



# City of Needles

## Electric, Water & Wastewater Utility Cost of Service Rate Making Study

EL2501 / PROPOSAL / OCTOBER 1, 2024



October 1, 2024

City of Needles  
817 3rd Street  
Needles, California 92363


**Subject: Proposal for Electric, Water & Wastewater Utility Cost of Service Rate Making Study (RFP No. EL2501)**


Dear Selection Committee:


Financial sufficiency, water and power supply resiliency, and fair and equitable rate structures. This is what we believe to be at the forefront of this rate study. And you're not alone, many utilities across Southern California and your neighbors in Arizona are facing similar challenges. This rate study with Raftelis Financial Consultants, Inc. (Raftelis) and K. R. Saline & Associates, PLC (KRSA) as your advisors will ensure the utilities surpass the customer expectations for reliable utility services while promoting the City's internal goals.

Raftelis was established in 1993 to provide financial, rate, and management consulting services to water, wastewater, and electric utilities with the highest levels of quality and customer service. We have offices nationwide including California where we partner with utilities all across the state. There's more on us and KRSA in the following pages.

Our approach to the project will directly benefit the City by helping you achieve the goals of this study, and here are the key factors that support this:

 **Project Management.** Effective project management means proactive communication and keeping staff up-to-date with the study's progress. However, we realize that staff's time is at a premium. We recognize this and have tailored our approach to make the most efficient use of your time.

 **Project Team.** We have selected key consultants who align with the expertise required for this project. This includes California Proposition 218 specialists, cost-of-service experts, and seasoned industry professionals who are readily available to you. Our subconsultant, KRSA, brings extensive electric experience and regional knowledge to help navigate the complexities of electric rate-setting."

 **Issue Prevention.** With our services, you are investing in reduced risks, less rework, and higher compliance with industry standards. The potential pitfalls of choosing less experienced consultants can lead to costly mistakes that we help you avoid. To accomplish this, we believe in exploring all ideas and collaborating with you to identify the most actionable and politically viable solutions that serve both the utility and its customers.

I will serve as the Project Manager for this engagement. My 25 years' experience in the utility industry both as a consultant and as the Rates Manager at Denver Water will provide the City with the level of expertise and quality

expected during this study. Brian Bass will serve as the Assistant Project Manager for water and wastewater. Brian has 19 years of experience in utility financial consulting and water and wastewater engineering design. KRSA is our subconsultant for the electric scope of work, and Ashley Blank will serve as the Assistant Electric Project Manager. Finally, we have included Subject Matter Experts who are detailed in the organization chart. Of particular importance is Amanda Guci, who helps lead Raftelis' energy division. She will serve as a link between Raftelis and KRSA sharing her experience and expertise as needed.

We are eager to work with you and believe our team and experience will result in a successful outcome while showcasing the financial and operational strength of the utilities.

I am eager to discuss this opportunity with you in more detail and to demonstrate how Raftelis can help you achieve your financial and rate objectives. Please feel free to contact me at 303.305.1138 or [tcristiano@raftelis.com](mailto:tcristiano@raftelis.com) if you have any questions.

Sincerely,



**Todd Cristiano**, *Vice President*

445 S Figueroa Street, Suite 1925, Los Angeles, CA 90071



Diversity and inclusion are an integral part of Raftelis' core values.

We are committed to doing our part to fight prejudice, racism, and discrimination by becoming more informed, disengaging with business partners that do not share this commitment, and encouraging our employees to use their skills to work toward a more just society that has no barriers to opportunity.



Raftelis is registered with the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) as a Municipal Advisor.

Registration as a Municipal Advisor is a requirement under the Dodd-Frank Wall Street Reform and Consumer Protection Act. All firms that provide financial forecasts that include assumptions about the size, timing, and terms for possible future debt issues, as well as debt issuance support services for specific proposed bond issues, including bond feasibility studies and coverage forecasts, must be registered with the SEC and MSRB to legally provide financial opinions and advice. Raftelis' registration as a Municipal Advisor means our clients can be confident that Raftelis is fully qualified and capable of providing financial advice related to all aspects of financial planning in compliance with the applicable regulations of the SEC and the MSRB.

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## A. COMPANY OVERVIEW

# A. Company Overview

Local government and utility leaders partner with Raftelis to transform their organizations by enhancing performance, planning for the future, identifying top talent, improving their financial condition, and telling their story. We've helped more than 700 organizations in the last year alone.

**We believe that Raftelis is the right fit for this project. We provide several key factors that will benefit the City and help to make this project a success.**

**RESOURCES & EXPERTISE:** This project will require the resources necessary to effectively staff the project and the skillsets to complete all of the required components. With more than 180 consultants, Raftelis has the largest water-industry financial and management consulting practice in the nation, including many of the industry's leading rate consultants and experts in key related areas, like stakeholder engagement and data analytics. Our depth of resources will allow us to provide the City with the technical expertise necessary to meet your objectives.

**DEFENSIBLE RECOMMENDATIONS:** When your elected officials and customers are considering the validity of recommended changes, they want to be confident that they were developed by experts using the latest industry standard methodology. Our staff are involved in shaping industry standards by chairing committees within the American Water Works Association (AWWA) and the Water Environment Federation (WEF) and co-authoring many industry-standard books regarding utility finance and rate setting. Being so actively involved in the industry will allow us to keep the City informed of emerging trends and issues and to be confident that our recommendations are insightful and founded on sound industry principles. In addition, with Raftelis' registration as a Municipal Advisor, you can be confident that we are fully qualified and capable of providing financial advice related to all aspects of utility financial planning in compliance with federal regulations.

**HISTORY OF SIMILAR SUCCESSSES:** An extensive track record of past similar work will help to avoid potential pitfalls on this project and provide the know-how to bring it across the finish line. Raftelis staff has assisted 1,700+ local governments and utilities throughout the U.S. with financial and rate consulting services with wide-ranging needs and objectives. Our extensive experience will allow us to provide innovative and insightful recommendations to the City and will provide validation for our proposed methodology ensuring that industry best practices are incorporated.

**USER-FRIENDLY MODELING:** A modeling tool that your staff can use for scenario analysis and financial planning now and into the future will be key for the City going forward. Raftelis has developed some of the most sophisticated yet user-friendly financial/rate models available in the industry. Our models are tools that allow us to examine different policy options and cost allocations and their financial/customer impacts in real time. We offer model options including Microsoft Excel-based and web-based tools that are developed with the expectation that they will be used by the client as a financial planning tool long after the project is complete.

Choosing the right partner is about more than just the initial cost; it's about ensuring the best possible outcome for your utilities. We are committed to delivering unmatched value and sustainable results that justify the investment in our services.

**EXPERTS ON CALIFORNIA REGULATORY REQUIREMENTS:** This expertise will allow the City to be confident that our recommendations take into account all of these regulatory requirements. The regulatory environment in California has become more stringent due to Proposition 218. Besides developing well-thought-out financial plans, Raftelis staff members are very knowledgeable about these regulations and have made presentations on this subject at various industry conferences. In addition, we are frequently called on to be expert witnesses regarding these regulatory matters.

## COMPANY OVERVIEW INFORMATION

### 1. & 6. Year founded and number of continuous years and length of time and years during which the Proposer has provided the Services contemplated by this RFP (longevity)

1993 (31 years)

### 2. Ownership status (public or private company, LLC, LLP, S-Corp, Sole Proprietor)

S- Corporation

### 3. Federal tax identification number

20-1054069

### 4. & 5. Name, address, telephone number, and title of the person(s) whom the CITY can contact about the Proposal and who will serve as primary Proposer contact

Todd Cristiano, Vice President

445 S Figueroa Street, Suite 1925, Los Angeles, CA 90071 / P: 303.305.1138 / E: tcristiano@raftelis.com

## ADDITIONAL COMPANY OVERVIEW INFORMATION

### Names of Principals

Peiffer Brandt (President and CEO) and William Stannard, PE (Chair Emeritus and Executive Vice President)

### Number of Employees

218 employees

### Client base

Local government and utilities

### Areas of specialization

- **Finance:** Meet your goals while maintaining a financially sustainable organization
- **Organization:** Plan for long-term sustainability and operate with maximum efficiency
- **Communication:** Communicate strategically to build an informed, supportive community
- **Technology:** Use your data and technology to improve experience and gain valuable insights
- **Strategic planning:** Set the direction for the future of your organization and community
- **Executive recruitment:** Identify top talent to lead local governments and utilities

### Stability and financial strength

Raftelis is financially stable and has the resources to provide the requested services to the City in a satisfactory manner. Raftelis has experienced steady growth throughout our 31 years of successfully providing consulting

services to hundreds of public agencies across the country. During our 31-year history, we have produced a consistent annual revenue stream and positive net income in every year. Upon request, we would be willing to provide information regarding our tax filings from our accountant, Dixon Hughes Goodman, or regarding our financial activity and current financial position from our bank, First Citizens Bank, if requested. We would ask that all financial information provided be kept confidential.



### Project Leadership

Our Project Manager, Todd Cristiano, has broad experience leading rate studies and similar projects. Todd is a co-instructor for the American Water Works Association Fundamentals of Rate Setting multi-day course, hosted twice a year. Todd also brings utility experience to this project serving as the previous Rate Manager at Denver Water.

### OUR SUBCONSULTANT

# K. R. Saline & Associates, PLC (KRSA)

The principals of KRSA have provided ongoing consulting engineering services and management consulting to their clients regarding their long-term and short-term electric, water, and gas operations for over 20 years. KRSA has performed various engineering and economic analyses for these entities and has represented their interests in front of numerous federal and state agencies. KRSA makes recommendations to the management and governing bodies of its clients and negotiates necessary programs and policies on their behalf. The continuity of providing ongoing services for their clients enables KRSA to provide quality services to our clients efficiently and with attention to the specific details of their unique operations. KRSA staff includes registered professional engineers, technicians, utility operations specialists, and financial specialists, as well as administrative personnel. They employ a horizontal management structure that empowers its employees and encourages cross-training and discussion across the functional areas of the company.

**B. PROJECT TEAM**

# B. Project Team

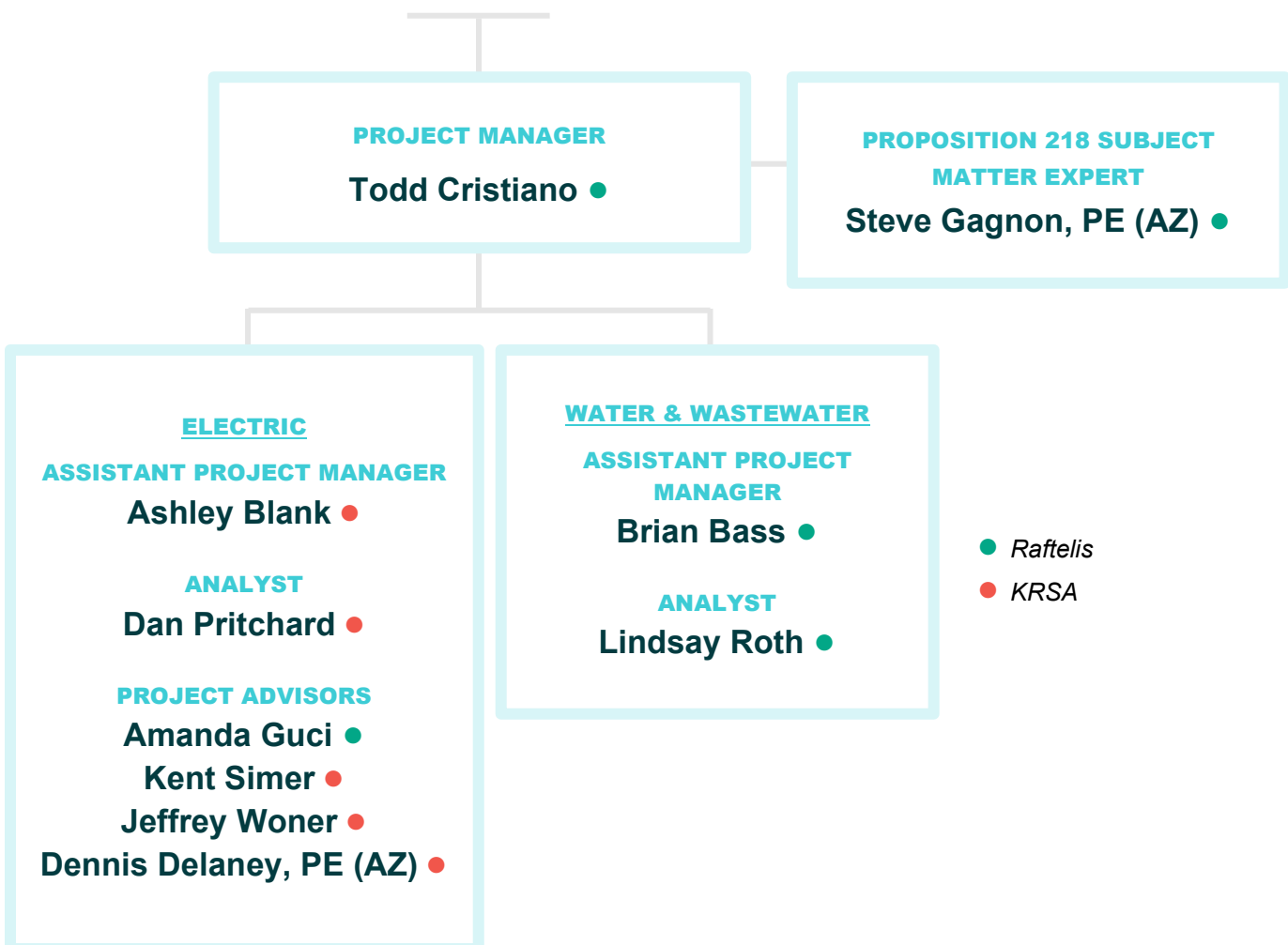
We have developed a team of consultants who specialize in the specific elements that will be critical to the success of the City’s project. Our team includes senior-level professionals to provide experienced project leadership with support from talented consultant staff. This close-knit group has frequently collaborated on similar successful projects, providing the City with confidence in our capabilities.

**1. Project Team Organization:** Below, we have included an organizational chart showing the structure of our project team. On the following page we provided brief qualifications for each team member.

**2. Resumes:** In Appendix A, we have included resumes for each of our team members as well as a description of their role on the project.

**3. Relevant Licenses:** Though there are no specific license to conduct the services, we have provided our Secretary of State registration in Appendix B.

## City of Needles







## Todd Cristiano | Project Manager | Vice President (Raftelis)

**Role:** Responsible for overall project accountability and quality assurance. Provide input and guidance to ensure exceptional rate change communications for this project for each utility study. Lead presenter on all water and wastewater-related meetings and presentations.

### Career/Experience Highlights:

- 25 years of experience with water, wastewater, electric cost of service and rates
- Former Rates Manager for Denver Water
- Instructor for AWWA's biannual Rate-Setting Essentials seminar
- Past chair and member of AWWA's Rates and Charges Committee/Lead for the update of the AWWA *MI Manual, Principles of Rates, Charges, and Fees*

**Education:** Bachelor of Science Chemical Engineering; Master of Business Administration

**Key Clients:** San Diego (CA), Milpitas (CA), Manteca (CA), Crestview Mutual Water Company (CA), Santa Cruz (CA), Scotts Valley (CA)

**Areas of Competence:** Water, wastewater, solid waste, and electric financial planning; Cost-of-service & rate structure studies; Economic feasibility analyses, Impact fee studies - utility & non-utility; Budget processes; Economic feasibility analyses



## Brian Bass | Water and Wastewater Assistant Project Manager | Manager (Raftelis)

**Role:** Oversee the day-to-day operations and provide technical direction for water and wastewater. Reports to the Project Manager and main contact with the City's utility project team. Brian, along with Todd, will be the primary points of contact with the client.

### Career/Experience Highlights:

- 20 years of experience in consulting providing financial, project management, and engineering services
- Vice-Chair of AWWA CA-NV Financial Management Committee
- Member of the AWWA Rates and Charges Committee and one of the co-authors for the update of the AWWA *MI Manual, Principles of Rates, Charges, and Fees*

**Education:** Bachelor of Science Agricultural and Biological Engineering, Master of Business Administration

**Key Clients:** Scottsdale Water (AZ), Los Angeles County Waterworks District (CA), Ontario (CA), Sacramento (CA), Whittier (CA), Columbus (OH), Washington Suburban Sanitary Commission (MD)

**Areas of Competence:** Water and wastewater cost of service and rate structure studies; capacity fee studies; financial capability assessment and affordability studies; bond feasibility studies; economic feasibility studies



## Lindsay Roth | Water and Wastewater Analyst | Consultant (Raftelis)

**Role:** Will work at the direction of Todd and Brian in conducting analyses and preparing deliverables for water and wastewater portion of the project.

### Career/Experience Highlights:

- Four years of experience providing water and wastewater financial services
- Contributed to financial models and analyses for water and wastewater rate studies as well as bill impact analyses

**Education:** Bachelor of Science Earth and Environmental Science, Master of Environmental Management Water Resources Management

**Key Clients:** Thousand Oaks (CA); Ventura (CA); San Benito County Water District (CA); Coronado (CA)

**Area of Competence:** Water, wastewater, and recycled water financial planning, cost of service analysis, and rate design studies; drought rate studies; groundwater sustainability agency (GSA) fee studies; capacity fee studies

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### **Steve Gagnon PE (AZ) | Proposition 218 Subject Matter Expert | Vice President (Raftelis)**

**Role:** Provide input and guidance for Proposition 218 requirements.

#### **Career/Experience Highlights:**

- Over 25 years of experience in financial analysis and environmental engineering, including over 14 years of providing financial planning and rate setting services to agencies all over California
- Professional Engineer (AZ) and Series 50 Municipal Advisor Representative
- Member of AWWA and former Chair of the CA NV AWWA Financial Management Committee

**Education:** Master of Science Environmental Engineering; Master Business Administration

**Key Clients:** Hi-Desert Water District (CA); Pasadena (CA); Burbank Water and Power (CA); San Francisco Public Utilities Commission (CA); Otay Water District (CA); Ontario (CA), (CA); Sweetwater Authority (CA)

**Areas of Competence:** financial analysis and modeling; cost of service; rate design; affordability analysis; capital overhead studies; capital prioritization/ asset management; economic feasibility evaluation, financial forecasting; bond feasibility studies

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### **Amanda Guci | Electric Project Advisor | Manager (Raftelis)**

**Role:** Support KRSA's team offering assistance and guidance as needed.

#### **Career/Experience Highlights:**

- Over a decade of experience in rate and regulatory consulting for municipal and investor-owned electric, gas, water, and wastewater utilities
- Specializes in cost of service and rate design, financial modeling, and financial planning
- Municipal Advisor Representative (Series 50), APPA, and AWWA member

**Education:** Albanian School of Diplomatic Arts

**Key Electric Clients:** Aspen (CO), Cleveland Public Power (OH), Orangeburg (SC), Camden (SC), Greenville Utilities Commission (NC)

**Areas of Competence:** Regulated and municipal electric and gas cost of service rate studies; EV rate structure pricing; affordability analysis; capital overhead studies; capital prioritization/ asset management; economic feasibility evaluation, financial forecasting; bond feasibility studies

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### **Ashley Blank | Electric Assistant Project Manager | Analyst (KRSA)**

**Role:** Will lead and provide technical direction for the electric portion of the project.

#### **Career/Experience Highlights:**

As an analyst at KRSA, Ashley's experience includes 15 years in the special retail industry analyzing sales and inventory budgets as well as two years in data engineering and process improvement in the RPO industry. Ashley

has a proven track record of success in identifying trends, improving processes, and providing valuable data-driven insights.

**Education:** iMBA, Southern New Hampshire University

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### **Kent Simer** | Electric Project Advisor | Senior Analyst (KRSA)

**Role:** Provide input and guidance for the electric portion of the project.

#### **Career/Experience Highlights:**

As a senior analyst at K. R. Saline & Associates, Kent's 25+ years of experience in the utility industry has included economic analyses and computer-aided modeling for power supply planning, load forecasting, financial forecasting, cost/benefit analysis, rate studies, and expert testimony on revenue requirements and rate design matters. Kent previously conducted the electric, gas, water, and wastewater rate studies for the City of Safford.

**Education:** B.I.S., Arizona State University, APPA Rate Certified 2003

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### **Jeffrey Woner** | Electric Project Advisor | Partner (KRSA)

**Role:** Provide input and guidance for the electric portion of the project.

#### **Career/Experience Highlights:**

Jeffrey has participated in several utility financings (approximately \$700 million) as well as several projects relating to the compliance of environmental regulations. Jeffrey provides ongoing consulting services for numerous irrigation and electrical districts, municipal utilities and tribal utilities located in Arizona.

**Education:** M.S. Economics, University of Arizona

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### **Dennis Delaney PE (AZ)** | Electric Project Advisor | Partner (KRSA)

**Role:** Provide input and guidance for the electric portion of the project.

#### **Career/Experience Highlights:**

Dennis was instrumental in the development of the Southwest Public Power Agency and has served as its project manager since 2014. Prior to the formation of SPPA Dennis oversaw the resource management and scheduling for over 25 irrigation and electrical districts, municipal utilities, and tribal utilities in Arizona.

**Education:** B.S., Electrical Engineering, Arizona State University, P.E.

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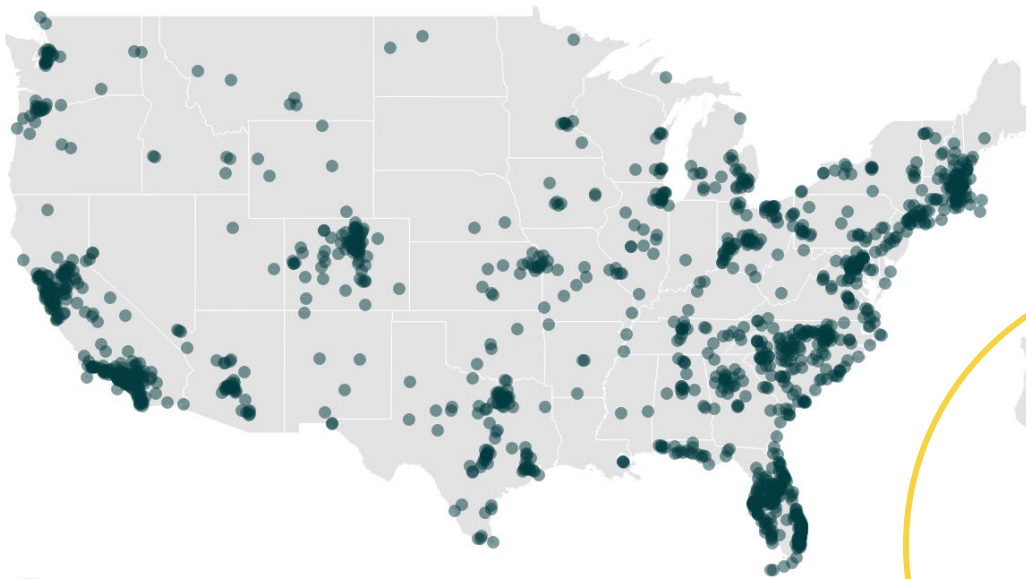
### **Daniel Pritchard** | Electric Analyst | Senior Analyst (KRSA)

**Role:** Will work at the direction of Ashley in conducting analyses and preparing deliverables for electric portion of the project.

#### **Career/Experience Highlights:**

For the past 16+ years, Dan has provided ongoing consulting service responsibilities for numerous electric districts, and municipal utilities in Arizona ranging from power forecasting, ad-hoc economic analysis, and compliance with federal reporting mandates. Dan participates in multiple scheduling, administration, and public ratemaking processes for hydroelectric resources available to Arizona utilities and in the scheduling activities of the Southwest Public Power Agency.

**Education:** B.S. Economics, University of Arizona



RAFTELIS HAS PROVIDED FINANCIAL/  
ORGANIZATIONAL/TECHNOLOGY ASSISTANCE  
TO UTILITIES SERVING MORE THAN  
**25% OF THE U.S. POPULATION.**

C. REFERENCES

# C. References

Our staff has assisted more than 1,700 public agencies and utilities across the U.S., including some of the largest and most complex agencies in the nation. In the past year alone, Raftelis worked on more than 1,300 financial, organizational, and/or technology consulting projects for over 700 agencies in 47 states, the District of Columbia, and Canada. Below, we have provided descriptions of projects that we have worked on that are similar in scope to City’s project. We have included references for each of these clients and urge you to contact them to better understand our capabilities and the quality of service that we provide.

## RAFTELIS

### City of San Diego CA

**Owner/Reference:** Adam Jones, Deputy Director of Finance  
525 B Street, San Diego, CA 92101 / P: 858.614.4030 / E: jonesal@sandiego.gov  
**System size (kW DC):** N/A / **Date Completed:** 2022; 2024 - Current

The City of San Diego (City) provides retail water, wastewater, and recycled water service to approximately 1.4 million people in metropolitan San Diego County. Raftelis has been providing consulting service to the City for over 20 years. During the period 2019 – 2021 Raftelis completed a comprehensive wastewater cost-of-service study that resulting in the adoption of Proposition 218 compliant wastewater and recycled water rates that were approved by the San Diego City Council for the period FY 2022 – FY 2026.

The City retained Raftelis again in 2024 to complete a 5-year update to the water and wastewater cost of service and rate studies. Due to recent litigation surrounding Prop 218, the City wanted to ensure that their cost of service studies withstood the scrutiny from the California Courts in recent cases. For both water and wastewater, Raftelis completed a comprehensive billing analysis, developed the revenue requirement, and completed a detailed cost allocation process with the City's input. This study is on-going and is anticipated to be complete by the end of 2024.

In addition, the City retained Raftelis to complete a comprehensive review of their Industrial Pretreatment Program fees. A lawsuit had been filed against the City for its current fee structure which had over 100 different fee structures. Raftelis worked with the IPT staff to simplify the fees to three major categories – Permits, Enforcement, and Trucked Waste. The fees were based on direct labor costs and indirect for services provided by other departments within the utility. Fees were adopted in 2021.

## **Hi-Desert Water District CA**

**Owner/Reference:** Tanya Gruwell, Chief Financial Officer

55439 29 Palms Highway, Yucca Valley, CA 92284 / P: 760.228.6271 / E: tanyag@hdwd.com

**System size (kW DC):** N/A / **Date Completed:** 2019; 2023

Raftelis was hired by Hi-Desert Water District in 2019 to perform a water rate study and again in 2023 to perform a water and wastewater rate study. The District's wastewater system is a few years old. Customers were mandated to connect to the sewer system to prevent groundwater contamination. The prior wastewater system rates did not consider reserves and the system was operating at a deficit. Raftelis worked with the Board to select revenue adjustments to fund wastewater reserves by the end of the 5-year study period. The District is in a low-income area and the Board was very sensitive to rate increases. At a public outreach event and at the public hearing, the public was informed about the tremendous distance (over 400 miles) its water travels to come from the Bay Delta area, through the desert, and to the District. The public seemed more understanding of rate increases after learning of cost and effort to bring water to their desert community. The rates were adopted at the public hearing in 2024.

## **City of Manteca CA**

**Owner/Reference:** Somporn Boonslat, Deputy Director

1001 W. Center Street, Manteca CA 95337 / P: 209.456.8429 / E: sboonsalat@manteca.gov

**System size (kW DC):** N/A / **Date Completed:** 2021 – current

The City retained Raftelis to complete a comprehensive water rate and fee study. Rates and fees had not been updated in nearly a decade and their current rate structure was not in compliance with Proposition 218. Raftelis worked with staff to gather the study information; billing data, financial, operational, and other data to complete the study. Raftelis evaluated several financial planning scenarios to return the utility to a financially sufficient state. Because of time since the last increase, large increases were proposed. Raftelis' strategic communications group is currently working with staff to develop an outreach plan to engage the public with understanding the urgent needs of the utility. The study is anticipated to be completed, and rates implemented in the 2<sup>nd</sup> quarter of 2025.

## **KRSA**

### **Electrical District No. 3 AZ**

**Owner/Reference:** Brian Yerges, General Manager

41630 W Louis Johnson Drive, Maricopa, AZ 85138 / P: 520.424.0420 / E: brian.yerges@ed-3.org

**System size (kW DC):** 260 MW / **Date completed:** 2001 – current

Since 2001, Electrical District No. 3 (ED3) has retained KRSA to provide annual load forecasting, power planning, budgeting, customer policies and rate design. These efforts have corresponded with the changing needs of the district as its customer base has transformed from an agriculturally based economy to an enterprising city of 65,000+ citizens and an energy environment that is being challenged by rapid growth, drought impacts and changing customer requirements.

#### **Project Highlights**

- Detailed customer statistics analysis used to develop future demand and revenue forecasts by major customer category, allowing for different growth rates by class, resulting in revenue forecasts that reflect the sensitivity of demand changes
- Comprehensive review and modeling of future power needs including incorporation of existing power contracts, planned power projects, and changes in hydro availability and natural gas pricing.
- Customized budget model facilitating real-time sensitivity analysis result from changes to growth, debt funding, capital timing and rate increase planning
- Evaluated alternative customer classifications including residential time-of-use, electric vehicle, and specialized industrial rates
- Development and annual adjustment of a transmission wheeling rate based on cost-of-service principals
- Rate structure prioritization conducted with the management staff to provide consistency when evaluating rate design alternatives
- Worked across departments with key personnel to develop capital budgets, expense forecasts, and pro forma revenue requirement adjustments
- Develop and deliver annual budget materials to ED3 board of directors and public stakeholders

### **Page Utility Enterprises AZ**

**Owner/Reference:** Bryan Hill, General Manager

640 Haul Road, Page, AZ 86040 / P: 928.645.2637 / E: bryan@pageutility.com

**System size (kW DC):** 30 MW / **Date completed:** 2021

In 2021, Page Utility Enterprises retained KRSA to review the financial operations of the electric utility as the utility faced significant impacts due to rising power costs, a tourism-dependent economy, and stagnant population growth.

#### **Project Highlights**

- Detailed customer statistics analysis used to develop future demand and revenue forecasts by major customer category, allowing for different growth rates by class, resulting in revenue forecasts that reflect the sensitivity of demand changes
- Comprehensive review and modeling of future power needs including incorporation of existing power contracts, planned power projects, and changes in hydro availability and bilateral market pricing
- Developed a multi-year rate plan to address potential rate shock considerations supported by customer impact analysis broken down by unique commercial business categories (i.e. public, school, hotel)

- Rate structure prioritization conducted with the management staff to provide consistency when evaluating rate design alternatives
- Worked with key personnel to incorporate capital budgets, expense forecasts, and pro forma revenue requirement adjustments
- Attended multiple workshops with the PUE Board of Directors as well as separate City Council meetings to communicate the distinct issues, findings, and rate alternatives
- Successful implementation of multi-year rate plan

## City of Williams AZ

**Owner/Reference:** Tim Pettit, City Manager

113 South 1st Street, Williams, AZ 86046 / P: 928.635.4451 ext. 201 / E: tpettit@williamsaz.gov

**System size (kW DC):** 8 MW / **Date completed:** 2002 – current

Since 2002, KRSA has been providing utility management service and rate support. KRSA routinely reviews the financial operations of the electric utility and has helped guide the City through significant impacts due to volatile power costs, major system upgrades, and customer growth.

### Project Highlights

- Detailed customer statistics analysis revenue forecast in-depth evaluation by major customer category and customer categorization
- Comprehensive review and modeling of future power needs including incorporation of existing power contracts and changes in hydro availability and natural gas pricing
- Evaluated alternative customer classifications including residential time-of-use, electric vehicle, and differentiated commercial rates
- Development and annual adjustment of a transmission wheeling rate based on cost-of-service principals
- Rate structure prioritization conducted with the management staff to provide consistency when evaluating rate design alternatives
- Worked across departments with key personnel to develop capital budgets, expense forecasts, and pro forma revenue requirement adjustments
- Develop and deliver annual budget materials to the key City staff and city manager, the city council, and public stakeholders to ensure clear understanding of the study results

## CALIFORNIA EXPERIENCE

This table lists the California utilities that Raftelis has assisted over the past five years on financial, rate, and/or management consulting projects.

Client	Affordability Analysis & Program Development	Debt Issuance Support	Dispute Resolution	Financial & Capital Improvements Planning	Rate Case Support	Rate Design	Risk Analysis	Cost of Service	Development/Impact Fees	Stormwater Utility Development	Organizational Optimization	Water/Wastewater Utility Valuation
Alameda County Water District		●		●		●	●	●	●			
Anaheim, City of				●		●	●	●				
Arroyo Grande, City of				●		●	●	●				
Atwater, City of				●	●	●		●				
Bakersfield, City of		●		●		●		●				
Benicia, City of									●			
Beverly Hills, City of		●		●		●	●	●	●		●	
Borrego Water District			●	●		●						
Brea, City of				●		●		●				
Brentwood (CA), City of				●		●	●	●				
CAL FIRE/San Luis Obispo								●				
Calleguas Municipal Water District		●		●		●	●	●				
Camarillo, City of		●		●		●			●			
Carlsbad Municipal Water District		●		●		●	●	●				
Casitas Municipal Water District				●		●		●				
Castaic Lake Water Agency			●	●		●	●	●	●			
Central Basin Municipal Water District		●		●			●	●				
Central Contra Costa Sanitary District				●		●		●				
Channel Islands Beach Community Services District				●		●		●				
Chino Hills, City of				●		●		●				
Chino, City of				●		●		●				
Chowchilla, City of				●		●	●	●				
Corona, City of						●			●			
County of San Diego				●				●		●		
Crescenta Valley Water District				●		●		●				
Cucamonga Valley Water District				●		●						
Del Mar Union School District		●										
Delta Diablo Sanitation District											●	
East Bay Municipal Utility District				●				●	●			
East Orange County Water District				●		●		●	●			
East Valley Water District				●		●	●	●				
Eastern Municipal Water District				●								
El Toro Water District				●		●		●				
Elk Grove Water District	●			●		●	●	●	●			
Elsinore Valley Municipal Water District				●		●		●	●			
Escondido, City of		●		●		●	●	●	●			
Galt, City of		●		●		●		●	●			
Glendora, City of						●						
Goleta Water District				●		●	●	●				
Goleta West Sanitary District			●	●		●	●	●	●			
Helix Water District				●		●		●				
Henderson, City of				●		●		●	●			
Hollister, City of				●		●		●	●			
Holtville, City of				●				●				



Client	Affordability Analysis & Program Development	Debt Issuance Support	Dispute Resolution	Financial & Capital Improvements Planning	Rate Case Support	Rate Design	Risk Analysis	Cost of Service	Development/Impact Fees	Stormwater Utility Development	Organizational Optimization	Water/Wastewater Utility Valuation
Huntington Beach, City of				●		●	●	●				
Imperial County				●		●		●				
Inland Empire Utilities Agency				●								
Irvine Unified School District		●										
Jurupa Community Services District				●		●	●	●				
Kern County Water Agency					●							
La Canada Irrigation District				●		●		●				
La Habra Heights County Water District				●		●	●	●	●			
Laguna Beach, City of				●								
Lake Valley Fire Protection District				●			●	●				
Las Virgenes Municipal Water District				●		●		●				
Leucadia Wastewater District				●		●						
Livermore, City of				●		●		●	●			
Long Beach City of	●	●		●		●		●				
Los Alamos Community Services District		●		●		●		●	●			
Los Angeles Department of Water and Power						●		●				
Los Angeles, City of Bureau of Sanitation					●							
Madera, City of		●		●								
Mammoth Community Water District				●		●		●				
Marin Municipal Water District					●							
Merced, City of				●		●		●	●			
Mesa Water District				●				●				
Metropolitan Water District of Southern California			●									
Modesto Irrigation District						●		●				
Mojave Water Agency				●		●	●					
Monterey County Water Resources Agency				●		●		●				
Monterey, City of		●		●		●	●					
Moulton Niguel Water District									●			
Municipal Water District of Orange County					●			●				
Napa Sanitation District				●		●		●				
Ojai Valley Sanitary District				●		●		●				
Olivenhain Municipal Water District				●		●	●					
Ontario Municipal Utilities Company								●				
Ontario, City of				●		●	●	●				
Orange, City of				●		●		●				
Palo Alto, City of				●		●	●	●				
Phelan Pinon Hills Community Services District	●			●		●		●	●			
Placer County Water Agency					●			●				
Pleasant Hill Recreation & Park District				●				●				
Pomona, City of				●		●		●	●			
Rainbow Municipal Water District				●		●	●	●				
Ramona Municipal Water District				●		●		●				
Rancho California Water District						●	●	●	●			
Redlands, City of				●		●	●	●	●			
Rincon del Diablo Municipal Water District				●		●		●				
Riverside Public Utilities				●		●	●	●	●			
Roseville, City of		●		●					●			

Client	Affordability Analysis & Program Development	Debt Issuance Support	Dispute Resolution	Financial & Capital Improvements Planning	Rate Case Support	Rate Design	Risk Analysis	Cost of Service	Development/Impact Fees	Stormwater Utility Development	Organizational Optimization	Water/Wastewater Utility Valuation
Sacramento Regional County Sanitation District						●						
Sacramento, City of				●		●		●				
Salton Community Services District				●				●				
San Bernardino Valley Municipal Water District						●						
San Bernardino, County of				●		●		●	●			
San Clemente, City of				●		●	●	●				
San Diego, City of Public Utilities Department		●	●	●		●	●	●	●			
San Dieguito Water District				●		●		●				
San Elijo Joint Powers Authority				●	●	●	●	●	●			
San Gabriel County Water District				●		●		●				
San Gabriel, City of				●		●		●				
San Jose, City of								●				
San Juan Capistrano, City of				●		●	●	●	●			
Santa Ana, City of								●				
Santa Barbara, City of				●		●	●	●	●			
Santa Clara Valley Water District			●	●	●							
Santa Clarita Water District		●		●		●	●	●	●			
Santa Cruz, City of				●		●	●	●				
Santa Fe Irrigation District				●		●	●	●	●			
Santa Fe Springs, City of				●		●		●				
Santa Margarita Water District				●		●	●	●				
Santa Rosa, City Attorney's Office									●			
Scotts Valley Water District		●		●		●	●	●	●			
Shafter, City of				●		●		●				
Shasta Lake, City of				●		●	●	●				
Sierra Madre, City of	●			●		●		●				
Signal Hill, City of				●		●		●				
Simi Valley, City of				●		●	●	●	●			
Sonoma, City of				●		●		●				
South Mesa Water Company				●		●	●	●				
South Pasadena, City of				●		●		●				
South San Francisco, City of				●				●				
Sunnyslope County Water District				●		●	●	●	●			
Sweetwater Authority				●		●		●				
Temescal Valley Water District				●		●		●	●			
Thousand Oaks, City of				●		●	●	●	●			
Torrance, City of				●		●		●				
Trabuco Canyon Water District				●		●		●				
Triunfo Sanitation District				●		●		●				
Tustin, City of				●		●		●				
Union Sanitary District				●		●	●	●	●			
Ventura Regional Sanitation District				●		●		●				
Ventura, City of	●	●	●	●	●	●	●	●	●			
Vista, City of				●		●			●			
Walnut Valley Water District				●		●		●				
Watsonville, City of	●			●		●	●	●				
West Basin Municipal Water District				●		●	●	●				

Client	Affordability Analysis & Program Development	Debt Issuance Support	Dispute Resolution	Financial & Capital Improvements Planning	Rate Case Support	Rate Design	Risk Analysis	Cost of Service	Development/Impact Fees	Stormwater Utility Development	Organizational Optimization	Water/Wastewater Utility Valuation
Western Municipal Water District				●		●		●	●			
Yorba Linda Water District				●		●		●				
Zone 7 Water Agency				●		●		●				

**D. PROJECT DEVELOPMENT EXPERIENCE**

# D. Project Development Experience

**1. Total number of utility cost of services studies the firm has constructed over the past five years**

Raftelis has worked on nearly 1,000 utility cost of service studies in the past five years. A detailed list can be provided upon request.

**2. Types of customers the firm has worked with in the past**

Customers we work with consists of utilities and local government.

E. TERMS

# Proposer’s Understanding and Approach

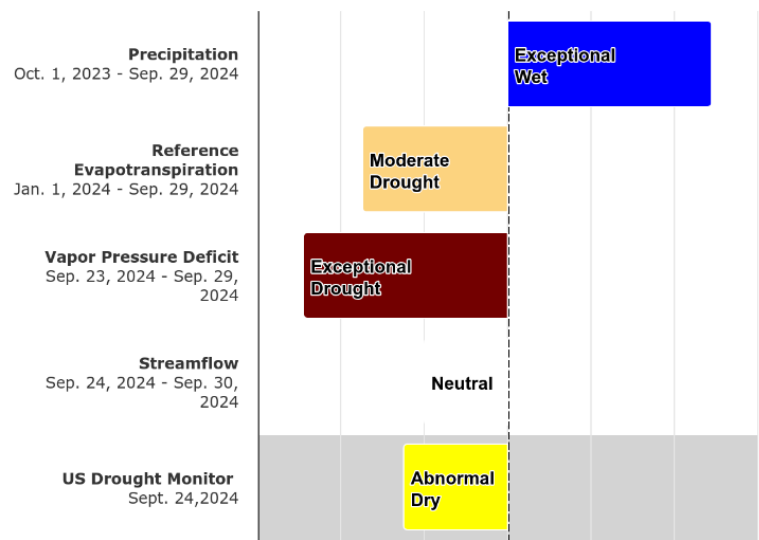
## Water and Wastewater Project Understanding

This project is about ensuring the future financial viability of the City’s utilities, which must be supported by equitable and defensible rate structures. To achieve this, Raftelis has pulled a knowledgeable and dedicated core team from its pool of subject-matter experts. The Raftelis Project Manager will work the Water and Wastewater Leads and KRSA Electric Project Manager to ensure that we don’t lose sight of the broad project goals. When the time comes to revise rate structures, prioritize shifts, and tell the story to your customers, the Raftelis team will stand with the City to support the study's results. We will help you usher in a resilient future for Needles utilities. The organization of our project team is provided in B. Project Team. The City has identified key several key areas of focus for the water and wastewater rate study:

- A financial plan which shows the ability of rates and fees to fund operations, capital, any proposed debt service, reserves, and debt service coverage.
- A cost of service and rate analysis that demonstrates both an equitable distribution of costs between customer classes and rates that are set to recover those costs.
- Rate design alternatives that promote the City’s specific pricing objectives, such as sustainability, wise water use and efficiency, and equitable cost recovery all while being Proposition 218 compliant and meeting recent state laws such as SB 1157.
- A stress test of the rate alternatives through bill impact comparison among a variety of usage levels and a comparison of proposed bills and rates to that of peer utilities in the area
- As one of the hottest cities in California – and hotter than Phoenix or Houston, Needles suffered a catastrophic drought in 2021 where well production was reduced to one well according The Los Angeles Times. We will evaluate water use data from that period and model revenue projections under similar conditions to test the viability of the water utility’s revenue stability. Based on records from *climatetoolbox.org* which is supported by NOAA and CIRC, the City is currently in a severe drought.

### Local Drought Classification

Location: 39.7683 N, 105.0484 W



# Water and Wastewater Project Approach

## Task 1: Project Management

Nimble. Flexible. Adaptable. Those are three adjectives we often hear clients use to describe our performance on projects at end-of-study project close-out meetings. We have high expectations for ourselves and a strong sense of what goes into a successful project. In addition to solid work products, you can expect:

- **Efficient Use of Time:** Your time is valuable, and we treat it that way. We commit to running well-planned, useful, and efficient meetings from the project's launch. We will arrive at all meetings with a game-plan and expectation to move the project forward.
- **Regular Check-Ins:** Many decades of project experience have taught us that the best way to keep a project on track is to ensure that it doesn't have too much room to drift off course. We like to schedule short weekly (or bi-weekly) check-in calls to ensure everyone's questions are answered, data needs are met, and no bottlenecks are developing in the project process. You will know we are on track because we will touch base with you regularly.
- **Thorough Documentation of Calls and Meetings:** The Raftelis team takes detailed meeting notes and shares them promptly after each meeting or important call. This allows the full project team to stay abreast of progress, agreements made, and results delivered.

Raftelis begins each project with a standard process wireframe shell that is built on two key foundational pillars:

- Best practices from the AWWA, WEF, American Public Power Association (APPA), and American Public Gas Association (APGA)
- Similar past successful Raftelis projects

Raftelis will conduct careful and detailed project management and administration throughout the project. Our Project Manager will plan, coordinate, monitor, and control all project tasks in concert with other appropriate project team members to ensure continuity and momentum throughout the project.

Raftelis uses internal safeguards to forecast and track all personnel hours and expenses incurred on each task, which the Project Manager closely monitor. Analyzing weekly costs helps prevent cost overruns and allows the City to shift funding priorities if necessary. In our monthly invoicing of services to the City, we typically indicate the dollar value of project work completed so our clients can see where the work stands in any given month. As necessary, the regular reporting will indicate how the project schedule is proceeding and whether there are issues that need to be addressed relative to analysis, approach, assumptions, schedule, and/or administration.

### TASK 1 DELIVERABLES:

- Established lines of communication
- Regularly scheduled project meeting calls
- Regular project management updates on budget, deliverables, and other milestones

## Task 2: Project Initiation Meeting

We will facilitate separate on-site project initiation meetings for each of the studies awarded to our team.

- **Project Initiation:** Finalize scope, milestones, and deliverables, set up regular project conference calls, and determine primary points of contact. Finalize project goals and objectives to establish guiding principles for the study against which we will measure results. Our project schedule can be found in the Schedule section

of this proposal. With every major milestone meeting or regular project meeting, we will produce and circulate an email summarizing the key points of the discussion.

- **Data Request:** Prior to the meeting we will submit a data request list for the information needed for this study. Gathering this information prior to the kick-off meeting will allow us to review and aggregate our list of questions and clarifications.
- **Project Initiation Meeting:** We will facilitate a one and one-half day meeting with City staff to review the key aspects of the study, current challenges and discuss the current political environment and how that may influence our strategic communications plan. We will also review data we have received to date, get clarification on certain items where needed and present our initial model populated with the validated data. This will give staff a perspective on how we should interpret the data.
- **Rate Structure Pricing Objectives:** This workshop allows for a facilitated discussion where decision-makers review and rank pricing objectives to use for developing alternative rate structures. This will help us determine how well the existing rate structure meets those objectives and identify potential rate structure changes to make it better align with those objectives. Typical pricing objectives are listed to the right. Many of these are “standard” or “must haves,” such as defensibility and revenue sufficiency. However, others can be ranked in order of importance. We will also develop measurable criteria to benchmark the objectives against the alternatives.

**TASK 2 DELIVERABLES:**

- Data request list
- Agenda for kick-off meeting
- Documentation summarizing the kick-off meeting
- On-site kick-off meeting at the City of Las Cruces

**Task 3: Financial Plan**

One of the most important aspects of a utility rate study is the forecast of revenue requirements. The City’s stakeholders and customers must have confidence that projected water and wastewater rates are sufficient to meet future annual revenue needs to fully fund the desired level of infrastructure investment. This creates a clear path toward maintaining a secure financial position for the utility. We will develop the test year revenue requirements for each utility considering:

- Current budget, unadjusted, adjusted and budgeted fiscal year by fund (operations, capital improvements equipment replacement reserve, shared services)
- Annual Comprehensive Financial Reports
- Financial policies
- Debt policies and covenant requirements
- Maintaining the integrity of the layout of the City’s current revenue requirement tables
- Determining the level of adjustment required to rates to meet annual requirements



**How much capital investment can we achieve while keeping rates affordable for our customers?**

**TASK 3 DELIVERABLES:**

- Draft revenue requirement
- Technical memorandum summarizing the results
- Two virtual meetings (per utility) to review findings with staff
- Finalized technical memorandum summarizing final results

**Task 4: Cost of Service**

Raftelis will start with industry-accepted cost-of-service principles and customize our analysis to account for the specific requirements of this study. The cost-of-service analysis will provide the City with a defensible justification explaining the reason why the costs are assigned in the manner they are. Raftelis needs this information to evaluate the level of the current and proposed rates.

The cost-of-service analysis is a multi-step process. It includes determining the revenue requirement, assigning the revenue requirement to various facilities (functional areas), and further allocating those costs based on their design criteria or function in the system. Those costs are then distributed to customer classes based on their water demands as well as accounts or equivalent meters. Raftelis will use the cost allocation process based on the industry standard methodologies published in the AWWA’s *Manual M1, Principles of Water Rates, Fees, and Charges* and the WEF, *Manual of Practice M027, Financing and Charges for Wastewater Systems*.

The graphic to the right illustrates the basics for the cost of service for each utility. Although some of the steps vary between each utility, the result is the same: the cost to service is the proportionate allocation of costs to customer classes based on their unique demands and customer characteristics.

**TASK 4 DELIVERABLES:**

- Draft cost of service results (per utility)
- Technical memorandum summarizing the results
- Three virtual meetings (per utility) to review findings with staff
- Finalized technical memorandum summarizing results

**Task 5: Rate Design**

The rate design task will identify the appropriate costs to be recovered from each customer class for each utility. For example, water volume-related costs recover the costs to treat, store, and distribute water to customers. Wastewater-related costs recover the costs to collect, treat, and discharge wastewater. Customer-related costs typically include meter reading and maintenance and administrative costs.

Raftelis will calculate the test-year rates under the current structure for each utility. Raftelis will also develop test-year rates for up to three (3) structure alternatives for each utility. Rate structure alternatives will be based on the results of the pricing objectives identified in Task 2, and here’s how we’ll do it:

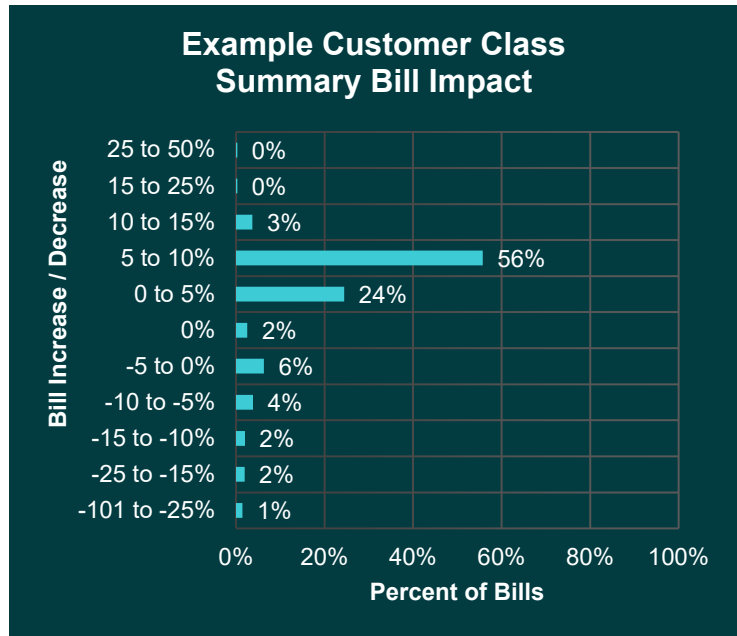
**Cost proportionality**  
**This is the common denominator for cost of service across all utilities.**

**Raftelis follows industry standard approaches along with our experience to ensure this proportionality is maintained within each class.**

**Cost-of-Service Summary by Utility**

WATER COST OF SERVICE	WASTEWATER COST OF SERVICE
<ul style="list-style-type: none"> <li>• Functionalization of revenue requirement</li> <li>• Allocation of functional costs to cost components</li> <li>• Units of service – average day, peak, customer costs</li> <li>• Proportional distribution of costs to customer classes based on class unit of service</li> </ul>	<ul style="list-style-type: none"> <li>• Functionalization of revenue requirement</li> <li>• Allocation of retail and wholesale costs</li> <li>• Allocation of functional costs to cost components</li> <li>• Units of service                             <ul style="list-style-type: none"> <li>• Flow, BOD, TSS, P, TKN, Customer</li> </ul> </li> <li>• Proportional distribution of costs to customer classes based on class unit of service</li> </ul>

- Using the selected pricing objectives and evaluation metric identified in Task 2, gauge the alignment the existing rate structure has with the objectives. Assess the ability of proposed rate structures to align with the evaluation metrics. Rank the existing structure against the alternatives and select up to three structures to determine test-year rates.
- Update the current utility rates with the test-year revenue requirement increase. This serves as the baseline for comparison against other rate structures.
- Based on the rate structure ranking results, develop test-year rates for each alternative. Compare results from proposed rates under each structure against the ability to meet ranked pricing objectives.
- Develop a bill impact table for each customer class that compares typical monthly and annual bills under existing and proposed rate structures.
- Compare how each rate design alternative meets the pricing objectives.
- Develop a bill comparison under the City’s existing and proposed rate alternatives compared against up to 10 peer utilities for each utility.



**TASK 5 DELIVERABLES:**

- Draft proposed rates under current schedules
- Proposed rate structure alternatives for each utility
- Three virtual meetings (per utility) to review findings with staff
- Finalized technical memorandum summarizing results

**Task 6: Reports and Presentations**

**Draft Report**

The draft report will document the rate development process, describe any recommended changes to the existing rate structures and the reason for such changes, and present the results of the cost-of-service and rate study. An electronic copy of the draft report will be provided to City staff for their review and comment. We will complete two rounds of draft report review. We can provide a draft report as a searchable .pdf or provide a link to the word document through our SharePoint for your review and edits.

**Final Report**

Raftelis will incorporate the City staff’s comments on the draft report into a final report. On finalization of the report, the City will be provided an electronic copy.

**City Council Presentations**

Raftelis will prepare the presentation materials to be used at the City Council meetings. Advance draft copies will be provided to staff for review and comment. Raftelis will attend up to two (2) meetings either with the City Council.



**TASK 6 DELIVERABLES:**

- Virtual meeting to review draft report with City staff
- Draft report, searchable .pdf
- Final report, searchable .pdf
- PowerPoint material for NPUA and City Council meeting
- Participation in one meeting with either the NPUA or City Council

## Electric Project Understanding

KRSA uses a proven, industry-standard approach to cost of service (COS) and rate studies, grounded in the principles of fairness, transparency, and long-term financial sustainability. Our past clients have successfully implemented our strategies to manage revenue, control expenses, build reserve funds, and ensure competitive rates.

Our approach to electric utility rate studies involves key activities such as comprehensive data collection, critical analysis of 5-year operating needs, capital planning review, and stakeholder engagement. KRSA will rely on industry standards for COS analysis (e.g., APPA, NARUC) and adhere to any regulatory requirements of California to ensure the final recommendations are equitable, defensible, aligned with your operational goals and consistent with California law. Below, we outline the common features of our methodology and approach to performing COS and rate studies.

## Electric Project Approach

### Preparation of Financial Plan

We will start by gathering relevant financial, operational, and customer data, and capital improvement plans and conduct a thorough review of your financial data, capital improvement plans, and system maintenance needs. The data will be incorporated with a comprehensive review of enterprise revenues to develop a 5-year financial plan. We will work with the City's staff to identify opportunities for cost savings and operational efficiency.

Our team will evaluate your capital planning strategies to ensure that long-term infrastructure investments are adequately supported. In addition, we will help you develop or refine reserve fund strategies for emergency repairs and future capital expenditures. These reserve fund strategies are grounded in best practices that have been successfully implemented by other utility clients, allowing them to strengthen financial reserves while maintaining competitive rates.

Special considerations for the City's utilities will include:

- Evaluate existing monthly fees and rate structure for all utilities
- Evaluate the impact of implementing a new tiered rate system
- Propose rate structures that promote conservation
- Assess the rate structure for support of capital and debt expense coverage
- Evaluate Post 2028 Parker Davis Remarketing efforts and impacts to power supply

## Cost-of-Service Analysis

Once the financial and capital needs assessments are complete, we will perform a detailed COS analysis using industry-standard methodologies (APPA/NARUC). This analysis will fairly allocate costs across customer classes based on their respective demand and impact on the system. We will ensure that all operational costs, capital expenditures, and future needs are appropriately reflected in the rates.

## Rate Design

In collaboration with your management team, we will use the results of the COS analysis to develop cost-justified, equitable, and defensible rates that are appropriate for the City. These rates will align with your utility's financial and operational goals while maintaining fairness and conservation across customer classes. We will also benchmark your rates against peer utilities to ensure competitiveness and provide stakeholders with a clear indication of any bill impacts that result from our proposed rates. Our team will ensure that the final rate structures are well-supported by data, enabling you to confidently present them to the City Council and your customers for approval.

## Communication

We will engage with stakeholders throughout the study to ensure transparent communication of findings and recommendations. This includes regular updates to the utility staff, workshops to gather feedback, and communication materials to explain any proposed rate changes. Our goal is to ensure that all stakeholders understand and support the final rate design.

## Deliverables

The results will be thoroughly summarized and a final report along with presentation materials, and customer information packets.



# Schedule

## WATER AND WASTEWATER SCHEDULE

Raftelis will complete the scope of services within the timeframe shown in the schedule below. If the City elects to extend the project completion schedule beyond the initial schedule, we will work with the City to identify any necessary revisions to the project budget.

TASKS	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
<b>1. Project Management</b>	<i>Project Management</i>					
<b>2. Project Initiation</b>						
<b>3. Financial Plan</b>						
<b>4. Cost of Service</b>						
<b>5. Rate Design</b>						
<b>6. Reports and Presentations</b>						

- In-Person Meeting
- Draft and Final Reports
- City Council Meetings
- Deliverables/Tech Memos/PPT
- Virtual Meetings

## ELECTRIC SCHEDULE

KRSA anticipate the overall project duration will be approximately 4 months. Initial data collection and review will take place over 6 weeks, followed by COS analysis and rate design over the next 8 weeks. Stakeholder engagement, reporting, and presentation of final recommendations will be completed in the final phase.

By applying a methodical, industry-standard approach, they will help the utility enterprises of the City of Needles achieve cost-effective and sustainable rate structures. KRSA team’s proven track record of helping utilities manage revenue and expenses, optimize capital planning, and build reserve funds positions us as a valuable partner in your rate study.

## F. EXCEPTIONS

# Exceptions

We request that the City consider making the following modifications, shown in red below, to the Draft Professional Services Agreement. Please contact us if you have any questions or concerns about these modifications.

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**3.2.2 Standard of Care; Performance of Employees.** Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California ~~as of the time of the services are provided~~. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the applicable standard of care. Any employee of the Consultant or its sub-consultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of a Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-assigned to perform any Services to City.

**3.2.3 Laws and Regulations.** Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with the Services. If the Consultant performs any work contrary to such laws, rules and regulations and without giving written notice to the City, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold the City, its officials, directors, officers, ~~and~~ employees ~~and agents~~ and agents harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability ~~arising out of~~ ~~caused by~~ arising out of any failure or alleged failure ~~of Consultant~~ to comply with such laws, rules or regulations.

**4.2 Indemnity for Professional Liability.** When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, ~~protect~~, defend and hold harmless the City and ~~any and all of~~ its officials, ~~and~~ employees ~~and agents~~ ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees ~~and costs, to the extent~~ ~~caused in~~ ~~whole or in part~~ by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

**4.3 Indemnity Other than Professional Liability.** Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and ~~any and all of~~ its

employees, and officials ~~and agents~~ from ~~and against any~~ all liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where), to the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, extent caused by the negligent performance of this Agreement by Consultant or by any individual or the City for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant. Notwithstanding anything to the contrary in this Agreement, in no event will Consultant have an obligation to indemnify, defend or hold harmless City or any other Indemnified Parties against liability for claims by a third party for failure to comply with its obligations under Article XIII D of the California Constitution (Proposition 218).

**4.4 Duty to Defend.** In the event the City, its officers, employees, ~~agents~~ and/or volunteers are made a party to any action, lawsuit, or other adversarial proceeding arising from the performance of the Services encompassed by this Agreement, and upon demand by City, Consultant shall ~~have an immediate duty to~~ defend the City ~~at Consultant's cost or at City's option, to reimburse City for to the extent of its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters. Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and City, as to whether liability arises from the sole negligence of the City or its officers, employees, or agents, Consultant will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.~~ obligations set forth above.

**7.3.1 City Ownership.** All documents and data ("Documents & Data"), including data on electric, digital or magnetic media, prepared by Consultant under this Agreement ~~and intended by Consultant as a deliverable hereunder~~ shall be the property of the City, except that Consultant shall have the right to retain copies of all Documents & Data for its records. The City shall not be limited in any way in its use of the Documents & Data at any time; ~~provided that any use other than as intended and any re-use, modification or alteration thereof shall be at City's sole risk.~~ Should Consultant, either during or following termination of this Agreement, desire to use any Documents & Data prepared in connection with this Agreement, Consultant shall first obtain the written approval of the City Manager. ~~Nothing in this Agreement shall be deemed or construed as a waiver, release, transfer, assignment or divestiture by Consultant of any of its intellectual property, know-how or trade secrets.~~

**7.3.2 Confidentiality.** All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of the City, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project; ~~unless disclosure is legally compelled.~~ Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. ~~Consultant may rely on all data and information provided by or on behalf of City without additional investigation.~~ Consultant shall not use the City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of the City.

APPENDIX A: RESUMES

# Appendix A: Resumes



# Todd Cristiano

## PROJECT MANAGER

Vice President (Raftelis)



### PROFILE

Todd has nearly 25 years of utility finance experience—19 years as a consultant to utilities and 6 years as the Manager of Rates at Denver Water. He has completed studies across the U.S. for water, wastewater, stormwater, electric, and gas utilities. His experience covers technical areas and industries such as municipal fee development, utility cost-of-service and rate structure studies, economic feasibility analyses, impact fee studies, and budget processes. While at Denver Water, he oversaw four significant rate- and fee-related studies, all unanimously approved by the Board of Water Commissioners, and also served as interim budget manager at Denver Water. As a member of the AWWA, he has helped to develop industry guidelines regarding financial and rate-making practices. In particular, as the Past Chair and current member of the AWWA Rates and Charges Committee, he co-authored the water reuse chapter in the latest edition of *Manual M1, Principles of Water Rates, Fees and Charges*. Todd is also co-instructor for the AWWA's biennial *Financial Management: Cost-of-Service Rate-Making Seminar*.

### KEY PROJECT EXPERIENCE

#### City of San Diego (CA): Water and Wastewater Cost of Service, Rate and Fee Study

**Key Areas of Focus:** Regular 5-year update; Evaluation of tiered residential rate structure to comply with Proposition 218; ensuring rate revenue met annual expenditures; evaluation of bond funding options. Updates to wastewater structure to account for infiltration and inflow; corrections made to multifamily sewer rate. Update pretreatment program costs.

#### City of Manteca (CA): Water Financial Plan, Cost of Service, and Rate Study

**Key Areas of Focus:** Last rate increase was in 2018; unknown when most recent rate study had been completed. Frequent turnover in staff left financial in poor health; repair and replacement capital projects had been significantly delayed; Raftelis made significant investment in untangling billing data, and developing robust financial planning models to analyze various debt funding options.

#### City of Milpitas (CA): Water and Wastewater Cost of Service, Rate and Fee Study

**Key Areas of Focus:** Update to 2018 study; most recent water and wastewater master plan indicated significant investment in repair and replacement capital; evaluated debt funding strategies to minimize rate increases; updated cost of service based on the new revenue requirement. Set uniform volume rates to comply with Prop 218.

#### City of Santa Cruz (CA): Wholesale Water Inter-Tie Contract Rates

**Key Areas of Focus:** The City of Santa Cruz (City) retained Raftelis to complete a water rate analysis for supplying 1.0 million gallons per day of water to Scotts Valley in exchange for water storage in their well field. Raftelis developed rate using the cost causation principals set forth in the AWWA M1 manual. For this study, costs were separated between common-to-all costs (costs that benefit all customers) and those costs specific to Scotts Valley

### Specialties

- Financial planning
- Cost-of-service & rate structure studies
- Litigation support
- Economic feasibility analyses
- Impact fee studies - utility & non-utility
- Reviews of policies, procedures, & operating practices
- Budget processes

### Professional History

- Raftelis: Vice President (2024-present); Senior Manager (2019-2023); Manager (2017-2018)
- Stantec (2016-2017)
- Denver Water: Manager of Rates (2010-2016)
- Malcolm Pirnie-Arcadis-US (2005-2010)
- Black & Veatch (1998-2005)

### Education

- Master of Business Administration - University of Colorado (2003)
- Bachelor of Science in Chemical Engineering - University of Tulsa (1995)

### Professional Memberships

- AWWA: Past Chair and current member of Rates & Charges Committee
- WEF

Water District. Raftelis analyzed asset records, GIS data, and asset management systems to determine which assets Scotts Valley specifically benefited from to receive service. Asset values were set to an annual lease rate which served as a proxy for annual capital costs. The study is currently on-going pending approval from the State on this wheeling agreement.

### **Crestview Mutual Water Company (CA): Financial Plan and Rate Structure Review**

The Crestview Mutual Water Company serves under 1,000 customers. Their current rate structure was based on a tiered structure which scaled based on the share ownership of each customer. The Utility requested Raftelis to create a 5-year financial plan to ensure that revenue from rates met annual expenditures and revised the existing rate structure to further conservation without risking losing their annual allocated water shares. Raftelis developed several rate structure alternatives for the Board’s review. The Board adopted an alternative which incorporated a 4-tiered structure in 2024.

### **City of Tolleson (AZ): Water and Wastewater Financial Planning Study**

**Key Areas of Focus:** Raftelis worked with Staff to develop attainable financial plan goals while minimizing the impact to customers. The wastewater utility was also undertaking a proactive renewal and replacement program. Because the City’s wastewater treatment plant is co-owned by three large industrial customers, the increased costs were spread among the City and the industrial users. Remaining costs were passed onto rate payers. Current reserves were able to absorb the nominal increased costs to retail wastewater customers, so no increase was necessary over the 10-year study period. The City Council adopted a 25% revenue adjustment for water - the first increase since 2011.

### **City of Scottsdale (AZ): Water Financial Planning, Cost-of-Service Analysis, and Rate Study**

**Key Areas of Focus:** The City of Scottsdale (City) retained Raftelis to complete a comprehensive water financial planning, cost-of-service analysis, and rate study. The study also included developing a model for City staff to use. Raftelis analyzed the detailed billing records and developed demand profiles for each customer class. This was used to forecast rate revenues and in evaluating rate design alternatives. We used industry-standard methodologies to allocate costs to the customer classes. Because the City conducts these studies every five years, the analysis yielded nominal changes in the class cost of service. We modified the rate designs for multifamily and irrigation to reflect their equity pricing objectives.

### **City of Glendale (AZ): Water and Wastewater Cost of Service Study**

The City retained Raftelis to complete a comprehensive water and wastewater cost of service study. The City updates its cost of service and rates every five years. For this study, Raftelis analyzed billing data, the 5-year revenue requirement as well as operational and other financial data. The goal of the rate study was to update rates and transition changes over a five-year period. Raftelis also updated the City’s model for their review in interim years. Rates were adopted for 2022. The City recently awarded Raftelis their 2025 – 2030 cost of service rate study contract to prepare a comprehensive 5-year cost of service and rate design study.

## **PUBLICATIONS**

- “Evaluating Pricing Levels and Structures to Support Reclaimed Water Systems,” Research Report, WateReuse Foundation, 2009

## **PRESENTATIONS**

- “A Guide to Designing Conservation-Oriented Water System Development Charges,” AWWA and Western Resources Advocates , 2018, <https://westernresourceadvocates.org/projects/water-system-development-charges/>



- Co-Instructor for American Water Works “Financial Management - Cost-of-Service Rate Making Seminar,” 2010-present
- “The Grass is Always Greener...Building Consensus of Reclaimed Water Project Pricing for Jointly Operated Systems,” Water Environment Federation Technical Exhibition and Conference, 2008
- “Honestly, What’s the Reuse,” WateReuse Symposium, 2008
- “Showers to Flowers - Objectives and Approaches for Reclaimed Water Pricing,” Utility Management Conference, 2010
- “Which Conservation Rate Structure is Best for Your Utility,” Utility Management Conference, 2013
- “Financial Management and Ratemaking Challenges for Reuse Water,” Utility Management Conference, 2015
- “Rate Perception Surveys: Leveraging Customer Knowledge to Create the Right Rate Structure,” Annual Conference Exhibition (ACE), 2015
- “Assessing Household Affordability in the Denver Water Service Area,” ACE, 2015
- “Rate Perception Surveys: Leveraging Customer Knowledge to Create the Right Rate Structure,” Utility Management Conference (ACE), 2016

# Brian Bass

## WATER AND WASTEWATER ASSISTANT PROJECT MANAGER

Manager (Raftelis)



### PROFILE

Brian has over 19 years of experience in consulting and providing financial, project management, and engineering services to utility clients. He has performed cost-of-service rate studies, bond feasibility studies, water and wastewater rate design studies, long-term financial plans for asset management programs, financial capability and affordability studies. He has also provided recommendations on appropriate financial ratios and metrics for municipal utilities.

### KEY PROJECT EXPERIENCE

#### Scottsdale Water (AZ): Water Rate and Cost-of-service Analysis

Raftelis helped Scottsdale Water develop a financial plan to ensure rate revenue recovers all operating and capital revenue requirements while accounting for fluctuations in water demand. We completed a cost-of-service study to allocate costs to each customer class and a rate design to collect costs from each class based on the cost-of-service results.

#### Sacramento County Water Agency (CA): Water Rate Study

Brian helped the Sacramento County Water Agency (Agency) establish water rates. We prepared a ten-year financial plan to ensure rate revenue recovers all operating and capital revenue requirements. The study also included ensuring the proposed rates have a nexus with the cost of service complying with CA legal requirements. It also included presenting the results of the study and the proposed rates to the Board of Directors.

#### San Dieguito Water District (CA): Water and Recycled Water Cost-of-service Rate Study

Raftelis helped the San Dieguito Water District (District) establish water, recycled water, and drought water rates. We prepared a three-year financial plan to ensure rate revenue recovers all operating and capital revenue requirements and to achieve the District's fiscal policies. We completed a cost-of-service study to allocate costs to each customer class and a rate design to collect costs from each class based on the cost-of-service results. We updated drought rates to ensure the collection of sufficient revenue during periods of reduced water demand due to drought or other water shortage emergencies. We presented the proposed rates and supported the City staff in several Board meetings to successfully implement the new rates, complying with CA legal requirements.

#### City of Ontario (CA): Water, Recycled Water, and Wastewater Rate and Cost-of-service Analysis

Raftelis helped the City of Ontario (City) establish water, recycled water, and wastewater rates. Our evaluation included cost-of-service studies demonstrating the nexus between utility rates and the City's costs to serve each customer class as required by Proposition 218.

#### City of Pleasanton (CA): Water Rate and Cost-of-service Analysis

Raftelis helped the City of Pleasanton (City) establish water and drought water rates. We prepared a financial plan to ensure rate revenue recovers all operating and capital revenue requirements. We completed a cost-of-service study

### Specialties

- Utility cost of service and rate structure studies
- Capacity fee studies
- Financial capability assessment and affordability studies
- Bond feasibility studies
- Water and sewer rate studies
- Economic feasibility studies

### Professional History

- Raftelis: Manager (2022-present)
- Arcadis: Senior Management Consultant (2004–2022)

### Education

- Master of Business Administration - Indiana University (2013)
- Bachelor of Science in Agricultural and Biological Engineering - The Ohio State University (2004)

### Professional Memberships

- AWWA Rates and Charges Committee
- AWWA CA-NV Financial Management Committee (Vice-Chair)

to allocate costs to each customer class and a rate design to collect costs from each class based on the cost-of-service results. We presented the proposed rates and supported the City staff in several City Council meetings to successfully implement the new rates, complying with CA legal requirements.

### **City of Pleasanton (CA): Water and Wastewater Connection Fee Study**

Brian helped the City of Pleasanton (City) update their water and wastewater connection fees. The water and wastewater connection fees were calculated using the incremental methodology. The incremental method is forward-looking, and growth-related capital improvements are allocated to new development based on their estimated usage. The City's water connection fees are charged by meter size. The City's wastewater connection fees are charged based on a unit factor, which differs by customer class. The City will implement the new connection fees in the fall of 2024.

### **City of Shafter (CA): Water and Wastewater Cost-of-service Rate Study**

Brian is helping the City of Shafter (City) establish water and wastewater rates. The study includes two financial plans to ensure rate revenue recovers all operating and capital revenue requirements. It also includes a cost-of-service study complying with CA legal requirements to allocate costs to each customer class and a rate design to collect costs from each class based on the cost-of-service results. The results will be presented to the City Council.

### **City of Sacramento (CA): Water and Wastewater Funds Analysis**

Brian is helping the City of Sacramento (City) complete a water and wastewater enterprise fund analysis. The analysis includes a detailed review of fiscal policies and procedures, benchmarking against peer communities, review of service level and capacities of the water and wastewater systems, evaluation of the impact of deferred maintenance and capital investments on the value of water and wastewater infrastructure, and the development of 25-year financial plans to ensure financial sufficiency and funding to meet projected operations and maintenance costs, the City's capital programs, proposed capital repair and replacement recommendations, and operating and capital gaps identified by the City that are not included in the budget or capital improvements schedule.

### **Fort Collins-Loveland Water District (CO): Water Rate and Cost-of-service Analysis and Tap Fee Study**

Raftelis assisted the Fort Collins-Loveland Water District (District) with completing a financial plan for a ten-year study period, a water cost-of-service analysis, and a tap fee study. The District is experiencing continued growth, requiring significant investments in water resources. Raftelis helped the District to plan and implement rates to address these concerns and still achieve the requirements of their fiscal policies.

## **PRESENTATIONS**

- "Assessment Today to Prepare for Tomorrow," Indiana Water Environment Association Annual Conference, 2022.
- "Long Term Planning for Utility Managers," American Water Works Association Michigan Annual Conference and Exhibits, 2022.
- "Building the Foundation of Equitable Water Rates," Metropolitan Planning Council's Drinking Water Academy (IL), 2019.

## Steve Gagnon PE (AZ)

### PROPOSITION 218 SUBJECT MATTER EXPERT Vice President (Raftelis)



#### PROFILE

Steve has 25 years of experience in financial analysis and environmental engineering. For the past 15 years Steve has provided financial planning and rate setting services to agencies all over California. He has also helped utilities make major investment decisions such as whether to invest in food waste to energy projects. He has also managed the construction and installation of water treatment equipment and oversaw Superfund remediation for the U.S. Army.

#### KEY PROJECT EXPERIENCE

##### Hi-Desert Water District (CA): Water Rate Study

Steve helped the Hi-Desert Water District (District) establish defensible and affordable water rates for a District with a high number of low-income residents. The study included an update of their miscellaneous fees. The District has one main source of water, which limits the rate differentiation between tiers. The study included an extensive outreach program to educate customers as to the need for rate adjustments.

##### City of Oxnard (CA): Water Rate Study

In early 2023, Raftelis assisted the City of Oxnard to develop a financial plan and set rates for their water and utility. The City of Oxnard has a very vocal and involved customer base. We simplified their rate structure and helped assess capital spending. We held a series of open houses that discussed the basics of rate setting. We also presented to council; the first meeting was a rate-setting basics workshop and the second presented the draft rates. During the public hearing, Raftelis and Staff fielded questions from the public. The rates were implemented by Council in the Spring of 2023. Steve served as the Project Manager.

##### Burbank Water and Power (CA): Water Rate Study

Raftelis assisted Burbank Water and Power with a professional water rate study. Raftelis helped staff select a rate structure from three structures including Budget Based Tiered Rates and performed a cost-of-service study to allocate costs to the customer classes. Burbank currently has a seasonal rate for commercial classes and has decided to go with a traditional tiered rate structure for single-family customers and a uniform rate for non-residential classes. Steve served as the Project Manager.

##### City of Pasadena (CA): Water and Wastewater Rate Study

Raftelis assisted Pasadena Water and Power in preparing its first professional water rate study, and Steve is serving as the Project Manager. Raftelis helped

#### Specialties

- Utility cost-of-service & rate structure studies
- Conservation rate studies
- Economic feasibility studies
- Capital budgeting studies
- Wastewater rate studies
- Capital recovery/capacity fee studies
- Survey research of water & wastewater utility characteristics & rates

#### Professional History

- Raftelis: Vice President (2023-present); Senior Manager (2020-2022); Manager (2017-2019); Senior Consultant (2014-2016)
- APTwater, Inc. (Now Ultura): project manager (2011-2014)
- PBS&J (now ATKINS): project manager - Utility Finance (2005-2011)
- Earth Tech (now AECOM): Senior project manager (2004-2005)
- Malcolm Pirnie, Inc. (now ARCADIS): Consultant (2002-2003)
- National Parks Conservation Association - Business Plan Initiative: Business Plan Consultant (2000)
- U.S. Army Corps of Engineers - New England Division: project manager (1995-1999)
- Geophex, Limited: Graduate Research Assistant (1994)

#### Education

- Master of Business Administration - University of Southern California (2001)
- Master of Science in Environmental Engineering - University of Massachusetts (1995)
- Bachelor of Science in Civil Engineering - University of Massachusetts (1994)

#### Certifications

- Registered Professional Environmental Engineer in Arizona
- Series 50 Municipal Advisor Representative

#### Professional Memberships

- AWWA

the City select a rate structure by discussing the pros and cons of different rate structures. We prepared a financial plan to ensure rate revenue recovers all costs and will complete a cost-of-service study to allocate costs to each customer class, followed by a rate design to collect costs from each class based on the cost of service. Raftelis is conducting a wastewater rate study.

### **City of San Francisco Public Utilities Commission (CA): Water and Wastewater Rate Study**

In early 2023, Raftelis assisted the City of San Francisco Public Utilities Commission to develop a financial plan and set rates for their water and wastewater utilities. The City has one of the lowest per capita water use in the state at 4 hundred cubic feet per single-family home per month. The City operates a very large water system that serves the city and many surrounding wholesale agencies. Raftelis worked with City Staff to functionalize their operating costs and develop a two-tiered rate for residential customers. Raftelis supported staff during rate committee presentations. The rates were adopted in the Spring of 2023. Steve served as the Project Manager for the water rate study.

### **City of Manhattan Beach (CA): Water Financial Plan and Rate Study**

Steve helped the City of Manhattan Beach to create a water financial plan and set rates. The City had two major concerns; 1) wells were impaired in the near term and the city would have to purchase more imported water and 2) the City was unsure about tiered rates given recent litigation. Steve worked with city staff to discuss the pros and cons of tiered rates. After reviewing these pros and cons with the city attorney and manager, staff recommended cost based tiered rates as of this writing. Steve presented the financial need and rate study results to city council and the public.

### **Otay Water District (CA): Wate Rate Study**

Steve led a recent water rate study for the District in the Spring of 2022. Working with the District he updated their cost-of-service study, rate structure which included tier breakpoints. The District decided to use the Commodity Demand method and only base (commodity) and max day cost components as opposed to max day and max hour components. Based on discussions with District operations staff, the project team decided to allocate water purchase costs to what is termed base costs, reducing the water rate for tiers 1 and 2.

### **City of Tracy (CA): Wastewater Rate Study**

In 2019, the City of Tracy (City) engaged Raftelis to perform a wastewater rate study. Raftelis is currently working with City staff to best plan for expenses to minimize customer impacts, and Steve is serving as Project Manager.

### **Running Springs Water District (CA): Water and Wastewater Rate Study**

Steve assisted the Running Springs Water District (District) establish water and wastewater rates and evaluate the financial health of the Fire and Ambulance Department. The District is unique in that many residents are absentee owners of vacation homes. As such, the District is maintaining a higher than average level of fixed charges for both water and sewer to equitably distribute costs among full-time and part time residents. Steve also prepared a 10-year financial plan for the Fire and Ambulance Department showing its financial health under different property tax, other revenue and expenses assumptions, including fire engine replacement.

### **City of Pomona (CA): Water, Recycled Water, and Wastewater Rate Study**

Steve helped the City of Pomona (City) establish water, recycled water and wastewater rates. He established defensible tiered rates based on the City's multiple sources of water and use characteristics. He also established pumping charges based on the costs associated with serving water to high elevation customers. The engagement included working with rate committee members, staff and council members to ascertain their rate setting goals. It also included a 10-year financial plan and modeling rates under industry standard reserve targets.

# Amanda Guci

## ELECTRIC PROJECT ADVISOR Manager (Raftelis)



### PROFILE

Amanda is a manager with extensive utility regulatory experience focusing in the areas of cost of service and rate design, financial modeling, and financial plans. She provides rate and regulatory consulting for municipal and investor-owned electric, gas, water and wastewater utilities. She is an expert modeler in the development of long-range financial plan models customized to client's needs. Her expertise also includes studies such as cost-of-service, financial and operational feasibility, asset management and affordability analyses.

### KEY PROJECT EXPERIENCE

#### **Cleveland Public Power (OH): Comprehensive Electric Financial Plan, Cost of Service Study and Rate & Fee Analyses**

Amanda is serving as the project manager for the Comprehensive Financial Plan, Cost of Service Study and Rate & Fee Analyses. The team is currently developing a financial planning model for the Electric utility. Raftelis will complete a comprehensive cost of service study and implement rate restructuring for the next 5 years to ensure that the utility meets debt service coverage and other key financial metrics. The team also established ancillary fees as identified by the client to cover expected costs. And finally, we will assist with a strategic communications plan to present the study results to the Mayor, City Council and other public stakeholders.

#### **City of Orangeburg (SC): Electric and Gas Comprehensive Cost of Service Study**

Amanda is serving as the Electric and Gas lead for the Comprehensive Cost of Service Study for its Electricity, Natural Gas, Water, Wastewater and Fiber Optic systems and evaluation of shared services and costs. The team updated the financial planning model for all utility systems and is currently evaluating cost of service. This study will identify the costs to serve each specific type of utility the DPU offers and will be used to help support rate development and modeling in future years.

#### **City of Georgetown (SC): Utility Rates Study – Water, Sewer, and Electric**

Amanda was serving as the Electric lead for the Utility Rates Study – Water, Sewer, and Electric. The team evaluated the utility fund revenues and expenses and examined the current Water, Sewer and Electric rate structure. Raftelis established a strategic plan to self-sustain each enterprise fund and provided recommendations on existing rate ordinances based on the study findings. Amanda is currently serving as the project manager for a Comprehensive Rate study that is performing financial planning, cost of service and rate restructuring analysis.

#### **City of Aspen (CO): Cost of Service Utility Rate Analysis and Business Plan**

Amanda was serving as the Electric lead for the Cost-of-Service Utility Rate Analysis and Business Plan. The team evaluated the long-range financial plan and developed a revenue recovery and cost of service model. In addition, the team assisted the City with critical tasks such as the evaluation of energy and demand pattern of Electric Vehicles

### Specialties

- Financial Analysis and Modeling
- Cost of Service
- Rate Design
- Affordability Analysis
- Capital Overhead Studies
- Capital Prioritization/ Asset Management
- Economic Feasibility Evaluation
- Financial Forecasting
- Bond feasibility studies

### Professional History

- Raftelis: Manager (2022-present)
- Black & Veatch: Manager (2020-2021)
- Black & Veatch: Consultant (2013-2020)

### Education

- Master's in Business Administration - University of Central Florida (2012)
- Bachelor of Science in Business Administration, Finance – University of Florida (2010)

### Certifications

- Municipal Advisor Representative (Series 50)

### Professional Memberships

- AWWA
- APPA

(EV) charging stations, impacts of increased demand for beneficial electrification, and the evaluation of costs associated with PV solar customers.

### **Greenville Utilities Commission (NC): Water and Wastewater Cost of Service, System Development Fees and Rate and Financial Planning Model Reset; Gas System Rate Study; Electric Cost of Service and Rate Design**

Amanda is currently serving as the project manager for a comprehensive Gas System Rate Study for GUC (2024-2025). The study entails developing GUC's revenue requirements for its gas utility and reviewing in detail the costs of service to determine the functional cost components and evaluating the rate structure for its effectiveness in equitably recovering revenues from customers served within each rate class. The Gas System Rate Model will incorporate new elements to promote functionality and the reporting requirements requested by GUC.

The water and wastewater rate and financial planning model, currently in use by GUC staff was rebuilt in 2012, 2017 and was rebuilt once again in 2022. Amanda served as the assistant project manager for the 2022 study and lead the rebuild of revenue model as well as the cost of service and rate design model. In addition, Raftelis built a miscellaneous fees model to assess the adequacy of these fees and charges.

*Experience under previous employer.* Amanda led the development of an Electric Cost of Service and Rate Design in 2015 and an update of the study in 2018. Amanda developed a comprehensive financial model which evaluated the adequacy of the existing rates for utility service, provides a class cost of service analysis, and a detailed rate design. Amanda also complete a weather normalized analysis and the Miscellaneous Service Fees and Charges study.

Amanda also performed a bond feasibility analysis for the City of Greenville, NC Electric and Gas Utility (2016 and 2019). She prepared the feasibility evaluation of the Forecast Statements of Revenues, Expenses, Debt Service and Debt Service Coverage relating to the electric and gas systems. She reviewed the methodologies, procedures and assumptions utilized in developing the projections. Amanda served as the lead consultant for a comprehensive Gas System Rate Study for GUC (2019-2020).

### **City of Camden (SC): Work Utility Rates Study – Water, Sewer, and Electric**

Amanda served as the Electric lead for the Work Utility Rates Study – Water, Sewer, and Electric. The team developed financial planning models for the all three utilities and evaluated the sufficiency of the revenues to meet the utilities revenue requirements. Raftelis designed equitable rates and provided recommendations for the City to ultimately reach self-sufficiency for each system during the forecast period.

### **Experience with Prior Employer**

- Confidential Client (MN): Gas Cost of Service, Rate Design Study Rate and Rate Case Support
- Confidential Client (OH): Gas Cost of Service, Rate Design Study Rate and Rate Case Support
- Columbia Gas of Kentucky (KY): Zero Intercept Analysis
- Confidential Client (New Brunswick, Canada): Rate Study and Regulatory Support
- Sikeston Board of Municipal Utilities (MO): Five-Year Report on the Electric System
- Vectren Energy Delivery of Indiana, North and South (IN)
- Next Era-Gulf Power Company/ Florida Power and Light (FL): Rate and Tariff Provisions
- JEA (FL): Depreciation Study (2019) Cost of Service and Revenue Model Review

# Lindsay Roth

## WATER AND WASTEWATER ANALYST Consultant (Raftelis)



### PROFILE

Lindsay has over four years of experience working in the environmental field and has a graduate degree in water resources management. At Raftelis, she has contributed to financial models and analyses for water and wastewater rate studies as well as bill impact analyses. Prior to joining Raftelis, Lindsay was a student consultant for the North Carolina Department of Environmental Quality, assessing the state's algal bloom monitoring program and nutrient criteria. She also interned for the Conservation Trust for North Carolina, developing best practices for the organization to participate in community-based environmental justice. She is based in Raftelis' Los Angeles Office.

### KEY PROJECT EXPERIENCE

#### City of Coronado (CA): Wastewater Rate Study

The City of Coronado (City) engaged Raftelis in 2021 to review and evaluate the City's current rate-setting methodology, update the financial plan for a five-year period, and propose rates for 2022. The City's sewer rates included contracted transportation and treatment fees for three US Navy Campuses. Lindsay served as the lead analyst on the study update. She developed a financial plan and worked with the project team to evaluate potential rate structure alternatives.

#### City of Hayward (CA): Water, Recycled Water, Wastewater, and Capacity Fee Rate Study

The City of Hayward (City) engaged Raftelis in 2022 to conduct a comprehensive water, recycled water, and wastewater cost of service and rate study and a capacity fee study proposing rates for the next two years and to provide a financial plan and rate model to serve as a planning resource for future use. The project required a balance of multiple financial objectives, including managing increasing water costs from the San Francisco Public Utilities Commission while also producing rates that were affordable for all customer classes as well as planning for large wastewater capital expenditures over the next 10 years. Lindsay served as a consultant on the project and assisted in the development of an updated 10-year financial plan for the City and a detailed rate study report explaining each step of the rate study process.

#### City of Hollister (CA): Water Rate Study

City of Hollister (City) engaged Raftelis in 2021 to conduct a water and wastewater cost of service and rate study as well as a water and wastewater capacity fee study. Lindsay served as an associate consultant on the project and was the lead analyst for the cost of service and rate study. The study required Raftelis to develop rates that built up reserves over time without creating rate shock to water users as well as work with the project team and City staff to evaluate various rate structure options. Lindsay also wrote a detailed rate study report explaining every step of the rate study and capacity fee study process.

### Specialties

- Data analysis & visualization
- Water & sewer financial analysis
- Statistical analysis

### Professional History

- Raftelis: Consultant (2023-present); Associate Consultant (2020-2022)
- North Carolina Department of Environmental Quality: Student Consultant (2019-2020)
- Conservation Trust for North Carolina: Disaster Mitigation and Climate Resiliency Intern (2019)

### Education

- Master of Environmental Management in Water Resources Management - Nicholas School of the Environment, Duke University (2020)
- Bachelor of Science in Earth and Environmental Sciences - Tulane University (2016)



### **City of Pleasanton (CA): Water, Wastewater, Capacity Fee, and Drought Rates Study**

City of Pleasanton (City) engaged Raftelis in 2019 to update its water, recycled water, and wastewater rates as well as conduct capacity fee and drought rate studies. Lindsay is serving as lead analyst on the City's rate study. The study involves developing long-term financial plans, conducting cost of service analyses, and designing rate structures for each of the three enterprises. The main considerations for the study include funding capital projects to remediate PFAS groundwater contamination, maintaining financial sufficiency for all enterprises, encouraging conservation during periods of drought, and reducing rate shock to customers.

### **City of Redlands (CA): Water and Wastewater Rate Study**

The City of Redlands (CA) engaged Raftelis in 2022 to conduct a water, wastewater, and recycled water rate study. Lindsay is serving as the lead analyst on the City's rate study. The study involves the development of a long-term financial plan, conducting updated cost of service analyses, and designing rates for each of the three utilities. Some of the main considerations for the study are increased CIP costs for the water and wastewater utilities in the short-term, maintaining sufficient reserves, and reducing rate shock to customers.

### **San Lorenzo Valley Water District (CA): Water and Wastewater Rate Study**

The San Lorenzo Valley Water District (District) engaged Raftelis in 2023 to conduct a water and wastewater rate study. Lindsay is serving as the lead analyst on the District's rate study. The study involves the development of a long term financial plan for each utility, conducting an updated cost of service for the water utility, and designing rate alternatives for the water utility. The District has incurred large CIP costs in recent years as a result of wildfires throughout the region, so one of the main considerations for the study is modeling various funding sources for the District in addition to building up sufficient reserves to fund emergency expenses in the future while avoiding rate shock to customers.

### **Soquel Creek Water District (CA): Water Rate Study And Capacity Fee Study**

The Soquel Creek Water District (District) engaged Raftelis in 2023 to conduct a comprehensive water rate study proposing rates for the next four years and to provide a financial plan and rate model to serve as a planning resource for future use. The project required balancing multiple financial objectives, including rate revenue stability, social equity of rates, promoting efficient water use, and reducing rate shock and bill impacts to customers. Lindsay is serving as lead analyst on the project and is developing a long term financial plan, a cost of service analysis, and rate design alternatives as part of the rate study model.

### **City of South Gate (CA): Wastewater Rate Study**

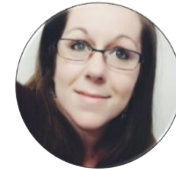
The City of South Gate (City) engaged Raftelis in 2022 to conduct a wastewater rate study proposing rates for the next five years. The City had not implemented any rate increases for several years before the rate study. Therefore, Raftelis had to balance the City's objectives of preventing rate spikes with ensuring revenue. Lindsay served as the lead analyst on the project and developed a long term financial plan, a cost of service analysis, and a rate design as part of the rate study model for the project.

### **City of Thousand Oaks (CA): Water and Wastewater Rate Study**

City of Thousand Oaks (City) engaged Raftelis in 2021 to conduct water and wastewater financial plan update as well as a water rate study. Lindsay served as an associate consultant on the project and helped to develop an updated water rate model and an updated wastewater financial plan model forecasting projected revenues and expenditures for the next 5 years. The study required Raftelis to develop rates that accounted large CIP project expenditures planned for the study period for both the water and wastewater utilities while avoiding rate shock for customers. The updated models also included various capital expenditure and rate adjustment scenarios in order to aid in the City's decision-making process.

# Ashley Blank

## ELECTRIC ASSISTANT PROJECT MANAGER Analyst (KRSA)



### PROFILE

As a new Analyst to K. R. Saline & Associates, Ashley's experience includes 15 years of past retail management experience analyzing, purchasing and managing budgets for multimillion dollar inventory selections. Ashley also brings an additional two years of experience as a project team leader where she was responsible for determining and implementing an organizational budget management and reporting process for clients and internal stakeholders.

Ashley has an excellent track record of analyzing large data sets and determining the best solutions for all stakeholders.

### KEY EXPERIENCE

- Develop rate comparisons based on current rates, recommended rates based on usage, and competitive rate analysis.
- Provide monthly data analysis and formatted reporting of meter billing for multiple clients.
- Preparation of presentation materials for utility district analysis and overview of loads and resources.
- Creation and analysis of customer forecasts using long-term demand history to maintain visibility to budgetary needs.
- Responsible for negotiating purchase costs, purchasing inventory, and maintaining an inventory budget of \$120 million across two distinct categories.
- Established business measurables and metrics for success, developed business rules, data best practices, and effective collaboration with the development team to integrate a new internal database into our Power BI Reporting system.
- Leveraged project management tools to improve efficiency and collaborate with various teams to support company goals.
- Conducted in-depth analyses and offered valuable insights on recruiting metrics to both leadership stakeholders and the recruiting team, driving informed decision-making and facilitating positive change.
- Conducted a comprehensive review of inventory, forecasted long-term inventory needs, and served as a primary contact for suppliers in day-to-day interactions.
- Responsible for making decisions on buying, communications, and negotiation.

### Experience

- 15 Years. Joined KRSA in 2024.

### Education

- iMBA, Southern New Hampshire University, 2017

# Kent Simer

## ELECTRIC PROJECT ADVISOR Senior Analyst (KRSA)



### PROFILE

As a Senior Analyst at K. R. Saline & Associates, Kent's experience in the utility industry includes economic analyses and computer-aided modeling for power supply planning, load forecasting, financial forecasting, cost/benefit analysis, rate studies, and expert testimony on revenue requirements and rate design matters. In recent years Kent has been assisting Tribal utilities throughout California conducting utility feasibility analysis, long range resource planning and CAISO integration, and resource adequacy compliance reporting.

### KEY EXPERIENCE

- Supported utility planning through development of long-range load power requirements forecast based on econometric and time series techniques that incorporated regional economic, demographic, and climatological data to develop independent energy forecasts.
- Provide cost-of-service and rate design studies for public, municipal, and tribal utilities throughout the southwest and present results to the utility boards and city council representatives.
- Provided expert testimony before the Arizona Corporation Commission in water rate hearing regarding use and usefulness of plant, rate shock mitigation, and rate design. Analysis included the evaluation of rate impacts of alternative rate base treatment of plant, CFUDC and depreciation.
- Conducted feasibility analysis of a new wholesale Tribal Utility Authority in California.
- Supported renewable energy development through development of community survey, historical review, analysis of utility preparedness, prepare feasibility/cost-benefit analysis and provided strategic planning to Arizona utilities.
- Conduct integrated resource planning activities for utilities to evaluate energy resources contracts and long-term energy requirements to support resource RFP development.
- Assist California utility with California Energy Commission resource adequacy compliance and annual reporting requirements.
- Assist California utility with development of new resources and CAISO integration.

### Experience

- 25+ Years. Joined KRSA in 1998.

### Education

- B.I.S. Small Business & Communication, Arizona State University, 2003
- MBA, (Coursework toward), University of Phoenix

### Certifications

- Advanced Cost of Service and Retail Rate Design
- American Public Power Association 2005

### Publications

- 2008 Arizona Biannual Transmission Assessment

# Jeffrey Woner

## ELECTRIC PROJECT ADVISOR Partner (KRSA)



### PROFILE

As one of the partners at K. R. Saline and Associates, Jeffrey provides clients with decades of experience in the fields of economic analyses and computer-aided modeling for power supply planning, load forecasting, financial forecasting, cost/benefit analysis and rate studies. He has participated in several utility financings (approximately \$500 million) as well as several projects relating to the compliance of environmental regulations. Jeffrey also provides ongoing consulting services for numerous irrigation and electrical districts, municipal utilities and tribal utilities located in Arizona.

### KEY EXPERIENCE

- Jeffrey assists Colorado River Energy Distributors Association in the analysis of Western Area Power Administration PRS results, rate filings, and participates in Public Information Forums and Public Comment Forums for federal rate making for Salt Lake City Area Integrated Projects power and transmission rates on an ongoing basis.
- Jeffrey was responsible for the development of an unbundled open access transmission rate analysis, the development of rates for ancillary services and the development of an open access tariff. The cost-of-service study determined the unbundled cost of providing transmission service to customers wishing to use California Imperial Irrigation District's transmission system as well as the unbundled costs to provide scheduling services, regulation, energy imbalance, reactive supply & voltage control, spinning and supplemental reserves.
- Jeffrey was primarily responsible for the cost-of-service portion of the rate study for the City of Colton California which has an annual budget of more than \$23 million and an annual peak of 40MW. The cost-of-service study determined the cost to serve each of the City's customer classes and provided a guideline as to the amount of revenues that should be recovered from each rate class. Jeffrey was also instrumental in the actual rate design of the new rates. The design of the new rates included a marginal cost analysis and the development of time-of-use rates for one class of large general service customers.
- Jeffrey has been responsible for the development of financial plans and rate development for multiple Arizona utilities.

### Experience

- 30+ Years. Joined KRSA in 1995.

### Education

- B.S. Biology, University of Arizona
- M.S. Economics, Arizona State University

# Dennis Delaney PE (AZ)

## ELECTRIC PROJECT ADVISOR Partner (KRSA)



### PROFILE

As one of the partners at K. R. Saline & Associates, Dennis provides ongoing consulting services to a number of Arizona and California irrigation and electrical districts, municipal utilities, and tribal utilities. Dennis has performed various engineering and economic analyses including representation of various entities in front of federal and state agencies. He consults with governing bodies and negotiates necessary programs and policies on their behalf. He has extensive experience in power scheduling, power supply, power pooling, and transmission and distribution planning.

### KEY EXPERIENCE

- Dennis was instrumental in the development of SPPA and Joint Action Agency (JAA) formed under Arizona Statue. SPPA was formed in 2014. Dennis has served as the Project Manager from 2014 to date. Dennis reports directly to the SPPA Board of Directors. As the SPPA Project Manager, Dennis manages all SPPA activities including managing the SPPA Power Pool. The SPPA Power Pool aggerates the loads and resources of the pool participants. SPPA Power Pool peak load is approximately 800 MW. SPPA Power Pool resources include federal resources, thermal and renewable contracts. SPPA has no fulltime staff. KRSA staff assists Dennis in managing SPPA activities.
- Prior to the formation of SPPA Dennis oversaw the resource management and scheduling for over 25 irrigation and electrical districts, municipal utilities, and tribal utilities in Arizona.
- Dennis provided comments on FERC Order 888 rulemaking and expert testimony and analysis of FERC OATT filings of Arizona Utilities. He provides OATT economic and unbundling analysis and has assisted numerous clients in evaluating options of OATT service including Network Service Applications, Point-To-Point Service Applications, Good Faith Requests, Direct Assignment Facility cost analysis and advises on OATT administration, compliance and FERC Order 889 issues.

### Experience

- 39+ Years. Joined KRSA in 1992.

### Education

- B.S. Electrical Engineering, Arizona State University

### Registration

- Professional Engineer, AZ #27320

# Daniel Pritchard

## **ELECTRIC ANALYST** Senior Analyst (KRSA)



### **PROFILE**

Daniel provides ongoing consulting service responsibilities for numerous electric districts, tribal and municipal utilities in Arizona ranging from rate analysis support, economic and financial analysis, contract analysis, compliance with federal reporting mandates, and power invoice confirmation. Daniel participates in multiple scheduling, administration and public ratemaking processes for hydroelectric resources available to Arizona utilities. Daniel joined KRSA in 2006.

### **Experience**

- 18+ Years. Joined KRSA in 2006.

### **Education**

- B.S. Economics and Business Administration, University of Arizona, 2006

### **KEY EXPERIENCE**

- Participates in Western Area Power Administration (Western) power and transmission rate processes.
- Develops and prepares monthly budget reporting documents including updated power forecasts based on prevailing market data.
- Assists the economic dispatch and integration of monthly Hoover schedules. Daniel assists in the management of the layoff program on behalf of numerous APA customers and works closely with the APA staff to monitor and manage the program.
- Oversees the preparation FORM-861 Energy Information Administration filings for 19 electric utilities. Additional responsibilities include the annual filing of FORM-176, Annual Report of Natural and Supplemental Gas Supply and Disposition, for the City of Safford's Gas Utility.
- Assist numerous Western Area Power Administration (Western) customers and is responsible for the hourly customer schedules and allocation of fixed contract costs.
- Oversees the preparation of integrated resource plans for a total of twenty-four utilities, including electrical, irrigation and power districts, municipal utilities and a tribal utility authority. These Plans are prepared in conformance as described in the Energy Planning and Management Program (10 CFR Part 905) and are submitted to the Western Area Power Administration.

APPENDIX B: RELEVANT LICENSE

# Appendix B: Relevant License





**State of California  
Secretary of State**

**Statement of Information  
(Foreign Corporation)  
FEES (Filing and Disclosure): \$25.00.  
If this is an amendment, see instructions.**

**IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM**

**F**

**G920963**

**FILED**

In the office of the Secretary of State  
of the State of California

**SEP-09 2019**

**1. CORPORATE NAME**

RAFTELIS FINANCIAL CONSULTANTS, INC.

**2. CALIFORNIA CORPORATE NUMBER**

C2670972

This Space for Filing Use Only

**No Change Statement** (Not applicable if agent address of record is a P.O. Box address. See instructions.)

**3. If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.**

If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to **Item 13**.

**Complete Addresses for the Following** (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE	CITY	STATE	ZIP CODE
227 WEST TRADE STREET SUITE 1400, CHARLOTTE, NC 28202			
5. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY	CITY	STATE	ZIP CODE
445 S. FIGUEROA STREET SUITE 1925, LOS ANGELES, CA 90071			
6. MAILING ADDRESS OF THE CORPORATION, IF DIFFERENT THAN ITEM 4	CITY	STATE	ZIP CODE

**Names and Complete Addresses of the Following Officers** (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

7. CHIEF EXECUTIVE OFFICER/ PEIFFER A BRANDT	ADDRESS 227 WEST TRADE ST., STE 1400, CHARLOTTE, NC 28202	CITY	STATE	ZIP CODE
8. SECRETARY MATTHEW R JACKSON	ADDRESS 227 WEST TRADE ST., STE 1400, CHARLOTTE, NC 28202	CITY	STATE	ZIP CODE
9. CHIEF FINANCIAL OFFICER/ MATTHEW R JACKSON	ADDRESS 227 WEST TRADE ST., STE 1400, CHARLOTTE, NC 28202	CITY	STATE	ZIP CODE

**Agent for Service of Process** If the agent is an individual, the agent must reside in California and Item 11 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 11 must be left blank.

10. NAME OF AGENT FOR SERVICE OF PROCESS [Note: The person designated as the corporation's agent MUST have agreed to act in that capacity prior to the designation.] STEVE GAGNON				
11. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL 17171 BOLSA CHICA ST., APT. 89, HUNTINGTON BEACH, CA 92649	CITY	STATE	ZIP CODE	

**Type of Business**

12. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION  
WATER/STORMWATER CONSULTANTS

13. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.

09/09/2019      MATTHEW R JACKSON      CORPORATE SECRETARY  
DATE      TYPE/PRINT NAME OF PERSON COMPLETING FORM      TITLE      SIGNATURE