

Cabazon Water District

14618 Broadway Street • P.O. Box 297
Cabazon, CA 92230

BOARD MEETING PACKET

November 19, 2024

FAC Meeting at 5:00 pm
Regular Meeting at 6:00 pm



Cabazon Water District
14618 Broadway Street • P.O. Box 297
Cabazon, California 92230

FINANCE & AUDIT COMMITTEE MEETING

AGENDA

Meeting Location:
14618 Broadway St.
Cabazon, CA 92230

Teleconference:
Dial-in #: 978-990-5321
Access Code: 117188

Meeting Date:
Tuesday, November 19, 2024 – 5:00 PM

CALL TO ORDER,
PLEDGE OF ALLEGIANCE,
ROLL CALL
FINANCE & AUDIT COMMITTEE

1. Discussion: Finance & Audit Committee Report
 - Balance Sheet
 - Profit and Loss Budget Comparison
 - Capital Detail
2. Discussion: Miscellaneous District Financial Matters
3. Finance & Audit Committee District Payables Review and Approval/Signing

PUBLIC COMMENT

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ADJOURNMENT

ADA Compliance Issues

In compliance with the Americans with Disabilities Act & Government Code Section 54954.2, if special assistance is needed to participate in a Board meeting, please contact the Clerk of the Board at (951) 849-4442. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting.



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REGULAR BOARD MEETING

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CALL TO ORDER

PLEDGE OF ALLEGIANCE

REMEMBRANCE OF OUR SERVICE MEN AND WOMEN

ROLL CALL

CONSENT CALENDAR

All matters in this category are considered to be consistent with the Board/District goals, District Policies and Regulations adopted and/or approved by the Board of Directors, and will be enacted in one motion. There will be no separate discussion of these items. If discussion is required, items may be removed from the consent calendar and will be considered separately.

1. **Approval of:**
 - a. Finance and Audit Committee Meeting Minutes and Warrants of October 15, 2024
 - b. Regular Board Meeting Minutes and Warrants of October 15, 2024
2. **Warrants – None**
3. **Awards of Contracts – None**

NEW BUSINESS

1. **Discussion/Action:** Customer Concern - Jennifer Barajas, Aloma Dr.
[\[TAB 1\]](#)
2. **Discussion:** SGPWA/CWD Heli-Hydrant Sub-Recipient Agreement – Already approved & executed per Board direction on February 20, 2024
[\[TAB 2\]](#)

3. Discussion/Action: Water Billing System Upgrade – from CUSI’s CBSW to UB4
[\[TAB 3\]](#)
4. Discussion: Best Best & Krieger’s ACWA Fall Conference – December 4, 6 PM
[\[TAB 4\]](#)

OLD BUSINESS

1. Discussion/Updates: Discussion/Updates with SGPWA Director(s) regarding various matters
2. Discussion/Action: Quotes for Water Rates Study
[\[TAB 5\]](#)
 - Water Resources Economics
 - IB Consulting
 - Black & Veatch
3. Discussion/Action: Community Involvement

UPDATES

1. Update: CWD Operations Report
[\[TAB 6\]](#) (by GM Pollack)

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GENERAL MANAGER/BOARD COMMENTS

1. Future Agenda Items
The Board Chair or the majority of the Board may direct staff to investigate and report back to an individual(s) and the Board on matters suggested or direct the General Manager/Board Secretary to place the matter on a future Board meeting.
 - Suggested agenda items from the Public.
 - Suggested agenda items from Management.
 - Suggested agenda items from Board Members.
2. Management Comments
Staff members may speak on items of information not requiring comment or discussion to the Board and public. Topics which may be included on a future meeting agenda may be presented but cannot be discussed. (3 minutes)
3. Board Member Comments
Board members may speak on items of information not requiring comment or discussion to the Board and public. (3 minutes)

MISCELLANEOUS

1. Future Board Items/Next Board Meeting Date(s)

- a. 12/02/2024 (Monday) at 1:30 PM: San Gorgonio Pass Water Agency Meeting
- b. 12/17/2024 (Tuesday) at 5:00 PM: Finance & Audit Committee Meeting
- c. 12/17/2024 (Tuesday) at 6:00 PM: Regular Board Meeting
- d. 01/22/2025 (Wednesday) at 5:00 PM: San Gorgonio Pass Regional Water Alliance Committee Meeting
- e. **Tentative:** 01/09/2025 (Thursday) at 6:00 PM: West Desert MAC Meeting at the Community Center
- f. TBD: Community Action Committee at the Cabazon Library
- g. TBD: Personnel Committee Meeting

ADJOURNMENT

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Cabazon Water District

Balance Sheet

As of October 31, 2024

		2024
1	ASSETS	
2	Current Assets	
3	Checking/Savings	\$ 257,723
4	Investments - LAIF & CLASS	1,873,193
5	Total Cash & Investments	2,130,916
6	Accounts Receivable	450,815
7	Bank of New York Trustee Accounts	55,199
8	Prepaid Expenses	22,378
9	Inventory	92,169
10	Total Current Assets	2,751,476
11	Fixed Assets	
12	Total Fixed Assets	16,229,368
13	Accumulated Depreciation	(7,475,455)
14	Net Fixed Assets	8,753,913
15	Other Assets	
16	Lease Receivable-Cell Towers	907,891
17	Total Other Assets	907,891
18	TOTAL ASSETS	\$ 12,413,279
19	LIABILITIES, DIR & FUND BALANCE	
20	Liabilities	
21	Current Liabilities	
22	Accounts Payable	\$ 58,038
23	Due to Other Gov't SGPWA	95,746
24	Customer Deposits	7,586
25	Current Portion DWR Loan	45,825
26	Current RCAC (Well 4) Loan	13,268
27	Current Portion 2022 Ford	14,174
28	Accrued Expenses	44,052
29	Total Current Liabilities	278,689
30	Long Term Liabilities	
31	DWR Loan Payable	62,707
32	Ford Loan Payable	30,766
33	RCAC Loan Payable	147,411
34	Total Long Term Liabilities	240,884
35	TOTAL LIABILITIES	519,573
36	Deferred Inflow of Resources (DIR)	
37	Deferred Lease Inflows	833,081
38	Total Deferred Inflows	833,081
39	Total Fund Balance	11,060,625
40	TOTAL LIABILITIES, DIR & FUND BALANCE	\$ 12,413,279



Cabazon Water District
Budget to Actual
 For the Period Ended October 31, 2024

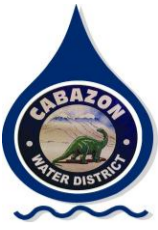
	A	B	C	D=B/C
	Oct-24	Current YTD	FY 24/25 Budget	YTD 33%
1 REVENUES				
2 OPERATING INCOME				
3 Base Rate - Water Bills	\$ 50,448	\$ 199,394	\$ 601,100	33%
4 Commodity Sales	103,625	435,952	900,600	48%
5 Fire Sales - Water Bills	286	1,142	3,500	33%
6 Fees & Charges	6,735	22,668	62,500	36%
7 Basic Facilities Fee	-	46,957	45,400	103%
8 Stand By Fees - Tax Revenue	10,580	10,580	122,600	9%
9 TOTAL OPERATING INCOME	171,673	716,692	1,735,700	41%
10 NON-OPERATING INCOME				
11 Property Taxes	822	822	111,600	1%
12 Cell Tower Lease Income	7,835	16,340	34,100	48%
13 Main St Yard Sale	-	168,098	-	N/A
14 Miscellaneous Non-Operating Income	-	1,084	-	N/A
15 Interest Income - Investment Accounts	8,228	32,161	62,600	51%
16 Interest Income - Water Bills	829	2,794	7,300	38%
17 TOTAL NON-OPERATING INCOME	17,715	221,300	215,600	103%
18 TOTAL REVENUES	189,388	937,992	1,951,300	48%
19 EXPENSES				
20 PAYROLL				
21 Directors Fees	800	4,400	20,000	22%
22 Management & Customer Service	16,600	94,273	270,200	35%
23 Field Workers	18,147	80,558	244,000	33%
24 Employee Benefits Expense	17,106	75,331	219,900	34%
25 Payroll Taxes	2,670	13,492	42,100	32%
26 TOTAL PAYROLL	55,324	268,054	796,200	34%
27 OPERATIONAL EXPENSES				
28 Facilities, Wells, Transmission & Distribution (T&D)				
29 Lab Fees	585	4,012	12,000	33%
30 Meter Testing & Repair	-	11	1,000	1%
31 Utilities - Wells	32,966	87,155	195,900	44%
32 Line R&M Materials	3,296	13,179	50,000	26%
33 Well Maintenance	752	3,956	45,000	9%
34 Security	170	6,372	17,800	36%
35 Engineering Services	117	1,187	40,000	3%
36 Facilities, Wells, T&D - Other	1,476	3,103	25,000	12%
37 Total Facilities, Wells, T&D	39,360	118,974	386,700	31%
38 Office Expenses				
39 Utilities - Office	2,780	12,187	37,900	32%
40 Water Billing System	253	1,013	4,100	25%
41 Supplies & Equipment	231	1,302	9,300	14%
42 Copier & Supplies	363	1,741	4,700	37%
43 Dues & Subscriptions	15	160	3,100	5%
44 Postage	832	2,903	10,000	29%
45 Printing & Publications	-	280	500	56%
46 Computer Services	2,774	11,181	34,900	32%
47 Air Conditioning Servicing	500	2,000	6,100	33%
48 Office Expenses - Other	128	397	800	50%
49 Total Office Expenses	\$ 7,877	\$ 33,164	\$ 111,400	30%

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included. 1 of 4



Cabazon Water District
Budget to Actual
 For the Period Ended October 31, 2024

		A	B	C	D=B/C
		Oct-24	Current YTD	FY 24/25 Budget	YTD 33%
50	Support Services				
51	Financial Audit	\$ -	\$ 8,327	\$ 15,600	53%
52	Accounting	4,535	16,951	51,000	33%
53	Legal Services	274	1,586	20,000	8%
54	Payroll/Bank Service Charge	473	2,135	6,300	34%
55	Website Support	75	372	1,100	34%
56	Insurance	4,025	16,098	48,300	33%
57	Total Support Services	9,381	45,470	142,300	32%
58	Training/Travel	119	527	5,000	11%
59	Other Fees/State Water Resource Control Board	3,897	4,558	10,900	42%
60	Service Tools & Equipment				
61	Shop Supplies and Small Tools	-	4,811	11,000	44%
62	Vehicle Fuel	1,435	4,594	13,500	34%
63	Employee Uniforms	-	272	2,000	14%
64	Safety	-	979	2,000	49%
65	Tractor Expenses/ Maintenance	1,340	1,619	4,000	40%
66	Equipment Rental	-	198	3,000	7%
67	Service Trucks - Repair & Maintenance	56	4,513	11,000	41%
68	Water Operations On-Call Phones	228	1,323	4,500	29%
69	Total Service Tools & Equipment	7,077	18,308	51,000	36%
70	NON-OPERATING EXPENSES				
71	Loan Interest & Processing Fee	2,459	5,425	14,500	37%
72	Bad Debt Expense	-	-	1,400	0%
73	Miscellaneous	-	621	1,500	41%
74	TOTAL NON-OPERATING EXPENSES	2,459	6,045	17,400	35%
75	TOTAL EXPENSES	121,478	495,100	1,520,900	33%
76	INCOME BEFORE CAPITAL & DEBT SERVICE	67,910	442,892	430,400	103%
77	Capital Projects - Reserve Funded	(12,323)	(73,531)	(440,900)	17%
78	Debt Service - Principal	(25,116)	(32,183)	(74,600)	43%
79	NET INCOME / (LOSS)	\$ 30,472	\$ 337,178	\$ (85,100)	



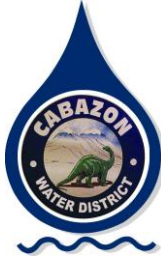
Cabazon Water District
Capital Detail
 For the Period Ended October 31, 2024

	A	B	C	D=B/C
	Oct-24	Current YTD	FY 24/25 Budget	YTD 33%
1 CAPITAL PROJECTS				
2 RESERVE FUNDED				
3 Meter Replacement	-	(1,964)	(10,000)	20%
4 Main Replacements Fire Hydrant & Air Vac	-	-	(45,000)	0%
5 Bonita Vault	-	(44,263)	(20,200)	219%
6 New Truck	-	-	(10,000)	0%
7 Utility Billing	-	-	(30,000)	0%
8 Rate Study	-	-	(40,000)	0%
9 Well #4 Electrical Panel	-	-	(136,000)	0%
10 Well #2 New Facility Building	(12,323)	(27,304)	(130,000)	21%
11 Tank Maintenance	-	-	(3,700)	0%
12 TOTAL RESERVE FUNDED PROJECTS	(12,323)	(73,531)	(424,900)	17%
13 GRANT/DEBT FUNDED				
14 Department of Water Resources (DWR)				
15 Esperanza Waterline Improvements	(4,871)	(291,656)	(325,288)	90%
16 Grant Funding - DWR	-	-	309,288	0%
17 State Water Resource Control Board (SWRCB)				
18 Groundwater Well Improvements	-	(4,515)	(470,963)	1%
19 Grant Funding - SWRCB	-	-	470,963	0%
20 NET GRANT/DEBT FUNDED PROJECTS	(4,871)	(296,171)	(16,000)	
21 TOTAL NET COST OF CAPITAL PROJECTS	\$ (17,193)	\$ (369,702)	\$ (440,900)	

Total Project Activity Summary

	Expenses	Funding Received	Total Receivable
Groundwater Well Improvement Project			
Total Budget	\$ 499,000	\$ 499,000	
Groundwater Well Improvements - FY 22	(42,466)	42,466	-
Groundwater Well Improvements - FY 23	(19,744)	19,744	-
Groundwater Well Improvements - FY 24	(11,617)	7,791	3,826
Groundwater Well Improvements - FY 25	(4,515)	-	4,515
Total	\$ (73,827)	\$ 70,001	\$ 3,826
Esperanza Waterline Project			
Total Budget			
Esperanza Waterline Improvements - FY 24	\$ (43,014)	\$ -	43,014
Esperanza Waterline Improvements - FY 25	\$ (291,656)	\$ -	291,656
Total	\$ (43,014)	\$ -	\$ 334,670

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FINANCE & AUDIT COMMITTEE MEETING

MINUTES

Meeting Location:
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Access Code: 117188

Meeting Date:
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CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL

Board Vice Chair Terry Tincher – Present
Board Chair Sarah Wargo – Present
Michael Pollack, General Manager – Present
Evelyn Aguilar, Board Secretary – Present

***Note: This meeting was recorded by the District – yes/no**

FINANCE & AUDIT COMMITTEE

- 1. Discussion: Finance & Audit Committee Report
 - Balance Sheet
 - Profit and Loss Budget Comparison
 - Capital Detail

Main Reports:

- Balance Sheet – depicts what the District owns and what the District owes.
- Profit & Loss Budget Performance – shows how the District is performing against the budget, and the condition of the District fiscal year to date.
- Capital Detail – shows activity pertaining to Capital Projects.

Balance Sheet:

The District's combined Cash with Chase Bank, Local Agency Investment Fund (LAIF), and California Cooperative Liquid Assets Securities System (CLASS) balance was \$2,027,234 at month end. The District's total liabilities were approximately \$497,234 at month end.

Profit and Loss: - Year to date (YTD) is 25% of the year

- 4. Commodity Sales: Volumetric water sales including residential, commercial & construction water sales. YTD is trending over budget at 37% due to higher consumption during summer months.
- 7. Basic Facilities Fee: These are fees charged for new service connections, meter installations, and upgrades. These revenues are budgeted conservatively due to their unpredictable nature. YTD is over budget due to multiple service installations.
- 8. Standby Fees – Tax Revenue: This accounts for standby fees assessed to all parcels in the District. The minimum fee is \$5/acre; rates vary per location and nature of the parcel. The majority of these receipts occur in January and May. There is no activity YTD.
- 11. Property Taxes: This account includes Ad Valorem tax revenues apportioned by Riverside County. Property Tax receipts are received in January and May when property tax payments are due to the County of Riverside Tax Collector's Office. There is no activity YTD.
- 13. Miscellaneous Non-Operating Income: This account includes recycling revenues and other miscellaneous revenues. This account is not budgeted due to unpredictable activity. YTD includes \$1K from recycling and \$168K for the sale of 50100 Main St property.
- 32. Well Maintenance: This account includes repairs, maintenance, and chemical expenses relating to the District wells. Expenses vary throughout the year. YTD is trending under budget at 7%.
- 33. Security: This account includes the expenses for District alarm phones, security alarms and crime prevention. YTD is trending over budget at 35% due to timing of payments.
- 39. Water Billing System: This account includes the annual water billing system maintenance costs. YTD is trending under budget at 19% due to less maintenance than anticipated.
- 44. Printing & Publications: This account includes printing and publication costs for any District notices or reports. YTD is trending over budget at 56% due to a public notice ad in July.
- 50. Financial Audit: This account includes the costs for the annual financial audit. YTD is trending over budget at 53% due to progress billing for FY 24 audit.
- 60. Shop Supplies & Small Tools: This account includes various shop supply and small tool purchases. YTD is trending over budget at 44% due to a saw and blade purchase in September for \$3.1K.

As of September 30st, the fiscal year-to-date net income is \$307,427.

Capital Detail:

Lines 3-11 Reserve Funded Capital Projects: Projects to be funded by District reserves.

- 3. Meter Replacement: This account is for the Water Meter Replacement Program. YTD activity includes a Nitro I meter purchase for \$1.9K.
- 5. Bonita Vault: This account is for new vault and materials. YTD is over budget due to material purchases of \$44.2K in July being higher than anticipated.
- 10. Well #2 New Facility Building: This account is budgeted for \$30K for FY 25 for a new facility building at Well #2. YTD is over budget at 50% due to purchases of rock and masonry work completed in August, storage container relocation in September for \$2.5K, and hydrant material purchases in September for \$3.6K.

Lines 15-19 Grant/Debt Funded Capital Projects: Projects to be funded by grant/debt revenues.

- 15. Esperanza Waterline Improvements: Includes the Esperanza Waterline project which is expected to be primarily grant funded with the project costing \$359,700 and the grant funding being \$343,700.

- 16. Grant Funding – DWR: Includes grant funding received from the DWR for the isolation valves project and Esperanza Waterline improvement project. Grant reimbursements are invoiced and paid quarterly.
- 18. Groundwater Well Improvements: Includes the Groundwater Well Improvements project, expected to be 100% grant funded. Cash flow relating to grant receipts to be supported by SGPWA Gap Funding.
- 19. Grant Funding – SWRCB: Includes grant funding received from SWRCB for Groundwater Well Improvement projects. Grant reimbursements are invoiced and paid quarterly.

2. Discussion: Miscellaneous District Financial Matters

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ADJOURNMENT

Meeting adjourned at 5:11 PM on Tuesday, October 15, 2024 and the FAC proceeded to check signing.

Sarah Wargo, Board Chair
Board of Directors
Cabazon Water District

Evelyn Aguilar, Secretary
Board of Directors
Cabazon Water District

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MINUTES**

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CALL TO ORDER

PLEDGE OF ALLEGIANCE

REMEMBRANCE OF OUR SERVICE MEN AND WOMEN

ROLL CALL

Director Melissa Carlin - Present
Director Taffy Brock - Present
Director Alan Davis - Absent
Board Vice Chair Terry Tincher - Present
Board Chair Sarah Wargo - Present
Michael Pollack, General Manager - Present
Evelyn Aguilar, Board Secretary - Present

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1. Approval of:

- a. Finance and Audit Committee Meeting Minutes and Warrants of September 17, 2024
- b. Regular Board Meeting Minutes and Warrants of September 17, 2024

Motion to approve following consent calendar items (a.) Finance and Audit Committee Meeting Minutes and Warrants of September 17, 2024 and (b.) Regular Board Meeting Minutes and Warrants of September 17, 2024 made by Director Tincher and 2nd by Director Brock.

Director Carlin - Aye
Director Brock - Aye
Director Davis - Absent
Board Vice Chair Tincher - Aye
Board Chair Wargo - Aye

2. Warrants – None
3. Awards of Contracts – None

NEW BUSINESS

1. Discussion: **Quotes for Water Rates Study**
 - Water Resources Economics
 - IB Consulting
 - Black & Veatch

- At the previous Board meeting, GM Pollack said that he would look into the possibility of performing the rate study in-house, but he learned that this would not be allowed due to Prop 218 regulations.
- This item was postponed for next month, since the scopes of work varied for each consultant.

* This item was tabled for next month.

2. Discussion/Action: **Approval for Well #2 Site Workshop costs**
 - Quotes for new Well #2 Facility Building
 - Request to allow GM to approve concrete and electrical contractors, as long as total project amount does not exceed \$130,000
 - GM Pollack shared that the lowest quote for the building itself was \$51,078.66, but estimates for the additional items (electrical, concrete, etc.) could not be obtained until the building contractor is approved and a full set of plans is received from that contractor.
 - To avoid needing to come back to the Board for each step of this project, the Board discussed allowing the GM to have the authority to approve the costs for this project, even though they will exceed his normal spending limit of \$20,000.

Motion to increase the Well #2 New Facility Building budget account to \$130,000, and give the GM authority to approve contractors for the Well #2 New Facility Building made by Director Tincher and 2nd by Director Carlin.

Director Carlin – Aye
Director Brock – Aye
Director Davis – Absent
Board Vice Chair Tincher – Aye
Board Chair Wargo – Aye

OLD BUSINESS

1. Discussion/Updates: Discussion/Updates with SGPWA Director(s) regarding various matters

- SGPWA Director Duncan said that the SGPWA Board went on a trip to Banning Heights Mutual Water Company to discuss plans for bringing water down the mountain. He also talked about the Backbone Pipeline meeting, mentioning a couple of different options for bringing water to Cabazon.

2. Discussion/Action: Community Involvement

- The Community Center will be having a Harvest Festival on Thursday, October 31. CWD will be donating chips for this event.
- There has been no word on the Truck or Treat.

UPDATES

**1. Update: CWD Operations Report
(by GM Pollack)**

- The Heli-Hydrants funding agreement was approved by the SGPWA Board. The agreement will be going to the County of Riverside Supervisors on 10/29. GM Pollack shared that there is a lack of plans for the attachments from the tanks to the Heli-Hydrants at this time.
- 2 Tank inspections are planned for 2024, and the other 2 are planned for 2025.
- VC3 has submitted a Cybersecurity Grant application for replacement of CWD's 2 servers.
- There were two leak repairs in September. One on Broadway, the other on Bonita.
- The recently required Lead Service Line Inventory list was submitted on 10/10.

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GENERAL MANAGER/BOARD COMMENTS

1. Future Agenda Items

The Board Chair or the majority of the Board may direct staff to investigate and report back to an individual(s) and the Board on matters suggested or direct the General Manager/Board Secretary to place the matter on a future Board meeting.

- **Suggested agenda items from the Public.**
- **Suggested agenda items from Management.**
- **Suggested agenda items from Board Members.**

2. Management Comments

Staff members may speak on items of information not requiring comment or discussion to the Board and public. Topics which may be included on a future meeting agenda may be presented but cannot be discussed. (3 minutes)

3. Board Member Comments

Board members may speak on items of information not requiring comment or discussion to the Board and public. (3 minutes)

MISCELLANEOUS

1. Future Board Items/Next Board Meeting Date(s)

- a. 10/21/2024 (Monday) at 6:00 PM: San Gorgonio Pass Water Agency Meeting
- b. 10/24/2024 (Thursday) at 6:00 PM: West Desert MAC Meeting at the Community Center
- c. 11/04/2024 (Monday) at 1:30 PM: San Gorgonio Pass Water Agency Meeting
- d. 11/18/2024 (Monday) at 6:00 PM: San Gorgonio Pass Water Agency Meeting
- e. 11/19/2024 (Tuesday) at 5:00 PM: Finance & Audit Committee Meeting
- f. 11/19/2024 (Tuesday) at 6:00 PM: Regular Board Meeting
- g. 01/22/2025 (Wednesday) at 5:00 PM: San Gorgonio Pass Regional Water Alliance Committee Meeting
- h. TBD: Community Action Committee at the Cabazon Library
- i. TBD: Personnel Committee Meeting

ADJOURNMENT

Motion to adjourn at 6:51 PM made by Director Carlin and 2nd by Director Brock.

Director Carlin - Aye
Director Brock - Aye
Director Davis - Absent
Board Vice Chair Tincher - Aye
Board Chair Wargo - Aye

Meeting adjourned at 6:52 PM on Tuesday, October 15, 2024

**Sarah Wargo, Board Chair
Board of Directors
Cabazon Water District**

**Evelyn Aguilar, Secretary
Board of Directors
Cabazon Water District**

ADA Compliance Issues

In compliance with the Americans with Disabilities Act & Government Code Section 54954.2, if special assistance is needed to participate in a Board meeting, please contact the Clerk of the Board at (951) 849-4442. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide access.

New Business

1. Discussion/Action Item:

[TAB 1]

Customer Concern - Jennifer Barajas, Aloma Dr.

Attachments:

1. Complaint Form
2. Transaction History with proposed adjustment
3. Work Orders
4. Picture of lawn



Cabazon Water District

P.O. Box 297 - 14618 Broadway Street
Cabazon, California 92230
(951) 849-4442

Customer Account Review Request

Customer Information

Service Address: 50285 Abma dr Date: 11/7/24
Applicant Name: Barajas Jennifer C
Last First M.I.
Account Number: 4-50285JB Date of Water Bill Requesting to Review: September

Description of the Reason for your Request to have your Water Bill Reviewed (ATTACHED ADDITIONAL PAGES IF REQUIRED, PHOTOS, AND SUPPORTING EVIDENCE)

My september bill jumped up alot it happened this year & last year in September after going in & disputing I was told it was probably a misread & was offered a \$1100 off which to me is still not right I refuse to pay a 443.75 water Bill

What is your proposed resolution? (PLEASE SUBMIT YOUR PROPOSAL TO RESOLVE THIS MATTER)

My resolution would be for my bill to be lower then my August bill

Management Response (SEE ATTACHED COPY OF THE RESPONSE FROM MANAGEMENT TO CUSTOMER)

Date of Response to Customer: SP Response made by: _____

Status and Date of offer made to Customer: ACCEPTED: / /
DECLINED: / /
DECLINED/REQUEST for APPEAL to Water Board: / /

Customer Transaction Summary

Customer Information

Account No: 4-50285JB
 JENNIFER BARAJAS
 48881 MAUMEE
 CABAZON, CA 92230-

Location Information

Location No: 7-526122012
 50-285 ALOMA DR.
 CABAZON, CA 92230

Date	Type	More Info	Reading	Usage	Prior Balance	Transaction Amount	Balance
05/08/2024	Payment	CREDIT CARD			99.04	-50.00	49.04
05/21/2024	Penalty				49.04	4.90	53.94
05/21/2024	Interest				53.94	0.74	54.68
05/29/2024	Charge	05/14/2024	72600 0	1400	54.68	105.11	159.79
06/22/2024	Payment	CREDIT CARD			159.79	-100.00	59.79
06/24/2024	Penalty				59.79	5.98	65.77
06/24/2024	Interest				65.77	0.90	66.67
06/26/2024	Charge	06/12/2024	73300 1	700	66.67	51.56	118.23
07/22/2024	Penalty				118.23	5.16	123.39
07/22/2024	Interest				123.39	1.67	125.06
07/30/2024	Charge	07/11/2024	74900 0	1600	125.06	133.17	258.23
08/13/2024	Misc - TAG				258.23	17.00	275.23
08/21/2024	Penalty				275.23	13.32	288.55
08/21/2024	Interest				288.55	3.67	292.22
08/21/2024	Payment	CREDIT CARD			292.22	-192.22	100.00
08/28/2024	Charge	08/12/2024	76100 0	1200	100.00	89.81	189.81
09/23/2024	Penalty				189.81	8.98	198.79
09/23/2024	Interest				198.79	2.34	201.13
09/23/2024	Misc - TAG				201.13	17.00	218.13
09/30/2024	Charge	09/11/2024	79600 1	3500	218.13	399.74	617.87
10/14/2024	Misc - TAG				617.87	17.00	634.87
10/21/2024	Payment	CREDIT CARD			634.87	-235.13	399.74
10/22/2024	Penalty				399.74	38.27	438.01
10/22/2024	Interest				438.01	5.74	443.75
10/29/2024	Charge	10/14/2024	80500 0	900	443.75	66.86	510.61

$$\begin{array}{r}
 3500 \\
 + 900 \\
 \hline
 4400 / 2 = 2200
 \end{array}$$

$$= 217.35$$

\$226.40 Adjustment

Customer Transaction Summary

Customer Information

Account No: 4-50285JB
 JENNIFER BARAJAS
 48881 MAUMEE
 CABAZON, CA 92230-

Location Information

Location No: 7-526122012
 50-285 ALOMA DR.
 CABAZON, CA 92230

Date	Type	More Info	Reading	Usage	Prior Balance	Transaction Amount	Balance
04/10/2023	Misc - 001				0.00	20.00	20.00
04/27/2023	F Charge	04/13/2023	59000 0	0	20.00	35.38	55.38
05/22/2023	Penalty				55.38	3.54	58.92
05/22/2023	Interest				58.92	0.53	59.45
05/30/2023	Charge	05/15/2023	59400 1	400	59.45	43.78	103.23
06/14/2023	Payment	CASH			103.23	-103.23	0.00
06/28/2023	Charge	06/14/2023	59900 0	500	0.00	45.88	45.88
07/03/2023	Payment	CASH			45.88	-45.88	0.00
07/27/2023	Charge	07/12/2023	61600 0	1700	0.00	142.95	142.95
08/21/2023	Penalty				142.95	14.30	157.25
08/21/2023	Interest				157.25	2.14	159.39
08/30/2023	Charge	08/10/2023	63300 0	1700	159.39	142.95	302.34
09/13/2023	Misc - TAG				302.34	17.00	319.34
09/20/2023	Payment	CASH			319.34	-200.00	119.34
09/21/2023	Penalty				119.34	10.23	129.57
09/21/2023	Interest				129.57	1.54	131.11
09/28/2023	Charge	09/11/2023	66300 0	3000	131.11	320.01	451.12
10/16/2023	Misc - TAG				451.12	17.00	468.12
10/22/2023	Payment	CREDIT CARD			468.12	-150.00	318.12
10/23/2023	Penalty				318.12	30.11	348.23
10/23/2023	Interest				348.23	4.52	352.75
10/30/2023	Charge	10/11/2023	67700 0	1400	352.75	102.09	454.84
11/14/2023	Misc - TAG				454.84	17.00	471.84
11/20/2023	Payment	CASH			471.84	-300.00	171.84
11/21/2023	Penalty				171.84	10.21	182.05
11/21/2023	Interest				182.05	1.55	183.60
11/29/2023	Charge	11/09/2023	68500 0	800	183.60	57.51	241.11
12/12/2023	Misc - TAG				241.11	17.00	258.11
12/12/2023	Payment	CREDIT CARD			258.11	-230.11	28.00
12/21/2023	Penalty				28.00	1.10	29.10
12/21/2023	Interest				29.10	0.17	29.27
12/27/2023	Payment	CREDIT CARD			29.27	-29.27	0.00
12/28/2023	Charge	12/11/2023	69100 1	600	0.00	47.98	47.98
12/28/2023	Payment	CREDIT CARD			47.98	-47.98	0.00
01/30/2024	Charge	01/11/2024	69500 0	400	0.00	45.08	45.08
02/21/2024	Penalty				45.08	4.51	49.59
02/21/2024	Interest				49.59	0.68	50.27
02/28/2024	Charge	02/12/2024	70100 1	600	50.27	49.40	99.67
03/21/2024	Penalty				99.67	4.94	104.61
03/21/2024	Interest				104.61	1.42	106.03
03/27/2024	Charge	03/12/2024	70600 0	500	106.03	47.24	153.27
04/16/2024	Misc - TAG				153.27	17.00	170.27
04/19/2024	Payment	CREDIT CARD			170.27	-124.00	46.27
04/22/2024	Penalty				46.27	2.93	49.20
04/22/2024	Interest				49.20	0.44	49.64
04/29/2024	Charge	04/15/2024	71200 1	600	49.64	49.40	99.04

~~399.74~~

182.35 + 36.44

~~218.79~~

180.95

WO Number 00000018499

WO Code & Description: 217 CHANGE OUT METER

INFORMATION ASSIGNED BY OFFICE

NAME: JENNIFER BARAJAS
 SERVICE ID: 7-526122012
 ACCOUNT NO: 4-50285JB
 ROUTE NO: 4 READ SEQ: 00005
 ADDRESS: 50-285 ALOMA DR.
 METER NUMBER: 231993

PHONE NO.: _____
 ISSUE DATE: 10/28/2024
 PROCESS DATE: 10/28/2024
 PROCESS TIME: 10:30 AM
 REQUESTED BY: ellen
 ASSIGNED TO: FLD

Comments:

Change out meter
/ Keep and Bring to office

INFORMATION FROM THE FIELD

OLD METER READING: 79600.00000 OLD METER #: 231993 REMOTE METER #: _____
 NEW METER READING: 808.00 NEW METER #: 232725 SEAL #: _____

Comments:

> Installed new meter.

UTILITY NOTES: _____ PREVIOUS READ: 79600.00000 DATE: 09/11/2024

WORK DONE BY: Clay DATE COMPLETED: 11/10/28/24

Labor Charges			
Position	Rate	Hours	Amount
Total Labor Charges			

Equipment Charges			
Description	Rate	Hours	Amount
Total Equipment Charges			

Material Charges				
Part #	Item	Qty.	Unit Price	Total
Total Material Charges				

Outside Vendor Charges			
Vendor	PO Number	Job Date	Amount
Total Vendor Charges			

Charge Summary	
Labor Charges	
Equipment Charges	
Material Charges	
Vendor Charges	
Total	

WO Number 00000018498

WO Code & Description: 222 ??

INFORMATION ASSIGNED BY OFFICE

NAME: JENNIFER BARAJAS
 SERVICE ID: 7-526122012
 ACCOUNT NO: 4-50285JB
 ROUTE NO: 4 READ SEQ: 00005
 ADDRESS: 50-285 ALOMA DR.
 METER NUMBER: 231993

PHONE NO.: _____
 ISSUE DATE: 10/24/2024
 PROCESS DATE: 10/24/2024
 PROCESS TIME: 03:30 PM
 REQUESTED BY: ELLEN
 ASSIGNED TO: GM

Comments:

HIGH BILL EVERY SEPTEMBER BILL GOES UP CHECK IF SEE ANYTHING ODD. [REDACTED]

INFORMATION FROM THE FIELD

OLD METER READING: 79600.00000 OLD METER #: _____ 231993 REMOTE METER #: _____
 NEW METER READING: 0808 NEW METER #: _____ SEAL #: _____

Comments:

READ CORRECT, NO METER MOVEMENT, SMALL GREEN LAWN IN FRONT (NEW) METER DIFFICULT TO READ

UTILITY NOTES: _____ PREVIOUS READ: 79600.00000 DATE: 09/11/2024
 WORK DONE BY: MIKE DATE COMPLETED: 10-28-24

Labor Charges			
Position	Rate	Hours	Amount
Total Labor Charges			

Equipment Charges			
Description	Rate	Hours	Amount
Total Equipment Charges			

Material Charges				
Part #	Item	Qty.	Unit Price	Total
Total Material Charges				

Outside Vendor Charges			
Vendor	PO Number	Job Date	Amount
Total Vendor Charges			

Charge Summary	
Labor Charges	
Equipment Charges	
Material Charges	
Vendor Charges	
Total	

WO Number 00000018498

WO Code & Description: 222 ??

INFORMATION ASSIGNED BY OFFICE

NAME: JENNIFER BARAJAS
 SERVICE ID: 7-526122012
 ACCOUNT NO: 4-50285JB
 ROUTE NO: 4 READ SEQ: 00005
 ADDRESS: 50-285 ALOMA DR.
 METER NUMBER: 231993

PHONE NO.: _____
 ISSUE DATE: 10/24/2024
 PROCESS DATE: 10/24/2024
 PROCESS TIME: 03:30 PM
 REQUESTED BY: ELLEN
 ASSIGNED TO: GM

Comments:

HIGH BILL EVERY SEPTEMBER BILL GOES UP CHECK IF SEE ANYTHING ODD. [REDACTED]

INFORMATION FROM THE FIELD

OLD METER READING: 80500.00000 OLD METER #: _____ 231993 REMOTE METER #: _____
 NEW METER READING: _____ NEW METER #: _____ SEAL #: _____

Comments:

MIKE CHECKED OUT NOTICED NEW SOD ON FRONT YARD. OWNER STILL WANTS TO GO BOARD, TRIED TO HELP WITH SEPARATING BILLS FOR 2 MONTHS, SENT COMPLAINT FORM

UTILITY NOTES: _____ PREVIOUS READ: 80500.00000 DATE: 10/14/2024

WORK DONE BY: _____ DATE COMPLETED: 10/30/2024

Labor Charges			
Position	Rate	Hours	Amount
Total Labor Charges			

Equipment Charges			
Description	Rate	Hours	Amount
Total Equipment Charges			

Material Charges				
Part #	Item	Qty.	Unit Price	Total
Total Material Charges				

Outside Vendor Charges			
Vendor	PO Number	Job Date	Amount
Total Vendor Charges			

Charge Summary	
Labor Charges	
Equipment Charges	
Material Charges	
Vendor Charges	
Total	

WO Number 00000017465

WO Code & Description: 217 CHANGE OUT METER

INFORMATION ASSIGNED BY OFFICE

NAME: JENNIFER BARAJAS
 SERVICE ID: 7-526122012
 ACCOUNT NO: 4-50285JB
 ROUTE NO: 4 READ SEQ: 00005
 ADDRESS: 50-285 ALOMA DR.
 METER NUMBER: 231993

PHONE NO.: _____
 ISSUE DATE: 08/15/2023
 PROCESS DATE: 08/15/2023
 PROCESS TIME: 09:30 AM
 REQUESTED BY: ELLEN
 ASSIGNED TO: FLD

Comments:

CHANGE OUT METER

INFORMATION FROM THE FIELD

OLD METER READING: 79600.00000 OLD METER #: _____ 231993 REMOTE METER #: _____
 NEW METER READING: _____ NEW METER #: _____ SEAL #: _____

Comments:

NO CHANGE OUT 2014 ZENNER

UTILITY NOTES: _____ PREVIOUS READ: 79600.00000 DATE: 09/11/2024

WORK DONE BY: _____ DATE COMPLETED: 07/13/2023

Labor Charges			
Position	Rate	Hours	Amount
Total Labor Charges			

Equipment Charges			
Description	Rate	Hours	Amount
Total Equipment Charges			

Material Charges				
Part #	Item	Qty.	Unit Price	Total
Total Material Charges				

Outside Vendor Charges			
Vendor	PO Number	Job Date	Amount
Total Vendor Charges			

Charge Summary	
Labor Charges	
Equipment Charges	
Material Charges	
Vendor Charges	
Total	

WO Number 00000017335

WO Code & Description: 201 REREAD

INFORMATION ASSIGNED BY OFFICE

NAME: JENNIFER BARAJAS
 SERVICE ID: 7-526122012
 ACCOUNT NO: 4-50285JB
 ROUTE NO: 4 READ SEQ: 00005
 ADDRESS: 50-285 ALOMA DR.
 METER NUMBER: 231993

PHONE NO.: _____
 ISSUE DATE: 07/13/2023
 PROCESS DATE: 07/13/2023
 PROCESS TIME: 10:00 AM
 REQUESTED BY: ELLEN
 ASSIGNED TO: FLD

Comments:

REREAD HIGH-61600- LEAVE TAG

INFORMATION FROM THE FIELD

OLD METER READING: 79600.00000 OLD METER #: 231993 REMOTE METER #: _____
 NEW METER READING: _____ NEW METER #: _____ SEAL #: _____

Comments:

READ CORRECT- NEW SOD UP FRONT-SPRINKLERS RUNNING AT NOON

UTILITY NOTES: _____ PREVIOUS READ: 79600.00000 DATE: 09/11/2024

WORK DONE BY: _____ DATE COMPLETED: 10/12/1998

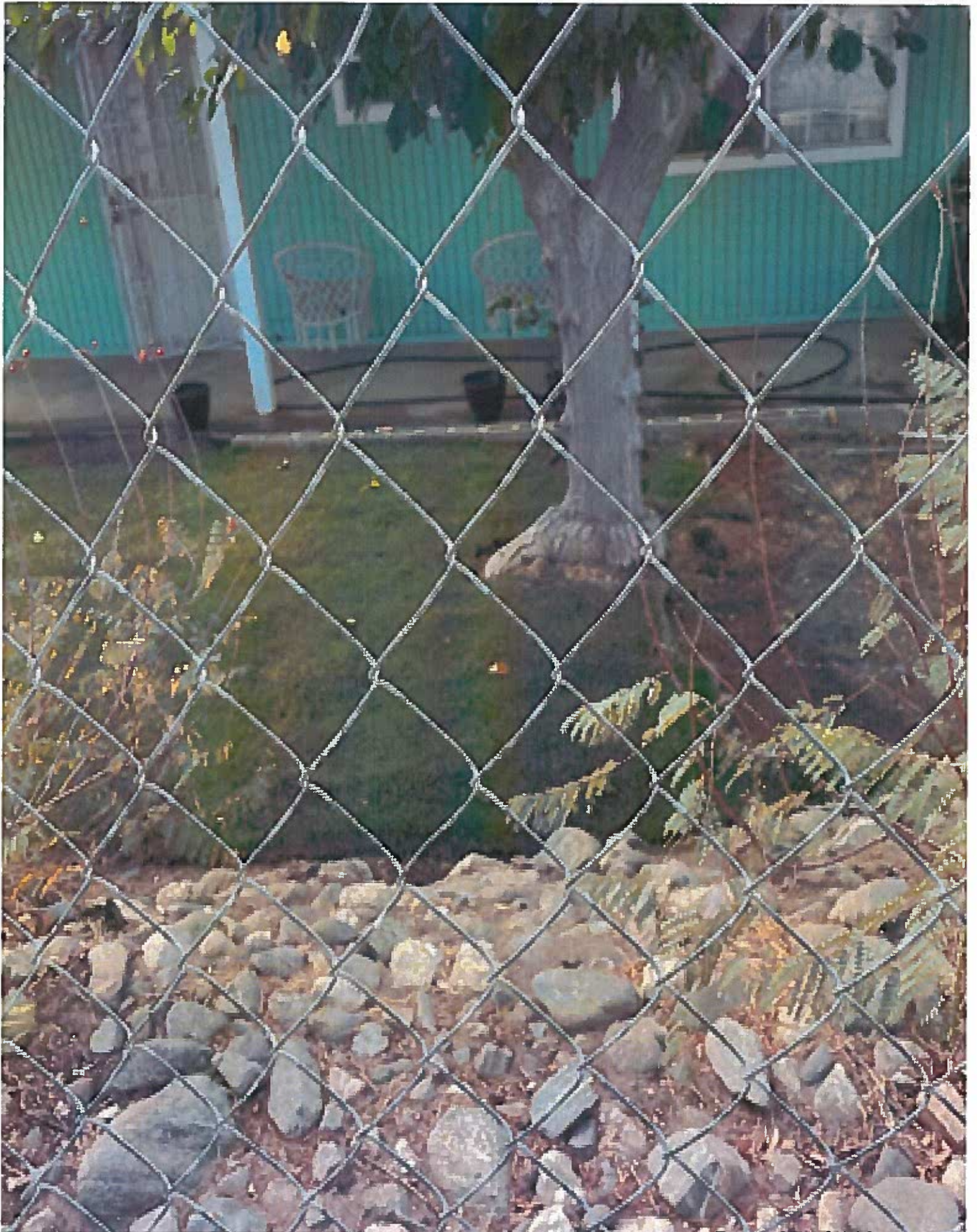
Labor Charges			
Position	Rate	Hours	Amount
Total Labor Charges			

Equipment Charges			
Description	Rate	Hours	Amount
Total Equipment Charges			

Material Charges				
Part #	Item	Qty.	Unit Price	Total
Total Material Charges				

Outside Vendor Charges			
Vendor	PO Number	Job Date	Amount
Total Vendor Charges			

Charge Summary	
Labor Charges	
Equipment Charges	
Material Charges	
Vendor Charges	
Total	



New Business

2. Discussion Item:

[TAB 2]

SGPWA/CWD Heli-Hydrant Sub-Recipient Agreement –
Already approved & executed per Board direction on
February 20, 2024

Attachments:

1. SGPWA/CWD Heli-Hydrant Agreement
2. Heli-Hydrant locations

*Not attached: Riverside County/SGPWA Heli-Hydrant Agreement. Available on District website (cabazonwater.org)

HELI-HYDRANT INSTALLATION AND MAINTENANCE AGREEMENT

This Agreement is made and entered into this 13th day of November, 2024, by and between the San Gorgonio Pass Water Agency (“Agency”) and Cabazon Water District (“Grantee”). Agency and Grantee are herein referred to collectively as the “Parties.”

The purpose of this Agreement is to memorialize a comprehensive arrangement regarding the installation and maintenance of certain “heli-hydrants” (for clarifying purposes, heli-hydrants are open-air water tanks that integrate into already existing hydrants or municipal water systems and acts as a refillable and efficient water source that firefighting helicopters may access to fill their tanks with ease, reliability, and convenience). This Agreement shall nullify all past agreements between the Parties regarding the Project (defined below), if any.

RECITALS

A. Agency was established by the San Gorgonio Pass Water Agency Act of 1961. Agency’s service area of approximately 225 square miles is located in Riverside County and extends from Calimesa to Cabazon, including the incorporated cities of Calimesa, Beaumont, and Banning, and the communities of Cherry Valley, Cabazon, and the Banning Bench.

B. The County of Riverside, a political subdivision of the State of California (“County”), has dedicated a portion of allotted American Rescue Plan Act funds (the “ARPA Funds”) to Agency for the implementation of infrastructure projects and measures to lessen or avert the threat of a natural disaster pursuant to that certain Funding Agreement for San Gorgonio Pass Water Agency Infrastructure Project, dated October 29, 2024 (the “Funding Agreement”).

C. Grantee is a retail water service provider within the Agency’s boundaries and has agreed to construct, own, operate, and maintain two (2) heli-hydrants within its service area (the “Project”) as part of the greater Pass Area Heli-Hydrants System Retrofit Project.

D. Agency has agreed to allocate a portion of the ARPA Funds to Grantee in connection with the Project. Grantee acknowledges and agrees that the funds provided by Agency shall be used exclusively for the Project.

E. It is in the best interest of the water consumers, landowners, and inhabitants within the Parties’ respective service areas that the Parties define their respective responsibilities for the Project’s activities and costs.

F. The Parties hereby desire to delineate their respective rights and obligations regarding the Project’s funding, installation, and ongoing maintenance and operation.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the Parties hereby agree as follows:

AGREEMENT

1. **Incorporation of Recitals.** The recitals of this Agreement are hereby affirmed by the Parties as true and correct and are incorporated herein by this reference.
2. **Funding Agreement.** Grantee expressly agrees to be bound by the terms and conditions of the Funding Agreement, which is attached hereto as *Exhibit A (Tank 1 site @ 50020 Seminole Drive, Cabazon CA 92230, and Tank 3 site @ 15320 Elm Street, Cabazon CA 92230)* and incorporated herein by reference.
3. **Grant.** Subject to receipt of ARPA Funds from County, Agency shall provide Grantee funding in an amount equal to Six Hundred Thousand and 00/100 Dollars (\$600,000.00) for the implementation of the Project (the "Grant"), i.e., the installation of two heli-hydrants within Grantee's service area. Grantee shall not be entitled to nor receive from Agency any additional funding or other type of remuneration for the Project. The Grant is specifically for the Project and makes up the entire amount which Agency has authorized to fund for the Project. If the Project costs Grantee less than the Grant, Grantee shall refund Agency the unused portion within (30) days of the Project's completion.
4. **Term.** The Term of this Agreement shall be from the date of approval of this Agreement until filing of notice of completion for the Project, or on December 31, 2026, whichever is sooner, unless earlier terminated as provided herein.
5. **Ownership.** All heli-hydrant installations installed by Grantee pursuant to this Agreement shall be the property and responsibility of Grantee and shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including, but not limited to all applicable state and federal storm water compliance laws and American Water Works Association ("AWWA") standards.
6. **Pre-Construction.** Before beginning construction, Grantee will acquire all necessary permits, approvals, and agreements as may be required by any federal, state, and local resource or regulatory agencies pertaining to the Project's construction, operation, and maintenance. Grantee will also acquire all property rights, both permanent and temporary, necessary to facilitate the construction and ownership of the Project.
7. **Project: Scope of Work.** Grantee will be solely responsible for completion of all activities associated with the design, implementation, installation and construction of the Project, on or before December 31, 2026, pursuant to the Funding Agreement. Grantee will construct its two heli-hydrants at the locations depicted in *Exhibit B*, which is attached hereto and incorporated by reference. Agency shall bear no responsibility for liability in connection with the implementation, installation, or construction or any future operations and maintenance of the Project. Grantee shall furnish timely reporting and documentation assuring Grantee's compliance with the U.S. Treasury's ARPA 2022 Final rule and ARPA Guidelines (as stated in the 2022 Final Rule of the U.S. Department of the Treasury published in the Federal Register on January 27, 2022, and the 2023 Interim Final Rule published on September 20, 2023), and published ARPA Guidance within the timelines and specifications provided in the Funding Agreement.

8. **Project Signage.** Grantee shall include appropriate acknowledgement of credit to the County for its support when promoting the Project or using any data and/or information developed under this Agreement. Signage shall be posted in a prominent location at Infrastructure Project site(s) and shall include the U.S. Treasury's, and the County's color logos, along with the following disclosure statement: "Funding for this project has been provided [in full or in part] from the American Rescue Plan Act, and through an agreement with the County of Riverside." The Recipient shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Section.

9. **Invoicing and Billing.**

5.1.1 Grantee shall bear any initial costs of the Project itself but shall submit regular quarterly invoices for reimbursement to Agency via e-mail at ttodd@sgpwa.com. Agency shall then timely submit Grantee's invoices to County for reimbursement pursuant to the Funding Agreement. Grantee's final invoice shall be submitted with enough time for the County to reimburse Grantee via Agency prior to December 31, 2026. Agency may, at its discretion, reimburse Grantee from its own funds as it awaits County's reimbursement, in which case Agency would retain County's reimbursement.

5.1.2 Supporting documentation shall accompany each invoice, including, but not limited to, copies of paid receipts and invoices of all Project costs incurred by Grantee.

5.1.3 To ensure compliance with Federal and State regulations, Agency may require additional supporting documentation or clarification of claimed expenses as follows:

5.1.3.1 Agency shall notify Grantee to obtain necessary additional documentation or clarification.

5.1.3.2 Grantee shall respond within three (3) business days with required additional documentation or clarification to avoid disallowances/partial payment of invoice.

5.1.3.3 All invoices containing expenses that need additional documentation or clarification not provided to Agency within three (3) business days of request shall have those expenses disallowed and only the allowed expenses shall be paid.

5.1.3.4 Grantee may resubmit disallowed expenses as a supplemental invoice only and must be accompanied by required documentation.

10. **Failure to Complete Project.** Should it be determined at any time by County, in its sole discretion, that Grantee cannot, will not or is unable to complete the Project in accordance with the applicable State and Federal requirements and the provisions of this Agreement on or before December 31, 2026, then Grantee shall return the entirety of the Award distributed to Grantee for the Project as of the date of notification, within thirty (30) days of notification.

11. CEQA. Grantee agrees to act as the lead agency for compliance with the California Environmental Quality Act (CEQA). Grantee will ensure that all necessary CEQA documentation is completed and approved prior to commencing construction of the Project.

12. Procurement Policy. Grantee agrees to follow all applicable procurement policies and procedures, including, but not limited to, competitive bidding (where required), cost analysis, and maintaining records of all procurement activities, along with any and all federal, state, and local rules and regulations regarding the same.

13. Repair; Replacement; Insurance. Grantee will, at its sole expense, shall be responsible for the maintenance and, when necessary, repair of its heli-hydrants to keep them in good-working condition. Grantee, in its sole discretion, agrees to replace its heli-hydrants when necessary to do so. Grantee shall maintain insurance coverage in amounts sufficient to cover any potential liabilities arising from the construction, maintenance, and operation of the heli-hydrants.

14. Training. Grantee agrees to provide thorough training to all relevant personnel so they may properly and safely operate the heli-hydrants.

15. Indemnification and Hold Harmless. Grantee agrees to indemnify, defend at its own expense including attorneys' fees, and hold Agency harmless from and against all claims, costs, penalties, causes of action, demands, losses, and liability of any nature whatsoever, including, but not limited to, liability for bodily injury, sickness, disease, or death, property damage (including loss of use) or violations of law, caused by or arising out of, or related to the actions, omissions, inactions, neglect or breach of any duty (the "Indemnified Liabilities"). Notwithstanding the foregoing, Indemnified Liabilities shall not include liabilities, obligations, losses, damages, suits, claims, costs, expenses and disbursements to the extent caused by the gross negligence or willful misconduct of Agency.

16. Governing Law. This Agreement shall be governed by California Law.

17. Jurisdiction and Venue. In the event of any legal or equitable proceeding to enforce or interpret the terms and conditions of this Agreement, the parties agree that jurisdiction and venue shall lie only in the state courts in the County of San Bernardino, State of California.

18. Modification. This Agreement may not be altered in whole or in part except by written modification approved by and executed by all Parties to this Agreement.

19. Entire Agreement. This Agreement contains all representations and the entire understanding between the Parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, or agreements, whether or not such correspondence, memoranda or agreements are in conflict with this Agreement, are intended to be replaced in total by this Agreement and its exhibits.

20. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the Parties and on their respective purchasers, successors, heirs and assigns.

21. Unenforceable Provisions. The terms, conditions, and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this Agreement, as so interpreted, is held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and remain enforceable.

22. Representation of Capacity to Contract. Each Party to this Agreement represents and warrants that it has the authority to execute this Agreement on behalf of the entity represented by that individual. This representation is a material term of this Agreement.

23. Opportunity to be Represented by Independent Counsel. Each of the Parties to this Agreement warrants and represents that it has been advised to consult independent counsel of its own choosing and has had a reasonable opportunity to do so prior to executing this Agreement.

24. Interpretation. The terms of this Agreement have been negotiated by the Parties hereto and the language used in this Agreement shall be deemed to be the language chosen by the Parties hereto to express their mutual intent. This Agreement shall be construed without regard to any presumption or rule requiring construction against the Party causing such instrument or any portion thereof to be drafted, or in favor of the Party receiving a particular benefit under the Agreement. No rule of strict construction will be applied against either Party.

25. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement shall not be effective until the execution and delivery between each of the Parties of at least one set of counterparts. The Parties authorize each other to detach and combine original signature pages and consolidate them into a single identical original. Any one of such completely executed counterparts shall be sufficient proof of this Agreement.

26. Funding Agreement. In the event of any ambiguity or conflict between the terms of this Agreement and those of the Funding Agreement, the Funding Agreement shall control.

27. Notices. As used in this Agreement, notice includes but is not limited to the communications of any notice, request, demand, approval, statement, report, acceptance, consent, waiver, and appointment. All notices must be in writing. All such notices from one party to another may be delivered in person, sent via reputable overnight courier, or served by first-class mail, certified or registered, postage prepaid, to each and all of the addresses set forth below.

If to Agency:

San Gorgonio Pass Water Agency
Attn: Lance Eckhart, General Manager
1210 Beaumont Ave.
Beaumont, California 92223
leckhart@sgpwa.com

If to Grantee:

Cabazon Water District
Attn: Michael Pollack
14618 Broadway St.
Cabazon CA 92230
mpollack@cabazonwater.org

IN WITNESS HEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

Agency:

San Geronio Pass Water Agency, a
California public agency

By: _____

Grantee:

By: 

Exhibit B

Heli-Hydrant - Preferred Cabazon Water District Sites



New Business

3. Discussion/Action Item:

[TAB 3]

Water Billing System Upgrade – from CUSI’s CBSW to
UB4

Attachments:

1. Quote for UB4 Upgrade
2. Previous Quote for UMS Upgrade (no longer available.
Included in Board packet to explain where we got the
amount for the FY25 budget)



CONTINENTAL UTILITY SOLUTIONS, INC.

Sales Representative: Mario Trimarchi

P. O. Box 1515

Jonesboro, AR 72403

www.cusi.com

(870) 277-0488

Quote #: mt241113131202

Sales Agreement

November 13, 2024



Cabazon County Water
14618 Broadway Avenue
Cabazon, CA
92230

Evelyn Aguilar
(951) 849-4442
eaguilar@cabazonwater.org



Economic Summary

CUSI Software & Services

Utility Billing Software as a Service

Utility Billing Solution - Implementation Services

Hosting Services

Hardware

Up-Front

Monthly

Annual

\$12,250.00

\$0.00

\$350.00

\$500.00

\$600.00

\$5.00

\$0.00

Total CUSI Software & Services (Billed by CUSI)

\$12,600.00

\$1,105.00

Total Third Party Software & Services (Billed by Providers)

Total Contract

\$12,600.00

\$1,105.00

Billing and Payment Terms

CUSI Up-Front fees shall be invoiced upon contracting. CUSI Software as a Service License fees shall be invoiced upon provisioning of the hosted environment and annually thereafter. CUSI Cloud Hosting Service fees shall be invoiced upon activation of the hosted environment and annually thereafter. Any Software as a Service License fees purchased after initial Go Live shall be invoiced upon contracting. All invoices shall be delivered electronically on or before the first of the month in which payment is due. Company shall remit payment 15 days from date of invoice.

Initial Contract Term: 5 Years Software as a Service and Cloud Hosting Service.



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Sales Representative: Mario Trimarchi

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eaguilar@cabazonwater.org

UB4 Utility Billing Software as a Service - Monthly Fees		Monthly
2,430 Service Location Licenses	\$0.12	\$291.60
3 Named User Licenses	\$52.00	\$156.00
UB4 Utility Billing Software Core Modules & Interfaces		Included
1 ACH Bank Draft (First Layout Included)		
1 Lockbox Layout (First Layout Included)		
1 Electronic Payment Module		
1 Credit Card Terminal Interface		
1 Website API - Customer Web Portal		
Standard Flat File Data Exchange Interfaces		Monthly
1 Bank Check Elimination Interface - Vanco	\$52.00	\$52.00
UB4 SaaS Monthly Minimum Adjustment		Monthly
UB4 SaaS Monthly Minimum Adjustment		\$0.40

Sales Agreement November 13, 2024



Cabazon County Water
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92230

Evelyn Aguilar
(951) 849-4442
eaguilar@cabazonwater.org

UB4 Utility Billing Software Implementation Services

<p>1 Advanced Data Conversion Package for up to 1,500 locations* Includes 1 year data conversion of customers, locations, usages, readings, deposits, meter information, owner records and backflow data. *Complete data must be provided in a ASCII, delimited, or SQL format. Data extraction and data cleanup will be invoiced based upon time and effort at CUSI current services rate. CUSI will invoice client the greater of the number of service locations provided in this Sales Agreement or the actual number of service locations converted.</p>	\$1.50	\$2,250.00
<p>1 CUSI Certified Implementation Includes Business Requirements Gathering, Application Implementation, Installation, Setup, Formatting, Testing, Transition Support, & Project Management</p>	\$6,000.00	\$6,000.00
<p>2 Days of CUSI Certified Training Includes application training for all users as contracted Any and all unused training days will expire 6 months after Go Live</p>	\$2,000.00	\$4,000.00

Travel expenses for on-site work will be billed separately.



CONTINENTAL UTILITY SOLUTIONS, INC.

Sales Representative: Mario Trimarchi

P. O. Box 1515
Jonesboro, AR 72403

www.cusi.com

(870) 277-0488

Quote #: mt241113131202

November 13, 2024

Sales Agreement



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eaguilar@cabazonwater.org



Economic Summary

UB4 Utility Billing Software as a Service - Monthly Fees	\$499.60
UB4 SaaS Monthly Minimum Adjustment	\$0.40
UB4 Utility Billing Software Implementation Services	\$12,250.00



Comments

This contract has discounted services and reduced training days assuming that Cabazon County Water will use CUSI Academy, Webinars, and will not require new business



CONTINENTAL UTILITY SOLUTIONS, INC.

Sales Representative: Mario Trimarchi

P. O. Box 1515

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(870) 277-0488

Quote #: mt241113131202

November 13, 2024

Sales Agreement



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(951) 849-4442
eaguilar@cabazonwater.org

Hosting Services

UB4 Hosted Environment		Monthly
1 UB4 Hosted Environment	\$600.00	\$600.00

Service Term - Five-year

CUSI's hosting services rates are subject to periodic review. Any change in rates will be communicated to the client in writing 30 days prior to the change going into effect.

It is understood that all software license commitments will be equal to or greater than any cloud hosting service commitments as defined above.



Economic Summary

UB4 Hosted Environment	\$600.00
Total	\$600.00



CONTINENTAL UTILITY SOLUTIONS, INC.

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Quote #: mt241113131202

November 13, 2024

Sales Agreement



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eaguilar@cabazonwater.org

Hardware

1 Bluefin PAX A80 EMV Credit Card Terminal	\$350.00	\$350.00
Monthly Device Fee	\$5.00	per device
P2P Encryption Fee	\$0.05	per trans
<i>If Turnkey Merchant Services, device and encryption fees are covered by CUSI</i>		



Economic Summary

Hardware	\$350.00
Total	\$350.00

Sales Agreement

November 13, 2024



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92230

Evelyn Aguilar
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eaguilar@cabazonwater.org



Terms of Sale

Company has ordered and agrees to purchase from CUSI the products and services defined under this Sales Agreement at the listed quantities and rates. Upon receipt of an executed Sales Agreement CUSI shall ship all products to the Company address and contact defined above and services shall be scheduled and initiated. Company acknowledges that CUSI's products and services are subject to the terms and conditions of a separate Software License Agreements and Services Agreements between Company and CUSI located at www.cusi.com/legal. Monthly or yearly rates for services provided by CUSI or third parties may be subject to price increases with or without notice. Any service requiring CUSI or third parties to travel will incur corresponding expenses that will be billed actual as incurred unless otherwise noted. Travel requiring more than 5 hours of travel time will be billed an additional charge equal to 50% of the daily rate. If Company is not tax exempt or does not provide exemption documentation, CUSI shall invoice for such applicable taxes on each invoice. In the event the tax exemption documentation provided by the Company is disallowed or deemed invalid, Company agrees to pay in full all such taxes, including any applicable interest or penalties.

CUSI's hosting services rates are subject to periodic review. Any change in rates will be communicated to the client in writing 30 days prior to the change going into effect. Future purchases of incremental software licenses, add on modules and add on interfaces are subject to an adjustment of the software as a service rate and will take effect the month following installation and configuration of such license. Any adjustments to the software as a service rate will be documented in a Sales Agreement subject to final execution by client. In the event that Company terminates any products and services under this Sales Agreement other than for CUSI's material breach of the applicable Agreement at www.cusi.com/legal, Company shall pay all Hosting Fees for the

Quotation Terms

This quote is valid until 12/13/2024. Quote was created using Sales Agreement Version: 2024.06.17

Execution Instructions

Execute, date, and email all pages to sales representative.



CONTINENTAL UTILITY SOLUTIONS, INC.

Sales Representative: Mario Trimarchi

P. O. Box 1515

Jonesboro, AR 72403

www.cusi.com

(870) 277-0488

Quote #: mt241113131202

November 13, 2024

Sales Agreement



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Cabazon, CA
92230

Evelyn Aguilar
(951) 849-4442
eaguilar@cabazonwater.org



Purchaser Authorization

I certify that as the person signing this form I have purchasing authority for Cabazon County Water.

Tax Exempt Status

Initial where appropriate:

This entity **IS EXEMPT** from sales tax and will provide or has provided our exemption certificate

This entity **IS NOT EXEMPT** from sales tax

Print Name:

Title:

Authorized Signature:

Date:



CONTINENTAL UTILITY SOLUTIONS, INC.

Sales Representative: Neil Mathes

P. O. Box 1515

Jonesboro, AR 72403

www.cusi.com

(870) 336-2220

Quote #: nm240313100251

Sales Agreement

March 13, 2024



Cabazon County Water
14618 Broadway Avenue
Cabazon, CA
92230

Evelyn Aguilar
(951) 849-4442
eaguilar@cabazonwater.org



Economic Summary

Utility Billing Solution
Hardware

	Up-Front	Monthly	Annual
Utility Billing Solution	\$29,050.00		\$3,500.00
Hardware	\$350.00	\$5.00	
Total	\$29,400.00		\$3,500.00

Billing and Payment Terms

CUSI Up-Front fees shall be invoiced upon contracting. Company shall remit payment 15 days from date of invoice.

Sales Agreement March 13, 2024



Cabazon County Water
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92230

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(951) 849-4442
eaguilar@cabazonwater.org

UMS On-Premise Utility Billing Software

3,000 Service Location Licenses	\$2.50	\$7,500.00
3 Named User Licenses	\$1,000.00	\$3,000.00

UMS On-Premise Utility Billing Software Core Modules & Interfaces

- 1 ACH Bank Draft (First Layout Included)
- 1 Lockbox Layout (First Layout Included)
- 1 Electronic Payment Module
- 1 Credit Card Terminal Interface
- 1 Website API - Customer Web Portal

Standard Flat File Data Exchange Interfaces

1 Bank Check Elimination Interface - Vanco	\$2,000.00	\$2,000.00
--	------------	------------

Technical Support & Maintenance - Annual Service

Annual Technical Support & Maintenance: 800 Line Voice, Online, Email Support, Client Services Website, Application Updates		\$3,500.00
--	--	------------

Sales Agreement March 13, 2024



Cabazon County Water
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Cabazon, CA
92230

Evelyn Aguilar
(951) 849-4442
eaguilar@cabazonwater.org

UMS On-Premise Implementation Services

<p>1 Advanced Data Conversion Package for up to 3,000 locations* Includes 1 year data conversion of customers, locations, usages, readings, deposits, meter information, owner records and backflow data. <small>*Complete data must be provided in a ASCII, delimited, or SQL format. Data extraction and data cleanup will be invoiced based upon time and effort at CUSI current services rate. CUSI will invoice client the greater of the number of service locations provided in this Sales Agreement or the actual number of service locations converted.</small></p>	\$1.50	\$4,500.00
<p>1 CUSI Certified Implementation Includes Business Requirements Gathering, Application Implementation, Installation, Setup, Formatting, Testing, Transition Support, & Project Management</p>	\$6,000.00	\$6,000.00
<p>2 Days of CUSI Certified Training Includes application training for all users as contracted Any and all unused training days will expire 6 months after Go Live</p>	\$2,000.00	\$4,000.00

Travel expenses for on-site work will be billed separately.

Sales Agreement

March 13, 2024



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eaguilar@cabazonwater.org



Economic Summary

UMS On-Premise Utility Billing Software	\$12,500.00
Technical Support & Maintenance - Annual Service	\$3,500.00
UMS On-Premise Implementation Services	\$14,500.00
<i>2023 CBSW to UMS Services Discount</i>	<i>-\$1,450.00</i>
Total	<u><u>\$29,050.00</u></u>



Comments

This contract has discounted services and reduced training days assuming that Cabazon County Water will use CUSI Academy, Webinars, and will not require new business requirements.



CONTINENTAL UTILITY SOLUTIONS, INC.

Sales Representative: Neil Mathes

P. O. Box 1515

Jonesboro, AR 72403

www.cusi.com

(870) 336-2220

Quote #: nm240313100251

March 13, 2024

Sales Agreement



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Evelyn Aguilar
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eaguilar@cabazonwater.org

Hardware

1 Bluefin PAX A80 EMV Credit Card Terminal	\$350.00	\$350.00
<i>Monthly Device Fee</i>	\$5.00	per device
<i>P2P Encryption Fee</i>	\$0.05	per trans
<i>If Turnkey Merchant Services, device and encryption fees are covered by CUSI</i>		



Economic Summary

Hardware	\$350.00
Total	\$350.00



CONTINENTAL UTILITY SOLUTIONS, INC.

Sales Representative: Neil Mathes

P. O. Box 1515

Jonesboro, AR 72403

www.cusi.com

(870) 336-2220

Quote #: nm240313100251

March 13, 2024

Sales Agreement



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Terms of Sale

Company has ordered and agrees to purchase from CUSI the products and services defined under this Sales Agreement at the listed quantities and rates. Upon receipt of an executed Sales Agreement CUSI shall ship all products to the Company address and contact defined above and services shall be scheduled and initiated. Company acknowledges that CUSI's products and services are subject to the terms and conditions of a separate Software License Agreements and Services Agreements between Company and CUSI located at www.cusi.com/legal. Monthly or yearly rates for services provided by CUSI or third parties may be subject to price increases with or without notice. Any service requiring CUSI or third parties to travel will incur corresponding expenses that will be billed actual as incurred unless otherwise noted. Travel requiring more than 5 hours of travel time will be billed an additional charge equal to 50% of the daily rate. If Company is not tax exempt or does not provide exemption documentation, CUSI shall invoice for such applicable taxes on each invoice. In the event the tax exemption documentation provided by the Company is disallowed or deemed invalid, Company agrees to pay in full all such taxes, including any applicable interest or penalties.

Quotation Terms

This quote is valid until 04/12/2024. Quote was created using Sales Agreement Version: 2024.01.22

Execution Instructions

Execute, date, and email all pages to sales representative.



CONTINENTAL UTILITY SOLUTIONS, INC.

Sales Representative: Neil Mathes

P. O. Box 1515

Jonesboro, AR 72403

www.cusi.com

(870) 336-2220

Quote #: nm240313100251

March 13, 2024

Sales Agreement



Cabazon County Water
14618 Broadway Avenue
Cabazon, CA
92230

Evelyn Aguilar
(951) 849-4442
eaguilar@cabazonwater.org



Purchaser Authorization

I certify that as the person signing this form I have purchasing authority for Cabazon County Water.

Tax Exempt Status

Initial where appropriate:

This entity **IS EXEMPT** from sales tax and will provide or has provided our exemption certificate

This entity **IS NOT EXEMPT** from sales tax

Print Name:

Title:

Authorized Signature:

Date:

New Business

4. Discussion/Action Item:

[TAB 4]

Best Best & Krieger's ACWA Fall Conference –
December 4, 6 PM

Attachments:

1. RSVP Form with Event Information



ACWA Conference Dinner RSVP Form

Hosted by BBK and WEBB

When:

Wednesday, December 4 | 6 pm

Where:

Wally's Desert Turtle
71775 Highway 111
Rancho Mirage, CA 92270

If registering multiple guests, please populate an RSVP for each attendee or you may email events@bbklaw.com.

RSVP *

- Yes, I will attend
- No, I am unable to attend

First name *

Last name *

Agency *

Title *

Email *

Old Business

2. Discussion/Action Item:

[TAB 5]

Quotes for Water Rates Study

Attachments:

1. Eide Bailly's Recommendation Breakdown
2. Water Resources Economics Quote
3. IB Consulting Quote
4. Black & Veatch Quote

*All quotes were revised from last month to include similar scopes of work.

	Water Resources Economic	IB Consulting	Black & Veatch
Total Hours	188	206	140
Remote Meetings	10	6	10
In Person Meetings	2	2	2
Experience	Excellent		Average
Board Presentation	Remote attendance		
Prop 218 hearing	Remote attendance		Extra costs
Prop 218 assistance	Yes		Extra costs
Cost	\$ 47,543.00	\$ 53,443.00	\$ 42,090.00
Highest Hrly Rate	\$ 325.00	\$ 240.00	\$ 395.00
Lowest Hrly Rate	\$ 210.00	\$ 200.00	\$ 205.00
Average Cost Per Hour	\$ 252.89	\$ 259.43	\$ 300.64
References	Excellent	Not included, however, Cindy has called their reference for another project and they were very good.	Average
Notes			Doesn't list hours by person
			Doesn't even list total hours
			Only 3 meetings means change orders

Water Resources Economics, LLC



**Water Resources
Economics**

PROMOTING THE VALUE AND PRICE OF
WATER SERVICE

**Proposal for:
CABAZON WATER DISTRICT
WATER RATE STUDY**

Submitted by:

Water Resources Economics, LLC
10830 Pickford Way
Culver City, CA 90230
Sanjay Gaur, Founder/President
Phone: (213) 327-4405
Email: sgaur@water-economics.com

Sanjay Gaur
Founder/President
Water Resources Economics, LLC
10830 Pickford Way
Culver City, CA 90230

October 17, 2024

Michael Pollack
General Manager
Cabazon Water District
14618 Broadway
Cabazon, CA 92230

Subject: Proposal for Water Rate Study

Dear Mr. Pollack,

Water Resources Economics, LLC (WRE) is pleased to submit this proposal to the Cabazon Water District (District) to conduct a Water Rate Study. The District is seeking a consultant who is considered an expert in conducting water rate studies in California and understands the challenges agencies face in adopting rates. WRE is well-qualified to provide this service.

I have conducted hundreds of water and wastewater rate studies over the last 25 years throughout California and am an expert in developing rates that can withstand different financial and legal challenges. Through this experience I have developed a comprehensive understanding of the various technical, political, and regulatory standards associated with developing and adopting water rates in California. I have attached my resume showing the agencies I have worked with, along with numerous published articles I have authored on this subject. I am assisted at WRE by Hannah Phan, Nancy Phan, and Charles Diamond. All three of these individuals have at least seven years of consulting experience providing financial planning and rate-setting services to numerous water and wastewater utilities in California.

It would be my pleasure to assist the District on this important project. If you have any questions, please contact me at 213-327-4405 or by email at sgaur@water-economics.com.

Sincerely,



Sanjay Gaur
Founder/President

Proposal for Water Rate Study

Cabazon Water District






PROPOSAL CONTENTS

- 1. Water Resources Economics Overview 1
- 2. Proposed Scope of Services 4
- 3. Cost Proposal 8
- 4. References 9
- 5. Project Management and Quality Control 12
- 6. Resumes..... 13

1. WATER RESOURCES ECONOMICS OVERVIEW

Firm Overview and Proposed Project Team

Water Resources Economics, LLC (WRE) is a micro business founded and owned by Sanjay Gaur that specializes in conducting cost-of-service rate studies and capacity fee studies for water and wastewater utilities in California. WRE currently consists of five team members. Sanjay Gaur, Charles Diamond, and Eliah Mountjoy are based in Los Angeles and Hannah Phan and Nancy Phan are based in Seattle. Mr. Gaur, as Project Manager, will ultimately be responsible for the success of the study. Either Hannah Phan, Nancy Phan, or Charles Diamond will provide key support throughout the study as a Project Analyst. Please refer to our resumes in Section 6 for detailed qualifications.

<u>Financial Consultants</u>	<u>Subject Matter Experts</u>
 <p>Sanjay Gaur Founder/President <i>(25+ years experience)</i></p>	 <p>Eliah Mountjoy Public Outreach & Communications Expert <i>(15+ years experience)</i></p>
 <p>Hannah Phan Principal Consultant <i>(17 years experience)</i></p>	
 <p>Nancy Phan Principal Consultant <i>(8 years experience)</i></p>	
 <p>Charles Diamond Principal Consultant <i>(7 years experience)</i></p>	

Recent Water Rate Study Experience

The proposed WRE project team has a proven track record of successfully completing water rate studies for public agencies in California. Through our experience, we have learned firsthand how to ensure successful rate adoption and have developed strategies to build and maintain support from elected officials and interested stakeholders. The table on the following pages provides a partial list of California water agencies that the proposed project team has conducted water rate studies for. Please also refer to our references in Section 4 for more detailed descriptions of a few representative studies.

Proposal for Water Rate Study
Cabazon Water District

RECENT WATER RATE STUDY EXPERIENCE IN CALIFORNIA

#	Agency
1	Alameda County Water District
2	Antelope Valley-East Kern Water Agency
3	Borrego Water District
4	City of Brentwood (Northern California)
5	Burbank Water & Power
6	City of Calexico
7	City of Camarillo
8	City of Chino
9	City of Chowchilla
10	Coastside County Water District
11	Contra Costa Water District
12	City of Corona
13	Cucamonga Valley Water District
14	City of Dixon
15	East Bay Municipal Utility District
16	Eastern Municipal Utility District
17	East Orange County Water District
18	City of El Monte
19	El Toro Water District
20	Elsinore Valley Municipal Water District
21	City of Escondido
22	Fallbrook Public Utilities District
23	City of Glendora
24	Goleta Water District
25	City of Gridley
26	Helix Water District
27	Hi-Desert Water District
28	Imperial County Gateway County Service Area
29	City of Hollister
30	City of Huntington Beach
31	Indio Water Authority
32	Inyo County Water Department
33	Jurupa Community Services District
34	La Cañada Irrigation District
35	Las Virgenes Municipal Water District
36	La Puente Valley County Water District
37	City of Lincoln
38	City of Livermore
39	City of Livingston
40	City of Long Beach
41	Los Alamos Community Services District

Proposal for Water Rate Study

Cabazon Water District

#	Agency
42	Mammoth Community Water District
43	City of Merced
44	Mesa Consolidated Water District
45	Municipal Water District of Orange County
46	City of Newport Beach
47	Olivenhain Municipal Water District
48	City of Palo Alto
49	Pasadena Water and Power
50	Pico Water District
51	Placer County Water Agency
52	Rancho California Water District
53	City of Pomona
54	City of Port Hueneme
55	City of Orange
56	City of Rio Vista
57	Sacramento Suburban Water District
58	San Benito County Water District
59	City of San Clemente
60	San Francisco Public Utilities Commission
61	City of San Juan Capistrano
62	Santa Clarita Valley Water District
63	City of Santa Cruz
64	Scotts Valley Water District
65	City of Shasta Lake
66	City of Sierra Madre
67	City of Signal Hill
68	City of Simi Valley
69	Soquel Creek Water District
70	South Mesa Water Company
71	Sunnyslope County Water District
72	Temescal Valley Water District
73	Trabuco Canyon Water District
74	City of Thousand Oaks
75	City of Ventura
76	Walnut Valley Water District
77	City of Watsonville
78	Western Municipal Water District
79	Yorba Linda Water District
80	Zone 7 Water Agency

2. PROPOSED SCOPE OF SERVICES

Based on our experience conducting water rate studies for numerous public agencies in California, we believe that the tasks outlined below appropriately align with the District’s study objectives and will help ensure a successful outcome.

Task 1: Project Initiation & Management

PROJECT KICKOFF

WRE will conduct a virtual kickoff meeting with District staff to review the financial, legal, and political landscape of adopting water rates in California. In advance of the kickoff meeting, WRE will provide a detailed data request list to District staff describing data items needed to conduct the study. Topics to be discussed during the kickoff meeting include the scope of services, the District’s existing water rates, the project schedule, project roles and responsibilities, the data request list, and any other concerns that District staff may have. WRE will provide draft meeting minutes to District staff for review after the kickoff meeting.

PROJECT MANAGEMENT

Task 1 also includes ongoing project management duties throughout the course of the study. Sanjay Gaur, in the role of Project Manager, will be ultimately accountable for the successful execution of the proposed scope of work. To adhere to the project schedule, the WRE team will work to schedule meetings with District staff well in advance of the target meeting date and will follow up regularly with District staff regarding outstanding action items. If requested by District staff, WRE will also provide short progress reports on a regular basis and provide updated project schedules if and when changes to the proposed schedule are necessitated.

Meetings: One virtual kickoff meeting with District staff

Deliverables: Data request list in Microsoft Word, kickoff meeting presentation in Microsoft PowerPoint, kickoff meeting minutes in Microsoft Word

Task 2: Financial Plan Development

WRE will create a Microsoft Excel-based financial plan model to assess the financial health of the District. We will evaluate the level of revenue adjustments required to ensure long-term fiscal sustainability. WRE will work with District staff to forecast expenses and revenue requirements over a five-year (or ten-year, if desired) planning horizon. Projecting revenue adjustments over a multi-year planning horizon illustrates future rate impacts and potential challenges to the District’s financial health so it can plan expenses, monitor reserve balances, and/or schedule capital projects to smooth rate impacts. We strive for smooth revenue adjustments and minimal rate impacts while achieving long-term revenue goals. For example, strategic timing of capital expenditures and the use of reserve funds can help mitigate rate fluctuations. As part of the financial plan, we will review the District’s existing reserve targets (if applicable) and evaluate the potential need for recommended changes. Additionally, the

Proposal for Water Rate Study

Cabazon Water District

financial plan will account for District-specific factors relating to substantial planned well and reservoir capital projects in the near term, as well as other considerations.

WRE understands the importance of developing a user-friendly, flexible Excel-based model that District staff can use for future financial planning. All our models include a financial plan dashboard as a standard feature with the following:

- Flexibility to change many assumptions such as CIP levels and the magnitude and timing of revenue adjustments
- Error flagging of problematic results such as failure to meet debt coverage, below target reserves, etc.
- Sensitivity analyses and various “what-if” scenario assessments, so that impacts can be viewed instantaneously with built-in screen graphics

The financial plan dashboard is an effective tool to visually assess how each assumption or scenario impacts the financial plan so that decisions regarding revenue adjustments, capital project financing, and reserve balances can be made efficiently. WRE will hold up to four virtual meetings with District staff to review assumptions and finalize the proposed financial plan to be used to calculate rates. The ultimate goal of the financial plan task is to quantify the total annual water rate revenue requirement over the multi-year rate-setting period.

Meetings: Four virtual meetings with District staff

Deliverables: Meeting presentations in Microsoft PowerPoint, financial plan model in Microsoft Excel

Task 3: Cost-of-Service Analysis

The cost-of-service analysis task provides the defensibility needed for water rates to meet Proposition 218 requirements. Our cost-of-service analysis will be based on industry standards and methodologies consistent with the *M1 Principles of Water Rates, Fees, and Charges, Seventh Edition* manual published by AWWA. Cost allocations will be based on the AWWA-approved Base-Extra Capacity method, which focuses on different usage patterns (or peaking factors). The cost-of-service analysis will allocate the total rate revenue requirement to various “cost causation components” and then to customer classes in proportion to use of and burden on the District’s water system. This ensures that customers will be charged commensurate with the cost incurred by the District to provide water service. WRE will hold up to two virtual meetings with District staff to discuss the cost-of-service analysis.

Meetings: Two virtual meetings with District staff to review the cost-of-service analysis

Deliverables: Meeting presentations in Microsoft PowerPoint, cost-of-service analysis in Microsoft Excel

Proposal for Water Rate Study

Cabazon Water District

Task 4: Rate Design

WATER RATE STRUCTURE EVALUATION

The first step in the rate development process is to evaluate the existing rate structure and to identify potential changes for consideration. The District's existing rate structure includes two primary charges: 1) fixed meter charges based on water meter size and 2) commodity charges per unit of water delivered. The District currently has a three-tier commodity charge rate structure in place for single family residential customers and a uniform rate structure for all other customer classes. WRE will work closely with District staff to evaluate the appropriateness of the existing rate structure and recommend potential changes for consideration based on District-specific policy objectives.

WATER RATE MODEL

WRE will develop an Excel-based water rate model, which will be used to calculate proposed water rates based on the rate revenue requirement determination in Task 2 and cost-of-service allocations in Task 3. The model will be set up to calculate proposed rates based on the selected rate structure option previously identified in Task 4. The water rate model will include sample water bill impacts to compare current versus proposed bills for representative customers. Preliminary water rates will be reviewed with District staff during up to two virtual meetings. WRE will refine the preliminary rate calculations based on feedback received from District staff during each virtual meeting.

Meetings: Two virtual meetings with the District staff

Deliverables: Water rate model in Microsoft Excel

Task 5: Report Development

WRE will draft a detailed rate study report that presents the proposed rates developed in Task 4. The report will highlight the major decisions reached during the rate development process. It will provide detailed explanations of the financial plan projections, cost-of-service analysis, and proposed rate calculations. The report will serve as the District's administrative record to meet Proposition 218 requirements. District staff and legal counsel will review and provide input on the draft report, which WRE will incorporate into a final report version. If necessary, WRE will schedule up to one virtual meeting with District staff and legal counsel to discuss comments and feedback on the draft report.

Meetings: Up to one virtual meeting with District staff

Deliverables: Draft and final report in Microsoft Word and/or PDF format

Task 6: Public Meeting Support

BOARD MEETING TO PRESENT PROPOSED RATES

WRE will attend in person and present the proposed rate study results at a regularly scheduled Board Meeting. District staff will have the opportunity to review and request changes to WRE's

Proposal for Water Rate Study

Cabazon Water District

PowerPoint presentation in advance of the meeting. WRE's presentation will include a discussion of the financial plan projections, cost-of-service analysis, and rate design process. WRE will be prepared to answer any questions that the Board of Directors may have. The goal of the meeting will be to seek authorization from the Board to proceed with the Proposition 218 rate adoption process, which requires the mailing of notices to all District customers no fewer than 45 days prior to a scheduled public hearing.

PROPOSITION 218 PUBLIC HEARING TO ADOPT PROPOSED RATES

WRE will attend the Proposition 218 public hearing in person and be available to answer any questions from the District's Board of Directors or the public that may arise during the public hearing. If requested by District staff, WRE can also prepare a PowerPoint presentation and present a summary of the rate study results at the public hearing. In addition, WRE will provide guidance on how to conduct the public hearing based on best practices and past experiences with other public water agencies in California. The goal of the meeting will be for the Board to affirmatively vote to adopt the proposed rates.

Meetings: One Board Meeting (WRE to attend in person), one Proposition 218 public hearing (WRE to attend in person)

Deliverables: Meeting presentations in Microsoft PowerPoint

Proposal for Water Rate Study

Cabazon Water District

3. COST PROPOSAL

WRE proposes to complete the proposed scope of services based on the fee table shown below, with a not-to-exceed value of \$47,543. WRE will invoice the District based on time and materials. Sanjay Gaur will serve as the Project Manager with an hourly billing rate of \$325 per hour. Either Hannah Phan, Nancy Phan, or Charles Diamond will serve as the Project Analyst with an hourly billing rate of \$210 per hour. Reimbursable expenses for Sanjay Gaur to travel from Culver City to Cabazon for in-person meetings are estimated at \$164 per meeting, and cover personal vehicle use (based on the federal reimbursement rate of 67 cents per mile) and meals in transit.

Task	No. of Meetings		Billable Hours		Proposed Cost		
	Virtual Meetings	In-person Meetings	Project Manager	Project Analyst	Reimbursable Expenses	Consultant Fees	Total Cost
Task 1: Project Initiation & Management	1	0	5	5	\$0	\$2,675	\$2,675
Task 2: Financial Plan Development	4	0	8	45	\$0	\$12,050	\$12,050
Task 3: Cost-of-Service Analysis	2	0	4	20	\$0	\$5,500	\$5,500
Task 4: Rate Design	2	0	8	30	\$0	\$8,900	\$8,900
Task 5: Report Development	1	0	8	45	\$0	\$12,050	\$12,050
Task 6: Public Meeting Support	0	2	16	4	\$328	\$6,040	\$6,368
Total	10	2	49	149	\$328	\$47,215	\$47,543

Fee Details

Hourly Billing Rate - Project Manager: \$325

Hourly Billing Rate - Project Analyst: \$210

Reimbursable Expenses per In-person Meeting: \$164

4. REFERENCES

City of Santa Cruz

Rosemary Menard, Water Director
Santa Cruz Water Department
RMenard@cityofsantacruz.com
(831) 420-5205

Mr. Gaur has assisted Santa Cruz Water Department since 2010. The City of Santa Cruz’s water use is one of the lowest in the United States. In addition, community members understand the scarcity of water and are sensitive to affordability concerns for low-end water users. Community members are active and demand that the water rates reflect these values. However, this translates into revenue instability for the water enterprise, especially during water rationing in drought conditions. In addition, the water enterprise is undergoing an intensive capital refurbishment plan over the next 10 years. Water enterprise needs to issue debt and needs to show the rating agencies that they can meet these future obligations, especially given that 90% of the revenue is dependent on water sales. Mr. Gaur has successfully assisted the Water Department in meeting both goals, having water rates that reflect water scarcity and promote affordability, while demonstrating to the bond market it can meet future obligations. Mr. Gaur has successfully had the City adopt a five-year rate schedule, drought rates, and capacity fees.

Quote from Ms. Menard:

I have had several opportunities to work with Sanjay Gaur on utility financial planning over the last eight years and I greatly appreciate his comprehensive knowledge of utility financial planning and rate-making principles and practices. He works collaboratively with his clients, understands the difference between analysis and policy decisions, and facilitates effective engagement of utility staff, governing board policy makers, and community interests in financial planning and rate-making processes. Working with Sanjay is a strategy that any agency can use to “up their game” when it comes to the challenging public policy issues many utilities face today.

Placer County Water Agency

Joseph H. Parker
Director of Financial Services
jhparker@pcwa.net
530-823-4875

Mr. Gaur has assisted Placer County Water Agency since 2015. The most significant rate study he conducted for the Agency was in 2017, where the agency had many different types of services and rates due to recent annexation of other local water utility service areas. Mr. Gaur assisted the Agency in developing a comprehensive cost-of-service study that showed the nexus of how the rates are determined for treated retail, treated wholesale, untreated retail, and

Proposal for Water Rate Study

Cabazon Water District

untreated resale. The process was complicated by having to address the historical canal system developed during the California Gold Rush and the rationality of the miner's-inch rates for agriculture that sustained the cultural aspect of the county, while meeting state regulatory requirements. Mr. Gaur facilitated several workshops with Executive Staff and members of the Finance Committee and Board. The rates were adopted successfully in 2017.

Quote from Mr. Parker:

Over the years, Sanjay Gaur has been and continues to be an exceptional asset for my agency. I have collaborated with Sanjay for almost 15 years and have appreciated his original thinking, his preparedness, and his ability to facilitate technical discussions and quickly respond to detailed questions in a clear, articulate manner. I first met Sanjay soon after I became Chair of ACWA's Finance Committee and during my ten years as Chair, Sanjay's expertise was a source of support for ACWA members, as he led training sessions at ACWA's semi-annual conferences. Sanjay is a strong communicator supported by sharp analytical skills and a solution-focused attitude. His insight has been appreciated by my Board and gained him respect as our "go-to" resource.

Western Municipal Water District

Kevin C. Mascaro

Director of Finance

kmascaro@wmwd.com

(951) 571-7160

Mr. Gaur has worked with Western Municipal Water District since 2007. He assisted the District on several financial and rate matters. The most significant study was the development and implementation of a water budget rate structure. The District moved from a uniform rate structure to a tiered water budget rate. The rate structure was successfully implemented, which helped the agency promote water efficiency, ensure affordability for essential use, and enhance revenue stability. In 2018, Western Municipal Water District had a rate challenge over its water budget rates. Mr. Gaur assisted the District in developing the legal arguments and the District prevailed in the lawsuit.

Quote: Mr. Mascaro

For over a decade, Sanjay has provided wisdom to our agency in the formulation of water rates and capacity charge policies. His intelligence, personable character, and proven industry insight have benefited us greatly.

Proposal for Water Rate Study
Cabazon Water District

Fallbrook Public Utility District

Jack Bebee
General Manager
jackb@fpud.com
(760) 728-1125;1105

Mr. Gaur assisted the District in adopting a five-year rate schedule in 2017. The District was evaluating an alternative water supply to increase reliability and provide water for future development. Mr. Gaur developed the appropriate financial strategy. In addition, the District's service area has historically been mainly agricultural. Increased water costs and property values have made this industry vulnerable, which has increased the political climate of any rate increase. Mr. Gaur successfully worked with the Board in having the five-year rates adopted.

Quote from Mr. Bebee:

Sanjay played a critical role in getting our District on a solid financial footing through development of our financial plan and a five-year rate increase strategy. His ability to help explain the District's financial needs to both our governing board as well as a very engaged public was key to our successful implementation of a sustainable financial program.

5. PROJECT MANAGEMENT AND QUALITY CONTROL

Project Management

The WRE project team has extensive experience guiding the rate study process successfully from start to finish. Our project management approach stresses the importance of clearly defining project roles and responsibilities at or before the kickoff meeting. Additionally, we believe that establishing frequent and open communication between the District's project manager and the WRE project team via phone and email is critical.

To adhere to the project schedule, the WRE team will work to schedule meetings with District staff well in advance of the target meeting date and will follow up regularly with District staff regarding outstanding action items. If requested, we will provide District staff with monthly progress reports and will periodically provide updated project schedules as necessary to ensure strong mutual understanding of the project status at all times. We also closely monitor and evaluate project budget on a monthly basis and are committed to keeping District staff informed of budget status throughout the study process.

Quality Control Plan

The fundamental principle underlying WRE's quality control process is to ensure sufficient time is built into the project schedule for robust review of all draft analyses and deliverables by both members of WRE's project team. We strive to develop project schedules and budgets that allow for substantial time and effort devoted to review. Based on our experience conducting water rate studies for numerous public water utilities in California, we have developed a quality control/quality assurance checklist that each water rate model we develop is subjected to.

WRE is ultimately responsible for the validity and reasonableness of all calculations incorporated into our rate model. In our experience, the most challenging aspect of water rate study quality control is verifying that all data provided by agency staff is correctly interpreted by the consultant team and incorporated into the rate study analysis. To address this challenge, we develop detailed summaries of all data inputs in PowerPoint format, which we then discuss and review closely with District staff.

6. RESUMES

Resume – Sanjay Gaur, Founder/President

PROFILE

Sanjay Gaur has more than 25 years of financial and rate consulting experience with water and wastewater utilities and has served as a consultant to more than 100 agencies in Arizona, California, Nevada, and the Caribbean. He has provided his insight into utility rate and conservation-related matters through articles in *Journal AWWA* and other publications and served as an expert source on rates development quoted in the *Los Angeles Times* and *New York Times*. He has co-authored several industry guides, including AWWA’s *Manual M1 Principles of Water Rates, Fees and Charges, 7th Edition*; AWWA’s *Water Rates, Fees, and the Legal Environment, Second Edition*; and *Water and Wastewater Finance and Pricing: The Changing Landscape*. He is a member of AWWA’s Rates and Charges Committee. Mr. Gaur was a Peace Corps volunteer in Bulgaria. He holds a master’s degree in Applied Economics from UC Santa Cruz and a Master in Public Administration - International Development from the Kennedy School of Government, Harvard University. Mr. Gaur is currently based in Culver City.

TECHNICAL SPECIALTIES

Financial analysis	Capacity fee studies
Cost-of-service studies	Public Outreach
Conservation rate structure design	Prop 218 Logistics

PROFESSIONAL HISTORY

- **Water Resources Economics, LLC**, Principal Consultant (2021-present)
- **Raftelis Financial Consultants, Inc.**, Vice President (2015-2021); Senior Manager (2012-2014); Manager (2009-2012)
- **Red Oak Consulting**, Division of Malcolm Pirnie (2007-2009)
- **MuniFinancial** (2005-2006)
- **A & N Technical Services**, (1999–2003)
- **United States Peace Corps**, Bulgaria (1995-1997)

EDUCATION

Master in Public Administration - International Development, Kennedy School of Government - Harvard University (2003)

Master of Science, Applied Economics - University of California, Santa Cruz (1994)

Bachelor of Arts, Economics and Environmental Studies - University of California, Santa Cruz (1992)

RECENT PROJECT EXPERIENCE

- | | |
|---|---|
| - Alameda County Water District (CA) -
Financial Plan Study and Annual Updates,
Conservation Tiered Rate Feasibility | Analysis, Drought Rate Study, Water Cost
of Service and Rate Study, and other Ad-
hoc Support |
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Proposal for Water Rate Study

Cabazon Water District

- **Amador Water District (CA)** – Water and Wastewater Rate Study
- **American Water Company (CA)** - Water Rate Study
- **City of Buckeye (AZ)** – Water Rate Study and Capacity fee
- **Borrego Water District (CA)** – Financial Planning Study, Groundwater Sustainability Plan, Water Rate Study, and Basin Management Evaluation
- **City of Calexico (CA)** - Water and Sewer Rate Study
- **City of Camarillo (CA)** – Water and Wastewater Rate Study, Financial Plan Study, and Cost of Service Study,
- **Carpinteria Sanitary District (CA)** – Sewer Rate and Fee Study
- **Castaic Lake Water Agency (CA)** – Wholesale Water Rate Study, Drought Rates, Rate Analysis, and Facility Capacity Fees
- **Central Basin Municipal Water District (CA)** – Financial Plan
- **City of Chino (CA)** – Water Budget Rate Design, Financial Plan Study and Cost of Service and Rate Design
- **City of Chowchilla (CA)** – Water and Wastewater Rate Study
- **Coastside County Water District (CA)** – Water Rate Study
- **Contra Costa Water District (CA)** – Financial Plan Study, Water Rate Study and Drought Rates Study
- **City of Corona (CA)** – Water Budget Rate Study, Wastewater Capacity Fees Study
- **Cucamonga Valley Water District (CA)** – Financial Plan, Water Conservation Rate Study, and Drought Rates
- **East Bay Municipal Utility District (CA)** – Water and Wastewater Cost of Service and Rate Study
- **Eastern Municipal Water District (CA)** – Water Budget Study and Financial Plan Study
- **East Orange County Water District (CA)** - Water Budget Study, Sewer Capacity Fees Study, and Financial Plan Study
- **Elsinore Valley Municipal Water District (CA)** – Financial Model, Drought Rate Analysis, Water and Recycled Water Rate Study, Capacity Fee Study, and Wastewater Rate Study
- **El Toro Water District (CA)** – Water Budget Study and Recycled Water Financial Plan Study
- **City of Escondido (CA)** – Water and Wastewater Rate Study and Capacity Fees Study
- **Fallbrook Public Utilities District (CA)** – Water, Wastewater and Recycled Water Rate Study
- **City of Florence (AZ)** – Water and Wastewater Rate Study
- **City of Gilbert (AZ)** – Fire Financial Plan
- **City of Glendora (CA)** – Water Budget Feasibility Study
- **City of Gridley (CA)** – Water Rate Study
- **Helix Water District (CA)** – Water Rate and Cost of Service Study
- **Hi-Desert Water District (CA)** – Water Rate Study
- **City of Hollister (CA)** - Sewer Rate and Impact Fee Study, Water Rates Study, and Capacity Fee Study
- **City of Huntington Beach (CA)** - Sewer Rate Study, Water Budget Rate Study, and Financial Plan Study
- **Imperial County Gateway County Service Area (CA)** – Water and Wastewater Rate Study
- **Indio Water Authority (CA)** - User Fee Study and Water Rate Study

Proposal for Water Rate Study

Cabazon Water District

- **Inland Empire Utilities Agency (CA)** – Conservation Rate Structure Workshop and Financial Plan Study
- **Inyo County Water Department (CA)** – Water Rate Study
- **Irvine Ranch Water District (CA)** - Conservation Study
- **Jurupa Community Services District (CA)** – Water Budget Study
- **La Habra Heights County Water District (CA)** – Wheeling Rate Study and Financial Plan Study
- **La Puente Valley County Water District (CA)** – Water Rate and Fee Study
- **Las Virgenes Municipal Water District (CA)** – Water Budget Rate Study, Water, RW and WW Financial Plan and Rate Studies, Capacity Fees Study
- **City of Livermore (CA)** – Water Cost of Service Study
- **City of Livingston (CA)** - Water Rate Study
- **City of Lomita (CA)** - Water Rate Workshop
- **City of Long Beach (CA)** - Water, Recycled Water and Wastewater Financial Plan and Rate Studies
- **Los Alamos Community Services District (CA)** – Water and Wastewater Rate Study
- **Los Angeles Department of Water and Power (CA)** - Daily Demand Estimates
- **City of Lynwood (CA)** - Cost Allocation Plan
- **City of Malibu (CA)** – Wastewater and Recycled Water Rate Study
- **Mammoth Community Water District (CA)** – Water Rate Study
- **City of Merced (CA)** - Water and Sewer Rate and Impact Fee Study
- **Mesa Consolidated Water District (CA)** – Financial Plan Study, Cost Comparison Study, Water and Recycled Water Cost of Service and Rate Design Study
- **Metropolitan Water District of Southern California (CA)** – Drought Allocation Model, Long Range Financial Plan, and Cost of Service Evaluation
- **Mill Valley - Tamalpais Community Services District (CA)** – Financial Plan Study
- **Mojave Water Agency (CA)** – Financial Plan Study, Financial Impact Analysis for Water Exchange and Leasing Programs and Water Reliability Rate Development
- **Modesto Irrigation District (CA)** – Stormwater Fee Study
- **Monterey Peninsula Water Management District (CA)** - Water Budget Study
- **Municipal Water District of Orange County (CA)** - Conservation Potential Study and Rate Study
- **City of Newport Beach (CA)** – Water Rate Study
- **City of Palo Alto (CA)** – Water Cost of Service and Rate Study
- **Pasadena Water and Power (CA)** - Water Cost of Service and Rate Design Study
- **Placer County Water Agency (CA)** – Cost of Service, Rate, and Financial Plan Study
- **City of Pomona (CA)** – Rate Study
- **City of Port Hueneme (CA)** - Water and Solid Waste Rate Study
- **City of Orange (CA)** – Water and Sanitation Rate Study
- **Rancho California Water District (CA)** – Water Budget Rate Study, Water Demand Offset Fees, Commercial Water Budget Revision Study, Alternative Water Supply Feasibility Analysis
- **City of Reno (NV)** – Wastewater Rate Study
- **City of Rio Vista (CA)** - Water and Sewer Rate and Impact Fee Study
- **Rubidoux Community Services District (CA)** – Rate Advisor
- **Salton Community Services District (CA)** – Sewer Rate Study
- **San Benito County Water District (CA)** – Water Rate Study

Proposal for Water Rate Study

Cabazon Water District

- **City of San Clemente (CA)** – Water and Wastewater Rate Study
- **San Diego County Water Authority (CA)** - Indexing Model and Wholesale Water Rate
- **San Geronio Pass Water Agency (CA)** – Long Range Strategic Financial Plan
- **City of San Juan Capistrano (CA)** – Water Rate Study
- **Santa Clara Valley Water District (CA)** - Project Evaluation - Water Conservation Project
- **Santa Clarita Water District (CA)** – Retail Water Rate Study
- **City of Santa Cruz (CA)** - Financial Plan, Water Budget Feasibility Analysis, Cost of Service and Rate Study, Drought Rate Study, Capacity Fees Update and Water Demand Offset Fees Analysis, and Alternative Water Supply Feasibility Analysis
- **Scotts Valley Water District (CA)** – Water and Recycled Water Rate Study
- **City of Shasta Lake (CA)** – Water Rate Study and Water and Wastewater Capacity Fee Study
- **City of Sierra Madre (CA)** – Water and Sewer Rate Study
- **City of Signal Hill (CA)** – Water Rate and Cost of Service Study
- **City of Simi Valley (CA)** – Sewer Rate Study
- **Soquel Creek Water District (CA)** – Water Rate Structure Study
- **South Coast Water District (CA)** – Water Budget Assessment
- **South Mesa Water Company (CA)** – Rate Structure and Recycled Water Rate Study
- **City of South Gate (CA)** - Water Impact Fee
- **Sunnyslope County Water District (CA)** – Water Rates and Capacity Fees
- **Temescal Valley Water District (CA)** – Water and Sewer Rate Study and Capacity Fee Study
- **Trabuco Canyon Water District (CA)** – Water Rate Study
- **City of Thousand Oaks (CA)** – Water and Wastewater Cost of Service and Financial Plan Study
- **City of Ventura (CA)** – Water and Wastewater Rate Study
- **City of Vista (CA)** - Sewer Rate and Connection Fee Study
- **Walnut Valley Water District (CA)** - Water Rate Study
- **City of Watsonville (CA)** – Utility Enterprise Rate Study
- **Western Municipal Water District (CA)** - Financial Plan, Capacity Fees, and Water Budget Rate Studies
- **Yorba Linda Water District (CA)** - Sewer and Water Budget Rate Study, Financial Plan Study, and Cost of Service Rate Study
- **Zone 7 Water Agency (CA)** – Cost of Service Study and Water Rate Study Update

PUBLICATIONS

- Wittern, M., Gaur, S., “**Protecting Against Water Rate Challenges with the Equivalent of Bear Spray,**” *Journal – American Water Works Association*, March 2022, Volume 114, Issue 2
- Harmon, K., Mukherjee, M., Gaur, S., Atwater D., “**Evaluating Water Saving from Budget-Based Tiered Rates in Orange County, California,**” *Water Economics and Policy*, 2021, Volume 07, No. 2, 2150007

Proposal for Water Rate Study

Cabazon Water District

- Gaur, S., Smith, V., Kostiuk, K., “**Mandates and Messaging: How Californians Responded to the State’s Historic Drought,**” *Journal – American Water Works Association*, March 2019, Volume 111, Number 3.
- Gaur, S., Magu, D. “**California Water Rate Trends: Maintaining Affordable Rates in a Volatile Environment,**” *Journal – American Water Works Association*, September 2017, Volume 109, Number 9.
- Contributing Author to “**M1 Principles of Water Rates, Fees and Charges**” 7th Edition, American Water Works Association, 2017.
- Gaur, S., Giardina, R.D., Kiger, M.H., Zieburz, W., “**Committee Report: Ripples from the San Juan Capistrano Decision,**” *Journal – American Water Works Association*, September 2016, Volume 108, Number 9.
- Gaur, S., Alikhan, A., Kostiuk, K. “**The Drought is over – Now is the time to develop drought rates,**” *CSMFO Magazine*, July 1, 2016.
- Gaur, S., Alikhan, A., Crea, J. “**Developing Drought Rates: Why Agencies Should Prepare for a Not-So-Rainy Day,**” January 2016, Volume 108, Number 1.
- Gaur, S., Isaac, Habib “**There's Opportunity in the San Juan Capistrano Rates Decision,**” Source California-Nevada Section AWWA, Fall 2015, Volume 29, Number 4.
- Gaur, S., Atwater, D., “**California Water Rate Trends,**” *Journal – American Water Works Association*, January 2015, Volume 107, Number 1.
- Contributing Author to “**Water and Wastewater Finance and Pricing: The Changing Landscape,**” 4th Edition, 2015, CRC Press, Editor: George Raftelis.
- Gaur, S., Atwater, D., Cruz, J., “**Why do Water Agencies need Reserves?**” *Journal – American Water Works Association*, November 2014, Volume 106, Number 11.
- Gaur, S., Atwater, D., Lee, J., “**Conservation Rates Offer Options,**” CA/NV Section of American Water Works Association, Spring 2014, Volume 28, Number 2.
- Gaur, S., Lim, B., Phan, K., “**California Water Rate Trends,**” *Journal – American Water Works Association*, March 2013, Volume 105, Number 3.
- Contributing Author to “**Water Rates, Fees and the Legal Environment,**” 2nd Edition, American Water Works Association, 2010 Editor: C.(Kees) W. Corssmit.
- Hildebrand, M. Gaur, S. and Salt, K. “**Water Conservation Made Legal: Water Budgets and California Law,**” *Journal of American Water Works*, 101:4 April 2009, p.85-89.
- Gaur, S. “**Policy Objectives in Designing Water Rates,**” *Journal of American Water Works*, 99:5 May 2007, p.112- 116.
- Gaur, S., “**Adelman and Morris Factor Analysis of Developing Countries,**” *The Journal of Policy Modeling*, Vol. 19, Issue 4, pp. 407-415, August 1997.

Proposal for Water Rate Study
Cabazon Water District

Resume – Hannah Phan, Principal Consultant

PROFILE

Hannah has more than 17 years of financial and rate consulting experience, working with over 50 water, wastewater, recycled water, and solid waste utilities. She is passionate about creating customized financial and rate models that best meet the needs of each individual agency. She has presented study findings and results at numerous public meetings and attended several AWWA and WEF conferences throughout her career. Hannah holds a Master of Business Administration in Finance degree and a Bachelor of Science degree in International Business from CSU Los Angeles. She is originally from Southern California and is currently based in Seattle, WA.

TECHNICAL SPECIALTIES

Excel-based financial models	Capacity fee studies
Cost of service rate studies	Rate structure designs
Long-term financial plan and analysis	Proposition 218

PROFESSIONAL HISTORY

- **Water Resources Economics, LLC**, Senior Consultant (2024-present)
- **Raftelis Financial Consultants, Inc.**, Manager (2017-2022); Senior Consultant (2009-2016); Consultant (2007-2009)

EDUCATION

Master of Business Administration, Finance – California State University, Los Angeles (2007)
Bachelor of Science, International Business – California State University, Los Angeles (2006)

RECENT PROJECT EXPERIENCE

- | | |
|---|---|
| - City Of Anaheim (CA) – Water Cost of Service and Rate Study | - Calleguas Municipal Water District (CA) – Water Cost of Service and Rate Study |
| - City of Banning (CA) – Recycled Water Revenue Program | - Casitas Municipal Water District (CA) – Water Cost of Service and Rate Study |
| - Beaumont-Cherry Valley Water District (CA) – Water Rate and Connection Fee Study | - Castaic Lake Water Agency (CA) – Water Cost of Service and Rate Study |
| - City of Beverly Hills (CA) – Wastewater Cost of Service and Rate Study | - Carpinteria Sanitary District (CA) – Wastewater Cost of Service and Rate Study |
| - City of Brentwood (CA) – Water and Wastewater Rate Study | |

Proposal for Water Rate Study

Cabazon Water District

- **Central Contra Costa Sanitation District (CA)** – Wastewater Cost of Service and Rate Study
- **City of Chino (CA)** – Water Cost of Service and Rate Study
- **Clark County Water Reclamation District (NV)** – Wastewater Cost of Service and Rate Study
- **Contra Costa Water District (CA)** – Treated and Untreated Water Cost of Service and Rate Study
- **East Bay Municipal Utility District (CA)** – Water and Wastewater Cost of Service and Rate Study & Capacity Fee Study
- **City of Escondido (CA)** – Water Cost of Service and Rate Study, Wastewater Cost of Service and Rate Study
- **Goleta Water District (CA)** – Water and Wastewater Rates and Connection Fee Study
- **Goleta West Sanitary District (CA)** - Wastewater Cost of Service and Rate Study
- **Jurupa Community Services District (CA)** – Water and Wastewater Cost of Service and Rate Study
- **Kinneloa Irrigation District (CA)** – Water Rate Study
- **City of Livermore (CA)** – Water Cost of Service and Rate Study
- **City of Livingston (CA)** – Water, Wastewater and Solid Waste Rate Study
- **Los Angeles Department of Water and Power (CA)** – Water Rate Study and Wheeling Charge Review
- **Marin Municipal Water District (CA)** – Water Cost of Service and Rate Study, Water Financial Plan Update
- **Napa Sanitation District (CA)** – Wastewater Cost of Service and Rate Study
- **City of North Las Vegas (NV)** – Water and Wastewater Rate Study
- **Olivenhain Municipal District (CA)** – Water, Recycled Water, and Wastewater Rate Study
- **City of Ontario (CA)** – Water, Wastewater, and Solid Waste Cost of Service and Rate Study
- **Palmdale Water District (CA)** – Water Budget Rate Study
- **City of Palo Alto (CA)** – Water Cost of Service and Rate Study
- **City of Pleasanton (CA)** – Water, Recycled Water, and Wastewater Cost of Service and Rate Study, Water, Recycled Water, and Wastewater Cost of Service and Rate Study Update
- **City of Redlands (CA)** – Water Cost of Service and Rate Study and Impact Fee Study
- **City of San Diego (CA)** – Wastewater Rate Study and Recycled Water Pricing Study
- **City of Santa Barbara (CA)** – Water, Wastewater, and Recycled Water Cost of Service and Rate Study
- **City of South Pasadena (CA)** - Water Cost of Service and Rate Study and Water Budget Rate Study
- **City of Tacoma (WA)** – Water, Wastewater, and Solid Waste Cost of Service and Rate Study
- **Union Sanitary District (CA)** – Wastewater Cost of Service and Rate Study
- **City of Vallejo (CA)** – Water Cost of Service and Rate Study

Proposal for Water Rate Study

Cabazon Water District

- **Vallejo Flood and Wastewater District (CA)** – Wastewater Cost of Service and Rate Study, Property Tax Roll Update, Wastewater Cost of Service and Rate Study Update
- **City of Ventura (CA)** – Water, Wastewater, and Recycled Water Cost of Service and Rate Study
- **Ventura County Public Works Agency (CA)** – Water Cost of Service and Rate Study
- **Zone 7 Water Agency (CA)** – Cost of Service Study and Water Rate Study Update

Proposal for Water Rate Study

Cabazon Water District

Resume – Nancy Phan, Principal Consultant

PROFILE

Nancy has over seven years of financial and rate consulting experience, working with water, wastewater, stormwater, and solid waste utilities primarily on the west coast. She has assisted agencies on over 80 rate studies throughout her career. She has been published in the Journal AWWA (“The Power of Data to Improve Water Use Efficiency and Conservation”) and has presented at and organized several conferences, including the AWWA/WEF Young Professionals Summit, the Pacific Water Conference, and the Washington Association of Sewer & Water Districts Conference. She holds a Bachelor of Arts degree in Business Economics from UC Irvine and is currently based in Seattle.

TECHNICAL SPECIALTIES

- Excel-based financial models
- Cost of service studies
- Water, sewer, and solid waste rate design
- Technical report writing
- Proposition 218
- Data analysis

PROFESSIONAL HISTORY

- **Water Resources Economics, LLC**, Senior Consultant (2023-present)
- **Raftelis Financial Consultants, Inc.**, Manager (2022-2023); Senior Consultant (2020-2021); Consultant (2018-2019); Associate Consultant (2016-2017)

EDUCATION

- Bachelor of Arts, Business Economics - University of California, Irvine (2015)

RECENT PROJECT EXPERIENCE

- **Amador Water Agency (CA)** – Water Cost of Service and Rate Study, Wastewater Cost of Service and Rate Study, Water Capacity Fees
- **Antelope Valley East Kern Water Agency (CA)** – Water Cost of Service and Rate Study Update
- **Carpinteria Valley Water District (CA)** – Water Cost of Service and Rate Study, Water Cost of Service and Rate Study Update
- **Central Contra Costa Sanitation District (CA)** – Wastewater Cost of Service and Rate Study Update, Capacity Fee Calculation
- **Coastside County Water District (CA)** – Water Cost of Service and Rate Study, Drought Rate Study, Water Cost of Service and Rate Study Update, Drought Rate Study Update
- **Contra Costa Water District (CA)** – Treated and Untreated Water Cost of Service and Rate Study
- **City of Corona (CA)** – Water Cost of Service and Rate Study
- **City of Covina (CA)** – Water Cost of Service and Rate Study
- **City of Escondido (CA)** – Water Cost of Service and Rate Study, Wastewater Cost of Service and Rate Study
- **City of Hayward (CA)** – Water Cost of Service and Rate Study Update, Wastewater Cost of Service and Rate Study, Water and Sewer Connection Fees, Water Drought Rates

Proposal for Water Rate Study

Cabazon Water District

- **King County Wastewater Treatment Division (WA)** – Wastewater Financial Model and Rate Design
- **City of La Habra (CA)** – Water Cost of Service and Rate Study, Wastewater Cost of Service and Rate Study
- **City of La Habra Heights (CA)** – Water Cost of Service and Rate Study
- **Madera County (CA)** – Groundwater Sustainability Agency Rate Study, Groundwater Sustainability Agency Rate Study Update
- **Marin Municipal Water District (CA)** – Water Cost of Service and Rate Study, Water Financial Plan Update
- **Montecito Water District (CA)** – Water Cost of Service and Rate Study
- **City of Monterey Park (CA)** – Water Cost of Service and Rate Study
- **City of Ontario (CA)** – Water and Recycled Water Cost of Service and Rate Study, Wastewater Cost of Service and Rate Study, Water and Recycled Water Cost of Service and Rate Study Update, Wastewater Cost of Service and Rate Study Update
- **City of Oxnard (CA)** – Water Cost of Service and Rate Study
- **City of Palo Alto (CA)** – Drought Rate Study Update, On-Call Financial Services
- **City of Pasadena (CA)** – Water Cost of Service and Rate Study
- **City of Pleasanton (CA)** – Water, Recycled Water, and Wastewater Cost of Service and Rate Study, Water, Recycled Water, and Wastewater Cost of Service and Rate Study Update
- **City of Pomona (CA)** – Water Cost of Service and Rate Study
- **City of Port Hueneme (CA)** – Water Cost of Service and Rate Study
- **Rainbow Municipal Water District (CA)** – Wastewater Cost of Service and Rate Study
- **City of Redlands (CA)** – Water, Wastewater, and Non-Potable Water Cost of Service and Rate Study
- **City of Reno (NV)** – Stormwater Financial Plan and Rate Design
- **City of San Gabriel (CA)** – Wastewater Property Tax Roll, Wastewater Property Tax Roll Update
- **City of Santa Cruz (CA)** – Water Cost of Service and Rate Study, Connection Fee Study, Wheeling Charge Calculation
- **City of Santa Fe Springs (CA)** – Water Cost of Service and Rate Study
- **Seattle Public Utilities (WA)** – Drainage and Wastewater Financial Model, Water Financial Model, Solid Waste Financial Model
- **Selma-Kingsburg-Fowler County Sanitation District (CA)** – Wastewater Cost of Service and Rate Study, Wastewater Cost of Service and Rate Study Update
- **Soquel Creek Water District (CA)** – Alternative Water Rate Design Evaluation
- **City of South Pasadena (CA)** – Water Cost of Service and Rate Study
- **Stanford University (CA)** – Water and Sewer Rate Analysis, Comprehensive Benchmarking Study
- **City of Tacoma (WA)** – Wastewater Cost of Service and Rate Study, Solid Waste Cost of Service and Rate Study, Solid Waste Cost of Service and Rate Study
- **City of Torrance (CA)** – Water Cost of Service and Rate Study
- **Vallejo Flood and Wastewater District (CA)** – Wastewater Cost of Service and Rate Study, Property Tax Roll Update, Wastewater Cost of Service and Rate Study Update
- **Valley Water / Santa Clarita Valley Water District (CA)** – Recycled Water Cost Allocation Evaluation

Proposal for Water Rate Study

Cabazon Water District

- **County of Ventura (CA)** – Water Rate Studies (for four Waterworks Districts)
- **Walnut Valley Water District (CA)** – Domestic and Recycled Water Cost of Service and Rate Study
- **West Basin Municipal Water District (CA)** – Wholesale Drinking Water Rate Analysis
- **Zone 7 Water Agency (CA)** – Wholesale Treated Rate Study, Wholesale Untreated Rate Study, Wholesale Treated Rate Study Updates, Wholesale Untreated Rate Study Updates

PUBLICATIONS

- Armstrong, J., Harmon, K., Phan, N., “**The Power of Data to Improve Water Use Efficiency and Conservation,**” *Journal AWWA*, June 2017, Volume 109, No. 6.

Proposal for Water Rate Study

Cabazon Water District

Resume - Charles Diamond, Principal Consultant

PROFILE

Charles has more than six years of financial and rate consulting experience with water and wastewater utilities and has served as a consultant to more than 35 public agencies in California. He has a passion for water management in California and has presented at multiple conferences, including the California Water Policy Conference and the AWWA California-Nevada Section Annual Fall Conference. He holds a Bachelor of Science degree in Environmental Economics and Policy from UC Berkeley and a Master of Environmental Science and Management degree in Water Resources Management from UC Santa Barbara. Charles is originally from the Sacramento area and is currently based in Los Angeles.

TECHNICAL SPECIALTIES

- Long-term financial plans
- Capacity fee studies
- Cost of service studies
- Excel-based financial models
- Rate design
- Data analysis

PROFESSIONAL HISTORY

- **Water Resources Economics, LLC**, Senior Consultant (2023-present)
- **Raftelis Financial Consultants, Inc.**, Manager (2023); Senior Consultant (2021-2022); Consultant (2019-2020); Associate Consultant (2017-2018)
- **The Nature Conservancy**, Science & Stewardship Practitioner (2013-2015)

EDUCATION

- Master of Environmental Science and Management – Water Resources Management, Bren School of Environmental Science & Management – University of California, Santa Barbara (2017)
- Bachelor of Science, Environmental Economics and Policy - University of California, Berkeley (2013)

RECENT PROJECT EXPERIENCE

- **Alameda County Water District (CA)** - Financial Plan Study, Conservation Tiered Rate Feasibility Analysis,
- **Antelope Valley-East Kern Water Agency (CA)** – Annual Water Rate Update Studies
- **Antelope Valley State Water Contractors Association (CA)** – Replacement Water Assessment Study
- **Borrego Water District (CA)** – Water Rate Affordability Assessment
- **City of Brentwood (CA)** – Water and Wastewater Rate Study
- **City of Burbank (CA)** - Water Rate Study
- **Cucamonga Valley Water District (CA)** – Financial Plan, Water Conservation Rate Study, and Drought Rates
- **City of Dixon (CA)** – Water Rate Study
- **City of El Monte (CA)** – Water Rate Study, Water Cost Allocation Plan Study
- **Goleta Water District (CA)** – Water Rate Study
- **City of Huntington Beach (CA)** – Water Rate Study
- **Inyo County Water Department (CA)** – Water Rate Study
- **Jurupa Community Services District (CA)** – Inland Empire Brine Line Rate Study
- **La Cañada Irrigation District (CA)** –

Proposal for Water Rate Study

Cabazon Water District

- Water Rate Study
- **Las Virgenes Municipal Water District (CA)** –Water, RW, and WW Financial Plan and Rate Studies
- **City of Lincoln (CA)** – Water Rate Study
- **City of Long Beach (CA)** - Water, Recycled Water, and Wastewater Financial Plan, Water and Wastewater Rate Survey
- **Marin Municipal Water District (CA)** – Miscellaneous Fee Study
- **Mojave Water Agency (CA)** – Financial Impact Analysis for Water Exchange and Leasing Programs
- **Municipal Water District of Orange County (CA)** – Core Service Charge Allocation Study
- **National Water and Sewerage Authority of Grenada** (Eastern Caribbean) – Water and Sewer Rate Study
- **Olivenhain Municipal Water District (CA)** – Water Rate Study, Water Pass-Through Rate Annual Updates
- **Pico Water District (CA)** – Water Rate Study
- **Placer County Water Agency (CA)** – Cost of Service, Rate, and Financial Plan Study, Water Connection Charge Study
- **Rancho California Water District (CA)** – Water Capacity Fee Study, Water Rate Study
- **Sacramento Suburban Water District (CA)** – Water Rate Study
- **San Francisco Public Utilities Commission (CA)** – Water and Wastewater Rate Study
- **Santa Ana Watershed Project Authority (CA)** – Inland Empire Brine Line Rate Model, Inland Empire Brine Line Reserve Policy Study
- **Santa Clarita Valley Water Agency (CA)** – Water Capacity Fee Study
- **Santa Rosa Plain, Sonoma Valley, & Petaluma Valley Groundwater Sustainability Agencies (CA)** - Groundwater Sustainability Agency Fee Analysis and Rate Setting Services
- **Scotts Valley Water District (CA)** – Water and Recycled Water Rate Study
- **South Mesa Water Company (CA)** – Water Rate Study and Connection Fee Update
- **City of Simi Valley/Ventura County Waterworks District No. 8 (CA)** - Water Rate Study
- **City of Sonoma (CA)** – Water Rate Study
- **City of Thousand Oaks (CA)** – Water and Wastewater Cost of Service and Financial Plan Studies
- **City of Ventura (CA)** – Water and Wastewater Rate Study, Water and Wastewater Annual Financial Plan Updates, Water Net Zero Fee Study
- **Victor Valley Wastewater Reclamation Authority (CA)** - Sewer Rate and Connection Fee Study
- **City of Watsonville (CA)** – Utility Enterprise Rate Study



Solutions through Collaboration

Cabazon Water District
CY 2025 Water Rate Study

Submittal Date:

October 17, 2024

Scope of Services

The Cabazon Water District (District) requested services to provide a comprehensive update to its water rates reflecting the cost of providing service to its customers. The detailed scope below describes each task and sets forth how we envision working through this engagement.

Task 1: Data Collection and Kick-off Meeting

As part of project initiation, we will meet with staff to discuss the District's current financial position and corresponding rates, an initial timeline for completion, and identify key milestones for developing the long-term financial plan and proposed rates. To ensure a productive kick-off meeting, we will first provide a data request of the items required for updating the financial plan, cost-of-service analysis, and corresponding rates. Ideally, the kick-off meeting will be scheduled two weeks after providing the data request to allow ample time to compile and review the data. During our meeting, we will discuss the following items:

1. Current financial position.
2. Capital needs with funding options.
3. Reserve policies and if any adjustments should be made.
4. Rate alternatives to evaluate while complying with Proposition 218.
5. Timing for implementing new proposed rates.



The kick-off meeting will conclude with an initial framework of the study, clear lines of communication between us and staff, and specific dates for scheduled meetings.

Meetings: One (1) kick-off webinar with staff.

Deliverable: Data request, agenda for kick-off discussion, and meeting minutes.

Task 2: Financial Plan Development

Financial planning incorporates numerous considerations besides projecting operating expenses. Utilities need to account for changes in water demand driven by variations in usage. In addition, system



reinvestment and reserves also influence revenue needs in future years. Therefore, a comprehensive financial plan reviews various aspects of a utility.

We will review the District's revenue requirements to ensure all costs are captured, including reserve funding. We will develop a financial plan model using the two most recent years of actuals and FY 2025 adopted budget. The District's capital plan will be incorporated with options to generate different scenarios that may vary by how capital projects are scheduled.

CAPITAL PLANNING

Developing a funding approach for the Capital Improvement Plan (CIP) is a critical component of any rate study to ensure rates generate adequate revenue for maintaining and reinvesting in the utility system. Identifying the timing of projects and sources of funding can generate various scenarios to consider as part of prioritizing short-term needs and long-term planning. Our model will incorporate the ability to select from five different capital plan scenarios and toggle between each to instantly review how the capital spending plan folds into the District's total revenue requirements and the level of future rate increases. Our modeling will include:

1. Projections of the utility's capital needs for the next 10 years and beyond to capture any significant future projects.
2. The ability to develop and select up to five different CIP scenarios that may vary by the inclusion / exclusion of projects, estimated project costs, and project scheduling.
3. CIP funding sources, including existing reserves, capacity fees, grants, and debt financing.
4. Rate impacts due to varying levels of capital funding.

A sound capital facility funding plan is one of the primary ways to minimize rate spikes by slowly building up reserves for future capital needs. Our capital planning assessment will provide a means to determine customer impacts and show how certain scenarios can smooth out impacts by adjusting the capital schedule.

REVENUE REQUIREMENTS

We will develop a multi-year cash flow pro forma to determine revenue adjustments for the planning period. Expenses will be projected and will incorporate separate inflationary categories including, but not limited to, salaries, benefits, capital, energy, and treatment. Historical financial data will provide a reference for expense trends and new line items added over the years. We will calculate rate revenue using account and consumption data. Our calculated revenue will be compared to the District's actual revenues within the latest audited financials. Doing so will provide an initial quality assurance check that the units of service driving the updated models are fundamentally sound for forecasting future revenue needs.

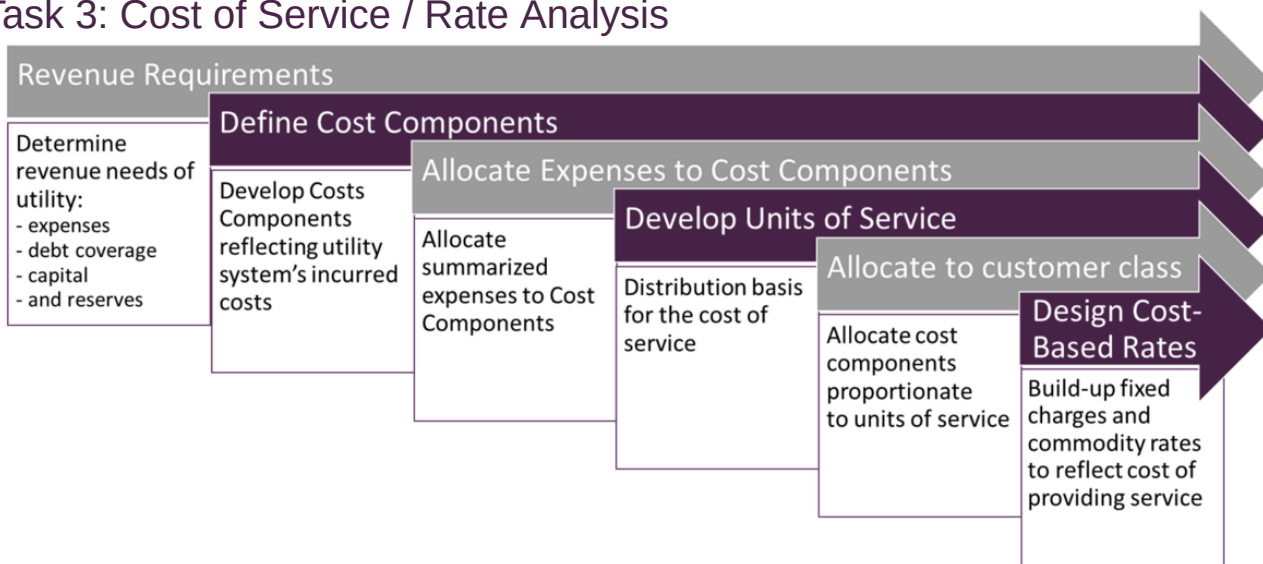
This will also allow us to model "what-if" scenarios with our financial planning, such as funding changes due to growth and / or reductions in water demand. Our financial plan model will include an infographic interface (Financial Dashboard) created with the end-user in mind. The Financial Dashboard will include, but will not be limited to, the current financial operating position and projected annual net income, required capital needs with funding sources, the current makeup of reserves, ending reserve balances, and toggles to dynamically change assumptions and compare scenarios. Our Financial Dashboards are a key element of our models and assist with communicating the utility's financial health.



Meetings: Webinars as needed to review long-term financial plan.

Deliverable: Financial plan model including total accounts by meter size, consumption analysis, and current fixed/variable revenue profile.

Task 3: Cost of Service / Rate Analysis



The cost-of-service analysis is a critical component of any rate study and directly ties to how rates will adjust, which ultimately impacts customer bills and provides a sound nexus between costs incurred and proposed rates. With variable rates, discussion points will include whether or not tiers should be incorporated and determine revenue recovery between fixed charges and variable rates. A consumption analysis will be conducted to capture new units of service related to total accounts by meter size and usage through the financial plan and rate model. We will dive into these issues as we design new rates that are cost-based through a systematic approach.

Expenses will be summarized based on functional categories which would then be allocated to cost components to show the make-up of the proposed fixed charges and commodity rates. The end result will clearly and succinctly show the cost components that make up the rates and their percentage of total charges.

Meetings: Webinars as needed to review the cost-of-service & rate analysis and finalize proposed rates .

Deliverable: Rate model including consumption analysis based on changes to the rate structure, pro forma reflecting new revenue recovery profile between fixed and variable.

Task 4: Rate Workshop

With the proposed rates completed and thoroughly discussed through the model development with staff, a rate workshop will be conducted with the District Board and the public. The new rate structure will be discussed and how updated rates will impact customer bills across different usage levels.

Meetings: Webinars with staff to review presentation material and in-person Board Rate Workshop.

Deliverable: Presentation material and rate model.

Task 5: Rate Study Report

Once the analysis is completed and rates finalized, we will draft a Rate Study Report in compliance with Proposition 218 to serve as part of the administrative record. Our Report will document assumptions, describe the methodology, and walk the reader through the underlying calculations that derive the updated water rates. We will also include an Executive Summary highlighting the primary drivers of any necessary revenue adjustments, financial plan review, and corresponding rates.

The final report will include all of the technical analysis as a backup to the proposed rates; however, we also focus on the readability of our reports to make sure it's easily digestible to the layperson. This is achieved by incorporating infographics that complement the narrative discussions within the Report, and we limit using technical jargon that may only be understood by industry professionals. Therefore, our Reports are straightforward and easy to read.

We recognize that the Final Report serves two distinct purposes:

- 1) Backup to our technical analysis
- 2) Clear and concise story of the District's revenue needs

Meetings: Conference calls as needed to finalize Report.

Deliverable: Preliminary Report and Final Report.

Task 6: Notice and Public Hearing

We will assist the District with drafting the Proposition 218 Notice by reviewing the notice to ensure it ties to our analysis and Report. We will provide any required tables and incorporate graphics showing customer impacts. We will also attend the Public Hearing to answer technical questions.

Meetings: One (1) meeting to attend Public Hearing.

Deliverable: PowerPoint for Public Hearing, if requested.

Budget

Our Project Budget includes a not-to-exceed amount based on our billable rates and travel costs for in-person meetings. We identify the number of hours by personnel for each task. Any adjustments to our fee will be based on changes requested to the proposed scope.

Phase	Description	In-Person Meetings	H. Isaac Principal \$240	A. Boehling Principal \$240	L. Demine Sr. Consultant \$200	Estimated Hours	Total Cost
1	Data Collection and Kick-Off Meeting		4	4	8	16	\$3,520
2	Financial Plan Development		12	12	56	80	\$16,960
2a	Consumption Analysis		8	4	16		
2b	Water Financial Plan		4	8	40		
3	Cost-of-Service / Rate Design Analysis		12	12	24	48	\$10,560
4	Rate Workshop	1	8	2	-	10	\$2,400
5	Rate Study Report		32	4	4	40	\$9,440
6	Notice and Public Hearing	1	8	4	-	12	\$2,880
	Travel Expenses						\$2,483
Total		2	76	38	92	206	\$48,243

Additional In-Person Meetings (Labor [8 hrs] + Direct Travel Expense)

\$3,200

Optional: Rate Survey

\$2,000

Hourly Rate Schedule

\$

Principal

\$240 / Hr

Sr. Consultant

\$200 / Hr



Resumes



Habib Isaac - IB Consulting - Principal / Managing Partner

Habib focuses on delivering innovative solutions to water and wastewater utilities that are clearly laid out and understandable to the community. His recommendations are backed by sound technical expertise which allows him to answer unforeseen questions that arise.

Education

San Diego State University
*BS in Applied Mathematics with
Emphasis in Computational Science*

College Publications
*Physics Letter A Journal
Encryption Using Cycling Chaos*

Work Experience - 21 Yrs

IB Consulting LLC: (2019 – Present)
Managing Partner

Raftelis: (2013 – 2019)
Senior Manager / West Coast Lead

Willdan: (2004 – 2013)
Principal Consultant

David Taussig & Assoc: (2003 – 2004)
Senior Analyst

Expertise

Utility Financial Planning
Utility Rate Consulting
Special Tax Consulting
Impact Fees
Risk Assessment
Utility Expert Witness

Proficiency

Utility BMPs
Financial Policies
Rate Alternatives
Prop. 218 Compliance
Expert Facilitator
Public Outreach

Industry Involvement

ACWA – Spring Conference 2022
Rate Setting in Uncertain Times (Post Covid)

CSMFO – 2021
Planning for Uncertainty with Utility Rates

UMC – 2020
*Planning and Funding 2030 Capital Needs
in 2020 Through Community Engagement*

ACWA – 2019
*Building Tomorrow's Water District:
Customer Engagement & Cycle Replacement*

AWWA – NV/CA Section - 2015
*Developing Defensible Water/Wastewater
rates in Ca.*

Publications

AWWA Source Magazine - Winter 2016
Developing Defensible Tier Rates

AWWA Source Magazine - Fall 2015
*There's Opportunity in the San Juan
Capistrano Rates Decision*

Recent Project Experience - (Abbreviated for Proposal)

Santa Margarita Water District: Water, Wastewater and Recycled Rate Study – **Active, 2024**

Walnut Valley Water District: Water and Recycled Rate Study – **Public Hearing October, 2024**

Indio Water Authority: Water Rate Study – **Public Hearing December, 2024**

Dixon, City: Water Rate Study – July, 2024

East Valley Water District: Water, Wastewater Rate Study – May, 2024

Sierra Madre, City: Water and Wastewater Rate Study – December, 2023

Tustin, City: Water Rate Study – December, 2023

Helix Water District: Water Rate Study – April 2023

Escondido, City: Water and Wastewater Rate Study – October, 2023

Phelan Pinon Hills CSD: Water Rate Study – October, 2023

Calaveras County Water District: Water and Wastewater Rate Study – September 2023

Trabuco Canon Water District: Water and Wastewater Rate Study – June 2023

Chino Hills, City: Water and Wastewater Rate Study – June 2023

Santa Fe Irrigation District: Water Rate Study – March 2023

Citrus Heights Water District: Water Rate Study – 2022, 2021, 2020

Temescal Valley Water District: Water / Recycled / Sewer Study – January 2023, 2022, 2021

Rubidoux CSD: Water / Recycled / Wastewater Rate Study – 2022

Galt, City: Water / Wastewater Rate – 2022

Livermore, City: Water Rate Study – 2022

Delta Diablo: Wastewater / Recycled Water Rate Study / Capacity Fees – 2022, 2021, 2020

Elsinore Valley Water District: Water / Wastewater Rate Study – 2021, 2019, 2017

Roseville, City: Water / Wastewater / Solid Waste Rate Study – 2021, 2019, 2017

East Valley Water District: Water / Wastewater Rate Study – 2021, 2015



Andrea Boehling - IB Consulting - Principal / Managing Partner

Andrea focuses on customizing each financial plan and utility model to the client's preferred specifications. Each model is built from scratch in concert with agency staff to provide ongoing exposure to the model from inception through completion. Model training isn't a final task, but rather, it's an underlying objective of the project.

Education

University of Alabama
BS/BA – Major in Accounting
DeVry University
Studied Computer Engineering

Expertise

Utility Financial Planning
Utility Rate Consulting
Capacity Fees
Prop. 218 Compliance
Alt. Funding Sources
Budget Auditing

Industry Involvement

ACWA – Spring Conference 2022
Rate Setting in Uncertain Times (Post Covid)
CSMFO – 2021
Planning for Uncertainty with Utility Rates
ACWA – 2019
Building Tomorrow's Water District:
Customer Engagement & Cycle Replacement
UMC – 2017
How to Best Fund Your Agency's Critical
Asset Repair and Replacement Needs
UMC Young Professionals – 2015 / 2016
Planning Committee Member

Work Experience - 18 Yrs

IB Consulting LLC: (2019 – Present)
Managing Partner
Raftelis: (2014 – 2019)
Manager
Willdan: (2012 – 2014)
Senior Analyst
State of Tennessee: (2006 – 2012)
Auditor II

Proficiency

Communications
Excel Modeling
Rate Design
Data Analysis
Presentations
Quality Control

Publications

WEF Manual – 2018
Chapter 13 – Rates for reuse or
Reclaimed Water

Recent Project Experience - (Abbreviated for Proposal)

- Santa Margarita Water District:** Water, Wastewater and Recycled Rate Study – **Active, 2024**
- Walnut Valley Water District:** Water and Recycled Rate Study – **Public Hearing October, 2024**
- Indio Water Authority:** Water Rate Study – **Public Hearing December, 2024**
- Dixon, City:** Water Rate Study – July, 2024
- East Valley Water District:** Water, Wastewater Rate Study – May, 2024
- Sierra Madre, City:** Water and Wastewater Rate Study – Public Hearing on December 12, 2023
- Tustin, City:** Water Rate Study – Public Hearing on December 5, 2023
- Escondido, City:** Water and Wastewater Rate Study – Public Hearing on October 18, 2023
- Phelan Pinon Hills CSD:** Water Rate Study – Public Hearing on October 11, 2023
- Calaveras County Water District:** Water and Wastewater Rate Study – September 2023
- Trabuco Canon Water District:** Water and Wastewater Rate Study – June 2023
- Chino Hills, City:** Water and Wastewater Rate Study – June 2023
- Leucadia Wastewater District:** Wastewater Rate Study – June 2023, 2018
- Helix Water District:** Water Rate Study – April 2023
- Santa Fe Irrigation District:** Water Rate Study – March 2023
- Temescal Valley Water District:** Water / Recycled / Sewer Study – January 2023, 2022, 2021
- Rubidoux CSD:** Water / Recycled / Wastewater Rate Study – 2022
- Citrus Heights Water District:** Water Rate Study – 2022, 2021, 2020
- Galt, City:** Water / Wastewater Rate – 2022
- Livermore, City:** Water Rate Study – 2022
- Delta Diablo:** Wastewater / Recycled Water Rate Study / Capacity Fees – 2022, 2021, 2020
- Rainbow Municipal Water District:** Water and Wastewater Rate Study – 2022, 2021, 2017
- Elsinore Valley Water District:** Water and Wastewater Rate Study – 2021, 2019
- Roseville, City:** Water / Wastewater / Solid Waste Rate Study – 2021, 2019, 2017



Lauren Demine - IB Consulting - Senior Consultant

Lauren's primary focus is on database management and excel modeling. Utility models require significant data analysis for developing new rate structures, changes in tiers, and reviewing consumption trends. Her proficiency provides the ability to identify issues with the data, solutions for addressing anomalies, and modeling customer rate impacts.

Education

San Bernardino State University
BA in Geology

Expertise

Utility Financial Planning
Utility Rate Consulting
Capacity Fees
Data Analytics
Rate Impacts

Industry Involvement

WEF Member

Work Experience - 7 Yrs

IB Consulting LLC: (2021 – Present)
Senior Consultant
Raftelis: (2017 – 2021)
Senior Consultant
GEOVision: (2007 – 2017)
Senior Staff Geophysicist
GeoConcepts, Inc.: (2005 – 2007)
Staff Geologist

Proficiency

Data Management
Excel Modeling
Presentations
Technical Writing

Publications

SCEC Annual Meeting – Summer 2016
Geophysical Characterization of Twelve CSMIP Stations Sites in Riverside County, Ca.

Recent Project Experience - (Abbreviated for Proposal)

- Santa Margarita Water District:** Water, Wastewater and Recycled Rate Study – **Active, 2024**
- Walnut Valley Water District:** Water and Recycled Rate Study – **Public Hearing October, 2024**
- Dixon, City:** Water Rate Study – July, 2024
- Sierra Madre, City:** Water and Wastewater Rate Study – Public Hearing on December 12, 2023
- Tustin, City:** Water Rate Study – Public Hearing on December 5, 2023
- Phelan Pinon Hills CSD:** Water Rate Study – Public Hearing on October 11, 2023
- Calaveras County Water District:** Water and Wastewater Rate Study – September 2023
- Trabuco Canon Water District:** Water and Wastewater Rate Study – June 2023
- Chino Hills, City:** Water and Wastewater Rate Study – June 2023
- Leucadia Wastewater District:** Wastewater Rate Study – June 2023
- La Habra County Water District:** Water Rate Study – May 2023
- Temescal Valley Water District:** Water / Recycled / Sewer Study – January 2023
- Citrus Heights Water District:** Water Rate Study – 2022, 2021
- Rubidoux CSD:** Water and Wastewater Rate Study – 2022
- Livermore, City:** Water Rate Study – 2022
- Galt, City:** Water and Wastewater Rate Study – 2022

October 30, 2024

Cabazon Water District

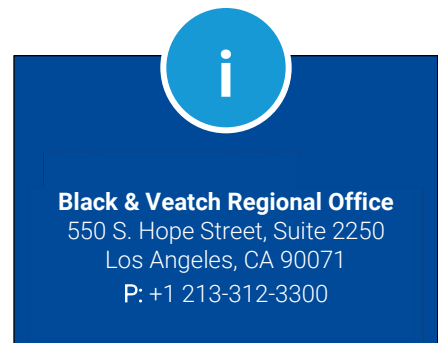
Evelyn Aguilar, Business Administrative Assistant
14618 Broadway Street
Cabazon, CA 92230

RE: Water Rate Study

Dear Ms. Aguilar:

In response to the Cabazon Water District (District), request for a Water Rate Study, Black & Veatch Corporation (Black & Veatch) presents this proposal for your consideration.

- **Financial Experience.** Black & Veatch has extensive financial ratemaking experience based on sound engineering principles in providing the services requested by the District to clients in California and nationwide. We base our plan for providing value thorough and understanding of the District's objectives and our first-hand knowledge of water issues faced in Southern California.
- **Demonstrated Methodology.** Black & Veatch literally wrote the book on standards for utility rate, financial and regulatory consulting services. We were involved in the preparation of the American Water Works Association's (AWWA) first edition *Manual M1 – Principles of Water Rates, Fees and Charges* in 1954. Since that time, we have had direct involvement and leadership roles in the subsequent editions to the manual.
- **Seasoned Team.** Black & Veatch brings personnel who have led successful studies for similar municipalities with these goals, as demonstrated in our resumes and reference studies. We will work closely with District staff and Board of Directors throughout the study to promote an understanding of the work and manage the efficient and timely completion of the study.



Our proposal is valid for 60 days from the submittal date.

We are sincerely interested in providing these professional services and believe our overall experience and highly qualified personnel provide the best service value to the District. Please contact me at +1 949-302-6017 or BuiA@bv.com if you have any questions or require additional information.

Very truly yours,



Ann T. Bui
Senior Managing Director
Attorney-in-Fact



Table of Contents

Table of Contents.....i

Project Understanding and Approach..... 1

Qualifications and Project Team..... 6

Fee Proposal 13

Resumes..... 14

Project Understanding and Approach

Project Understanding

Cabazon Water District (District) is seeking a qualified consultant to provide financial ratemaking services to conduct a Water Rate Study (Study). Located in Riverside County, the District provides water service to its customers. Like many water utilities, the District must balance the diverse needs of managing its infrastructure and operations, increasing resilience to environmental impacts such as water conservation and regulatory compliance – all while delivering safe, reliable, and affordable services to its customers in a fiscally responsible manner.

The District has a service area of about 11 square miles serving about 1,000 customers in the unincorporated town of Cabazon and other unincorporated areas of Riverside County. The water system provides service to residential and commercial through four groundwater wells with a maximum production capacity of 3,160 gallons per minute.

Black & Veatch understands that the success of this study lies in developing sound water financial plans and establishing a clear cost-nexus for the rate structure. Success can be measured as the adoption of adequate revenue adjustments, and a rate design that helps the District achieve fiscal stability and funding adequacy to meet its operational and capital investment needs while mitigating customer bill impact.

Project Approach

OUR PROJECT METHODOLOGY STARTS WITH THE LOGICAL PREMISE OF BEGINNING WITH THE "CRITICAL THINKING" OF ISSUES AND STRATEGIES AND FOLLOWING THROUGH WITH STRUCTURED AND THOUGHTFUL EXECUTION THAT ENGAGES ALL STAKEHOLDERS.

Rigorous and Repeatable Methodology

Black & Veatch will utilize the following principles and analytical approaches in performing the services requested:

- Use industry-accepted and defensible cost allocation and rate-setting principles based on the American Water Works Association (AWWA) Manual M1 guidelines.
- Reflect the District’s specific financial practices and policies, including policies on capital program financing, debt service, reserve requirements, and incorporating industry financial best-practice principles and metrics.
- Develop a balanced series of revenue adjustments, as required, based on defensible cost allocations and a practical approach to rate change recommendations that balance revenue adequacy, equity of cost recovery, bill impact, and ease of understanding and administration.

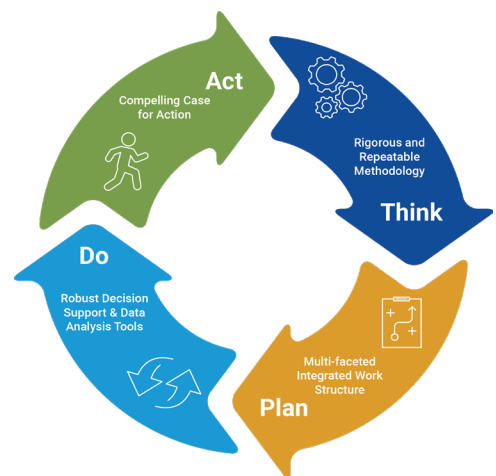


FIGURE 1: PROJECT EXECUTION HIGHLIGHTS

Multi-Faceted Integrated Work Structure

The Black & Veatch team has defined an integrated work structure to achieve the goals and objectives, as illustrated in **Figure 2**.

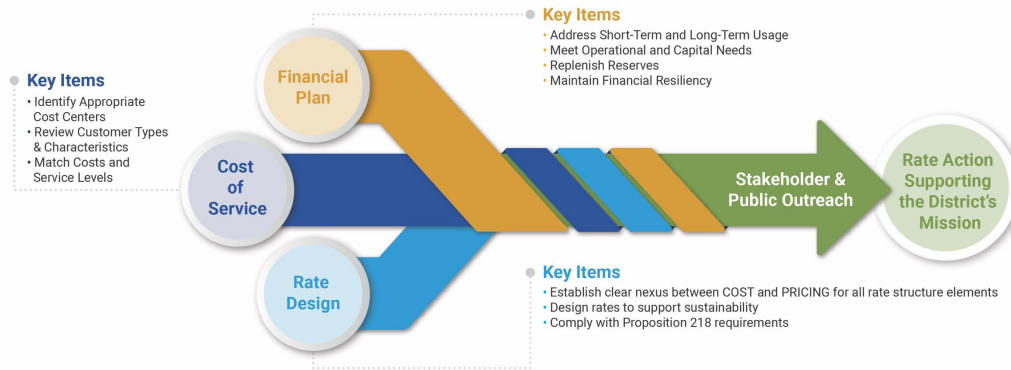


FIGURE 2: INTEGRATED WORK STRUCTURE

The key components of our methodology consist of the following:

- **Financial Planning.** Rates and charges should generate adequate revenues to meet the operating and capital costs and provide financial stability. The analysis will be conducted and modeled to provide scenario "what-if" assessments, considering different customer growth, revenue, and expense assumptions.
- **Cost of Service.** The analysis will evaluate the existing utility and the relative load placed on the water system by the different customer classes to allocate costs based on services received fairly. The cost-of-service analysis will be based on industry standards and methodologies prescribed by AWWA. Our approach combines engineering design considerations with operational realities to support defensible cost allocations.
- **Rate Design.** Rates do more than recover costs. Within the legal Proposition 218 framework and industry standards, properly designed rates should support the District's objectives. The District will benefit from our California experience with large, medium, and small water utilities and our knowledge of creating and implementing different rate designs that meet industry standards and Proposition 218 stipulations.

Scope of Work

Task 1. Project Initiation & Management

Black & Veatch will incorporate general project management to ensure the study drives towards the goals and objectives. Specific subtasks include:

- Coordinate project activities among Black & Veatch and District staff. This includes providing direction as required to meet project objectives and deadlines, maintaining adequate levels of staff throughout the project, reviewing all study-related work, and providing quality assurance on the work executed.
- Perform general administrative duties, including client correspondence, invoicing, budget/scope management, project documentation, and administer project controls using our proprietary internal project tracking system.
- Prepare a data request for financial and/or operating data necessary to complete the study. It is anticipated that data will be available promptly to support the study timeline.



Task 2. Financial Plan

Black & Veatch will develop a five-year financial plan starting July 1, 2025. Specific subtasks include:

- Conduct a historical billing data analysis to update billing determinants, establish consumptive patterns, evaluate system peaking demands, and identify potential new customer classifications. Black & Veatch recommends using a three-year historical period for which audited revenues exist.
- Forecast potential growth in customers and water consumption, by incorporating regional growth in the service area.
- Project existing revenues by applying the existing rates to projected customers and water consumption. Revenue determined will form the basis to assess revenues under existing rates for all customer classes.
- Incorporate revenues from other sources, including late charges, new services, delinquent fees, interest earnings, and miscellaneous revenues. These revenue sources are important for determining the net level of future revenue needed from rates.
- Evaluate the water. The objective of the CIP review is to gain an understanding of the types of projects scheduled - the timing associated with such projects, changes from prior years' capital budgets, anticipated sources of financing, and anticipated timing of proposed revenue bond issues.
- Project water capital outlays tend to recur on an annual basis. Such costs generally consist of expenditures for the normal and ongoing replacement of worn-out or obsolete equipment. Current year requirements are typically financed directly from the utility operating revenues.

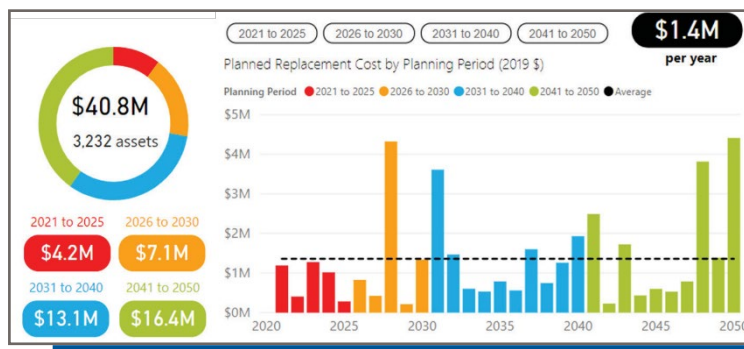


FIGURE 3: CAPITAL PLAN EXPENDITURES

- Review and understand District's reserve policy and other financial policies. We will review the existing reserve fund requirements and balances for adequacy. Adequate reserve levels will be recommended based on a review of reserve funding requirements, industry standards, and state regulations. Applicable bond ordinance requirements will be reviewed along with any relevant utility policies.
- Prepare a five-year financial plan for water, summarizing the revenues and revenue requirements projections to determine revenues' adequacy under existing rate levels to meet operating and capital needs.
- Forecasted revenue will include revenue under existing water service rates, funds generated from other operating income, and interest income. Revenue requirements will include operation and maintenance expenses, routine capital expenditures, the revenue financed portion of major capital improvements, and any applicable debt service costs or other anticipated obligations. Adjustments will be made to allow any required revenue increases to meet revenue requirements over the study period and to minimize the impact of rate increases on District's customers to the extent possible.

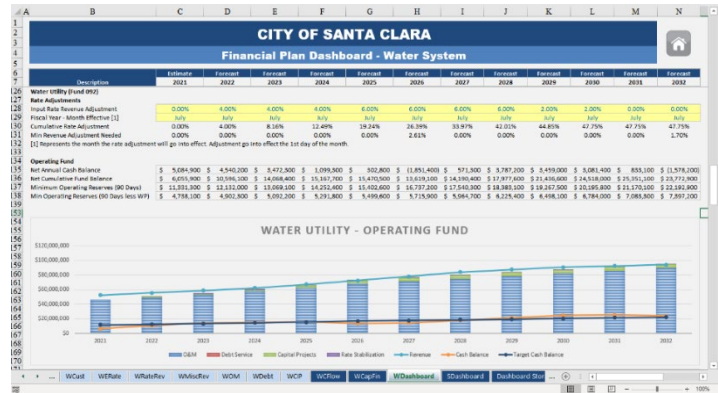


FIGURE 4: FINANCIAL PLAN DASHBOARD

Utilizing the scenario builder in our rate models, we will work with District to prepare cash flow scenarios reflecting changes in different assumptions such as customer consumption, operating expenses, capital costs, and capital funding options. Each scenario will evaluate the ability of each system to fund revenue requirements under the current rates and the level of future revenue adjustments needed to meet obligations, including reserve requirements.

Task 3. Cost of Service Analysis

Black & Veatch will perform a cost-of-service analysis utilizing AWWA principles. Specific subtasks include:

- Identify and determine each utility's functional service parameters to allocate costs between customer classes. This step recognizes system service requirements typically cause costs incurred by the utility. These requirements generally include the number of customers, water consumption, meters and billing, and fire protection.
- Develop an estimate of the units of service associated with each of the cost-causative elements for service. The units of service will be estimated based on service characteristics defined for each customer class. These units of service will be developed recognizing the customer usage analysis, available data, and engineering judgment about customer class service requirements.
- Determine the unit cost of service resulting from aligning functional cost allocations with the estimated units of service. The calculated unit cost of service establishes the basis for understanding the cost-based functional unit value of services provided by District.

- Distribute cost responsibility to each customer class by applying unit costs of service to each customer class's unit of service. Each customer class's relative responsibility will be determined based on each class's estimated service requirements.

Task 4. Rate Design

Black & Veatch will design water rates for a maximum of five years.

Our approach to the rate design is to establish a reasonable nexus between costs incurred in providing service and the designed rates and charges. We recognize the need to balance rates with the social and economic impacts to the customers.

Black & Veatch's approach to rate studies is to develop a comprehensive Administrative Record that can withstand legal scrutiny. To this end, we take time to ensure that the designed rates satisfy Prop 218 requirements, including recent litigation trends and District policies.

- Water Rates. The rate structure will remain the same for the District and therefore there will be no alternative rate design structures.

Task 5. Report Development

Black & Veatch will prepare a comprehensive draft and final report. The draft report will document the findings and make recommendations for District rates. The report will include the following sections:

- Executive Summary
- Financial Plan
- Cost of Service Analysis
- Rate Design

Upon review and comment by District, Black & Veatch will prepare a final report incorporating all the comments. The report will provide information for the community, and the customers served. The draft and final report will be delivered via electronic PDF.

Task 6. Public Meeting Support

Black & Veatch will participate in the following virtual meetings:

- One (1) one-hour kick-off meeting with District staff.
- Eight (8) one-hour meetings with District staff to discuss the results and recommendations of the financial plan, cost-of-service analysis, and rate design.
- One (1) one-hour meeting to go through the draft/final report.
- Two (2) one-hour in-person Community meeting, Committee, or Board of Directors meeting to discuss the recommendations of the study.

Schedule

The study schedule assumes receipt of notice to proceed in November 2024. The study will run from November 2024 to June 2025, with rates and report by the end of March 2025. That will provide the District sufficient time to meet the Proposition 218 requirements and implement rates by July 1, 2025.

Qualifications and Project Team

Qualifications

THE BEST TESTAMENT TO OUR WORK'S QUALITY AND COMMITMENT TO SCHEDULE IS MORE THAN 80 PERCENT OF OUR WORK COMES FROM REPEAT CLIENTS AND ENGAGEMENTS.



Black & Veatch Corporation, a wholly owned subsidiary, has provided financial, rate-setting, and operations management services for over 80 years. Regulatory bodies recognize our team members as subject matter experts in financial planning, rate-setting, affordability, and customer information systems, to name a few. We bring proven expertise and experience conducting water, reclaimed water, wastewater studies, and achieving successful financial plans and rate approvals gained through our work with hundreds of municipal utilities.

When we say that we have "[done this before](#)," we mean that we have conducted more than 65,000 financial evaluations, including rate and cost-of-service studies, over the past eight decades.

Black & Veatch has provided continuous service to water and wastewater agencies in California since 1975. Our clients benefit from our unique pedigree of highly respected business professionals and national practice leaders who work across all water and wastewater sectors.

Over the last 20 years in California, Black & Veatch has worked for over 100 private and public agencies, performing over 350 management consulting engagements. We have successfully worked with utilities to help defend against Proposition 218 challenges and helped others redesign structures to comply with the proposition.

Financial Planning

Black & Veatch has developed multi-year financial plans for water, reclaimed water, wastewater, and electric utilities in California and nationwide. Features of our financial plans include:

- Conducting historical water demand analyses.
- Developing repair & rehabilitation schedules and quantifying deferred maintenance impacts using asset management protocols.
- Leading capital prioritization activities.
- Establishing pass-through formulae.
- Reviewing and recommending reserve policies.
- Creating miscellaneous fees and reviewing overhead cost allocations.
- Modeling multiple scenarios and or assumptions.

Cost of Service Analysis and Rate Design

Our cost-of-service analyses establish the rationale nexus between the cost of providing services and how these services are priced. Our analyses rely on understanding the engineering behind how systems are built and operated and are data driven. Some of the outcomes of our approach include the following:

- Evaluating new customer classifications.
- Clearly defined costs by function, classification, and allocation to various rate classes.
- "Quick views" into the assigned allocators for each function, classification, and rate class allocation.
- Well-supported and documented sources and calculations used to derive the COS allocators.
- Developing new rate structures (e.g., tiers for water, consumption-based structures for wastewater, budget-based)
- Creating new recycled water rates, fire service rates, and drought surcharges.

Connection Fees

Our connection fee services, also known as system development charges, establish a fee that helps utilities finance capacity-related facilities' development. These fees are obtained from new customers or customers seeking expanded services. Some of the outcomes of our services include the following:

- Establishment of approach (buy-in, incremental, combined).
- Identification of capital improvement projects (capacity versus repair and rehabilitation).
- Help make sure that "growth pays for growth."

Proposition 218 Services

Our Proposition 218 services are designed to assist the utilities in meeting the requirements set for in the California Constitution Articles XIII C and XIII D. The legal requirement under Section 6, Property Related Fees and Charges, is to provide written notice by mail to the impacted parcels and to conduct a public hearing not less than 45 days after mailing the notice. With that said, our suite of Proposition 218 services includes:

- Preparation of Proposition 218 notice.
- Draft Frequently Asked Questions.
- Prepare a public outreach implementation plan.
- Present and attend the public hearing.
- Assist with stakeholder meetings and/or City Council/Board of Directors members.

Project Team

Our people are the most important part of our organization. Our cohesive team will perform under the Project Manager's leadership, who will be responsive, diligent, and available to serve the District effectively during this study.

We have selected a team specifically for this project that includes the following critical attributes:

- **Exceptional Project Management and Thought Leadership** to address the District's cost-of-service study objectives and provide pragmatic data-driven rate recommendations.
- **Synergistic Team that has Delivered Similar Projects** working together. Alberto Morales, the Project Manager, and Ms. Ann Bui, the Project Director, will lead our Project Team. Both are based in Southern California and have the knowledge and skillset to execute rate studies under Proposition 218 requirements.
We maintain a strong track record of cohesively leading project teams to successfully deliver project results on schedule and budget.

The following section briefly describes the senior team member's experience, expertise, and role in this study. Complete resumes are available in the Resume section.



TEAM MEMBER	RESPONSIBILITIES
Ann Bui Project Director Years Experience: 30+	<p>Ann will provide technical guidance and leadership to achieve the objectives and confirm the quality of the analysis and deliverables. Ann leads the company's rates and regulatory practice. She has more than 30 years of experience with clients over four continents, which she has gained through more than 500 engagements, providing financial and business planning services for utilities of all sizes. She has managed financial and cost-of-service engagements for over a dozen utilities with more than 125,000 accounts.</p> <p>Select Project Experience:</p> <ul style="list-style-type: none"> ▪ California Water/Wastewater/Recycled Water Rate Studies for the Cities of Santa Clara, Menlo Park, Napa, Oxnard, Simi Valley, Port Hueneme, Burbank, Los Angeles (LASAN), Santa Ana, Manhattan Beach, Newport Beach, Long Beach, and San Diego. Agency engagements include IEUA, Central Contra Costa District, and the County of San Diego. ▪ National Water/Wastewater Rate Studies with Rate Structure Changes and Stakeholder Engagements for: Philadelphia Water Department, Washington Suburban Sanitary Commission, Sewerage & Water Board of New Orleans, Charleston Water System (SC), City of Atlanta, Greater Cincinnati Water Works, and San Antonio Water Systems (TX).
Alberto Morales, Project Manager Years Experience: 20+	<p>Alberto will oversee the day-to-day execution, focusing on project management, stakeholder coordination, and workshops. He has over 20 years of experience with municipal, special districts, and investor-owned utilities. During this time, he has served as a project manager and lead financial analyst on financial planning, cost of service analyses, capacity fees, miscellaneous fees, capital prioritization, business processes, technical due diligence, and market valuations for projects involving water, recycled water, and wastewater utilities.</p> <p>He has supported and led public outreach efforts for all his clients. Additionally, he has developed and communicated to staff and outside stakeholders about</p>

TEAM MEMBER

RESPONSIBILITIES

the purpose and value of developing long-term financial plans and performing a cost-of-service analysis.

Select California Project Experience:

- City of Oakland – Sewer Rate Study and Capacity Fees
 - City of Banning – Water, Recycled Water, & Wastewater Rate Study
 - City of San Diego – Cost of Service Studies & Related Financial Support
 - County of San Diego – Wastewater Rate Studies & Water Rate Study
 - Los Angeles Bureau of Sanitation – Revenue Studies, Wastewater Cost of Service Study
 - City of Burbank – Wastewater Cost of Service Study
 - Camrosa Water District – Water and Wastewater Rate Studies
 - City of Santa Clara – Water, Recycled Water, and Wastewater Rate
-

Relevant Experience

The following provides a high-level summary of representative projects undertaken by Black & Veatch. Details projects are identified below.

<i>Client</i>	Revenue Sufficiency	Capital Planning	Cost of Service	Connection Fees	Conservation Planning	Miscellaneous Fees & Charges	Economic Studies	Proposition 218	Stakeholder Engagement
<i>Banning, City of</i>	●	●	●		●			●	●
<i>Burbank, City of</i>	●	●	●	●				●	●
<i>California American Water</i>					●		●		●
<i>California State University – Channel Islands</i>	●	●	●		●			●	●
<i>Camrosa Water District</i>	●	●	●	●	●	●		●	●
<i>Claremont, City of</i>	●	●	●						
<i>Escondido, City of</i>		●			●		●		
<i>Garden Grove, City of</i>	●	●	●		●			●	●
<i>Grand Terrace, City of</i>	●	●	●					●	●
<i>Inland Empire Utilities Agency</i>	●	●	●	●	●	●		●	●
<i>Las Virgenes Municipal Water District</i>	●	●	●		●			●	●
<i>Leucadia Wastewater District</i>	●	●	●		●			●	●
<i>Lomita, City of</i>	●	●	●		●			●	
<i>Long Beach Utilities</i>	●	●	●		●	●	●	●	
<i>LASAN</i>	●	●	●	●	●	●	●	●	●
<i>Lynwood, City of</i>	●	●	●		●			●	●
<i>Manhattan Beach, City of</i>	●	●	●		●			●	●
<i>Menlo Park, City of</i>	●	●	●	●	●			●	●
<i>Napa, City of</i>	●	●	●	●	●			●	●
<i>Newport Beach, City of</i>	●	●	●		●			●	●
<i>Oakland, City of</i>	●	●	●	●	●			●	●
<i>Orange, City of</i>	●	●	●		●			●	●
<i>Oxnard, City of</i>	●	●	●		●	●	●	●	●
<i>Pico Rivera, City of</i>	●	●	●		●			●	●
<i>Port Hueneme, City of</i>	●	●	●	●				●	●
<i>San Bernardino, County of</i>	●	●	●		●			●	●
<i>San Clemente, City of</i>	●	●	●	●	●			●	●
<i>San Diego, City of</i>	●	●	●	●	●	●	●	●	●
<i>San Diego, County of</i>	●	●	●	●	●	●	●	●	●
<i>Santa Ana, City of</i>	●	●	●		●	●		●	●
<i>Santa Clara, City of</i>	●	●	●	●	●			●	●
<i>Simi Valley, City of</i>	●	●	●	●				●	●
<i>St. Helena, City of</i>	●	●	●		●			●	●
<i>Vallecitos Water District</i>	●	●	●	●				●	●
<i>Victor Valley Water Reclamation District</i>	●	●	●	●	●			●	●
<i>Yuba City, City of</i>	●	●	●	●	●			●	●

Client References

WATER, NON-POTABLE WATER, AND SEWER RATE STUDIES | UPDATE OF SYSTEM DEVELOPMENT AND MISCELLANEOUS CHARGES | CAMROSA WATER

Client Reference

Ms. Tamara Sexton
Finance Manager
7385 Santa Rosa Road
Camarillo, CA 93012
+1 805-482-8214

TamaraS@camrosa.com

Black & Veatch has assisted the Camrosa Water District, CA, with financial consulting services since 2012. The District has sought our guidance and expertise with financial planning, cost of service, rate design, system development charges, and miscellaneous fees. The District sets rates on a five-year basis; therefore, Black & Veatch has assisted on three rate cases with the recent rate case completed in early 2024.

Key highlights:

- Developed a five-year financial plan for the City's potable, non-potable, and sewer utilities. We assisted in separating non-potable water expenditures from potable water. The District was expecting significant costs on the non-potable system and chose not to burden potable customers for non-potable system upgrades.
- Assisted the District in presenting the findings to the Board of Directors at Ad Hoc Committee and full Board of Directors meetings. We worked closely with the General Manager, Finance Manager, and outside Legal Counsel to approve the rates through the Proposition 218 process.
- Updated the District's capacity fees for potable water and developed new non-potable water capacity fees. In a period of significant housing development and infrastructure needs, the District wanted growth to pay for growth.
- Developed the basis for the District's miscellaneous fees. The City felt that the level of service was did not commensurate with the fees there sought assistance in developing a methodology that accounted for full costs and state regulations.

WATER, RECYCLED WATER, AND WASTEWATER RATE STUDY AND SYSTEM DEVELOPMENT CHARGES | CITY OF SANTA CLARA, CA

Client Reference

Mr. Gary Welling, P.E.
Director of Water & Sewer
1500 Warburton Ave
Santa Clara, CA 95050
+1 408-615-2018

GWelling@santaclara.gov

Black & Veatch has assisted the City of Santa Clara, CA, with water, recycled water, and sewer financial consulting services since 2017. The City has sought our guidance and ratemaking expertise with financial planning, cost of service, rate design, system development charges, and public participation. The City sets rates annually; therefore, Black & Veatch has assisted annually since 2018.

Key highlights:

- Developed a three-year financial plan for the City's water, recycled water, and sewer utilities. Recycled water is a stand-alone utility from the water utility. While the City adopts rates on annual basis, a three-year plan is presented to City Council.
- Established a capital financing plan defining the funding sources for the capital program. Through the years, Black & Veatch has helped the

City identify and obtain \$50M in short-term and long-term debt for its regional wastewater treatment facility.

- Updated the existing capital connection charges for sewer, developed a new connection charge for water, and reviewed the storm drain fee.
- Provided support with the Proposition 218 process from reviewing public hearing presentation, Proposition 218 notice, to attending the public hearing where rates were adopted.

WATER, RECYCLED WATER, AND WASTEWATER RATE STUDIES | CITY OF BANNING, CA

Client Reference

Mr. Arturo Vela, P.E.

Director

99 E. Ramsey Street

Banning, CA 92220

+1 951-922-3134

AVela@banningca.gov

Black & Veatch assisted and is currently engaged with the City of Banning, CA, by providing water, recycled water, and wastewater financial consulting services. In 2021, the City engaged Black & Veatch to assist with financial planning, cost of service, rate design, and presentations to the Budget & Finance committee and City Council. In 2024, were engaged to update its financial plan.

Key highlights:

- Developed a multi-year financial plan for the City's water and wastewater utility fund to determine the revenue adjustments needed for a five-year forecast period. The City had sought to separate recycled water from the wastewater fund but decided to continue with its current operations.
- Established a capital financing plan defining the sources and uses of funding for the water and wastewater capital improvement program. The City evaluated debt instruments as an alternative to cash funding the CIP. The 2024 update is incorporating increased capital project costs and the incorporation of a large capital project to treat Cr6.
- Updated the rate structure included a monthly fixed charge based on meter size and a three-tier consumption charge. The tier breakpoints were reassessed and adjusted to reflect new water conservation requirements. In addition, we designed new drought rates that match the City's different water shortage conservation stages.

Fee Proposal

Based on the Scope of Work outlined in the proposal, Black & Veatch proposes to perform the scope on a lump sum basis for amount of \$42,090 as shown in **Table 1**.

TABLE 1: PROJECT COSTS

Task Description	Virtual Meetings	In-Person Meetings	Project Director	Project Manager	Financial Analyst	Total Cost
Task 1: Project Initiation & Management	1	0	0	4	6	\$2,490
Task 2: Financial Plan	4	0	0	12	40	\$11,980
Task 3: Cost of Service Analysis	2	0	0	8	24	\$7,440
Task 4: Rate Design	2	0	0	6	26	\$7,220
Task 5: Report Development	1	0	1	6	40	\$10,485
Task 6: Public Meeting Support	0	2	1	4	4	\$2,475
Total	10	2	2	40	140	\$42,090

Additional Professional Services

Services provided within the Scope of Work and additional professional services authorized by the District via an addendum to the agreement are proposed to be billed using the rates below.

These rates are effective through December 31, 2025, and are subject to increase on January 1, 2026.

TABLE 2: HOURLY RATES

Job Title	Hourly Billing Rates*
Financial Analyst	\$205
Project Manager	\$315
Project Director	\$395

*Plus Direct Expenses

Resumes

Ann Bui

Ms. Ann Bui serves as a Senior Managing Director with Black & Veatch's Global Advisory business. Besides providing clients with strategic financial management strategies, her responsibilities include driving growth and innovation to utilities in the areas of financial and advisory planning, climate solutions, resiliency and sustainability issues, and asset integrity.

Ms. Bui has more than 30 years of experience with clients in North and South America, Europe, and Asia gained through more than 500 engagements, providing financial and business planning services for public and investor-owned utilities of all sizes. Her recent assignments have focused on reducing carbon footprints for energy-intensive activities, water insecurity; addressing affordability and assistance program needs; quantifying the financial impact of deferred asset maintenance; and developing innovative approaches for structuring alternative delivery projects using private and public financing instruments.

She has prepared financial feasibility reports supporting more than \$16 billion of revenue bond sales, \$8 billion in state revolving fund loans, and over \$1 billion of grant applications. Her work on due diligence efforts has supported water and wastewater infrastructure assets totaling over \$50 billion.

An active proponent of advancing the water industry, Ms. Bui is a long-standing member of several industry associations. She is a past Chair of the American Water Works Association (AWWA) Finance, Accounting, and Management Controls (FAMC) Committee and is involved with AWWA's Rates and Charges Committee, the National Association of Clean Water Agency's (NACWA's) Utility Management Committee, and with the Water Environment Federation (WEF).

Ms. Bui serves as an author, editor, and peer reviewer for many of the rate-making industry's manuals of practice, including AWWA's M1 – Principles of Water Rates, Fees and Charges, the current update to M1, the current update of WEF's Manual of Practice 27, Financing and Charges for Wastewater Systems, and WEF's User-Fee Funded Stormwater Program. She is the lead author and editor of AWWA's book *Financial Management for Water Utilities: Principles of Finance, Accounting and Management Controls*. Presently, Ms. Bui is the Chair for the update to AWWA's M29 – Water Utility Capital Financing.



PROJECT DIRECTOR

Education

MBA, Finance, University of California – Davis, 1995

MS, Chemical Engineering, University of California Los Angeles, 1989

BS, Chemical Engineering, University of British Columbia, 1986, Canada

Additional Credentials

License, Engineer-In-Training, #XE094654, California, 1995

AWWA

Past Chair – AWWA's Finance, Accounting & Management Controls Committee

Member – AWWA's Rates & Charges

WEF

NACWA's Utility Management Committee

Western Energy Institute

Years of Experience

33

Specializations and Skills

Financial & Management Consulting Services; Debt Issuance Support; Elasticity Studies; Cost of Service & Rate Design; Institutional & Org. Studies; Alternative Financing; Valuations / M&A

SELECT CALIFORNIA PROJECT EXPERIENCE

City of Los Angeles Bureau of Sanitation, CA, Various Wastewater and Stormwater Rate Services, 2008-Ongoing

Project Director. Black & Veatch has provided financial and rate consulting services to the City of Los Angeles (City) since the 1970s. Ms. Bui has worked with the City of Los Angeles Bureau of Sanitation (LASAN) in a variety of positions since 2008. She is the Project Director for Black & Veatch's engagement with LASAN to evaluate rate structure alternatives pertaining to the City's Clean Water Program. This restructuring involves extensive public outreach and engagement since the last cost-of-service study has been over a decade.

Since 2008, Ms. Bui and her team have assisted LASAN with the following services:

- Provided funding strategies to support the City's three Enhanced Watershed Management Permits (EWMPs) submittals. The EWMP outlines a strategy to address watershed activities to comply with MS4 requirements.
- Reviewed stormwater fees and alternative funding sources for the stormwater program. Consideration was given to the need and appropriate basis for stormwater quality-based charges. A financial planning and rate design model was developed for City staff to evaluate the financial status of the stormwater program annually. The model is designed to provide future budget estimates, evaluate alternative revenues, revenue requirements, and the flow of funds analyses, and show the effect of any changes on existing and alternative rate designs.
- Updated LASAN's Sewerage Generation Factors (SGF). The SGF is the basis for sewage facility charges imposed on new developments or renovations of existing facilities. The SGF consists of a volumetric and two strength components. The analysis included research of the existing SGF, a mass balance, field surveys, and benchmarking to similar utilities. In addition, we incorporated the effects of water conservation measures enacted by the City of Los Angeles into the analysis.
- Reconciled LASAN's Contract Agency section service charges. LASAN entered into separate agreements with 29 surrounding agencies to provide wastewater services. The reconciliation required updates of O&M and capital costs, flow and strength characteristics, cost allocations, and facilities charges.

County of San Diego's Department of Public Works | Rate Studies | 2015-Present

Project Director. Ms. Bui serves as the Project Director for Black & Veatch's ongoing engagement with the County of San Diego's Department of Public Works. The engagement with the County has included comprehensive rate studies as well as specialized studies. Recently, we performed a rate study focused on creating a water rate for the Live Oaks area, which the County was taking over from a private water utility. Water service to the area is via groundwater wells and does not meet regulatory standards.

City of Santa Clara; Water and Wastewater Rate Study; Santa Clara, California; 2017 - Present

Project Director. Ms. Bui serves as the Project Director for Black & Veatch's continuing work for the City of Santa Clara. She worked with the Director of Public Utilities and Management Analyst to update their water and wastewater rates. The City dealt with Covid-19 changes in consumption at the end of fiscal year 2020, therefore the study incorporated changes to the extent possible in the development of their yearly rates. The City performs a cost-of-service study on a yearly basis.

[City of Burbank; Wastewater Rate Study; Burbank, California; 2012-2031 and 2020-Present](#)

Project Director. Ms. Bui leads this wastewater cost of service study. In this role, she is working close with the Assistant City Manager to perform a cost-of-service analysis on the City's wastewater utility. The result will be an updated rate structure for all customer classes. In addition, she will assist the City in reviewing and updating their connection fee for new connections. The analysis will focus on alternative fee structures to better align with Burbank Water and Power.

[City of Menlo Park; Water Rate and System Development Charges Study; Menlo Park, California; 2020-2021](#)

Project Director. Ms. Bui is the Project Director for this water rate study, working with Public Works to develop water rates. The study includes a financial plan, cost of service and rate design. The rate design component incorporates drought charges based on the City's four drought phases. The study also develops system development charges for new connections to the water system. The study temporarily placed on hold in early 2020 as the City dealt with Covid-19. The City will update the rate study for fiscal year 2021 in late 2020/early 2021.

[Olivenhain Municipal Water District; Review of Recycled Water Charges; Encinitas, California; 2019](#)

Project Director. Ms. Bui managed a team that conducted a review of Olivenhain Municipal Water District's (OMWD) recycled water charges. OMWD purchased recycled water from Vallecitos Water District (Vallecitos) through an agreement that was established in 2003. Over the years, Vallecitos has expanded recycled water production while OMWD has reduced recycled water demand. As part of the review, Black & Veatch reviewed and validated the cost components included in the charge and made recommendations for future changes to the agreement.

[City of San Diego; Pure Water Funding Support, California; 2017-2018](#)

Lead Economist and Project Director. Provided technical and economic services supporting the City's Water Storage Investment Program application. Led the economic analysis for the monetization of ecosystem, water, emergency resources, and recreational benefits. Monetization efforts included incorporating all hydraulic modeling generated by the team and identifying the avoided cost, least cost, and willingness to pay values for 11 identified benefits supporting a total funding request of \$220 million.

[American Water Company; Automated Metering Infrastructure Rate Case Support and Water-Budget Rate Setting Expert Witness; California; 2016-2019](#)

Project Director. Ms. Bui served as the Project Director for California American Water's (CAW's) Rate Case petition for an Automated Metering Infrastructure (AMI) program in front of the California Public Utilities Commission (CPUC). CAW retained Black & Veatch to help support the development of an AMI framework and provide expert witness testimony. As part of the framework, we developed cost estimates for different AMI configurations and evaluated both tangible and intangible benefits of AMI. The CPUC is currently reviewing the petition, and Black & Veatch served as an expert witness. Concurrent with the work, Ms. Bui served as an expert witness for CAW's separate CPUC rate petition regarding its water budget-based rate design for the Monterey service area.

CA - Water, Wastewater, Stormwater, & Solid Waste Utility Financial Planning, Rate & Cost-of-Service Studies, Indirect Cost Allocations, and Organizational Assessments

- Antioch, CA
- Atascadero Mutual Water Company, CA
- Banning, CA
- Burbank, CA
- CA American Water, CA
- California State University, Channel Islands, CA
- Cambria Community Services District, CA
- Camrosa Water District, CA
- Central Contra Costa Sanitation District, CA
- Chino Hills, CA
- Claremont, CA
- County of San Bernardino, CA
- County of San Diego, CA
- Cucamonga Valley Water District, CA
- Downey, CA
- Dublin San Ramon Service District, CA
- Eastern Municipal Water District, CA
- Encinitas Wastewater Authority, CA
- Escondido, CA
- Fountain Valley, CA
- Golden States Water Company, CA
- Goleta Water District, CA
- Helix Water District, CA
- Indio Water Authority, CA
- IEUA
- Santa Monica, CA
- Los Angeles Bureau of Sanitation
- LADWP, CA
- Leucadia Water District, CA
- Lomita, CA
- Long Beach, CA
- Lynwood, CA
- Manhattan Beach, CA
- Marin Municipal Water District, CA
- Menlo Park, CA
- Mesa Water District, CA
- Metropolitan Water District of Southern California
- Montecito Water District
- Municipal Water District of Orange County
- Napa, CA
- Newport Beach, CA
- Oakland, CA
- Olivenhain Municipal Water District, CA
- Ontario, CA
- Orange, CA
- Orange County Waste and Recycling, CA
- Oxnard, CA
- Padre Dam Municipal Water District, CA
- Palo Alto, CA
- Patterson, CA
- Pico Rivera, CA
- Pomona, CA
- Port Hueneme, CA
- Port of San Diego, CA
- Rancho California Water District, CA
- Riverside Public Utilities, CA
- San Clemente, CA
- San Diego, CA
- SFPUC, Hetch Hetchy
- San Joaquin County, CA
- San Jose, CA
- San Juan Capistrano, CA
- Santa Ana, CA
- Santa Clara, CA
- Santa Ynez River Water Conservation District, CA
- Simi Valley, CA
- Soledad, CA
- Soquel Creek Water District, CA
- South Gate, CA
- Southern California Water Company
- St. Helena, CA
- Sweetwater Authority, CA
- Tracy, CA
- Western Municipal Water District, CA
- Westminster, CA
- Windsor, CA
- Vallecitos Water District, CA
- Vallejo Flood Control District, CA
- Victor Valley Wastewater Reclamation District, CA
- Yuba City, CA

Alberto Morales

Mr. Alberto Morales is a principal consultant and serves as a project manager on financial planning, cost of service analyses, rate design, capacity fees, miscellaneous fees, capital prioritization, business processes, technical due diligence and market valuations for projects involving water, recycled water, wastewater, and stormwater utilities.

Prior to joining the management consulting business of Black & Veatch, Mr. Morales worked as a civil engineer specializing in the design, construction management and operations for water and wastewater utilities. Mr. Morales combines his technical engineering background with his financial experience to provide effective solutions for clients.

PROJECT EXPERIENCE

City of Oakland, Sewer Rate and Connection Fees Study; Oakland, California; 2024

Project Manager. Mr. Morales serves as the project manager for a sewer rate and connection fee study. In this role he is working with Public Works staff to update the sewer financial plan, conduct a cost of service, and develop rates. The study also includes an update of the connection fees (system development charges). Oakland has routinely raised rates based on CPI index and will be doing a comprehensive cost of service study. The study includes a five-year financial plan, cost of service analysis, and rate design.

City of Los Angeles, Sanitation and Environment; Wastewater Cost of Service Study; Los Angeles, California; 2023-2024

Project Manager. Mr. Morales serves as the project manager for a wastewater cost of service study. In this role he is working with the Financial Management Division to perform a wastewater cost of service study. Los Angeles has not raised rates since 2012 and is seeking revenue to execute its \$3 billion-dollar CIP. In addition, it has seen increases in operating costs associated with inflation which have required the City to examine their wastewater rates. The study includes cost of service analysis, rate design, and public outreach.

City of Santa Clara; Water and Wastewater Rate Study and System Development Charges; Santa Clara, California; 2017-2024

Project Manager. Mr. Morales serves as the project manager for water, recycled water and wastewater rate and system development charge study. He has served in this role for the past eight years working with the Director of Public Utilities and Sr. Management Analyst to develop their water, recycle water and wastewater rates and update their wastewater and storm drain system development charge. Through the years, he has helped develop a new water system



PROJECT MANAGER

Education

Masters, Business Administration, University of California, Los Angeles, 2005

MS, Civil Engineering, University of California, Los Angeles, 2000

BS, Civil Engineering, University of California, Los Angeles, 1999

Additional Credentials

License, Engineer-In-Training, #106878, California, 1999

AWWA

Years of Experience

22

Specializations and Skills

Capital Prioritization; Cost of Service Analyses; Financial Planning; Project Management; Technical Due Diligence

Languages

English; Spanish

development charge, reviewed Proposition 218 notices, assisted in public hearings, meet with its regional partners, and provided debt financing guidance.

[City of Newport Beach; Water and Wastewater Rate Study; Newport Beach, California; 2022-2023](#)

Project Manager. Mr. Morales served as the project manager for a wastewater rate study. In this role he worked closely with Utilities staff to perform a water and wastewater rate study. Newport Beach had seen an increase in operating costs associated with inflation and drought conditions which required the City to examine their water and wastewater rates. The study included a five-year financial plan, cost of service analysis, and rate design.

[City of Manhattan Beach; Wastewater Rate Study; Manhattan Beach, California; 2022-2023](#)

Project Manager. Mr. Morales served as the project manager for a wastewater rate study. In this role he worked with Utilities and Finance staff to perform a cost-of-service analysis and rate design for the wastewater utility. Manhattan Beach is a collection only system that directs wastewater flow to the Los Angeles County Sanitation District for treatment service. Therefore, the study validated operating and capital costs for the City were sufficient. The study included a five-year financial plan, cost of service analysis, and rate design.

[Veolia Water Idaho; Water Cost of Service Study; Boise, Idaho; 2022-2023](#)

Project Manager. Mr. Morales served as the project manager for a water cost of service study. In this role he collaborated closely with staff to perform a cost-of-service analysis for an Investor-Owned Utility. Veolia Water Idaho provides water services to the City of Boise and surrounding areas and the Idaho Public Commission (PUC) provides oversight with regards to rate adjustments. The study included a water cost of service analysis and rate design that will satisfy Idaho PUC requirements.

[City of Napa; Water Rate Study; Napa, California; 2022-2023](#)

Project Manager. Mr. Morales served as the project manager in a water rate study. In this role, he worked closely with the Water General Manager to develop a rate structure that would meet Proposition 218 requirements while meeting the financial needs of the Water Division. The City has seen an increase in operating costs due inflation and drought impacts, therefore they sought to update their water rates. A rate model was developed that incorporated financial planning, cost of service analysis and rate design that recovered costs equally among its customer classes.

[County of San Diego; Water Rate Study; Live Oak Springs, California; 2020-2022](#)

Project Manager. Mr. Morales served as the project manager for a water rate study. In this role he worked closely with staff to develop a new rate structure for a County Service Area (CSA) that has been recently acquired by the County. The County owns and manages a various wastewater CSAs, but Live Oak Springs CSA is their first water utility. The study included a three-year financial plan, cost of service analysis, and rate design that will satisfy Proposition 218 requirements. The County Board of Directors approval to move forward with Proposition 218 requirements in late 2020.

Water, Wastewater, Stormwater, & Solid Waste Utility Enterprise Financial Planning, Rate & Cost-of-Service Studies, System Development Charges, Capital Prioritization Activities

- Goodyear, AZ
- Phoenix, AZ
- Scottsdale, AZ
- Anaheim Public Utilities, CA
- Antioch, CA
- Banning, CA
- Burbank, CA
- California American Water, CA
- California State University, Channel Islands, CA
- Cambria Community Services District, CA
- Camrosa Water District, CA
- Central Contra Costa Sanitation District, CA
- Chino Hills, CA
- County of San Bernardino, CA
- County of San Diego, CA
- Downey, CA
- Dublin San Ramon Service District, CA
- El Dorado Irrigation District, CA
- Encinitas Wastewater Authority, CA
- Fountain Valley, CA
- Garden Grove, CA
- Golden States Water Company, CA
- Helix Water District, CA
- Indio Water Authority, CA
- Santa Monica, CA
- Los Angeles Bureau of Sanitation
- LA DWP, CA
- Leucadia Water District, CA
- Lomita, CA
- Long Beach, CA
- Lynwood, CA
- Manhattan Beach, CA
- Marin Municipal Water District, CA
- Menlo Park, CA
- Metropolitan Water District of Southern California
- Napa, CA
- Newport Beach, CA
- Oakland, CA
- Olivenhain Municipal Water District, CA
- Orange, CA
- Oxnard, CA
- Palo Alto, CA
- Pico Rivera, CA
- Port Hueneme, CA
- Port of San Diego, CA
- Rancho California Water District, CA
- Riverside Public Utilities, CA
- San Clemente, CA
- San Diego, CA
- San Jose, CA
- San Juan Capistrano, CA
- Santa Ana, CA
- Santa Clara, CA
- Santa Ynez River Water Conservation District, CA
- Simi Valley, CA
- South Gate, CA
- Southern California Water Company, CA
- Western Municipal Water District, CA
- Westminster, CA
- Vallecitos Water District, CA
- Victor Valley Wastewater Reclamation Agency, CA
- Yuba City, CA
- Southeastern Colorado Water Conservancy District, CO
- Florida Government Utility Authority, FL
- Atlanta, GA
- Veolia Water, ID
- Aurora, IL
- Topeka, KS
- Unified Government Wyandotte County, KS
- Sewerage and Water Board of New Orleans, LA
- Baton Rouge, LA
- Shreveport, LA
- Washington Suburban Sanitary Commission, MD
- Las Campanas Water & Sewer Cooperative, NM
- Henderson, NV
- Las Vegas, NV
- Veolia, NY
- Elyria, OH
- Gulf Coast Water Authority, TX
- Hudson Oaks, TX

Updates

CWD Operations Report: [TAB 6]

Attachments:

1. Monthly Operations Report



Cabazon Water District

14-618 Broadway Street • P.O. Box 297
Cabazon, California 92230

November 19, 2024 CWD Board Meeting Operations Update

- Heli Hydrants, scheduled installations at Tank 1, and Tank 3. Contractor Glenn Chavez, and Matt Howard (Operations Manager of San Gorgonio Pass Water Agency) have determine the location of the tank and water lines on the both premises. Both sites have marked to have a better understanding of other utilities in the vicinity. The approval of funding On October 7, 2024 by the SGPWA Approved the Resolution to execute the American Rescue Plan Act Fund Agreement between the San Gorgonio Pass Water Agency and the County of Riverside for the construction of the Heli Hydrant System. The County Board of Supervisors approved the funding on October 29, 2024. Contracts from the County and the San Gorgonio Pass Water Agency have been completed and signed on November 13, 2024..

<https://www.youtube.com/watch?v=grqnIbZTzNk>

- Correction to the October Managers Report. The 2023 Annual Potable Supply and Demand – Total Potable Water Production (456.46 Acre Feet Per Year) Total Potable Water Sales (386.73 Acre Feet Per Year)
- A Retirement Party to Honor Ellen Koumparis will be held on Friday, January 3, 2025, 5 PM, at the Mill Creek Cattle Company, 1874 Mentone BLVD, Mentone, CA 92359.
- The Cabazon Water District did receive the \$5,000 signing bonus for the Cell Tower Lease Extension on October 25, 2024.
- The Cabazon Water District met with Enersponse on November 4, 2024 regarding the participation in the Edison Demand Response Program:
 1. The program aims to reduce electricity consumption temporarily during high demand periods (4pm – 9pm) to maintain grid reliability and prevent blackouts
 2. Participants have the option to manually reduce consumption or allow the utility to automatically adjust their system
 3. Participants receive financial incentives for reducing their energy use, which can help lower electric bills, and even create a new revenue stream
 4. By reducing energy consumption during peak periods, the program helps lower carbon emissions and supports sustainability efforts

Enersponse confirmed that Payments and Rebates would be mailed in 2 to 3 weeks, which would be around December 1, 2024. No estimate for the amount the Cabazon Water District would receive was given at the time of the November 4th meeting.

- The County of Riverside has installed new street signs on major streets in Cabazon, with the logo of a sunrise, and not the logo with the dinosaur as requested by the Board.
- The Cabazon Water District had (1) service leak on Bonita, west of Broadway, (0) Main Leaks, and (0) New service installs to report for the month of October.
- The Cabazon Water District has started the foundation preparation for the well 2 site for the new warehouse building, by excavating the area where the foundation will be laid and prepared according to design specifications (40' x 60'). A deposit in the amount of \$8,421.28 was paid on November 6, 2024 for the building contractor, and a payment of \$3,705.00 was made for the approved set of plans, which will take up to 6 weeks to receive. The next step will be to apply for a building permit from the County of Riverside.