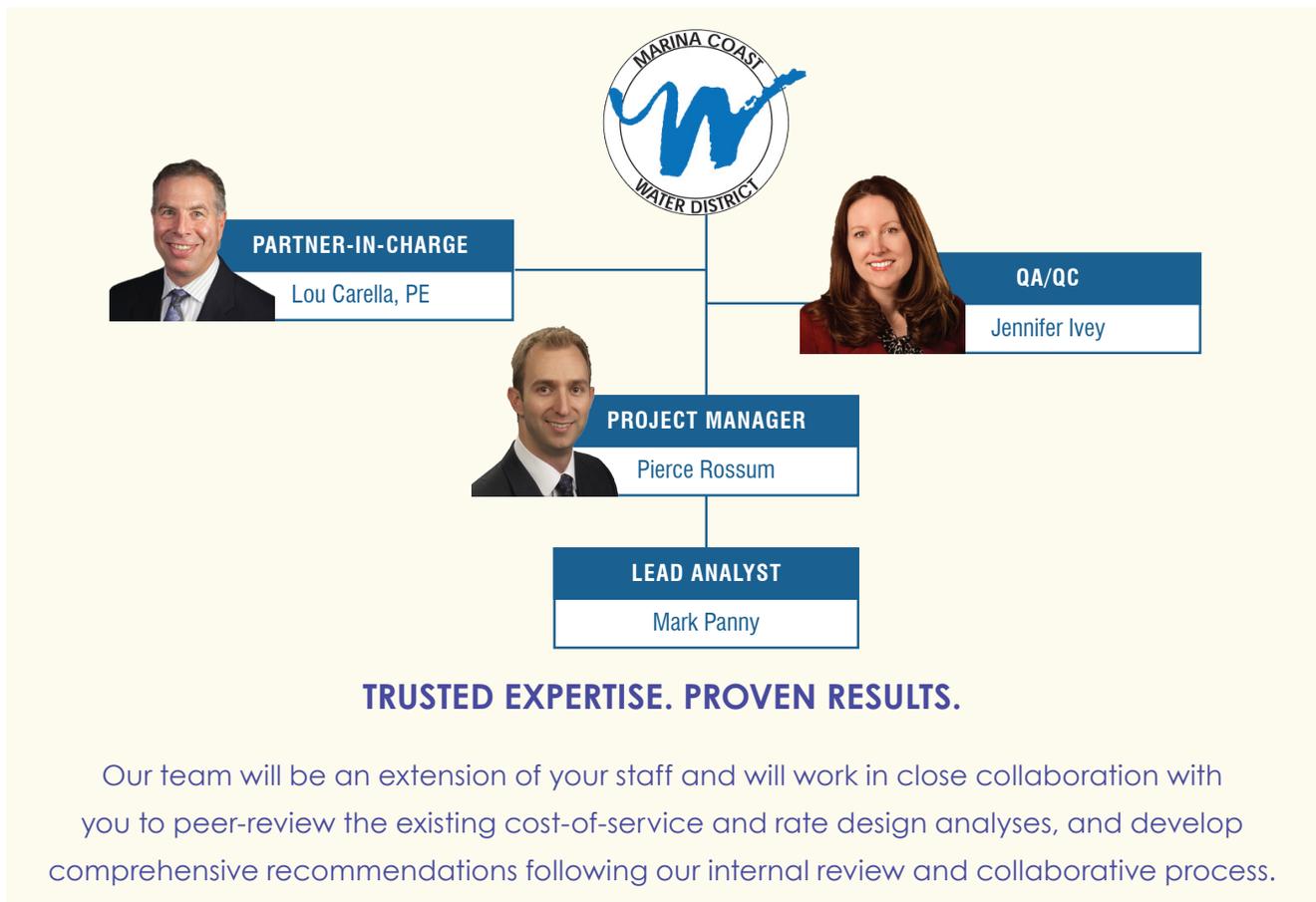
QUALIFICATIONS OF PROFESSIONAL STAFF

The success of this project lies in the experience and abilities of the project team. A successful project team must demonstrate practical and relevant experience in all of the technical aspects of the project, a well-conceived work plan and project approach, and a commitment to the project goals. We have dedicated a team to your project that will fulfill these requirements in totality. They possess full qualifications to accomplish both the Comprehensive Rate Study and Cost Allocation Plan.

Carollo has a depth of resources few other firms can match. Our team provides not only quality management and technical expertise, but also personal attention and the resources required to successfully complete the Water, Wastewater, and Recycled Water Rate and Fee Study with a Cost Allocation Plan.

More importantly, the proposed Principal-in-Charge, Lou Carella, and Project Manager, Pierce Rossum, have worked together on the District's previous rate study. The project demonstrated their technical abilities to deliver a successful program, but also the teamwork to deliver them in the most efficient and timely manner.

Upon receipt of the notice-to-proceed, our team is ready to begin work immediately with the water rate and complete it in an expedited manner, while meeting your needs. The organization chart presented below illustrates our proposed team. Each member was carefully selected based on his or her technical expertise and knowledge of your system and will not be reassigned without prior written approval from the District. We have included resumes at the end of this



TRUSTED EXPERTISE. PROVEN RESULTS.

Our team will be an extension of your staff and will work in close collaboration with you to peer-review the existing cost-of-service and rate design analyses, and develop comprehensive recommendations following our internal review and collaborative process.

section. Key personnel will not be substituted without written approval of the District.

Subconsultants

Carollo will not be using any subconsultants for this project.



Pierce Rossum PROJECT MANAGER

Within Carollo's Business Solution Group (BSG), Pierce serves as the Financial Service Lead. Pierce has 10 years of experience and

has performed over 75 financial planning studies. He brings a depth of knowledge and expertise in Propositions 218 and 26 compliance, rate structure design, and a strong financial modeling background.

Pierce also serves as the Chair of the Financial Management Committee for American Water Works Association (AWWA) CA-NV. He has provided rate consulting services to many of your peer agencies, as well as those with budget based rate structures. In addition to the leading the successful 2013 MCWD rate study, Pierce has led numerous agency's financial, cost-of-service, and rate design studies including San Diego County Water Authority (SDCWA), Irvine Ranch Water District (IRWD), and most recently South Coast Water District (SCWD). His economics and statistics background, as well as development of previous rate analyses work, provides a unique analytical and rational framework from which he can draw. The practical implementation of this understating (multivariate statistics) helps him understand the relationships between variables and their relevance to the actual problem being studied, such as water rates. His approach to developing financial plans and rate structures will help promote the overall defensibility of any recommended rate adjustment and the District's ownership of final decisions that can be easily communicated to the public.

As Project Manager, Pierce will manage the day-to-day aspects of the project ensuring it is within budget, on schedule, and effectively meets the District's objectives. He will also lead the project team in analyses and preparation of project deliverables. Piece will maintain communication with District staff during the work and will maintain the budget, schedule, and commitment of resources. He will not be reassigned without prior written approval from the District.



Lou Carella, P.E. PRINCIPAL-IN-CHARGE

As a senior vice president with Carollo, Lou has 36 years of extensive experience in the planning and design of large water supply,

treatment, and distribution projects. His experience includes planning studies for development of new water supply, treatment and transmission systems, as well as the evaluation and modification of existing systems.

More importantly, Lou has worked on the Design of the Recycled Water Distribution System and Water, Wastewater, and Recycled Water Financial Plan and Rate and Fee Study for the District and has thorough understating of the District's system.

As Principal-in-Charge, Lou will have ultimate responsibility for this project. He will participate in all contract matters, monitor procedures for quality control, and monitor the progress of the project to make sure the work is completed on schedule and within budget.

Lou is familiar with District staff through his recent projects: Design of the Recycled Water Distribution System and Water, Wastewater, and Recycled Water Financial Plan and Rate and Fee Study. In other recent and relevant work, Lou was project manager for the engineering effort associated with the development of the Pajaro Valley Water Management Agency (Agency) Basin Management Plan.

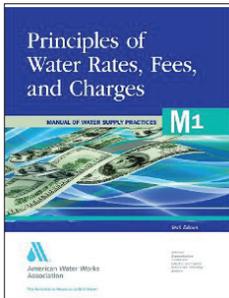


Jennifer Ivey
QA/QC

Jennifer is a vice president with Carollo with 18 years of extensive experience in civil and environmental engineering design projects as well as numerous multi-year financial planning, impact fee, bond feasibility, and cost of service, rate and charge studies throughout Texas and the U.S. Her combined financial and engineering expertise crosses over to provide accurate financial results based on sound engineering and cost causation foundation.

Jennifer is active in industry associations including the AWWA National Rates and Charges Committee and was a contributing author for AWWA’s updated *Principles of Water Rates, Fees, and Charges M1 Rates Manual*.

Jennifer will bring her knowledge and expertise to check the accuracy of the review and to help deliver the rate study reflect the District’s long-term goals and needs.



Jennifer was a contributing author in the industry standard, *Principles of Water Rates, Fees, and Charges*.



Mark Panny
LEAD ANALYST

Mark is a financial analyst in Carollo’s BSG with 5 years of extensive experience in cost-of-service analysis and rate design for water and wastewater utilities. He also has significant experience in statistical analysis for water usage planning. Mark is specialized in data management, financial analysis, and rate setting. He has contributed to a variety of financial and engineering planning projects for municipal utilities throughout California and across the U.S., including Los Angeles Bureau of Sanitation, City of Boynton Beach (FL.), Eastern Municipal Water District (EMWD), Monte Vista Water District (MVWD), IRWD, IEUA, Marin Municipal Water District, and Orange County Sanitation District (OCSD).

In addition, Mark has led the analysis on over a dozen cost-of-service studies and has developed data management and analysis plans for a number of agencies and municipalities. This experience will be utilized to accurately and efficiently review your data, and generate the insights needed to support this project and its recommendations.

As Lead Analyst, Mark will support Pierce and lead the team with data processing, financial analysis, capital funding, and rate setting alternatives.



Pierce Rossum

PROJECT MANAGER

FIELD OF EXPERTISE/WORK EXPERIENCE

With 10 years of experience, Pierce Rossum has served as project manager or lead financial consultant for over 50 cost-of-service studies. He brings a depth of knowledge and expertise in Proposition 218 and 26 compliance, rate structure design, and brings strong financial modeling, statistical, and economic background. His previous work developing financial and economical models has made him keenly aware that one rational decision cannot be made without affecting another. This approach helps promote the overall defensibility of any cost-of-service recommendation, recommended rate adjustments, and an agency's ownership of final decisions that can be easily communicated to the public.

YEARS OF EXPERIENCE: 10

EDUCATION

- ▶ BA Economics, Claremont McKenna College, CA, 2008
- ▶ BA Psychology, Claremont McKenna College, CA, 2008

RELEVANT PROJECT EXPERIENCE

- ▶ Project manager for the Water, Wastewater, and Reclaimed Water Rate Study and Financial Plan for the Marina Coast Water District, CA. Each of the four utilities was individually analyzed for its ability to sufficiently fund operations and maintenance, capital, reserves, and debt service. Cost centers were analyzed to provide equity between customers and the utilities. Despite large variability in potential customer growth and conservation, financial projections were specifically analyzed to ensure sufficient revenues and customer equity.
- ▶ Lead financial consultant for San Francisco Public Utilities Commission, CA, Utility Rate Consulting. Reviewing SFPUC's financial

forecasts models and fiscal policies to update cost-of-service rates and charges. Developing analysis to separate costs of wastewater and stormwater charges within SFPUC's combined system to implement new stormwater charge in compliance with Prop 218.

- ▶ Project manager for the Water, Sewer, and Recycled Water Rate Study for the South Coast Water District, CA. Carollo completed a comprehensive cost-of-service and rate design study. The review addressed recent changes to the California legal environment, notably the San Juan Decision, as well as mandates from the State to cut water use by 25 percent. In addition, Carollo held nine public workshops with the Board and community to develop rates in an open, transparent, and communicative process.
- ▶ Lead financial consultant for San Diego County Water Authority, CA, CY2014 Cost-of-Service Rate and Charges Study. The study analyzed and confirmed the appropriateness and legality of the water rates and charges methodology and calculated the CY2014 water rates and charges. Responsible for the development of an independent rate model and reviewed SDCWA's existing cost-of-service methodology for compliance with the AWWA cost-of-service standards and industry best practices.
- ▶ Project manager for the Water, Sewer, and Recycled Water Rate Study for the South Coast Water District, CA. Carollo completed a comprehensive cost-of-service and rate design study. The review addressed recent changes to the California legal environment, notably the San Juan Decision, as well as mandates from the State to cut water use by 25 percent. In addition, Carollo held nine public workshops with the Board and community to develop rates in an open, transparent, and communicative process.

- ▶ Technical advisor for 2016 Water and Recycled Water Cost-of-Service Study for the City of Carlsbad, CA. Carollo performed a cost-of-service and rate design for the City's water and recycled water system. In addition to the main financial tasks for a rate study, Carollo also helped the City develop a wholesale recycled water rate, updating its water and recycled water connection fees, and identifying any lost revenue situations concerning water leaks and fire protection meters.
- ▶ Project manager for a Comprehensive Cost-of-Service/Rate Study for the Padre Dam Municipal Water District, CA. Pierce led the project team to conduct a comprehensive potable water, recycled water, and wastewater Cost-of-Service Study (COSS) and to derive new utility rates and charges. The study provided an independent assessment of the District's cost to provide water, recycled water and wastewater services and to properly allocate those costs to the appropriate rates and charges based on sound cost-of-service principles.
- ▶ Lead financial consultant for the Cost-of-Service Rate Analysis for Irvine Ranch Water District, CA. He performed a detailed review of the agency's existing budget-based water, sewer, and recycled water rates. He was responsible for the development of an independent rate model and reviewed existing cost-of-service methodology for compliance with Prop 218 and industry best practices.
- ▶ Lead financial consultant for Orange County Sanitation District, CA, Wastewater Rate Study. Responsible for the development of a financial and rate model that updated and analyzed OCSD's cost-of-service wastewater rates.
- ▶ Project manager for the City of Arcadia, CA, Water and Sewer Rate Study. Analyzed the impact of potential water demand forecasts and developed an integrated source of supply analysis to reflect the different costs associated with various sources of supply. Created a budget-based rate structure, which integrated the source of supply analysis to reward customer conservation and water use efficiency.
- ▶ Financial support and technical advisor for the Sewer Rate and Fee Study for the Sacramento Regional County Sanitation District, CA. Provided additional review and played a role of "devil's advocate" to generate a thorough assessment of the findings prior to customer and stakeholder review.
- ▶ Project manager for Financial Master Plan for the Monte Vista Water District, CA. Carollo developed a 30-year financial plan and rate model for the District. Through an a collaborative rate setting process, Carollo provided the District with a user-friendly and efficient financial planning model to forecast short- and long-term impacts of capital, water supply, and operating needs. Carollo also developed updated budget-based rates and innovative demand management rates (drought rates) to mitigate financial risk.
- ▶ Project manager for the Cost-of-Service and Engineer's Report for the Pajaro Valley Water Management Agency, CA. Carollo developed a financial and rate model that updated and analyzed the Agency's pumping augmentation and delivered water charges. Carollo also facilitated monthly collaborative meetings with an Ad Hoc Finance Committee to prepare rate recommendations and designed a test program to implement time-of-use rates for recycled water users, which are designed to reduce pumping and increase recycled water usage.
- ▶ Project manager for a Water Rate Study for the City of Upland, CA. The City had been utilizing one-time revenues to offset revenue shortfalls from rates. In addition, the City had not increased its fixed customer charge in over 20 years. Water rates were analyzed and developed to provide sufficient revenues, which increased revenue predictability through an increased fixed charge and increased customer equity between ratepayers.

- ▶ Project manager for development of a Water Supply Fee for the Palmdale Water District, CA. Forecasting significant future growth, the calculated water supply fee will fund capital and acquisition costs of future water supplies. To limit possible double counting, existing water rates and connection fees were reviewed to account for existing water supply revenues.
- ▶ Project manager for development of a recycled water financial plan and recycled water rates for the Palmdale Recycled Water Authority, CA. As part of a Recycled Water Master Plan and creation of a new utility, Carollo developed a preliminary cost-of-service analysis and financial plan to analyze various financial scenarios and rate implications of expanding the recycled water system.
- ▶ Financial support and technical advisor for the Sewer Rate and Fee Study for the Sacramento Regional County Sanitation District, CA. Provided additional review and played a role of “devil’s advocate” to generate a thorough assessment of the findings prior to customer and stakeholder review.
- ▶ Lead financial analyst for Financial Support and Capital Funding Strategy for the Sewerage Agency of Southern Marin, CA. Carollo developed a model that incorporated the Agency’s growth projections with its financial realities and fiscal policies in order to forecast required revenue increases. Multiple forecasts were developed in order to analyze the benefits of utilizing either municipal bonds or state revolving fund loans.
- ▶ Technical advisor for the Comprehensive Rate Study for the City of Oceanside, CA. Carollo developed near- and long-term financial forecasts, updated capital facilities charges, and analyzed retail and wholesale rate structures for water, wastewater, and recycled water for the City. The project included a Citizen’s Advisory Committee process designed to provide an overview of the facilities master plan and financial and rate program, facilitate open discourse, and garner buy-in from the Utilities Commission and Council.
- ▶ Technical financial advisor for the Comprehensive Master Plan for the Rodeo Sanitary District, CA. Provided oversight and quality assurance of a financial model used to analyze the impacts of proposed capital improvements on finances and rates.
- ▶ Lead financial analyst for the Recycled Water Feasibility Study for the Sewerage Agency of Southern Marin, California. Carollo developed a rate and funding model to analyze various capital and timing alternatives.
- ▶ Financial lead for the Recycled Water Feasibility Study for the Marin Municipal Water District, California. Carollo developed a rate and funding model to analyze various recycled water capital alternatives.
- ▶ Lead financial analyst for the Recycled Water Feasibility Study for the City of Mountain View, California. Carollo developed a rate and funding model to analyze various capital and timing alternatives.
- ▶ Lead financial analyst for the Desalination Feasibility Study for the City of Santa Barbara, California. Carollo developed a rate and funding model to analyze various capital and timing alternatives.



Lou Carella

PRINCIPAL-IN-CHARGE

FIELD OF EXPERTISE/WORK EXPERIENCE

As a senior vice president with Carollo, Lou has 36 years of extensive experience in the planning and design of large water supply, treatment, and distribution projects. His experience includes planning studies for development of new water supply, treatment and transmission systems, as well as the evaluation and modification of existing systems.

YEARS OF EXPERIENCE: 36

EDUCATION

- ▶ BS Civil Engineering, Santa Clara University, 1980

RELEVANT PROJECT EXPERIENCE

- ▶ Project director for the Water, Wastewater, and Reclaimed Water Rate Study and Financial Plan for the Marina Coast Water District, CA. Each of the four utilities was individually analyzed for its ability to sufficiently fund operations and maintenance, capital, reserves, and debt service. Cost centers were analyzed to provide equity between customers and the utilities. Despite large variability in potential customer growth and conservation, financial projections were specifically analyzed to ensure sufficient revenues and customer equity.
- ▶ Project manager for design of the Marina Coast Water District Recycled Water Distribution System in Marina, CA. The project included design of approximately 71,000 linear feet of 4-inch through 20-inch ductile iron and PVC pipe, a 4,500-gpm booster pump station, and a 1.5-MG prestressed concrete reservoir and customer turnouts. The project had an aggressive schedule for the first construction package, requiring that design be completed in five months. Additional project challenges included determining requirements for five jurisdictional agencies and coordination with ongoing development projects within the City of Marina.
- ▶ Project manager for the engineering effort associated with the development of the Pajaro Valley Water Management Agency (PVWMA) Basin Management Plan. Worked with the Agency to develop the best management practices (BMP) and environmental impact report (EIR), and provide an approach and schedule that allowed for concurrent BMP approval and EIR adoption by the PVWMA Board of Directors. This was accomplished by coordinating the BMP and EIR preparation through a parallel, integrated, and iterative public process. This tool was used to identify the relationship between the development of technical information and documentation, and interactions with various levels of the community process.
- ▶ Principal-in-charge for a Cost-of-Service Study for the Pajaro Valley Water Management Agency (PVWMA), CA. Worked with PVWMA to update water charges and provide documentation to meet Proposition 218 requirements. Work included equitably allocating capital and operations costs to the appropriate customer base, linking projects implemented and services received, and providing Proposition 218 implementation support. The resulting report became the basis of rate increases and PVWMA's Proposition 218 election plans.
- ▶ Principal-in-charge for the County of San Luis Obispo, CA, Los Osos Wastewater project, in Los Osos, California. Work involved providing feasibility-level planning and preliminary design of a wastewater system that includes collection, treatment, solids handling, and treated effluent disposal. The feasibility study identified system configuration options and prioritized alternatives by identifying water resources and seawater intrusion mitigation potential. Work also included providing technical/public presentation support to the client for a Proposition 218 election for assessment of individual parcels to help pay for the project. The election passed with an 80-percent approval from the community.



Jennifer Ivey

QUALITY ASSURANCE/QUALITY CONTROL

FIELD OF EXPERTISE/WORK EXPERIENCE

Jennifer is a vice president with Carollo with 18 years of extensive experience in civil and environmental engineering design projects as well as numerous multi-year financial planning, impact fee, bond feasibility, and cost of service, rate and charge studies throughout Texas and the U.S. Her combined financial and engineering expertise crosses over to provide accurate financial results based on sound engineering and cost causation foundation.

Jennifer is active in industry associations including the AWWA National Rates and Charges Committee and was a contributing author for AWWA's updated *Principles of Water Rates, Fees, and Charges MI Rates Manual*.

YEARS OF EXPERIENCE: 18

EDUCATION

- ▶ MBA Finance, Southern Methodist University, 2003
- ▶ BSCE Civil Engineering, University of Texas, Austin, 1998

RELEVANT PROJECT EXPERIENCE

- ▶ Project manager for the Water and Wastewater Rate Study for the City of Tempe, AZ. She led the team to complete annual cost of service and rate studies for the City's Utilities Department and prepare a financial model to forecast revenues and expenses for a 10-year study period. The team she led designed increasing block rate structure to recover water cost of service and class-based rate structure to recover sewer cost of service. She also evaluated multiple alternatives to make recommendation to City Management for most appropriate rate structure and updated Utility ancillary charges based on cost of providing services.

- ▶ Project manager for the Development Fee Analysis for the City of Tempe, AZ. She updated water and wastewater development fees in accordance with Arizona Revised Statute §9-463.05. The study included development of Land Use Assumptions, Infrastructure Improvements Plan and recommended maximum development fees.
- ▶ Project manager for the Utilities Rate and Fee Study for the Town of Castle Rock, CO. She managed study to develop ten-year financial plans and conduct cost of service analyses for water, wastewater, water resource, and stormwater utilities. Updated system development fees for water, wastewater and stormwater.
- ▶ Project manager for the Development Fee Study for the Town of Castle Rock, CO. She managed study to calculate maximum supportable capital development fees for police, fire, transportation, parks and recreation, and municipal services. In addition to capital development fees, calculated cost-based non-capital development fees.
- ▶ Project manager for the Water and Wastewater Cost of Service, Rate Design and Associated Financial Planning Services for the Oklahoma City Water Utilities Trust, OK. Managed study to develop cost of service rates and system development charges. Analyzed customer billing and financial data to determine revenue requirements. Allocated revenue requirements to functional categories and rate components to determine class cost of service. Study also included transitioning rates toward cost of service, presenting study findings and recommendations to stakeholders and training staff on use of financial planning and rate models.



Mark Panny

LEAD ANALYST

FIELD OF EXPERTISE/WORK EXPERIENCE

Mark Panny is a financial analyst in Carollo's BSG with a specialization in cost-of-service analysis and rate design for municipal utilities. He has expertise in demand and supply planning for water and wastewater municipal utilities and has experience conducting statistical analysis for water usage planning.

Mark has served as lead analyst on several projects, including cost-of-service studies and financial master plans for Eastern Municipal Water District, Irvine Ranch Water District, and Monte Vista Water District. He has overseen the development of financial models, directed water usage analysis, and prepared reports and presentations for public outreach. In addition, Mark used his data analysis background to help a number of water and wastewater agencies plan around California's current drought. He is assisting multiple utilities mitigate the impacts of the ongoing drought in California, developing revenue risk assessments and alternative demand based rates to be implemented in the event of continued conservation.

YEARS OF EXPERIENCE: 4

EDUCATION

- ▶ MEM Water Resources Management, Duke University, 2014
- ▶ BA History, Lafayette College, 2010

RELEVANT PROJECT EXPERIENCE

- ▶ Lead analyst on Cost-of-Service and Rate Design Study for Eastern Municipal Water District, California. He is developing a comprehensive cost allocation for EMWD based on the District's various sources of supply. He is also preparing a full analysis of the District's current customer usage patterns, and modeling customer impacts based on changes to EMWD's budget-based rate structure.
- ▶ Lead analyst on Cost-of-Service and Rate Design Study for Monte Vista Water District, California. He conducted data analysis on usage and financial trends for the District, and developed water budget allocations to help the District meet its state mandated conservation goals. He calculated baseline water rates, as well as additional stages of drought rates to be implemented during increasing levels of water shortage.
- ▶ Lead analyst on Rebate Program Review for Orange County Sanitation District, California. He analyzed several years of rebate applications received and processed by OCSD, and calculated new usage factors for all customer classes. Mark modeled the ongoing impact of the rebate program, considering the revenue risk and administrative burden, and developed recommendations for adjusting the program to address these issues.
- ▶ Analyst on Cost-of-Service and Rate Design Study for Riverside Public Utilities, California. He led the data analysis stage of the Study, processing over a decade of usage and billing records to identify demand trends and the appropriateness of the RPU's current rates and tiers.
- ▶ Analyst on Cost-of-Service and Rate Design Study for Irvine Ranch Water District, California. He conducted data analysis of usage and financial records spanning over multiple years. He developed financial and rate models to project future cash flows, perform cost-of-service analysis, and determine necessary water, wastewater, and recycled rates.
- ▶ Analyst on Water Rates and Connection Fee Study for Inland Empire Utilities Agency, California. He developed financial model for potable and recycled water supply systems, and provided cost-of-service analysis to determine the necessary rates for IEUA to collect from its member agencies.

APPROACH

Understanding of California Legal Environment	}	<ul style="list-style-type: none"> • Legal challenges (San Juan Capistrano) and political fallout (recent recall at YLWD) demonstrate challenges • Unlike some other firms, Carollo has not lost a case on the grounds of cost-of-service
Cost-of-Service Nexus	}	<ul style="list-style-type: none"> • Carollo's Irvine Ranch Water District (IRWD) study is recognized by State Resources Water Control Board as a Best Practice example in cost of service • Combined financial expertise & engineering perspective
Trusted & Tested Advisor	}	<ul style="list-style-type: none"> • This team has worked for 300+ agencies • Successful projects with Riverside, IRWD, San Francisco Public Utilities Commission, San Jose, Sacramento, and Los Angeles among others. • Development of District's Comprehensive Facilities Master Plan

In light of increasing legal scrutiny, unpredictable water demand forecasts, and increasing rate payer awareness, **Carollo provides a comprehensive team with a proven record in addressing the following elements and delivering the best possible results** to you.

The success of this upcoming project will build on our continued work with the District and our development of the 2013 Cost of Service Study. Along with proven and innovative financial expertise, our thorough understanding of your system gives us the advantage to better define a defensible cost-of-service with equitable user rates compared to other consultants.

Rates studies cannot be performed in a vacuum and equally cannot be blindly founded on industry standards. We have developed a scope of work that is tailored to your project needs. We will perform a full cost-of-service study to allocate and collect appropriate water, wastewater and recycled water costs from appropriate users. We will perform an extensive customer billing analysis to understand existing trends and to determine how demands may impact expenditures. We will also analyze expenditures based on functions, determined by an engineering analysis – not generic factors published in the M1 Manual.

Our financial expertise combined with our engineering perspective allows Carollo to take our analysis further and to provide our clients with detailed and supportable rates based on the functional design of the utility system. This approach ultimately provides equity and defensibility to the rate analysis. Once the analysis is completed, Carollo will work with the District to develop a successful implementation plan and assist in the initiation of the Proposition 218 process.

STUDY REQUIREMENTS

Carollo will evaluate the District's current rate structure for water and wastewater services, and evaluate other potential rate structures that might provide increased revenue stability utilizing equitable and defensible rates.

Based on the District's RFP and Carollo's understanding of the District's needs, Carollo will perform a full cost-of-service study to allocate water, wastewater, and recycled water costs and appropriately recover rate revenues tailored for the District, including the following:

- ✓ Demand and Financial Forecasting
- ✓ Short- and long-term cost recovery
 - ✓ Review of fiscal policies, including reserves, cash flow, and debt coverage requirements
- ✓ Separately identify portions of system revenues that fund water, wastewater, and recycled system operating costs
- ✓ Flexible and adaptive rate structure to account for:
 - ✓ Variable demands/production
 - ✓ Capital needs (R&R)
 - ✓ Legal compliance
 - ✓ Existing billing system
- ✓ Development of additional rate alternatives (at least one)
 - ✓ Alternatives will weigh the benefits of any proposed system improvements/replacements against the financial impacts on ratepayers and evaluate financing alternatives
 - ✓ Alternative rates will also account for the District's billing system's capabilities
- ✓ Assist with the training of internal District staff to update, maintain, and analyze the rate models
- ✓ Assist the District with the rate setting and customer outreach process
- ✓ Development of Overhead Cost Allocation to define allocable costs to each enterprise fund.

Unlike the 2013 study, the development of the Cost Allocation Plan and on-going Master Plans will enable a greater understanding operations and facility needs to further delineate cost of service. This analysis will provide a ground up confirmation of the the District's existing cost of service foundation.

As part of this project, Carollo will work with the District to develop a user-friendly, flexible rate model that generates sufficient revenue under varying conditions to cover all internal, external, fixed and variable costs as well as to provide funding for capital projects and reserves. The developed model will be capable of running different scenarios including, but not limited to:

- ▶ Staff levels, salaries, and benefit costs by varying amounts
- ▶ Operating expense levels, by varying costs and percentage
- ▶ CIP spending, by varying costs and percentage

By understanding your capital needs, not only will the project define the needs, but our Team will work with the District and Master Plan Consultant to define the impacts of delaying or eliminating capital projects. This depth of resources and expertise is only provided by a true financial and engineering firm that is focused only on water.

- ▶ Capital equipment spending, by varying costs and percentage
- ▶ Rate impact of varying inputs
- ▶ Impact of varying rate increases on level of expenditures
- ▶ Easily update external pass-through within the model and determine the impact on rates

At the project onset, Carollo will meet with District staff to determine the best approach for evaluating rate structures. Carollo will also identify potential District Board and other stakeholders outreach alternatives based on input from staff. Combining our financial expertise with our engineering perspective allows Carollo to take our analysis further and to provide our clients with detailed, supportable rates based on the functional design of the utility system. This approach ultimately provides equity and defensibility to the rate analysis. Once the analysis is completed, Carollo will work with the District to develop a successful implementation plan and assist in the initiation of the Proposition 218 process.

Integrated Engineering & Financial Focus

Carollo is leading the way for utility rate setting in California. Although Carollo's name is widely known and recognized as a "go-to" engineering design firm, **in the last 5 years, Carollo has become one of the largest rate consulting groups in California.** Having successfully completed projects for San Francisco, San Jose, City of Oceanside, Carlsbad, Sacramento, Los Angeles, San Diego County Water Authority (SDCWA), Orange County Sanitation District, and Irvine Ranch Water District, we have become their trusted advisor when it comes to rate setting and understanding the impacts of Proposition 218 and recent case law.

Our combined financial and engineering approach best addresses the public's (and court's) question of "who pays how much and why." Rate studies are increasingly on the court's and public's radar. San Juan Capistrano, Palmdale Water District, Glendale, Hillsborough, etc., resulted from consultants and agencies losing sight that rates are intended to recover the costs specific to a system and not based on some generic factors. Unlike other rate consultants, our thorough knowledge of the District's systems allows us to set rates based on those systems, which then comply with Proposition 218.

Complexity is a necessity. As the court pointed out, the calculations required by Proposition 218 may be "complex," but "such a process is now required by the California Constitution."

KEY CHALLENGES

Rate studies, in their purest form, are an elementary math equation, which can be performed by numerous consultants. However, in the light of increasingly litigious rate environment (Proposition 218), uncertain demand forecasting, and rate payer awareness/sensitivity, it is absolutely necessary to have a team who can undertake the following challenges:

Challenge 1. California Legal Standing

The District needs a trusted and tested advisor to develop defensible cost-of-service analysis and transparent rates for its customers. *Recent cases, such as Palmdale Water District and San Juan Capistrano, and the recent recall at Yorba Linda Water District, are prime examples of what not to do.* Unlike some other

firms, Carollo has not lost a case on the grounds of cost-of-service (Proposition 218 or 26) and rather have been the firm that agencies have leaned on to help navigate the legal landscape.

PROVEN LEGAL UNDERSTANDING

We understand Proposition 218 and recent legal opinions and the potential implications of these challenges. Our combined financial and engineering approach is necessary to achieve the District's desired result of detailing a defensible cost-of-service framework and validating the District's existing work. With a true engineering basis providing the foundation of the analysis, we can pinpoint the specific attributes of the system related to providing various water demands. This approach sets us apart as a winning team with sound track record.

Challenge 2. Cost-of-Service Nexus

Necessary to the cost-of-service process is the development of a nexus, which details how costs incurred relate to the benefits received. Too often, cost-of-service rate structures are only approached from a single (financial) lens. While this is a critical piece, this lens explains only the needs (costs) and not the why. Our team and approach address the full picture by combining both engineering and financial lenses.

COMPLETE UNDERSTANDING AND EXPLANATION

While this approach creates the foundation for the cost-of-service nexus (as required by Proposition 218), it also helps explain the original question of “who pays, how much, and why?” *We do not simply rely on “the numbers” to tell the story to your ratepayers and Board. With our sound engineering basis to explain “why,” ratepayers can understand the complexities, which could be easily ignored.*

No Learning Curve:

Having develop District's last rate study, our existing relation with the Board, staff, and FORA, and understanding of financial needs, will enable us to hit the ground running to focus on truly tailoring our approach and outreach strategy.

Challenge 3. Communication

As everything is on the table, once the numbers are developed, the final piece is to present the recommendations and garner Board and public support. This component, while the last step of the process, cannot be ignored until the end. Building on the two earlier challenges, if the team can explain the “why” from both a financial and engineering basis to the all stakeholders, the communication is largely defined. Our team is exceptional, even in challenging environments, at communicating and getting large increases and rate redesigns passed.

TRUSTED EXPERTS AND COMMUNICATORS

Our team is comprised of industry leaders in cost-of-service and rate design. The study team has worked with well over 300 agencies and their councils and boards to clearly communicate complex issues by translating them into terms that are understandable to the layperson. Our team has published extensively on cost-of-service rate setting and regularly presents at industry conferences. **Jennifer Ivey** is a member of the American Water Works Association (AWWA) Rates and Charges Committee and a co-author of the *MI Rates Manual*.

A successful project team must demonstrate practical and relevant experience in all of the technical aspects of the project, a well-conceived work plan and project approach, and a commitment to the project goals. The map on the previous page illustrates our experience in delivering sound and legally defensible financial services nationwide.

SCOPE OF WORK/MANAGEMENT PLAN

The proposed scope of work outlines our proposed approach for undertaking your rate analysis.

Task 1. Project Kick-off and Data Request

Carollo will hold a project kick-off meeting with District staff. The meeting will outline key objectives, determine priorities, and, if necessary, modify the scope of work. The meeting will also serve as a review point for the study data. In advance of the kick-off meeting, Carollo will submit a detailed data request.

As with any data-driven analysis, our approach begins with gathering the necessary cost and consumption data to complete the rate study.

The District's existing and historical revenue and billing data will be analyzed as a proxy of future projections. However, past consumption or financial are not indicative of future results. This is especially true when developing and implementing new rate structures. Given the advancements in conservation efforts and other possible water demand/supply and financial factors, Carollo will build from our wealth of experience to provide greater context and perspective to the analyzed data and forecasts.

While Carollo envisions this project as a collaborative process with District staff, our goal is to provide a management plan that streamlines the process in order to adhere to the desired project schedule and to minimize time requirements placed on staff.

Task 2. Financial Forecast and Cost-of-Service

Carollo will develop a 10-year revenue requirement analysis and forecast for each system. The District's existing financial information will be analyzed and forecasted over a 10-year time horizon to determine District's annual revenue needs, including long-term maintenance and replacement costs. Carollo will use the developed model to run multiple scenarios and sensitivity analyses to determine the scenario that best meets District's desired objectives.



Revenue Requirement Analysis

Compares existing revenues of the utility to its operating, capital, and policy driven costs to establish the adequacy of the existing cost recovery levels.



Cost-of-Service Analysis

Identifies and apportions annual revenue requirements to functional rate components based on its application of the utility system.



Rate Design

Considers both the level and structure of the rate design to collect the distributed revenue requirements from each class of service.

The calculated revenue requirements will then be allocated to each customer class based on the calculated capacity and treatment requirements by billable constituent. For the domestic water and recycled water services, these billable constituents will likely include customer service, base water demand, peak water demand, and commodity. For the wastewater services, the calculated revenue requirements will be allocated to each customer class based on the calculated capacity and treatment requirements by billable constituent and correlated expenditures. As various revenue and demand projections are analyzed, the cost-of-service analysis will evaluate the impacts of these various scenarios. All proposed rate structures will adhere to Proposition 218 requirements and sound cost-of-service, rate-making principles.

TASK 2.1. POLICY REVIEW

Carollo believes that fiscal policies are a critical building block for any effective District financial plan and rate study. Moreover, in presenting any proposed rate plan to the District, we know that it is critical to provide context for any rate increases based on your fiscal policies. We will review and evaluate reserve policies and capital funding strategy with District staff, discussing the District's goals and potential rate impacts. A comparison of these policies and strategies to industry standards (and nearby agencies) could help provide context in determining possible enhancements or changes that would benefit the District's stakeholders and customers. As appropriate, we will work with District staff to refine its fiscal policies.

TASK 2.2. FINANCIAL NEEDS FORECAST

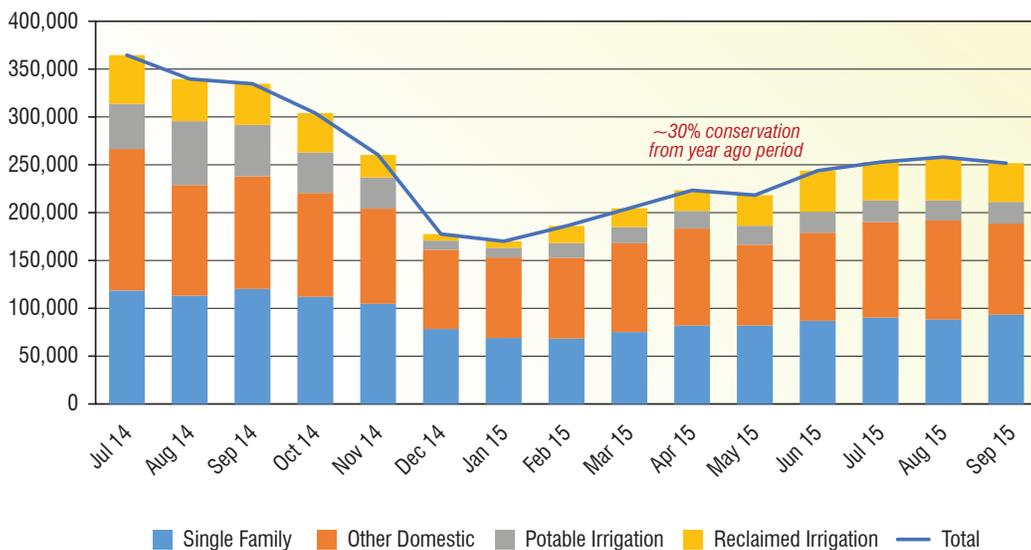
At the heart of any utility rate study is a revenue requirement, which uses projected cash flows and debt service requirements to project potential revenue shortfalls. We will incorporate data elements collected throughout the rate analysis process to develop a short- and long-range financial forecast that projects operating expenditures; repair, replacement, and other capital needs; and offsetting revenues. The analysis will focus primarily on revenue sufficiency over the next 10 years based on the projected operating, capital, policy, regulatory, and asset management needs.

Our evaluation of financial plans will consider the overall funding strategy including near- and long-term capital and operational needs, as well as potential customer usage changes due to modifications of the rate structures. Each system's capital improvement plan (CIP) will be analyzed at three levels of expenditures in order to demonstrate the overall financial implications and rates sensitivities. The results of the revenue requirement will determine what levels of rate increases are necessary in order to promote the financial stability of each system and to meet District's policy goals.

TASK 2.3. CUSTOMER DATA ANALYSIS

Carollo will conduct a statistical analysis of your past historical billing and consumption records. Due to the variable nature of the water demands, it is important to evaluate a multi-year trend and determine potential revenue lulls during low-usage years. We will use advanced statistical software to quickly and more efficiently analyze existing customer billing records and provide usable information, such as consumption breakpoints used in developing a recommendation. This step is essential to analyze potential inequities (i.e., the need for additional customer classes) and further potential reductions to water demands.

Example – Monthly Demands by Class



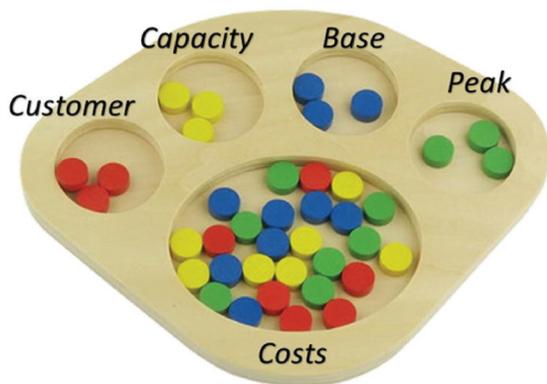
Data analysis is a critical component to **defining forecasted customer demands**. Without proposer analysis or understanding of current or potential trends can leave the District with significant challenges of underfunding or continued inequities.

In addition, we will perform sensitivity analyses related to possible water rationing or growth not occurring as projected. These results will flow through to the revenue requirements and funding analysis to determine potential impacts to revenues and overall revenue stability.

For wastewater, Carollo will review water usage and sewer discharge factors to confirm the appropriateness of existing rates and charges. Previous assumptions may need to be adjusted to reflect increased indoor efficiency (i.e., low-flow toilets and fixtures). This will make sure that each customer is paying their fair share of system costs.

TASK 2.4. COST ALLOCATION ANALYSIS

For water and recycled water, Carollo will develop a cost allocation based on the District's unique system and consider AWWA methodologies. For the water, these billable constituents will likely include customer service, base water demand, peak water demand, and commodity. These allocations will build on the existing allocations for rate consistency, account for collection and regional treatment costs, and incorporate the current District's asset and accounting records. Line-item expenditures will be allocated to customer service, base water usage, and peak water usage. As necessary to address specific customer factors or



While the **allocation process is simple** in concept, Carollo does not rely on industry standards. Rather, Carollo will create **specific allocations based on your unique operations, supplies, demands, and infrastructure**. With an engineering focus and understanding your system, Carollo is uniquely able to define cost of service.

demands, Carollo will create additional cost allocation factors. Finally, these costs will be assigned to fixed and variable categories in order to develop defensible monthly fixed charges.

For the wastewater services, Carollo will build from the recommendations espoused by WEF. These allocations will define allocations to account for collection and regional treatment costs, and incorporate the current wastewater asset and accounting records. Costs will first be allocated to applicable unit processes (e.g., collection, treatment, recycled water) and then to flow, BOD₅, and TSS based on the capacity and treatment parameters of each respective unit process. Carollo will review and incorporate the District's current asset and accounting records. This will define existing relationships and provide a logical rationale for either maintaining or modifying existing practices.

TASK 3. Rate Design Recommendations

Carollo will provide an evaluation and analysis of emerging or expected future rate structures, technologies, and trends for domestic water, wastewater, and recycled water services that might impact or influence future rate structures, including how pricing and how those influences might effect of apply to the District. The evaluation will also provide an overview of known or potential risks, mandated drought restrictions, fixed versus variable revenues and expenses, and costs associated with implementation.

Carollo has worked with many similarly sized and complex agencies in developing innovative rate structures that meet the unique needs of our clients. Complexity and sophistication must be balanced with stakeholder understanding and administrative ease and costs. We will meet with District staff to review and evaluate potential rate structure alternatives that make sense for the District and the community.

TASK 3.1. OVERVIEW OF RATE STRUCTURES

Carollo will develop an easy to understand matrix that outlines:

- ▶ Advantages and disadvantages of each alternative
- ▶ Nexus between each rate structure and system costs and overall equity between customer classes
- ▶ Effect of rate structures on revenue stability
- ▶ Ability and effectiveness of rate structures to meet the District's policy objectives
- ▶ Administrative ease
- ▶ Customer acceptance
- ▶ Potential for legal challenges

For each proposed rate structure, the matrix will illustrate both qualitative and quantitative advantages, including achievement of policy objectives and revenue risk. This approach allows District staff and stakeholders to choose the rate structures that best meet stated objectives and is critical in explaining the recommendations to the public-at-large. Issues such as added administrative costs, tie-backs to the District's connection fees, and revenue impacts will all be illustrated in this matrix for straightforward communication.

Carollo's recommendation of a higher fixed charge in our 2013 study [help mitigate the financial impact of the State's drought mandate](#).

Carollo's entire process will be designed to comply with Proposition 218 and recent case law, including Palmdale Water District, Hillsborough, and San Juan Capistrano. For each proposed rate structure, the matrix will illustrate both qualitative and quantitative advantages, including achievement of policy objectives and revenue risk.

TASK 3.2. RATE DESIGN RECOMMENDATIONS

Carollo will prepare a rate design analysis for each system that provides a clear, written overview of the basis upon which the rates are calculated, including an analysis of rate classes to eliminate and/or add classes as appropriate. As part of this review, Carollo will:

- ▶ Review composition and construction of all customer classes, and recommend any changes (See Task 2.3. Customer Data Analysis).
- ▶ Provide that the recommended rate structures comply with all laws, regulations, and agency policies, are documented, and are developed in compliance with Proposition 218 and 26.
- ▶ Consider the level of existing rates, social and economic factors of the community, and expense to implement.
- ▶ Determine fiscal impacts of demand reductions (mandatory drought restrictions), capital project funding requirements, and compliance with reserves and debt covenants.
- ▶ Address forecasted bill impacts of representative customers in each customer class.
- ▶ Provide rate comparisons of neighboring and comparable utilities.
- ▶ Develop a matrix that details the pros and cons of making a change, and make a recommendation based on the best and most appropriate approach.
- ▶ Prepare and provide the District with a user-friendly rate model in Microsoft Excel® for the associated rates and fees necessary to provide on-going updating and monitoring.

To account for the more detailed alternatives, Carollo will analyze the existing and planned infrastructure and system as it was designed and is being used to enhance equities and cost recovery. By creating a logical nexus between the infrastructure, its design, and use, Carollo can create a rate structure that complies with Proposition 218 and 26 and can be easily understood and communicated to the Board and overall community.

Carollo alone offers a holistic approach – providing both engineering and financial perspectives. In calculating a connection fee, *it is critical to understand complex relationship between the existing infrastructure and planned capital projects and impacts to the calculations.*

Task 4. Model Development

Based on the collected data and feedback from the kick-off and subsequent meetings, Carollo will prepare a user-friendly tailored model in Microsoft Excel® to fit the District's expressed needs. Our model will allow us to include multiple “what-if” scenarios, which will let the District look at water supply costs, changes in demand, contract costs, etc. The four major components of the model consist of:

1. **Revenue Requirement.** Carollo will tailor this specifically around the District's line-item budget, which will include but not be limited to customer class data, operations and maintenance, CIP, and debt.
2. **Customer Analysis.** In order to develop sound revenue forecasts and equitable customer allocations, the statistical and analytical review of customer records (billing) is a critical component to the model development.
3. **Functional Allocation.** As addressed in Task 2.4., a cost allocation module will be built within each model to allocate costs specific to the District, which will then be used to form the rate structures.
4. **Rate Design.** The current rate structures for all three utilities will be reviewed and revised as outlined in Task 3.

The model is developed collaboratively with District staff throughout the study to provide constant feedback and input. The model will also serve as a complementary piece to the District's administrative record.

Task 5. Capacity Charges/Connection Fees

The capacity charges are a one-time charge imposed when a building or structure is newly connected to the District's system, or when an existing structure increases its capacity requirements due to expansion or change in service type.

To provide legal and cost justification, Carollo will review the District's capacity charges to determine the appropriate recovery of costs associated with the service provided. Although the fees were addressed as part of the 2013 study, Carollo will re-review the existing and underlying methodology in order to better account for continued changes and investments to the systems. The updated capacity charges will continued to incorporate a “buy-in” component (as appropriate) to recover the value of existing capacity that is available to serve growth, as well as an “expansion” component to recover a proportionate cost of future capital improvements that will create capacity to serve future users. The methodology will be unified with the on-going Master Plan study to ensure consistency between planning and rate setting documents.

Our **dynamic and tailored financial models** will allow staff to **project cash flow needs, evaluate infrastructure alternatives, and visually present rate and financial forecast information.** Our integrated “what-if” scenario builder and dashboard will allow staff to **test multiple side-by-side financial scenarios.**



Similar to the user rate allocation, the unit process allocations developed previously will be used to allocate the capital expansion costs to the related cost factors. The capacity charges will be developed by applying the unit costs to each of the identified user categories or meter sizes. All proposed capacity charges will comply with California Government Code §66013 and §54999. A draft and final study report will be prepared to present the methodology, process, and recommendations. This report will document the need for any rate increases, multi-year revenue requirements, recommended rate scenarios for each system, an implementation plan for presenting and communicating District costs and the proposed rate structures to ratepayers and members of the public, and supporting calculations. Comments on the draft report will be incorporated in a final report.

Task 6. Cost Allocation Plan

In order to enhance cost of service methodology, the District had requested the development of a Cost Allocation Plan (CAP). In parallel with the rate study, Carollo will work with the District to develop a reasonable, appropriate, and repeatable methodology for distributing the District's overhead or indirect costs to each operating department, division, or fund.

Indirect costs include shared administrative expenses where a department incurs costs for support that it provides to other departments (e.g., finance, human resources, legal, technology). The proposed Cost Allocation Plan provides both a full cost plan for internal charging and an OMB A-87 Plan for grant reimbursement.

Carollo will conduct on-site interview with select staff to understand the specific operations of the District.

Critical to this process is understanding not only how current overhead is shared, but how future staffing

and operations may change. A prime example of this is working with FORA and how certain timetable assumption can significantly alter overhead allocations. By understanding and identifying potential shifts, Carollo can limit and smooth overhead to be both fair and balanced.

This CAP model will be integrated into the Financial and Rate model (built in excel) to enable staff to not only update future allocations, but to understand the implications to rates (Marina vs Ord or Water vs Sewer). One model also streamlines the learning curve and the overall update process (one budget input, not two)

The resulting model and analysis will establish a full cost allocation methodology for specific administrative overheads that properly allocates costs among District cost centers and reimburses the District. The model will also be design in compliance with CRF, Title 2, Part 200, Subpart E - Cost Principles, Uniform Requirements, Cost Principles and Audit Requirements for Federal Awards.

Task 7. Study Report

A draft and final study report will be prepared to present the methodology, process, and recommendations. This report will document the need for any rate increases, multi-year revenue requirements, recommended rate scenarios for each system, an implementation plan for presenting and communicating District costs and the proposed rate structures to ratepayers and members of the public, and supporting calculations. Comments on the draft report will be incorporated in a final report.

Task 8. Meetings and Presentations

Carollo will hold two meetings with District staff during the course of the project, which include a kick-off meeting and a meeting to review draft results. In order to gain efficiencies, the Kick-off meeting will be performed following the data request and initiation of model development. This meeting could also serve as an opportunity to interview staff as part of the Cost Allocation Plan. At the final meeting (possibly coinciding with the November or December Board Presentations), Carollo will train staff on the model. The model will be available for review and discussion throughout the process, which allows for a streamlined and efficiency training meeting.

As outlined in the RFP, Carollo will also hold three public meetings/workshops. This includes one (1) presentation of draft rates, one (1) to present final rates, and one (1) final presentation at adoption. Carollo will assist District staff with the rate adoption process associated public hearings and attend at the request of the District. For added efficiencies and communication, Carollo will hold up to three progress meetings via WebEx, which will be both time and cost efficient for District staff and the project.



Our team understands the importance of face-to-face communication. Working directly with District staff, Carollo will **outline key objectives, determine priorities, and, if necessary, modify the scope of work.**

PROJECT SCHEDULE

We are committed to address the proposed scope of work within current year 2017. Carollo assumes a start of later July following award and execution of the contract. Our proposed project schedule is presented in the time table below. Carollo will work with the District to formalize the project schedule, including delivery of key deliverables, presentations, and workshops. As the District would like to implement rates for July 1, 2018, Carollo will work with the District to balance the desire for additional scenarios, financial planning, and outreach/communication, with forecasted revenue impacts and Proposition 218 rate setting procedures.

TASK	2017						2018
	JULY	AUG	SEPT	OCT	NOV	DEC	JULY
Task 1: Project Kick-off and Data Request	■						
Task 2: Financial Forecast and Cost-of-Service	■	■	■				
Task 3: Rate Design Recommendations		■	■	■	■		
Task 4: Model Development	■	■	■	■			
Task 5: Capacity Charges / Connection Fees		■	■	■	■		
Task 6 : Cost Allocation Plan (Overhead)	■	■	■	■			
Task 7: Study Report			■	■	■	■	
Task 8: Meetings and Presentations		●	●	●	●	●	★

◆ Draft Report	● Staff Workshops	★ Rate Implementation (July 1, 2018)
◆ Final Report	● Board Presentation	

AGREEMENT

Insurance Requirements

Carollo has continuously maintained errors and omissions insurance since mid-1960, and currently has errors and omissions insurance in excess of \$5,000,000 with an A-rated American insurance company. Carollo will furnish a certificate of insurance to clients upon request prior to notice-to-proceed. Carollo also carries a comprehensive general business liability insurance policy covering bodily injury, property damage, and vehicular liability.

W-9

Carollo will provide Internal Revenue Service (IRS) Form W-9 upon request prior to notice-to-proceed.

Professional Services Agreement

We have reviewed the terms and conditions as specified in the RFP and have the following exceptions to the proposed agreement.

- ▶ ***Section 1:*** Add the following to the end of this paragraph: “Notwithstanding the foregoing, in the event the subject action alleges negligence on the part of Consultant and/or the Marina Coast Water District, or any third party not under contract with Consultant, Consultant’s obligations regarding the Marina Coast Water District’s defense under this paragraph include only the reimbursement of the Marina Coast Water District’s reasonable defense costs incurred to the extent of Consultant’s negligence as expressly determined by a final judgment, arbitration, award, order, settlement, or other final resolution.”

- ▶ ***Section 2:*** Add the following to the end of this paragraph: “Consultant shall not be responsible for warranties, guarantees, fitness for a particular purpose, breach of fiduciary duty, loss of anticipated profits or for economic, incidental or consequential damages to the Marina Coast Water District or any third party arising out of breach of contract, termination, or for any other reason whatsoever. Additionally, Consultant shall not be responsible for acts and decisions of third parties, including governmental agencies, other than Consultant’s subconsultants, that impact project completion and/or success.”
- ▶ ***New Sections:*** The following could also be added to our scope of work as “Project Assumptions:

“11. Consultant shall complete the services required hereunder in accordance with the prevailing standard of care by exercising the skill and ability ordinarily required of consultants performing the same or similar services, under the same or similar circumstances, in the State of California.

June 12, 2017

Ms. Kelly Cadiente, *Director of Administrative Services*
Marina Coast Water District
11 Reservation Road
Marina, CA 93933

Subject: Fee Proposal to Provide Comprehensive Rate & Fee Study with a Cost Allocation Plan

Dear Ms. Cadiente:

Enclosed is Carollo's estimate of consulting fee to complete Marina Coast Water District's Comprehensive Rate & Fee Study with a Cost Allocation Plan. We recognize the District wishes to perform a comprehensive, yet cost-effective rate analysis. We present a budget that achieves the District's objectives and commit to the District to make every effort to efficiently deliver the project. Our estimated budget includes labor allocations for each major project task as indicated in the Scope of Work, all anticipated expense items, and hourly rates for all personnel indicated in the proposal.

The proposed budget reflects the necessary level of effort to satisfy the requirements of Proposition 218. Development of the study report requires a comprehensive understanding of the District's water systems and ability to define the nexus of how the developed rate structure links to the District's revenue requirements. As noted in the San Juan Decision, the calculations required by Proposition 218 may be "complex," but "such a process is now required by the California Constitution." The proposed hours reflect the required customer data and cost allocation analysis provide the necessary justification.

Sincerely,

CAROLLO ENGINEERS, INC.


Lou Carella
Principal-in-Charge


Pierce Rossum
Project Manager

FEE PROPOSAL

	Lou Carella (Principal-in-Charge)	Pierce Rossum (Project Manager)	Jennifer Ivey (QA/QC)	Analytical Support	Labor Cost	PECE	Expenses	Total
Hourly Rate	\$240	\$194	\$240	\$166		\$11.70		
Tasks								
Task 1: Project Kick-Off and Data Request	-	8	-	4	\$2,216	\$140	-	\$2,356
<i>Kick-off meeting with staff, data request, and research/supporting analysis</i>								
Task 2: Financial Forecast and Cost-of-Service	3	58	6	90	\$28,352	\$1,836	-	\$30,188
<i>Review and development of revenue requirements, functional allocations, and reserve policies</i>								
Task 2.1 - Policy Review	-	6	-	2				
Task 2.2 - Financial Needs Forecast	2	16	2	24				
Task 2.3 - Customer Data Analysis	-	12	-	40				
Task 2.4 - Cost Allocation Analysis	1	24	4	24				
Task 3: Rate Design Recommendations	1	24	4	36	\$11,832	\$760	-	\$12,592
<i>Development and documentation of rate structure alternatives and draft rates</i>								
Task 3.1 - Overview of Rate Structures	-	8	-	4				
Task 3.2 - Rate Design Recommendations	1	16	4	32				
Task 4: Model Development	-	4	2	24	\$5,240	\$351	-	\$5,591
<i>Development of a tailored financial plan and rate setting model</i>								
Task 5: Capacity Charges / Connection Fees	2	12	2	24	\$7,272	\$468	-	\$7,740
<i>Development of an updated capacity fee charges to support growth related capacity needs</i>								
Task 6: Cost Allocation Plan (Overhead)	-	32	2	40	\$13,328	\$865	-	\$14,193
<i>Development of a clear, repeatable, and reasonable methodology for the allocation and recovery of District overhead</i>								
Task 7: Study Report	2	24	8	32	\$12,368	\$772	-	\$13,140
<i>Development of a clear, defensible, and cost of service based administrative record</i>								
Task 8: Meetings and Presentations	-	36	-	16	\$9,640	\$608	\$2,500	\$12,748
<i>Meetings and presentations (and development of related materials) in order to receive/develop staff and Board input and garner support for recommendations</i>								
Presentations/Workshops (each) - 3 proposed	-	8	-	4	\$2,216	\$140	\$500	\$2,856
Staff Meetings (each) - 2 proposed	-	6	-	2	\$1,496	\$93	\$500	\$2,089
TOTAL	8	198	24	266	\$90,248	\$5,800	\$2,500	\$98,548

Deliverables: Rate Model (Excel), Cost Allocation Plan (Excel), and Draft and Final Summary Cost of Service Report

Presentations: Assumes a total of 3 on-site presentations/workshops (3 Board Presentations)

Staff Meetings: Assumes 2 working/review meeting with staff (at one meeting Carollo will conduction Cost Allocation Plan interviews)

CIP #: 28 1st Avenue Pipeline Replacement Project

Year Planned for Construction: 2020
Capacity Scenario: 2020 PWWF

Reason for Project: Existing gravity sewer pipelines have insufficient capacity to accommodate new wastewater flows from Hayes Park, Bostrom Park, Seaside Resort, Fitch Middle School, Sunbay Apartments, Seaside Highlands, Lower Stillwell Park, Hayes Elementary, Chartwell School, Navy Housing, Surplus Area II, Southside of Lightfighter, Monterey College of Law, Marshall Park, Fitch Park, Marshall Elementary School, First Tee, Seaside East_ developments. Wastewater flow from those developments require the gravity sewer pipelines to flow at 54-100% of full capacity, beyond the allowable flow capacities outlined for this Master Plan.

Improvements to the existing capacity of the Giggling Lift Station upstream of these pipelines are related to the recommendations included in this project.

Project Type: Pipeline Replacement Project

Engineering Opinion of Probable Cost:

Pipe ID	Location	Upstream Manhole	Downstream Manhole	Length (feet)	d/D	Pipeline Diameter		Unit Cost (\$/LF)	Facility Cost (\$)
						Existing (in)	Replacement (in)		
G442	1 st Avenue	G442	G443	287	0.75	15	18	\$ 74	\$ 21,200
G443	1 st Avenue	G443	G444	391	0.54	15	18	\$ 74	\$ 29,000
G444	1 st Avenue	G444	G445	425	0.54	15	18	\$ 74	\$ 31,500
G445	1 st Avenue	G445	G446	537	0.63	18	21	\$ 86	\$ 46,200
G446	1 st Avenue	G446	G447	440	0.71	18	21	\$ 86	\$ 37,800
G449	1 st Avenue	G449	G450	361	1.00	18	21	\$ 86	\$ 31,000
TOTAL LENGTH				2155					
								CONSTRUCTION COST	\$ 196,700
								20% CONTINGENCY	\$ 39,340
								25% MCWD Soft Costs^[1]	\$ 49,200
								TOTAL PROJECT	\$ 285,200
<p>[1] Soft Costs = 10% of construction cost for Engineering Design, 10% of construction cost for construction management and inspection, 5% of construction cost for legal and administrative fees.</p>									

CIP #: 28 **1st Avenue Pipeline Replacement Project**

Year Planned for Construction: 2020
Capacity Scenario: 2020 PWWF

Project Description:

Replace existing 15 and 18 -inch diameter gravity sewer pipeline with appropriate 18 and 21-inch diameter gravity sewer pipeline to provide required capacities for wastewater flow. Pipeline segments are continuous pipeline segments that should be constructed as one project.

Upstream Flow Sources at Build-out: Hayes Park, Bostrom Park, Seaside Resort, Fitch Middle School, Sunbay Apartments, Seaside Highlands, Lower Stillwell Park, Hayes Elementary, Chartwell School, Navy Housing, Surplus Area II, Southside of Lightfighter, Monterey College of Law, Marshall Park, Fitch Park, Marshall Elementary School, First Tee, Seaside East

Upstream Lift Stations: Ord Village, Giggling, Hatten

Project Location Map: Attached on next page. Proposed CIP facilities are colored in red.

CIP # 31 – Seaside East Lift Station And Force Main Project

Year Planned for Construction: 2020
 Capacity Scenario: 2020 PWWF

Reason for Project: There is no existing infrastructure to convey Seaside East development flows to the Ord Community. A new lift station and force main is required to tie-in to existing gravity pipelines in General Jim Moore Blvd.

Project Type: New lift station and force main

Engineering Opinion of Probable Cost:

Lift Station ID)	Flow		Facility Cost [1]
	Existing (gpm)	Year 2020 (gpm)	
SeasideEast_LS	N/A	1255.0	\$ 909,300.00
CONSTRUCTION COST			\$ 909,300
CONTINGENCY			\$ 182,000
SOFT COST			\$ 227,000
TOTAL LIFT STATION PROJECT COST			\$ 1,318,300

Force Main ID	Length (ft)	Capacity Scenario	Pipe Diameter		Unit Cost (\$/LF)	Facility Cost (\$)
			Existing (in)	Replacement (in)		
Seaside East	12,607	2020 PWWF	N/A	10	\$ 30.00	\$ 378,000
CONSTRUCTION COST						\$ 378,000
CONTINGENCY						\$ 76,000
SOFT COST						\$ 95,000
TOTAL FORCE MAIN PROJECT COST						\$ 549,000

Project Description:

Construct a new 1255 gpm capacity submersible pump lift station to convey flows from Seaside East development to the Ord Community. Construct approximately 12,600 Lf of 10-inch force main to tie-in to the existing gravity pipelines. This CIP should be

CIP # 31 – Seaside East Lift Station And Force Main Project

Year Planned for Construction: 2020
Capacity Scenario: 2020 PWWF

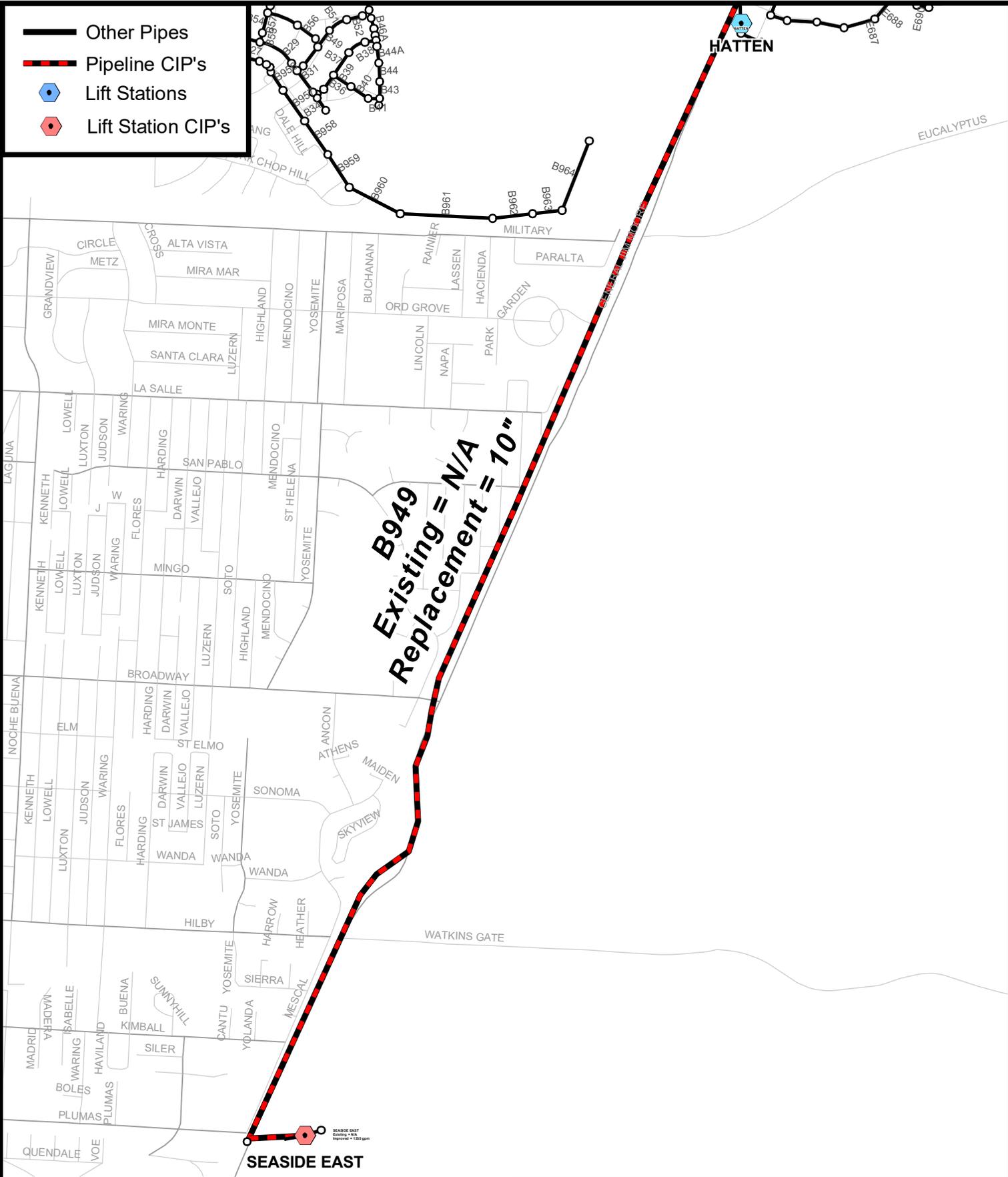
refined as information regarding the Seaside East Development project description is more clear. The District may consider routing all or a portion of the seaside Ease wastewater flows through the Seaside wastewater collection system.

Upstream Flow Sources at Build-out: Seaside East

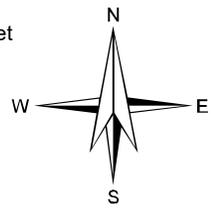
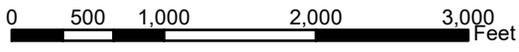
Upstream Lift Stations: None

Project Location Map: Attached on next page. Proposed CIP facilities are colored in red.

-  Other Pipes
-  Pipeline CIP's
-  Lift Stations
-  Lift Station CIP's



**B949
Existing = N/A
Replacement = 10"**



**MARINA COAST WATER DISTRICT
ORD COMMUNITY
WASTEWATER MASTER PLAN**

**CIP 31: Seaside East Lift Station
& Force Main Project**

CIP #: 27– General Jim Moore Pipeline Replacement Project I

Year Planned for
Construction: 2020
Capacity Scenario: 2020 PWWF

Reason for Project: Existing gravity sewer pipelines have insufficient capacity to accommodate new wastewater flows from First Tee, Fitch Park, and Seaside East developments. Wastewater flow from those developments require the gravity sewer pipelines to flow at 79-100% of full capacity, beyond the allowable flow capacities outlined for this Master Plan.

Project Priority: 2 (Maximum Facility Capacity Exceeded)

Project Type: Pipeline Replacement Project

Engineering Opinion of Probable Cost:

Pipe ID	Location	Upstream Manhole	Downstream Manhole	Length (ft)	d/D	Pipeline Diameter		Unit Cost (\$/LF)	Facility Cost (\$)
						Existing (in)	Replacement (in)		
E680	General Jim Moore Blvd	E680	E679	211	1.00	8	15	\$ 62	\$ 13,100
E679	General Jim Moore Blvd	E679	E678	475	1.00	8	12	\$ 49	\$ 23,300
E678	General Jim Moore Blvd	E678	E677	233	1.00	8	15	\$ 62	\$ 14,400
E677	General Jim Moore Blvd	E677	E609	90	1.00	8	15	\$ 62	\$ 5,600
E609	General Jim Moore Blvd	E609	E608	290	1.00	8	15	\$ 62	\$ 18,000
E608	General Jim Moore Blvd	E608	E607	341	1.00	10	15	\$ 62	\$ 21,100
E607	General Jim Moore Blvd	E607	E606	421	1.00	10	15	\$ 62	\$ 26,100
E606	General Jim Moore Blvd	E606	E605	402	1.00	10	15	\$ 62	\$ 24,900
E605	General Jim Moore Blvd	E605	E601	387	1.00	10	15	\$ 62	\$ 24,000
E601	General Jim Moore Blvd	E601	E600	373	0.79	10	12	\$ 49	\$ 18,300
E600	General Jim Moore Blvd	E600	E567	458	0.81	10	12	\$ 49	\$ 22,400
TOTAL LENGTH				3681					
CONSTRUCTION COST									\$ 211,200
20% CONTINGENCY									\$ 42,200
25% MCWD Soft Costs ^[1]									\$ 52,800
TOTAL PROJECT									\$ 306,200
<p>[1] Soft Costs = 10% of construction cost for Engineering Design, 10% of construction cost for construction management and inspection, 5% of construction cost for legal and administrative fees.</p>									

CIP #: 27– General Jim Moore Pipeline Replacement Project I

Year Planned for
Construction: 2020
Capacity Scenario: 2020 PWWF

Project Description:

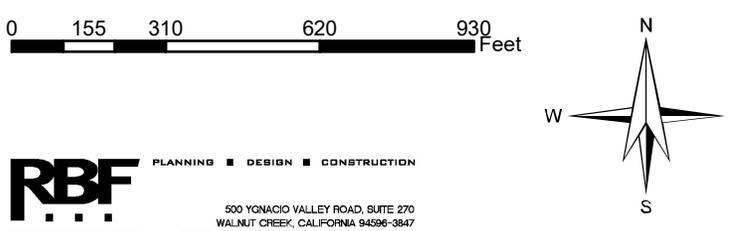
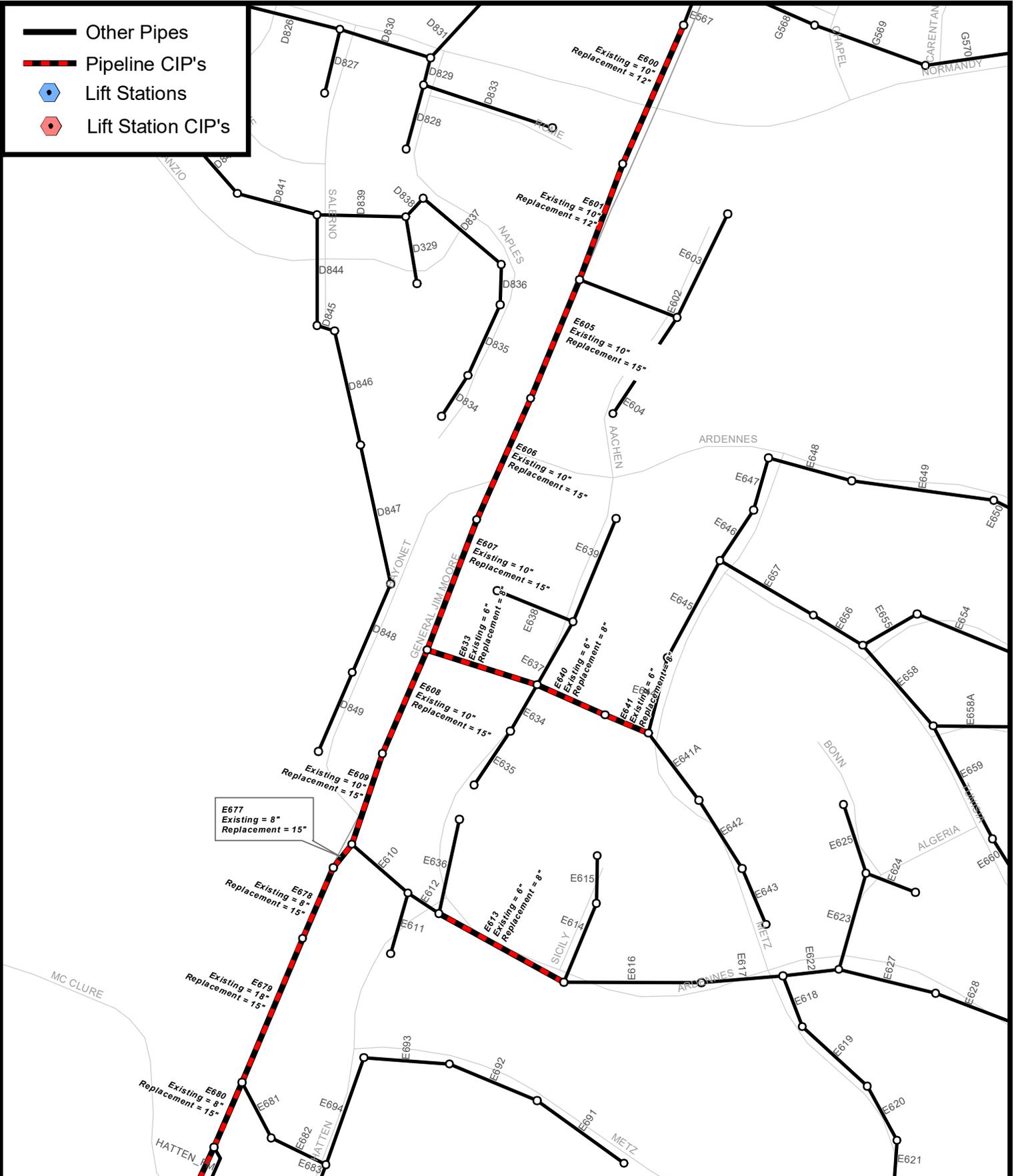
Replace approximately 3,681 LF of existing 8 and 10-inch diameter gravity sewer pipeline with appropriate 10 and 12-inch diameter gravity sewer pipeline to provide required capacities for wastewater flow. Pipeline segments are connecting pipeline segments that should be constructed as one project.

Upstream Flow Sources at Build-out: First Tee, Fitch Park, Seaside East

Upstream Lift Stations: Hatten

Project Location Map: Attached on next page. Proposed CIP facilities are colored in red.

-  Other Pipes
-  Pipeline CIP's
-  Lift Stations
-  Lift Station CIP's



MARINA COAST
WATER DISTRICT

**MARINA COAST WATER DISTRICT
ORD COMMUNITY
WASTEWATER MASTER PLAN**

**CIP 27: Gen. Jim Moore
Pipeline Replacement Project I**

CIP # 29 – General Jim Moore Pipeline Replacement Project II

Year Planned for Construction: 2020
 Capacity Scenario: 2020 PWWF

Reason for Project: Existing gravity sewer pipelines have insufficient capacity to accommodate new wastewater flows from Navy Housing, Surplus Area II, Southside of Lightfighter, Monterey College of Law, Marshall Park, Fitch Park, Marshall Elementary School, First Tee, Seaside East, Chartwell School developments. Wastewater flow from those developments require the gravity sewer pipelines to flow at 53-69% of full capacity, beyond the allowable flow capacities outlined for this Master Plan.

Project Type: Pipeline Replacement Project

Engineering Opinion of Probable Cost:

Pipe ID	Location	Upstream Manhole	Downstream Manhole	Length (feet)	d/D	Pipeline Diameter		Unit Cost (\$/LF)	Facility Cost (\$)
						Existing (in)	Replacement (in)		
G437	General Jim Moore Blvd	G437	G437A	148	0.53	12	15	\$ 62	\$ 15,000
G437A	General Jim Moore Blvd	G437A	G438	242	0.69	12	15	\$ 62	\$ 9,200
TOTAL LENGTH				390					
								CONSTRUCTION COST	\$ 24,000
								20% CONTINGENCY	\$ 4,800
								25% MCWD Soft Costs^[1]	\$ 6,000
								TOTAL PROJECT	\$ 34,800
[1] Soft Costs = 10% of construction cost for Engineering Design, 10% of construction cost for construction management and inspection, 5% of construction cost for legal and administrative fees.									

Project Description:

Replace existing 12 -inch diameter gravity sewer pipeline with appropriate 15-inch diameter gravity sewer pipeline to provide required capacities for wastewater flow and to conform to District requirements for minimum slope. Pipeline segments are continuous pipeline segments that should be constructed as one project.

Upstream Flow Sources at Build-out: Navy Housing, Surplus Area II, Southside of Lightfighter, Monterey College of Law, Marshall Park, Fitch Park, Marshall Elementary School, First Tee, Seaside East, Chartwell School

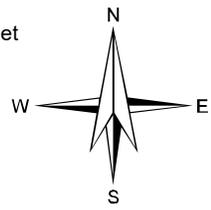
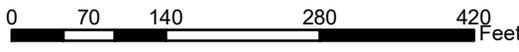
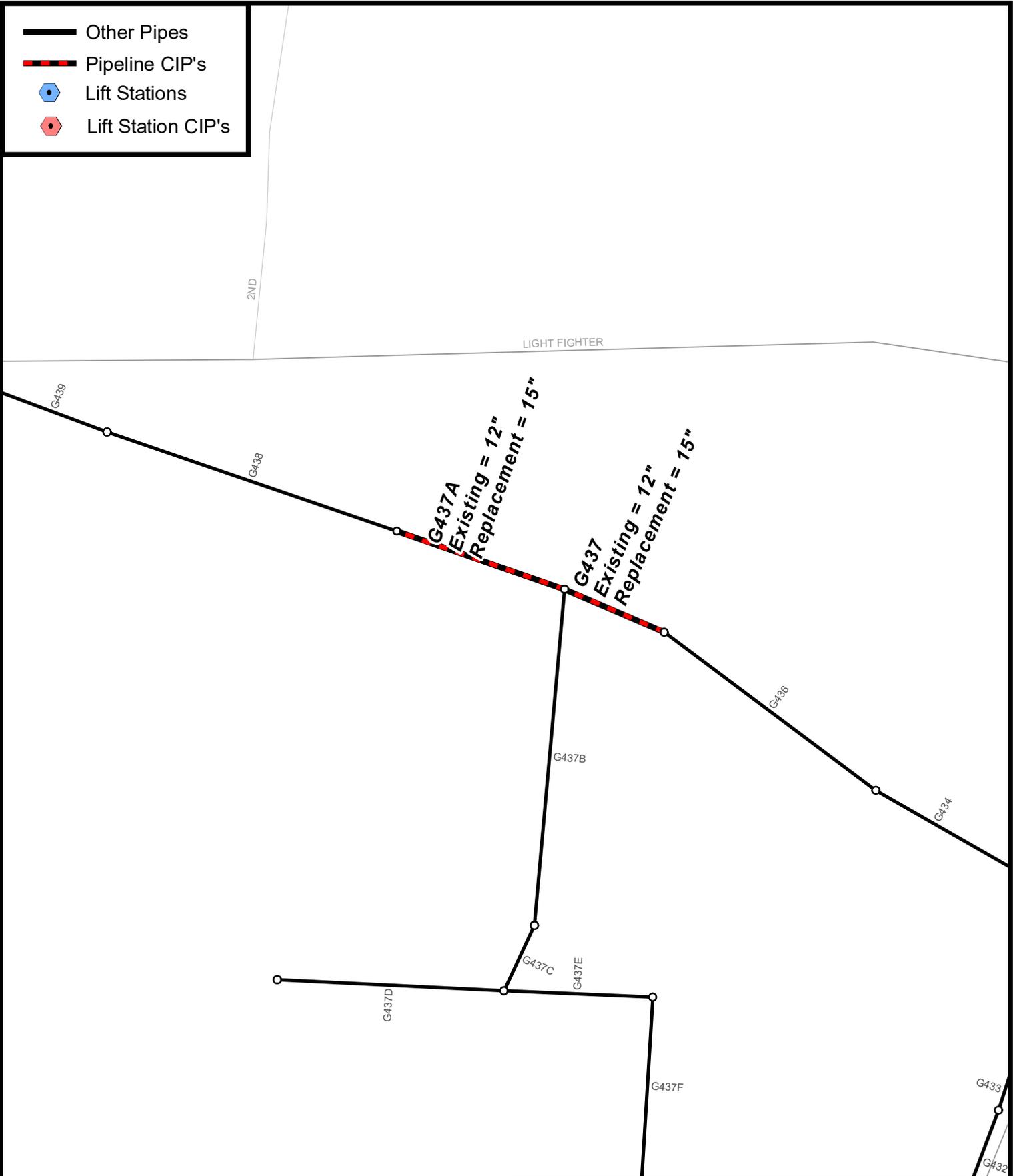
Upstream Lift Stations: Hatten

CIP # 29 – General Jim Moore Pipeline Replacement Project II

Year Planned for Construction: 2020
Capacity Scenario: 2020 PWWF

Project Location Map: Attached on next page. Proposed CIP facilities are colored in red.

-  Other Pipes
-  Pipeline CIP's
-  Lift Stations
-  Lift Station CIP's



**MARINA COAST WATER DISTRICT
ORD COMMUNITY
WASTEWATER MASTER PLAN**

**CIP 29: Gen. Jim Moore Pipeline
Replacement Project II**

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CIP # 30 – General Jim Moore Pipeline Replacement Project III

Year Planned for Construction: 2020
 Capacity Scenario: 2020 PWWF

Reason for Project: Existing gravity sewer pipelines have insufficient capacity to accommodate new wastewater flows from Marshall Park, Fitch Park, Marshall Elementary School, First Tee, Seaside East, Chartwell School developments. Wastewater flow from those developments require the gravity sewer pipelines to flow at 79-100% of full capacity, beyond the allowable flow capacities outlined for this Master Plan.

Project Type: Pipeline Replacement Project

Engineering Opinion of Probable Cost:

Pipe ID	Location	Upstream Manhole	Downstream Manhole	Length (feet)	d/D	Pipeline Diameter		Unit Cost (\$/LF)	Facility Cost (\$)
						Existing (in)	Replacement (in)		
G501	General Jim Moore Blvd	G501	G500	84	0.61	15	18	\$ 74	\$ 6,200
G561	General Jim Moore Blvd	G561	G560	417	0.62	15	18	\$ 74	\$ 30,800
G560	General Jim Moore Blvd	G560	G559	370	0.60	15	18	\$ 74	\$ 27,400
G559	General Jim Moore Blvd	G559	G501	91	0.66	15	18	\$ 74	\$ 6,700
G565	General Jim Moore Blvd	G565	G562	309	0.47	12	15	\$ 62	\$ 19,200
TOTAL LENGTH				1271					
								CONSTRUCTION COST	\$ 90,300
								20% CONTINGENCY	\$ 18,100
								25% MCWD Soft Costs ^[1]	\$ 22,600
								TOTAL PROJECT	\$ 131,000
[1] Soft Costs = 10% of construction cost for Engineering Design, 10% of construction cost for construction management and inspection, 5% of construction cost for legal and administrative fees.									

Project Description:

Replace existing 12 and 15-inch diameter gravity sewer pipeline with appropriate 15 and 18-inch diameter gravity sewer pipeline to provide required capacities for wastewater flow and to conform to District requirements for minimum slope. Pipeline segments are connecting pipeline segments that should be constructed as one project or are within the geographic vicinity.

CIP # 30 – General Jim Moore Pipeline Replacement Project III

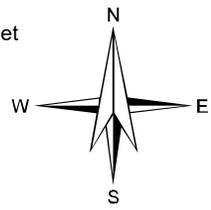
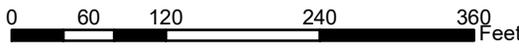
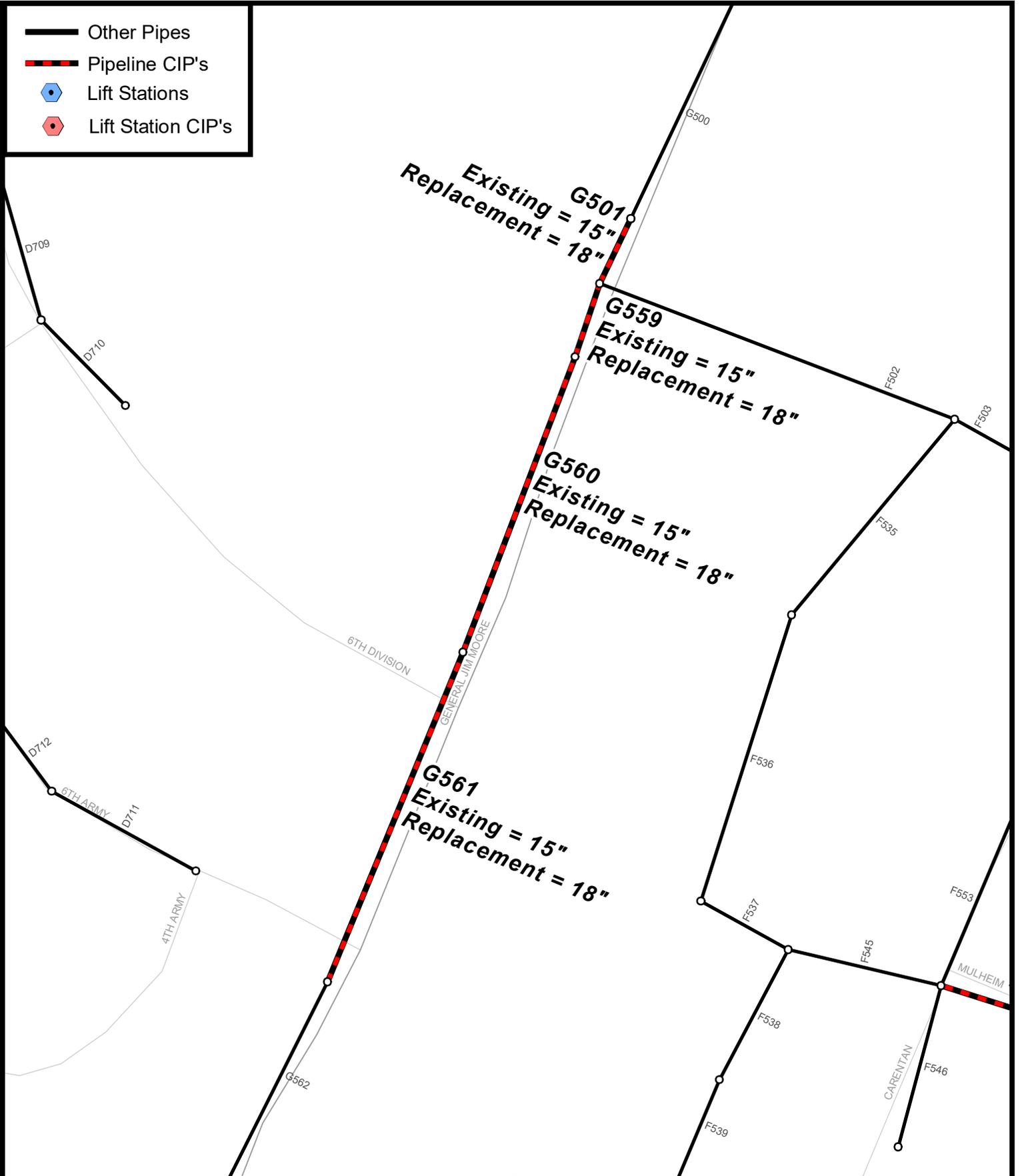
Year Planned for Construction: 2020
Capacity Scenario: 2020 PWWF

Upstream Flow Sources at Build-out: Marshall Park, Fitch Park, Marshall Elementary School, First Tee, Seaside East, Chartwell School

Upstream Lift Stations: Hatten

Project Location Map: Attached on next page. Proposed CIP facilities are colored in red.

-  Other Pipes
-  Pipeline CIP's
-  Lift Stations
-  Lift Station CIP's



**MARINA COAST WATER DISTRICT
ORD COMMUNITY
WASTEWATER MASTER PLAN**

**CIP 30: Gen. Jim Moore Pipeline
Replacement Project III**

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