

Professional Proposal

Professional Proposal

City of Rollingwood, Texas

Wastewater Utility
Cost of Service and Rate Design Study Proposal

November 21, 2019



Nelisa Heddin Consulting, LLC

P.O. Box 341855

Lakeway, TX 78734

(512) 589-1028

nheddin@nelisaheddinconsulting.com

TABLE OF CONTENTS

1. INTRODUCTION	
Cover Letter	
Executive Summary	1
2. SCOPE OF WORK AND SCHEDULE	
Project Approach	2
Work-Plan	4
Tasks/Scope of Work	6
Additional Scenarios	10
Meetings and Development of Materials	10
Cost Breakdown	10
Schedule for Completion	11
3. QUALIFICATIONS	
Firm Profile	12
Project Team Profile	13
Organizational Chart	14
Resume, Nelisa Heddin	15
Current Workload	17
4. REFERENCES	
References	18



INTRODUCTION

Cover Letter

Executive Summary

1



November 21, 2019

City of Rollingwood
Attn: City Secretary
403 Nixon Drive
Rollingwood, TX 78746

To Whom It May Concern:

Nelisa Heddin Consulting (NH Consulting) is pleased to present the City of Rollingwood (City) with a Proposal for a Wastewater Cost of Service and Rate Design Study.

With extensive experience in the financial management of utilities and the performance of cost of service and rate design studies, the project team offers an extraordinary pool of resources to support the City's needs. NH Consulting is specifically qualified to meet the needs of the Town in the following areas:

- The project manager assigned to this engagement clearly understands the operating environment of municipal utilities in the State of Texas and is committed to understanding the City's long-term and short-term goals such that strategies to achieve those goals may be identified;
- NH Consulting is committed to providing value-added services to the City that go beyond simply the performance of a rate study, but assisting the City in planning for the future of its Utilities;
- The project manager assigned to this engagement is experienced in the performance of and specializes in cost of service and rate design studies, having consulted with numerous entities throughout the southwest, and is a recognized expert in the industry having testified before the State Office of Administrative Hearings and the State Legislature on utility rates; and
- NH Consulting is dedicated to assisting the City in guaranteeing the future efficiency and effectiveness of the City's Utilities.

Thank you for the invitation to propose for this project, we look forward to the opportunity to work with the City. Please feel free to contact us with any questions or comments regarding this proposal, or any other services required by the City at (512) 589-1028.

Sincerely,

Nelisa Heddin
President

P.O. Box 341855 Lakeway TX 78734
Phone: 512-589-1028
Email: Nheddin@NelisaHeddinConsulting.com
NelisaHeddinConsulting.com

EXECUTIVE SUMMARY

Nelisa Heddin Consulting, LLC (NH Consulting) is pleased to provide the City of Rollingwood (“City”) with a proposal for a cost of service and rate design study for the City’s Wastewater Utility. NH Consulting will work with the City to develop rate recommendations which will assure adequate revenues for operations and capital improvements on a self-sustaining basis, while considering the economic impact on the Utility’s customers, taking into consideration the cost of providing the services. ***NH Consulting offers the City of Rollingwood unparalleled expertise in the performance of cost of service and rate design analysis.***

NH Consulting is a financial and management consulting firm specializing in meeting the needs of municipal utilities.

NH Consulting intends to provide the City with a comprehensive package of services to enable the City to more efficiently manage its utilities and fully evaluate the City’s utility rate structure.

The following proposal identifies the project team’s qualifications and outlines our approach to the project.

The project team believes that the successful completion of this project will be dependent on the following requirements:

- A project manager who clearly understands the City’s operating environment including long-term and short-term goals and is committed to helping the City identify strategies to achieving those goals
- A project manager who is committed to providing value-added services to the City that go beyond simply the performance of a rate study, but assisting the City in planning for the future of its Utilities
- A project manager who is experienced in the performance of and specializing in cost of service and rate design studies for numerous entities throughout the U.S and is a recognized expert in the industry having testified before the State Office of Administrative Hearings and the State Legislature
- Responsiveness and constant communication with the City

As outlined in this proposal, NH Consulting is uniquely qualified to meet each of these requirements.

Executive Summary





SCOPE OF WORK AND SCHEDULE

Project Approach	2
Work-Plan	4
Tasks/Scope of Work	6
Additional Scenarios	10
Meetings and Development of Materials	10
Cost Breakdown	10
Schedule for Completion	11

PROJECT APPROACH

Analysis of Wastewater Fund Finances and Wastewater Rates

There are many State and Federal regulations surrounding water and wastewater rates. Chapter 13 of the Texas Water Code states, “rates shall not be unreasonably preferential, prejudicial, or discriminatory but shall be sufficient, equitable, and consistent in application to each class of consumers.” Special care must be taken during the development of water and wastewater rates to ensure that the rates developed are in accordance with this statute.

The development of wastewater rates involves four primary steps:

1) Determination of Annual Revenue Requirements for the Study Period

It is particularly important that all costs associated with providing service are included in the revenue requirement. This includes direct costs such as those required to operate the City’s collection system, the contract cost for wastewater treatment from the City of Austin as well as the City’s administrative costs associated with managing this utility. It is imperative that the costs included in the revenue requirements are within the confines of State and Federal regulations.

There are two primary approaches to the development of revenue requirements, the “cash-needs” approach, and the “utility” approach. The “cash-needs” approach ensures that the revenues generated by the utility cover the cash needs of the utility, including debt obligations, as they come due, whereas the “utility” basis does not consider debt obligations. The primary difference is that the “utility” basis considers depreciation rather than debt. NH Consulting will work closely with City staff to determine the approach which is most appropriate in meeting the City’s needs.

2) Functionalize Revenue Requirements into Functional Cost Components

Wastewater costs are related to the flow and strength of the wastewater returned to the system. The wastewater treatment process is dependent on both the strength of the wastewater and the volume of the wastewater treated. Thus, costs are related to these factors. Wastewater revenue requirements must be functionalized based on:

- **Flow Costs**– Costs incurred by the wastewater utility that can be directly related to the volume of wastewater treated. These costs include pumping costs and wastewater treatment plant capacity.
- **Strength** – Costs incurred by the utility that can be related to the strength of the wastewater treated, such as chemical costs. Strength costs can be further functionalized in terms of BOD, TSS, and NH₃, depending on the facility’s specific permit treatment parameters.
- **Customer Costs** – those costs associated with serving customers, irrespective of the amount or rate of wastewater treated.

3) Allocation of Cost Components into Customer Classes

The functionalized wastewater costs are then allocated to customer classes based on projected flow, and, in the case of surcharge design, strength.



4) Design Wastewater Rates

The design of wastewater rates is a complex task. This is due to the fact that most utilities do not meter wastewater, as they do water. Thus, best estimates must be made during the determination of billing units. This is a particularly sensitive task. It is imperative that a utility normalize the historical data to ensure they do not over-estimate billing units. Additionally, the City must adopt a policy for the determination of wastewater billing. Options include winter averaging and maximum fee capping. Another consideration in setting wastewater rates is the option of wastewater surcharges for industrial customers. Given that the City does not provide partner water utility services directly, NH Consulting will work closely with the City to determine the best means of charging customers for service.

WORK PLAN

The Project Team has put together a work plan that accomplishes the four steps of rate design and accomplishes the goals/objectives outlined by the City. NH Consulting's general approach to rate design is to first thoroughly understand the goals of the Utility and design rates which meet those goals. And finally, work with the City to present recommendations and provide as much support as necessary to ensure that the City, its elected officials and residents have the information they need to fully understand and evaluate decisions going forward.

As outlined in the Request for Proposal, at the onset of the engagement, NH Consulting will meet with the Utility Commission and City Council to go over expectations and get public input before development of the proposed rate structure. This may be conducted through a joint meeting or separate meetings; however the City prefers. NH Consulting will coordinate directly with the City to develop the most appropriate structure and to identify the exact content to be included in these meetings. NH Consulting has conducted similar introductory work sessions with elected officials and the public in the past – the format may include:

1. Introduction to overall trends in the utility industry, including, but not limited the “infrastructure crisis” described by the American Water Works Association, whereby utilities are faced with financial challenges associated with having to rehabilitate and/or replace aging infrastructure.
2. Description of how wastewater services are provided in the City of Rollingwood, including:
 - History of wastewater system ownership including, purchase of the system from the LCRA in 2012 and assumption of related debt by the City in accordance with that purchase agreement.
 - City owned collection system.
 - Contracted treatment of wastewater with the City of Austin.
3. Outline of relevant contractual terms for provision of services, to the extent they are relevant to the discussion, which may include:
 - Wastewater treatment contract with the City of Austin, including terms of contract – including how monthly fees are determined, and adjustments to wholesale wastewater treatment fees by the City of Austin.
 - Utility billing and collections.
4. Outline of annual expenditures including pro-rata share of total expenses for each category, focusing on the fact that nearly 30% of the City's total budget funds treatment by the City of Austin, approximately 21% of the City's total budget pays for annual debt service, approximately 10% of the City's total budget funds billing and collections, while other contractual services accounts for another 12% of the expenses. As such, of the City's expenses, a very small portion of annual expenditures can be influenced by or affected by the City's operations and are ultimately within the City's direct control. It has been NH Consulting's experience that this is very eye opening for most residents and elected officials.

	FYE 2020 Budget	% of Total
Personnel Expenses	\$165,224	21%
Supplies & Operations Expenses	44,000	6%
Utility Billing & Collections	81,000	10%
Wastewater Fees	230,000	29%
Other Contractual Services	95,500	12%
Miscellaneous	3,600	0%
Annual Debt Service	<u>168,523</u>	21%
	\$787,847	

5. Discussion of the City of Austin's future projections of wholesale wastewater treatment rates in the future, if available. (Prior to this meeting NH Consulting will contact the City of Austin to discuss their future projections of rates and other issues relevant to this analysis.)
6. Discussion of capital improvement needs on the system, if any.
7. Discussion of the City's historical revenue recovery compared to budgeted expenses.
8. Discussion current rate structure, and historical rate changes.
9. Discussion of best-management practices related to wastewater rates including:
 - Basis for billing residential customers (typically winter averaging)
 - Basis for billing commercial customers
 - Industrial pre-treatment surcharges, how they are determined and why
10. Discussion of rate design elements including base fees and volumetric charges; as well as a discussion of policy surrounding the level of base fees versus volumetric fees with the goal of understanding the City's position on these issues. Relevant to this discussion may include desired proportionate share of revenues from base fees and associated revenue stability, versus degree of "control" customers have over their total bill through their own personal consumption habits.
11. Discussion of policy issues facing the City and/or concerns with rate structure or policy considerations.
12. Receive input and feedback from the community.

NH Consulting will seek to have a clear understanding of Utility Commission and City Council's expectations and receive input prior to development of final recommendations.

Task Number	Task Name	Description	Deliverable (if any)
1 (RFP Task 1.b.)	Meet with City staff (On-going task – NH Consulting anticipates 3 meetings with City staff throughout the process, but may meet more as necessary)	NH Consulting will begin the project by meeting with City Staff to collect and review all available information and review the methodology to be used in the development of the recommended rate structures. NH Consulting will also develop a clear line of communication with relevant staff members. We will also discuss a strategy for moving forward with a public meeting.	Request for Information will be provided to the City which outlines all data and documentation that will be necessary to complete the analysis. It must be noted that NH Consulting will work closely with the City throughout the process. <i>Meetings are not limited to a set amount, but instead will be held as determined necessary by the City and NH Consulting.</i>
2 (RFP Task 1.a.)	Meet with Utility Commission and City Council	The exact format of the meeting(s) will be developed in close coordination with the City but may include many of the elements outlined above and/or additional elements as identified.	Presentation(s) with the City Council and Utility Commission in a public setting.
3 (RFP Task 1.d.)	Develop CIP Funding Plan	The City will be asked to provide NH Consulting with a future capital improvement plan, outlining future capital needs for the city's wastewater utility in the next five to ten years. NH Consulting will then work with City staff to identify a funding plan for those improvements. This funding may include, but may not be limited to: utilization of existing cash reserves and or other cash funding currently accessible, funding through issuance of future "surrogate debt" to be issued, funding through impact fees, as well as funding through cash recovery each year through rates.	The CIP funding plan will be outlined in the final report, and will be incorporated into the rate analysis as necessary.
4 (RFP Tasks 1.c., 1.d., and 1.e)	Revenue Requirement Determination	Development of Revenue Requirements for the base-year utilizing historical actual costs, City budgets, debt service schedules, capital improvement plans and information/input from City staff.	Detailed schedule outlining the base-year revenue requirement and the basis of development, assumptions, and adjustments will be provided to and reviewed with City staff in a work-paper document. Base year revenue requirements will be relied upon to develop five-year revenue requirements.

<p>5 (RFP Tasks 1.c., 1.d., and 1.e)</p> <p>6</p> <p>7 (RFP Task 1.c.)</p>	<p>Development of Five-Year Revenue Requirement Forecast</p>	<p>Once the base year revenue requirements for the test year have been developed, NH Consulting will work with City staff to develop a five-year projection of revenue requirements for each utility. Known and measurable changes such as capital improvements, future debt issues and process changes, will be taken into account. The project team will work closely with City staff project these costs into the five-year planning period considering elements including, but not limited to, inflation, personnel changes, growth impacts, etc. Existing costs will be determined as well as the costs for the proposed CIP. O&M reserves repair and replacement reserves and debt service reserves will be established to coincide with the City's financial policies.</p>	<p>Detailed schedules outlining the five-year projection and the basic assumptions used to make those projections. These schedules will likely be included in the final report of the study.</p>
	<p>Functionalization of Revenue Requirements</p>	<p>Once revenue requirements have been determined and projected for the five-year study period, NH Consulting will functionalize each cost component into functional categories, based on that cost. Wastewater components will be functionalized into flow, treatment, and customer cost categories.</p>	<p>Cost functionalization work-paper schedules will be reviewed with City staff and will be relied upon for the allocation of costs to customer classes.</p>
	<p>Customer Demand Analysis</p>	<p>NH Consulting will next examine the historical usage patterns of the City's current customer classes and will evaluate possible new customer classifications. NH Consulting will examine the usage patterns of the customer classes and coordinate closely with the City to determine the best means of estimating wastewater use for retail customers. In addition, NH Consulting will use this analysis to review the City's current customer classifications as to appropriateness.</p>	<p>Historical customer demands, average use, and peaking patterns will be provided to City staff in detailed work-papers for review and incorporation into the customer cost allocations and future use projections.</p>

8 (RFP Task 1.c.)	Customer Count and Demand Projections	The next step in the analysis is to project future customer growth. NH Consulting will examine historical growth patterns, and discuss future growth with the City's utility and planning departments to make this projection. In addition, NH Consulting will analyze historical usage patterns and customer growth projections to project usage for the five-year study period.	Future projections of customer count and demands will be reviewed with City staff. The final report will summarize these projections and the basic assumptions utilized in making these projections.
	Allocation of Cost Components to Customer Classes	Once NH Consulting has accurately functionalized costs into cost components and has analyzed customer demands, NH Consulting will be able to allocate costs to customer classes based on their usage patterns, and thus relative demands they place on the utility.	Detailed work-papers allocating costs to customer classes will be reviewed with City staff. The final report will summarize the results of the cost allocation analysis.
	Rate Design	The previous steps have allocated costs to customer classes based on their system demands and have projected customer demands, and thus billing units, into the future. The final step of the analysis is to design rates for the utilities. NH Consulting will first determine cost-of-service based rates for each customer class. Additionally, NH Consulting will provide alternative rate design options if deemed necessary. The ultimate rates recommended by the project team will be fair and equitable among customers; fully recover the costs associated with providing services; and will meet the goals of the City as defined in the project kick-off meeting.	The final rate design work papers will be reviewed with City staff. The recommended rate design will be incorporated into the final report.
	Develop Summary of Impact on Customer Bills	A summary of impact to customer bill, based upon various levels of consumption will be prepared. NH Consulting will also present, to the extent data is available, to percentage of customer bills that are within a particular use category so that the City can thoroughly understand the number of customers impacted at various consumption levels.	This summary will be included in the final public presentations and will also be made available to be utilized in any and all public communication materials distributed to customers via mailers, the City's website and/or press releases as necessary.

12	Preliminary Draft Report	NH Consulting will prepare a preliminary draft report for the City that discusses the methodology used during the analyses, the critical assumptions made by the project team, and findings and recommendations. The project team will present the draft report to City staff for comment.	A draft report will be provided to City staff for comment/edits. Unless otherwise requested by the City, the draft report will be provided in an electronic, PDF format.
13	Issuance of Final Report	NH Consulting will incorporate the City's comments into the draft report, and will issue a final report to the City. This report would include an executive summary, which documents the findings and recommendations in a clear and concise manner.	The project team will provide the City with the final report.
14	Presentation of Findings	NH Consulting will present findings in during regularly scheduled or special called meetings/workshops or public hearings. The project team will educate the Council and/or the public on the methodology, findings, and recommendations of the project.	NH Consulting typically presents findings with a Power-Point presentation, or similar format as deemed appropriate.
15 (RFP Task 1.g.)	Provide Timeline for Adoption of Rates	NH Consulting will coordinate with City staff and/or the City's attorney as necessary to develop a time-line for consideration and adopting of recommendations including but not limited to required public notifications, public presentations and reading of proposed ordinance.	The timeline will be provided to City staff and coordinated with the City's attorney to confirm all legal requirements have been met. The timeline will also be included in the presentation of findings as necessary.
16 (RFP Task 1.g.)	Assist staff in Preparation of Public Notifications, Proposed Ordinance, and Public Education Materials as Necessary	NH Consulting will assist City staff and/or the City attorney in the preparation of public notifications and the proposed ordinance as necessary. NH Consulting will also assist in the development of public education materials and information to be presented on the City's website as necessary.	Input and assistance will be provided in assembling public notifications and the proposed ordinance as necessary. NH Consulting will also assist in developing public education materials as necessary.

Additional Scenarios

It has been the experience of NH Consulting that in order for officials to be able to make the best-informed decisions pertaining to the future of the utility, it may be necessary to run multiple “what-if” scenarios for consideration. These scenarios may include rates with or without future funding for CIP projects, or scenarios looking at different levels of base fees versus volumetric fees, or scenarios evaluating potential changes to customer classifications. NH Consulting will work with the City to identify if any alternative “what-if” scenarios are necessary, and if they are, NH Consulting will commit to running these scenarios as necessary in order to ensure the City has all the information necessary to make informed decisions.

Meetings and Development of Materials

NH Consulting considers the role of consultant to the City of Rollingwood to consist of more than simply developing a rate mode and writing a report. Rather, NH Consulting considers its role as one of guiding the City through the process of considering and evaluating changes to its wastewater utility rates. This role includes not just running numbers and writing a report, but also attending meetings with City staff, City Council, and the Utility Commission, providing guidance on the best way to approach policy initiatives, listening to the City Council and Utility Commission and the public and incorporating their thoughts and concerns into the model, and assisting with the development of materials and communications with the public and even the ordinance to be adopted.

It is extremely important to NH Consulting that the City receives the time and assistance it needs to determine the most appropriate path forward for the City’s wastewater utility. NH Consulting will not only develop rates and write a report, but will guarantee assistance to the City in the other elements involved including public communications and even discussing implementation of final rates with the City’s billing company. NH Consulting will also be available anytime during the five-year study period to assist with any future questions pertaining to the rates and recommendations.

As such, this proposal does not limit the number of meetings with City staff, the City Council or the Utility Commission – but instead, NH Consulting will commit to doing whatever is necessary to get the job done and see that the City is able to adopt changes to its rates as necessary.

Cost Breakdown

As requested in the RFP, NH Consulting has outlined the costs by RFP Task outlined below. It must be noted that the costs are estimated within in each task. However, this proposal is for the entirety of the scope of services for a flat guaranteed fee of **\$6,890**. As previously noted, NH Consulting will attend meetings as necessary and provide the additional assistance as outlined herein for this total fee.

RFP Task	Description	Estimated Cost
1.a.	Meet with City Council and Utility Commission	\$260
1.b.	Meet with City Staff	390
1.c.	Review Historical Account and Operational Costs and Calculated Future Costs and Consumption.	3,300
1.d.	Identify and Prioritize CIP Funding Needs	520
1.e.	Develop Forecast of Annual Revenue Requirements	1250
1.f.	Recommend Rate Structure	780
1.g.	Work with Staff to Provide Timeline	390
	TOTAL	\$6,890

Schedule for completion

Upon approval of contract from the City, NH Consulting will issue a request for information (RFI) to City staff within two business days. This RFI will outline the data and information that will be required to complete the analysis. Data can be provided to NH Consulting as it is available. A kick-off meeting will be schedule with City staff at a mutually agreeable time. During this meeting the RFI will be reviewed and discussed and together we will identify the best approach for the initial public meeting(s) with the Utility Commission and City Council. Those meetings will be scheduled at a mutually agreeable time.

NH Consulting will begin working on the analysis immediately upon receipt of data from the City. NH Consulting will commit to completing this project within 90 days from receipt of data from the City.



QUALIFICATIONS

Firm Profile	12
Project Team Profile	13
Organizational Chart	14
Resume, Nelisa Heddin	15
Current Workload	17

NELISA HEDDIN CONSULTING, LLC PROFILE

NH Consulting is a management consulting firm specializing in the financial planning and management of municipal utilities. NH Consulting works closely with each client to develop strategic, individualized solutions. We provide a full range of services to meet our clients' complex needs including cost of service and rate design studies, impact fee analysis, and budgeting assistance.

NH Consulting works closely with each client to thoroughly understand their unique needs, goals, issues and challenges and develops strategic solutions customized to address the individualized needs of each client.

Services provided by NH Consulting include:

- Cost of Service and Rate Design Studies
- Comprehensive Fee Analysis
- Indirect Cost Allocation Studies
- Impact Fee Analysis
- Pro Forma Analysis
- Bond Issuance Support
- Annual and Long Term Operational Budgeting
- Cost Benefit Analysis
- Comparative Benchmarking Analysis
- Financial Planning and Modeling
- Financial Planning and Modeling
- Financial Planning and Budgeting for CIP Programs
- Public Education Programs
- Service Area Valuations
- Feasibility Analysis
- Regionalization Planning and Implementation
- Expert Witness Testimony
- Legislative Support
- Billing System Reviews and Implementation

Strategic – Innovative - Excellence

Nelisa Heddin, president of NH Consulting, is Past Chair of the Texas AWWA Rates and Charges Sub-Committee, and is still actively involved in this professional organization. Ms. Heddin brings the most innovative solutions in the industry to each of her clients – allowing her to develop customized strategies to meet each of her clients needs.

Firm Profile



PROJECT TEAM PROFILE

NELISA HEDDIN, PROJECT MANAGER

Ms. Heddin will serve as the project manager for this engagement, bringing over 19 years in utility rate design to this engagement. Ms. Heddin will be performing the financial analysis and will be responsible for the overall quality control for this engagement.

Ms. Heddin is an industry expert in financial planning and management for municipal utilities, specializing in cost of service and rate design studies, impact fee analysis, cost benefit analysis, and annual and long-term budgeting. Ms. Heddin has over 19 years experience in providing consulting services to utilities of all sizes throughout the Southwest. She is a Past-Chair of the Texas AWWA Rates and Charges Sub-committee and has been invited to speak at numerous industry functions regarding cost of service issues, rate design, water loss and capital financing.

Expertise You Can Rely On – Quality You Can Trust

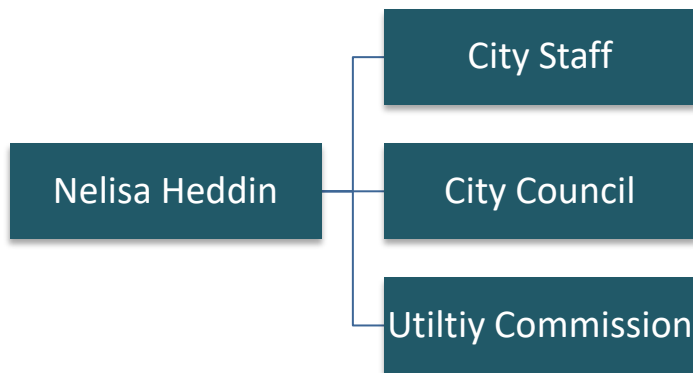
NH Consulting assigns a single project manager who services as project manager and analyst for each engagement – this ensures continuity throughout each engagement. Nelisa Heddin, the proposed project manager for this engagement, is a leading expert in cost of service and rate design studies, having worked for entities across the United States such as the Cities of Dallas, Phoenix, Tucson, Little Rock, Webster, Pflugerville, and Georgetown.

Project Team Profile



Organizational Chart

Nelisa Heddin, president of NH Consulting, will be working directly with the City on this engagement. While administrative staff may be utilized to some degree to assist in some areas such as data entry, Ms. Heddin will perform the financial analysis, write the report and will work directly with the City. It is the perspective of NH Consulting that the City must have direct access to the expert in this field rather than staff who have limited experience. As such, the organizational chart for this engagement is very simple:



Nelisa Heddin

President

Professional Background

Nelisa Heddin is an industry expert in financial planning and management for water and wastewater utilities; specializing in cost of service and rate design studies, impact fee analysis, cost benefit analysis, and annual and long-term budgeting. Ms. Heddin has over 16 years experience in providing consulting services to utilities of all sizes throughout the Southwest. Ms. Heddin has a Masters of Business Administration with a specialty in Finance. She is a Past-Chair of the Texas AWWA Rates and Charges Subcommittee and has been invited to speak at numerous industry functions regarding water and wastewater rates, rate design, water loss, and capital financing.

Education

B.S., Biology, New Mexico State University, 1996
MBA, Finance, New Mexico State University, 1999

Professional Affiliations

American Water Works Association
Past Chairman Texas AWWA Rates and Charges Subcommittee
Texas Municipal League
Texas Government Financial Officers Association

Sample of Relevant Project Experience

Cost of Service and Rate Design Projects

Bistone Municipal WSC
City of Alamo Heights, Texas
City of Bastrop, Texas
City of Bonham, Texas
City of Burnet, Texas
City of Cameron, Texas
City of Copperas Cove, Texas
City of Corinth, Texas
City of Cuero, Texas
City of Del Rio, Texas
City of Friendswood, Texas
City of Garland, Texas
City of Gladewater, Texas
City of Horseshoe Bay, Texas
City of Idabel, Oklahoma
City of Krum, Texas
City of Lago Vista, Texas
City of Leon Valley, Texas
City of Little Rock, Arkansas
City of Lindale, Texas
City of Mexia, Texas
City of Midland, Texas
City of Missouri City, Texas
City of Moulton, Texas

City of Murphy, Texas
City of New Madrid, Missouri
City of North Lake, Texas
City of Pecos, Texas
City of Pflugerville, Texas
City of Phoenix, Arizona
City of Richmond, Texas
City of Selma, Texas
City of Southside Place, Texas
City of Sweet Water, Texas
City of Webster, Texas
City of Wortham, Texas
Eldorado Area WSD
Fair Management, LC
Gorforth SUD
La Ventana Utilities
MB Wastewater Services, LLC
Quail Valley Utility District
Southern Crossing Utilities
Travis County WCID #17
West Travis County Public Utility Agency
Whiterock Water Supply Corporation

Resume



Impact Fee Studies

West Travis County Public Utility Agency	City of Burnet, Texas
City of Southside Place, Texas	City of Corinth, Texas
City of Cuero, Texas	City of Missouri City, Texas
City of Bastrop, Texas	

Valuation Analysis

Central Texas UDC	U.S. Navy	Green Valley SUD
West Travis County Public Utility Agency	City of Dallas, Texas	City of Fort Worth, Texas

Operations and Management Reviews

Quail Valley Utility District	City of Bastrop, Texas	City of Gladewater, Texas
City of Waco, Texas	City of Uvalde, Texas	City of Galveston, Texas

Other Projects

Central Texas UDC - Facilities Acquisition Negotiations	City of Bee Cave - Litigation Support and Expert Witness Testimony
City of Georgetown/ Chisholm Trail SUD - Regionalization Feasibility	La Ventana - Litigation Support and Expert Witness Testimony
City of Georgetown - Contract Assignment Consents	White Bluff Rate Payers - Litigation Support and Expert Witness Testimony
City of Lakeway – Review of Utility Rates of Lakeway MUD	Canyon Lake Rate Payers – Litigation Support and Expert Witness Testimony

Publications and Presentations

Texas H2O, November/December 2004, “Finding the Water: How to Cope with HB3338”
Office of Rural Community Affairs, 2004 – Water Related Training for Local Leaders
Texas Water, 2004 – Professional Paper - Water Audits, Water Loss and HB3338
Texas Rural Water Association Annual Conference 2002– Presentation – Encroachment Issues
Incode Education Forum, 2007 – Selling Utility Rate Studies
Texas Water, 2006 – Water Loss Determination
Munis Education Forum, 2006 – Utility Rate Analysis
Incode Education Forum, 2006 – Utility Rate Analysis
TAWWA Rate Seminar, 2010 - Utility Rate Analysis
GFOAT, 2005 – Capital Financing Seminar
GFOAT Gulf-Coast Chapter, 2005 – Presentation – The GFO’s Water Challenges

Current Workload

Nelisa Heddin is available to begin work with the City immediately, with most of Ms. Heddin's current project workload being completed by or before December 2019; enabling NH Consulting to complete the proposed engagement within the time constraints outlined by the City.

Client	Project Description	Estimated Completion Date
City of Mexia	Water and Wastewater Cost of Service and Rate Design Study	30-Nov-19
Bistone MWSD	Water Cost of Service and Rate Design Study	30-Nov-19
White Rock WSC	Water Cost of Service and Rate Design Study	30-Nov-19
Travis County WCID #17	Water and Wastewater Cost of Service and Rate Design Study	31-Dec-19
Missouri City	Mustang Bayou True-Up Analysis - Phase 2	31-Dec-19
Missouri City	Mustang Bayou Retail Rate Analysis	31-Dec-19
Missouri City	GRP Pro Forma	15-Jan-19



REFERENCES

References

18

References

West Travis County Public Utility Agency Financial Manager Cost of Service and Rate Design Study

Project Description	Nelisa Heddin became familiar with the West Travis County water and wastewater systems beginning in 2007 during a contested proceeding between the Lower Colorado River Authority (LCRA) and the City of Bee Cave and eventually testified on the equitability of the rates implemented by the LCRA before the State Office of Administrative Hearings (SOAH). Ultimately, the City of Bee Cave along with Travis County MUD #3 and Hays County ended up purchasing the systems and created the West Travis County Public Utility Agency (Agency) to own and operate the systems. Ms. Heddin assisted in the acquisition of the systems and the transition of the operation of the systems to the Agency. Ms. Heddin served as the Financial Manager for the Agency assisting with budgeting, revenue tracking, and the many challenges associated with this large, regional system through 2014. Ms. Heddin has completed 4 cost of service and rate design studies for the Agency, with the most recent analysis completed in May, 2019.
Project Completion	2012 – present
Project Highlights	Financial Manager Annual Budgeting Impact Fee Analysis Wholesale Rate Analysis Cost of Service and Rate Design Capital Improvement Planning Public Education
Contact	Jennifer Riechers West Travis County Public Utility Agency General Manager (512) 263-0100 12117 Bee Cave Rd. Building 3, Suite 120 Bee Cave, Texas 78738 jriechers@wtcpua.org

City of Southside Place, Texas Cost of Service and Rate Design Study

Project Description	In 2008, Nelisa Heddin conducted a Cost of Service and Rate Design study for the City of Southside Place. The analysis evaluated the cost of providing services to residential and commercial customers and made recommendations to adjustments in rates based upon those costs. Ms. Heddin was asked to return in 2014 to conduct a follow-up study; she is scheduled to present recommendations to City Council in May, 2014.
Project Completion	2008, 2014
Project Highlights	Cost of Service and Rate Design Transitional Implementation Plan Capital Improvement Planning
Contact	David Moss City of Southside Place, Texas City Manager (713) 668-2341 6309 Edloe Ave Houston, Texas 77005 citymgr@southside-place.org

City of Webster, Texas Cost of Service and Rate Design Study

Project Description	Nelisa Heddin started working with the City of Webster in 2004 when she conducted a Cost of Service and Rate Design study for the City. At that time, the City was not charging residential customers for water and wastewater services – they had a “live free in Webster campaign.” During the post-9/11 economic downturn, the City could no longer utilize tax-revenues to subsidize their utilities. Ms. Heddin worked closely with City staff to develop a transitional implementation plan which would slowly increase rates over time to achieve cost of service. Ms. Heddin has been asked to assist the City in subsequent studies in 2007 and 2013.
Project Completion	2004, 2007 and 2013
Project Highlights	Cost of Service and Rate Design Transitional Implementation Plan Capital Improvement Planning Public Education
Contact	Mike Rodgers, CPA City of Webster, Texas Director of Finance (281) 316-4102 101 Pennsylvania Ave Webster, Texas 77598 mrodders@cityofwebster.com

City of Corinth, Texas Cost of Service and Rate Design Study

Project Description	In 2006, Nelisa Heddin conducted a Cost of Service and Rate Design study for the City of Corinth. As the City had difficulty getting rate recommendations passed in the past, Ms. Heddin worked closely with City staff to develop strategies that would ensure adoption by the City’s elected officials and acceptance by the public. The analysis had to consider substantial capital improvements required on the system and developed rates to recover the revenues necessary to keep the system in compliance. Since the original analysis, Ms. Heddin has been invited to assist the City in evaluating rates in 2007, 2008, 2009, 2010 and 2013.
Project Completion	2006, 2007, 2008, 2009, 2010 and 2014
Project Highlights	Cost of Service and Rate Design Benchmarking Analysis Transitional Implementation Plan Capital Improvement Planning
Contact	Lee Ann Bunselmeyer City of Corinth, Texas Director of Finance (940) 498-3280 3300 Corinth Parkway Corinth, Texas 76208 lbunselmeyer@cityofcorinth.com