

Cabazon Water District

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

BOARD MEETING PACKET

October 15, 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, October 15, 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
 - Miscellaneous Financial Matters
2. Discussion: Miscellaneous District Financial Matters
3. Finance & Audit Committee District Payables Review and Approval/Signing

PUBLIC COMMENT

Any person may address the Board of Directors at this time on any matter within the subject matter jurisdiction of the Cabazon Water District; however, any matter that requires action will be referred to staff for investigation and reported at a subsequent Board of Directors meeting. The Board of Directors is prohibited by law from discussing or taking immediate action on items during this public comment period. To comment on specific agenda items, please advise the Board secretary prior to the meeting. **Each public comment will be limited to three (3) minutes. Individuals may not give their time away to another spokesperson. After two (2) minutes, the speaker will be notified that he/she has one (1) minute remaining. AB 1234 ORAL REPORTS (Gov. Code Sec. 53232.3(d))**

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.



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

REGULAR BOARD MEETING

AGENDA

Meeting Location:

14618 Broadway St.
Cabazon, CA 92230

Teleconference:

Dial-in #: 978-990-5321
Access Code: 117188
Email: info@cabazonwater.org

Meeting Date:

Tuesday, October 15, 2024 – 6:00 PM

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 September 17, 2024
- b. Regular Board Meeting Minutes and Warrants of September 17, 2024

2. Warrants – None

3. Awards of Contracts – None

NEW BUSINESS

1. Discussion/Action:

[\[TAB 1\]](#)

Quotes for Water Rates Study

- Water Resources Economics
- IB Consulting
- Black & Veatch

2. Discussion/Action: Approval for Well #2 Site Workshop costs
[TAB 21](#)
- 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

OLD BUSINESS

1. Discussion/Updates: Discussion/Updates with SGPWA Director(s) regarding various matters
2. Discussion/Action: Community Involvement

UPDATES

1. Update: CWD Operations Report
[TAB 31](#) (by GM Pollack)

PUBLIC COMMENTS

Any person may address the Board of Directors at this time on any matter within the subject matter jurisdiction of the Cabazon Water District that is not listed on the agenda; however, any matter that requires action will be referred to staff for investigation and reported at a subsequent Board of Directors meeting. The Board of Directors is prohibited by law from discussing or taking immediate action on items during this public comment period. To comment on specific agenda items, please advise the Board secretary prior to the meeting. Each public comment will be limited to three (3) minutes. Individuals may not give their time away to another spokesperson. After two (2) minutes, the speaker will be notified that he/she has one (1) minute remaining. AB 1234 ORAL REPORTS (Gov. Code Sec. 53232.3(d))

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.
 - FY 25 Budget Amendment – Pending Well #2 New Facility Building cost estimate
 - 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

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.



Cabazon Water District

Balance Sheet

As of September 30, 2024

	<u>2024</u>
1 ASSETS	
2 Current Assets	
3 Checking/Savings	\$ 161,988
4 Investments - LAIF & CLASS	1,865,246
5 Total Cash & Investments	<u>2,027,234</u>
6 Accounts Receivable	483,484
7 Bank of New York Trustee Accounts	74,591
8 Prepaid Expenses	26,778
9 Inventory	92,169
10 Total Current Assets	<u>2,704,256</u>
11 Fixed Assets	
12 Total Fixed Assets	16,229,368
13 Accumulated Depreciation	<u>(7,475,455)</u>
14 Net Fixed Assets	<u>8,753,913</u>
15 Other Assets	
16 Lease Receivable-Cell Towers	<u>907,891</u>
17 Total Other Assets	<u>907,891</u>
18 TOTAL ASSETS	<u>\$ 12,366,060</u>
19 LIABILITIES & FUND BALANCE	
20 Liabilities	
21 Current Liabilities	
22 Accounts Payable	\$ 35,941
23 Due to Other Gov't SGPWA	95,746
24 Customer Deposits	7,686
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	<u>43,709</u>
29 Total Current Liabilities	<u>256,350</u>
30 Long Term Liabilities	
31 DWR Loan Payable	62,707
32 Ford Loan Payable	30,766
33 RCAC Loan Payable	<u>147,411</u>
34 Total Long Term Liabilities	<u>240,884</u>
35 TOTAL LIABILITIES	<u>497,234</u>
36 Deferred Inflow of Resources (DIR)	
37 Deferred Lease Inflows	<u>833,081</u>
38 Total Deferred Inflows	833,081
39 Total Fund Balance	<u>11,035,744</u>
40 TOTAL LIABILITIES, DIR & FUND BALANCE	<u>\$ 12,366,060</u>



Cabazon Water District
Budget to Actual
 For the Period Ended September 30, 2024

	A	B	C	D=B/C
	Sep-24	Current YTD	FY 24/25 Budget	YTD 25%
1 REVENUES				
2 OPERATING INCOME				
3 Base Rate - Water Bills	\$ 48,539	\$ 148,946	\$ 601,100	25%
4 Commodity Sales	109,804	332,327	900,600	37%
5 Fire Sales - Water Bills	286	857	3,500	24%
6 Fees & Charges	5,700	15,932	62,500	25%
7 Basic Facilities Fee	4,078	46,957	45,400	103%
8 Stand By Fees - Tax Revenue	-	-	122,600	0%
9 TOTAL OPERATING INCOME	168,407	545,018	1,735,700	31%
10 NON-OPERATING INCOME				
11 Property Taxes	-	-	111,600	0%
12 Cell Tower Lease Income	-	8,505	34,100	25%
13 Miscellaneous Non-Operating Income	-	169,183	-	N/A
14 Interest Income - Investment Accounts	8,268	23,933	62,600	38%
15 Interest Income - Water Bills	868	1,965	7,300	27%
16 TOTAL NON-OPERATING INCOME	9,136	203,585	215,600	94%
17 TOTAL REVENUES	177,543	748,604	1,951,300	38%
18 EXPENSES				
19 PAYROLL				
20 Directors Fees	1,000	3,600	20,000	18%
21 Management & Customer Service	21,575	77,673	270,200	29%
22 Field Workers	18,134	62,411	244,000	26%
23 Employee Benefits Expense	17,718	58,225	219,900	26%
24 Payroll Taxes	3,046	10,821	42,100	26%
25 TOTAL PAYROLL	61,474	212,730	796,200	27%
26 OPERATIONAL EXPENSES				
27 Facilities, Wells, Transmission & Distribution (T&D)				
28 Lab Fees	759	3,427	12,000	29%
29 Meter Testing & Repair	-	11	1,000	1%
30 Utilities - Wells	32,294	54,190	195,900	28%
31 Line R&M Materials	571	9,883	50,000	20%
32 Well Maintenance	940	3,008	45,000	7%
33 Security	3,125	6,202	17,800	35%
34 Engineering Services -	174	1,070	40,000	3%
35 Facilities, Wells, T&D - Other	1,155	1,627	25,000	7%
36 Total Facilities, Wells, T&D	39,017	79,418	386,700	21%
37 Office Expenses				
38 Utilities - Office	2,597	8,882	37,900	23%
39 Water Billing System	252	760	4,100	19%
40 Supplies & Equipment	368	1,071	9,300	12%
41 Copier & Supplies	411	1,379	4,700	29%
42 Dues & Subscriptions	115	145	3,100	5%
43 Postage	100	2,071	10,000	21%
44 Printing & Publications	-	280	500	56%
45 Computer Services	2,789	8,408	34,900	24%
46 Air Conditioning Servicing	500	1,500	6,100	25%
47 Office Expenses - Other	-	269	800	34%
48 Total Office Expenses	\$ 7,132	\$ 24,763	\$ 111,400	22%



Cabazon Water District
Budget to Actual
 For the Period Ended September 30, 2024

	A	B	C	D=B/C
	Sep-24	Current YTD	FY 24/25 Budget	YTD 25%
49	Support Services			
50	\$ 2,705	\$ 8,327	\$ 15,600	53%
51	4,197	12,416	51,000	24%
52	1,215	1,311	20,000	7%
53	493	1,663	6,300	26%
54	147	297	1,100	27%
55	4,025	12,074	48,300	25%
56	12,781	36,088	142,300	25%
57	151	408	5,000	8%
58	-	660	10,900	6%
59	Service Tools & Equipment			
60	3,373	4,811	11,000	44%
61	1,601	3,158	13,500	23%
62	-	272	2,000	14%
63	106	979	2,000	49%
64	205	278	4,000	7%
65	-	198	3,000	7%
66	677	4,456	11,000	41%
67	365	1,095	4,500	24%
68	6,477	15,248	51,000	30%
69	NON-OPERATING EXPENSES			
70	967	2,965	14,500	20%
71	-	-	1,400	0%
72	531	621	1,500	41%
73	1,499	3,586	17,400	21%
74	128,379	372,901	1,520,900	25%
75	49,164	375,702	430,400	87%
76	(8,447)	(61,208)	(340,900)	18%
77	(2,377)	(7,067)	(74,600)	9%
78	\$ 38,340	\$ 307,427	\$ 14,900	



Cabazon Water District
Capital Detail
 For the Period Ended September 30, 2024

	A	B	C	D=B/C
	Sep-24	Current YTD	FY 24/25 Budget	YTD 25 %
1 CAPITAL PROJECTS				
2 RESERVE FUNDED				
3 Meter Replacement	(1,964)	(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	(6,484)	(14,981)	(30,000)	50%
11 Tank Maintenance	-	-	(3,700)	0%
12 TOTAL RESERVE FUNDED PROJECTS	(8,447)	(61,208)	(324,900)	19%
13 GRANT/DEBT FUNDED				
14 Department of Water Resources (DWR)				
15 Esperanza Waterline Improvements	(2,539)	(286,786)	(325,288)	88%
16 Grant Funding - DWR	-	-	309,288	0%
17 State Water Resource Control Board (SWRCB)				
18 Groundwater Well Improvements	(1,042)	(4,515)	(470,963)	1%
19 Grant Funding - SWRCB	-	-	470,963	0%
20 NET GRANT/DEBT FUNDED PROJECTS	(3,580)	(291,301)	(16,000)	
21 TOTAL NET COST OF CAPITAL PROJECTS	\$ (12,028)	\$ (352,509)	\$ (340,900)	

Total Project Activity Summary

Groundwater Well Improvement Project	Expenses	Funding Received	Total Receivable
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	<u>\$ (73,827)</u>	<u>\$ 70,001</u>	<u>\$ 3,826</u>
Esperanza Waterline Project	Expenses	Funding Received	Total Receivable
Total Budget			
Esperanza Waterline Improvements - FY 24	\$ (43,014)	\$ -	43,014
Esperanza Waterline Improvements - FY 25	\$ (286,786)	\$ -	286,786
Total	<u>\$ (43,014)</u>	<u>\$ -</u>	<u>\$ 329,800</u>



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

FINANCE & AUDIT COMMITTEE MEETING

MINUTES

Meeting Location:
Cabazon Water District Office
14618 Broadway Street
Cabazon, California 92230

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

Meeting Date:
Tuesday, September 17, 2024 – 5:00 PM

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**

FINANCE & AUDIT COMMITTEE

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

2. Finance & Audit Committee District Payables Review and Approval/Signing

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 \$2,209,774 at month end. The District's total liabilities were approximately \$1,535,463 at month end.

Profit and Loss: - Year to date (YTD) is 17% of the year

4. Commodity Sales: Volumetric water sales including residential, commercial & construction water sales. YTD is trending over budget at 25% 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 trending over budget at 94% due to multiple service installations.

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 5% due to timing of repairs and maintenance.

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.

47. Office Expenses – Other: This account includes miscellaneous office expenses. YTD is trending over budget at 34% due to various notary charges in August.

50. Financial Audit: This account includes the costs for the annual financial audit. YTD is trending over budget at 36% due to progress billing for FY 24 audit.

63. Safety: This account includes safety equipment purchases. YTD is trending over budget at 44% due to the purchase of an ice machine and a safety course in July.

66. Service Trucks Repair & Maintenance (R&M): This account includes repair & maintenance costs for District vehicles. YTD is trending over budget at 34% due to various auto services.

As of August 31st, the fiscal year-to-date net income is \$274,567.

Capital Detail:

5. Bonita Vault: This account is for new vault and materials. YTD is over budget due to material purchases of \$20.5K 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 28% due to purchases of rock and masonry work completed in August.

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.

- GM Pollack explained that CWD received some quotes for a rate study, which is estimated at around \$40k. He proposed that CWD conduct a detailed rate study in-house to save money. Legal requirements would be researched prior to committing to an in-house rate study.
- Director Wargo asked that a new item be added to the agenda for discussion of miscellaneous financial matters.

PUBLIC COMMENT

Any person may address the Board of Directors at this time on any matter within the subject matter jurisdiction of the Cabazon Water District; however, any matter that requires action will be referred to staff for investigation and reported at a subsequent Board of Directors meeting. The Board of Directors is prohibited by law from discussing or taking immediate action on items during this public comment period. To comment on specific agenda items, please advise the Board secretary prior to the meeting. **Each public comment will be limited to three (3) minutes. Individuals may not give their time away to another spokesperson. After two (2) minutes, the speaker will be notified that he/she has one (1) minute remaining. AB 1234 ORAL REPORTS (Gov. Code Sec. 53232.3(d))**

ADJOURNMENT

Meeting adjourned at 5:25 PM on Tuesday, September 17, 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

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.



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

**REGULAR BOARD MEETING
MINUTES**

Meeting Location:

14618 Broadway St.
Cabazon, CA 92230

Teleconference:

Dial-in #: 978-990-5321
Access Code: 117188
Email: info@cabazonwater.org

Meeting Date:

Tuesday, September 17, 2024 – 6:00 PM

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 - Present
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

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 August 20, 2024
- b. Regular Board Meeting Minutes and Warrants of August 20, 2024

Motion to approve following consent calendar items (a.) Finance and Audit Committee Meeting Minutes and Warrants of August 20, 2024 and (b.) Regular Board Meeting Minutes and Warrants of August 20, 2024 made by Director Davis and 2nd by Director Carlin

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

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

UPDATES

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

- GM Pollack met with Glenn Chavez and Matt Howard at the sites of the planned heli-hydrants. The device at Tank #1 will likely be installed first, then the device at Tank #3.
- Tank #1 and Tank #2 will be inspected this year. Quotes for the inspections range from ~\$4.2k-\$7.6k. The State recommends that tanks be inspected every 3-5 years, and has requested that all CWD tanks are inspected before the end of 2025.
- GM Pollack and AO Aguilar met with VC3 (IT) to discuss a cybersecurity grant. The grant is expected to cover the costs of upgrading the servers.
- As discussed in the FAC meeting, GM Pollack proposed doing a water rate study in-house rather than paying \$40k or more to have consultants conduct the study.
- The Esperanza Waterline project is complete.
- Water theft was discovered and reported to the Sheriff's Department on Dolores, between Magnolia and Orange.
- A concrete saw was purchased for \$3.1k. \$8.7k was budgeted for this item.
- GM Pollack will be attending a General Manager's meeting at the SGPWA on 09/23/2024.
- New asphalt, sand, and gravel bins have been constructed at the Well #2 site by Masonry & Concrete Design for \$7.7k.

NEW BUSINESS

**1. Discussion: Report of the Audited Financial Statements for FY 2023/2024 as presented
by CJ Brown & Company**

- Jonathan Abadesco from CJ Brown & Company presented the financial statements. He acknowledged CWD and Eide Bailly staff for helping with such a smooth and quick audit. No deficiencies were discovered during the audit. Revenue appears to have decreased from 2022/2023 because that year included the dissolution of the RCEDA Loan, while there was an increase in investment returns and property taxes. Expenses have gone up due to an increase in G&A costs and pumping/water treatment costs, while there was a decrease in transmission & distribution costs. CWD's cash account ended strong at \$2.03 million.

2. Discussion/Action: Resolution 2024-03 – Authorized Representative for Grant Application, Assisted by Cal Rural Water Association

- This Resolution is to make the General Manager the representative for a grant consisting of pipeline replacements. Cal Rural Water Association is assisting with the grant application.

Motion to approve Resolution 2024-03 made by Board Vice Chair Tincher and 2nd by Director Davis

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

3. Discussion/Action: FY 25 Budget Amendment

- CWD received \$168k for the Main St. Yard sale. Due to the additional funds, a budget amendment was proposed to increase the budget for the Bonita Vault and the Well #2 New Facility Building. The Board asked that the GM put together a detailed list of the costs for the Well #2 site and then bring this item up again next month.

***This item was tabled for next month.**

4. Discussion: Direction for Water Rates Study

- Regarding what was discussed in the FAC meeting and the GM's Operation's Report about the rate study, the Board asked that Legal and Eide Bailly be contacted to find out if we are allowed to do a rate study in-house, and if so, what legal requirements need to be followed. The Board decided to table this item until next month so that the results from Legal and Eide Bailly can be discussed, and the quotes from rate study consultants can be shared.

***This item was tabled for next month.**

5. Discussion/Action: Reorganization of Agenda Layout

Motion to move Updates after Old & New Business on future agendas made by Director Carlin and 2nd by Director Davis

**Director Carlin - Aye
Director Brock - Aye
Director Davis - Aye
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 Ron Duncan shared several dates of upcoming local city events. He stressed the importance of the Backbone Pipeline discussion that will be held at the SGPWA office on 09/30/2024 at 1:30 PM.

- He congratulated CWD on the audit results, and mentioned that he believes that the great financial position is due to a great Board and staff.
- Duncan encouraged everyone to show support for Sarah Wargo running for the Division 1 seat.

2. Discussion/Action: Community Involvement – Community Fair (09/21), Trunk or Treat (10/26)

- GM Pollack and AO Aguilar will be handing out chips and water bottles at the Community Fair. Water bottles were donated by Arrowhead.
- Victoria Burke had requested permission to use the parking lot for a Trunk or Treat on 10/26/2024 from 5:00 PM-8:30 PM. The Board did not believe that CWD could give permission (it probably has to go through the County), but they decided to vote just in case permission from CWD is needed.

Motion to approve use of the parking lot for Trunk or Treat if Cabazon Water District has the authority to do so made by Board Vice Chair Tincher and 2nd by Director Brock

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

PUBLIC COMMENTS

Any person may address the Board of Directors at this time on any matter within the subject matter jurisdiction of the Cabazon Water District that is not listed on the agenda; however, any matter that requires action will be referred to staff for investigation and reported at a subsequent Board of Directors meeting. The Board of Directors is prohibited by law from discussing or taking immediate action on items during this public comment period. To comment on specific agenda items, please advise the Board secretary prior to the meeting. Each public comment will be limited to three (3) minutes. Individuals may not give their time away to another spokesperson. After two (2) minutes, the speaker will be notified that he/she has one (1) minute remaining. AB 1234 ORAL REPORTS (Gov. Code Sec. 53232.3(d))

- Gerardo and Erica Nava explained that they are from Rialto, but have dreams of living in Cabazon at the lots that they own, but there is no main line available at their lots (Hattie, east of Elm). Gerardo said that he understands it would cost a lot of money to extend the main line, and that he is attending the Board meeting to learn more information about the water system. He said that he is encouraging his neighbors to also attend future Board meetings to learn about the status of the water system.
- A break was taken from 7:10 PM to 7:18 PM.

CLOSED SESSION at 7:18 PM

- 1. Discussion/Action Public Employee Performance Evaluation (Government Code section 54957): (General Manager)**

OPEN SESSION at 8:00 PM

NEW BUSINESS (continued)

- 6. Discussion/Action: Approval of Amendment to General Manager Employment Agreement**

September 17, 2024 Regular Board Meeting Minutes

- Board Chair Wargo reported that the proposed Amendment to the GM Agreement includes a salary increase to \$131,040, and an increase of Retirement Benefits to 17%.

Motion to approve the Amendment to the General Manager Employment Agreement made by Director Tincher and 2nd by Director Brock

Director Carlin - Aye

Director Brock - Aye

Director Davis - Aye

Board Vice Chair Tincher - Aye

Board Chair Wargo - Aye

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.**

- Well #2 New Facility Building proposed costs
- Budget Amendment
- Rate Study

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)

- AO Aguilar shared that the AT&T Account still has the previous GM listed as the authorized representative, and that a letter by the Board Chair was drafted to replace the representative with GM Pollack and herself. If that letter is not sufficient, the account will be canceled and a new one will be opened.

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. 09/21/2024 (Saturday) at 10:00 AM: Community Fair at Cabazon Park
- b. 09/25/2024 (Wednesday) at 5:00 PM: San Gorgonio Pass Regional Water Alliance Committee Meeting
- c. 09/30/2024 (Monday) at 1:30 PM: San Gorgonio Pass Water Agency Backbone Pipeline Meeting

- d. 10/07/2024 (Monday) at 1:30 PM: San Gorgonio Pass Water Agency Meeting
- e. 10/15/2024 (Tuesday) at 5:00 PM: Finance & Audit Committee Meeting
- f. 10/15/2024 (Tuesday) at 6:00 PM: Regular Board Meeting
- g. 10/21/2024 (Monday) at 6:00 PM: San Gorgonio Pass Water Agency Meeting
- h. 10/24/2024 (Thursday) at 6:00 PM: West Desert MAC Meeting at the Community Center
- i. TBD: Community Action Committee at the Cabazon Library
- j. TBD: Personnel Committee Meeting

ADJOURNMENT

Motion to adjourn at 8:05 PM made by Director Davis and 2nd by Director Carlin

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

Meeting adjourned at 8:05 PM on Tuesday, September 17, 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]

Quotes for Water Rates Study

- Water Resources Economics
- IB Consulting
- Black & Veatch

Attachments:

1. Water Resources Economics Proposal - \$43,965
2. IB Consulting Proposal - \$48,243
3. Black & Veatch Proposal - \$35,500

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

September 9, 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 virtually attend 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 virtually attend the Proposition 218 public hearing 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 virtually), one Proposition 218 public hearing (WRE to attend virtually)

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 \$43,965. 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. All meetings are assumed to be virtual. Therefore, no reimbursable expenses associated with travel to in-person meetings or other purposes are provided for in the proposed fee.

Task	Virtual Meetings	Billable Hours		Total Fee
		Project Manager	Project Analyst	
Task 1: Project Initiation & Management	1	5	5	\$2,675
Task 2: Financial Plan Development	4	8	45	\$12,050
Task 3: Cost-of-Service Analysis	2	4	20	\$5,500
Task 4: Rate Design	2	8	30	\$8,900
Task 5: Report Development	1	8	45	\$12,050
Task 6: Public Meeting Support	2	6	4	\$2,790
Total	12	39	149	\$43,965

<p><u>Fee Details</u> <i>Hourly Billing Rate - Project Manager: \$325</i> <i>Hourly Billing Rate - Project Analyst: \$210</i></p>
--

Proposal for Water Rate Study
Cabazon Water District

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 |
|---|---|

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) (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



Cabazon Water District

Cost Estimate

August 23, 2024



Cost Estimate

Water Rate Study

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		<u>12</u>	<u>12</u>	<u>56</u>	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

October 10, 2024

Cabazon Water District

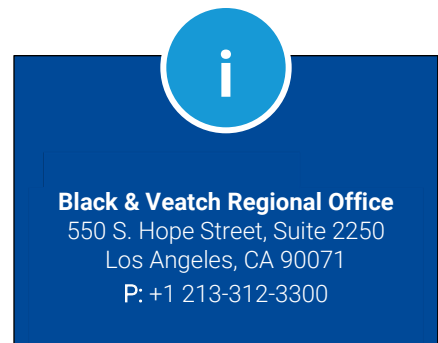
Evelyn Aguilar, Business Administrative Assistant
14618 Broadway Street
Cabazon, CA 92230

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.

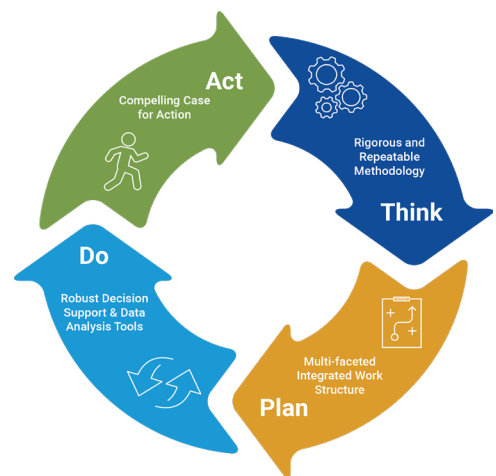


FIGURE 1: PROJECT EXECUTION HIGHLIGHTS

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**.

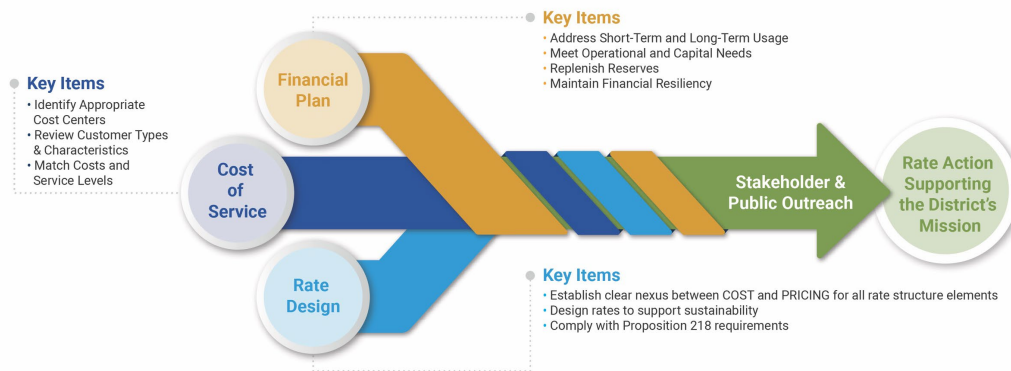


FIGURE 2: INTEGRATED WORK STRUCTURE

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 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.

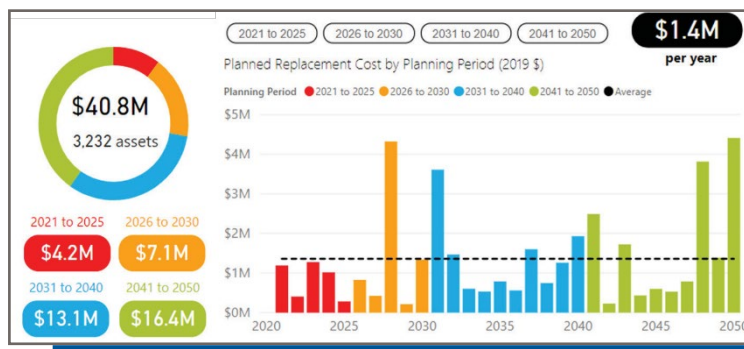


FIGURE 3: CAPITAL PLAN EXPENDITURES

- 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.

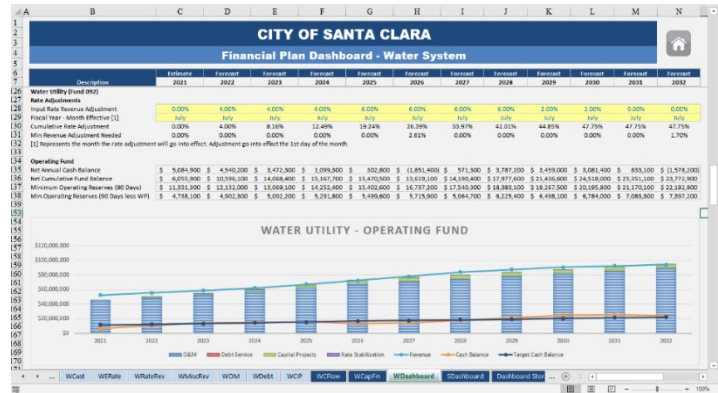


FIGURE 4: FINANCIAL PLAN DASHBOARD

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 and Meetings

Black & Veatch will prepare a summarized report and attend meetings.

Report

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.

Meetings

Black & Veatch will participate in the following meetings:

- One (1) one-hour virtual kick-off meeting with District staff.
- Two (2) one-hour virtual meetings with District staff and/or Board of Directors to discuss the results and recommendations.
- Quick conference calls will occur to address any issues or provide update on the rate 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

Black & Veatch proposes to perform the scope of work on a lump sum basis for a not-to-exceed amount of **\$35,500** inclusive of any direct expenses. In developing the fee, Black & Veatch assumed four months of analysis and three (3) formal virtual meetings.

Upon request and authorization by District via an addendum to the agreement, any additional services or meetings not identified in the scope of work will be negotiated with District upon developing a scope of work.

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

New Business

2. Discussion/Action Item: [TAB 2]

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

Attachments:

1. Bid Tab
2. Interstate Steel Structures Bid - \$51,078.66
3. 360 Building Products Bid - \$52,293.51
4. Pristine Builders - \$128,700.00 (includes concrete & electrical)



Cabazon Water District

2024 Well 2 40' x 60' Warehouse Building

Bid Tab

Company	Address	Email	Phone	Bid Amount
Interstate Steel Structures	831 S State St. San Jacinto, CA 92583	GERARD@INTERSTATESTEELSTRUCTURES.COM	951 654 2005	\$51,078.66
360 Building Products	220 S Lyon Ave. #F, Hemet, CA 92543	CHRISTIAN@360BUILDINGPRODUCTS.COM	951 758 8737	\$52,293.51
Pristine Builders	700 E Redlands, CA 927373	PRISTINEBUILDERS@AOL.COM	909 335 1309	\$128,700.00

* Pristine Builders Quote is for Total Construction / Interstate Steel Structures & 360 Building is for Metal Building Construction Only

Excavation and site preparation
Pouring and finishing of the concrete
Curing
Specifications:

Thickness: 4-5 inches
Concrete Strength: 3000 psi

3.	Service	Electrical Work Labor and Material Installation of a 200 amp electrical panel Wiring and connections as required Compliance with local electrical codes and standards	1	\$23,500.00	\$23,500.00
		Excludes: Permit fees			

Total **\$128,700.00**

Expiry date 11/08/2024

Accepted date

Accepted by

ESTIMATE

Pristine Builders CSLB#855332
 700 E Redlands Blvd, U318
 Redlands, CA 92373

pristinebuilder@aol.com
 +1 (909) 335-1309
 100

Bill to

Mr Michael Pollack
 Cabazon Water District
 13755 Apache Trail
 Cabazon, CA 92230

Ship to

Mr Michael Pollack
 Cabazon Water District
 13755 Apache Trail
 Cabazon, CA 92230

Estimate details

Estimate no.: 5655
 Estimate date: 10/08/2024
 Expiration date: 11/08/2024

#	Date	Product or service	Description	Qty	Rate	Amount
1.		Service	Materials Provided: By Customer OTE-002479 Structural steel framework Roof and wall panels Fasteners and connectors Doors and windows (per building specs) Assembly Labor: Labor for the assembly of the steel structure Installation of roofing and siding Rental equipment Total Estimate: [Insert Amount] Note: This estimate includes assembly labor, which encompasses the complete erection of the building on-site. Any additional modifications or site preparation will be quoted separately, including, but not limited, to any necessary grading required. Permit fees excluded.	1	\$57,800.00	\$57,800.00
2.		Service	40x60 Concrete Foundation Scope of Work: Materials: 3000 psi concrete mix Reinforcement materials (rebar) Formwork and finishing materials Labor:	2400	\$19.75	\$47,400.00

James Dowling

From: Gerard Iss <gerard@interstatesteelstructures.com>
Sent: Thursday, September 12, 2024 4:17 PM
To: James Dowling
Subject: Re: [BULK] James Quote (Interstate Steel Structures)

Hi James
Here is the updated quote, the pricing has basically remained the same over the last year.
Our lead time is 4-6 weeks after you are completely ready, this means you have your permit on hand
and your cement is done
Let me know if you have any questions.

Thank you
Gerard

Interstate Steel Structures

831 S. State St.

San Jacinto, CA 92583

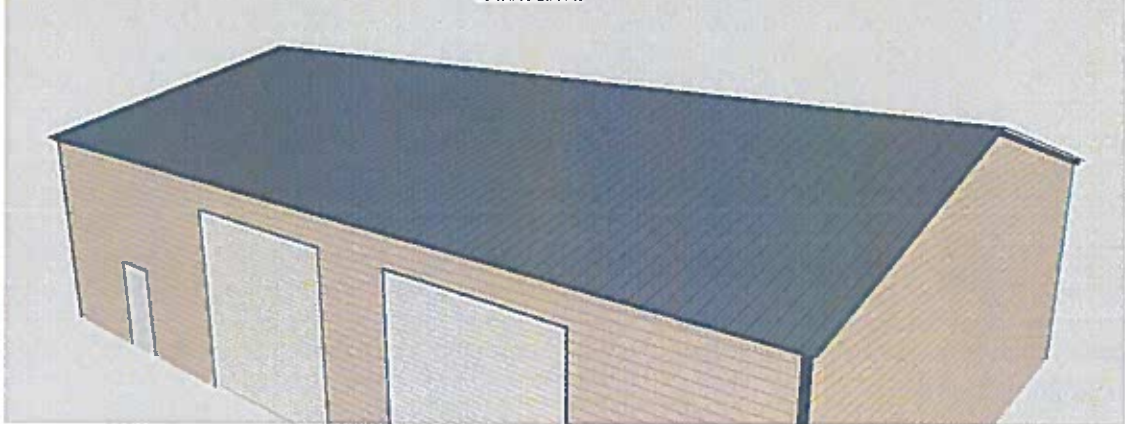
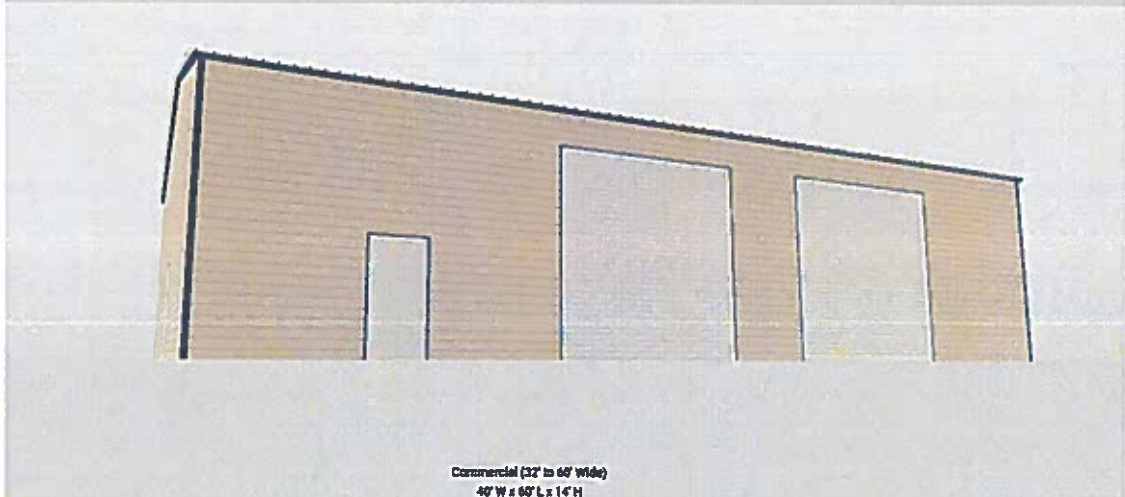
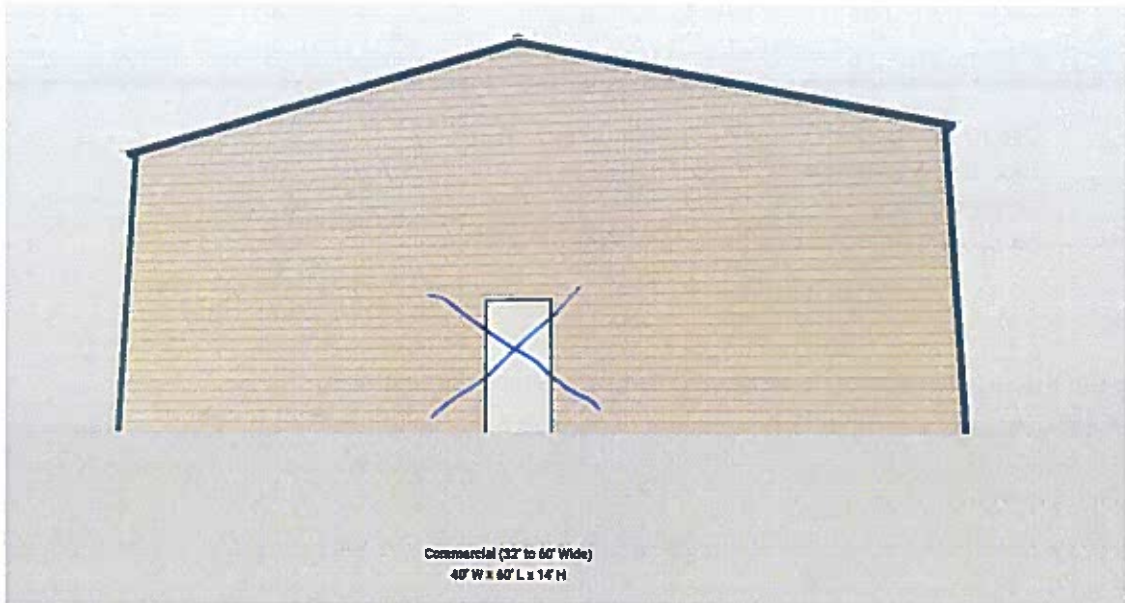
Gerard@interstatesteelstructures.com

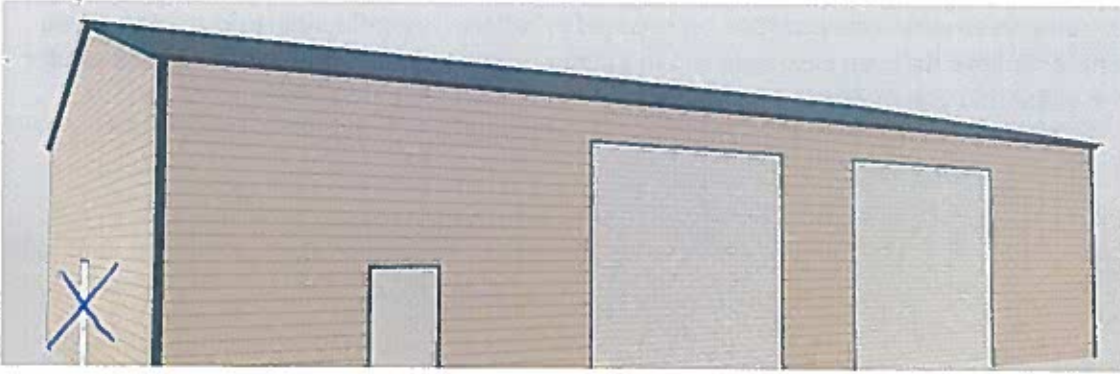
951-654-2005 Ext. 306

Fax: 951-654-2008

40'W x 60' L x 14'H

40'W x 60' L Base price-----	31,972
Vertical Roof-----	Included
14' Legs-----	3,691
2-sides-----	4,461
2-Ends-----	7,898
2-12x12 Roll up door-----	5,290
2-Man door-----	770
2-Headers for side wall installation-----	1,446
Subtotal-----	55,528
Manufacturer Discount 25% until 9-30-24	-13,882
Subtotal-----	41,646
Forklift-----	2,200
Plans and calculations-----	3,320+Tax
Total-----	\$47,166+ Tax (This includes delivery and installation)





On Thu, Sep 12, 2024 at 6:48 AM James Dowling <JDowling@cabazonwater.org> wrote:

Good Morning Gerard,

Cabazon Water District is finally starting to move forward on this project could you update this quote please

Thank you have a good day

James J. Dowling

951-644-9643

Field Crew Lead



jdowling@cabazonwater.org

BUS: 951-849-4442

FAX: 951-849-2519

This email sent and any files transmitted with it may contain privileged or otherwise confidential information. If you are not the intended recipient, or believe that you have received this communication in error, please advise the sender via reply email and delete the email that you received.

From: Gerard Iss <gerard@interstatesteelstructures.com>
Sent: Tuesday, November 28, 2023 4:19 PM
To: James Dowling <JDowling@cabazonwater.org>
Subject: [BULK] James Quote (Interstate Steel Structures)
Importance: Low

Hi James 951-644-9643 (Cabazon Water District)

Here is the quote on the building we discussed.

This is a quote and the pricing is subject to change.

The lead time for Cabazon, CA is 2-4 weeks after you are completely ready.

This means you have your permit on hand and your cement poured.

I included a picture of **similar** sketches and a color chart for your reference.

The sketches show the siding Vertical, this is an option with an additional cost.

The building is quoted with Horizontal siding like the picture attached.

(Sorry the program did not allow me to do a horizontal sketch)

Let me know if you have any questions.

Thank you

Gerard

Interstate Steel Structures

831 S. State St.

San Jacinto, CA 92583

Gerard@interstatesteelstructures.com

951-654-2005 Ext. 306

Fax: 951-654-2008

40'W x 60' L x 14'H

FREE 12 GAUGE UPGRADE UNTIL 11-30-23

40'W x 60' L Base price-----31,972

Vertical Roof-----Included

14' Legs-----3,691

2-sides-----4,461

2-Ends-----7,898

2-12x12 Roll up door-----5,290

2-Man door-----770

2-Headers for side wall installation-1,446

Subtotal-----55,528

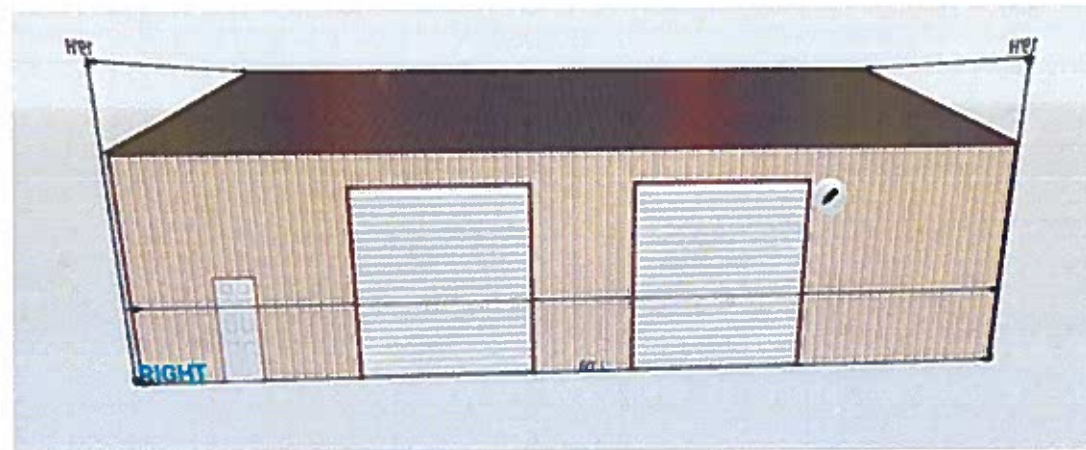
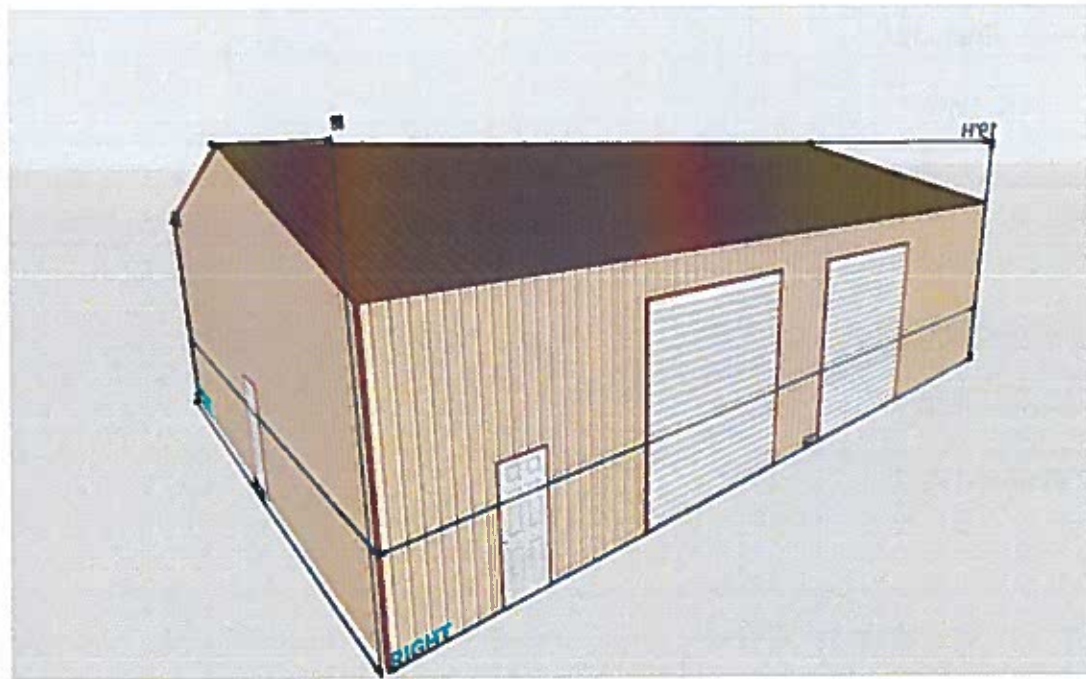
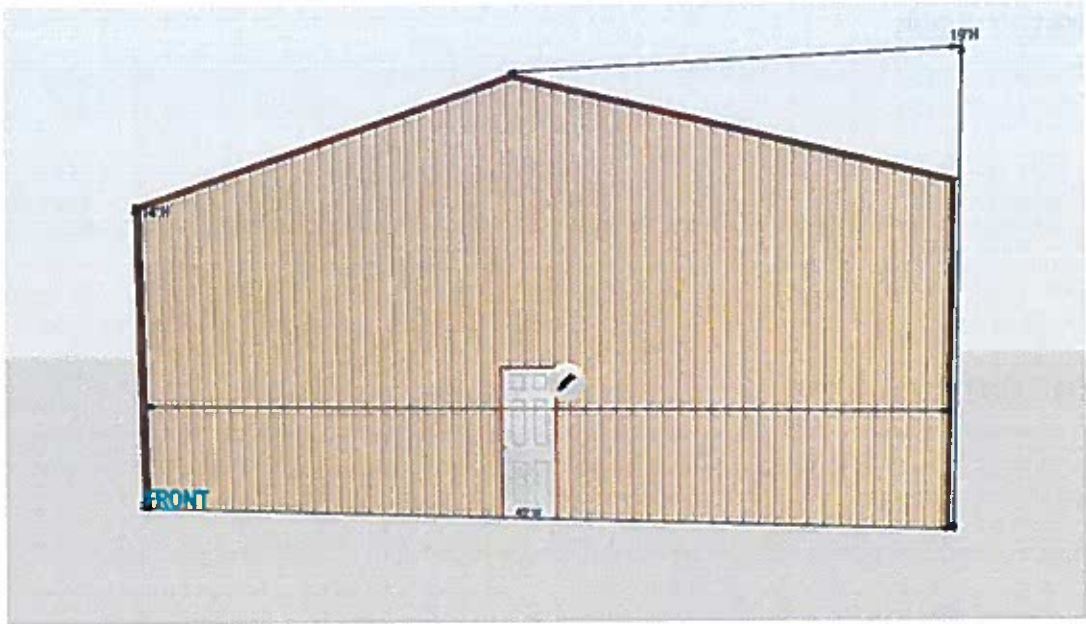
Manufacturer Discount 25% until 11-30-23 -13,882

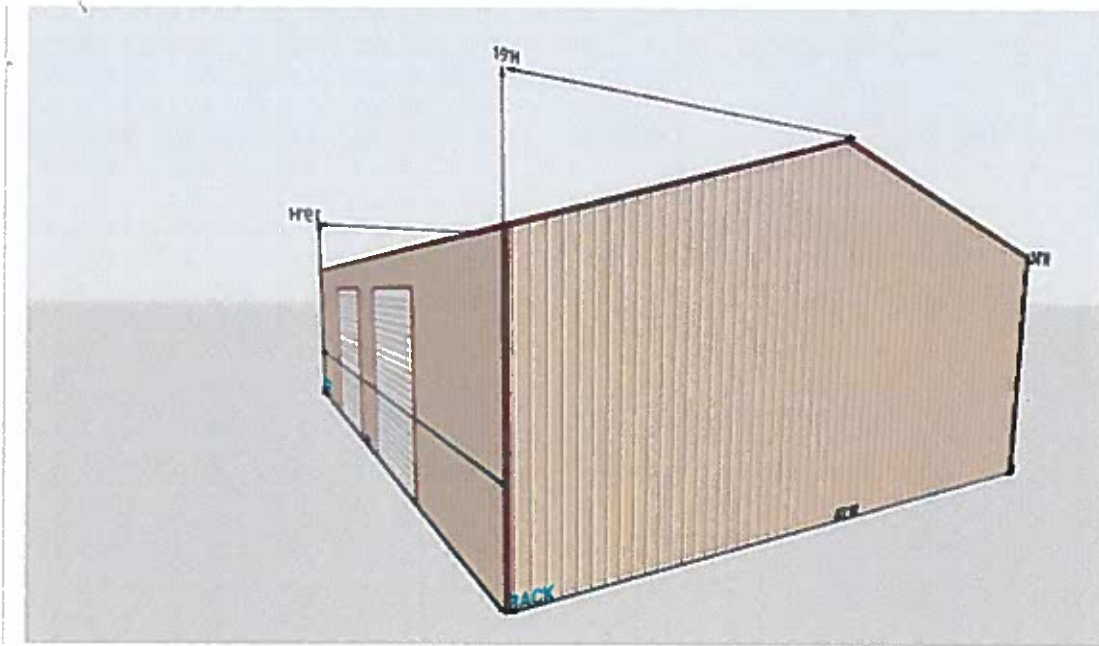
Subtotal-----41,646

Forklift-----2,200

Plans and calculations-----3,320+Tax

Total-----\$47,166+ Tax (This includes delivery and installation)





--
Gerard

Interstate Steel Structures

Gerard@interstatesteelstructures.com

951-654-2005 Ext. 306

Fax: 951-654-2008

SALES - CRISITIAN PINEDA

220 S. Lyon Ave., #F
 Hemet, Riverside, California 92543
cristian@360buildingproducts.com



Quote: **QTE-002479**

Date: **11/20/2023**

Total **\$52,293.51**

360 BUILDING PRODUCTS

220 S. Lyon Ave., #F
 Hemet, Riverside, California 92543
info@360buildingproducts.com, (951) 758-8737,
www.360buildingproducts.com

<p>CUSTOMER - JAMES DOWLING</p> <p>Billing Address Cabazon, Riverside, California 92230</p> <p>Shipping Address Cabazon, Riverside, California 92230 jdowling@cabazonwater.org (951) 644-9643</p>		<p>COMMERCIAL BUILDINGS - 40 X 60 X 14</p> <ul style="list-style-type: none"> <input checked="" type="radio"/> Roof Color: Ivory <input type="radio"/> Trim Color: Chine White <input checked="" type="radio"/> Sides/Ends Color: Ivory <input type="radio"/> Wainscot Color: NA
---	--	---

BUILDING SPECIFICATION	
<p>Building Dimension: 40'W x60'L x14'H</p> <p>Roof Style: Vertical</p> <p>Gauge: 14 Gauge</p> <p>Wind/Snow Rating: 120 MPH + 20 PSF Certified</p> <p>Distance on Center: 5 Feet</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Ready for Installation? <input type="checkbox"/> Jobsite Level? <input type="checkbox"/> Permit Required? <input type="checkbox"/> Inside City Limit? <input type="checkbox"/> Electricity Available? <p>Installation Surface? Concrete</p>

SPECIFICATION	QTY
40X60' (Roof 61') Vertical Roof	1
14' Height (Double Legs Baseraill)	1
120 MPH + 20 PSF Certified	1
3/12' Roof Pitch	1
Front Wall Closed Vertical	1
Back Wall Closed Vertical	1
Left Closed Vertical	1
Right Closed Vertical	1
12x12 ft Garage Door on Left Wall	1
12x12 ft Garage Door on Left Wall	1
36x80 inch Walk-in Door on Left Wall	1
36x80 inch Walk-in Door on Right Wall	1
24x36 inch Window Frameout on Back Wall (VENT EXAMPLE)	1
Skylights 12'	4
Vent (14" X 24")	1
Manufacturer Discount	1
Permit Required - Customer To Verify	
Lift Required	
SUB TOTAL	\$45,284.00
Sales Tax (7.75%)	\$3,509.51
Additional Charges	\$3,500.00
GRAND TOTAL	\$52,293.51

PAY NOW

\$52,293.51
 Page 87 of 97
 Downpayment **\$9,056.80**

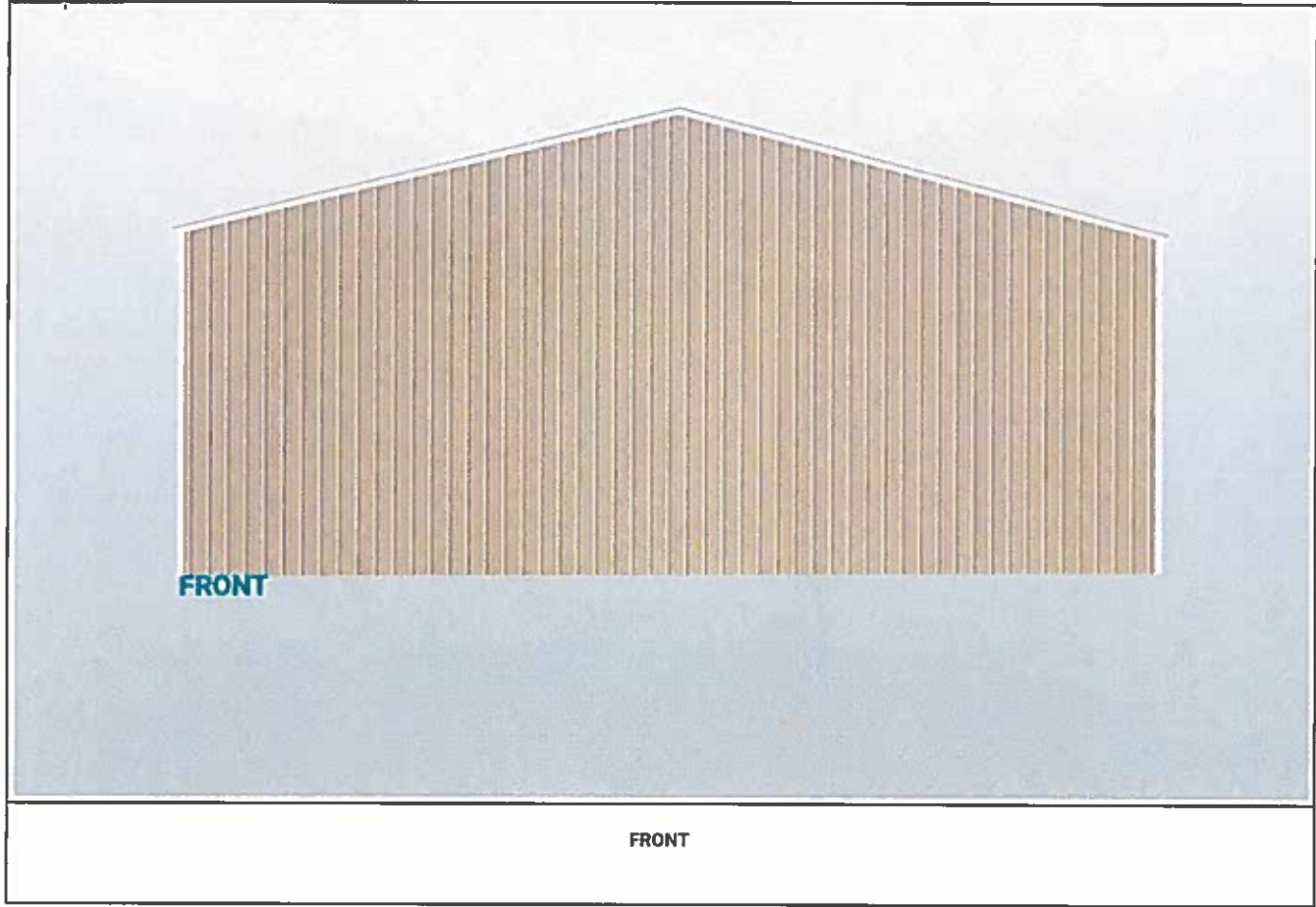
BALANCE DUE

\$43,236.71

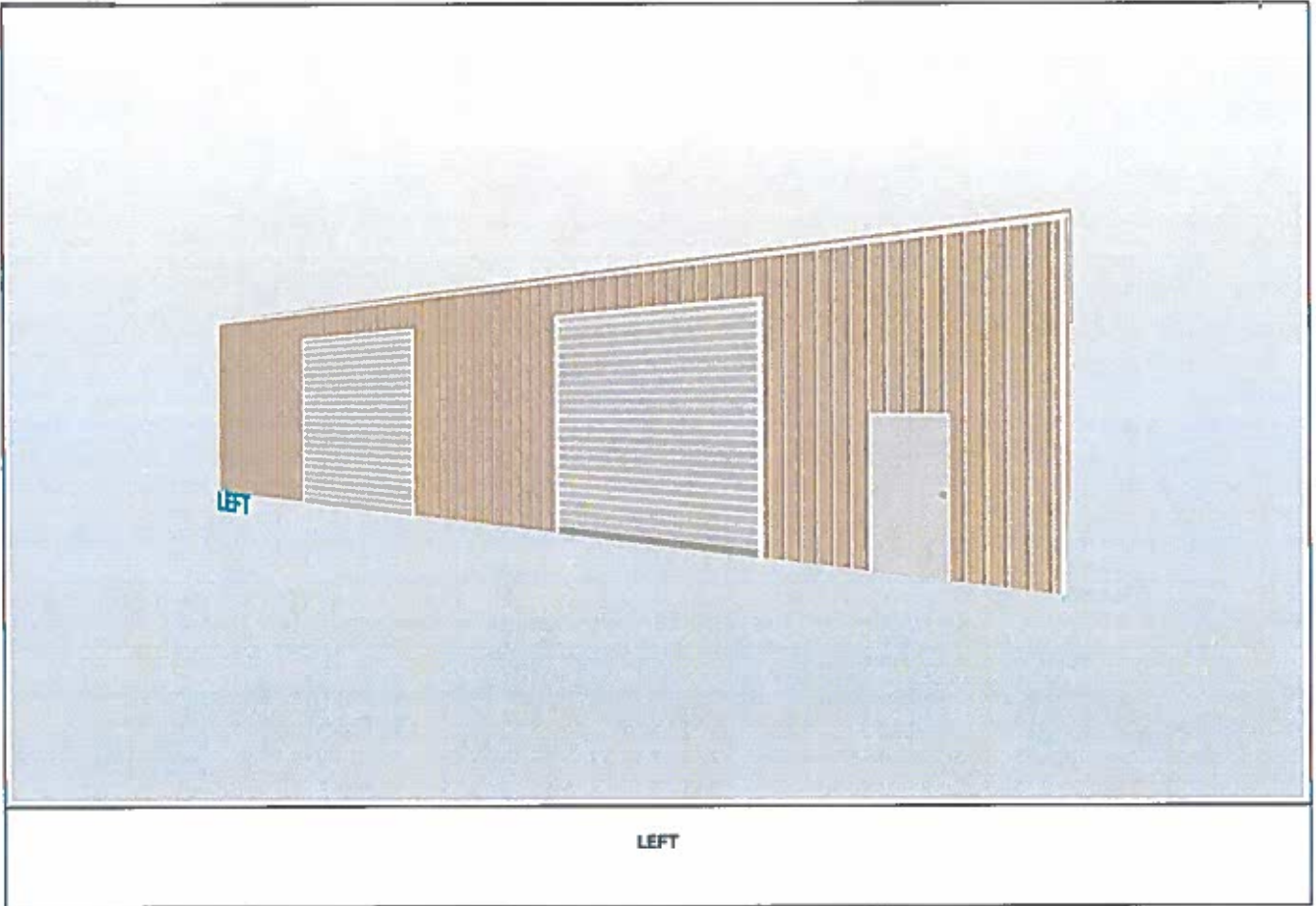
NOTE

****ENGINEER DRAWINGS \$3,705 - ADDITIONAL IF NEEDED TO PROVIDED****

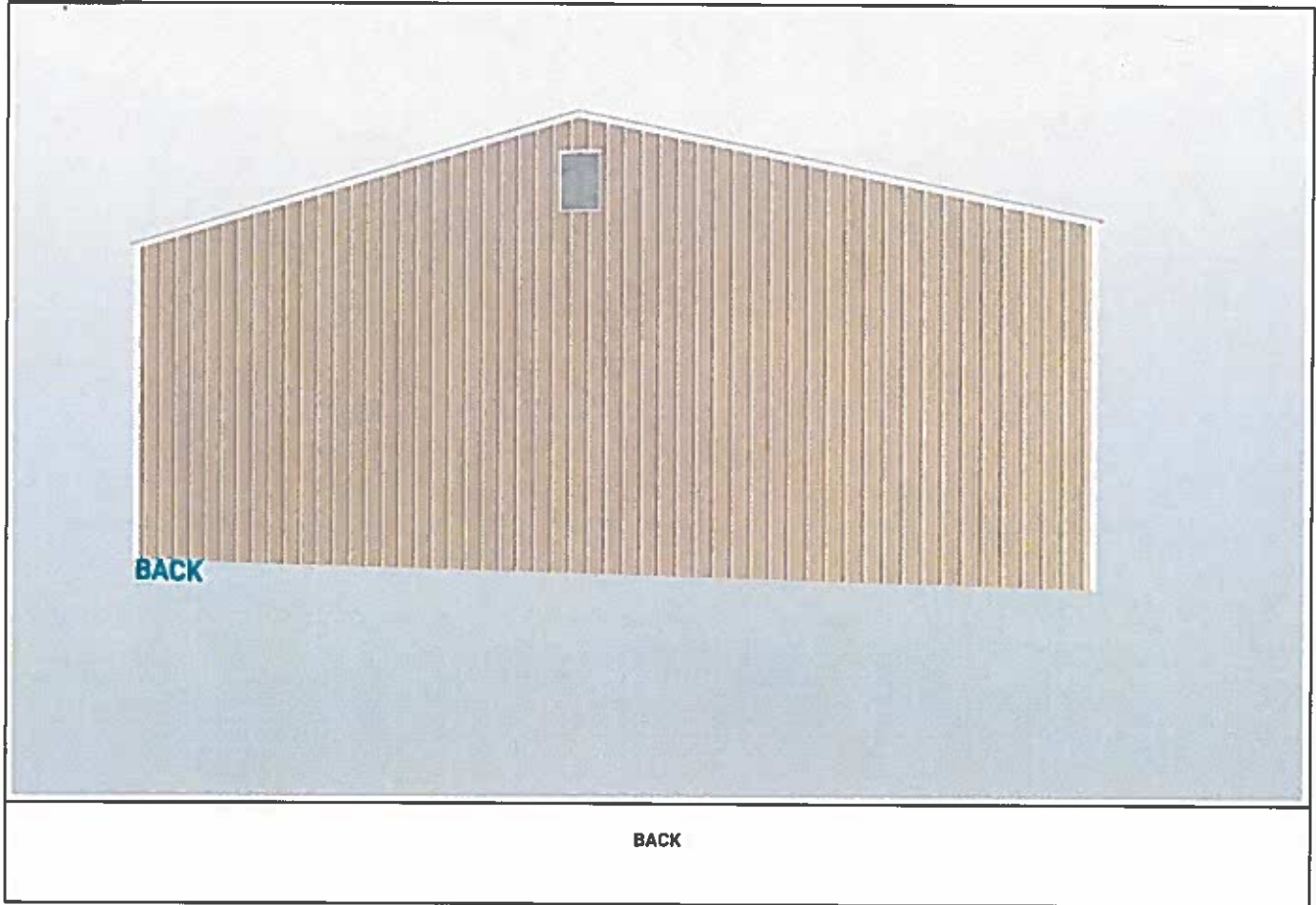
BUILDING VIEW

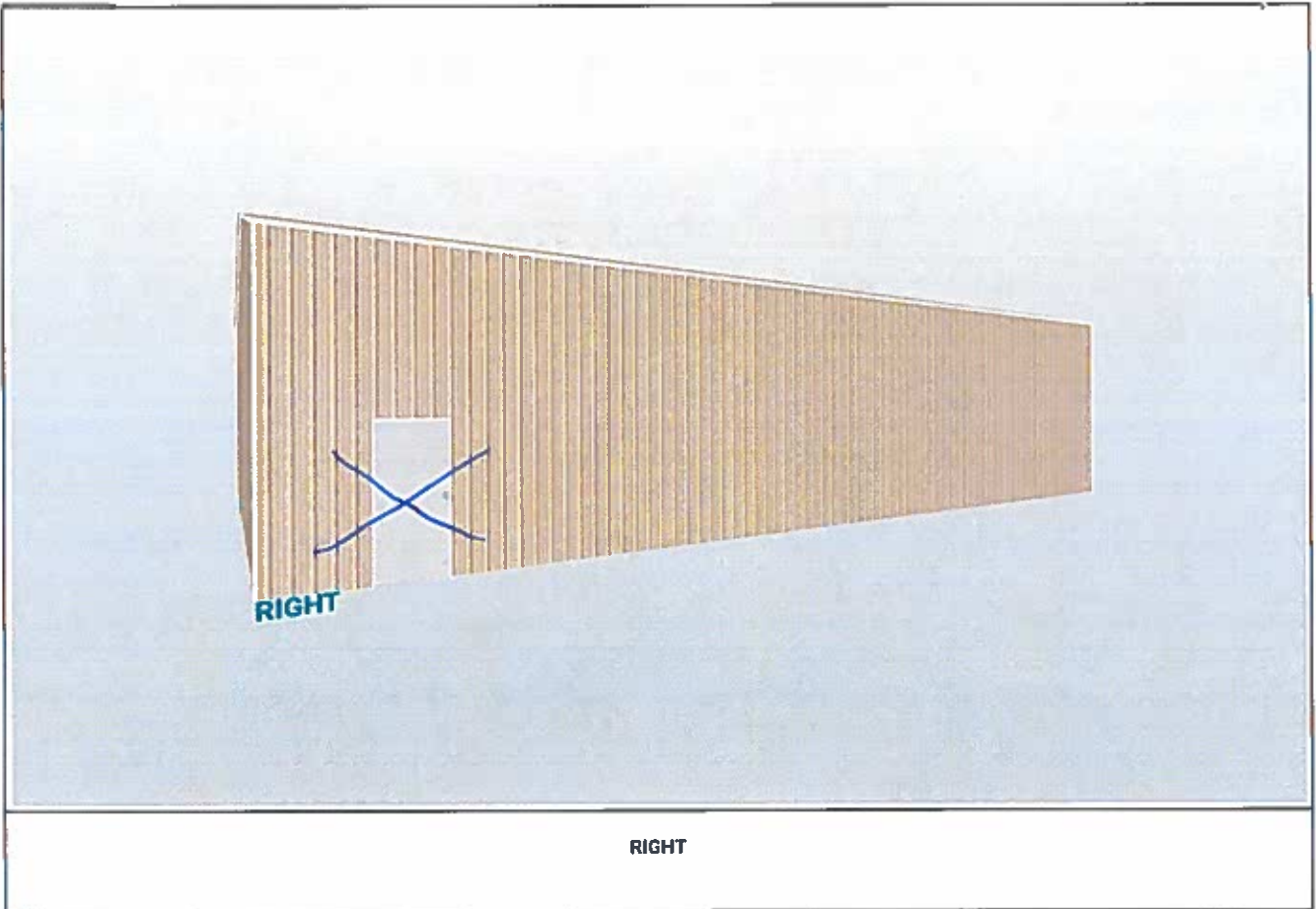


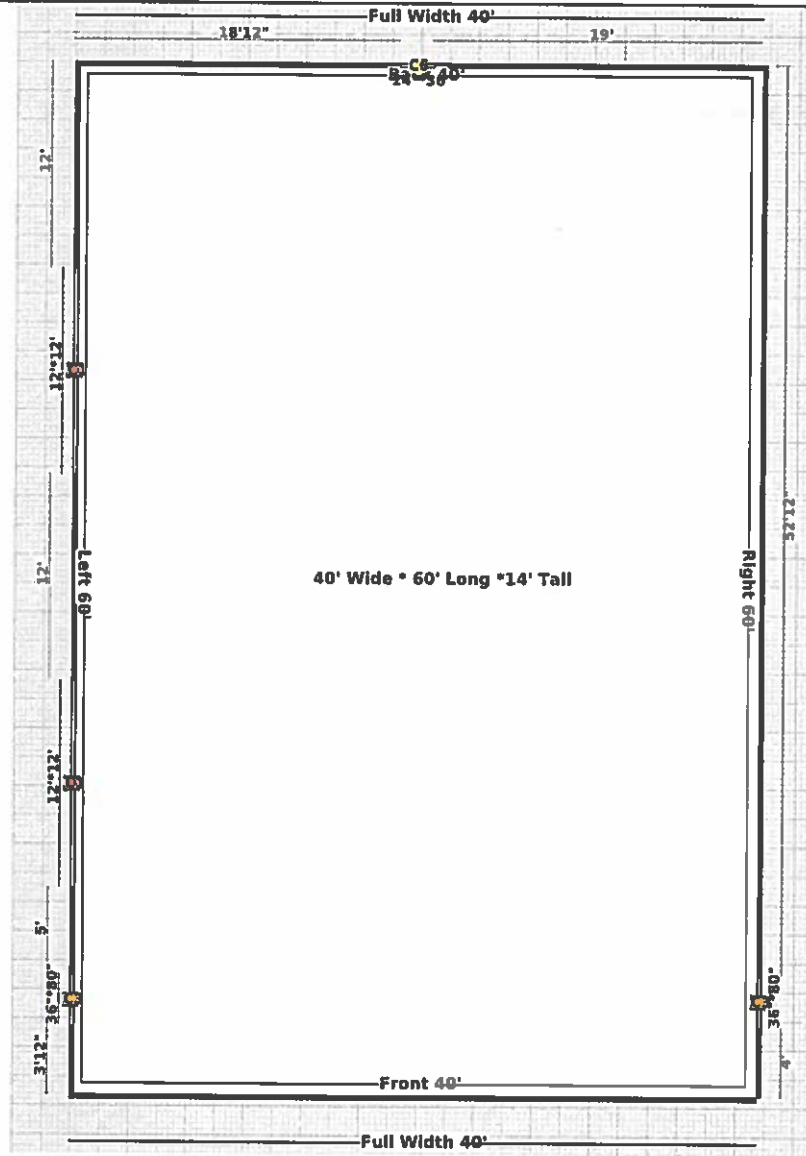
BUILDING VIEW



BUILDING VIEW







LEGENDS

- Garage Door
- Garage Door Frameout
- Walk in Door
- Walk in Door Frameout
- Windows
- Windows Frameout
- Open Wall
- Close Wall
- Distance
- Storage Length (Utility)
- Cupola

TERMS & CONDITIONS

Actual colors may vary slightly from the screen color shown.

Actual prices may vary based on regional permits and certifications.

Building 3D design view is for the representation purpose only and should not be construed as engineered drawings.

The truss design may vary slightly by region.

Custom garage doors are special order and will require an additional cost and lead time.

All Deposits are nonrefundable.

Updates

CWD Operations Report: [TAB 3]

Attachments:

1. Monthly Operations Report



Cabazon Water District

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

October 15, 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 next step is the approval of funding On October 7, 2024 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 next phase is the County Board of Supervisors approval on October 29, 2024.
- Tank Inspection quotes for Tank 1 (1MG) and Tank 2 (.5MG) Inland Potable Services \$4,238 will is scheduled with no confirmed date. Tanks 1 & 3 will be completed before the end of 2024, Tank Inspections 2 & 4 will be completed before the end of 2025.
- Evelyn and I had a meeting with our IT Department VC3 regarding grant funding available through the California Cybersecurity Grant Program to replace both our servers @ \$22,742.30.
- The Grant Funding Application was completed and submitted on September 26, 2024 for the Cybersecurity Grant Program, to replace both aging servers quoted by our IT Department VC3 for \$22,742.30.
- Cabazon Water District Potable Supply and Demand in Gallons – Total Potable Supply 7,760,061 Gallons (23.8 Acre Fett), Total Potable Demand 6,751,169 Gallons (20.7 Acre Feet) Potable Water Loss / Used in Operations 1,008,892 Gallons (3.09 Acre Feet)
- The Cabazon Water District initially budgeted \$40,000 for a rate study under Item 8 (Rate Study) of the Capital Projects section of the 2024 / 2025 Budget. The Cabazon Water District received (1) quote in the amount of \$48,000 from B Consulting. Due to proposition 218 (The Right to vote on tax initiative), and outside vendor will be required to perform the New Rate Study.

- Proposition 218 is a California voter initiative that established requirements for setting water rates and other fees for public services. It requires that water rates be fair and equitable, and that public agencies follow certain procedures when proposing rate changes:

- Public notice

Agencies must mail a notice to every property owner in their service area when proposing a rate change.

- Public hearing

Agencies must hold a public hearing where members of the public can provide oral testimony.

- Protest process

Property owners and customers can submit written protests against the proposed rate increase. If a majority of the parcels affected by the proposed rates protest, the agency cannot adopt the new rates.

- Proportionality

Rates must be based on the actual cost of providing service to each parcel.

- The Cabazon Water District has experienced 2 leaks in September, 1 main leak on Broadway (75ft south of Bonita) and 1 service leak on Bonita (1000 ft west of Broadway) replacing 20 ft of Poly PE (Polyethylene) with copper.
- Both Sarah Wargo and I attended the San Gorgonio Pass Water Agency Backbone Feasibility Workshop on September 30. A few of the main points was to provide coverage across the SGPWA Service Area into the Cabazon area and beyond, with recommendations for pipe diameter from 24” to 54” (66” preferred) according to Webb & Associates. The Cabazon Water District is currently working with Webb & Associates as well as Supervisor Gutierrez regarding the Cabazon Community Plan as the District prepares for future growth .Replacing and upsizing the pipelines, and planning a waste water plant.
- The Cabazon Water District submitted their Lead Service Line Inventory to the State Water Resources Control Board on October 10, 2024. **The U.S. Environmental Protection Agency maintains the October 16, 2024, LCRR compliance date for the lead service line inventories. All community and non-transient non-community water systems must complete and submit an initial inventory, even if all service lines are identified as non-lead.** [lcrr-review-fact-sheet_0.pdf \(epa.gov\)](#)
- The science on lead has been settled for decades. There is no safe level of lead exposure. In drinking water, the primary source of lead is from pipes, which can present a risk to the health of children and adults. The U.S. Environmental Protection Agency (EPA) is committed to using every tool available—statutory authority under the Safe Drinking Water Act, technical assistance, funding for lead service line removal, and more—to protect all Americans from lead in drinking water. The agency will collaboratively work with local, state, and federal partners to make rapid progress on President Biden’s vision to remove 100% of lead service lines, with a focus on prioritizing communities that are disproportionately impacted by lead contamination.