



City of Corona

Utility Rate Study

Robert D. Niehaus, Inc. | February 6, 2024
Jack Lyon 805-618-1356 | Jack@rdniehaus.com
140 East Carrillo Street, Santa Barbara, CA 93101

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February 6, 2024

Annette Solorio
Purchasing Specialist II
City of Corona
400 South Vicentia Avenue, Ste 320
Corona, CA 92882

Jack Lyon, Director of Business Development
Phone: (805) 618-1356 | Email: Jack@RDNiehaus.com
Robert D. Niehaus, Inc.
140 E Carrillo Street
Santa Barbara, CA 93101

Subject: Proposal Utility Rate Study for the City of Corona

Dear Ms. Solario and the City of Corona,

Robert D. Niehaus, Inc. (RDN) is pleased to submit our proposal for the City of Corona (City) Utility Rate Study (Study). RDN is an economic and financial consulting firm celebrating 40 years in Santa Barbara and over 1,000 successful projects. We specialize in rate- and fee-setting consulting services to California utilities. To complement our in-house expertise, **we have partnered with Sanjay Gaur of Water Resources Economics (WRE) and EES Consulting (EES), a GDS Associates Company.**

Together, we are confident that we offer the most highly qualified team to assist the City with this important Study. Our team offers a broad range of applicable experience, including budget-based rates studies, water rate studies, recycled water rate studies, wastewater rate studies, electric rate studies, cost of service studies, and long-term financial plan studies.

Our project team has worked with 22 California utilities to evaluate, develop, implement, update, or review budget-based rate structures, with much of this experience in Southern California. RDN's budget-based experience includes Moulton Niguel Water District, South Coast Water District, Palmdale Water District, Ventura River Water District, and Quartz Hill Water District. Subconsultant Sanjay Gaur's budget-based experience includes Irvine Ranch Water District, El Toro Water District, Alameda County Water District, East Orange County Water District, Mesa Water District, Rancho California Water District, Santa Margarita Water District, Eastern Municipal Water District, Elsinore Valley Municipal Water District, Las Virgenes Municipal Water District, Western Municipal Water District, East Bay Municipal Utility District, and the Cities of Corona, Huntington Beach, San Clemente, Santa Cruz, and San Juan Capistrano. Together, we are confident that we offer the City the most experienced and specialized team to update the City's budget-based rate structure.

Subconsultant EES has conducted over 100 electric rate cost of service analysis and rate design studies across the United States, with much of this experience in California working with PG&E and SCE rates and rate structures. EES has worked for nearly all of California's publicly-owned utilities. Recent studies include Truckee-Donner PUD, City of Palo Alto, City of Redding, and the City of Roseville. EES also has a standing contract with NCPA and Southern California Public Power Authority (SCPPA) to perform cost of service and rate design studies on an as-needed basis.

RDN and WRE are seasoned partners, having jointly assisted or currently assisting Montecito Sanitary District, South Coast Water District, Victor Valley Wastewater Reclamation Authority, City of Santa Ana, City of Lynwood, Jurupa Community Services District, and the City of Huntington Beach with rate and fee studies. While this is RDN's first project with EES, EES has worked with the City of Corona. In the early 2000s, EES assisted the City with its feasibility study when the electric utility was formed, and more recently in 2022, EES assisted the City with asset valuation of the electric utility.

Robert Niehaus (RDN) will serve as Project Director, bringing more than 40 years of industry experience, and will ensure a timely, on-budget, and successful project. **Sanjay Gaur (WRE) will serve as your Project Manager and primary point of contact and will be responsible for the thorough and efficient execution of the project.** Sanjay has over 25 years of public-sector consulting experience and has worked with over 100 utilities throughout California. He has co-authored the AWWA’s Manual M1 Principles of Water Rates, Fees and Charges, 7th Edition; the AWWA’s Water Rates, Fees, and the Legal Environment, 2nd Edition; and the Water and Wastewater Finance and Pricing: The Changing Landscape. Sanjay served as the City’s Project Manager for the previous Utility Rate Study project.

Jacob Thomas (EES) has over 25 years of industry experience and will lead quality assurance/quality control (QA/QC) for the electric rate study. Ichiko Kido (RDN) brings more than 34 years of consulting experience and will lead QA/QC of the water, recycled water, and wastewater cost of service analysis.

Amber Gschwend (EES) brings 15 years of analytical experience including nine years of project management in economic and financial analysis and will lead the electric rate study. Anthony Elowsky (RDN) has seven years of experience and will provide lead support to Sanjay for the water, recycled water, and wastewater rate studies, having assisted over 50 water, recycled water, and wastewater rate and fee studies across California. Consultants Kallerud (RDN), VanDinther (RDN), Janflone (EES), and Natarajan (EES) will support the conduct of data collection, analysis, modeling, reporting, and deliverables.

The table below presents RFP-requested contact information.

Robert D. Niehaus, Inc. (Prime)	Water Resource Economics (Sub)	EES Consulting (Sub)
Jack Lyon, Director of BD 140 E Carrillo St Santa Barbara, CA 93101 805-618-1356 jack@rdniehaus.com	Sanjay Gaur, Principal Consultant 10830 Pickford Way Culver City, CA 90230 213-327-4405 sgaur@water-economics.com	Amber Gschwend, Managing Director 16701 NE 8th St, Suite 102 Richmond, WA 98052 425-655-1042 amber.gschwend@gdsassociates.com

Please coordinate with Jack Lyon if you would like to discuss our proposal, which is valid for a 90-day period. We have reviewed the City’s Professional Services Agreement and confirm that the terms are acceptable. We have received Addenda 1, 2, and 3. The cost of printing, mileage, telephone, mailing and other incidental expenses are included in the hourly rates schedule of our fee proposal and there will be no additional charges. In 40 years of consulting, RDN has had no contract failures, and we do not have any civil or criminal litigation or investigation pending. Jack is authorized to clarify our proposal, negotiate, and obligate the firm. We look forward to a successful, collaborative, and productive partnership.

Respectfully submitted,

Robert D. Niehaus, Ph.D.
Managing Director, Principal Economist

Jack Lyon (authorized to bind and negotiate)
Director of Business Development

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QUALIFICATIONS, RELATED EXPERIENCE & REFERENCES

RDN QUALIFICATIONS

RDN is a professional economic and financial consulting firm (C-Corporation), headquartered in Santa Barbara, delivering solutions to California utilities and Federal agencies. RDN is celebrating 40 years of consulting services for water, sewer, stormwater, housing, and energy projects throughout California and worldwide since the firm's founding in 1983. Our staff have completed over 1,000 projects with economic, financial, and market analysis experience. Our proposed project team has decades of experience in water, recycled water, and wastewater rate analyses, development impact fees, data management, public relations support, and econometric modeling and forecasting of demand.

RDN BY THE NUMBERS

- \$6M Annual Revenue/20 Employees
- 1,000+ Projects Accomplished Worldwide
- 100+ Years of Project Team Experience
- 48 States Served
- 40 Years Consulting for Utility Systems

RDN has demonstrated strong fiscal stability over 40 years of consulting and has over one million in cash and cash equivalents on hand (six months of payroll). RDN affirms that no conviction nor indictment of the firm or any officer of the firm involving alleged fraud, bribery, collusion, conspiracy, or violation of state and federal anti-trust law has occurred in the firm's 40-year history. No conditions will impede our ability to complete the project.

SUBCONSULTANT QUALIFICATIONS

Water Resource Economics

Sanjay Gaur, Project Manager
10830 Pickford Way
Culver City, CA 90230
213-327-4405

RDN is partnering with Sanjay Gaur of Water Resources Economics, who will serve as Project Manager, drawing upon his decades of expertise to drive actionable solutions throughout the City's study. Sanjay has over 25 years of financial and rate consulting experience in water and wastewater utility administration. He has provided consulting services to over 100 agencies throughout California. He has co-authored the AWWA's Manual M1 Principles of Water Rates,

Fees and Charges, 7th Edition, AWWA's Water Rates, Fees, and the Legal Environment, 2nd Edition, and Water and Wastewater Finance and Pricing: The Changing Landscape. In 2023, Sanjay received the Management and Leadership Division Best Paper Award from the AWWA. RDN and WRE are seasoned partners, having jointly assisted seven California water and wastewater utilities.

EES Consulting

Amber Gschwend, Electric Rate Lead
16701 NE 8th St, Suite 102
Richmond, WA 98052
425-655-1042

RDN is also joined by EES Consulting (EES), a GDS Associates company (GDS), to serve as the technical lead for the bundled electric rate study. EES was established in 1978 and joined GDS in February 2020. GDS has 9 offices nationwide and over 180 employees. EES staff selected for this engagement are highly specialized in electricity demand and energy forecasting for electric utilities. While this is RDN's first project with EES, EES has worked with the City of Corona.

In the early 2000s, EES assisted the City with its feasibility study when the electric utility was formed. EES is familiar with the greenfield utility model and the implications on electric cost of service and rate design. In 2022, EES assisted the City with asset valuation of the electric utility. The study reviewed financial statements, plant data, and an EES engineer spent several days on site surveying the City's electric system.

RELATED EXPERIENCE

Table 1 presents RDN’s related experience over the past five years (limited to a single page for all firms). Table 2, on the following page, highlights subconsultant Sanjay Gaur’s experience over the past five years. Table 3 presents a selection of recent electric rate projects accomplished by EES. Together, RDN and WRE have assisted or are currently assisting Montecito Sanitary District, South Coast Water District, Victor Valley Wastewater Reclamation Authority, City of Santa Ana, City of Lynwood, Jurupa Community Services District, and the City of Huntington Beach with rate and fee studies.

Table 1. RDN Recent Projects

Agency	Project	Year
Jurupa CSD	Water and Wastewater Rate Study	Ongoing
Victor Valley Wastewater Reclamation Authority	Wastewater Financial Plan	Ongoing
City of Santa Ana	Water Financial Plan	Ongoing
City of Huntington Beach	Wastewater Rate Study	Ongoing
Montecito Sanitary District	Wastewater Rate Study	Ongoing
Mid-Peninsula Water District	Capacity Fee Study	Ongoing
South Coast Water District	Budget Based Rate Feasibility Study	Ongoing
City of California City	Water and Wastewater Rates and Capacity Fees	2024
City of Lynwood	Water and Wastewater Rate Study	2024
Santa Clarita Valley Water Agency	Ratepayer's Advocate for Water, Recycled Water, Wholesale Rates	2023
Ventura River Water District	Water Rate Study; Rate Analysis Update	2018,2021,2023
South Coast Water District	Water, Recycled Water, and Wastewater Rate Study	2023
City of Greenfield	Water and Wastewater Rate Study	2023
Greenfield CWD	Water Rate Study	2023
Lone Pine CSD	Wastewater Rate Study	2023
Redway CSD	Water and Wastewater Rate Study	2023
Hilton Creek CSD	Wastewater Rate Study	2023
Riebli MWC	Water Rate Study	2023
Hilton Creek CSD	Wastewater Rate Study	2023
City of Alhambra	Water Rate Study	2023
Moulton Niguel Water District	Water, Wastewater, Recycled Water Cost of Service Peer Review	2022
Lake Arrowhead CSD	Water and Wastewater Rate Study	2022
Costa Mesa Sanitary District	Wastewater Rate Study	2022
City of Loyalton	Wastewater Rate Study	2021
Napa County (LBRID/NBRID)	Water and Wastewater Rate Studies ; Post-Fire Review	2020,2021
Lost Hills Utility District	Wastewater Rate Study	2021
West Valley Water District	Development Impact Fee Study	2021
Rosamond CSD	Water and Wastewater Rate Study	2021
Rand CWD	Water Rate Study	2021
Center Water Company	Water Rate Study	2021
Quartz Hill Water District	Water Rate Study	2020
Hi-Desert MWC	Water Rate Study	2020
Palmdale Water District	Water Rate Study	2019
West Valley CWD	Water Rate Study	2019
Patterson Tract CSD	Water Rate Study	2019
Orosi Public Utility District	Wastewater Rate Study	2019
Apple Valley View MWC	Water Rate Study	2019
Juniper Riviera CWD	Water Rate Study	2019
Thunderbird CWD	Water Rate Study	2019
Sheep Creek Water Company	Water Rate Study	2019

CSD - Community Services District; CWD - County Water District; MWC - Mutual Water Company

Table 2. WRE Recent Projects

Agency	Project
Alameda CWD	Financial Plan and Annual Updates
Amador Water District	Water and Wastewater Rate Study
Central Basin Municipal Water District	Financial Plan
City of Chino Hills	Water Budget Rate Design
Coastside CWD	Water Rate Study
Contra Costa Water District	Financial Plan Study, Water and Drought Rate Study
Cucamonga Valley Water District	Financial Plan, Water Conservation Study, and Drought Rates
Crescenta Valley Water District	Financial Plan Study, Water Rate Study, and Drought Rates
East Bay Municipal Utility District	Water and Wastewater Cost of Service and Rate Study
Fallbrook Public Utilities District	Water, Wastewater, Recycled Water Rate Study
City of Hollister	Sewer Rate and Impact Fee Study, Water Rate Study, and Capacity Fee Study
City of Huntington Beach	Sewer Rate Study, Water Budget Rate Study, and Financial Plan Study
Irvine Ranch Water District	Conservation Study
Jurupa CSD	Water Budget Study
La Habra Heights CWD	Wheeling Rate Study and Financial Plan Study
County of Los Angeles	Financial Feasibility
Las Virgenes Municipal Water District	Water Budget Rate Study and Capacity Fee Study
City of Long Beach	Water, Recycled, and Wastewater Financial Plan and Rate Studies
City of Lynwood	Water and Wastewater Rate Study
City of Malibu	Wastewater and Recycled Water Rate Study
Mammoth Community Water District	Water Rate Study
Mojave Water Agency	Financial Plan Study, Financial Impact of Water Exchange Study
City of Newport Beach	Water Rate Study
Placer County Water Agency	Cost of Service, Rate, and Financial Plan Study
Rancho California Water District	Water Budget Rate Study and Water Demand Offset Fee Study
Rubidoux CSD	Rate Advisor
San Benito CWD	Water Rate Study
San Geronio Pass Water Agency	Long-range Strategic Financial Plan
City of Santa Cruz	Cost of Service, Rate, and Financial Plan Study
Scotts Valley Water District	Water and Recycled Water Rate Study
Soquel Creek Water District	Water Rate Structure Study
South Coast Water District	Water and Wastewater Rate Study
City of Thousand Oaks	Water and Wastewater Cost of Service and Financial Plan Study
South Mesa Water Company	Rate Structure and Recycled Water Rate Study
City of Vista	Sewer Rate and Connection Fee Study

CSD - Community Services District; CWD - County Water District

Table 3. EES Recent Projects

Agency	Electric COSA/Rate Design
Alaska Power & Telephone	2015, 2020
Anchorage Municipal Light & Power	1995 - 2019
Aztec, City of (NM)	2023
Beartooth Electric Cooperative	2015, 2016, 2019, 2021
Big Bend Electric Cooperative, Inc.	2001, 2006
Blachly-Lane Electric Cooperative	2012, 2013, 2014, 2015, 2016, 2017, 2018,
Bonniers Ferry, City of	2020, 2021, 2022
Boulder City of	2014, 205, 2016, 2018
Cascade Locks, City of	2011, 2015
Central Electric Cooperative	2023
Central Lincoln People's Utility PUD	2001, 2010, 2011, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2023
Clallam County PUD	2010, 2013, 2016, 2019, 2022
Clark Public Utilities	2015
Clearwater Power Company	1997, 1998, 2000, 2005, 2011, 2014, 2023
Colton, City of	2009, 2011, 2014, 2015, 2017, 2019, 2021, 2022
Columbia Basin Electric Cooperative	2023
Columbia River Public Utility PUD	2021, 2022, 2023
Columbia Rural Electric Association	2011, 2013, 2015, 2017, 2019, 2021
Consumers Power	2011, 2013, 2015, 2016
Coos Curry Electric Cooperative	2013, 2015, 2017, 2019
Douglas County PUD	2013, 2018, 2020, 2023
Douglas Electric Cooperative	2022, 2023
Ellensburg, City of	2011, 2015, 2018, 2022
Placer County Water Agency	2018
Elmhurst Mutual Power & Light	2022
Emerald People's Utility PUD	2001, 2006, 2011, 2016, 2018, 2020
Eugene Water & Electric Board	2016, 2019, 2021
Fall River Electric	11, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023
FortisBC – Electric and Gas	2009, 2012, 2014, 2016, 2017, 2020, 2022, 2023
Glendale, City of	2012
Grant County PUD	1983, 2018, 2019, 2020, 2021
Grays Harbor County PUD	2015
Healdsburg, City of	2023
Hermiston Energy Services	2016
Highland, City of	1984
Hill County Electric Cooperative	2023
Idaho Falls, City of	2015
Inland Power & Light	2005, 2006, 2013, 2016
Jefferson County PUD	2014, 2016, 2017
Kittitas County Public Utility PUD	2002, 2006, 2013, 2016, 2021
Klickitat County PUD	2014, 2019, 2021, 2022
Kootenai Electric Cooperative	2004, 2013, 2020
Lakeview Light & Power	2018
Lane Electric Cooperative, Inc.	2020
La Plata Electric Association	2021
Lewis County PUD	2008, 2009, 2013, 2016
Lodi Electric Utilities	2014, 2017
Lower Valley Energy	2013, 2015, 2022
Marias River Electric Cooperative	2023
Mason County PUD #3	1980, 2013, 2016, 2017, 2018, 2020
Mason County PUD #1	2011, 2019
Midstate Electric Cooperative	2011, 2013, 2018, 2021, 2023

REFERENCES

With over 90 percent of our work resulting from repeat business, RDN prides itself on continuing relationships that we have developed over four decades of consulting. We invite you to contact our references to verify our quality of service on similar engagements. We have included references for each study service type: water, recycled water, wastewater, and electric. References note which firm staff were included with each reference: RDN, WRE, and/or EES.

South Coast Water District (RDN + WRE)

**Water, Recycled Water, Sewer Rate Study
(February 2023 – June 2023)**

**Budget-Based Rate Feasibility Study
(July 2023 – March 2024)**

RDN staff: Niehaus, Elowsky, Van Dinther, Kallerud

WRE staff: Gaur (Project Manager)

Pamela Arends-King
Chief Financial Officer
949-342-1253
parendsking@scwd.org
31592 West Street
Laguna Beach, CA 92651

South Coast Water District (SCWD) retained RDN and WRE to conduct water, recycled water, and wastewater rate studies. SCWD's principal objective was to stabilize finances for each utility system with healthy reserves while maintaining affordable rates. RDN stabilized the financial plan and cash reserve policy by evaluating operating and capital expenses, debt service, and reserve requirements to mitigate financial risk. RDN supported the Proposition 218 hearing in June 2023 with successful rate adoption on July 1, 2023.

Since July 2023, RDN is performing a budget-based rates feasibility study to compare the short- and long-term advantages and disadvantages of the current inclining block rate structure and a hypothetical budget-based rate structure. The side-by-side comparison includes an in-depth consideration of water use efficiency and conservation; rate and financial stability; equity and fairness in allocating water costs; affordability for essential needs; customer understanding and ease of implementation; among other considerations. The feasibility study will be completed in March 2024. Studies are on schedule and within budget.

City of Chino Hills (WRE)

**Alternative Rate Structure Evaluation and Water Rate Study
(2017)**

WRE staff: Gaur (Project Manager)

Cheryl Yeamans
Principal Management Analyst
909-364-2807
cyeamans@chinohills.org
14000 City Center Drive
Chino Hills, CA 91709

In 2017, Mr. Gaur was the Project Manager in evaluating an alternative rate structure for the City of Chino Hills. The City wanted to evaluate a Water Budget Rate structure to see if it would make sense in their community. Mr. Gaur led several workshops with the Water Commission in the evaluation process. At the end of the evaluation process, the Water Commission requested the City move forward in implementing a Water Budget Rate structure. Mr. Gaur then led the rate study process, developing the financial plan, cost of service analysis, and the water budget rates. Mr. Gaur assisted the City in designing the proper water budget allocation structure, appeal process, and associated tiered rates to comply with Proposition 218. Mr. Gaur then facilitated discussion with the City Manager and the City Attorney to address their concerns. Mr. Gaur presented the results to the City Council, which approved the rates at a Proposition 218 Public Hearing.

Western Municipal Water District (WRE)

Water Rate Studies (2007 - Present)

WRE staff: Gaur (Project Manager)

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

Keven Mascaro
Assistant General Manager
951-571-7160
kmascaro@wmwd.com
14205 Meridian Parkway
Riverside, CA 92518

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

Palmdale Water District (RDN)

Water Budget Rate Study (April 2019 – December 2019)

RDN staff: Niehaus, Kido (Project Manager), Elowsky, Kallerud

Palmdale Water District retained RDN to improve their previously adopted water budget-based rate structure and create a new five-year rate schedule. RDN gathered historical water usage and geospatial data on all customers and sub-classified commercial accounts into three categories based on usage patterns and peaking factors: Commercial, Industrial, and Institutional. Next, RDN conducted five-year demand forecasts for each meter size and customer class combination. These forecasts supported the cost of service analysis and budget-based rate setting. After rates were designed, RDN performed a customer-level bill impacts analysis that supported customer outreach during the Proposition 218 process. RDN also provides annual budget review and rate model support services. The study was on schedule and under budget.

Dennis J. Hoffmeyer
Finance Manager/CFO
661-456-1021
dhoffmeyer@palmdalewater.org
2029 E Avenue Q
Palmdale, CA 93550

City of Palo Alto (EES)

Electric and Gas Cost of Service and Fee Study (2022 – 2023)

EES staff: Gschwend, Thomas, Schneider, Janflone, Meyers

The City of Palo Alto retained EES to design the City’s electric Cost of Service (26,000 customers), Natural Gas Cost of Service (24,000 customers), and Electric Service Upgrade Fee.

Electric COSA Key Accomplishments: Revenue requirement for FY2023 and 2024; Detailed bill impacts (histograms) for fixed charges, minimum bill, and moving from tiered rates to flat rates; low-income and NEM program bill impacts/histograms.

Jonathan Abendschein
Assistant Director, Resource Management
650-329-2309
Jon.abendschein@cityofpaloalto.org
250 Hamilton Avenue
Palo Alto, CA 34301

Moulton Niguel Water District (RDN)

Cost of Service Review for Water (Water Budget), Recycled Water, and Wastewater Rate Study (2017, 2022)

RDN staff: Niehaus, Kido (Project Manager), Elowsky, Kallerud

Moulton Niguel Water District retained RDN to perform a peer review of the District's Long-Range Financial Plan (LRFP), Cost of Service Analysis, and Rate Design Report for the District's three utility systems: water (budget-based rates), recycled water, and wastewater. The chief financial objective was to identify strategies and actions to ensure that there are sufficient financial resources for effectively achieving the District's mission. The LRFP incorporates the District's reserve policies, debt policies, coverage ratios, water demand needs, water rates, capital improvement program, and operating budget to provide a financial roadmap for the District.

The District's rate design focuses on the cost of service for the efficient use of water as the primary basis for setting rates. The rates are also structured to ensure that an appropriate level of fixed expenses is recovered with fixed revenue. The conservation-based rate design has proven to be the most effective tool for the District in reducing water usage, while still providing the necessary revenues to recover the District's expenses regardless of changing water demands. As a result, the District has managed to remain financially strong despite a significant reduction in water and wastewater usage. The State Water Resources Control Council (SWRCB) has recognized the District's specific rate design as a best practice among more than 400 urban water utilities statewide. We successfully completed this Study in 2017 and were again retained by the District to perform the review in 2022. Both studies were on schedule and under budget.

Jonathan Cruz
Director Financial Planning
JCruz@mnwd.com
949-448-4013
26880 Aliso Viejo Parkway
Aliso Viejo, CA 92656

Jurupa Community Services District (RDN + WRE)

Water, Sewer, Recycled Water Rate Study (October 2023 – March 2024)

RDN staff: Niehaus, Kido, Elowsky, Kallerud
WRE staff: Gaur

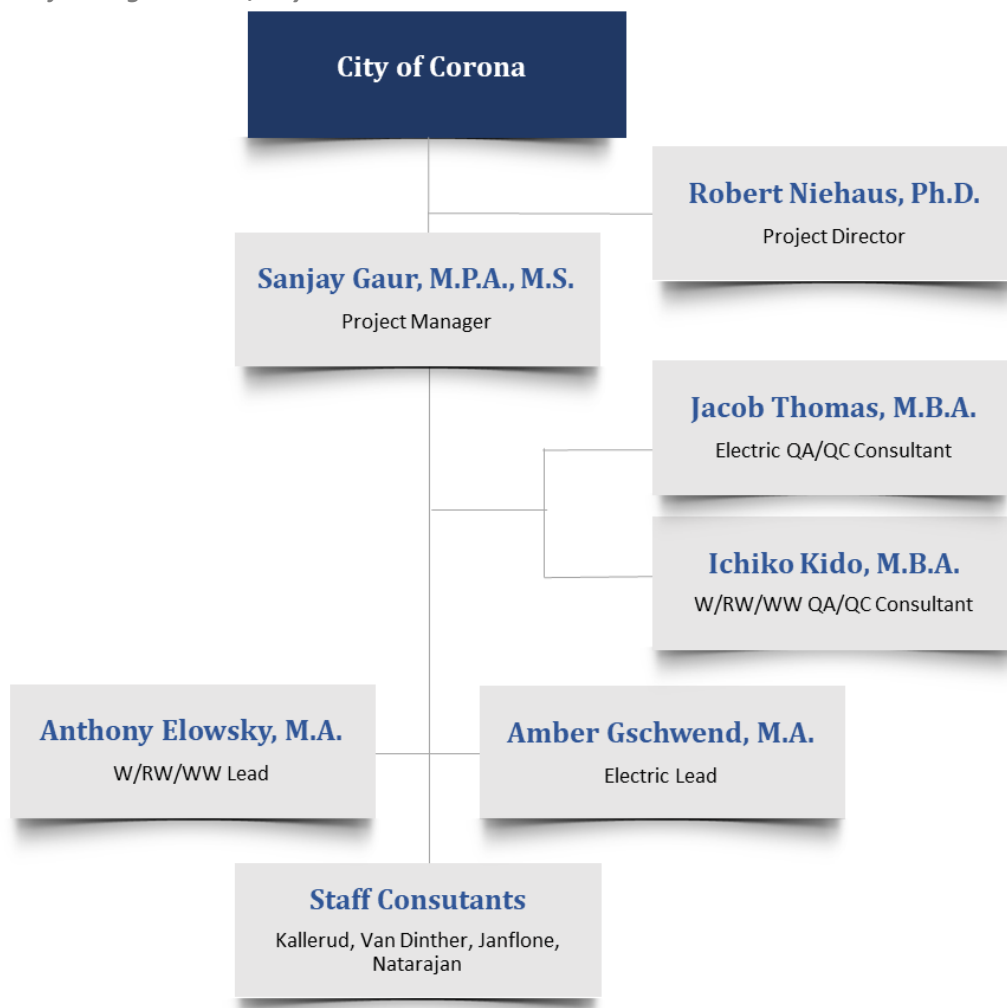
Jurupa Community Services District retained Team RDN to develop rates for their water and sewer utilities. We also provided support for instituting new recycled water rates. RDN provided financial planning strategies, a cost allocation plan, and helped the District's finance teams schedule capital improvements to ensure that rates had the least impact on customers. We designed new usage tiers for residential customers which were based on actual use patterns and reflected the best value for customers who used less water. One key finding of the study was that fixed charges did not reflect the actual fixed costs. RDN recommended increasing the District fixed cost recovery to better reflect JCSD's cost structure. Study is on schedule and under budget. The Proposition 218 Hearing is set for April 2024.

Steven Popelar
Director of Finance & Administration
951-685-7434
spopelar@JCSD.US
11201 Harrel Street
Jurupa Valley, CA 91752

PROPOSED STAFFING AND PROJECT ORGANIZATION

PROJECT ORGANIZATION

Figure 1. RDN Project Organization, Key Personnel



Robert Niehaus will serve as Project Director, bringing more than 40 years of industry experience, and will ensure a timely, on-budget, and successful project. Sanjay Gaur will serve as your Project Manager and primary point of contact and will be responsible for the thorough and efficient execution of the project. Sanjay has over 25 years of public-sector consulting experience and has worked with over 100 utilities throughout California.

Jacob Thomas has over 25 years of industry experience and will lead quality assurance/quality control (QA/QC) for the electric rate study. Ichiko Kido brings more than 34 years of consulting experience and will lead QA/QC of the water, recycled water, and wastewater cost of service analysis.

Amber Gschwend brings 15 years of analytical experience including 9 years of project management in economic and financial analysis and will lead the electric rate study. Anthony Elowsky has seven years of experience and will provide lead support to Sanjay for the water, recycled water, and wastewater rate studies, having supported over 40 water, recycled water, and wastewater rate and fee studies across California. Consultants Kallerud, VanDinther, Janflone, and Natarajan will support the conduct of data collection, analysis, modeling, and reporting.

BRIEF RESUMES FOR KEY PERSONNEL

Full resumes for key proposed staff are appended to this proposal with brief bios presented below. We affirm that our proposed project team has adequate availability to meet project objectives as outlined in the proposed schedule and that our project team will not change without prior approval from the City.

Robert D. Niehaus, Ph.D.

PROJECT DIRECTOR – SANTA BARBARA (RDN)



Project Role and Responsibilities:

- Oversee all aspects of study process
- Assure timely, high-quality, on-budget performance and complete satisfaction with Project
- Review all deliverables for accuracy and economic rigor
- Lead major internal project meetings

Experience and Qualifications:

- 48 years of experience
- Conducted hundreds of comparable water and resource projects including California Rural Water Association; Rosamond Community Services District; Palmdale Water District;
- Received his Ph.D. in Economics from the University of Maryland

References:

SCV Water – **Rochelle Patterson** – Chief Financial and Administrative Officer
rpatterson@scvwa.org – 661-513-1239

Moulton Niguel Water District – **Jonathan Cruz** – Director of Financial Planning
jcruz@mnwd.com – 949-448-4013

Palmdale Water District – **Dennis Hoffmeyer** – Finance Manager/CFO
dhoffmeyer@palmdalewater.org – 661-947-4111

Sanjay Gaur, M.P.A., M.S.

PROJECT MANAGER – LOS ANGELES (WRE)



Project Role and Responsibilities:

- Review finances and advise on strategy for overall rate design process
- Provide guidance into leading water rate trends including regulatory and legal developments

Experience and Qualifications:

- 25 years of experience
- Nationally recognized leader in policy decision analysis through quantitative analysis for water and wastewater agencies
- Co-authored several industry guidebooks including AWWA's Manual 1, the industry standard for California water rate- and fee-setting.

References:

Fallbrook Public Utility District – **Jack Bebee** – General Manager
jackb@fbud.com – 761-728-1125

South Coast Water District – **Pamela Arends-King** – Assistant General Manager/Chief Financial Officer
parendsking@scwd.org – 949-342-1253

Western Municipal Water District – **Kevin Mascaro** – Assistant General Manager
kmascaro@wmwd.com – 916-289-3733

Ichiko Kido, M.B.A.

W/RW/WW QA/QC CONSULTANT – VENTURA (RDN)



Project Role and Responsibilities:

- Review all deliverables for quality assurance
- Review the rate and fee models for financial planning, rate and fee design, capital funding, and reserve policies

Experience and Qualifications:

- 34 years of experience (19 with the firm)
- Expertise in financial analysis; COS analysis; rate and fee design; model design; state regulations & legislation
- Financial, rate and fee consulting experience with Moulton Niguel Water District; Santa Clarita Valley Water Agency; Napa County

References:

Quartz Hill Water District – **Brach Smith** – Assistant General Manager

bsmith@qhwd.org – 661-943-3170

Moulton Niguel Water District – **Jonathan Cruz** – Director of Financial Planning

jcruz@mnwd.com – 949-448-4013

Palmdale Water District – **Dennis Hoffmeyer** – Finance Manager/CFO

dhoffmeyer@palmdalewater.org – 661-947-4111

Jacob Thomas, M.B.A.

ELECTRIC QA/QC CONSULTANT – MARRIETTA, GA (EES)



Project Role and Responsibilities:

- Assist in the completion of financial forecasts and cost of service analysis for electric utility
- Review all deliverables for accuracy and economic rigor
- Lead major internal EES project meetings
- Produce long-term expense projections
- Review presentation materials

Experience and Qualifications:

- 25 years of experience
- Financial/rate consulting experience with Cleveland Public Power, Danville Utilities, City of Chambersburg

References:

City of Palo Alto – **Jonathan Abendschein** – Assistant Director, Resource Management

john.abendschein@cityofpaloalto.org – 650-329-2309

City of Moreno Valley – **Jeannette Olko** – Electric Utility Division Manager

jeanneteo@moval.org – 951-413-3502

Eugene Water & Electric Board – **Adam Rue** – Fiscal Service Supervisor

adam.rue@eweb.org – 541-685-7181

Anthony Elowsky, M.A.

W/RW/WW LEAD – SANTA BARBARA (RDN)



Project Role and Responsibilities:

- Work at the direction of Mr. Gaur to organize and analyze all data
- Assist in the completion of financial forecasts and cost of service analysis for wet utilities
- Produce long-term expense projections
- Assist in the preparation of presentation materials

Experience and Qualifications:

- Seven years of experience
- Financial/rate consulting experience with the California Rural Water Association, Palmdale Water District, Jurupa Community Services District, Quartz Hill Water District, Hi-Desert Mutual Water Company, and Orosi Public Utility District

References:

Jurupa Community Services District – **Steven Popelar** – Director of Finance & Administration
spopelar@JCSD.US – 951-685-7434 x525

South Coast Water District – **Pamela Arends-King** – Assistant General Manager/Chief Financial Officer
parendsking@scwd.org – 949-342-1253

California Rural Water Association – **Nicole Cook** – Program Manager
ncook@calruralwater.org – 916-289-3733

Amber Gschwend, M.A.

ELECTRIC LEAD – REDMOND, WA (EES)



Project Role and Responsibilities:

- Work at the direction of Mr. Gaur to organize and analyze all data
- Assist in the completion of financial forecasts and cost of service analysis for electric utility
- Produce long-term expense projections
- Assist in the preparation of presentation materials

Experience and Qualifications:

- 15 years of experience
- Expertise in benefit-cost analysis, electric load forecasting, weather normalizing, and consumer choice aggregation
- Broad range of experience in rate making
- Financial/rate consulting experience with the City of Aztec, Washington State

References:

City of Palo Alto – **Jonathan Abendschein** – Assistant Director, Resource Management
john.abendschein@cityofpaloalto.org – 650-329-2309

City of Moreno Valley – **Jeanette Olko** – Electric Utility Division Manager
jeanetteo@moval.org – 951-413-3502

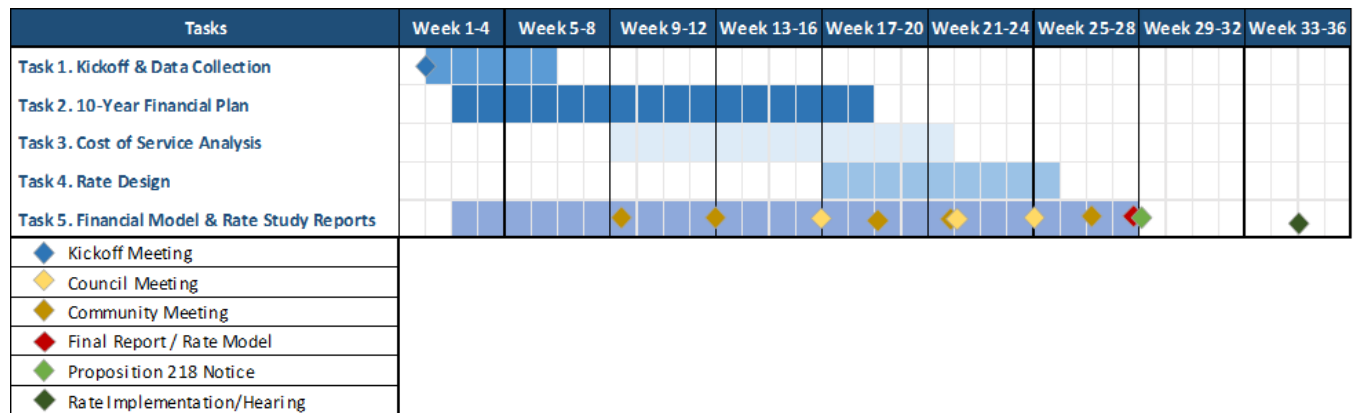
Eugene Water & Electric Board – **Adam Rue** – Fiscal Service Supervisor
adam.rue@eweb.org – 541-685-7181

WORK PLAN

PROJECT SCHEDULE

Figure 2 presents a preliminary schedule for implementing the City’s Study by January 1, 2025. The schedule assumes timely kickoff, City data, feedback, and availability for meetings. The final schedule will be discussed and agreed upon at the Kickoff Meeting. RDN proactively manages cost of service analysis projects to ensure timely project completion for rate implementation and sufficient time for client review. We have an exceptional track record for delivering studies on schedule and invite you to connect with our references to validate our schedule control.

Figure 2. Preliminary Project Schedule



LABOR HOUR ALLOCATION

Table 4 presents our proposed labor hour allocation to accomplish the City’s Study tasks.

Table 4. Labor Hour Allocation

Tasks	Hours						Total Hours
	Niehaus	Gaur	Gschwend & Thomas	Kido	Elowsky	Staff Consultants	
1. Kickoff & Data Collection	2	6	6	0	6	4	24
2. Ten-Year Financial Plan	4	24	20	12	20	20	100
3. Cost of Service Analysis	6	24	34	16	24	28	132
4. Rate Design	4	24	20	12	20	44	124
5. Reports, Models, & Presentations	4	54	22	8	32	54	174
Total Hours	20	132	102	48	102	150	554

PROJECT UNDERSTANDING & SCOPE OF SERVICES

Task 1. Kickoff & Data Collection

Objective: RDN will host a kickoff meeting to solidify the project timeline, objectives, major meetings, and deliverables. We will anticipate the key issues and challenges for the Study and brainstorm potential solutions for a smooth project. We will develop a data request

Task 1.1. Data Collection/Review

Our data request will include audits, budgets, general plans, capital improvement plans, customer billing records, debt service schedule, reserve policies, among other information. For data validation and quality assurance, RDN may request additional data throughout the study to reconcile any inconsistencies.

Task 1.2. Kickoff Meeting

We propose a remote kickoff meeting to discuss project objectives, approach, work plan, schedule, and priorities. Staff will provide insight into which policy objectives are generally most important to the City. RDN and staff will review available data and identify additional data needs if any.

Task 1.3. Project Management & QA/QC

RDN incorporates best practices from the Project Management Institute’s Project Management Body of Knowledge to establish processes that guide management procedures. For a project to be considered a success, all work must be completed on schedule, within budget, and error-free. Our project manager, Sanjay Gaur, will prepare a Project Management Plan (PMP) to document all information necessary to execute a successful project. The PMP serves as a roadmap for the project team, defining project goals, scope, deliverables, budget, schedule, and administrative procedures. Sanjay will regularly meet with City staff and our consultant team to ensure full Study transparency and success.

Our quality control process ensures that all work will be accurate, precise, and of the highest quality. We apply quality control checks (Ichiko Kido for water, recycled water, and wastewater; Jacob Thomas for electric) at two key stages of the project: (1) after the financial plan and (2) after the cost of service analysis and rate design. RDN has a track record of consistently producing defensible analyses that comply with state regulations and legal precedent. We understand that credibility is crucial to garnering stakeholder support for rate adjustments, and we are proud of the fact that our projects have never been successfully litigated nor protested under Proposition 218.

Table 5. Task 1 – Kickoff & Data Collection

Meetings	<ul style="list-style-type: none">Remote kickoff meeting
RDN Deliverables	<ul style="list-style-type: none">Data requestMeeting agendas and minutesMonthly progress reports and invoices
City Deliverables	<ul style="list-style-type: none">Respond to data requestCity policy objectives

Task 2. Ten-Year Financial Plan

Objective: RDN will review City data to develop a 10-year financial plan based on revenue generated from current rates, fees, and other revenue sources, budgeted and projected expenses, potential debt service payments, and reserve contributions. The cash flow projections and revenue requirements will plan for the five-year water, recycled water, wastewater, and electric rate schedule. We will also conduct a workshop with City Council to discuss the results of the financial planning and assess rate structure objectives and priorities.

Task 2.1. Demand Projections/Revenue Analysis

RDN will conduct demand and growth projections to ensure the City's revenue forecast and cash flow analysis are accurate for each utility. Water consumption is influenced by price signals, weather/rainfall, high-efficiency technologies, and conservation programs. We will first evaluate how the City's customers' water consumption patterns have changed historically, and then incorporate City growth trends and the elasticity of customer demand in response to various rate structure changes to project future water demand. We will also forecast customer growth and load for the electric utility. We will model potential drought scenarios and their impacts on rate revenues. Based on the demand projections, we will forecast revenue using the existing rates for each utility. We will also identify any changes to other revenues such as miscellaneous charges, property taxes, and investment income.

Task 2.2. Operation and Maintenance Expenses

Using the City's budgetary documents, we will project operating and maintenance (O&M) expenses and develop reasonable inflationary factors for relevant itemized expenses using reliable published sources or the City's historical data. We will review neighboring joint powers authorities and wholesale water pricing (including but not limited to the Western Riverside County Regional Wastewater Authority, Western Municipal Water District, Metropolitan Water District of Southern California, and the Bedford Coldwater Groundwater Sustainability Agency). We will compare costs against appropriate industry benchmarks. We also

incorporate any known changes to personnel, level of service, or projected growth. We will pay particular attention to how general fund overhead costs are allocated. We will review projected wholesale power costs based on the City's power contracts and agreements, and our consultant team's knowledge of likely wholesale rate levels during the 5-year test period. Projected wholesale transmission charges will also be determined for each year of the study period. Each expense item will be categorized as either fixed or variable and direct or indirect to ensure that costs are allocated to the correct rate structure components when designing rates.

Fixed/Variable Costs

RDN will identify fixed and variable costs through a detailed analysis of the City's current expenses. Fixed cost recovery will ideally be apportioned through guaranteed revenue sources to ensure that each utility will not fall short on necessary revenues. However, rate affordability and bill impact will also be considered for individual customers with different usage patterns.

Task 2.3. Capital Improvement Funding

RDN will review the City's ten-year capital projects plan and explore financing options based on the timing of proposed revenue adjustments and scheduled repairs and replacements. We will incorporate long-term replacement needs detailed in the City's Master Planning documents. Funding sources may include cash reserves, grant funding, debt proceeds, or PAYGO (pay as you go), each with different rate impacts.

Task 2.4. Reserve Funding

We will review the City’s reserve policies and develop an implementation plan that maintains recommended balances consistent with the City’s financial goals, risk tolerance, and capital improvement projects.

Task 2.5. Revenue Requirements

The cash flow analysis will project revenues, expenses, debt obligations, and future funding needs to determine necessary revenue adjustments for the study period. The total cost will be offset by other sources of revenue such as property taxes, investment earnings, rental income, and other water service charges. RDN will assess if revenue adjustments are needed to eliminate cumulative revenue deficiency or surplus by the end of the study period. Revenue adjustments will also meet debt covenants by maintaining the required debt service coverage ratio. The objective is to minimize customer impacts while achieving a healthy cash flow mechanism for the next five years.

Task 2.6. Workshop 1 – Present Financial Plan / Determine City Rate Policy Objectives

RDN proposes a policy workshop with the City Council to determine policy objectives for the study. First, we will present a high-level summary of the financial plan with an emphasis on the City’s capital needs and financing options. Next, with the debt service coverage in mind and with assistance from City staff, RDN will ask City Council to rank policy objectives to inform the City’s rate structure. Objectives may include rate and financial stability; equity and fairness in allocating water costs; water use efficiency and conservation; affordability for essential needs; customer understanding and ease of administration; among other considerations. We will use the Council’s policy objectives, as well as staff input, to inform rate structure alternatives in Task 4. Rate Design.

Table 6. Task 2 – Financial Plan

Meetings	<ul style="list-style-type: none">▪ Council Workshop 1 – present financial plan and set City rate structure policy objectives
RDN Deliverables	<ul style="list-style-type: none">▪ Financial plan results▪ Council Workshop 1 – PowerPoint presentation
City Deliverables	<ul style="list-style-type: none">▪ Financial plan feedback▪ Policy goals and objectives for rates

Task 3. Cost of Service Analysis

Objective: RDN will ensure that costs are equitably distributed to ratepayers in compliance with Proposition 218 and that rates adequately cover the costs to provide reliable service. We employ methodologies approved by the AWWA M1 Manual, WEF M27, and industry standards. The electric cost of service model will be an embedded cost model, providing the basis of cost allocation based on current and forecast embedded costs.

Task 3.1. Review Customer Classes

RDN will evaluate the City’s customer classifications and recommend any necessary changes. Assigning costs to classes of customers based on their service requirements is critical to designing Proposition 218 and Proposition 26-compliant rates. We will explore alternative cost allocations to find which best aligns with the City’s goals.

Task 3.2. Cost Functionalization

A utility system is composed of various facilities that serve a particular function. With input from City staff, each expense identified in the financial plan will be carefully allocated to the industry standardized functions of each system in our models. These functions can be customized based on the City’s organizational structures and account for fixed and variable costs.

Task 3.3. Cost Allocation to Cost Causative Components

RDN will employ the base-extra capacity method from the AWWA M1. In this method, functionalized costs are allocated to appropriate cost causative components for each customer class. The water utility cost causative components include peaking components such as base, maximum day demand (MDD), and peaking hourly demand (PHD). For wastewater utilities, cost causative components include flow, strength (BOD and TSS), and customer-related services. Both utilities also have non-peaking components such as meter services and customer billing services. For electrical services, customer load factors, coincident factors and demand data will be reviewed and used on the cost allocation methodology of the cost of service.

Task 3.4. Cost Allocation to Customer Classes

As a final step of the cost of service analysis, the costs of each component are allocated back to each customer class commensurate with their service requirements. This analysis permits the City to adhere to the general principle of cost proportionality (particularly relevant under Proposition 218 and Proposition 26), under which the rates paid by customer classes are directly proportional to the costs each class imposes on the City as a whole. For electrical customers average unit costs by functional category will be provided based on the allocated costs and billing determinants developed for each rate class. Unit costs will be presented for energy (¢/kWh), demand (\$/kW), and customer related (\$/customer/month) charges for each customer class. The average unit costs represent cost of service rates and can be used as an input in the rate setting process

Table 7. Task 3 – Cost of Service Analysis

Meetings	<ul style="list-style-type: none"> ▪ Remote meeting to discuss cost of service analysis
RDN Deliverables	<ul style="list-style-type: none"> ▪ Preliminary cost of service model in Excel
City Deliverables	<ul style="list-style-type: none"> ▪ None

Task 4. Rate Design

Objective: RDN will produce water, wastewater, and electric rate options that follow cost-of-service ratemaking principles. We will review the City's current rate structures for all customer classes and provide recommendations on how to balance fixed and variable charges to ensure revenue adequacy and stability while maintaining rate affordability. Recommended rates will have a clear connection between the costs and pricing to ensure compliance with Proposition 218 and Proposition 26. RDN will also conduct a workshop where we discuss potential rate options based on City Council/staff priorities.

Task 4.1. Evaluate the Current Rate Structures & Identify Rate Alternatives

We will perform a comprehensive review of the City's current rate structures to assess the advantages and disadvantages of the existing rates. This will include an evaluation of links between cost parameters, such as peaking, customer service/billing, fixed and variable costs, and the current charges. Our review will also identify whether the existing rates optimize fixed and variable rate recovery to enhance stability while ensuring affordability. Based on the financial planning and cost of service analyses, we will evaluate rate adjustment alternatives designed to recover the revenue requirements identified in the financial plans. We will provide up to three draft rate options for each utility that adequately fund revenue requirements, and the City can choose which option best achieves City objectives.

Task 4.2. Develop Recommended Rates

We will recommend rate alternatives that best meet the City's objectives and are justified by the cost of service analysis.

Fixed Ready-to-Serve Charges

RDN will recommend appropriate changes to the proportion of rates recovered through ready-to-serve charges to ensure that fixed costs are sufficiently funded. Increasing fixed charges reduces revenue volatility and risk from reduced demand or conservation efforts and ensures predictable revenue to cover debt, operating costs, and capital plans. RDN will also evaluate the changes in fixed charge rates to ensure the adjustments do not place an undue financial burden on customers. If fixed revenue adjustments are required, RDN will create alternative five-year rate schedules where the fixed charge adjustments may be incrementally implemented over the five-year study period.

Commodity Use Charge

Based on the financial plan and cost of service analysis, RDN will recommend adjustments to commodity rates. We will evaluate the potential for adjusting tiered rates based on the heterogeneous costs between the different water sources used by the City as well as customer peaking characteristics within each customer class. We will also review water budgets to ensure that they align with the City's priorities as well as upcoming State mandates.

Wastewater Rates

RDN will provide recommendations for any necessary updates to the City's sewer service rate levels. We will work with City staff to identify if alternative rate structures would better serve the City's sewer utility and customers. For instance, different types of commercial customers produce different sewer strengths, such as restaurants which have a high BOD and TSS compared to office buildings which have relatively low sewer strengths. We will evaluate the service requirement differences between commercial sewer customers to ensure that the unit cost reflects the variety of sewer strengths identified in the cost of service analysis. We will explore this and other alternatives to recommend the rates that best meet the City's needs and objectives.

Electricity Rates

RDN will develop rate options using a variety of approaches, ranging from the current rate design to strict COSA based rates. While average unit costs provide the cost basis for setting rates, other criteria will also be considered in designing rate options. Rate options will include a review of time-of-use (TOU) rates and TOU rate periods. Proposed rates for energy (¢/kWh), demand (\$/kW), and customer related (\$/customer/month) charges will be provided for each customer class for each year of the study period. Recommended retail rates will be cost-based, provide adequate revenue, be easy to administer as well as fair and non-discriminatory.

Alternative rate schedules may be developed, if desired. For example, many utilities have recently developed separate rate schedules for industry-specific loads.

Recommendations

RDN will use the policy objectives established in Workshop 1 to inform rate recommendations. Objectives may include rate and financial stability; equity and fairness in allocating water costs; water use efficiency and conservation; affordability for essential needs; customer understanding and ease of administration; among other considerations. We will ensure that all recommended rates comply with Proposition 218 and will work with City legal counsel, if necessary. All data will be available for City review in Microsoft Excel or CSV.

Task 4.3. Workshop 2 – Solidify Policy Objectives / Provide Rate Structure Options

RDN will host a workshop with City Council and stakeholders to build consensus for the policy objectives established in the first workshop. It is well recognized that there are inherent tensions among policy objectives. We will discuss these trade-offs so City stakeholders can share a mutual understanding of the priorities of the study. We will then walk the City through each potential rate option with a particular focus on policy objectives and the business case and costs for how each option may or may not make sense for the City. We will discuss different rate structure options for fixed charges or other potential refinements as identified. RDN will solicit feedback for preliminary rate refinement options.

Table 8. Task 4 – Rate Design

Meetings	<ul style="list-style-type: none">▪ Council Workshop 2 – Solidify Policy Objectives / Provide Rate Structure Options
RDN Deliverables	<ul style="list-style-type: none">▪ Rate options and recommendations
City Deliverables	<ul style="list-style-type: none">▪ Input on rate options

Task 5. Reports, Models & Presentations

Objective: RDN’s rate models will be designed to provide the City with a valuable tool for future financial planning and testing sensitivity analyses. We will furnish a guide to the key input sections of the model to enable City staff to update or run scenarios. RDN will provide final executive reports to City staff upon project completion. Our report will describe the process of the rate study in sufficient detail to meet Proposition 218, Proposition 26, and all legal requirements. RDN will actively engage the public in the utility rate determination process through a series of targeted community meetings. Final results will be presented clearly and concisely to foster customer and stakeholder understanding.

Task 5.1. Rate Models

All models will be developed in an easy-to-use Microsoft Excel format designed to allow City staff to conduct sensitivity scenarios by testing various assumptions through an interactive dashboard. Factors that may be adjusted in the rate models include staff levels and salaries, operating expense levels, CIP spending, capital equipment funding, impacts of rate increases, and pass-through charges. The models will be introduced to City staff early in the study process. We will add worksheets gradually as we perform key analyses through the study and ask for the City’s review. By the time the study is complete, City staff will be fully familiarized with the models and be able to use the models to make data-driven decisions. Any changes to the underlying models will appear instantly in a dashboard for quick executive evaluation. The underlying dynamic data flow within each model is presented in Table 8.

Table 9. Sample Model Flowchart

Model Input	Analysis	Model Output	Results
Staff Levels	Revenue Requirements	Cash Flow	Fund Balances
Salaries		Annual CIP	Debt Service Coverage
Operating Expense	Rate Impacts	Fixed Rates	Monthly Bills
CIP Plan		Variable Rates	Bill Impacts

Task 5.2. Rate Study Reports

The draft rate study reports will contain an overview, study objectives, assumptions, regulatory requirements, and methodologies. The reports will discuss short- and long-term financial planning, capital planning, cost of services, rate-setting analysis, bill impacts, and comparison surveys. Key outputs of data, analysis, and rationale will be visualized in the reports. The tables and charts will be an effective tool to communicate conclusions to City Council, customers, and other stakeholders. The main sections of the draft report at a minimum will include:

Table 10. Report Sections and Corresponding Contents

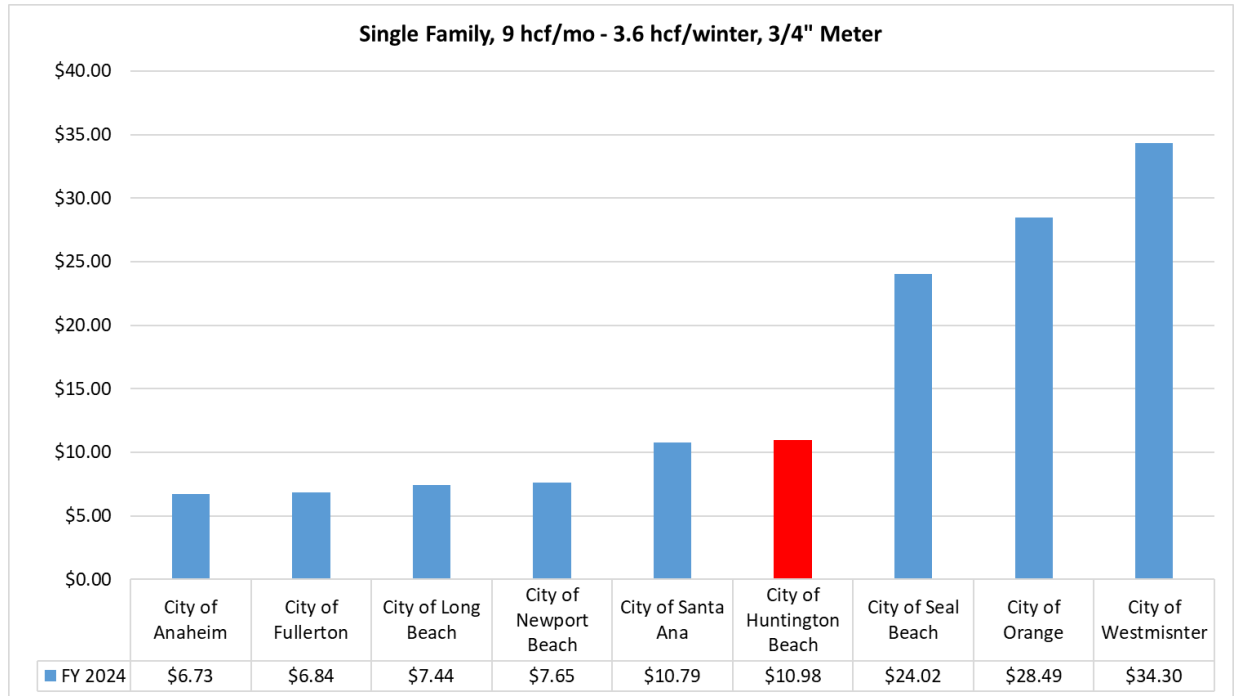
Heading	Section Brief
Executive Summary	A narrative to summarize the scope of the study.
Introduction	A brief description of the City including organizational structure, population, and service area of the electric, water, and sewer systems.
Methodology Used	A description of the methodology used for analyzing the utility rates and how the study complies with Proposition 218 and other applicable laws.
Financial Plan	A review of O&M budget, overhead costs, capital plan, revenue analysis, needed revenue adjustments, inflation analysis, and customer growth/demand.
Cost of Service	A description of current/proposed customer classes, Prop 218 and Prop 26 compliant cost allocation to each class by function, and the total revenue requirements by each class.
Rate Design	A detail of the proposed rate structures, proposed inflationary adjustments, and a typical bill for different types of customers.
Rate Impact	A summary on the impacts rate changes will have on each customer and the community using RDN's Bill Impact Tool.
Sensitivity Analysis	A discussion of how conservation, drought, and future statutory regulations will affect the ability of rates to fund revenue requirements.
Rate Comparison	A comparison of monthly bills and of current and proposed rates with similar sized Cities within the surrounding area.

We will incorporate City feedback into the final report and clearly demonstrate the nexus between costs and recommended rates in simple terms to fulfill Proposition 218 reporting requirements.

Task 5.3. Rate Comparison Survey

We will prepare a rate comparison survey of at least ten comparable agencies to benchmark the City’s current and proposed water rates. Comparisons will be made for users at high, average, and low consumption levels. We will request City input on agencies to include in the survey and summarize the results for public outreach, presentations, and the report.

Figure 3. Sample Bill Comparison Figure



Task 5.4. Workshop 3 – Recommendations and Refinements

RDN will present rate change recommendations and help the community understand the trade-offs that were made and why and build consensus for proposed recommendations. This meeting will also be a forum for the City Council to review the rate structure recommendations and make final refinements, if desired, to ensure consensus before moving into the Proposition 218 process. We will present the impacts of each structure option for all customer groups.

Task 6.1. Three In-Person Public Meetings

We will help build community consensus by engaging stakeholders throughout the study process, especially at the three in-person community meetings. Sanjay Gaur will lead public outreach initiatives assisted by Amber Gschwend and Anthony Elowsky. Public meetings will be an avenue for customers to increase their understanding of rate proposals. Additionally, the public will have the opportunity to voice any concerns with the rate study process, which can be incorporated in the final recommendations.

Task 6.2. Two Remote Public Meetings

The two remote public meetings will focus on the technical portions of the rate study and be centered around a detailed presentation. All presentations and outreach materials will have prior review by City staff. Sanjay Gaur will lead the remote public meetings assisted by Amber Gschwend and Anthony Elowsky.

Task 6.3. Proposition 218 Notice

We will work with City staff and legal counsel to prepare a Proposition 218 notice within the 45-day noticing period. The notice will outline the proposed rate changes, the reasons for the changes, and the right for customers to challenge the rates. It is our understanding that the City will print and mail the notices.

Task 6.4. Proposition 218 Public Hearing

RDN will present the results of the study and answer questions from the City Council and public at the Proposition 218 Hearing. In coordination with City legal counsel, we will use clear, concise language and visual messaging to communicate the rate study process and why the recommended rate structure was selected.

Table 11. Task 5 – Reports, Models & Presentations

Meetings	<ul style="list-style-type: none">▪ Council Workshop 3 – Recommendations and Refinements▪ Three in-person public meetings▪ Two remote public meetings▪ Proposition 218 Hearing
RDN Deliverables	<ul style="list-style-type: none">▪ Draft & Final rate study reports in Word and PDF formats▪ Microsoft Excel Financial and Rate Model▪ Outreach materials▪ Draft and final public meeting presentations
City Deliverables	<ul style="list-style-type: none">▪ Comments, responses, and recommendations to draft report▪ Comments and recommendations to draft presentations▪ Printing and mailing Proposition 218 Notices

APPENDIX

The appendix of this proposal includes two-page resumes for key personnel.

Robert D. Niehaus, Ph.D.

Project Coordinator



TECHNICAL SPECIALTIES

- Project Management
- Regional and Resource Economics
- Rate and Fee Comparison
- Economic Impact Studies
- Public Sector Water Economic and Planning Analysis
- Technical Report Review
- Cost of Service Rate Studies
- Development Impact Fees
- Resource Planning
- Econometric Modeling
- Survey Design and Implementation

PROFESSIONAL HISTORY

Robert D. Niehaus, Inc.
Managing Director
(1983-Present)

EDUCATION

Doctor of Philosophy in Economics (1979)
University of Maryland

Bachelor of Arts in Government (1972)
Oberlin College

PROFESSIONAL MEMBERSHIPS

- American Water Works Association
- American Economic Association
- National Association for Business Economics

OVERVIEW & BIOGRAPHY

Dr. Niehaus is widely recognized for his expertise in the economics of water resources and the environment. He has broad experience managing public and private sector water and land resource economic analyses and planning efforts, with expertise in water and wastewater fee and rate analysis, cost-benefit evaluations, water demand econometric modeling and forecasting, and regional economics. His expertise extends to river basin planning, groundwater management, economic impacts of water and other resource-use projects, military base realignment, housing, energy, and global climate change. He has provided expert support to senior civilian and military decision-makers for numerous projects. Dr. Niehaus has published a wide range of applied studies in these fields and has directed the successful completion of projects at more than 200 locations worldwide, with much of this experience in Southern California.

RELEVANT PROJECT HIGHLIGHTS

California City, Water and Sewer Impact Fee Study, Ongoing

The City of California City provides water and sewer service for over 4,500 accounts in Kern County, California. California City retained RDN to complete a water and sewer rate and capacity fee study in 2021 which includes a long-term financial plan and a 5-year rate proposal. Dr. Niehaus, working for RDN, serves as a managing director and principal economist for all rate and concerns. This project is ongoing.

West Valley Water District, Development Impact Fee Study 2021

West Valley Water District provides water service for over 22,000 accounts in San Bernardino and Riverside Counties, California. West Valley WD retained RDN to complete a water capacity fee study in 2020 which included a detailed analysis of the District's capacity fee schedule and growth projections. Dr. Niehaus, working for RDN, served as the managing director for the fee study, which was completed in 2021.

ADDITIONAL PROJECT EXPERIENCE

- City of Lynwood, *Water and Sewer Rate Study*
- South Coast Water District, *Water Recycled Water, and Sewer Rate Study and Water Budget Evaluation*
- Montecito Sanitary District, *Wastewater Rate Study*
- Lake Arrowhead Community Services District, *Water and Sewer Rate Study*
- Hilton Creek Community Services District, *Wastewater Rate Study*
- Timber Cove County Water District, *Water Rate Study*
- City of Alhambra, *Water Rate Study*
- Costa Mesa Sanitary District, *Wastewater Rate Study*
- Rosamond Community Services District, *Water and Wastewater Rate Studies*
- Napa County, *Water and Wastewater Rate Studies*
- Mid-Peninsula Water District, *Capacity Fee Study*
- Quartz Hill Water District, *Water Rate Study*
- Redway Community Services District, *Water and Sewer Rate Study*

- Loleta Community Services District, *Sewer Rate Study*
- Riebli Mutual Water Company, *Water Rate Study*
- Palm Ranch Irrigation District, *Water Rate Study*
- Mid-Peninsula Water District, *Water Capacity Fee*
- Mendocino City Community Services District, *Water and Groundwater Management Fee Study*
- Palmdale Water District, *Water Rate Study*
- Santa Clarita Valley Water District, *Water Rate Study*
- California Rural Water Association, *Water & Sewer Rate Studies*
- Ventura River Water District, *Cost of Service and Rate Setting Study*
- Moulton Niguel Water District, *Cost of Service Peer Review*
- Carpinteria Valley Water, *District Cost of Service and Rate Setting Study*
- Manatt, Phelps, & Phillips, LLC, *Rate Comparison Study*
- National Resources Defense Council, *LADWP Data Collection & Water Rate Analysis*
- West Basin Municipal Water District, *Landscape Irrigation Efficiency Program*
- Las Virgenes Municipal Water District, *Water Budget Model*
- Fremont Valley Preservation Project, *Water Rate, and Revenue Analysis Study*
- Golden State Water Company, *Comparative Water Rate Analysis*
- Goleta Sanitary District/Goleta West Sanitary District, *Economic Analysis of Development Projections*
- Santa Barbara County, *Economics of Groundwater Management*
- City of Santa Barbara, *Desalination Plant Environmental Impact Report*
- United States Army Corps of Engineers, *Flood Protection and Recreation Study*
- City of Santa Barbara, *Long-Term Water Sales and Revenue Requirements Forecast Analysis*
- Santa Ynez River Basin, *Planning and Cachuma Project Water Allocation Analyses*

Sanjay Gaur, M.P.A., M.S.

Project Manager; Water Resources Economics



OVERVIEW & BIOGRAPHY

Mr. Gaur has over 25 years of financial and rate consulting experience in water and wastewater utility administration. He has provided consulting services to over 100 different agencies, including the Caribbean Region. He has often provided his insight into utility rate and conservation-related matters for various publications including: authoring articles in *Journal AWWA*; being quoted in various newspaper articles including the *Los Angeles Times* and the *New York Times*. He has co-authored several industry guide books including *AWWA's Manual M1 Principles of Water Rates, Fees and Charges, 7th Edition*, *AWWA's Water Rates, Fees, and the Legal Environment, Second Edition*, and *Water and Wastewater Finance and Pricing: The Changing Landscape*. He is a member of the AWWA's Rates and Charges Committee. Mr. Gaur was a Peace Corps Volunteer in Bulgaria. He has MS in Applied Economics from UC Santa Cruz and an MPA/ID from the Kennedy School of Government, Harvard University.

TECHNICAL SPECIALTIES

- Proposition 218 Compliance
- Financial Analysis
- Cost of Service Studies
- Conservation Rate Design
- Capacity Fee Studies
- Cost Benefit Analysis
- Econometric Analysis

PROFESSIONAL HISTORY

Water Resources Economics, LLC
Principal Consultant
(2021-Present)

Raftelis Financial Consultants, Inc.
Vice President (2015-2021)
Senior Manager (2012-2014)
Manager (2009-2012)

Red Oak Consulting (2007-2009)
Munifinancial (2005-2006)
A&N Technical Services (1993-2003)

EDUCATION

Master of Public Administration
(2003) Kennedy School of
Government, Harvard University

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

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

RELEVANT PROJECT EXPERIENCE

- Alameda County Water District - *Financial Plan Study and Annual Updates, Conservation Tiered Rate Feasibility Analysis, Drought Rate Study, Water Cost of Service and Rate Study, and other Ad-hoc Support*
- American Water Company - *Water Rate Study*
- Borrego Water District - *Financial Planning Study, Groundwater Sustainability Plan, Water Rate Study, and Basin Management Evaluation*
- City of Calexico - *Water and Sewer Rate Study*
- City of Camarillo - *Water and Wastewater Rate Study, Financial Plan Study, and Cost of Service Study,*
- Carpinteria Sanitary District - *Sewer Rate and Fee Study*
- Castaic Lake Water Agency - *Wholesale Water Rate Study, Drought Rates, Rate Analysis, and Facility Capacity Fees*
- Central Basin Municipal Water District - *Financial Plan*
- City of Chino Hills - *Water Budget Rate Design, Financial Plan Study and Cost of Service and Rate Design*
- City of Chowchilla - *Water and Wastewater Rate Study*
- Coastside County Water District - *Water Rate Study*
- Contra Costa Water District - *Financial Plan Study, Water Rate Study and Drought Rates Study*
- City of Corona - *Water Budget Rate Study, Wastewater Capacity Fees Study*
- Cucamonga Valley Water District - *Financial Plan, Water Conservation Rate Study, and Drought Rates*
- East Bay Municipal Utility District - *Water and Wastewater Cost of Service and Rate Study*
- Eastern Municipal Water District - *Water Budget Study and Financial Plan Study*
- East Orange County Water District - *Water Budget Study, Sewer Capacity Fees Study, and Financial Plan Study*

- Elsinore Valley Municipal Water District – *Financial Mode, Drought Rate Analysis, Water and Recycled Water Rate Study, Capacity Fee Study, and Wastewater Rate Study*
- El Toro Water District - *Water Budget Study and Recycled Water Financial Plan Study*
- City of Escondido - *Water and Wastewater Rate Study and Capacity Fees Study*
- Fallbrook Public Utilities District - *Water, Wastewater and Recycled Water Rate Study*
- City of Glendora - *Water Budget Feasibility Study*
- City of Gridley - *Water Rate Study*
- Helix Water District - *Water Rate and Cost of Service Study*
- Hi-Desert Water District - *Water Rate Study*
- City of Hollister - *Sewer Rate and Impact Fee Study, Water Rates Study, and Capacity Fee Study*
- City of Huntington Beach - *Sewer Rate Study, Water Budget Rate Study, and Financial Plan Study*
- - *Water and Wastewater Rate Study*
- Indio Water Authority - *User Fee Study and Water Rate Study*
- Inland Empire Utilities Agency - *Conservation Rate Structure Workshop and Financial Plan Study*
- Inyo County Water Department - *Water Rate Study*
- Irvine Ranch Water District - *Conservation Study*
- Jurupa Community Services District - *Water Budget Study*
- La Habra Heights County Water District - *Wheeling Rate Study and Financial Plan Study*
- La Puente Valley County Water District - *Water Rate and Fee Study*
- Las Virgenes Municipal Water District - *Water Budget Rate Study, Water, RW and WW Financial Plan and Rate Studies, Capacity Fees Study*
- City of Livermore - *Water Cost of Service Study*
- City of Livingston - *Water Rate Study*
- City of Lomita - *Water Rate Workshop*
- City of Long Beach - *Water, Recycled Water and Wastewater Financial Plan and Rate Studies*
- Los Alamos Community Services District - *Water and Wastewater Rate Study*
- Los Angeles Department of Water and Power - *Daily Demand Estimates*
- City of Lynwood - *Cost Allocation Plan*
- City of Malibu - *Wastewater and Recycled Water Rate Study*
- Mammoth Community Water District - *Water Rate Study*
- City of Merced - *Water and Sewer Rate and Impact Fee Study*
- Mesa Consolidated Water District - *Financial Plan Study, Cost Comparison Study, Water and Recycled Water Cost of Service and Rate Design Study*
- Metropolitan Water District of Southern California - *Drought Allocation Model, Long Range Financial Plan, and Cost of Service Evaluation*
- Mill Valley – *Tamalpais Community Services District - Financial Plan Study*
- Mojave Water Agency - *Financial Plan Study, Financial Impact Analysis for Water Exchange and Leasing Programs and Water Reliability Rate Development*
- Modesto Irrigation District - *Stormwater Fee Study*
- Monterey Peninsula Water Management District - *Water Budget Study*
- Municipal Water District of Orange County - *Conservation Potential Study and Rate Study*
- City of Newport Beach - *Water Rate Study*
- City of Palo Alto - *Water Cost of Service and Rate Study*
- Pasadena Water and Power - *Water Cost-of-Service and Rate Design Study*
- Placer County Water Agency - *Cost of Service, Rate, and Financial Plan Study*
- City of Pomona - *Rate Study*
- City of Port Hueneme - *Water and Solid Waste Rate Study*
- City of Orange - *Water and Sanitation Rate Study*

Ichiko Kido, M.B.A.

QA/QC Consultant



TECHNICAL SPECIALTIES

- Financial Planning
- Cost of Service Analysis
- Rate Design
- Rate Comparison Analysis
- Housing Market Analysis
- Data Analysis
- Technical Report Review
- Survey Interviewing
- Statistical Analysis

PROFESSIONAL HISTORY

Robert D. Niehaus, Inc.
Senior Technical Advisor
(2022 – Present)
Program Manager
(2005 – 2022)

EDUCATION

Master of Business Administration (2014) Martin V. Smith School of Business & Economic, California State University, Channel Islands
Bachelor of Arts in Law (1989)
Fukuoka University, Japan

PROFESSIONAL MEMBERSHIPS

- American Water Works Association
- Association of California Water Agencies
- California Rural Water Association
- Association of California Water Agencies

OVERVIEW & BIOGRAPHY

Ms. Kido has 34 years of experience in utility financial planning. Ms. Kido advises RDN as a leading expert in developing rates and fees that meet Proposition 218 requirements and other laws and regulations. She is widely recognized as a leading consultant for designing conservation-based water rates, including budget-based rate designs. She also managed capacity fee charges throughout the state, ensuring the fees are compliant despite the dynamic regulatory landscape. Her expertise is founded upon her experience working with more than 200 water utilities throughout California. Ms. Kido is a member of the American Water Works Association (AWWA) and promotes best practices in the AWWA's *Manual M1 Principles of Water Rates, Fees and Charges* and the WEF *Manual of Practice Number 27*.

RELEVANT PROJECT HIGHLIGHTS

Costa Mesa Sanitary District, *Wastewater Rate Study 2022*

Costa Mesa Sanitary District provides sewer service for nearly 27,000 connections in Orange County, California. Costa Mesa SD retained RDN to complete a sewer collection rate study for \$29,500 which included a 5-year rate plan and long-term financial model. Ms. Kido, working for RDN, served as the project manager and principal contact for the rate study. Work was completed and the rates designed by RDN were approved in 2022.

Moulton Niguel Water District, *Cost of Service and Financial Plan Peer Review 2017 and 2022*

Moulton Niguel Water District provides water and sewer service for nearly 170,000 people in Orange County, California. Moulton Niguel WD retained RDN to complete a peer review for all of their internal rate and fee studies in 2021 for \$57,890 which included a review of the District's proposed rates for the next 5 years. Ms. Kido, working for RDN, served as the project manager and principal contact for the rate review, which was completed in 2022. Ms. Kido currently serves as a senior consultant for the capacity fee review, currently ongoing.

Rosamond Community Services District, *Water and Wastewater Rate Study 2021*

Rosamond Community Services District provides water and sewer service for over 5,000 accounts in Kern County, California. Rosamond CSD retained RDN to complete a Water and sewer rate study in 2020 for \$89,060 which included a long-term financial plan and a 5-year rate proposal. Ms. Kido, working for RDN, served as the project manager and principal contact for the rate study, which was completed in 2021.

ADDITIONAL PROJECT EXPERIENCE

- South Coast Water District, *Water, Recycled Water, and Sewer Rate Studies*
- City of Alhambra, *Water Rate Study*
- Montecito Sanitary District, *Wastewater Rate Study*
- Ventura River Water District, *Water Rate Financial Plan*

- Napa County – LBRID/NBRID, *Water and Wastewater Rate Studies*
- Quartz Hill Water District, *Water Rate Study*
- Redway Community Services District, *Water and Sewer Rate Studies*
- West Valley Water District, *Development Impact Fee Study*
- Mid-Peninsula Water District, *Capacity Fee Study*
- Timber Cove County Water District, *Water Rate Study*
- Riebli Mutual Water Company, *Water Rate Study*
- Palm Ranch Irrigation District, *Water Rate Study*
- City of Greenfield, *Water and Sewer Rate Studies*
- Chester Public Utilities District, *Water and Sewer Rate Studies*
- Lost Hills Utility District, *Water and Sewer Rate Studies*
- North Edwards Water District, *Water Rate Study*
- Mendocino City Community Services District, *Sewer Rate Study*
- Manatt, Phelps, and Phillips, LLC, *Water Rate Comparison Study*
- Lake County Sanitation District, *Sewer Rate Study*
- Wynola Water District, *Water Rate Review*
- Riverfront Mutual Water Company, *Water Rate Study*
- San Simeon Community Services District, *Sewer Rate Study*
- City of Loyalton, *Sewer Rate Study*
- Rand Community Services District, *Water Rate Study*
- Center Water Company, *Water Rate Study*
- Palmdale Water District, *Water Rate Study*
- Santa Clarita Valley Water, *Water Rate Review*
- West Valley Water District, *Construction Water Rate Study*
- Hi-Desert Mutual Water Company, *Water Rate Study*
- Apple Valley Heights County Water District, *Water Rate Study*
- Daggett Community Services District, *Water Rate Study*
- Mariana Ranchos County, *Water Rate Study*
- Apple Valley View Mutual Water Company, *Water Rate Study*
- Sheep Creek Water Company, *Water Rate Study*
- Thunderbird County Water District, *Water Rate Study*
- Juniper Riviera Community Water District, *Water Rate Study*
- West Valley County Water District, *Water Rate Study*
- Las Virgenes Municipal Water District, *Water Budget Model*
- Fremont Valley Preservation Project, *Water Rate, and Revenue Analysis Study*
- Golden State Water Company, *Comparative Water Rate Analysis*

JACOB THOMAS

PRINCIPAL, P. E.



CONTACT

- 770-425-8100
- Jacob.thomas@gdsassociates.com
- gdsassociates.com
- Marietta GA 30067

EDUCATION

- Master of Business Administration, Finance, Auburn University, 2006
- Bachelor of Science in Industrial Engineering, Cooperative Program, With Highest Honors, Georgia Institute of Technology, 2000

PROFESSIONAL AFFILIATIONS / CERTIFICATIONS

- Registered Professional Engineer in the State of Georgia
- American Statistical Association (ASA)

EXPERTISE

- Financial Forecasting
- Load Research
- Cost of Service Studies
- Retail Rate Design
- Economic Impact Analyses
- Benefit Cost Analyses

PROFESSIONAL EXPERIENCE

GDS Associates, Inc., 1996-Present
Principal

Jacob is a Principal at GDS Associates, working in our Distribution Services department. He has over 25 years of experience in data analytics and financial consulting, including load forecasting, load research, economic impact analysis, DSM impact evaluation, demand response potential analysis, financial forecasting, and retail and wholesale cost of service and rate design. Jacob has also been an expert witness or has been a subject matter expert working on behalf of various intervenors and public agencies in several states, has made presentations at regional and national conferences, and has performed training in the areas of cost of service and load forecasting.

PROJECT EXPERIENCE

- Developed conservation water and wastewater rates for municipals in Georgia. The rates were compliant with Metropolitan North Georgia Water Planning District guidelines. Analysis included development of revenue-neutral and rate increase inverted block designs, customer impact evaluations, and design of criteria for new large use commercial rates.
- Prepared financial forecasts for electric cooperatives in South Carolina, Virginia, Tennessee and Georgia, and for municipals in Arkansas and Pennsylvania. Work included regression analysis, review of current long-term debt situation, customer and demand forecasts, plant forecasts, and sensitivity analysis.
- Expert witness in a natural gas retail rate study in Michigan. Subject of testimony was weather normalization methodologies in forecasting.
- Assisted in development of wholesale rates for G&Ts in Indiana and Wisconsin. Work involved projections of cost pools and billing units, development of pro forma rates and impacts on member systems, evaluation of rate alternatives and riders, and considering the implications of an aggressive load management program.
- Designed cost of service models and performed retail rate analysis for municipals and cooperatives in Alabama, Alaska, Florida, Georgia, Massachusetts, Ohio, South Carolina, Texas, and Virginia. Specific work has included development of cost allocation factors in various areas of operation, calculation of impacts of rate changes to customers, determination of the company's financial competitive position, classification of plant investment and operating expenses, development of pro forma financial statements, and alternative rate design calculations.

RECENT GOVERNMENTAL RATE PROJECTS

- **Cleveland Public Power.** Assist in development of cost of service; develop financial forecast
- **Danville Utilities.** Revenue requirements, cost of service, and rate design activities for Danville's electric, gas, water, and wastewater utilities
- **North Little Rock Electric Department.** Cost of service development; retail rate design included development of new tariff structures
- **City of Chambersburg, Pennsylvania.** Cost of service and retail rate study
- **City of Ephrata, Pennsylvania.** Cost of service and retail rate study; financial forecast
- **City of Benton, Arkansas.** Cost of service and retail rate study, financial forecast



JACOB THOMAS

PRINCIPAL, P. E.

CONTACT

-  770-425-8100
-  Jacob.thomas@gdsassociates.com
-  gdsassociates.com
-  Marietta GA 30067

PUBLICATIONS

- ***Smart Grid Application Guide: Integrating Facilities with the Electric Grid.*** American Society of Heating, Refrigeration and Air-Conditioning Engineers.
- ***Distributed Energy Generation Compensation and Cost Recovery Guide.*** National Rural Electric Cooperative Association.
- ***AMP Focus Forward Member Toolkit: Preparing for Distributed Energy Future.*** American Public Power.
- "Residential Behavioral Program Persistence Effects in Pennsylvania." ***Summer Study on Energy Efficiency in Buildings.*** 2016. American Council for an Energy-Efficient Economy.

SOFTWARE/PROGRAMMING EXPERIENCE

Statistical Analysis System (SAS), Visual Basic, Microsoft Office, MetrixND forecasting software, Crystal Ball simulation software, IMPLAN Economic Input/Output Analysis software, Lotus 1-2-3, Word Perfect, Quatro Pro, OrgPlus, SQL, Minitab

REGULATORY EXPERIENCE

Michigan Public Service Commission, Case No. U-15701 – Michigan Consolidated Gas Company for approval of Gas Recovery Plan. GDS worked on behalf of the Attorney General of the State of Michigan. Mr. Thomas filed direct testimony in the area of weather normalization of gas sales. All witnesses were waived from cross-examination.

North Carolina Utilities Commission, Docket No. E-22 Sub 532 – Dominion North Carolina Power retail rate case. GDS worked on behalf of Nucor Steel – Hertford. Mr. Thomas filed pre-trial expert testimony discussing Cost of Service modeling. Mr. Thomas was not called to appear for cross examination in the case.

North Dakota Public Service Commission, Case No. PU-16-666 – Montana-Dakota Utilities retail rate case. GDS worked on behalf of the Public Service Commission Advocacy Staff. Mr. Thomas filed direct testimony touching on the areas of load research, cost of service, and retail rate design. The case was settled prior to the evidentiary hearing.

Utah Public Service Commission, Various IRP and Retail Rate Cases filed by Rocky Mountain Power.

Vermont Public Service Board, Docket No. 7440 – Petition of Entergy Vermont Yankee for Certificates of Public Good. GDS worked on behalf of the Department of Public Service. Mr. Thomas filed expert testimony analyzing the economic benefits to Vermont of the continued operation of the Vermont Yankee Nuclear facility. He attended the hearing and stood for cross examination in this case.



Anthony Elowsky, M.A.

W/RW/WW Lead



TECHNICAL SPECIALTIES

- Financial Planning
- Cost of Service Analysis
- Rate Design
- Database Management
- Rate Comparison
- Data Analysis
- Technical Report Review

PROFESSIONAL HISTORY

Robert D. Niehaus, Inc.

Project Manager/Analyst (2018-Present)

Market Researcher (2017-2018)

Dudek Environmental, Inc.

Field Technician (2016-2017)

EDUCATION

M.A. (2020) CSU, Fullerton

B.A. (2014) CSU, Los Angeles

PROFESSIONAL PRESENTATIONS

- *Wastewater Rate Changes and the Journey to Acceptance* California Rural Water Association Expo 2022, Stateline, NV. March.
- *Incorporating Customer Use Distributions when Calculating Drought Surcharges.* Paper presented at the ACWA Virtual Fall Conference, October 27-29, 2020.

OVERVIEW & BIOGRAPHY

Mr. Elowsky manages RDN's utility financial planning projects, including water and wastewater rate- and fee-setting studies. His expertise lies in water and wastewater financial planning, cost of service analysis, rate and fee design, and applied economic research. He manages water and wastewater rate studies, capacity fee studies, and builds customized financial models to help utilities meet their financial goals. He has also conducted comparative water rate analyses and compiled and analyzed data on water rates and financial information for more than 100 purveyors throughout California. He provides rate setting expertise to professional organizations for both water and wastewater concerns. Mr. Elowsky holds a bachelor's degree from California State University, Los Angeles as well as a master's degree from California State University, Fullerton.

RELEVANT PROJECT HIGHLIGHTS

Lake Arrowhead Community Services District, *Water & Wastewater Rate Study 2022*

Lake Arrowhead Community Services District provides water and sewer service for over 8,000 accounts in San Bernardino County, California. Lake Arrowhead CSD retained RDN to complete a water and sewer rate study in 2021 which included a long-term financial plan and a 5-year rate proposal for four separate utilities. Mr. Elowsky, working for RDN, served as financial analyst for the rate study, which was completed in 2022.

City of Lynwood, *Water and Wastewater Rate Studies, Ongoing*

The City of Lynwood provides water and sewer service for over 9,000 customers in Los Angeles County, California. The City of Lynwood retained RDN to complete a water and sewer rate study which included a 5-year rate plan and long-term financial model. Mr. Elowsky, working for RDN, serves as the project manager for the rate study. The project is ongoing.

Hilton Creek Community Services District, *Wastewater Rate and Connection Fee Study, 2023*

Hilton Creek Community Services District provides sewer service for over 500 connections in Mono County, California. Hilton Creek CSD retained RDN to complete a sewer rate and fee study which includes a 5-year rate plan, long-term financial model, and a capacity fee analysis. Mr. Elowsky, working for RDN, serves as the project manager and principal contact for the rate and fee study. The District held a successful Proposition 218 Hearing in June, 2023.

ADDITIONAL PROJECT EXPERIENCE

Jurupa Community Services District, *Comprehensive Cost of Services Study*
Victor Valley Wastewater Reclamation Authority, *Water and Wastewater Rate Studies*

City of Huntington Beach, *Sewer Rate Study*

City of Santa Ana, *Water and Sewer Financial Plans*

Costa Mesa Sanitary District, *Sewer Rate Study*

Moulton Niguel Water District, *Water Recycled Water, and Sewer Rate Review*

South Coast Water District, *Water, Recycled Water, and Sewer Rate Studies*
High Valleys Water District, *Water Rate Study*
City of Alhambra, *Water Rate Study*
Montecito Sanitary District, *Wastewater Rate Study*
Rosamond Community Services District, *Water and Wastewater Rate Study*
Ventura River Water District, *Water Rate Financial Plan*
Loleta Community Services District, *Sewer Rate Study*
Lone Pine Community Services District, *Wastewater Rate Study*
Greenfield County Water District, *Water Rate Study*
Napa County – LBRID/NBRID, *Water and Wastewater Rate Studies*
Quartz Hill Water District, *Water Rate Study*
Redway Community Services District, *Water and Sewer Rate Studies*
West Valley Water District, *Development Impact Fee Study*
Mid-Peninsula Water District, *Capacity Fee Study*
City of California City, *Water and Wastewater Rate and Capacity Fee Studies*
Timber Cove County Water District, *Water Rate Study*
Riebli Mutual Water Company, *Water Rate Study*
Palm Ranch Irrigation District, *Water Rate Study*
City of Greenfield, *Water and Sewer Rate Studies*
Chester Public Utilities District, *Water and Sewer Rate Studies*
Lost Hills Utility District, *Water and Sewer Rate Studies*
North Edwards Water District, *Water Rate Study*
Mendocino City Community Services District, *Sewer Rate Study*
Manatt, Phelps, and Phillips, LLC, *Water Rate Comparison Study*
Lake County Sanitation District, *Sewer Rate Study*
Wynola Water District, *Water Rate Review*
Riverfront Mutual Water Company, *Water Rate Study*
San Simeon Community Services District, *Sewer Rate Study*
City of Loyalton, *Sewer Rate Study*
Rand Community Services District, *Water Rate Study*
Center Water Company, *Water Rate Study*
Palmdale Water District, *Water Rate Study*
Santa Clarita Valley Water, *Water Rate Review*
West Valley Water District, *Construction Water Rate Study*
Hi-Desert Mutual Water Company, *Water Rate Study*
Apple Valley Heights County Water District, *Water Rate Study*
Daggett Community Services District, *Water Rate Study*
Mariana Ranchos County, *Water Rate Study*
Apple Valley View Mutual Water Company, *Water Rate Study*
Sheep Creek Water Company, *Water Rate Study*
Thunderbird County Water District, *Water Rate Study*
Juniper Riviera Community Water District, *Water Rate Study*
West Valley County Water District, *Water Rate Study*
Orosi Public Utility District, *Water and Wastewater Rate Study*

AMBER GSCHWEND

MANAGING DIRECTOR



a GDS Associates Company

CONTACT

- 425-665-1042
- Amber.gschwend@gdsassociates.com
- gdsassociates.com
- Redmond, WA 98052

EDUCATION

B.A., Economics, Western
Washington University, Minor in
English

M.A., Economics, Simon Fraser
University

PROFESSIONAL AFFILIATIONS/ CERTIFICATIONS

Northwest Public Power Association
(NWPPA)

International Association for Energy
Economics (IAEE)

Association of Women in Water,
Energy and Environment (AWWEE)

EXPERTISE

- Economic & Financial Analysis
- Benefit-Cost Analysis
- Econometric Modeling
- Electric Load Forecasting
- Community Choice Aggregation
- Utility Rate and Cost of Service
- Municipalization
- Regulatory Assistance
- Energy Efficiency Potential
Assessments
- Demand Response

PROFILE

Ms. Gschwend has over 15 years of analytical experience including 9 years of project management in economic and financial analyses. Amber has a wide range of economic and financial experience including benefit-cost analysis, econometric modelling, electric load forecasting, weather normalization of historic loads, end-use load forecasting, technical feasibility studies for municipalization and consumer choice aggregation. In addition, Amber has a broad range of experience in energy resource planning and rate making.

PROJECT EXPERIENCE

Washington State Department of Commerce Commercial Rooftop Agrivoltaic Benefit-Cost Analysis, 2022-2023

Project Manager

Developed a benefit-cost analysis study for commercial rooftop agrivoltaics (green roof plus solar photovoltaics) from the perspective of Washington State. The study analyzed the costs and benefits of commercial rooftop agrivoltaics including monetizing electric system benefits, reduced greenhouse gases, reduced or delayed stormwater runoff, and colocation benefits of solar and green roofs. Non-monetized benefits were described including reduced heat island temperatures, aesthetics, and impacts on vulnerable populations. The study findings were varied across the State's climate zones and the modeled building types. The results provided recommendations to Commerce for furthering climate action policies based on the study results and a review of existing programs nationally and abroad.

City of Aztec, New Mexico Utility Cost of Service and Rate Studies, 2022-2023

Project Manager

Worked closely with City staff and the City's power supply consultant to develop cost of service studies for electric, water, and wastewater. The City was in need of significant rate increases following a period of insufficient rate adjustments. The rate proposals allowed the City to move each utility, and rate classes within the utilities, to cost of service over a period of 5 years. Additionally, a stormwater utility was established to provide dedicated revenue for the City's needed stormwater projects. The project resulted in successful approval of rates by City Council after three workshops presenting the issues and proposed solutions.

Washington Public Utility Conservation Assessments, 2008-present

Project Manager

Managed model development for conservation potential estimates consistent with WA state requirements contained within RCW 19.285. Over 60 conservation potential assessments completed for WA state utilities assisting in target setting compliant with the Energy Independence Act and integrated resource planning.

Office of the Chehalis Basin, 2014-2020

Project Manager

Developed work plan and work group materials to develop economic analyses comparing various flood damage reduction potential in the Chehalis Basin. Oversaw development of HAZUS-MH modeling specific to the basin and various scenarios including Project Alternatives and No-Action conditions. Worked with a team of multidisciplinary consultants to develop meaningful economic analysis that considered various project impacts both economic and environmental. Prepared study results and reporting to aid state decision-makers in the decision to move forward with additional studies/processes (SEPA, NEPA PEIS and EIS)



AMBER GSCHWEND

MANAGING DIRECTOR

CONTACT

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-  gdsassociates.com
-  Redmond, WA 98052

PROJECT EXPERIENCE (continued)

Community Choice Aggregation *Technical Feasibility Studies* 2015-Present *Project Manager*

Completed several technical feasibility studies for local California governments. Presented study framework and results to stakeholders. Studies involved financial forecasts for proposed load serving entity, including power supply costs, and a comparison to forecast incumbent utility retail rates. Governance, implementation process, and financing requirements are also defined.

ACCOMPLISHMENTS

- Demonstrated successful management of projects requiring multidisciplinary approach with tight deadlines, budgets, while maintaining high work quality.
- Adept in program impact evaluations that produce informative results.

PUBLICATIONS

- Co-Authored *A Framework for Analyzing Marginal Costs of an Electric Utility*. FortisBC & EES Consulting, 2020



