



CITY COUNCIL AGENDA REPORT

Meeting Date: 4/1/2021

From: Stuart Schillinger, Assistant City Manager

Subject: Retain Lechowicz and Tseng to Complete the City of Brisbane and Guadalupe Valley Municipal Improvement District Water and Sewer Rate Study

Community Goal/Result

Community Prudent

Safe Community

Ecological Sustainability

Purpose

Ensure the City's water and sewer rates reflect the full cost of providing clean water and effective wastewater disposal to the various users while encouraging conservation of resources.

Recommendation

Direct the City Manager to sign an agreement with Lechowicz and Tseng to complete the water and sewer rate study for the City of Brisbane and Guadalupe Valley Municipal Improvement District.

Background

On August 13, 2001, the City Council discussed Ordinance No. 458, which set the process for determining future water and sewer rate increases.

Subsequent to passing Ordinance No. 458, the California Supreme Court ruled that water and sewer charges are property related and subject to Proposition 218, the Right to Vote on Taxes Act. As such, we are required to notify property owners regarding any increase and hold a public hearing at least 45 days later to allow time for community input. As a courtesy to our customers, we also notify renters of the forthcoming change in rates.

The last rate study the City had performed was in 2000. The City hired FCSG and Carollo Engineers to complete a rate structure study and Capital Improvement Plan. The City has been working from this rate study for the last twenty years. The City has taken the rates recommended in the Plan and adopted them based on need. The last operational rate increase went into effect in 2012. Additionally, the City has implemented its first capital improvement

Retain Lechowicz and Tseng to Complete the City of Brisbane and Guadalupe Valley Municipal Improvement District Water and Sewer Rate Study

charge to pay for bonds issued in 2015. This was the first of an anticipated series of Capital Rate Charges in order to pay for the water and wastewater Capital Improvement Plan. The plan is to sell bonds approximately every five years over 20 years. The bonds would have a duration of 20 years so after 20 years there will be a set Capital Charge that will only be reviewed to ensure it can continue to pay for the necessary Capital Improvements.

A drought reserve charge was implemented in 2019. This would ensure that during a drought the City would not need to raise rates as customers lowered their water usage as other water providers do.

The City has been able to keep operational rates constant due to an increase in usage among users and the use of one-time revenue sources (i.e. Connection fees).

City Council directed staff to begin the process of contracting for a new water and wastewater rate study on September 3, 2020. The anticipated cost of the study is \$65,000.

Staff received five proposals back and the Infrastructure Subcommittee interviewed the three firms which best met the needs of the City. Based on these interviews the Subcommittee is recommending that the firm of Lechowicz and Tseng will be able to meet the needs of the community the best.

Discussion

Staff reviewed the firm's proposal and based on discussion at the subcommittee worked with the firm to refine the proposal to meet our required time frame and needs for public meetings. The project is anticipated to be completed in September of 2021 in order to be able to begin the necessary Proposition 218 process and public outreach. It is anticipated that there will be two subcommittee meetings to discuss the progress of the study, two Council meetings to review the draft recommendations and the presentation of the final report. Prior to the presentation of the final report there will be a Public Workshop in order to ensure the study is adequately explained to the public prior to going to City Council. The firm will also be at the Proposition 218 Rate Hearing in order to answer any remaining public questions. The subcommittee felt that the selected firm would work best with our community.

The focus of this study is the water and sewer rate needed to cover the on-going operations of the utility. The City has an on-going plan to pay for its Capital Improvement Program. In 2015, the City Council adopted a plan to sell a series of \$5,000,000 bonds once every 5 years to be paid for through an installment of capital charges. The first of the four sets of bonds were sold in 2015 and the first of the four parts of the Capital Charge was approved by the City Council. Later this year the City anticipates selling the second of the series of bonds and place the second installment of the Capital Charge on the bill. After the 20 years the City will have placed

all four parts of the Capital Charge on the bill after that point the City will be able to fund its on-going Capital plan without significant increases in rates.

After the Study is completed, staff will present it to the City Council. If a rate increase is needed to pay for the on-going costs of the utility system, we will need to begin the Proposition 218 process. The process includes notifying all landowners and utility users of the proposed increase. There will be a 45-day waiting period between when we mail out the notification and when the City Council would hold a public hearing on the proposed rate. The public is able to speak at this hearing regarding the proposed rate. After the hearing, the Council will determine what will be done with the rate going forward.

Fiscal Impact

The agreement is for \$45,930, which will be paid for from the Utility Fund.

Measure of Success

The City is able to provide clean-safe drinking water and effectively disposes of wastewater as economically as possible while being financially sustainable.

Stuart Schillinger

Stuart Schillinger, Deputy City Manager

Clayton L. Holstine

Clay Holstine, City Manager

Attachment

Lechowicz and Tseng Proposal

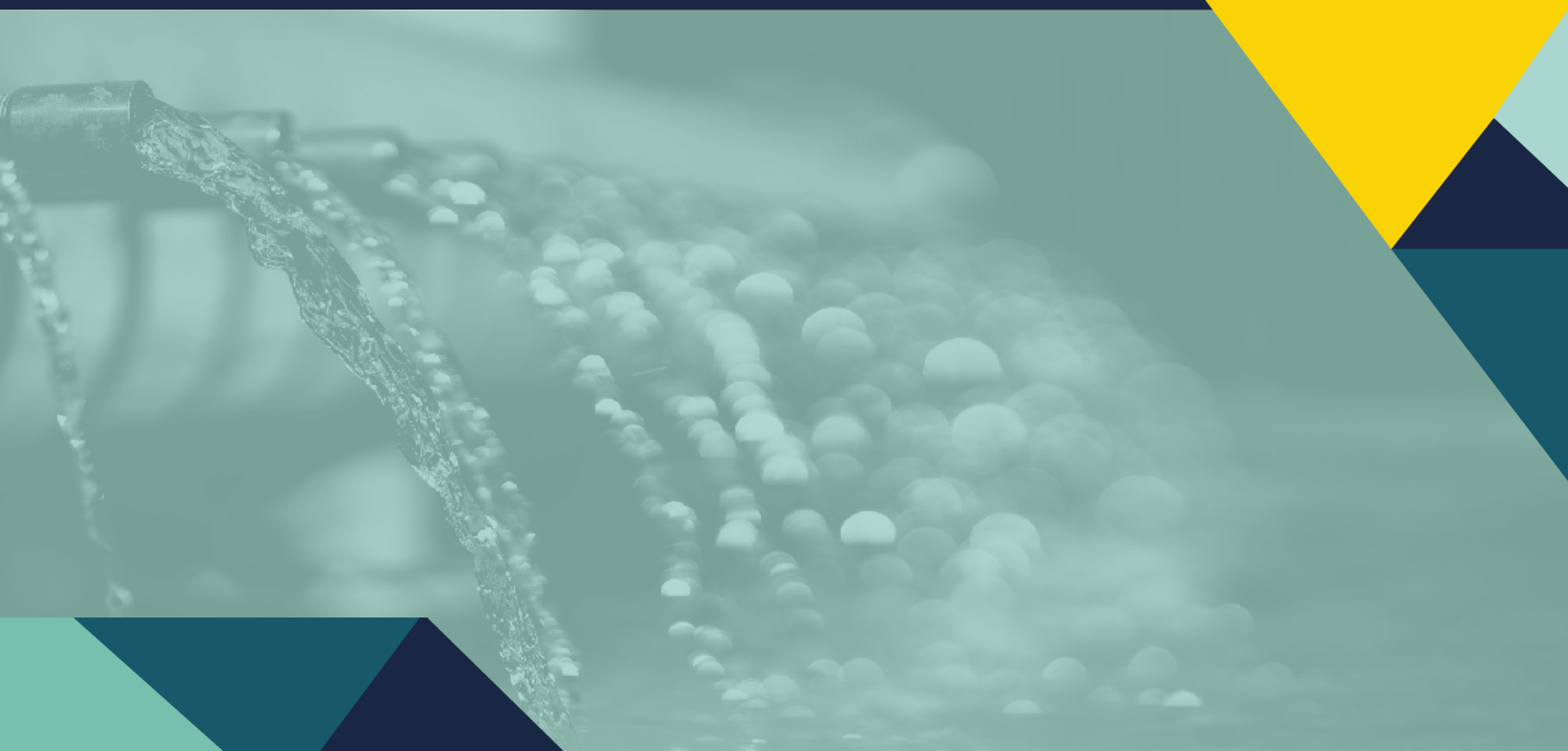


March 19, 2021

CITY OF BRISBANE

Proposal for a Water and Sewer Comprehensive Utility Rate Study

PO Box 3065 | Oakland, CA 94609 | (510) 545-3182 | www.LTmuniconsultants.com



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

March 21, 2021

Dear City of Brisbane (City),

Lechowicz & Tseng Municipal Consultants (L&T) is pleased to submit a proposal for the City's Water and Sewer Comprehensive Utility Rate Study. Lechowicz & Tseng provides financial planning, rate and fee studies, and management consulting to California utilities. We are a small firm that focuses on rate and fee studies for public agencies serving populations of 30,000 or fewer. Recent examples in Northern California include the Cities of Anderson, Chowchilla, Waterford, and the Town of Discovery Bay.

L&T understands how to manage the rate study process to avoid administrative burdens. Gathering documents, educating Board members, and overseeing public approval can be challenging. We will be your partner throughout the rate study and take the lead for each of these activities. Our staff members have completed dozens of studies for small agencies and are well-versed in the Proposition 218 approval process.

Funding the full cost of service is the primary concern of many public agencies. The last rate increases were in 2013, but the City has not completed a comprehensive rate study since 2001. Our study will focus on providing a justification for the water and wastewater rate structures while ensuring rates are adequate to provide for operating costs as well as the long-term rehabilitation of infrastructure. Our recommendations will set aside funds for capital needs while ensuring that revenues are sufficient to recover the full costs of providing water and sewer service.

Our clients appreciate the administrative support that we provide. We take the lead in data collection and analysis so as not to burden City staff. L&T emphasizes meeting legal requirements (propositions and court rulings) and the financial needs of utilities. We will provide draft recommendation tables and charts that are easy to understand and easy to implement. L&T will be your partner throughout the Proposition 218 process.

If you have any questions, please contact us.

Sincerely,
Lechowicz & Tseng Municipal Consultants, LLC



Catherine Tseng
Lechowicz & Tseng Municipal Consultants
510-858-9228

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SECTION I: EXECUTIVE SUMMARY

WHO WE ARE

Lechowicz & Tseng Municipal Consultants is a women-owned firm founded by Alison Lechowicz and Catherine Tseng. Our objective is to provide financial consulting and management services to local governments. Alison and Catherine have over 20 years combined experience in municipal consulting and public finance. Catherine has a background in urban planning and worked for the City of Oakland before becoming a consultant. Alison has experience working for a civil engineering firm and a background in public administration.

We have completed over 100 studies compliant with Propositions 218 and 26. Our recent experience includes completing similar projects for the Cities of Kerman, Chowchilla, San Fernando, and Waterford, the Town of Discovery Bay and the Templeton Community Services District, among others.

Nature of firm: women-owned firm serving utilities exclusively located in California

Type of ownership: limited liability company (LLC)

Services: Utility Rate & Fee Studies, Financial Planning, Capacity Fee Studies, Utility Appraisal, Expert Witness, Public Approval Process

Size of firm: three staff members

Location of office: Oakland, CA

Management staff: Alison Lechowicz and Catherine Tseng

Registrations: Small business enterprise

Women-owned business

Municipal advisory firm registered with the Municipal Securities Rulemaking Board and the Securities and Exchange Commission

Other languages spoken by staff: Spanish

Environmental practices: default duplex printing, printer ink refilling (i.e. no new cartridges), LED lighting, and “sleep” mode for electronics

PROJECT OVERVIEW

L&T's objective for this rate study is to provide compliance with legal requirements while ensuring that the City's water and wastewater utilities are self-sufficient. We are proponents of simplicity and respecting the current financial and political climate. The City's last water and sewer rate studies were completed over 20 years ago with the last rate increases implemented in 2013. Since then, changes in legislation have resulted in many agencies having to make modifications their rate structures. Moreover, more stringent regulations and aging infrastructure require increased operating expenses and capital investment.

Our study will also include a comprehensive review of each utility's finances, including operating costs, reserves funds, and capital funding needs to ensure that the water and sewer rates cover the full cost of providing service. We understand that the City would like a thorough review of its water and sewer rates for the City's utilities as well as the Guadalupe Valley Municipal Improvement District (GVMID). We will focus on establishing a cost basis for the water tiers to ensure that the City is recovering its costs for purchasing SFPUC water. For sewer, we will update the sewage strength amounts and customer categories. We will evaluate rate structure modifications, assess the financial and other impacts of any changes, including the impacts to customers, and recommend adjustments if warranted. In addition, we will develop water and sewer rates for the Bayland Community once the Specific Plan is complete.

Our approach to our work is simple – we roll up our sleeves and get the job done. When initiating a project, it's impossible to know every twist and turn an assignment may take. Unexpected issues may arise, out of scope tasks may be required, and political sensitivities may become uncovered. L&T strives to be flexible and responsive to our clients. We remain available to take on additional tasks, coordinate between departments, agencies, and contractors, attend evening meetings, make presentations, and provide clerical support such as printing and mailing of public notices. Successful projects consist of both major deliverables and many small administrative tasks. Lechowicz & Tseng maintains high client satisfaction because we take responsibility for all aspects of our assignments.

RECENT EXPERIENCE WITH SIMILAR AGENCIES

L&T staff have delivered rate studies to a wide range of water and wastewater utilities throughout the State. Provided below is a selection of our staff's recent experience serving agencies of similar size and project scope to Brisbane. Detailed project references are provided in Section 6 of this proposal.

AGENCY	ACCOUNTS OR PARCELS	PROJECT
Nipomo CSD (Blacklake)	560	Blacklake Sewer Rate Study (2018)
McMullin Area GSA	1,150	Groundwater Fee Study (2018)
City of Winters	2,200	Water and Sewer Rate Study (ongoing)
City of Waterford	2,500	Sewer Rate Study (2019)
Templeton CSD	2,800	Water and Sewer Rate Study (2018)
City of Tehachapi	3,000	Water and Sewer Connection Fee Study (2020)
City of Anderson	3,500	Water Rate Study
City of Kerman	3,800	Water and Sewer Rate Study (2018)
City of Chowchilla	3,900	Utilities Rate Study (2020)
Rio Linda/Elverta CWD	4,600	Water Rate Study (ongoing)
City of San Fernando	5,000	Water and Sewer Rate Study (2019)
Town of Discovery Bay CSD	6,200	Water and Wastewater Rate Study (2020)
Root Creek Water District	6,800	Multiple studies since 2017

CSD – Community Services District; CWD – Community Water District, GSA – Groundwater Sustainability Agency

CONTACT INFORMATION

Catherine Tseng will serve as the Principal-in-Charge and main contact person. All other staff is available to assist with the project. Lechowicz & Tseng is registered with the Municipal Securities Rulemaking Board (MSRB) and Securities and Exchange Commission (SEC) as a municipal financial advisory firm. Alison holds the Series 50 and Series 54 Municipal Advisor Representative and Principal qualifications.

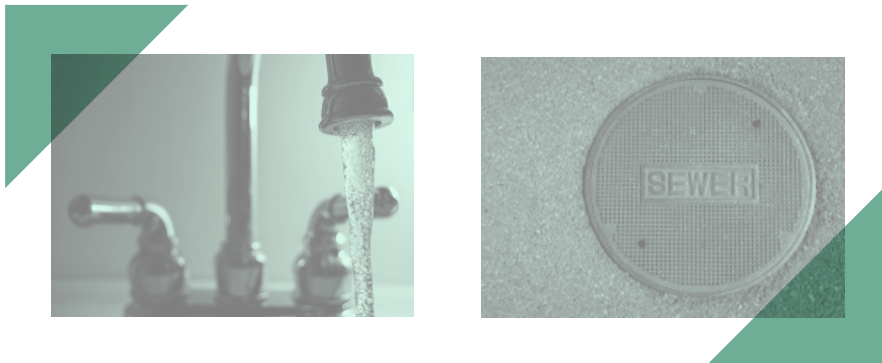
Catherine Tseng, Principal
Lechowicz & Tseng Municipal Consultants
PO Box 3065
Oakland, CA 94609
510-858-9228
catherine@LTmuniconsultants.com

Our attached proposal to conduct the utility rate study is valid for 90 days. If you have any questions, please contact us. Thank you for your consideration.

Sincerely,



Catherine Tseng
Principal and Authorized Representative



SECTION 2: KEY PERSONNEL

Catherine Tseng will serve as the Principal-in-Charge and main contact person. Alison Lechowicz will provide peer review and Sophia Mills will serve as financial analyst. Detailed past project lists and resumes are included. No subconsultants are needed for this assignment.

Catherine Tseng

PRINCIPAL – MAIN CONTACT PERSON



QUALIFICATIONS

15 years consulting experience
Master of Urban Planning
Bachelor of Architecture

Project Manager

Funding alternatives and cash flow projection
Rate and capacity charge recommendations
Public presentations

Alison Lechowicz

PRINCIPAL

QUALIFICATIONS

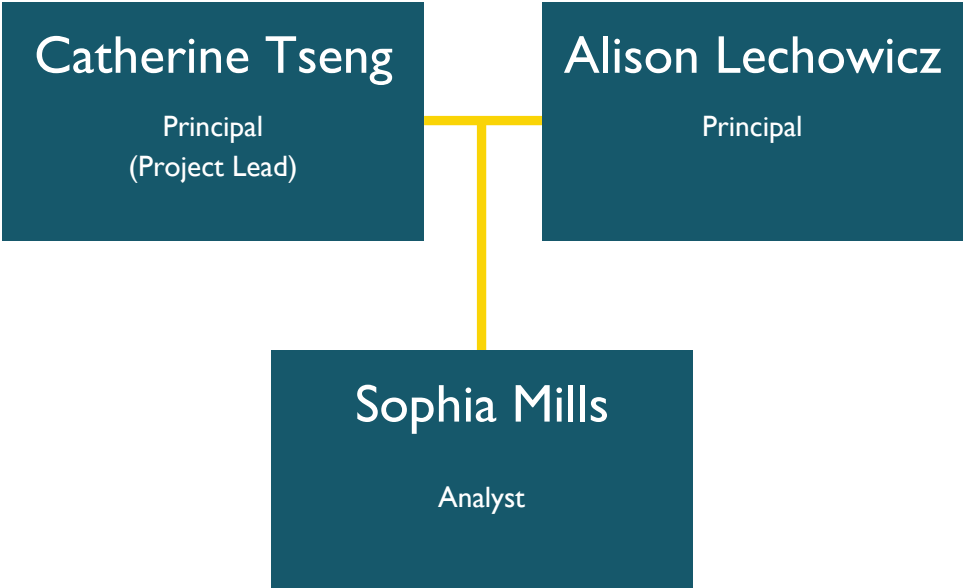
14 years consulting experience
Master of Public Administration
Testified as an expert witness at the CA Public Utilities Commission
Series 50 – Municipal Advisor Representative Qualification
Series 54 – Municipal Advisor Principal Qualification

Peer Review

Methodological review
Debt capacity review
Review of draft and final reports



Organizational Chart



Catherine Tseng



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PO Box 3065
Oakland, CA 94609

EXPERIENCE

- 4 years Co-founder and Principal at L&T Municipal Consultants
- 10 years prior consulting experience: Vice President at Bartle Wells Associates
- 2 years civil servant: City of Oakland
- Specializes in utility rates, capacity charge, and financing plans for public works projects, and Proposition 218 compliance

EDUCATION

- **Columbia University**
Master of Urban Planning
- **University of California, Berkeley**
Bachelor of Arts
Architecture

REPRESENTATIVE ASSIGNMENTS

City of San Fernando: Water and sewer financial plan and rate study and Proposition 218 printing and mailing. Offered rate options to meet affordability criteria including funding of only high priority projects.

City of Davis: Water financial plan and rate study assessing various conservation-oriented water rate structures and developed drought surcharge. Worked closely with citizens' advisory committee to develop recommendations to City Council.

City of Vacaville: Cost of service water rate study to eliminate operating deficit and implemented water conservation surcharge to recover lost revenue.

City of Chowchilla: Completed a water, sewer, storm drain, and solid waste rate study. Rates will support the City's recent bond issuances and overcome prior deficit spending for the solid waste enterprise.

Sausalito-Marin City Sanitary District: Wastewater Facilities Financial Plan to fund capital projects and reconcile past expenses. Developed multiple funding strategies for contract negotiations with a partner agency.

City of Menlo Park: Water rate study to fund wholesale water rate increases and drought surcharge implementation. Water capacity charge study.

Provided below is a sampling of Catherine Tseng's project experience since 2006.

CLIENT	PROJECT	DATE COMPLETED
Alameda County Water District	Water Development Fee Study	January 2012
City of Anderson	Water and Sewer Rate Study	February 2021
Armona Community Services District	Water and Sewer Rate Study	March 2008
City of Benicia	Raw Water Rate Study and Update Water Rate and Connection Fee Study and Update Drought Rate Study	August 2013 and Sept 2015 February 2013 September 2014
Big Bear Area Regional Wastewater Agency	Wastewater Rate Study	
Big Bear City Community Services District	Water, Sewer, and Solid Waste Rate Study	May 2015
City of Chowchilla	Water, Sewer, Storm Drain, and Solid Waste Rate Study	June 2020
Coastside County Water District	Water Financing Plan Water Rate Study	August 2009 January 2010
Crestline Sanitation District	Wastewater Rate Study	June 2015
City of Davis	Water Rate Study Water Rate Study Update	March 2013 September 2014
Diablo Water District	Water Bond Financing Bond Refinancing	August 2010 April 2013
El Dorado Irrigation District	Development Impact Fee Study Water Rate Study	October 2008 January 2009
Elk Grove Water District	Water Financial Plan and Rate Study	December 2007
Fairbanks North Star Borough	Bond Refinancing	November 2011 and September 2013
City of Glendale	Water Rate Study	May 2015
Town of Hillsborough	Water and Sewer Rate Study	December 2006
City of Hanford	Water Financing	December 2007
Humboldt Bay Municipal Water District	Water Financial Plan	April 2011
Indian Wells Valley Water District	Water Rate Study Bond Financing Water Rate Cost of Service and Development Impact Fee Study	January 2007 August 2009 January 2012 and 2015
City of Menlo Park	Water Rate Study Recycled Water Analysis	May 2015 October 2015
Mid-Peninsula Water District	Water Rate Study	June 2015

CLIENT	PROJECT	DATE COMPLETED
Montara Water & Sanitary District	Water and Sewer Rate Studies	Multiple studies since 2006
Montecito Water District	Drought Rate Study	February 2015
Novato Sanitary District	Bond Financing	October 2011
Olivehurst Public Utilities District	Water Rate Study and Updates	2007, 2009 and 2014
City of Patterson	Water and Sewer Rate and Capacity Fee Studies	Multiple studies since 2010
Riverdale Public Utilities District	Water and Sewer Rate Study	June 2008
Root Creek Water District	Financial Policy Manual	July 2017
Running Springs Water District	Water, Sewer, Fire and Ambulance Rate Studies	July 2010
City of San Bruno	Water and Sewer Rate Study	April 2012
City of San Fernando	Water and Sewer Rate Study	December 2019
Sanitary District No. 5 - Tiburon	Financial Review	September 2013
Sausalito-Marín City Sanitary District	Wastewater Facilities Financing Plan	May 2016
Selma Kingsburg Fowler Sanitation District	Capital Improvements Program Study	March 2008
Solano County Water Agency	Reserve Fund Study	May 2007
Sonoma County Water Agency	Sewer Service Charge and Volumetric Sewer Rate Study	August 2012
City of Tulare	Bond Financing	2010, 2012, 2013, and 2015
Union Sanitary District	Sewer Capacity Fee Study	October 2010
City of Vacaville	Water and Drought Rate Study	October 2015
Town of Yountville	Water and Sewer Rate Study Recycled Water Rate Study	February 2011 April 2012

Alison Lechowicz



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PO Box 3065
Oakland, CA 94609

EXPERIENCE

- 14 years consulting experience: 4 years Co-founder and Principal at L&T Municipal Consultants, 7 years as Principal and Financial Analyst at Bartle Wells Associates, 3 years as Financial Analyst at Carollo Engineers
- Testified as an expert witness at the CA Public Utilities Commission in electric rate cases of Pacific Gas & Electric, Southern California Edison, and San Diego Gas & Electric
- Municipal Securities Rulemaking Board, Series 50 – Municipal Advisor Representative
Series 54 – Municipal Advisor Principal

EDUCATION

- **Columbia University**
Master of Public Administration
- **University of California, Berkeley**
Bachelor of Science
Conservation & Resource Studies

REPRESENTATIVE ASSIGNMENTS

City of Kerman: Completed a water and sewer rate study for the City. Updated winter water use estimates for single family residential sewer rates. Phased-out discounts for multifamily sewer customers.

Town of Discovery Bay: Long-serving financial consultant for the Town having conducted multiple water and sewer rate studies and capacity fee studies. Assisted the Town in recovering costs for new wastewater regulatory requirements.

Root Creek Water District (Madera County): Financial plan for the District's groundwater basin and agricultural water service. Water, sewer, and storm drain rates and development fees for municipal service.

Stege Sanitary District (Contra Costa County): Sewer rate and connection fee study. Conducted extensive review of water usage patterns to determine flow rates of customer classes. Proposed a 5-year phase-in for a new multifamily rate.

Templeton CSD (San Luis Obispo County): Completed a water and sewer rate study. Conducted an analysis of the District's four water sources, determined the marginal cost of each source, and assigned each source to a water rate tier. Evaluated the transition of the District from regional wastewater treatment to local treatment.

City of Tehachapi: Water and wastewater connection fee study. The wastewater fee study included localized fees for various sewer trunk lines throughout the City. Currently conducting a parks and recreation development impact fee study as well as a civic impact fee study based on a 20 year planning horizon.

Provided below is a sampling of Alison Lechowicz’s project experience since 2010. Prior to 2010, Ms. Lechowicz worked for a civil engineering firm conducting financial analysis for master plans.

CLIENT	PROJECT	DATE COMPLETED
City of Alameda	Sewer Financial Plan and Rate Study	May 2015
City of Anderson	Water and Sewer Rate Study	Ongoing
Town of Apple Valley	Water System Acquisition Feasibility Analysis	July 2011
City of Berkeley	Sanitary Sewer Rate Study	June 2015
City of Carmel-by-the-Sea	Bond Refinancing	October 2010
CA City County Street Light Association	Rate economist and expert witness	March 2010 to present (ongoing)
City of Chowchilla	Water, Sewer, Storm Drain, and Solid Waste Rate Study	June 2020
City of Chula Vista	Wastewater Capacity Fee Study Salt Creek Sewer Basin Impact Fee Study Depreciation Review	May 2014 June 2015 July 2018
City of Clovis	Water User Rates and Fee Study	February 2016
City of Colfax	Sewer Rate Affordability Review	June 2010
City of Colusa	Development Impact Fee Study Water System Valuation	June 2011 September 2014
Contra Costa Water District	Water Rate Study	February 2015
City of Cotati	Water and Sewer Rate Study	February 2013
Town of Discovery Bay	Water and Sewer Rate and Capacity Fee Studies	Multiple studies since 2012
City of Emeryville	Sewer Rate Study	November 2016
City of Hemet	Water and Sewer Rate Studies and System Valuations Water Fund Rental Fee Analysis	July 2015 August 2018
Home Gardens Sanitary District	Sewer Rate and Capacity Fee Study	May 2015
Indian Wells Valley Water District	Bond Refinancing	December 2012
Irish Beach Water District	Capital Improvement Assessment	March 2011
City of Kerman	Water and Sewer Rate Study	October 2018
Kings River E. GSA	Groundwater Fee Study	February 2018
City of Lancaster	Streetlight Valuation	June 2014
City of Lindsay	Water Rate Study	June 2015
McMullin Area GSA	Groundwater Fee Study	June 2018

CLIENT	PROJECT	DATE COMPLETED
Napa Berryessa Resort Improvement District	Water and Sewer Assessment	July 2012
Newhall County Water District	Water Rate Litigation Support	November 2012
Nipomo CSD	Blacklake Sewer Rate Study	January 2019
Novato Sanitary District	Capacity Fee Study Sewer Rate Study	March 2016 April 2016
City of Palmdale	Sewer Service Charge Analysis	May 2011
City of Rio Dell	Wastewater Rate Study	May 2014
Rio Linda Elverta Community Water District	Water Rate Study	Ongoing
Root Creek Water District	Water, Sewer, and Storm Drain Rate Study and Financial Plan On-call consulting services	April 2016 Ongoing
San Diego County Water Authority	Cost Allocation Review	May 2011
City of San Fernando	Water and Sewer Rate Study	December 2019
San Joaquin County	Utility Appraisal	November 2018
City of Santa Clarita	Sewer Maintenance Feasibility Study	June 2014
Saticoy Sanitary District	Bank Loan Financing	September 2013
South Tahoe Public Utility District	Sewer Bond Refunding	September 2012
Stege Sanitary District	Multiple sewer rate and connection fee studies	Multiple studies since 2010
Sunnyslope County Water District	Water and Sewer Bond Refinancing	October 2014
Tahoe Truckee Sanitation Agency	Sewer Fee Ordinance Review	May 2010
City of Tehachapi	Water and Sewer Connection Fee Study Parks and Civic Impact Fee Study	February 2020 ongoing
Templeton CSD	Water and Sewer Rates and Capacity Fee Study Parks and Fire Impact Fees	November 2018
Triunfo Sanitation District	Water Infrastructure Financing Automated Meter Financing	February 2011 May 2014
Tulare Lake Drainage District	Project Financing Project Financing	March 2012 January 2013
City of Waterford	Sewer Rate Study	June 2019
City of Winters	Water and Sewer Rate Study	Ongoing

Sophia Mills



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EDUCATION

- **Davidson College**
Bachelor of Arts
Economics, Spanish
- **Foothill College**
Certificate in GIS Technology
Expected Fall 2020

OTHER SKILLS

- Fluent in Spanish
- Proficient in Python 2.7, SAS (statistical analysis software), ArcGIS, HTML, and CSS

REPRESENTATIVE ASSIGNMENTS

Town of Discovery Bay CSD: Water and sewer rate study. Assisted the Town in rate updates to accommodate new wastewater regulatory requirements and capital project funding.

City of Winters: Currently completing a water and sewer rate study to fund capital projects and meet ongoing debt service obligations. Developing new sewer rate structure to facilitate rate collection from various customer classes.

City of Anderson: Conducting a water rate study to address depleting reserves. Analyzing multiple rate scenarios to minimize impacts to customers.

Rio Linda Elverta CWD: Currently conducting a water rate study to develop new conservation-oriented water rate structure.

City of Tehachapi: Currently conducting a parks and recreation development impact fee study as well as a civic impact fee study based on a 20 year planning horizon.

SECTION 3: PROPOSED FEE

BUDGET

The following table outlines Lechowicz & Tseng Municipal Consultants' proposed budget for this study. We remain flexible to add or subtract tasks and adjust the budget accordingly.

PROJECT TASKS	HOURS			Total	BUDGET
	Tseng	Lechowicz	Mills		
	Project Mgr	Peer Review	Financial Analyst		
	\$195/hour	\$195/hour	\$95/hour		
1. Data Gathering	10	0	16	26	\$3,470
2. Financial Plan	20	4	18	42	\$6,390
3. Cost Allocation	20	4	28	52	\$7,340
4. Rate Design	34	6	40	80	\$11,600
5. Report & Model	22	8	32	62	\$8,890
6. Meetings & Presentations	24	4	24	52	\$7,740
Subtotal	130	26	158	314	\$45,430
Estimated Expenses					\$500
TOTAL PROJECT BUDGET					\$45,930

BILLING RATE SCHEDULE 2021

Lechowicz & Tseng's hourly rate is \$195 for principals and \$95 for staff analysts. No subconsultants are needed for this assignment. The professional time rate includes all overhead and indirect costs. Direct expenses incurred on behalf of the client will be billed at cost. Direct expenses include, but are not limited to:

- Travel, meals, lodging
- Automobile mileage (IRS rate)
- Printing and report binding
- Courier services and mailing costs
- Outside software development
- Special legal services

SECTION 4: SCOPE OF SERVICES & SCHEDULE

PROJECT APPROACH

We have an excellent track record of completing assignments on-time. All work will be conducted by Alison Lechowicz and Catherine Tseng. No subconsultants are needed for this assignment. L&T will be responsible for all project analysis and the preparation of meeting and presentation materials for project team and Council meetings.

During project initiation, we will finalize the schedule and set deliverables by working backwards from your desired Proposition 218 hearing date. Our project management approach is to provide regular check-ins to present draft calculations to staff. As the project moves into the public sphere, L&T will coordinate closely with staff, City Councilmembers, and legal counsel to finalize our documents. Our requested interaction with the project team is as follows:

- Response to L&T's data request
- Response to follow-up questions
- Review of reports and presentations
- Attendance at kickoff and progress meetings
- Input regarding L&T's methodological approach
- Coordination of public workshops

SCOPE OF SERVICES

For the sake of brevity, we have provided a high-level overview of our scope of services below. We used the City's scope as a starting point and this section elaborates on our workflow and project approach.



Task 1:
Data Gathering



Task 2:
Financial Plan



Task 3:
Cost Allocation



Task 4:
Rate Design



Task 5:
Baylands
Community



Task 6:
Report &
Model



Task 7:
Meetings &
Presentations



Task 8:
Public
Outreach

Task 1 – Project Kickoff and Data Gathering

Kickoff Meeting

L&T will meet (via telephone or video conference) with City staff for a project kickoff meeting to review study goals, milestones, identify project team members, and determine roles and responsibilities.

Data Gathering

Assemble the necessary data to complete the study. The goal is to understand each utility's financial standing, current rate structure, and utility billing information. A data needs list will be provided to the City prior to the kickoff meeting including (but not limited to):

- Recent budgets and audits
- Current fund balances
- 3 years of utility billing data
- Existing debt service schedules
- Agreements with SFPUC and other agencies
- Projected capital improvement costs

Task 2 – Financial Plan

Determine Annual Revenue Requirements

As a first step, L&T will review current revenues. With staff input, we will estimate future operating and capital expenditures to estimate annual revenue needs. We will factor in projections of growth, repairs and replacements, cost escalation, sewer flows, conservation, regulatory compliance, and operational changes to ensure that all future expenses are included. L&T will work with staff to determine appropriate inflationary increases. Key items for review include retirement contributions and staffing costs, regulatory-driven projects, deferred maintenance, and rate stabilization funding.

Review Reserve Fund Targets

This subtask involves reviewing the current operating reserve balances and reserve targets. Our analysis will focus on the operating reserve and will review projected operating expenses, costs related to emergencies, and debt service reserves. If requested by the City, our study can also review the capital reserve fund targets which would include a review the age and condition of the system, annual depreciation costs, and estimated replacement expenses.

Evaluate Debt Service Coverage

L&T will review budgets, audits, and bond disclosure documents to understand current debt obligations. We will determine current coverage ratios based on net operating revenues compared to annual debt service expenses. Our final rate recommendations will include projections for the City to meet its coverage requirements each year.



Review Capital Improvement Needs

If requested by the City, our cash flow analysis will incorporate infrastructure projects identified by Capital Improvement Plans, including repairs and replacements and deferred maintenance.

Develop Cash Flow Projections & Rate Increases

Annual revenue requirements and capital funding needs will be used to develop long-term cash flow projections summarizing the financial position of each utility over the next 5 years. The cash flow projections will estimate annual rate increases needed to meet annual revenue requirements, debt obligations, and reserve fund targets. L&T will incorporate rate sensitivity analysis to determine financial impacts under various scenarios, including modeling the impact of drought conditions and cash versus debt funding projects.

Sensitivity Analysis

Based on input from the project team, L&T will incorporate rate sensitivity analysis to determine affordability. We will determine rate impacts under various scenarios, possibly including cash funding of projects, debt funding of projects, high sewer treatment costs vs. low treatment costs, water cutbacks, etc. Sensitivity analysis can often become an iterative process. L&T is flexible to run additional scenarios as needed.

Task 3 – Cost Allocation

Evaluate Customer Billing Data

The evaluation of customer billing data is a critical task that will inform our final rate design recommendations. We will evaluate historical and current water consumption patterns, wastewater

flow, pollutant loading, and other billing data to estimate future use of the utilities. Key subtasks include the evaluation of:

- Amount of water use in each tier
- Water consumed in the base fee/water allotment
- Revenue collected from fixed vs. volume rates
- Potential impacts of future conservation or drought conditions
- Comparison of water usage statistics between the two service areas

Functionalize Costs

Functionalization is the allocation of expenses and asset data by major operating activities for each utility, including water supply, peak pumping, treatment, storage, transmission, overhead, and administration. Sewer categories will consist of customer service, flow, BOD and TSS. Another aspect to this task is the allocation of costs to fixed and variable categories – this will help us make rate recommendations regarding revenue collection from fixed vs. volume rates.



Allocation to Customer Classes

After costs have been categorized by function, the costs are then allocated to each customer class based on water demand and sewer flow and loading characteristics. The result produces fixed and variable revenue requirements for each class which can be recovered via fixed charges and volume rates. If there are distinct differences in water and sewer usage patterns between the two service areas, L&T may recommend separate rate structures for

each. The allocation to customer classes will be based on American Water Works Association best practices and meet the proportionality requirements of Proposition 218.

Task 4 – Rate Design

Survey of Local Rates

We will prepare a survey comparing each utility's current and proposed bills for each service area to other local agencies. The survey will be summarized in tables and charts that can be used for outreach, presentations, and the final report.

We will also prepare a bill comparison for different levels of water use and different customer classes. The final list of surveyed agencies will be determined by the project team.

Assess Current Rate Structure and Customer Classifications

Review current rate structures and customer classifications for each zone to assess the advantages and disadvantages of the existing systems and to determine compliance with industry standards, court rulings, and statewide water conservation goals.

While compliance with Proposition 218 will guide all our recommendations, additional criteria may include: the impact on customer bills, public understanding, revenue stability, ease of implementation, compatibility with the existing billing system, and staff effort needed for administration.

Identify Rate Alternatives

Based on the criteria developed with staff and the cost of service analysis, we will identify alternatives or modifications to the current water and wastewater rate structures. Water rate options could include adjusting the number of tiers and/or modifying the tier breakpoints. Additionally, we will evaluate the impact of increasing the fixed monthly charges. Wastewater options could include increasing the variable charges and updating the commercial strength categories. L&T will fully document all underlying flow and pollutant loading estimates used in our analysis. We will also compare our estimates and recommendations with those used by other local entities. We will discuss the advantages and disadvantages of each option.

Bill Impacts

Based on the recommended rates, we will calculate bill impacts for a sample of typical customers including both residential and non-residential customers and low and high water use/discharge customers. We will calculate the impacts to ratepayers, and if needed, develop an implementation plan to phase-in adjustments.

Develop Rate Recommendations

Based on the recommended rates, we will calculate the bill impacts for a sample of typical customers including both residential and non-residential customers and low and high water use customers. We will calculate the impacts to ratepayers, and if needed, develop an implementation plan to phase-in adjustments.

Task 5 – Report and Model

Submit a draft summary report for City staff to review based on preliminary findings. The report will summarize recommendations and discuss key alternatives when applicable. The final report will reflect input received on drafts. Our reports are intended to serve as the administrative record for the City and will be compliant with Propositions 218 and 26. All study materials including the final Excel-based financial model will be submitted to the City in their native format (Word, Excel, Powerpoint, etc.). L&T focuses on straightforward reports and models that easily convey information. L&T's materials do not contain any proprietary information or specialized software.

Task 6 – Meetings & Presentations

L&T proposes six (6) in-person meetings for the rate study, including meetings with subcommittees, workshops/presentations to the City Council, and attendance at the Proposition 218 hearing. L&T will provide draft PowerPoint files to staff for review before our presentation materials are made public. Topics will include rate study methodology, draft results, funding challenges, and legal requirements. Additionally, we propose one kickoff meeting and two progress meetings with the project team via remote meetings and/or teleconferences. Supplementary in-person meetings can be included at an additional cost.

Task 7 – Proposition 218 Public Outreach

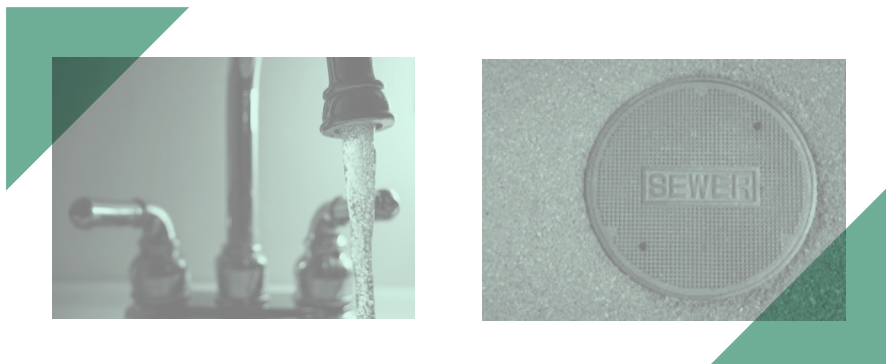
Public Outreach

Work with the project team on public outreach strategy. We recommend meeting with interested stakeholders early in the process to hear concerns and clearly explain the need for fees. We find that when the ratepayers understand the need for the fees and the basis of costs they are more accepting of

increases. As requested, we will draft public notices, newsletters, and web or social media postings as appropriate. L&T is happy to assist staff and lead public presentations.

DELIVERABLES

- Data request list
- Kickoff meeting
- Virtual progress meetings with staff and action items distributed to the project team
- Identification of capital improvement expenses and allocation of costs
- Debt coverage projection
- Cost estimates for wholesale water purchases from the SFPUC
- Review of prudent operating reserves and recommended reserve fund levels
- Cash flows with anticipated funding sources and cost recovery
- Analysis of fixed and variable operating and capital costs
- Evaluation of customer characteristics including water use/sewer flow, strength loading, and number of accounts for each service area
- Rate design alternatives including fixed charges and tiered rates
- Final five-year rate projections
- Bill impacts and rate survey of local agencies
- Draft and final reports
- Proposition 218 public notices and/or educational materials
- Six (6) in-person meetings/presentations with the City Council and subcommittees



SCHEDULE

Provided below is Lechowicz & Tseng’s draft schedule for the Water and Sewer Comprehensive Utility Rate Study. We are happy to adjust the schedule based on the project team’s input and objectives.

PROJECT TASKS	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV
1. Data Gathering	■	■						
2. Financial Plan		■	■	■				
3. Cost Allocation			■	■	■			
4. Rate Design			■	■	■			
5. Report & Model				■	■	■		
6. Meetings & Presentations	V	V	*	*	V	*	*	PROP 218 & OUTREACH *

V – virtual meeting or presentation; * - in-person meeting or presentation

Provided below is a sample meeting schedule. For the time-being, we assume that the project team meetings will be conducted virtually. Additional virtual meetings can be added at no extra cost. Our proposal includes six (6) in-person Council meetings/presentations, meetings with subcommittees, and/or public workshops. Additional in-person meetings can be included as an additional service.

- Meeting #1** Project Team Kickoff Meeting (*Virtual*)
- Meeting #2** Project Team Progress Meeting: Review draft recommendations (*Virtual*)
- Meeting #3** Subcommittee Meeting: Review draft recommendations
- Meeting #4** City Council Meeting: Presentation of draft recommendations
- Meeting #5** Project Team Progress Meeting: Review final recommendations (*Virtual*)
- Meeting #6** Subcommittee Meeting: Review final recommendations
- Meeting #7** Public Workshop
- Meeting #8** City Council Meeting: Presentation of the final report & Council initiates the Proposition 218 process
- Meeting #9** City Council Meeting: Proposition 218 Rate Hearing

SECTION 5: FIRM QUALIFICATIONS

L&T is fully qualified to provide a comprehensive utility rate study for the City of Brisbane's water and sewer funds. Provided below is L&T's specialized knowledge regarding a few key areas.

Utility Rate & Fee Studies

Utility rate studies deriving both traditional and innovative rate structures that comply with cost of service principles and Proposition 218 requirements. Address policy goals, customer acceptance, and social influences.

Impact Fee/Capacity Charge Studies

Development impact fees and capacity charge studies that offset the cost of expanding infrastructure to serve new development without placing a burden on existing customers.

Financial Planning & Modeling

Comprehensive financial plans focused on immediate needs as well the long-term viability of agencies. Our financial models are flexible and user-friendly to allow for cash flow sensitivity analysis and to illustrate the impacts of policy decisions.

Public Approval Process

Lead informational workshops to educate the public about municipal finance. We provide start-to-finish assistance in the rate and fee approval process, including presentations to decision makers, publication of reports, and printing and mailing of notices (as applicable).

Utility Appraisal

Develop an inventory of utility assets and determine fair market value. We assist public agencies with negotiating the purchase or sale of utility property.

Expert Witness

Testify on behalf of public agencies to defend against lawsuits. We also represent public agencies as streetlight customers of California's electric utility providers in rate cases at the CA Public Utilities Commission.

FINANCIAL PLANNING

Meeting the cost of service and funding the City's infrastructure needs are the fundamental goals of the Water and Sewer Comprehensive Utility Rate Study. Our financial planning task will project costs over five years and determine the revenue requirements for each utility.

Cash Flow & Modeling

We strive to develop models that easily convey information and meet all requirements of Proposition 218. We propose to organize our cash flow based on existing budget categories to allow for the easy import or export of data between documents and to ensure that all costs of service are being fully accounted for. Our financial model is designed to provide tables and charts that can be exported into presentations to give visual representations of our work. At the conclusion of the study, L&T will provide an electronic copy of our Excel-based model to the City. Our materials are straightforward to use and contain no proprietary software.



The content of the model will include a dashboard of appropriate variables – inflationary cost increases, retirement or staff healthcare cost increases, customer growth, water conservation and drought conditions, contribution to reserves, level of capital expenditures, wastewater operational changes, new water treatment, and other factors to be determined by the project team. These variables will feed into cash flow tables that will calculate revenue requirement increases. This stream-lined model allows us to run iterative scenarios following input from staff and City Council.

Registered Municipal Advisor

Lechowicz & Tseng Municipal Consultants is registered with the Municipal Securities Rulemaking Board (MSRB) and the Securities Exchange Commission (SEC). We are able to provide detailed advice regarding the timing and structure of debt (if needed for this study) and the adequacy of rate revenues to meet debt coverage requirements. As a registered advisor, Principal Alison Lechowicz is well-versed in capital improvement financing mechanisms including bonds, lease back arrangements, private or State loans, community facilities districts, and grants. She can provide a detailed comparison of these options and make recommendations to fund the City's projects.

Rate Design

L&T conducted an initial review of the City's current water and sewer rate structure. The water rates consist of a fixed meter charges based on meter size plus a three-tiered volumetric rate that varies based on service zone. The water rates also include a Capital Projects Charge based on bi-monthly water consumption and a flat rate for a Drought Contingency Charge. The sewer rate structure includes the same fixed charge for all customers and a volumetric rate based on water use that varies based on customer class. If modifications to the current rate structures are needed to comply with legal requirements, we will work with the project team to phase in modifications, clearly explain why the changes are needed, and to minimize the impact on ratepayers. Additionally, we will take into consideration staff's time and capabilities to administer any changes.

IMPACTS OF WATER CONSERVATION

Due to the San Juan Capistrano court case, water rates are under increased scrutiny in California. Agencies may no longer adopt usage rates to meet conservation objectives without a supporting cost analysis. However, public agencies are under increased pressure to conserve water while maintaining stable revenues. Under AB 1668 and SB 606, water purveyors could face fines and penalties by 2027 for failure to reduce indoor water consumption.

Our approach is to evaluate current usage patterns, model the impacts of conservation, and appropriately recover variable from usage rates and fixed costs from fixed charges. L&T will conduct an in-depth analysis of the City's operating and capital expenses to determine cost recovery from volume rates. Most likely, volume rates will recover only supply and transmission expenses while fixed charge increases recover most other cost categories. We will provide a sensitivity analysis to determine impacts on ratepayer groups. Moreover, L&T will model the impacts of lower water demand on sewer flows and expenses.

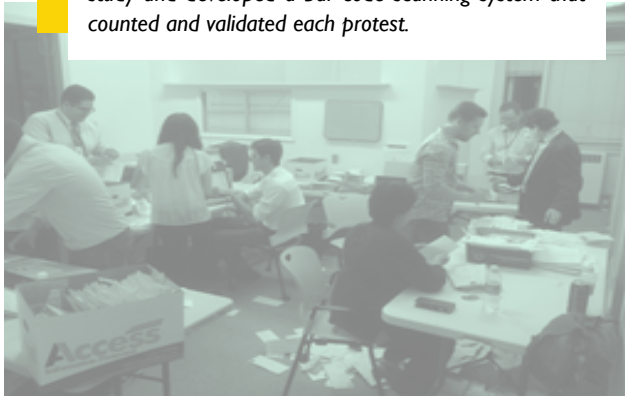
PUBLIC APPROVAL

L&T has a breadth of experience with controversial rate, fee, and tax increases. We are equipped to handle many of the administrative tasks such as drafting, printing, and mailing notices, if appropriate.

Alison and Catherine performed similar services for the cities of Alameda, Berkeley, Emeryville, Modesto, Waterford, and the McMullin Area Groundwater Sustainability Agency.

Outreach is particularly important for smaller public agencies as they have a greater risk of ratepayers garnering a 50% majority protest to deny a rate adjustment. We find that when the ratepayers understand the need for the fees and the basis of costs they are more accepting of increases. Our approach is to understand any “hot button” issues in your service area such as impacts to fixed income residents, impacts on businesses, politically active developer groups, etc. Meetings with City Council members are instrumental to this understanding. Our final documents will stress the value of the City’s services, explain why costs are increasing, and describe cost saving measures. We can draft public notices, newsletters, and web or social media postings as appropriate. L&T is happy to lead public workshops, presentations, and Proposition 218 hearings.

Pictured below: Proposition 218 sewer rate protest ballot tabulation for the City of Berkeley. Alison Lechowicz served as project manager for the City’s rate study and developed a bar code scanning system that counted and validated each protest.



If warranted, L&T will meet with interested stakeholders early in the assignment to hear concerns and clearly explain the need for fees.

This process has been extremely beneficial in other studies that we’ve completed. As example, Alison conducted Public Works workshops for the Cities of Berkeley and Modesto. She also met with developers regarding rate and fee studies conducted for the Town of Discovery Bay and the Templeton Community Services District.

Catherine Tseng worked with the 15-member

Water Advisory Committee in the City of Davis. The objective is to demonstrate the value of the City’s services to ratepayers. We will draft public notices, newsletters, and web or social media postings as appropriate. L&T is happy to lead public presentations.

SECTION 6: REFERENCES

This section provides recent completed projects. L&T staff have completed many studies over the past five years and can provide additional references as needed.

City of San Fernando

Water and Sewer Rate Study

November 2019, Lechowicz and Tseng completed a Water and Sewer Rate Study for the City of San Fernando located in Los Angeles County (population 25,000). Catherine Tseng served as project manager and Alison Lechowicz served as financial analyst. The City had not conducted a rate study since 2011. Since then, the City completed additional engineering studies that identified capital and infrastructure improvements, including replacing hydraulically deficient sewer mains. Additionally, the City requested an evaluation of the rates to ensure compliance with Proposition 218 and recent legal rulings.

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Management Analyst
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Affordability is a major concern of the City. L&T's report included two rate options to account for various levels of funding for capital improvements. L&T provided a bare bones capital funding option and a fully funded infrastructure plan to demonstrate the impact on rates. Ms. Tseng also evaluated implementation of a low-income rate assistance program. To comply with Proposition 218, Ms. Tseng identified non-rate revenues to fund the program and suggested customer eligibility consistent with other local assistance programs.

L&T coordinated the printing and mailing of the Proposition 218 noticing process. Along with drafting the notice, L&T aggregated ratepayer and property owner mailing lists to develop a master mailing list. The notices were translated into Spanish.

Highlights:

- Low income rate assistance program
- Printing and mailing of Proposition 218 notices
- **Project completed on-budget**

City of Chowchilla

Water, Sewer, Solid Waste, and Storm Rate Study

June 2020, L&T finalized a comprehensive utilities rate study for the City of Chowchilla's water, sewer, solid waste, and storm water enterprises.

Alison Lechowicz served as co-financial analyst and Catherine Tseng served as co-financial analyst and project manager. Located in Madera

County, the City operates and maintains the water, sewer, and storm water utilities for a population of roughly 18,500. The last water and sewer rate study was conducted in 2012 in which the City adopted water and sewer rates through 2021. However, rates for the solid waste and storm drain utilities had not been increased in over 10 years.

L&T developed three rate options based on varying levels of capital funding for water, sewer, and storm water. The rate options for solid waste were based on repayment of an interfund loan to the General Fund. Since the last water and sewer rate study, the City had completed metering all customers, and the non-metered rates had been phased out. Because the City is only in the second year of being fully metered, historical consumption data was limited. The study included updated cost of service analysis and recommended rate adjustments through FY2024/25. L&T also managed the drafting, printing, and mailing of the Proposition 218 notice.

The City Council approved rate increases for the water, sewer, and solid waste utilities but will reconsider the storm drain rates in the future once the procedure for adopting storm drain rates has been successfully implemented by other agencies in the State.

Highlights:

- Multiple rate options based on various capital funding levels for each utility
- Printing and mailing of Proposition 218 notices
- **Project completed under-budget**



Jason Rogers

Director of Public Works
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Town of Discovery Bay

Water and Sewer Rate Studies

Water and Sewer Capacity Fee Studies

Alison Lechowicz has served as the Town of Discovery Bay Community Services District's (Town) financial and administrative consultant since 2012. The Town is located in the Bay-Delta region and provides water and wastewater services to a population of 14,000. Ms. Lechowicz has conducted two water and sewer rate studies compliant with Proposition 218. The studies evaluated operating and capital expenditures, financing alternatives including cash, bonds, and State Loans, cash flow, rate design, and bill impacts. Alison also conducted several development impact fee studies for the Town and met with developers in their office to explain the fees.



Alison completed an update of the 2013 study. The 2016 update was needed to reflect current drought conditions, growth projections, and a new meter roll-out program. The final report provided a more comprehensive review of the Town's fire protection service charges and fixed vs. volume cost allocation to comply with legal rulings.

Dina Breitstein

Assistant General Manager
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In 2020, L&T completed a 2020 Utility Rate Study. The Town recently completed its meter roll-out program and is transitioning all customers to metered service. Ms. Lechowicz reviewed water usage patterns of the newly metered customers and impacts on the utility's variable revenues. For the sewer utility, L&T developed new rates to recover costs of upgrading the Town's treatment facilities.

Highlights:

- Designed new water rates for metered consumption
- Multiple funding scenarios developed to prioritize capital projects and assess affordability
- Printing and mailing of Proposition 218 notices
- **Project completed on-budget**

City of Kerman

Water and Sewer Rate Study

Kerman is a city of about 14,000 people located in Fresno County about 15 miles west of the City of Fresno. October 2018, L&T completed a Water and Sewer Rate Study for the City. Alison Lechowicz served as lead analyst and project manager.



The rate study corresponded with the City's water metering project. A key element was to project water use for newly metered customers (about half the service area). We compared the characteristics of the fully metered and newly metered customers to conservatively estimate water consumption. As part of the study, Ms. Lechowicz advocated for ongoing pipeline replacement funding. Prior to this effort, City policy was to forego main replacements to keep rates as low as possible. L&T was successful in raising the rates to reinvest in infrastructure to avoid costly future repairs.

Rate design was a key issue for the sewer rates. The City's prior rate study assigned significantly lower cost to multifamily customers compared to single family customers. Staff was concerned that multifamily customers were not paying their fair share of customer service and maintenance expenses. L&T conducted a cost allocation and flow analysis to justify a rate adjustment for multifamily customers.

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Finance Director
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cityofkerman.org
(559) 846-9389

Ms. Lechowicz assisted the City with Proposition 218 implementation. Activities included drafting the public notice, reviewing edits with the City Attorney, answering procedural questions, attending the public hearing, and certifying the protest vote tabulation.

Highlights:



- Projected water use for newly metered customers
- Focused on customer service and administrative cost allocation for customer classes
- **Project completed under-budget**

SECTION 7: FORM OF AGREEMENT

Lechowicz & Tseng agrees to the use of the City's standard form of agreement. We do not require any deviations or edits to the agreement.

SECTION 8: INSURANCE

L&T's insurance certificate is included below. If selected, we will provide an additional insured endorsement consistent with the City's standard agreement.

		CERTIFICATE OF LIABILITY INSURANCE			DATE (MM/DD/YYYY) 02/13/2020		
		<p>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.</p> <p>IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).</p>					
PRODUCER Hiscox Inc. d/b/a/ Hiscox Insurance Agency in CA 520 Madison Avenue 32nd Floor New York, NY 10022			CONTRACT NAME: PHONE (A/C, No, Ext): (888) 202-3007 FAX (A/C, No): E-MAIL ADDRESS: contact@hiscox.com		INSURER(S) AFFORDING COVERAGE INSURER A: Hiscox Insurance Company Inc N/AIC # 10200 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:		
INSURED Lechowicz and Tseng Municipal Consultants 4811 Telegraph Ave #204 Oakland, CA 94609							
COVERAGES		CERTIFICATE NUMBER:		REVISION NUMBER:			
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.							
INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	N	Y	UDC-1936686-CGL-20	03/22/2020	03/22/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ S/T Gen. Agg \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability	N		UDC-1936686-EO-20	03/22/2020	03/22/2021	Each Claim \$2,000,000 Aggregate \$2,000,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)							
CERTIFICATE HOLDER				CANCELLATION			
Lechowicz & Tseng Municipal Consultants				SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.			
				AUTHORIZED REPRESENTATIVE 			

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SECTION 9: DISCLOSURES

CONFLICTS OF INTEREST

The firm of Lechowicz & Tseng Municipal Consultants and its employees have no personal or professional financial or other interests which could be a conflict of interest.

MUNICIPAL SECURITIES RULEMAKING BOARD

Depending on the extent of services provided under the financial planning task, the study may include municipal advisory activities subject to Municipal Securities Rulemaking Board (MSRB) oversight. Our duties as a Municipal Advisor are listed below:

- Lechowicz & Tseng Municipal Consultants will notify the client in writing, if and when, our services transition into municipal advisory services as categorized by the MSRB. Municipal advisory services will cease when the final report is presented to the client.
- Lechowicz & Tseng Municipal Consultants will provide advice and conduct activities with a “duty of care” and a “fiduciary duty” to the client. Our role and responsibilities during this engagement will continue through the completion of the project.
- Lechowicz & Tseng Municipal Consultants is a registered Municipal Advisor with the Securities and Exchange Commission (SEC Registration No. 867-02374) and the Municipal Securities Rulemaking Board (MSRB ID K1236).
- Lechowicz & Tseng Municipal Consultants has never been cited for any legal or disciplinary action regarding municipal advisory activities.
- Lechowicz & Tseng Municipal Consultants has not and will not receive any compensation from any third party seeking to provide services, municipal securities transactions, or municipal financial products related to this assignment. L&T or any of its employees will not engage in any activities that would produce a direct or indirect financial gain for the firm other than compensation for our services identified in this proposal.

The website address for the Municipal Securities Rulemaking Board (MSRB) is www.MSRB.org.

The MSRB’s website provides a municipal advisory client brochure that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority. The municipal advisory client brochure is accessible via a link on www.MSRB.org or can be downloaded from <http://www.msrb.org/~media/Files/Resources/MSRB-MA-Clients-Brochure>.



THANK YOU



PO Box 3065 | Oakland, CA 94609 | (510) 545-3182 | www.LTmuniconsultants.com