



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
707.987.9201
707.987.3237 fax
www.hiddenvalleylakecsd.com

Hidden Valley Lake Community Services District Finance Committee Meeting

DATE: October 17, 2017

TIME: 12:00 noon

PLACE: Hidden Valley Lake CSD
Administration Office, Boardroom
19400 Hartmann Road
Hidden Valley Lake, CA

- 1) CALL TO ORDER
- 2) PLEDGE OF ALLEGIANCE
- 3) ROLL CALL
- 4) APPROVAL OF AGENDA
- 5) REVIEW AND DISCUSS RECOMMENDATION TO THE BOARD FOR SCHNEIDER ELECTRIC'S AMI PROJECT
- 6) REVIEW AND DISCUSS RECOMMENDATION TO THE BOARD FOR NBS' RATE STUDY AND FUNDING PROPOSAL
- 7) REVIEW AND DISCUSS RECOMMENDATION FOR AQUATIC HARVESTING AT THE RECLAMATION POND
- 8) PUBLIC COMMENT
- 9) ADJOURNMENT

Public records are available upon request. Board packets are posted on our website at www.hvlcsd.org/meeting .

In compliance with the Americans with Disabilities Act, if you need special accommodations to participate in or attend the meeting, please contact the District Office at 707-987-9201 at least 48 hours prior to the scheduled meeting.

Public shall be given the opportunity to comment on each agenda item before the Governing Board acts on that item, G.C. 54953.3. All other comments will be taken under Public Comment

**ACTION OF
HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

DATE: October 17, 2017

AGENDA ITEM: Discuss and recommend the General Manager to enter into an agreement with Schneider Electric to proceed with the “Hidden Valley Lake Community Services District water and energy conservation project”

RECOMMENDATIONS: Recommend the General Manager execute the construction agreement and applications necessary to file for the Green Project Reserve Grant as well as the Notice to Proceed (NTP) upon grant approvals.

FINANCIAL IMPACT: The project is ready to move forward into a construction phase. Turnkey costs are \$1,645,341. 50% of the project cost will be covered by a grant and 50% of the project cost will be a low interest, 20-year revolving fund loan from the State Water Resources Control Board. The duration of the debt payments match with the manufacturer’s water meter warranty, and the District will be able to complete a major capital project with a modest net savings, based on cash flow models, of \$435,000.

More importantly, The District will be able to re-deploy staff, saving the equivalent of 159 hours a month, by not having to manually read the meters. Back office savings will be realized as water billing will be less labor intensive. Additionally, Staff was forecasting the need to hire additional employees in order to support our known backlog of deferred maintenance – this cost of nearly \$100,000, can be avoided through this project.

Cash flow models reflect a 20-year debt service, at a fixed 1.7% interest, of \$48,887. It is important to note that the first debt service payment will occur 12 months after project completion. Total debt service is \$977,342. The same cash flow model projects new water revenues in year 1, at \$42,732. Savings are escalated at a modest 5% per year, for 20 years, and will produce an overall savings of \$1,412,974. By the time the first debt service payment is due, the District will have then banked \$42,732 and can then support small deficits between revenues and debt, for the first 3 years, with positive cash flow in year 4 and project repayment in year 13. From years 14-20 the District will be able to bank all savings. Guaranteed water revenues from Schneider reflect 90% of projected revenues, or an overall guarantee of \$1,271,677.

Schneider Electric policy is to allow no contractor change orders, so all our costs are known up front.

BACKGROUND: In June 2017, the Board approved a design/build plan to move forward on an energy and water efficiency project related to the District’s buildings and domestic water system. The firm of Schneider Electric was authorized to move forward to evaluate and quantify the cost effectiveness of this plan. Tasks/goals outlined in this plan include pursuing a State grant to upgrade the District’s water meter system, building energy savings, increasing water revenues and saving staff time upon project completion. Since that time, Schneider Electric representatives have completed the design/build efforts and quantified savings and revenues to the District.

LOOKING FORWARD: Schneider Electric is also assisting the District in completing the Grant application, which is nearly complete. We expect to submit final paperwork on or before November 30th. An estimated 4-month turnaround for grant approvals puts construction during spring through fall of 2018.

Should the Grant application be unsuccessful, the District will be under no contractual nor financial obligation to Schneider Electric. Construction will commence only after the Grant is approved by the State and the District General Manager issues a Notice to Proceed (NTP).

Civic Spark employees are expected to assist in the back-office preparation of existing Tyler Technologies billing system to receive automatically transferred billing information.

The project also includes an application called Eye-On-Water. The District will be able to view all accounts and receive proactive alerts for such issues as leaky faucets and vandalism. Individual users will have access via computers, handhelds and phones to their own use.

Schneider Electric is a company with a 182-year record of successful performance. The particular division of Schneider Electric we are contracting with has a 20-year track record with over 650 completed projects – all with zero instances of litigation.

Attachments:

1. Energy Services Agreement (ESA)
2. Grant required resolutions:
 - a. Reimbursement Resolution
 - b. Authorizing Resolution
 - c. Pledged Revenues and Funds Resolution

APPROVED
AS RECOMMENDED

OTHER
(SEE BELOW)

Modification to recommendation and/or other actions:

I, Kirk Cloyd, Secretary to the Board, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular board meeting thereof held on October 17, 2017 by the following vote:

Ayes:

Noes:

Abstain:

Absent

Kirk Cloyd, Secretary to the Board

AUTHORIZING RESOLUTION

RESOLUTION NO: 2017-16

BE IT RESOLVED BY THE Board of Directors OF THE Hidden Valley Lake Community Services District (the "Entity"), AS FOLLOWS:

The General Manager (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of Hidden Valley Lake Community Services District water and energy conservation project (the "Project").

This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Directors held on October 17, 2017.

(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)

PLEGGED REVENUES AND FUND(S) RESOLUTION

RESOLUTION NO: 2017-17

BE IT RESOLVED, the Hidden Valley Lake Community Services District (the "Entity") hereby dedicates and pledges the Water Enterprise fund, the Wastewater Enterprise fund and Net Revenues thereof to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for Hidden Valley Lake Community Services District water and energy conservation project, 39393 (the "Project"). The Entity commits to collecting such revenues and maintaining such fund(s) throughout the term of such financing and until the Entity has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreement(s) are outstanding, the Entity's pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreement(s) are outstanding, the Entity commits to maintaining the fund(s) and revenue(s) at levels sufficient to meet its obligations under the financing agreement(s).

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Directors held on October 17, 2017.

(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)

REIMBURSEMENT RESOLUTION

RESOLUTION NO: 2017-15

WHEREAS, the Hidden Valley Lake Community Services District (the "Agency") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"), and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Agency desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Agency; and

WHEREAS, the Agency has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, THE AGENCY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$ 1,645,341.00.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as official intent of the Agency in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

AYES: _____

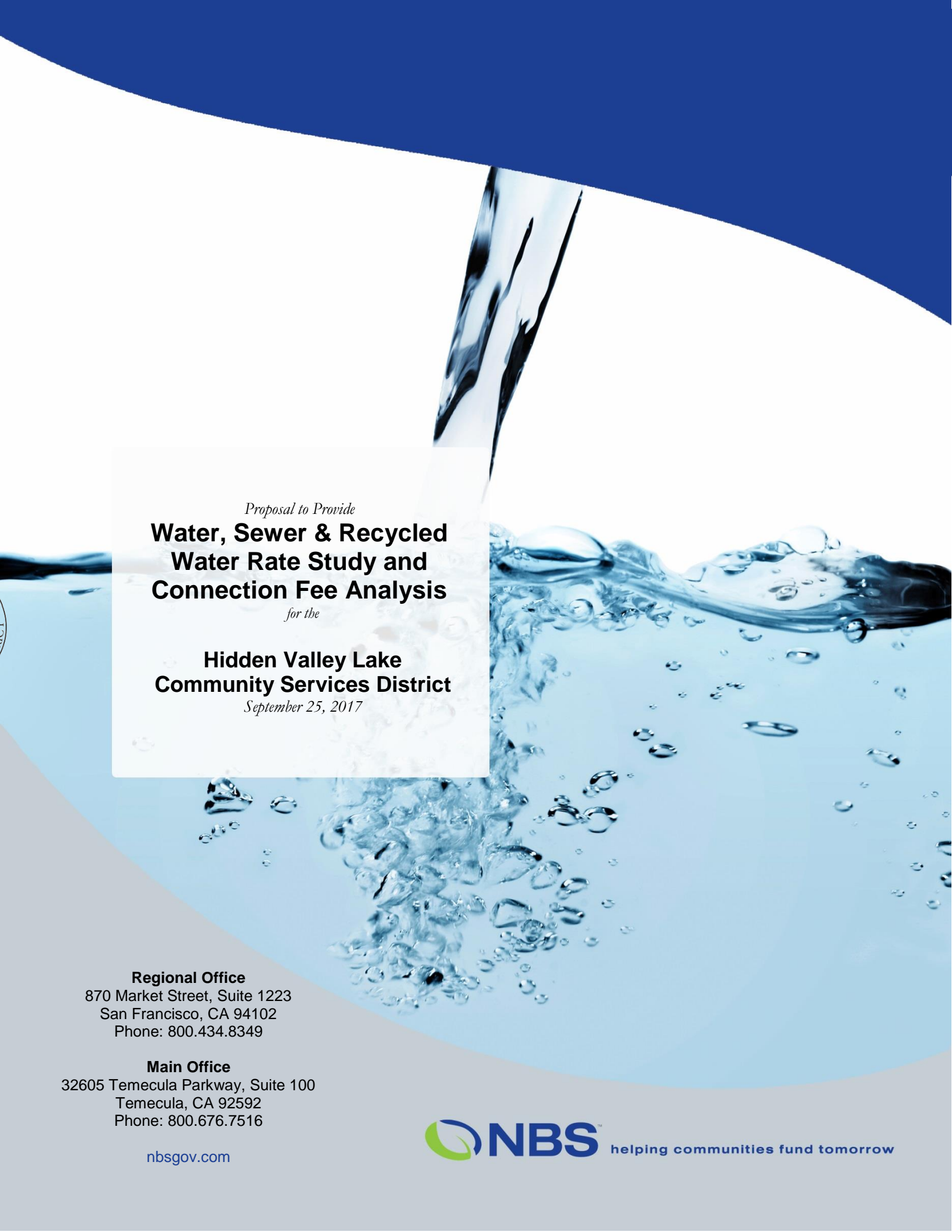
NOES: _____

ABSENT: _____

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Directors held on October 17, 2017.

(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)

A dynamic background image showing water being poured from a height, creating a large splash with many bubbles and droplets. The water is clear and bright blue, set against a white background. The splash is contained within a large, curved, light blue shape that dominates the right and bottom portions of the page. The overall color palette is shades of blue and white.

Proposal to Provide
**Water, Sewer & Recycled
Water Rate Study and
Connection Fee Analysis**

for the

**Hidden Valley Lake
Community Services District**

September 25, 2017

Regional Office

870 Market Street, Suite 1223
San Francisco, CA 94102
Phone: 800.434.8349

Main Office

32605 Temecula Parkway, Suite 100
Temecula, CA 92592
Phone: 800.676.7516

nbsgov.com



870 Market Street, Suite 1223
San Francisco, CA 94102
Toll free: 800.434.8349

nbsgov.com

September 25, 2017

Mr. Kirk Cloyd
General Manager
Hidden Valley Lake Community Services District
19400 Hartmann Road
Hidden Valley Lake, CA 95467

SUBJECT: PROPOSAL FOR A WATER, SEWER AND RECYCLED WATER RATE STUDY AND CONNECTION FEE ANALYSIS

Dear Mr. Cloyd,

NBS is pleased to provide you with this proposal for a Water, Sewer and Recycled Water Rate and Connection Fee Study based on our conversation earlier this week. We look forward to assisting with the District's ongoing effort to ensure that the rates and connection fees resulting from this study represent reliable and well-conceived plans for funding the water and sewer utilities.

As in the past, we will work closely with key District personnel, Board and, as necessary, the public in developing implementable solutions to the many challenges facing the District's water and sewer utilities. Our proposal offers the District:

- **A Proven Team** – Our team includes a local project manager with more than 30-years of experience and the willingness to personally meet with District staff and community groups.
- **Demonstrated Client Satisfaction** – We believe our greatest single qualification is our record of successful projects and satisfied clients, including our past work with the District.
- **Creative Approach** – We want to ensure we understand all the critical aspects of the Districts planned capital improvements, funding options, and annual costs in order to create a well-thought-out financial plan and rate design. We will plan to leave a placeholder for the results of a salary survey study, which will likely not be available after our initial rate study is completed.
- **Technically Sound Approach** – Our approach and commitment to the District is to develop technically sound rate alternatives and solutions that comply with Prop 218 and fully meet the District's study goals and objectives.

Thank you for providing another opportunity to work the District. Please do not hesitate to contact Greg Clumpner, our proposed Project Manager and the author of this proposal, at either 530.297.5856 (cell), 800.676.7516 (office) or at gclumpner@nbsgov.com if you have any questions.

Sincerely,

Greg Clumpner
Project Manager

Michael Rentner
President & CEO

helping communities fund tomorrow

Proposal to Provide

Water, Sewer and Recycled Water Rate Study and Connection Fee Analysis
for the Hidden Valley Lake Community Services District
Prepared by **NBS** – September 25, 2017

TABLE OF CONTENTS

SECTION
PAGE

TRANSMITTAL LETTER.....	PREVIOUS PAGE
1. EXECUTIVE SUMMARY	1
2. SCOPE OF WORK	2
5.1 GENERAL WORK PLAN.....	2
3. PROJECT ORGANIZATION AND KEY PERSONNEL	8
6.1 PROJECT TEAM ORGANIZATIONAL CHART.....	8
6.2 PROPOSED STAFF.....	9
4. PROPOSED FEE SCHEDULE.....	11
APPENDIX - RESUMES.....	13

1. EXECUTIVE SUMMARY

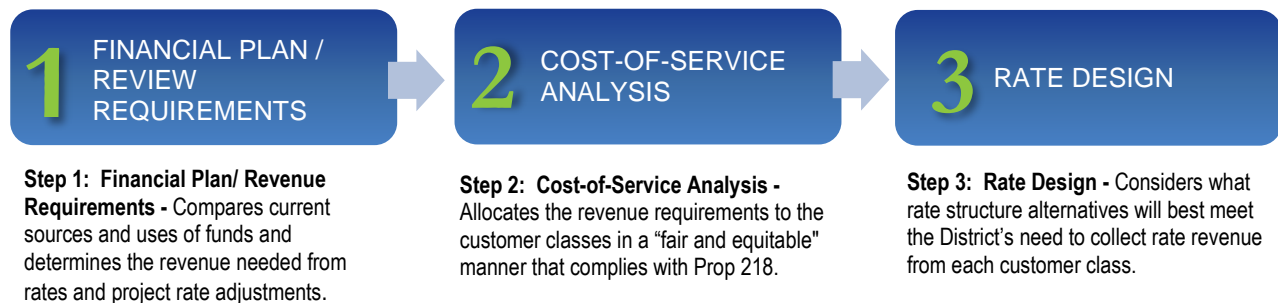
The rate study will largely follow the format and approach previously used. This section summarizes NBS' proposal and the information that will be required to complete this study.

After completing a rate study for the District in 2014 and an address changing Prop 218 requirements (i.e., per the San Juan Capistrano court ruling), the District now needs to update rates to reflect a number of concerns, including:

- Chromium 6 treatment
- Water supply limitations (and plans for a new well)
- Changes in annual operating costs, including potential adjustments resulting from the District's salary survey once results are available
- The need to build adequate CIP and replacement reserves
- SRF loans and debt service payments

These concerns will first be addressed in the financial plans that NBS prepares, which will identify the annual revenue requirements needed to fully fund the District's needed capital improvements. Those revenue requirements will then be evaluated to determine the cost-of-service for each customer class, and then in the rate design that determines the individual rates for each customer. These rate study components are summarized in Figure 1.

Figure 1. PRIMARY COMPONENTS OF A RATE STUDY



Other key components of the study will include:

- Evaluation of customer bill impacts, particularly for customers with above or below average water consumption
- Preparing a rate study report
- Providing Board Workshops to consider various aspects of the proposed rates, along with Board policies and direction related to rate increases and other study assumptions
- Assisting the District with Prop 218 materials required to adopt new rates.

Client testimonial from a recent water and sewer rate and connection fee study:

"I think that the quality and responsiveness of the consulting service by NBS has been outstanding. It has been a pleasure working with [Kim] & Greg these past several months...a totally positive experience. You and Greg have gone the extra mile to make the study the best it can be."

SUSSEX COUNTY, DELAWARE
JEFF JAMES, Director of Engineering

2. Scope of Work

2.1 Study Tasks

Specific Study Tasks – In most water and sewer rate studies, the tasks are similar in a generic sense; we have used water rate illustrations in the task descriptions below but will provide similar tasks for the sewer rate study, and have noted the differences between water and sewer tasks as necessary.

Task 1 – Kick-Off Meeting (by Phone) and Data Collection

Task Objectives: Clearly communicate with District staff to obtain necessary data and discuss specific issues and alternatives for both water and sewer utilities.

Task Deliverables:

- Provide a data request to District staff prior to the kick-off meeting.
- Review of initial data provided.
- Discussions with District staff regarding outstanding data requirements.
- Summary of key water and sewer study issues and how they will be addressed in the study.

The kick-off meeting will be used to review and discuss the overall study objectives, methodologies, and alternative rate designs to ensure we have a mutual understanding of how the study will be conducted. We will also review the data from the District's billing and accounting system and data requirements in general.

Task 2 – Prepare Financial Plans & Sensitivity Analysis

Task Objectives: Prepare detailed financial plans with revenues, expenditures, reserves, coverage ratios, capital project costs, and net revenue requirements. Reserve fund policies will be evaluated as needed. Separate plans will be prepared for the water and sewer utilities.

Task Deliverables:

- 10-year financial projections model that will serve as a financial “roadmap” for the District.
- Summary of current and projected net revenue requirements.
- Recommended types of reserves, such as rate stabilization, O&M and R&R/capital reserves.
- Projected year-end reserve fund levels.
- Calculated debt service coverage ratios.
- Evaluation of overhead cost allocations and any related recommendations.

2.1 Prepare Financial Plans

This task lays the financial groundwork for the cost-of-service rate analysis and rate design in subsequent tasks. The following subtasks are anticipated:

- **Projected Revenues and Expenditures** – Using a cash-basis reflecting the District's system of accounts, NBS will prepare a 10-year projection of revenues and expenses. This will provide the District the financial planning tools needed for “what-if” analyses such as smoothing out future rate increases and maintaining appropriate reserve fund levels in light of revised budget projections.
- **Incorporate Growth Projections and Scenarios** – NBS will evaluate the potential impacts of growth and develop the *sensitivity analysis* that reflects the changes on new rates.
- **Review Capital Improvement Funding** – In light of the potential costs for new Chromium-related water treatment improvements and other water and sewer improvements and replacements, NBS will review the District's CIP plans, including timing, costs, and available reserves, and work with District staff to develop a well-conceived approach to funding these capital needs.

2.2 Prepare Sensitivity Analysis

There are two components to the sensitivity analysis: (1) financial factors, including population growth, projected capital improvement costs and potential changes in staffing costs (related to the District's salary survey), and (2) cost-of-service and rate design factors, which will address potential changes in customer growth and water consumption levels.

NBS will prepare tables that show financial plan impacts, such as net revenue requirements and annual rate increases, over reasonable ranges of projected growth, CIP costs, etc. This analysis is expected to illustrate the degree that these factors may impact the recommended rate alternatives.

Task 3 – Cost of Service Analysis

Task Objectives: To equitably allocate water and sewer revenue requirements by customer class.

Task Deliverables: Cost of service summary tables, to be incorporated into the rate design and final report.

3.1 Cost-of-Service Analysis (Water) - The revenue requirements will be equitably allocated to individual customer classes. We will suggest and evaluate with District staff whether additional customer classes should be considered (e.g., sewer commercial classes that reflect effluent strength – BOD and TSS). Additionally, we will evaluate whether there is a need to incorporate meter sizes using cost-of-service principles.

Functionalization/Classification of Expenses – Functionalizing the expenses means arranging costs into basic cost categories, such as source of supply, transmission, and distribution, as well as administrative and overhead costs. Once the costs have been functionalized, they are then classified to their various cost components, such as fixed capacity, variable (commodity), or customer related costs.

Allocation of Costs to Customer Classes - These costs are then allocated to individual customer classes based on allocation factors specific to each cost classification, producing fixed and variable revenue requirements for each customer class. These allocations will be used for the actual rate calculations.

3.2 Cost of Service Analysis (Sewer) - This task identifies some of the differences in the technical analysis necessary for equitably allocating sewer revenue requirements to each of the customer classes.

Sewer Classification of Expenses – Classifying expenses involves arranging costs into basic cost categories, including flow and strength characteristics (i.e., BOD and TSS), as well as customer costs.

Allocations to Sewer Customer Classes – The next step in the cost-of-service analysis is allocating the sewer costs to each of the customer classes using allocation factors for each of the classes of costs (Volumetric, BOD, TSS and Customer).

As a result of applying the allocation factors to the cost classifications (i.e., the Volume, BOD, TSS, and Customer costs), the revenue required from each customer class is accumulated by customer class. This allocation process results in fair and equitable cost-of-service revenue requirements for each customer class, which is the basis for actual sewer rate calculations in the rate design analysis.

3.3 Cost of Service Analysis (Recycled Water) – The District has one recycled water customer and the District believes current recycled water rates need to be adjusted to appropriately reflect actual costs. NBS will review how costs are currently allocated to recycled water and identify where improvements to this methodology can be made. Based on the cost-of-service allocations for recycled water vs. sewer expenses, proposed new recycled water rates will be developed.

Task 4 – Rate Design Analysis

Task Objectives: In addition to the baseline scenario reflecting the current rates, NBS will evaluate whether there are any additional rate structure adjustments that should be made. The proposed water and sewer rates will incorporate these changes plus those necessary to meet the District's broader rate design goals and objectives.

Task Deliverables: An evaluation of the current rate structure, any recommended rate structure adjustments, and rates for the current and proposed rate structures.

The District is not expecting significant changes to the current rate structure, although rates themselves will be adjusted to reflect the updated financial plans. However, some of the key factors that may be adjusted include the percentage of rate revenue collected from fixed vs. variable service charges (rates). Other factors considered and explained include impacts on revenue stability, the continuity of the current rate design, and ease of understanding.

While this task is primarily applicable to water rates, but we will also evaluate the sewer rate design. Any changes will include a discussion of their relative merits.

4.1 Evaluation of Consumption Patterns - In designing volumetric water rates, it's important to understand the amount of consumption *within* and *between* various customer classes. This type of data is necessary to ensure an accurate projection of the revenue that would be collected from volumetric rates. In particular, NBS will evaluate single-family customers in terms of their levels of consumption and the total water use. It is important to evaluate the District's most recent water consumption data and reflect that in the rate design task and volumetric rates.

4.2 Calculating Fixed and Volumetric Charges - Fixed costs consider the number of accounts, equivalent meters, and the number and size of meters. In contrast, variable costs are typically allocated in proportion to consumption. Although a strict cost-of-service methodology would determine the percentages of rate revenue collected from fixed and variable rates, other factors (such as revenue stability, water conservation goals, and ease of understanding) are typically considered in this process.

Criteria for Choosing the "Right" Rate Design – There are a number of criteria that NBS will consider in developing a recommended rate structure, including:

- How costs allocated to fixed and volumetric rates affect revenue stability.
- How summer peaking patterns are reflected in water rate design.
- How meter sizes are used in calculating fixed charges.
- How to address "price elasticity" reductions in water use in response to rate increases.

Comparison of Monthly Water Bills – We will prepare an analysis of monthly water bills for various types of customers, such as single-family customers with low-, average-, and high water usage under current and proposed rates.

4.3 Recycled Water Rates – Based on the cost-of-service analysis and the project annual water consumption, new recycled water rates will be developed. The intent is to represent actual costs, although some of the key issues will involve value judgements about how costs should be allocated between various customers (e.g., sewer customers vs. recycled water users). This is a key example of where NBS will work closely with District staff and the Board to consider these topics. Of course, since there is only one recycled water customer, there is no need for multiple rate design alternatives.

Task 5 – Connection Fees

Task Objectives: Compare the District’s water and sewer rates to neighboring or comparable communities (e.g., Lake County, Middletown, Calistoga, Kelseyville, etc.).

Task Deliverables: Updated connection fees for water and sewer, plus a separate technical memo outlining the methodology, data sources, analysis, and results from this task.

In light of the District’s planned capital improvement and potential new growth on the horizon, it is appropriate to update connection fees at the same time as rates are being evaluated. And there is a link between rates and connection fees in that allocations of capacity and infrastructure costs needs to be fairly assigned to new and existing customer bases.

Various methodologies have been and are currently used to calculate connection fees (often also called capacity fees or system development charges). The most common include:

- The value of existing (historical) system assets, often called a “buy-in” methodology;
- The value of planned future improvements, also called the “incremental” methodology;
- A combination of these two approaches.

NBS will use a combination approach, which requires new customers to pay both their fair share of existing system assets as well as their share of the planned future capital improvements. As a result, new customers connecting to the District’s water and sewer systems would become equal participants with regard to their financial commitment and obligations.

In calculating the capacity fee, the replacement-cost-new-less-depreciation (RCNLD) value of existing system assets will be used to calculate the buy-in component. NBS uses the Handy Whitman Index of Public Utility Construction Costs, which is a regionally specific construction index that tracks utility construction costs, to estimate the replacement value of the existing system assets. Costs of planned improvements will be based on the District’s estimates and will be based in 2017 dollars.

Task 6 – Regional Rate Comparisons

Task Objectives: Compare the District’s water and sewer rates to neighboring or comparable communities (e.g., Lake County, Middletown, Calistoga, Kelseyville, etc.).

Task Deliverables: NBS will compare water and sewer rates from readily-accessible data for three (3) neighboring communities (District staff can select them). This exercise provides only a generic comparison between the District’s rates and similar agencies for informational purposes. The results of this comparison will be presented in the rate study report.

Task 7 – Prepare a Written Study Report

Task Objectives: Prepare a draft and final rate study report.

Task Deliverables: Prepare the necessary reports that address both water and sewer utilities and provide sufficient documentation for staff, Board, and the public to review and understand the studies.

The report will summarize the findings and recommendations, will include proposed rates for the next five years, and present appropriate customer bill comparisons¹. Tables, graphs, and charts will be used as needed, with an emphasis on providing a clear, concise, and understandable report.

Preliminary study results will be forwarded to District staff well ahead of the draft report. We typically will review initial results (e.g., revenue requirements, financial plans, cost-of-service analysis, and rate design results) with staff at the time they are developed. This helps ensure that District staff are “on-board” with the results before moving ahead with presenting any materials to the District Board or public. We will incorporate the District’s

¹ Although our financial model provides 10-year rate increases, we note that Prop 218 only allows adoption of rates for a maximum of five years.

comments² into the final report.

Task 8 – Prepare Rate Models

Task Objectives: Develop a ten-year financial planning and water and sewer rate models for District staff to use once the rate study is completed. These will include flexibility to plug in salary adjustments once the District completes its salary survey.

Task Deliverables: An MS Excel-based spreadsheet model with separate tabs for study components (e.g., budget, financial plan, cost functionalization, cost allocation factors, fixed charge and volumetric rate calculations, rate schedule tables, and bill comparisons).

NBS does not use proprietary software; in particular we avoid creating “black-box” models that are difficult to understand and follow and, quite frankly, can make the District dependent on the rate consultant to make any future changes. We believe that simplicity and transparency are essential.

We will review the various tables included in the rate model as a part of the progress meetings with District staff. As a result, our goal is that District staff will be familiar enough with the rate model by the time the study is finished that they will be able to make changes and see the impacts of rates and financial plans.

Task 9 – Meetings and Presentations

Task Objectives: Meet with District staff, community groups, and Board as requested. Also, provide guidance and advice on the Prop 218 process and materials.

Task Deliverables: Provide three (3) meetings with the District Board and staff and/or community groups as directed by District staff.

NBS will plan to meet with District staff and management in order to successfully adopt and implement the recommended rate study results. Additional meetings/presentations can be provided as needed. For budgeting purposes we have assumed:

- Three (3) on-site meetings with District staff and/or community/building industry groups.
- Meetings with the Board include materials to present an overview of the studies and recommendations, answer questions, and ensure staff-prepared Prop 218 materials are adequately clear and acceptable in terms of their representation of the results of the studies.
- Advise and guide the District regarding Prop 218 process and materials.

Task 10 – Prop 218 and Miscellaneous Assistance

Task Objectives: Assist the District with the Prop 218 process and materials and, if needed, consult with District staff on other issues such as non-standard subdivision projects (growth).

Task Deliverables: In addition to providing the necessary Prop 218 rate tables, NBS will provide technical review of Prop 218 notices³. Other assistance will be defined as needed.

NBS will provide general review of the Prop 218 materials, provide necessary rate tables. We assume that previous District Prop 218 notices will provide the starting point, and that District legal counsel will provide the final review for compliance with applicable laws and requirements. The District has noted other issues, such as non-standard development projects (related to connection fees) that may require NBS assistance. These issues will be handled as needed, but are not included in the project budget at this time.

² We assume the District's staff comments will be on an electronic Microsoft Word file using track-changes mode.

³ NBS does not provide legal review, so the District will need its attorney to provide this service.

Client testimonial from a recent rate study:

“From the initial meetings, to working through the complex details, to Board presentations and ultimately to the public workshops; you have far exceeded our expectations on what we hoped to achieve... you hit a grand slam for us.”

DESERT WATER AGENCY
MARTIN KRIEGER, Finance Director

3. PROJECT ORGANIZATION AND KEY PERSONNEL

3.1

Project Team Organizational Chart

One of our greatest strengths, and a key to a successful project, is a team that works cohesively and efficiently, in addition to having the expertise for resolving complex issues. NBS staff has demonstrated their ability to successfully complete studies similar to the District's. We treat our clients as partners by developing an intimate knowledge of their needs and responding with strategic and timely solutions. The functional relationships of our proposed project team are detailed as follows (*Detailed resumes are provided in the Appendix of this proposal*):

Exhibit A.
NBS Project
Team for the
Hidden Valley
Lake CSD.



3.2

PROPOSED STAFF

The NBS project team brings together several key attributes that we believe will be critical to the success of this project:

GREG CLUMPNER – PROJECT MANAGER

Project Role and Responsibilities: Mr. Clumpner will manage the technical and administrative aspects of the project and serve as the primary point of contact for District staff. He will work closely with the District's project manager and other NBS team members to develop the overall approach, consisting of technical rate alternatives best suited to the District's needs, creative options to consider, and final report and presentations to the District's Board and public.

Mr. Clumpner's role will play a central part in evaluating alternatives that require a creative, outside-the-box thinking process whereby we intend to provide a creative approach to the District's rate issues, including developing alternatives and options capable of *demonstrating* that they are a best fit to the District's unique characteristics and issues. Greg will also serve as the primary author of project reports and will handle presentations.

City of Winters
SHELLY GUNBY,
Director of Financial
Management

"Greg worked closely with the City of Winters team responsible for the project, and was responsive and professional in all ways. The information Greg presented to the City Council was thorough and informative, and there was little public discussion or opposition to the rates recommended."

Summary of work experience: Mr. Clumpner's 30-year professional career has focused on financial and economic analyses for municipal water, wastewater, and recycled water agencies. As the Director of the Utility Rate Practice at NBS, he is also a regular presenter at water and wastewater industry conferences on topics such as rate design, conservation rates, and utility financial management topics. He joined NBS in January 2012 after three years as the California rate and finance business class leader at HDR Engineering. He also created and managed Foresight Consulting where, for six years, his practice focused on water and sewer rate analyses. Greg has completed over 200 similar studies during his career.

Mr. Clumpner brings a history of solving complex rate problems. Besides the normal array of rate structure alternatives, he takes a creative approach to constructing options that comply with the legal and technical constraints of Prop 218 and industry standards. For example, he has the capabilities to develop unique solutions to rate problems (i.e., never before implemented approaches), including rate alternatives with different combinations of fixed and volumetric charges, tiered rates, etc.

Additionally, since Mr. Clumpner works with Prop 218 legal counsel on an on-going basis, he knows the general legal constraints as well as when to solicit critical legal input to ensure alternatives will meet specific legal requirements. Most notably, the recent court rulings (e.g., the San Juan Capistrano and Palmdale Water District cases) have detailed legal requirements that should be reflected in any rate structure alternative.

KIM BOEHLER – ASSOCIATE DIRECTOR

Project Role and Responsibilities: Ms. Boehler will provide assistant project manager support and technical review as needed, including review of financial models and cost-of-service analyses for the water and sewer rate alternatives, sensitivity analyses, and other aspects of this study.

Summary of work experience: With 10 years in NBS' Financial Consulting practice and over 90 similar studies in California, Ms. Boehler prepares water and wastewater utility rate and capacity fee studies for cities and special districts throughout California. Ms. Boehler is responsible for developing financial models,

cost-of-service analyses, rate structure alternatives, and related financial analyses. She worked directly with Mr. Clumpner on a daily basis performing similar rate studies.

CARMEN NARAYANAN – CONSULTANT

Project Role and Responsibilities: Under the direction of Mr. Clumpner and Ms. Boehler, Ms. Narayanan will perform many of the data collection and analysis tasks, implement the financial models and cost-of-service analyses, and will help develop rate models for both water and sewer rate alternatives.

Summary of work experience: Ms. Narayanan offers eight years of combined experience in financial analyses (three with NBS), budgeting and financial projections, as well as general business management. Ms. Narayanan provides support to project teams completing water and wastewater utility rate studies, cost allocation plans and user fee studies for cities and special districts in California. Ms. Narayanan provides support for the development of financial models, establishing revenue requirements, multi-year financial plans, rate adjustment strategies, performing cost-of-service analysis and rate design for utility rate studies.

CRAIG BREWER, RATE ANALYST

Role and Responsibilities: Under the direction of the project manager, Craig Brewer will support the project team in performing large scale data analysis and validation, data input and will also help develop the financial plans. As needed, he will facilitate data collection and reminders for City staff in order to move projects forward on the agreed upon timeline for completion.

Work Experience: Craig Brewer has a Bachelor's of Science degree in Applied Mathematics and offers over two years of experience working directly with cities and special districts in California on financial analyses, large scale data analysis and database management.

TIM SEUFERT – CLIENT SERVICES DIRECTOR

Project Role and Responsibilities: Mr. Seufert will ensure NBS' study team delivers the high quality work products and service standards that differentiate NBS from other firms. However, he will not be charging time to this project.

Summary of work experience: Tim Seufert is a Director located in NBS' San Francisco office. He has a dozen years of local government experience with special financing tools in California. He also has a decade of corporate financial experience, and has been involved with projects for municipalities, school districts, counties, and fire and other special districts from their inception and feasibility stage to their completion. He has been a presenter at training seminars and an author on local government finance issues.

4. PROPOSED FEE & SCHEDULE

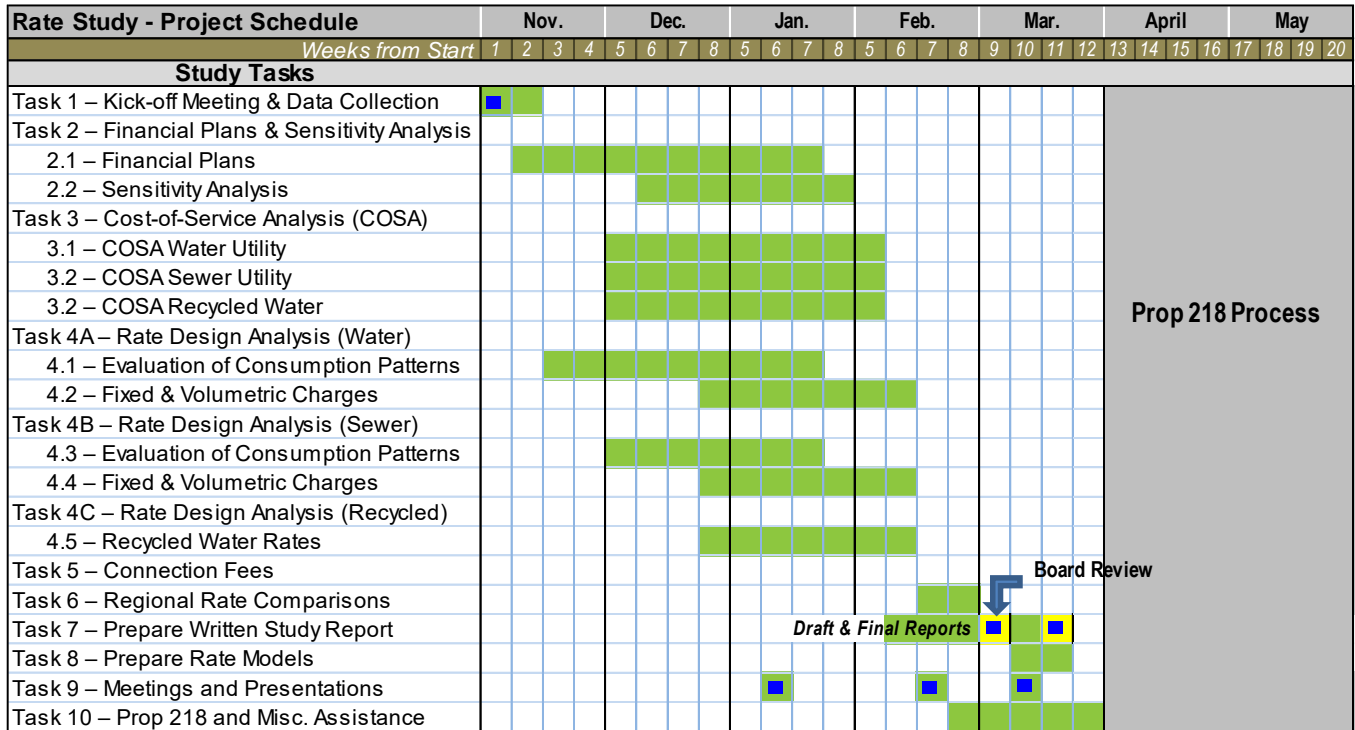
Proposed Study Fee – Our detailed project budget is shown below. Our professional fees are based on our understanding of the District’s needs and the effort we believe is necessary to complete the scope of services/task plan described. We express this honestly and transparently through our price proposal.

RATE STUDY PROJECT BUDGET - Hidden Valley Lake CSD						
Rate Study Tasks	Consultant Labor (Hours)				Grand Totals	
	Project Manager (Clumpner)	Associate Director (Boehler)	Consultant (Narayanan)	Rate Analyst (Brewer)	Consultant Labor (Hrs.)	Consultant Costs (\$)
<i>Hourly Rate</i>	\$240	\$180	\$160	\$130		
Task 1 – Kick-off Meeting & Data Collection	6.0	-	8.0	4.0	18.0	\$3,240
Task 2 – Financial Plans & Sensitivity Analysis						
2.1 – Financial Plans	4.0	2.0	10.0	10.0	26.0	\$4,220
2.2 – Sensitivity Analysis	4.0	-	6.0	-	10.0	\$1,920
Task 3 – Cost-of-Service Analysis (COSA)						
3.1 – COSA Water Utility	6.0	1.0	10.0	6.0	23.0	\$4,000
3.2 – COSA Sewer Utility	4.0	1.0	10.0	-	15.0	\$2,740
3.2 – COSA Recycled Water	4.0	-	8.0	-	12.0	\$2,240
Task 4A – Rate Design Analysis (Water)						
4.1 – Evaluation of Consumption Patterns	1.0	-	8.0	8.0	17.0	\$2,560
4.2 – Fixed & Volumetric Charges	4.0	1.0	14.0	6.0	25.0	\$4,160
Task 4B – Rate Design Analysis (Sewer)						
4.3 – Evaluation of Consumption Patterns	1.0	-	4.0	-	5.0	\$880
4.4 – Fixed & Volumetric Charges	4.0	1.0	8.0	4.0	17.0	\$2,940
Task 4C – Rate Design Analysis (Recycled)						
4.5 – Recycled Water Rates	4.0	-	10.0	-	14.0	\$2,560
Task 5 – Connection Fees	6.0	1.0	16.0	6.0	29.0	\$4,960
Task 6 – Regional Rate Comparisons	2.0	-	2.0	6.0	10.0	\$1,580
Task 7 – Prepare Written Study Report	8.0	2.0	12.0	-	22.0	\$4,200
Task 8 – Prepare Rate Models	1.0	1.0	2.0	2.0	6.0	\$1,000
Task 9 – Meetings and Presentations (total of 2)	16.0	-	-	-	16.0	\$3,840
Task 10 – Prop 218 and Misc. Assistance ¹	6.0	1.0	4.0	-	11.0	\$2,260
Task Totals	81.0	11.0	132.0	52.0	276.0	\$49,300
Reimbursable Expenses (<i>travel expenses</i>)						\$500
GRAND TOTAL NOT TO EXCEED	81.0	11.0	132.0	52.0	276.0	\$49,800

1. Miscellaneous assistance will be defined on an as-needed basis. Additional budget may be needed.

Project Schedule – The following schedule is an overview of the preliminary study schedule. We will plan to further discuss a detailed schedule at the kick-off meeting along with the expected timing for individual task completions.

While NBS will plan to be flexible as needed to meet the District’s needs, we also want to ensure there is sufficient time for this study, including time for the District staff and Board to review the alternatives. Therefore, we would like to discuss the District’s deadlines and whether more time can be allocated to the actual development of the analysis, meeting with District staff and community and building industry groups as needed, and performing a thorough discussion of the pros and cons of the new alternatives under consideration.



Prop 218 Process

Board Review

Draft & Final Reports

- Active task work.
- Draft and Final Reports
- Meeting or Presentation (estimated, to be scheduled as needed)

APPENDIX - RESUMES

Resumes for key staff members are provided on the following pages.

RESUME HIGHLIGHTS

- 30-years of experience in financial and economic analyses
- Consulting practice focuses on municipal water, wastewater, and recycled water utilities
- Completion of over 200 rate studies

EDUCATION

- M.S., Agricultural/Managerial Economics, U.C. Davis, 1983
- B.S., Environmental Planning, UC. Davis, 1977

PROFESSIONAL AFFILIATIONS

- Vice-Chair, City of Davis Utility Rate Advisory Committee
- Former Chairman, City of Davis Planning Commission
- Past President, Sacramento Economics Roundtable
- Association of California Water Agencies (ACWA), Member
- American Water Works Association (AWWA), Member

RECENT SPEAKING ENGAGEMENTS

- The “Perfect Storm” or the “New Normal”? Meeting the Challenges of Maintaining Financial Viability, Utility Management Conference, Miami, February 2012.
- Pricing Recycled Water: The Multiple-Choice Question - What Approach Best Fits Your Agency? AWWA Conference, Reno, 2011.
- The New Financial Reality, ACWA Spring Conference, Sacramento 2011.
- New Urban Design Concepts: Implications for Municipal Utilities, CWEA, 2010
- The Tale of Two Meters – Customer Equity and Water Budget Rates, AWWA, Las Vegas, 2009
- Conservation Rates and the New Age of Supply Shortages, AWWA Conference, 2007

BIOGRAPHY

Mr. Clumpner’s 30-year professional career has focused on financial, economic, and cost-of-service rate analyses for municipal water, wastewater, recycled water and solid waste agencies. He regularly presents technical papers at industry conferences and client workshops. His practice has increasingly focused on management consulting related to municipal utility operations and capital improvements.

- **Utility Cost-of-Service Rate Studies:** Mr. Clumpner has prepared more than 200 multi-year financial plans, cost-of-service analysis, and rate design studies as well as conservation-oriented water rates, funding analysis for water, sewer, and solid waste utilities. These rate studies have primarily been for California clients, although he has also completed projects in Malaysia, Sri Lanka, Egypt, and Mexico.
- **Management Consulting & Strategic Planning:** His management consulting and strategic planning experience includes system operations, financial analyses, and long-term funding strategies for municipal agencies. He also has an extensive background in system valuations of capital facilities and systems, facility acquisitions, and municipal versus private operations.
- **Project Financing/Bond Feasibility Studies:** His financing/bond feasibility study experience includes successfully preparing bond feasibility reports resulting in the issuance of more than \$500 million in revenue bonds to finance the acquisition or construction of municipal facilities.

“You have done a great job on this project, especially with the challenges we faced. I would be happy to serve as a client reference whenever needed in the future. Please have any of your prospective clients call me.”

JIM ABERCROMBIE
GENERAL MANAGER
EL DORADO IRRIGATION DISTRICT

[Greg Clumpner served as the Project Manager in completing a Cost-of-service Study of Water, Sewer and Recycled Water Rates for the District]

RESUME CONTINUED...

SAMPLE OF RELEVANT PROJECTS

City of Redding, CA – Water, Sewer, and Solid Waste Rate and Impact Fee Study NBS is currently completing an extensive cost-of-service study of water, sewer, and solid waste rates and system development charges for the water and sewer utilities. A key part of this study was working with a Citizens Advisory Group that reviews and provides recommendations to the City Council. Key tasks include reviewing financial/rate setting policies, preparing financial plans, revenue requirements, cost-of-service analysis, and developing alternative rate designs. *Client project manager: Brian Crane, Public Works Director. Phone: 530.245.7155 bcrane@ci.redding.ca.us.*

Valley of the Moon Water District, Sonoma, CA – Water Rate Study. This comprehensive rate study evaluated the District's rate structure along with zonal elevation charges. Water consumption data and billing records provided the basis for developing rate and cost allocation alternatives, with the intent of improving revenue stability. *Client contact: Dan Muelrath, General Manager. Phone: 916.725.6873. dmuelrath@vomwd.com*

Desert Water Agency, Palm Springs, CA – Water Rate Analysis to Address Tribal/Non-Tribal Rates. In 2012, when the District was preparing for a new budget cycle, NBS reviewed the District's internal update to the utility rate model, to ensure that the rate model was generating accurate outcomes and that the Water utility was on track to implement the planned rate increases for the next two years. In 2013, NBS started a specialized rate study to determine water rates for Tribal and Non-Tribal lands under a new Federal law restricting local agency charges to Tribal lands and residents. *Client contact: Martin Krieger, Finance Director. Phone: 760.323.4971. martin@dwa.org*

City of Fort Bragg, Fort Bragg, CA – Water, Wastewater and Storm Drain Cost-of-Service Rate Study. To update its 2008 water and sewer rate analysis and evaluate alternative rate structures, this rate study prepared detailed analyses of financial projections, cost-of-service based cost allocations, and rate design alternatives under the direction of City staff and the City's financial advisory committee. NBS also reviewed rate structure alternatives and proposed new rates for the water, wastewater and storm drainage utilities based on well-accepted industry practices. *Client project contact: Linda Ruffing, City Manager. Phone: 707.961.2823 ext. 118. LRuffing@fortbragg.com*

El Dorado Irrigation District, Placerville, CA – Water, Sewer, and Recycled Water Cost-of-Service and Rate Design Study. Greg Clumpner conducted an extensive and high-visibility cost-of-service study of water, sewer, and recycled water rates, including working with a 10-person cost-of-service study committee and regular updates with the district board. Key tasks include reviewing existing and recommending changes to financial/rate setting policies, alternative rate design methodologies, and recommended water, sewer, and recycled water rates. *Client project manager: Jim Abercrombie, EID General Manager. Phone: 530-642-4055. jmabercrombie@eid.org*

Lake County Special Districts Office, Lakeport, CA – Multi-Agency Sewer & Water Rates and Connection Fees. This complex study evaluated the water and sewer rates for the 10 water districts and six sewer districts the County operated. The primary objective of this study was to evaluate and update the customer classes and rate structures for these small districts, develop equitable rates and fees, and lay the ground work for funding necessary capital improvements needed in many of the individual districts. This study evaluated the county's policies and procedures and administrative practices. *Client project manager: Mark Dellinger, Administrator. Phone: 707.263.0119. markd@co.lake.ca.us*

City of Santa Paula, CA – Water and Sewer Rate Study and Workshops. NBS is currently preparing water and sewer rate studies for Santa Paula and conducting community workshops intended to solicit community input for the rate design addressed in the cost-of-service rate studies. Key aspects of this study are high costs for sewer treatment services provided by a PERC Water-operated treatment plant and high raw water costs, which have increased by over 300% in the last 5 years. Re-designing both water and sewer rate structures is also a key objective. NBS staff includes Greg Clumpner and Kim Boehler. *Client project manager: Sandy Easley, Finance Director. Phone: 805.525.4478, ext. 204. SEasley@spcity.org*



RESUME HIGHLIGHTS

- Ten years of experience
- Over 90 cities, counties, and special districts served
- Specialist in financial, rate and cost analysis for municipal water and wastewater utilities
- American Water Works Association (AWWA), Member

EDUCATION

- Bachelor of Science, Business Administration and concentration in Finance, California State University, San Bernardino

SPEAKING ENGAGEMENTS

- “Drought Impacts and Recycled Water Pricing” and “Water and Sewer Rate Studies and Key Issues Affecting Rates in California,” American Water Works Association Water Education Seminar, August 2014
- “Recycled Water Pricing Methodologies”, CWEA, May 2014 (co-presented with Greg Clumpner)
- “Water and Sewer Rate Studies and Key Issues Affecting Rates in California,” American Water Works Association Water Education Seminar, August 2013
- “Financial Viability and the “New Normal” - The Unique Challenges of California Wastewater Agencies” and “Maintaining Financial Viability in the Face of the “Perfect Storm” – Meeting the Challenges in California Today,” CWEA, April 2012 (co-presented with Greg Clumpner)

“... Kim Boehler displayed the superb technical knowledge needed to complete the study. Further, the willingness of each of you to go above and beyond most expectations by grinding through multiple iterations of the study as requested by the City on short notice was exemplary.”

CITY OF REDDING KENT MANUEL, SENIOR PLANNER

[Kim Boehler served as the primary consultant in completing a multi-utility rate and connection fee study for the City]

BIOGRAPHY

Kim Boehler is a Senior Consultant at NBS. Her primary area of expertise is in performing financial and cost-of-service rate analysis for municipal water and wastewater utilities. She has a comprehensive understanding of agency funding needs through her work completing cost allocation plans and user fee studies and providing special financing district administration services to cities, counties and special districts in California at NBS. The following are her responsibilities in the Utility Rate Practice at NBS:

- Ms. Boehler prepares water and wastewater utility rate and capacity fee studies for cities and special districts throughout California.
- She has completed projects for over 40 agencies in this capacity by developing financial models, cost-of-service analyses, rate structure alternatives, and related financial analyses.
- Her high level of expertise in spreadsheet and database platforms provides support, research, documentation, and analysis required as deliverables to NBS clients.
- Her technical skills are essential in analyzing and manipulating large and complex data sets extracted from client information systems, operating and capital budgets and staffing or systems plans.
- She also prepares comprehensive rate study reports, presents study results to City Councils, Boards and Citizen’s Committees, and works with stakeholders to develop rate adjustment strategies.

RESUME CONTINUED...

RELEVANT PROJECT EXPERIENCE

- City of Arvin, Sewer Rate Study
- Avila Beach Community Services District, Water and Wastewater Rate and Connection Fee Study
- Calaveras County Water District, Water and Wastewater Rate Study
- Citrus Heights Water District, Water Rate Study
- City of Colton Water Rate and Connection Fee Study
- City of Colton and Grand Terrace Sewer Rate Study
- Cucamonga Valley Water District, Water and Recycled Water Connection Fee Study
- Cucamonga Valley Water District, Water Rate Study
- Culver City, Wastewater Rate Study
- Desert Water Agency, Water, Wastewater and Recycled Water Rate Study
- Desert Water Agency, Water Rate Analysis to Address Tribal/Non-Tribal Rates
- Dixon-Solano Water Authority, Water Rate Study
- East Valley Water District, Water and Wastewater Financial Plans
- City of Fort Bragg, Water, Wastewater and Storm Drain Rate Study
- City of Greenfield, Water and Wastewater Utility Revenue Requirement Analysis
- City of Livermore, Water Rate and Connection Fee Study
- City of Los Altos, Storm Drain Master Plan Financing Analysis
- City of Redding, Water, Wastewater and Solid Waste Rate Study and Connection Fee Analysis
- Rural North Vacaville Water District, Water Rate Study
- City of San Carlos, Wastewater Revenue Requirement Analysis
- City of Santa Paula, Water and Wastewater Rate Study
- San Mateo County, Wastewater Rate Study
- City of Sausalito, Wastewater Rate Study City of Solvang, Water and Wastewater Rate and Connection Fee Study
- Suisun-Solano Water Authority, Water Rate Study
- City of Taft, Wastewater and Solid Waste Rate Study
- City of Thousand Oaks, Water and Wastewater Rate Study
- City of Waterford, Water and Wastewater Rate and Connection Fee Study
- West County Wastewater District, Wastewater Rate and Connection Fee Study
- City of Winters, Water and Sewer Rate Study



RESUME HIGHLIGHTS

- Six years of management experience and knowledge of Finance and Accounting methods.
- Extensive experience working with analysis software, databases, and spreadsheets.

EDUCATION

- Master of Business Administration, University of California, Davis Graduate School of Management
- Bachelor of Business Administration, University of Montevallo

BIOGRAPHY

Carmen Narayanan is a Consultant at NBS for the Financial Consulting Group's Utility Rate Practice. She offers six years of combined experience in annual financial analyses, annual budgets and projections, as well as business and general office management.

Ms. Narayanan provides support to project teams completing water and wastewater utility rate studies, cost allocation plans and user fee studies for cities and special districts in California. Ms. Narayanan provides support for the development of financial models, establishing revenue requirements, multi-year financial plans, rate adjustment strategies, performing cost-of-service analysis and rate design for utility rate studies. Ms. Narayanan's years of technical skills are essential to the work performed by NBS.

Prior to working at NBS, Carmen held various management positions, which included operations, finance and accounting expertise.

RELEVANT PROJECT EXPERIENCE

- City of Eureka and Humboldt CSD, Water and Sewer Rate Studies
- City of Redding, Water and Sewer Rate Study
- San Lorenzo Valley Water District, Water and Sewer Rate Study
- Yuba City, Water and Sewer Rate Study
- City of Benicia, Water and Sewer Rate Study
- Cucamonga Valley Water District, Water and Sewer Rate Study
- Hidden Valley Lake Community Services District, Water Rate Study
- City of Lancaster, Recycled Water Rate Study
- Pajaro Sunny Mesa, Water Rate Study
- City of Sacramento, Impact Fee Study
- Twentynine Palms Water District, Water Rate Study
- City of Vallejo, Water Rate Study
- Valley of the Moon, Water Rate Study
- City of Yuba City, Water and Wastewater Rate Study

**ACTION OF
HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

DATE: October 17, 2017

AGENDA ITEM: Discuss and recommend the acceptance of the Aquatic Harvesting quote to remove aquatic weeds in the Wastewater Treatment Plant (WWTP) Reclamation Pond.

RECOMMENDATIONS: Recommend the acceptance of the Aquatic Harvesting quote in order to move forward with Aquatic Harvesting of the WWTP Reclamation Pond.

FINANCIAL IMPACT: \$28,200

BACKGROUND: As a result of the excessive rains produced by the winter storms of January and February of 2017, collection and processing of wastewater became inundated. At the WWTP, stormwater-influenced wastewater overflowed into the Reclamation Pond. This top layer of ensuing sediment in the Reclamation Pond, allowed for the proliferation of aquatic weeds. This is considered damage caused by the storms, and is in need of repair.

Overall, the storms created a situation of non-compliance with our WDR 5-00-019 on items A1, A2, B2, B4, B9b, B9c, and E1. We are attempting to rectify these non-compliance issues.

APPROVED
AS RECOMMENDED

OTHER
(SEE BELOW)

Modification to recommendation and/or other actions:

I, Kirk Cloyd, Secretary to the Board, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular board meeting thereof held on October 17, 2017 by the following vote:

Ayes:

Noes:

Abstain:

Absent

Secretary to the Board

PROPOSAL



PROPOSED COST FOR HARVESTING AQUATIC VEGETATION AT HIDDEN VALLEY LAKE CSD

18 days w/
trailer, truck & driver
28,200

Daily rate:	\$1,500 per day	\$1,500 x 1 days
Weekly rate:	\$1,400 per day	\$1,400 x 5 days
Monthly rate:	\$1,300 per day	\$1,300 x 22 days

(Optional: Conveyor Trailer, Truck and driver is \$150 per day)

*Includes Harvester, Crew, Fuel, and Lodging.
Subject to full terms and conditions of the full Proposal*

October 11th, 2016

Re: Proposal for Aquatic Plant Harvesting at Hidden Valley Lake.

Aquatic Harvesting Inc. is pleased to submit the following proposal to harvest the excessive aquatic plants from the Hidden Valley Lake. We believe that our proposal is fully responsive to your request for proposal. Our staff is highly valued and receives frequent bonuses for their excellent customer service. We're based near San Francisco with clients in Arizona, California, Oregon and Washington. We enjoy our work and always provide excellent service at a fair price.



Our crew and equipment have harvested a diverse variety of aquatic weeds and many lakes, ponds, rivers and deltas. We are certain that we can provide you with the aquatic harvesting service you seek. If at any time you are not satisfied, tell me. The concern will be corrected or you will not be charged for the work that day.

We operate a diverse set of aquatic vegetation removal equipment. Harvesters, Transport barges, Herbicide Applicator boats, Aquatic Vegetation Cutter and support equipment like Trucks, Trailers and Conveyors. With our harvesters we cut and remove aquatic plants to a depth of nearly six feet and we are comfortable working in marinas and along docks. With our AVC (*Aquatic Vegetation Cutter*), we can remove difficult shoreline plants like Bulrush, Cattail and Primrose along with their root structure.



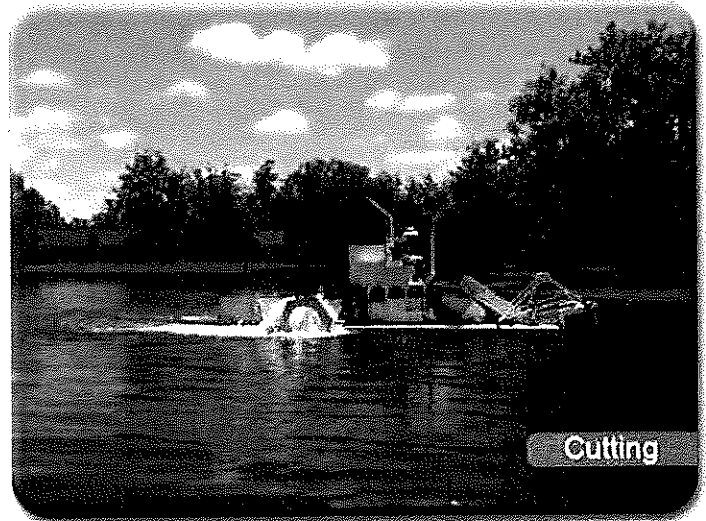
Proposal For Aquatic Vegetation Removal:

Aquatic Harvesting Inc. proposes to utilize an aquatic weed harvester to cut and remove the aquatic weeds found throughout Hidden Valley Lake. The harvester will be easily launched at a boat ramp or soft sloped shoreline. No hindrance to facility operation is anticipated.

Our harvesters will "cut a path" through the vegetation eight feet wide and nearly six feet deep. As the vegetation is cut, it falls onto a conveyor belt, which then moves the material to a storage bay aboard the harvester. When the storage bay becomes full, the harvester will return to the ramp or other site and offload the cut material onto our specially designed conveyor trailer. The material can be stored for drying or immediately moved to a disposal site. If allowed to dry the cost of disposal may less because of reduced plant weight.

Harvester Rate:

Our crew is skilled and the equipment is in great shape; there is no doubt we will do a very good job, ..we always do. However, we have not been to the Hidden Valley Lake CSD. So it's difficult to estimate the volume that can be removed per day. We typically charge a daily rate of \$1500 per day and depending on plant density we expect one to two acres per day (usually two acres per day or \$750 per acre).



We avoid per acre charges because the space we harvest can be subjective and plant densities change but hours are easily tracked. If someone thinks we are not working hard enough or not effective enough then alert me and the concern will be corrected or you will not be charged for that day. We are happy to explain what we are doing and why and offer to take folks on the harvester to help them understand the process. Working closely with your staff and providing daily reports is welcome.

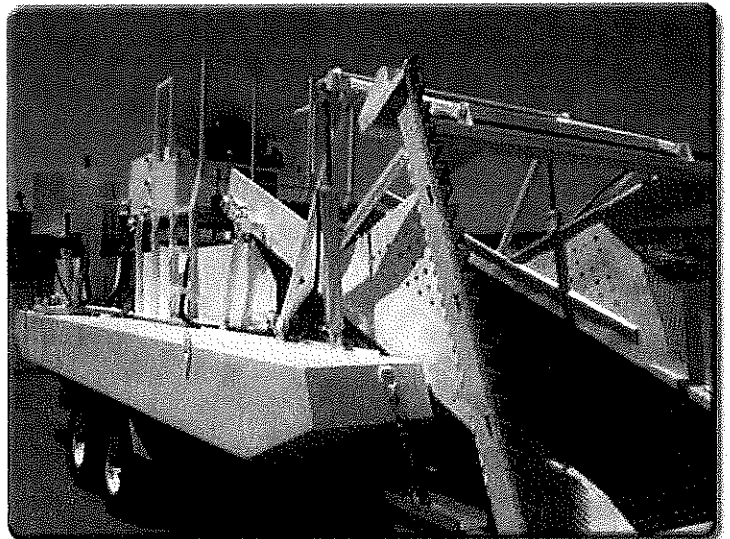
Disposal Fee:

If the material can be disposed on the shoreline there will be no charge for disposal. If we use our truck and conveyor trailer to move the material to a nearby composting area there will be a fee of \$150 per day to cover truck, conveyor-trailer and driver costs. If disposal fees are incurred then they will be passed on to Hidden Valley Lake CSD, along with a 5% markup *(to cover cost of fuel and equipment used to transport material to disposal site)*. We don't seek to make a profit on disposal, just cover our costs.



Equipment Delivery and Removal Fee:

We propose a charge of \$500 each way for transporting equipment and crew to and from the job site.



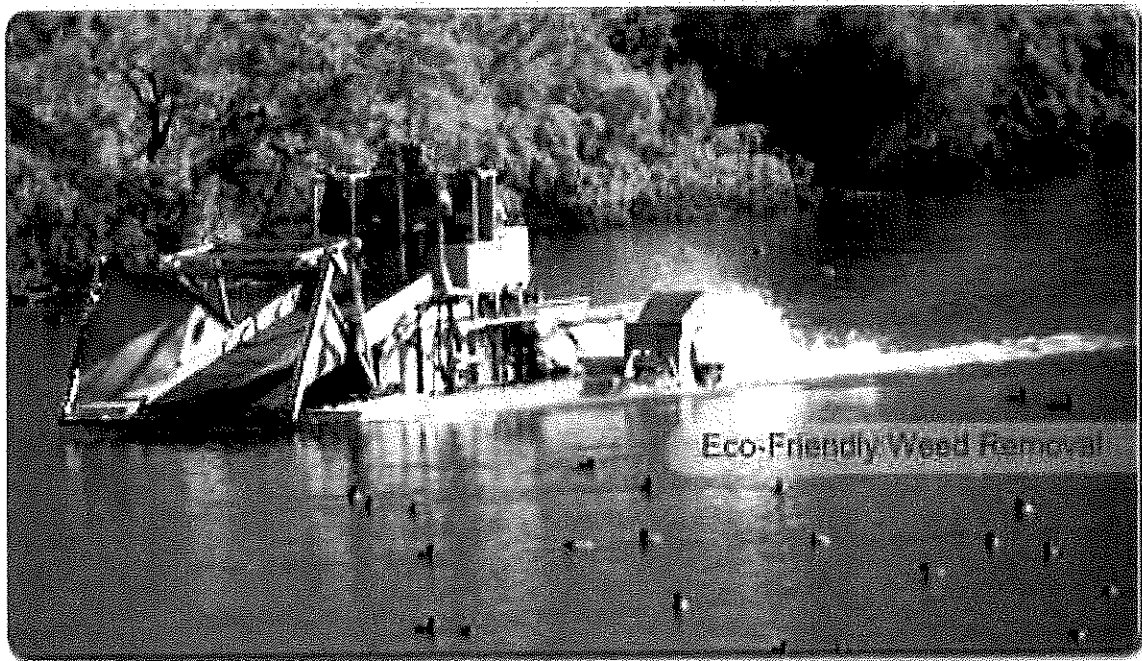
Equipment:

For this project we intend to use a "H8" harvester. Our H8 runs great and looks great. It has specially modified to operate quietly and carefully to bring minimal disturbance.

This harvester has a cutting width of 8' and a cutting depth of nearly 6'. It has a storage capacity of about 230 cubic feet. This unit is powered with hydraulics and a John Deere diesel engine. Underwater plants are cut with three inch steel blades, and then lifted out of the water with conveyor belts. Our equipment is well maintained and in excellent condition.

As a safeguard, all of our equipment utilizes biodegradable hydraulic fluid (Chevron Clarity or similar) which has been approved for use in environmentally sensitive areas by the US Coast Guard. These extra precautions help protect your waterways.

Additionally a hydraulically controlled tilting conveyor trailer will be provided along with a four wheel drive truck capable of safely transporting a fully loaded trailer to disposal site.



Cost and Deliverables:

Based on the above proposal, we offer the following per day rates:

- Harvester and crew transport fee: \$500 each way
- Harvester with operator (On water or changing sites): \$1500 per day
- Optional - Conveyor trailer with 4WD drive truck and driver: \$150 per day
- Crew food and lodging. No charge

Discounted Rates

Weekly rate:	\$1,400 per day	\$1,400 x 5 days
Monthly rate:	\$1,300 per day	\$1,300 x 22 days

(Optional: Conveyor Trailer, Truck and driver is \$150 per day)

Harvester and crew costs will be applied while harvesting on water or moving between job sites.

Please note that we offer our service at a fair price. We're an eight-year-old company that's raising expectations by providing a skilled crew, well maintained equipment and going the "extra mile" to insure happy customers.

Tasks and Schedule:

Below is a summary of the tasks and sub-tasks that we will perform at each harvest, and the schedule. As you will note by comparing the list of tasks (below) and the list of deliverables, Aquatic Harvesting Inc. often elects to not charge for some tasks

- Mobilization
 - Deliver Equipment to job site.
- Harvesting
 - Cut aquatic vegetation at sites designated by your staff.
 - Transport cut vegetation to disposal site.
 - Moving equipment between job sites.
- De-mobilization
 - Clean-up work area and remove equipment

Assumptions:

All underwater electrical and or communication lines, irrigation lines, pipes, morning lines and other obstacles must be marked and discussed with the operator prior to harvesting. Aquatic Harvesting Inc. will not be liable for damages caused by our equipment or employees to obstacles that are unknown or unmarked.

Conclusion:

If you have any questions regarding this Proposal or the Scope of Work, or you need additional information, please contact us at (925) 786-0095. We will promptly respond to you. We have many types of equipment to keep your waterways and shorelines free of aquatic plants. We are based near the California Delta and available to assist in island and waterway renovations. We feel that we can continue to provide a great service to Hidden Valley Lake CSD by minimizing the disturbance of aquatic weeds and bulrush in lakes, ponds, reservoirs, canals and islands. We would welcome the opportunity to help you maintain your waterways year 'round.

Sincerely,



Rick Hatton
Aquatic Harvesting Inc.

Pollution Prevention / Spill Response Plan

Aquatic Harvesting Inc. utilizes mechanical harvesters to remove aquatic vegetation and other debris from ponds, lakes and other waterways. Our equipment is powered by diesel engines which in turn provide torque to a hydraulic system. Diesel fuel, engine oil, engine coolant and hydraulic fluid would be the source of pollution caused by a harvester. We are aware of and strive to minimize these dangers.

Our equipment is well maintained. Our operators are trained to inspect the equipment throughout the work day. If a fluid leak is noticed, the equipment is shut off and its source is found. Leakage of diesel engine fluids (oil, fuel, coolant) are extremely rare. The only instance we have known was from a boat that rolled over. To prevent this, our operators are repeatedly reminded of what causes a "roll".

Hydraulic fluid leaks do occur, but this can be minimized and usually prevented. The most common hydraulic fluid leak is caused by a burst hydraulic hose or loose hose fitting. To prevent this from occurring we inspect the hoses and replace any that show excessive wear. Hoses that rub against metal are protected by plastic plates on area of rub. We carry spare hoses with each harvester in case of a defective hose. If a hose bursts the operator is alerted by a sound of oil escaping and or a smell. A burst hose causes an immediate shutoff and hose is replaced. Area that has oil is cleaned with Dawn soap, towels and oil absorption blankets.

The other source of hydraulic fluid leakage is a defective hydraulic ram or motor seal. These fail slowly and at first are noticed by an oily residue around the shaft, but can grow to a few drops per minute if unchecked over a period of days. Operators inspect all shafts at the beginning of each shift. Throughout the day, the operators also monitor the boat hull and water around the boat for an oily sheen. This can be noticed very quickly, after just a few drops in the water by an alert operator. When leaks occur the defective component is replaced and or repaired and surrounding area is cleaned.

Aquatic Harvesting strives to minimize and quickly respond to equipment malfunctions. We keep spare parts available on work sites and do not use equipment that threatens to cause pollution. Our equipment utilizes US Coast Guard approved hydraulic oil. This fluid is approved for use in environmentally sensitive areas.

Finally, we recognize and take steps to prevent the introduction of new plants. After each job our equipment is thoroughly cleaned and all plant / animal pieces are removed and pressure washed with hot water.

Operator Experience

All of Aquatic Harvesting operators participate in ongoing operator training which includes harvesting strategies for both submerged and floating vegetation (i.e. pondweed, milfoil, water hyacinth etc.). Training includes mentoring, harvesting methods, boat maintenance and repair.

Joshua Petersen

Team Leader, harvester operator. This is Joshua's third season harvesting aquatic vegetation, including water hyacinth. He trains new employees on how to operate, maintain and repair harvesters. Cal State Chico – Agricultural Business.

Joel DeRoach

Team Leader, harvester operator. *While achieving his bachelor's degree Joel has completed courses in California Natural Resources at California State University in Sacramento.* This is Joel's third season harvesting aquatic vegetation, including water hyacinth. He manages operator schedules and has led our hyacinth removal projects at the Port of Stockton. Cal State Sacramento – Business Communications

Daniel Martin

Team Leader, harvester operator. Daniel joined us in 2012. He's a skilled equipment operator and boat mechanic. Daniel trains new employees on how to operate, maintain and repair harvesters.

Rick Hatton

Founder and current President of Aquatic Harvesting Inc. Rick has over five thousand hours of experience operating harvesters. He is an engineer with thirty years of experience starting and growing companies in Silicon Valley. He develops new harvester designs to improve performance and versatility. St. Mary's – Business Management

Interns

Aquatic Harvesting also works closely with "Project Hope" in Stockton. Through this alliance we are introduced to very motivated workers that are parolees from State and Federal prisons. These people are screened to match the skills and personality we look for. We provide jobs and training to help them contribute in the job market and stay out of prison. They are wonderful workers and we've hired six interns from this program in the past year.

Qualifications

Aquatic Harvesting has been removing aquatic vegetation in California's Delta as well as lakes, ponds and rivers throughout all Western States since 2010 (*in 2009 it operated as West Coast Aquatic*).

Since 2012, Aquatic Harvesting Inc. has provided a service of Water Hyacinth removal in the California Delta. We have provided this service for the City of Stockton, the Port of Stockton and for California's Department of Boating and Waterways. Aquatic Harvesting has been compared to other firms in the market and has consistently and reliably removed more aquatic vegetation per day than its competitors; while doing so at a significantly reduced cost (Port of Stockton – Rita Koehnen 209-946-0246). During the 2013 season, California's Department of Boating and Waterways job reports revealed that Aquatic Harvesting removed more Water Hyacinth than its competitors while doing so at dramatically lower cost. Also, Aquatic Harvesting equipment was noted to be in better condition and the best "up-time" records (noted by DBW - Project at Rivers End Marina 2013) and Port of Stockton (2014). Our invoicing has been predictable with no change orders and no surprises. In 2013 season, AHI invoices were the lowest of all participants in the Water Hyacinth removal, yet we removed more vegetation than any other company.

While the type of aquatic vegetation differs from Hyacinth, Pennywort, Primrose, Pondweed, Coontail, Elodea, Widgeon Grass or Bulrush, our equipment, staff and culture remain constant. We win by keeping our equipment in good condition and provide positive motivation to our crew. This provides you with the service you desire and the reputation we need to grow our business.

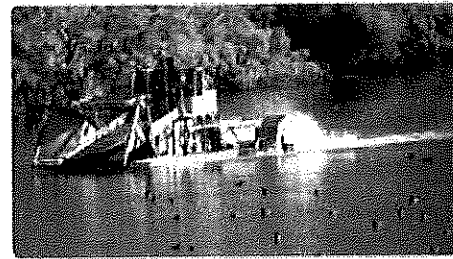
Wildlife and Habitat

To exchange knowledge of Delta species (*endangered and non-endangered*) and their habitats Aquatic Harvesting Inc. has met with State Fish and Wildlife wardens (*Jason Rogers 925-383-6602*) and State Fish and Wildlife Environmental Scientist for Aquatic Invasive Species Manager (*Catherine Mandella 831-588-1463*). We discuss animals and plants which we witness in the California Delta and changes that we see occurring. We have talked about the curiosity and a growing trust with some species (i.e. beaver, birds and otter) when we remain at a location for long duration projects. Also have discussed the lack of sighting of endangered species, which we believe are in the area but move away when they hear the equipment. Demonstration trips on our harvesters have already been scheduled with State Fish and Wildlife scientist to enable a clear understanding what our equipment does and how we interact with wildlife and its habitat. Whether we are in delta or private lakes or other bodies of water we are constantly aware of all wildlife and strive to maintain a natural ecosystem. Regardless of our location; the Arizona Desert, California Delta, Oregon or Washington, our job is to enhance the ecosystem, not to harm it.

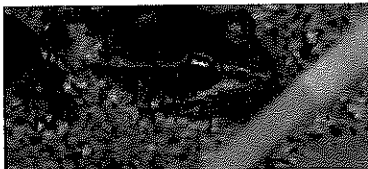
AHI crew is taught to enjoy and preserve the wildlife and its habitat. Our equipment provides a front row seat to nature and it's easy to see the animals and insure that they are not harmed. Aquatic Harvesting equipment enables operator's to get a close up view of what the machines are doing to the habitat and thereby ensure the safety of endangered species and their habitat.



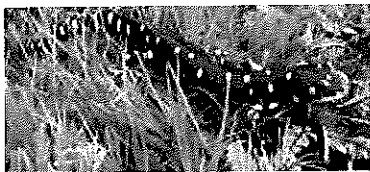
AHI crew is aware of the wildlife. We share an interest in endangered species and their habitats. Our most likely sightings are turtles and frogs. Both are easy to spot, avoid or return safely to the water.



Endangered and non-endangered wildlife and habitats that we look for:



The Red Legged frog likes dense vegetation and still water. We occasionally get frogs and toads aboard. They stare at us and then jump back in water. Curious and cute, they are never harmed.



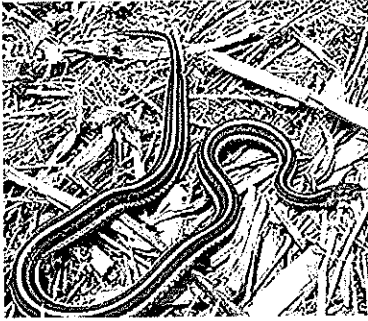
California Tiger Salamanders have never been seen by our crew. Their habitat is grasslands.



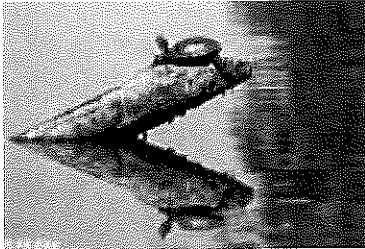
Mountain Yellow-legged frog *and* Sierra Nevada Yellow-legged frogs reside at higher elevations, and may not be in the delta. However we look for these frogs while harvesting in mountain ponds and lakes.



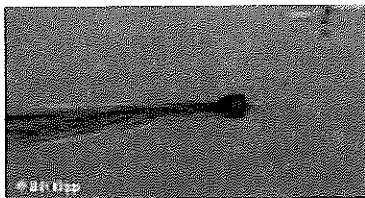
Giant Garter Snake is mostly in the rice fields, canals, sloughs, ponds and small lakes. A concern has been raised about this endangered animal being in the Delta; however we have never seen this animal in the delta water during the past seven years. Perhaps our machines operate in water that is too deep? Or perhaps they hear our machines and move away. Regardless at lengths of 18" to 55", they would be easy to notice and avoid. During the fall and winter harvests these snakes are likely hibernating. An interesting note is that two Gopher snakes come aboard in the past four years. They slither around and then exit back into the water. Who would expect that from a Gopher snake?



The San Francisco Garter snake is one of the most beautiful snakes in the US. Its habitat is dense vegetation along ponds. Since they like to hide in cattails, bulrushes and spike rushes we may expect that they are nearby; however, we have never seen this animal in seven years of harvesting.



We often see turtles. Typically they are shy and swim away from the boat. In rare occurrences have been bought aboard with plants. Because our boats are open and enable a clear view it's obvious to see animals, we simply reverse the belts and gently return the turtle into the water. In seven years we have never harmed a turtle. This includes both native and red striped turtles.



River Otters, Muskrats and Seals are often seen. These are not endangered. They usually play nearby and stay away from our equipment. None have ever been harmed by a harvester.

We also see Egrets, Seals, Herons and other wildlife. We are blessed to have such a wonderful place to work. Whether we are in a delta, lakes or other bodies of water, Aquatic Harvesting staff and our sub-contractors are constantly aware of all wildlife and strive to maintain a natural ecosystem. Our job is to enhance, not to harm the ecosystem.

In a final note, Aquatic Harvesting operators are very aware of what's happening on their harvester. The operators continuously look for obstacles, plants and animals.

Besides conversations between our staff, discussions with Fish and Wildlife scientists and State Biologist AHI and subcontractor teams are required to review the information found at the following U.S. Fish and Wildlife Service web pages for the Sacramento region:

- http://www.fws.gov/sacramento/es_species/Accounts/Home/es_species.htm
- http://www.fws.gov/sacramento/es_kids/Home/es_kids.htm
- http://www.biologicaldiversity.org/campaigns/san_francisco_bay_area_and_delta_protection

These sites are reviewed by our staff and sub-contractor staff, to enable knowledge of State and federally listed threatened or endangered species and habitats which may be present in the area(s) where harvesting shall take place. Additionally, guidance received from DBW biologist during previous years has been shared with our staff.

Staff Certified in courses on the natural resources, animals and habitats in the Delta region:

Joel DeRoche

Joel is a three season employee of Aquatic Harvesting Inc. He has Bachelor degree in Business Communications from Cal State Sacramento. He has completed a course in Conservation of Natural Resources. If desired we can supply transcripts of his Academic History from San Joaquin Delta College which shows that Joel completed NR002 – Environmental Science – 3 units. The class focused on preserving wildlife and natural conservation of animals and their habitat and conservation of natural resources.

Services provided

Aquatic Harvesting Inc. provides the service of aquatic weed removal to municipal agencies, businesses and property owners. Our primary method to remove aquatic weeds is through mechanical methods.

We utilize Aquatic Weed Harvesters and an Aquatic Vegetation Chopper to carefully cut and remove underwater weeds and shoreline plants. Our harvesters slowly push underwater clippers into the weeds and then immediately lift the cut weeds out of the water with conveyor belts. Cut weeds are removed from the water and hauled to a composting facility. Our AVC shreds difficult to remove plants like Bulrush and Tule along with their roots.

Our methods are eco-friendly and our equipment is well maintained.
We share your desire to have water that is free from weeds and pollution.
We believe that mechanical harvesting of aquatic weeds is the most eco-friendly method; however, we recognize the value of herbicides in some instances.

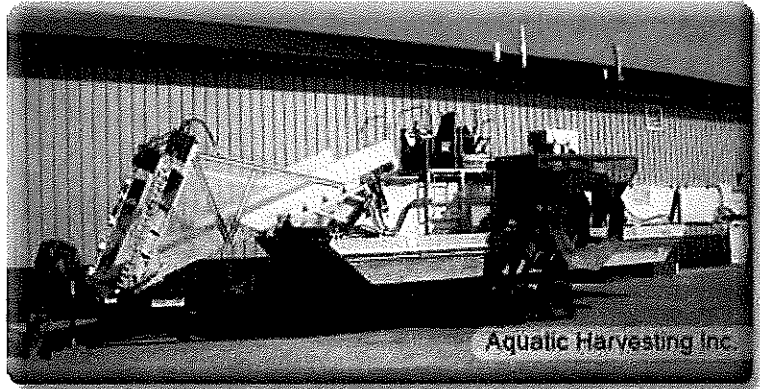
Contact us to discuss your concern and establish a method to maintaining clear water.

AVAILABLE EQUIPMENT

2001 Model HM-420 Harvester

This has only 500 hours of operation and is in near new condition. It holds 460 cubic feet of vegetation. It has a stainless steel hull and is powered by a Hatz diesel engine.

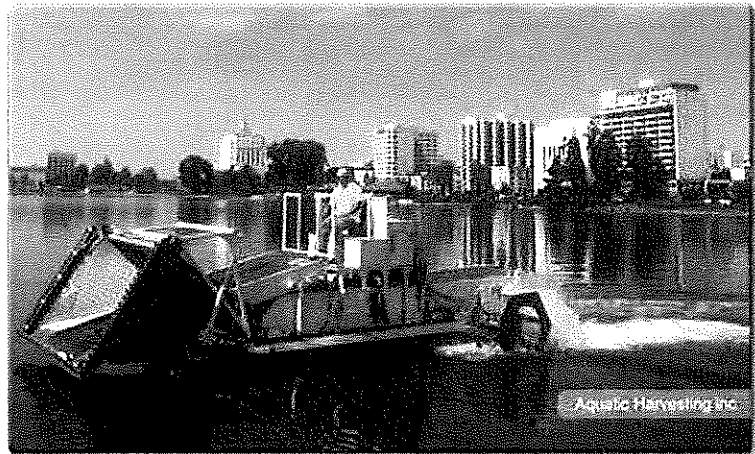
With its large payload capacity, it is selected when large loads are anticipated or there's a long distance between offloads.



2002 Model H8-220 Harvesters

We have two of these harvesters. This model is the "work-horse" of the harvesting industry. It's an operator favorite because of the high reliability and versatility. It excels in lakes, ponds, marinas and rivers. These harvesters have removed up to twice the volume of plants per hour than larger harvesters due to their strength,

speed and maneuverability. These can be outfitted with 20' x 1.5' "pusher blades" to push large volume of floating plants (i.e. hyacinth & pennywort). We believe that this size is a fastest and most nimble harvester available. It is powered by a 45 HP John Deere diesel engine or a 35 HP Kubota diesel engine.



Aquarius T12 Transport Barge

This is helpful in operations where trips from the harvesting area to the off-load site are long distance. With the T12 Transporter, our Harvesters can off-load into this transport barge and eliminate travel to and from the dump area.

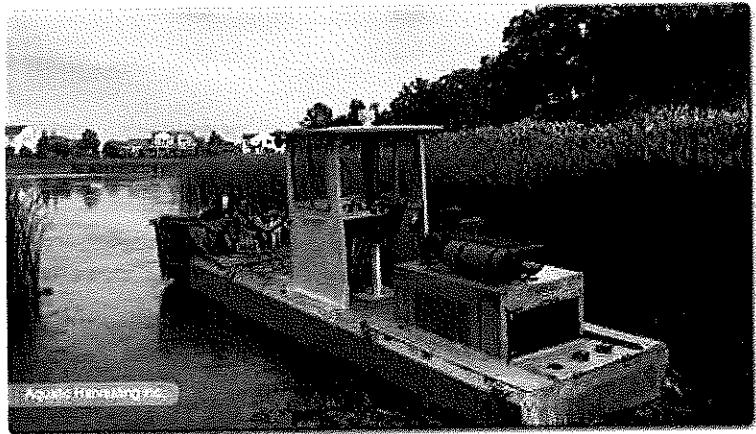
The transport barge improves large project efficiencies by working like a “dump truck”, carrying cut plants from the harvesting area to the off-load point.

This transporter carries 650 cubic feet of vegetation. It is propelled quickly with two propellers and powered by a Hatz diesel engine.



“AVC” Aquatic Vegetation Cutter

The AVC excels at removing Tule, Cattail and Bulrush plants. It quickly cuts shoreline plants and root structure with twin four foot diameter rotating blades. This rare craft is powered by high torque Cummins diesel engine.



Shore Conveyor

This conveyor has 6.5' wide galvanized flat-wire belting that reaches 28.5' and a height of 9.5'. It can be towed to the job site and set up in minutes. It is hydraulically controlled and is powered by a new Briggs and Stratton 23 HP gas engine. It has minimal usage and is in excellent condition.



Shore conveyors are used to transferring harvested vegetation into dump trucks.

Levy Conveyor

We have three new "Levy Conveyors". Each conveyor can be adjusted at the job site to match a varying slope on dirt and/or rock covered levies. Together, these hydraulically powered conveyors move material up a levy wall and across land, up to a distance of 60'.

Inflatable Ridged Boat

This is a fast and stable platform for applying aquatic herbicides. It carries fifteen 50 pound bags of herbicide. It can automatically spread granular or powder material in twenty foot diameter stripes with our proprietary applicator. This boat is often used by municipal water districts to apply Phycomycin to remove blue-green algae. It can also be used as a crew transport vehicle.

Since much of our work occurs within environmentally sensitive areas, we utilize biodegradable hydraulic fluid that meets stringent USCG standards.

All of our equipment is well maintained and ready for work.

References:

- Port of Stockton, Rita Koehnen,
209-946-0246 rkoehnen@stocktonport.com
- City of Oakland, Dave Loanstar,
510-482-7832 dloanstar@oaklandnet.com
- Aquatechnex - Terry McNabb, CLM
360-527-1271 tmcnabb@aquatechnex.com
- DBi Services - Dave Najera
909-354-7294 dnajera@dbiservices.com
- Westrec Marinas - City of Stockton Marina, Rich Williams
209-649-2687 towerpark@aol.com

Our company is trusted to do the work and not overcharge. Whether the project is small or large, our clients trust us. In a few cases they have ceased bidding and instead automatically award the job to Aquatic Harvesting Inc. because of our skill and fair practices.

We put client satisfaction above invoice numbers, and this has propelled our growth. Our team is respected and treated well. We insist on a culture of hard work, teamwork, and fun. Such a culture enables our company to tackle big projects that seemed overwhelming at the start. While we have become experts in aquatic vegetation removal, we still find challenges that require teamwork within as well as with our partners and clients to maintain progress and success.

Our company has developed relationships with clients through fair practices and hard work. Major clients, like the Port of Stockton will tell you that they get more than they pay for with Aquatic Harvesting Inc. and we are their preferred provider of aquatic vegetation removal service.



September 1, 2016

Insurance

Aquatic Harvesting Inc. retains corporate insurance of \$1,000,000 general liability and \$2,000,000 general aggregate. A certificate of insurance will be provided to Hidden Valley Lake CSD upon request.

Aquatic Harvesting Inc. retains water craft crew insurance to cover our crew while working on the water.

We also retain "Workers Comp" insurance for land based workers.

Hidden Valley Lake Community Services District

REQUEST FOR PROPOSAL (RFP)

Aquatic Harvesting



WASTEWATER TREATMENT PLANT RECLAMATION POND RESTORATION

Hidden Valley Lake Community Services District
19400 Hartmann Road
Hidden Valley Lake, California 95467
Phone: 707-987-9201 | Fax: 707-987-3237

Prepared By: A. Gordon

Date: October 10, 2017

REQUEST FOR PROPOSAL
WASTEWATER TREATMENT PLANT RECLAMATION POND RESTORATION
Hidden Valley Lake - California

SUBMISSION DEADLINE: October 13, 2017, 11:00 AM

QUESTION SUBMISSION DEADLINE: October 13, 2017

Questions may be submitted in written form no later than October 13, 2017 to:

RFP Contact Name: Alyssa Gordon
Contact Address: 19400 Hartmann Road
Hidden Valley Lake, California 95467
Telephone Number: 707-987-9201
Email Address: Agordon@hvlcsd.org

INTRODUCTION

Hidden Valley Lake Community Services District invites and welcomes proposals for their Wastewater Treatment Plant Reclamation Pond Restoration project. Based on your previous work experience, your firm has been selected to receive this RFP and is invited to submit a proposal. Please take the time to carefully read and become familiar with the proposal requirements. All proposals submitted for consideration must be received by the time as specified above under the "SUBMISSION DEADLINE."

BIDDERS SHOULD NOTE THAT ANY AND ALL WORK INTENDED TO BE SUBCONTRACTED AS PART OF THE BID SUBMITTAL MUST BE ACCOMPANIED BY BACKGROUND MATERIALS AND REFERENCES FOR PROPOSED SUBCONTRACTOR(S) – NO EXCEPTIONS.

PROJECT AND LOCATION

The bid proposal is being requested for Wastewater Treatment Plant Reclamation Pond Restoration which is located at 18896 Grange Road, Middletown, California 95461.

PROJECT MANAGER CONTACT INFORMATION

The following individual(s) are the assigned contacts for the following:

For questions or information regarding project, contact:

Name: Alyssa Gordon
Title: Water Resources Specialist
Phone: 707-987-9201
Fax: 707-987-3237

Email: Agordon@hvlcsd.org

PROJECT OBJECTIVE

The objective and ultimate goal for this project is to remove subsurface aquatic growth from the wastewater treatment plant's tertiary reclamation pond.

PROJECT SCOPE AND SPECIFICATIONS

The Project Scope and Specification are:

The Service provider is to furnish labor, equipment and materials necessary to perform and complete the work required to mechanically harvest up to 412AF of aquatic plants in the Wastewater Treatment Plant Reclamation Pond.

The Service provider is to make every effort to protect aquatic species such as turtles, frogs and fish.

The Service Provider is to perform work during daylight hours, Monday through Friday.

The Service Provider is to utilize methods that minimize the escape of plant fragments.

The Service Provider is to use environmentally safe, non-toxic hydraulic fluids.

The Service Provider is to transport the aquatic plant material to the Wastewater Treatment Plants, onsite existing sludge beds.

SCHEDULED TIMELINE

The following timeline has been established to ensure that our project objective is achieved; however, the following project timeline shall be subject to change when deemed necessary by management.

MILESTONE	DATE
Start of project:	October 19, 2017
Completion of 50% of project:	October 31, 2017
Completion of project:	November 13, 2017

PROPOSAL BIDDING REQUIREMENTS

PROJECT PROPOSAL EXPECTATIONS

Hidden Valley Lake Community Services District shall award the contract to the proposal that best accommodates the various project requirements. Hidden Valley Lake Community Services District reserves the right to award any contract prior to the proposal deadline stated within the "Scheduled Timeline" or prior to the receipt of all proposals, award the contract to more than one

Bidder, and refuse any proposal or contract without obligation to either Hidden Valley Lake Community Services District or to any Bidder offering or submitting a proposal.

DEADLINE TO SUBMIT PROPOSAL

All proposals must be received by Hidden Valley Lake Community Services District no later than 11:00 AM on October 13, 2017 for consideration in the project proposal selection process.

PROPOSAL SELECTION CRITERIA

Only those proposals received by the stated deadline will be considered. All proposals, submitted by the deadline, will be reviewed and evaluated based upon information provided in the submitted proposal. In addition, consideration will be given to cost and performance projections. Furthermore, the following criteria will be given considerable weight in the proposal selection process:

- Proposals received by the stipulated deadline must be in the correct format.
- Bidder's alleged performance effectiveness of their proposal's solution regarding the Project Objective of Hidden Valley Lake Community Services District.
- Bidder's performance history and alleged ability to timely deliver proposed services.
- Bidder's ability to provide and deliver qualified personnel having the knowledge and skills required to effectively and efficiently execute proposed services.
- Overall cost effectiveness of the proposal.

Hidden Valley Lake Community Services District shall reserve the right to cancel, suspend, and/or discontinue any proposal at any time they deem necessary or fit without obligation or notice to the proposing bidder/contractor.

PROPOSAL SUBMISSION FORMAT

The following is a list of information that the Bidder should include in their proposal submission:

Summary of Bidder Background

- Bidder's Name(s)
- Bidder's Address
- Bidder's Contact Information (and preferred method of communication)
- Legal Form of Bidder (e.g. sole proprietor, partnership, corporation)
- Date Bidder's Company Formed
- Description of Bidder's company in terms of size, range and types of services offered and clientele.
- Bidder's principal officers (e.g. President, Chairman, Vice President(s), Secretary, Chief Operating Officer, Chief Financial Officer, General Managers) and length of time each officer has performed in his/her field of expertise.
- Bidder's Federal Employee Identification Number (FEIN)
- Evidence of legal authority to conduct business in California (e.g. business license number).
- Evidence of established track record for providing services and/or deliverables that are the subject of this proposal.

Financial Information

- State whether the Bidder or its parent company (if any) has ever filed for bankruptcy or any form of Reorganization under the Bankruptcy Code.
- State whether the Bidder or its parent company (if any) has ever received any sanctions or is currently under investigation by any regulatory or governmental body.

Proposed Outcome

- Summary of timeline and work to be completed.

Cost Proposal Summary and Breakdown

- A detailed list of any and all expected costs or expenses related to the proposed project.
- Summary and explanation of any other contributing expenses to the total cost.
- Brief summary of the total cost of the proposal.

Licensing and Bonding

- Provide details of licenses and bonds (if any) for any proposed services that the bidder/contractor may plan on providing for this project.

Insurance

- Details of any liability or other insurance provided with regard to the staff or project.

Company	Source	Quote
Synagro, Inc.	CRWA – Steve Dominguez	No response
Wastewater Solids Management	CRWA – Steve Dominguez	No response
Aquatic Harvesting	Aquatic Harvesting, sample quotes	City of Oakland, \$46,000; City of San Jose, \$10,000; City of Palo Alto, \$65,000; City of Stockton
Pipe and Plant Solutions, Inc	Dennis White	\$379,950