



CITY OF GRAND JUNCTION, COLORADO

CONTRACT

This CONTRACT made and entered into this 3rd day of April, 2018 by and between the City of Grand Junction, Colorado, a government entity in the County of Mesa, State of Colorado, hereinafter in the Contract Documents referred to as the "Owner" and Raftelis Financial Consultants, Inc. hereinafter in the Contract Documents referred to as the "Contractor."

WITNESSETH:

WHEREAS, the Owner advertised that sealed Responses would be received for furnishing all labor, tools, supplies, equipment, materials, and everything necessary and required for the Project described by the Contract Documents and known as Consultant Services to Provide Methodology for Internal Service Fees RFP-4444-18-SH.

WHEREAS, the Contract has been awarded to the above named Contractor by the Owner, and said Contractor is now ready, willing and able to perform the Work specified in the Notice of Award, in accordance with the Contract Documents;

NOW, THEREFORE, in consideration of the compensation to be paid the Contractor, the mutual covenants hereinafter set forth and subject to the terms hereinafter stated, it is mutually covenanted and agreed as follows:

ARTICLE 1

Contract Documents: It is agreed by the parties hereto that the following list of instruments, drawings, and documents which are attached hereto, bound herewith, or incorporated herein by reference constitute and shall be referred to either as the "Contract Documents" or the "Contract", and all of said instruments, drawings, and documents taken together as a whole constitute the Contract between the parties hereto, and they are fully a part of this agreement as if they were set out verbatim and in full herein:

The order of contract document governance shall be as follows:

- a. The body of this contract agreement
b. Solicitation Documents for the Project as noted above;
c. Contractors Response to the Solicitation

ARTICLE 2

Definitions: The clauses provided in the Solicitation apply to the terms used in the Contract and all the Contract Documents.

ARTICLE 3

Contract Work: The Contractor agrees to furnish all labor, tools, supplies, equipment, materials, and all that is necessary and required to complete the tasks associated with the

Work described, set forth, shown, and included in the Contract Documents as indicated in the Solicitation Document.

ARTICLE 4

Contract Price and Payment Procedures: The Contractor shall accept as full and complete compensation for the performance and completion of all of the Work specified in the Contract Documents, the sum of **Thirty-Two Thousand Nine Hundred Thirty-Five Dollars (\$32,935.00)**. The amount of the Contract Price is and has heretofore been appropriated by the Grand Junction City Council for the use and benefit of this Project. The Contract Price shall not be modified except by Change Order or other written directive of the Owner. The Owner shall not issue a Change Order or other written directive which requires additional work to be performed, which work causes the aggregate amount payable under this Contract to exceed the amount appropriated for this Project, unless and until the Owner provides Contractor written assurance that lawful appropriations to cover the costs of the additional work have been made.

ARTICLE 5

Contract Binding: The Owner and the Contractor each binds itself, its partners, successors, assigns and legal representatives to the other party hereto in respect to all covenants, agreements and obligations contained in the Contract Documents. The Contract Documents constitute the entire agreement between the Owner and Contractor and may only be altered, amended or repealed by a duly executed written instrument. Neither the Owner nor the Contractor shall, without the prior written consent of the other, assign or sublet in whole or in part its interest under any of the Contract Documents and specifically, the Contractor shall not assign any moneys due or to become due without the prior written consent of the Owner.

ARTICLE 6

Severability: If any part, portion or provision of the Contract shall be found or declared null, void or unenforceable for any reason whatsoever by any court of competent jurisdiction or any governmental agency having the authority thereover, only such part, portion or provision shall be effected thereby and all other parts, portions and provisions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, City of Grand Junction, Colorado, has caused this Contract to be subscribed and sealed and attested in its behalf; and the Contractor has signed this Contract the day and the year first mentioned herein.

CITY OF GRAND JUNCTION, COLORADO

By: [Signature] Date: 4/4/18
Title: City Manager

RAFTELIS FINANCIAL CONSULTANTS, INC.

By: [Signature] Date: 4/3/2018
Title: Manager



**Request for Proposal
RFP-4444-18-SH**

**CONSULTANT SERVICES TO PROVIDE
METHODOLOY FOR
INTERNAL SERVICE FEES**

RESPONSES DUE:

February 13, 2018 prior to 2:30 P.M. Local

Accepting Electronic Responses Only

**Responses Only Submitted Through the Rocky Mountain E-Purchasing
System (RMEPS)**

www.bidnetdirect.com/colorado

**(Purchasing Representative does not have access or control of the vendor side of RMEPS.
If website or other problems arise during response submission, vendor MUST contact
RMEPS to resolve issue prior to the response deadline. 800-835-4603)**

PURCHASING REPRESENTATIVE:

Susan Hyatt

susanh@gjcity.org

970-244-1513

This solicitation has been developed specifically for a Request for Proposal intended to solicit competitive responses for this solicitation, and may not be the same as previous City of Grand Junction solicitations. All offerors are urged to thoroughly review this solicitation prior to submitting. Submittal by **FAX, EMAIL or HARD COPY IS NOT ACCEPTABLE** for this solicitation.

REQUEST FOR PROPOSAL

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REQUEST FOR PROPOSAL

SECTION 1.0: ADMINISTRATIVE INFORMATION & CONDITIONS FOR SUBMITTAL

- 1.1 Issuing Office:** This Request for Proposal (RFP) is issued by the City of Grand Junction. All contact regarding this RFP shall be directed to:
- RFP Questions:**
Susan Hyatt
susanh@gjcity.org
- 1.2 Purpose:** The purpose of this RFP is to obtain proposals from qualified professional firms to provide Consultant Services as described in Section 3.
- 1.3 Compliance:** All participating Offerors, by their signature hereunder, shall agree to comply with all conditions, requirements, and instructions of this RFP as stated or implied herein. Should the Owner omit anything from this packet which is necessary to the clear understanding of the requirements, or should it appear that various instructions are in conflict, the Offeror(s) shall secure instructions from the Purchasing Division prior to the date and time of the submittal deadline shown in this RFP.
- 1.4 Submission:** Please refer to section 4.0 for what is to be included. **Each proposal shall be submitted in electronic format only, and only through the Rocky Mountain E-Purchasing website, www.bidnetdirect.com/colorado. This site offers both “free” and “paying” registration options that allow for full access of the Owner’s documents and for electronic submission of proposals.** (Note: “free” registration may take up to 24 hours to process. Please Plan accordingly.) For proper comparison and evaluation, the City requests that proposals be formatted as directed in Section 5.0 “Preparation and Submittal of Proposals.” Submittals received that fail to follow this format may be ruled non-responsive. (Purchasing Representative does not have access or control of the vendor side of RMEPS. If website or other problems arise during response submission, vendor **MUST** contact RMEPS to resolve issue prior to the response deadline. **800-835-4603**)
- 1.5 Altering Proposals:** Any alterations made prior to opening date and time must be initialed by the signer of the proposal, guaranteeing authenticity. Proposals cannot be altered or amended after submission deadline.
- 1.6 Withdrawal of Proposal:** A proposal must be firm and valid for award and may not be withdrawn or canceled by the Offeror for sixty (60) days following the submittal deadline date, and only prior to award. The Offeror so agrees upon submittal of their proposal. After award this statement is not applicable.
- 1.7 Addenda:** All Questions shall be submitted in writing to the appropriate person as shown in Section 1.1. Any interpretations, corrections and changes to this RFP or extensions to the opening/receipt date shall be made by a written Addendum to the RFP by the Owner. Sole authority to authorize addenda shall be vested in the City of Grand Junction Purchasing Representative. Addenda will be issued electronically through the Rocky Mountain E-Purchasing website at www.bidnetdirect.com/colorado. Offerors shall acknowledge receipt of all addenda in their proposal. Addenda and solicitations are posted on the City’s website, www.gjcity.org/business-and-economic-development/bids, for informational purposes.

- 1.8 Confidential Material:** All materials submitted in response to this RFP shall ultimately become public record and shall be subject to inspection after contract award. “**Proprietary or Confidential Information**” is defined as any information that is not generally known to competitors and which provides a competitive advantage. Unrestricted disclosure of proprietary information places it in the public domain. Only submittal information clearly identified with the words “**Confidential Disclosure**” and uploaded as a separate document shall establish a confidential, proprietary relationship. Any material to be treated as confidential or proprietary in nature must include a justification for the request. The request shall be reviewed and either approved or denied by the Owner. If denied, the proposer shall have the opportunity to withdraw its entire proposal, or to remove the confidential or proprietary restrictions. Neither cost nor pricing information nor the total proposal shall be considered confidential or proprietary
- 1.9 Response Material Ownership:** All proposals become the property of the Owner upon receipt and shall only be returned to the proposer at the Owner’s option. Selection or rejection of the proposal shall not affect this right. The Owner shall have the right to use all ideas or adaptations of the ideas contained in any proposal received in response to this RFP, subject to limitations outlined in the section titled “Confidential Material”. Disqualification of a proposal does not eliminate this right.
- 1.10 Minimal Standards for Responsible Prospective Offerors:** A prospective Offeror must affirmably demonstrate their responsibility. A prospective Offeror must meet the following requirements:
- Have adequate financial resources, or the ability to obtain such resources as required.
 - Be able to comply with the required or proposed completion schedule.
 - Have a satisfactory record of performance.
 - Have a satisfactory record of integrity and ethics.
 - Be otherwise qualified and eligible to receive an award and enter into a contract with the Owner.
- 1.11 Nonconforming Terms and Conditions:** A proposal that includes terms and conditions that do not conform to the terms and conditions of this Request for Proposal is subject to rejection as non-responsive. The Owner reserves the right to permit the Offeror to withdraw nonconforming terms and conditions from its proposal prior to a determination by the Owner of non-responsiveness based on the submission of nonconforming terms and conditions
- 1.12 Open Records:** All proposals shall be open for public inspection after the contract is awarded. Trade secrets and confidential information contained in the proposal so identified by offer as such shall be treated as confidential by the Owner to the extent allowable in the Open Records Act.
- 1.13 Sales Tax:** City of Grand Junction is, by statute, exempt from the State Sales Tax and Federal Excise Tax; therefore, all fees shall not include taxes.
- 1.14 Public Opening:** Proposals shall be opened in the City Hall Auditorium, 250 North 5th Street, Grand Junction, CO 81501, immediately following the proposal deadline. Offerors, their representatives and interested persons may be present. Only the names and locations on the proposing firms will be disclosed.

SECTION 2.0: GENERAL CONTRACT TERMS AND CONDITIONS

- 2.1. Acceptance of RFP Terms:** A proposal submitted in response to this RFP shall constitute a binding offer. Acknowledgment of this condition shall be indicated on the Cover Letter by the Offeror or an officer of the Offeror legally authorized to execute contractual obligations. A submission in response to the RFP acknowledges acceptance by the Offeror of all terms and conditions, as set forth herein. An Offeror shall identify clearly and thoroughly any variations between its proposal and the Owner's RFP requirements. Failure to do so shall be deemed a waiver of any rights to subsequently modify the terms of performance, except as outlined or specified in the RFP.
- 2.2. Execution, Correlation, Intent, and Interpretations:** The Contract Documents shall be signed by the Owner and Contractor. By executing the contract, the Contractor represents that they have familiarized themselves with the local conditions under which the Work is to be performed, and correlated their observations with the requirements of the Contract Documents. The Contract Documents are complementary, and what is required by any one, shall be as binding as if required by all. The intention of the documents is to include all labor, materials, equipment, services and other items necessary for the proper execution and completion of the scope of work as defined in the technical specifications and drawings contained herein. All drawings, specifications and copies furnished by the Owner are, and shall remain, Owner property. They are not to be used on any other project.
- 2.3. Acceptance Not Waiver:** The Owner's acceptance or approval of any work furnished hereunder shall not in any way relieve the proposer of their present responsibility to maintain the high quality, integrity and timeliness of his work. The Owner's approval or acceptance of, or payment for, any services shall not be construed as a future waiver of any rights under this Contract, or of any cause of action arising out of performance under this Contract.
- 2.4. Assignment:** The Offeror shall not sell, assign, transfer or convey any contract resulting from this RFP, in whole or in part, without the prior written approval from the Owner.
- 2.5. Compliance with Laws:** Proposals must comply with all Federal, State, County and local laws governing or covering this type of service and the fulfillment of all ADA (Americans with Disabilities Act) requirements. Contractor hereby warrants that it is qualified to assume the responsibilities and render the services described herein and has all requisite corporate authority and professional licenses in good standing, required by law.
- 2.6. Debarment/Suspension:** The Contractor hereby certifies that the Contractor is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Governmental department or agency.
- 2.7. Confidentiality:** All information disclosed by the Owner to the Contractor for the purpose of the work to be done or information that comes to the attention of the Contractor during the course of performing such work is to be kept strictly confidential.
- 2.8. Conflict of Interest:** No public official and/or Owner employee shall have interest in any contract resulting from this RFP.

- 2.9. Contract:** This Request for Proposal, submitted documents, and any negotiations, when properly accepted by the Owner, shall constitute a contract equally binding between the Owner and Offeror. The contract represents the entire and integrated agreement between the parties hereto and supersedes all prior negotiations, representations, or agreements, either written or oral, including the Proposal documents. The contract may be amended or modified with Change Orders, Field Orders, or Amendment.
- 2.10. Cancellation of Solicitation:** Any solicitation may be canceled by the Owner or any solicitation response by a vendor may be rejected in whole or in part when it is in the best interest of the Owner.
- 2.11. Contract Termination:** This contract shall remain in effect until any of the following occurs: (1) contract expires; (2) completion of services; (3) acceptance of services or, (4) for convenience terminated by either party with a written *Notice of Cancellation* stating therein the reasons for such cancellation and the effective date of cancellation at least thirty days past notification.
- 2.12. Employment Discrimination:** During the performance of any services per agreement with the Owner, the Offeror, by submitting a Proposal, agrees to the following conditions:
- 2.12.1.** The Offeror shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, disability, citizenship status, marital status, veteran status, sexual orientation, national origin, or any legally protected status except when such condition is a legitimate occupational qualification reasonably necessary for the normal operations of the Offeror. The Offeror agrees to post in conspicuous places, visible to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- 2.12.2.** The Offeror, in all solicitations or advertisements for employees placed by or on behalf of the Offeror, shall state that such Offeror is an Equal Opportunity Employer.
- 2.12.3.** Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
- 2.13. Immigration Reform and Control Act of 1986 and Immigration Compliance:** The Offeror certifies that it does not and will not during the performance of the contract employ illegal alien workers or otherwise violate the provisions of the Federal Immigration Reform and Control Act of 1986 and/or the immigration compliance requirements of State of Colorado C.R.S. § 8-17.5-101, *et.seq.* (House Bill 06-1343).
- 2.14. Ethics:** The Offeror shall not accept or offer gifts or anything of value nor enter into any business arrangement with any employee, official, or agent of the Owner.
- 2.15. Failure to Deliver:** In the event of failure of the Offeror to deliver services in accordance with the contract terms and conditions, the Owner, after due oral or written notice, may procure the services from other sources and hold the Offeror responsible for any costs resulting in additional purchase and administrative services. This remedy shall be in addition to any other remedies that the Owner may have.

- 2.16. Indemnification:** Offeror shall defend, indemnify and save harmless the Owner and all its officers, employees, insurers, and self-insurance pool, from and against all liability, suits, actions, or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the Offeror, or of any Offeror's agent, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from proposal award. Offeror shall pay any judgment with cost which may be obtained against the Owner growing out of such injury or damages.
- 2.17. Oral Statements:** No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in this document and/or resulting agreement. All modifications to this request and any agreement must be made in writing by the Owner.
- 2.18. Remedies:** The Offeror and Owner agree that both parties have all rights, duties, and remedies available as stated in the Uniform Commercial Code.
- 2.19. Venue:** Any agreement as a result of this RFP shall be deemed to have been made in, and shall be construed and interpreted in accordance with, the laws of the City of Grand Junction, Mesa County, Colorado.
- 2.20. Expenses:** Expenses incurred in preparation, submission and presentation of this RFP are the responsibility of the company and can not be charged to the Owner.
- 2.21. Public Funds/Non-Appropriation of Funds:** Funds for payment have been provided through the Owner's budget approved by the City Council/Board of County Commissioners for the stated fiscal year only. State of Colorado statutes prohibit the obligation and expenditure of public funds beyond the fiscal year for which a budget has been approved. Therefore, anticipated orders or other obligations that may arise past the end of the stated Owner's fiscal year shall be subject to budget approval. Any contract will be subject to and must contain a governmental non-appropriation of funds clause.
- 2.22. Collusion Clause:** Each Offeror by submitting a proposal certifies that it is not party to any collusive action or any action that may be in violation of the Sherman Antitrust Act. Any and all proposals shall be rejected if there is evidence or reason for believing that collusion exists among the proposers. The Owner may or may not, at the discretion of the Owner Purchasing Representative, accept future proposals for the same service or commodities for participants in such collusion.
- 2.23. Gratuities:** The Contractor certifies and agrees that no gratuities or kickbacks were paid in connection with this contract, nor were any fees, commissions, gifts or other considerations made contingent upon the award of this contract. If the Contractor breaches or violates this warranty, the Owner may, at their discretion, terminate this contract without liability to the Owner.
- 2.24. Performance of the Contract:** The Owner reserves the right to enforce the performance of the contract in any manner prescribed by law or deemed to be in the best interest of the Owner in the event of breach or default of resulting contract award.
- 2.25. Cooperative Purchasing:** Purchases as a result of this solicitation are primarily for the Owner. Other governmental entities may be extended the opportunity to utilize the resultant contract award with the agreement of the successful provider and the participating agencies.

All participating entities will be required to abide by the specifications, terms, conditions and pricings established in this Proposal. The quantities furnished in this proposal document are for only the Owner. It does not include quantities for any other jurisdiction. The Owner will be responsible only for the award for our jurisdiction. Other participating entities will place their own awards on their respective Purchase Orders through their purchasing office or use their purchasing card for purchase/payment as authorized or agreed upon between the provider and the individual entity. The Owner accepts no liability for payment of orders placed by other participating jurisdictions that choose to piggy-back on our solicitation. Orders placed by participating jurisdictions under the terms of this solicitation will indicate their specific delivery and invoicing instructions.

- 2.26. Public Disclosure Record:** If the Proposer has knowledge of their employee(s) or sub-proposers having an immediate family relationship with an Owner employee or elected official, the proposer must provide the Purchasing Representative with the name(s) of these individuals. These individuals are required to file an acceptable "Public Disclosure Record", a statement of financial interest, before conducting business with the Owner.

SECTION 3.0: SPECIFICATIONS/SCOPE OF SERVICES

- 3.1 General:** The City of Grand Junction, Colorado (City) operates the Persigo Wastewater Treatment Plant (WWTP). The City is interested in hiring a Consultant Firm to **provide a methodology to determine internal service charges from the WWTP, a standalone enterprise fund, to the City.** The services provided by the awarded firm shall include the highest quality support and training.
- 3.2 Background:** In 1998, the City and Mesa County (County) entered into an Intergovernmental Agreement regarding the boundary that defines the area generating wastewater that is transported to the WWTP. This area totals over 500 miles of sanitary sewer lines and the miles grow each year, with continued growth in the Grand Junction area. Included in the boundary are two Sanitation Districts, who send sewage to the WWTP for treatment. These districts include the Central Grand Valley Sanitation District and Orchard Mesa Sanitation District. The City manages, operates and maintains the system subject to policy guidance by the Board of County Commissioners and City Council jointly. The WWTP employs 40 full-time equivalent employees. However, functions such as human resources, accounting, legal, executive leadership and others are provided by the City's General Fund and charged back as an internal service charge.
- 3.3 Internal Service Charges:** In the past, the City has charged the County an average of 2.3% per year for these WWTP services, but determined it was necessary to increase the charge to 5.2% in 2018. Because of the large increase, it has been determined a study of the charging methodology should be completed to find the best technique to regulate or govern these fees.
- 3.4 RFP Tentative Time Schedule:**
- | | |
|--|------------------------------|
| • Request for Proposal available | on or about January 16,2018 |
| • Inquiry deadline, no questions after this date | February 2, 2018 at noon |
| • Submittal deadline for proposals | February 13, 2018 at 2:30 PM |
| • Owner evaluation of proposals | February 14-23, 2018 |

- Final selection
- Contract execution
- Work begins

February 26, 2018
February 27-28, 2019
March 1, 2018

3.5 Questions Regarding Scope of Services:

Susan Hyatt
susanh@gjcity.org

- 3.6 Contract:** The initial contract period shall be for a period of time sufficient to execute the awarded contract as mutually agreed by the City and the Consultant. It is unlikely contract extensions will be necessary.

SECTION 4.0: PREPARATION AND SUBMITTAL OF PROPOSALS

Submission: Each proposal shall be submitted in electronic format only, and only through the BidNet website, www.bidnetdirect.com/colorado. This site offers both “free” and “paying” registration options that allow for full access of the Owner’s documents and for electronic submission of proposals. (Note: “free” registration may take up to 24 hours to process. Please Plan accordingly.) (Purchasing Representative does not have access or control of the vendor side of RMEPS. If website or other problems arise during response submission, vendor **MUST** contact RMEPS to resolve issue prior to the response deadline; **800-835-4603**). For proper comparison and evaluation, the City requests that proposals be formatted as directed. The uploaded response to this RFP shall be a single PDF document with all required information included. Offerors are required to indicate their interest in this Project, show their specific experience and address their capability to perform the Scope of Services in the Time Schedule as set forth herein. For proper comparison and evaluation, the Owner requires that proposals be formatted **A to E**.

- A. Cover Letter:** Cover letter shall be provided which explains the Firm’s interest in the project. The letter shall contain the name/address/phone number/email of the person who will serve as the firm's principal contact with Owner’s Contract Administrator and shall identify individual(s) who will be authorized to make presentations on behalf of the firm. The statement shall bear the signature of the person having proper authority to make formal commitments on behalf of the firm. By submitting a response to this solicitation the Contractor agrees to all requirements herein.
- B. Qualifications/Experience/Credentials:** Proposers shall provide their qualifications for consideration as a contract provider to the City of Grand Junction and include prior experience in similar projects.
- C. References:** A minimum of three (3) **references** with name, address, telephone number, and email address that can attest to your experience in projects of similar scope and size.
- D. Fee Proposal:** Provide total cost using Solicitation Response Form found in Section 6.
- E. Additional Data (optional):** Provide any additional information that will aid in evaluation of your qualifications with respect to this project.

SECTION 5.0: EVALUATION CRITERIA AND FACTORS

- 5.1 Evaluation:** An evaluation team shall review all responses and select the proposal or proposals that best demonstrate the capability in all aspects to perform the scope of services and possess the integrity and reliability that will ensure good faith performance.
- 5.2 Intent:** Only respondents who meet the qualification criteria will be considered. Therefore, it is imperative that the submitted proposal clearly indicate the firm's ability to provide the services described herein.

Submittal evaluations will be done in accordance with the criteria and procedure defined herein. The Owner reserves the right to reject any and all portions of proposals and take into consideration past performance, if available. The following parameters will be used to evaluate the submittals (in no particular order of priority):

- Responsiveness of submittal to the RFP
- Understanding of the project and the objectives
- Experience, necessary resources and skills
- References
- Fees
- Proposed Strategy/Methodology
- Reporting

Owner also reserves the right to take into consideration past performance of previous awards/contracts with the Owner of any vendor, contractor, supplier, or service provider in determining final award(s).

- 5.3 Oral Interviews:** The Owner may invite the most qualified rated proposers to participate in oral interviews.
- 5.4 Award:** Firms shall be ranked or disqualified based on the criteria listed in Section 5.2. The Owner reserves the right to consider all of the information submitted and/or oral presentations, if required, in selecting the Consultant.

SECTION 6.0: SOLICITATION RESPONSE FORM
RFP-4427-17-SH

Offeror must submit entire Form completed, dated and signed.

Total cost to provide services as described: \$ _____

WRITTEN: _____ dollars.

The Owner reserves the right to accept any portion of the work to be performed at its discretion

The undersigned has thoroughly examined the entire Request for Proposals and therefore submits the proposal and schedule of fees and services attached hereto.

This offer is firm and irrevocable for sixty (60) days after the time and date set for receipt of proposals.

The undersigned Offeror agrees to provide services and products in accordance with the terms and conditions contained in this Request for Proposal and as described in the Offeror's proposal attached hereto; as accepted by the Owner.

Prices in the proposal have not knowingly been disclosed with another provider and will not be prior to award.

- Prices in this proposal have been arrived at independently, without consultation, communication or agreement for the purpose of restricting competition.
- No attempt has been made nor will be to induce any other person or firm to submit a proposal for the purpose of restricting competition.
- The individual signing this proposal certifies they are a legal agent of the offeror, authorized to represent the offeror and is legally responsible for the offer with regard to supporting documentation and prices provided.
- Direct purchases by the City of Grand Junction are tax exempt from Colorado Sales or Use Tax. Tax exempt No. 98-903544. The undersigned certifies that no Federal, State, County or Municipal tax will be added to the above quoted prices.
- City of Grand Junction payment terms shall be Net 30 days.
- Prompt payment discount of _____ percent of the net dollar will be offered to the Owner if the invoice is paid within _____ days after the receipt of the invoice.

RECEIPT OF ADDENDA: the undersigned Contractor acknowledges receipt of Addenda to the Solicitation, Specifications, and other Contract Documents.

State number of Addenda received: _____.

It is the responsibility of the Proposer to ensure all Addenda have been received and acknowledged.

Company Name – (Typed or Printed)

Authorized Agent – (Typed or Printed)

Authorized Agent Signature

Phone Number

Address of Offeror

E-mail Address of Agent

City, State, and Zip Code

Date



ADDENDUM NO. 1

DATE: February 6, 2018
FROM: City of Grand Junction Purchasing Division
TO: All Interested Parties
RE: Methodology for Internal Service Fees RFP-4444-18-SH

Firms responding to the above referenced solicitation are hereby instructed that the requirements have been clarified, modified, superseded and supplemented as to this date as hereinafter described.

Please make note of the following clarifications:

Question #1: “When will we receive answers to vendor questions? The answers may determine whether we submit a response. Also, might the response deadline be extended in the event vendor questions cannot be answered in a timely manner?”

Answer: A formal Addendum will be posted no later than February 6, 2018 with responses to all questions received.

Question #2: “Is there an incumbent service provider, or a service provider currently providing a similar service that could be used on this project or would be eligible to bid on this project? If so, what is the name of the provider and what is the hourly rate the City is currently paying for these (or similar) services?”

Answer: There is no incumbent provider, this is the first time the City has solicited these services.

Question #3: “How did the City arrive at the 2.3% and 5.2% charges to the County and what do these percentages represent? Are they a percent of total operating costs? A percent of water usage?”

Answer: The percentages were politically determined, which is why this solicitation has been issued. There needs to be a more concrete method for determining the charges.

Question #4: “How does the City charge residential and commercial users for their effluent discharge?”

Answer: Users are charged based on Equivalent User (EQU) basis. One residential unit is one EQU. An EQU is 280 gallons per day or 8,400 gallons per month. Commercial and industrial users are also charged on an EQU basis.

Question #5: “Do the two sanitation districts charge separate fees for infrastructure maintenance, or is all sanitary sewer system revenue collected by the WWTP?”

Answer: The two sanitation districts have been absorbed into the Persigo district, so there are no longer two separate districts. All fees are collected by the WWTP, no separate fees are charged for infrastructure maintenance.

Question #6: “Do the fees charged to the County represent service costs to Mesa County government ONLY, or are they for all parcels not within the city limits of Grand Junction?”

Answer: The WWTP charges all users the same regardless of whether or not they are inside the city limits or in the county.

Question #7: “Does the WWTP collect service fees from parcels in unincorporated Mesa County (besides Mesa County Government)?”

Answer: Yes.

Question #8: “Does the WWTP have the ability to provide water usage and tap sizes for Mesa County Government, either in total, or by tap?”

Answer: All domestic users are assumed to equal one EQU and all commercial users are based off a calculation in the ordinance or actual water usage.

Question #9: “Does the WWTP have the ability to provide parcel locations for all Mesa County taps to be covered by the charges assessed to the County?”

Answer: Yes.

Question #10: “Does the WWTP have the ability to provide infrastructure maps and data (such as total pipeline distances and pipeline distances to specific parcels included within the Mesa County charges)? This would include infrastructure owned by the two sanitation districts feeding WWTP. If the WWTP does not have direct access to this information, would this information be available from the respective sanitation districts?”

Answer: Yes, WWTP has the ability to provide infrastructure maps and data. This information will be shared with the awarded firm.

Question #11: “What is the City’s budget for this project?”

Answer: \$60,000.

Question #12: “Does Mesa County desire to be included in the rate discussions/process? Is there someone at the County who has specific thoughts on how the internal service charges should be structured?”

Answer: Mesa County and the City of Grand Junction will have input into the process but have no specific thoughts on how charges should be structured.

Question #13: “Please confirm that the City is structuring this as a firm fixed price contract (as opposed to hourly rates plus out of pocket expenses) and that all costs should be incorporated into the fixed price bid.”

Answer: Correct, this will be a firm fixed price contract.

Question #14: “What, if any, are the on-site expectations for this project? Aside from performing the work, will the firm be required to present their results in a separate in-person meeting? Will there be more than one in-person presentation meeting required?”

Answer: Only one in-person presentation is required.

Question #15: “Is there a local firm preference?”

Answer: There is no local preference per city ordinance.

The original solicitation for the project referenced above is amended as noted.

All other conditions of subject remain the same.

Respectfully,

Susan Hyatt
City of Grand Junction, Colorado



CITY OF GRAND JUNCTION

**Consultant Services to Provide
Methodology for Internal Service Fees**

RFP-4444-18-SH / February 13, 2018

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February 13, 2018

Ms. Susan Hyatt
Purchasing Representative
City of Grand Junction, Colorado
250 North 5th Street
Grand Junction, CO 81501

Subject: Request for Proposal for Consultant Services to Provide Methodology for Internal Service Fees (RFP-4444-18-SH)

Dear Ms. Hyatt:

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to submit this proposal to assist the City of Grand Junction (City) in developing a methodology to calculate the cost of internal services provided by the City's General Fund to the Wastewater Enterprise Fund (Wastewater Fund). The methodology will be designed to fairly identify and recover the cost of services provided and is consistent with accepted utility industry practices. We appreciate the opportunity to submit this proposal which details our:

- > Qualifications, experience, and credentials within the national and local utility industry (Section B)
- > References for identified projects (Section C)
- > Fee proposal (Section D)
- > Project understanding and approach (Section E)

For this project, it is important that the internal service charges assessed to the Wastewater Fund:

- > Generate sufficient revenues that equitably recover the costs of the services provided by the City's General Fund
- > Reflect a repeatable methodology that may be updated annually by City staff between more comprehensive evaluations

As part of this effort Raftelis will also look at the services provided to the City by the Wastewater Fund.

Raftelis has focused on financial and management consulting for water, wastewater and stormwater utilities since the firm's founding in 1993, and our staff consists of some of the most experienced consultants in the industry. Raftelis staff have provided financial, rate, management, and/or operational consulting services to more than 500 utilities in the U.S. Raftelis staff have completed water, wastewater and stormwater utility financial, rate and fee studies for Colorado communities service almost 50% of the State's population, including a 2016 water and wastewater study for the City. Our experience with the City goes back many years.

For this project, we have included senior-level personnel to provide experienced leadership for the project, with support from talented consultant staff. I will serve as the Project Director and be responsible for overall project accountability and will provide insights into various financial matters.

Andrew Rheem will serve as the Project Manager and principal contact for the City during this study. Mr. Rheem brings over 14 years of experience of relevant professional experience in financial management and economic analysis involving water and wastewater utilities of all sizes throughout Colorado and the southwestern United States. Mr. Rheem will manage the day-to-day aspects of the project and ensure it is within budget, on schedule, and effectively meets the study objectives.

Rob Wadsworth, CPA, will serve as Lead Consultant where he will complete the technical analysis led by Mr. Rheem and I. Mr. Wadsworth brings 4 years of experience within the utility financial management industry, including direct experience with the City of Grand Junction's water and wastewater financial planning studies completed in 2016.

Mr. Rheem, Mr. Wadsworth, and I are all authorized to make presentations on behalf of the firm and we all have extensive experience presenting project results to stakeholders, including City Councils, Utility Board of Directors, and the general public. Within our proposed project approach, we anticipate one presentation of the study findings to be made to the Joint Persigo Board that will be led by Mr. Rheem with support from Mr. Wadsworth.

Mr. Rheem is authorized by the firm to execute study contracts binding Raftelis up to \$100,000, while my signature authority is not limited.

Thank you for your consideration of our proposal and we look forward to the opportunity to work with the City. We understand that this proposal constitutes a binding offer. Should you have any questions, please do not hesitate to contact me or Mr. Rheem using following contact information:

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Andrew Rheem
Manager
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Very truly yours,
RAFTELIS FINANCIAL CONSULTANTS, INC.



Richard D. Giardina
Executive Vice President

WHO IS

RAFTELIS

RAFTELIS HAS THE LARGEST CONSULTING PRACTICE IN THE NATION FOCUSING ON THE FINANCIAL AND MANAGEMENT ASPECTS OF WATER INDUSTRY UTILITIES.

In 1993, Raftelis Financial Consultants, Inc. (Raftelis) was founded to provide services that help utilities function as sustainable organizations while providing the public with clean water at an affordable price. With this goal in mind, Raftelis has grown to have the largest and most experienced water and wastewater utility financial and management consulting practice in the nation. Raftelis has experience providing these services to hundreds of utilities across the country and abroad, allowing us to provide our clients with innovative and insightful recommendations that are founded on industry best practices. Throughout our history, we have maintained a strict focus on the financial and management aspects of utilities, building a staff with knowledge and skills that are extremely specialized to the services that we provide, and thus allowing us to provide our clients with independent and objective advice.

Visit www.raftelis.com to learn more about Raftelis' story.

WHAT MAKES RAFTELIS **UNIQUE?**



DEPTH OF RESOURCES

With more than 70 utility financial, rate, and management consultants, Raftelis has the largest water-industry financial and rate consulting practice in the nation.

BENEFIT TO THE CITY

Our depth of resources will allow us to sufficiently staff this project with the qualified personnel necessary to efficiently and expeditiously meet the City's objectives.



FOCUS

Raftelis' services are solely focused on providing financial, rate, and management consulting services to water-industry utilities.

BENEFIT TO THE CITY

This focus allows Raftelis professionals to develop and maintain knowledge and skills that are extremely specialized to the services that we provide, and will allow us to provide the City with independent and objective advice.



UNPARALLELED EXPERIENCE

Raftelis staff have assisted hundreds of utilities throughout Colorado and the U.S. with financial, rate, and management consulting services.

BENEFIT TO THE CITY

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.



MSRB REGISTERED
**MUNICIPAL
ADVISOR**

Raftelis is registered with the U.S. Securities 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 utility financial planning in compliance with the applicable regulations of the SEC and the MSRB.



RATE ADOPTION EXPERTISE

Raftelis has assisted numerous agencies with getting proposed rates successfully adopted.

BENEFIT TO THE CITY

Our experience has allowed us to develop an approach that effectively communicates with elected officials about the financial consequences and rationale behind recommended rates to ensure stakeholder buy-in and successful rate adoption. This includes developing a “message” regarding the changes in the proposed utility rates that is politically acceptable, and conveying that message in an easy-to-understand manner.



MODELING EXPERTISE

Raftelis has developed some of the most sophisticated yet user-friendly financial/ rate models available in the industry.

BENEFIT TO THE CITY

Our models are tools that allow us to examine different policy options and cost allocations and their financial/ customer impacts in real time. Our models are non-proprietary and are developed with the expectation that they will be used by the client as financial planning tools long after the project is complete.



INDUSTRY LEADERSHIP

Our senior staff is involved in shaping industry standards by chairing various committees within the American Water Works Association (AWWA) and Water Environment Federation (WEF). Raftelis' staff members have also contributed to many industry standard books regarding utility rate setting.

BENEFIT TO THE CITY

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.



LEADING THE INDUSTRY

Raftelis staff shape industry standards for water and wastewater utility finance and rate setting through our active leadership in AWWA, WEF, and EPA. Raftelis' staff includes:

AWWA

- Chair and three members of Rates and Charges Committee
- Trustee of Management and Leadership Division
- Chair of Management and Leadership Division
- Member of Strategic Management Practices Committee
- Vice Chair and member of Finance, Accounting, and Management Controls Committee
- Division Liaison to Workforce Strategies Committee
- Trustee of Technical and Education Council

WEF

- Three members of Utility Management Committee
- Subcommittee Chair of Finance and Administration
- Member of Technical Practices Committee
- Two members of WEFTEC Conference Planning Committee
- Member of Utility Management Conference Planning Committee

EPA

- Member of Environmental Financial Advisory Board

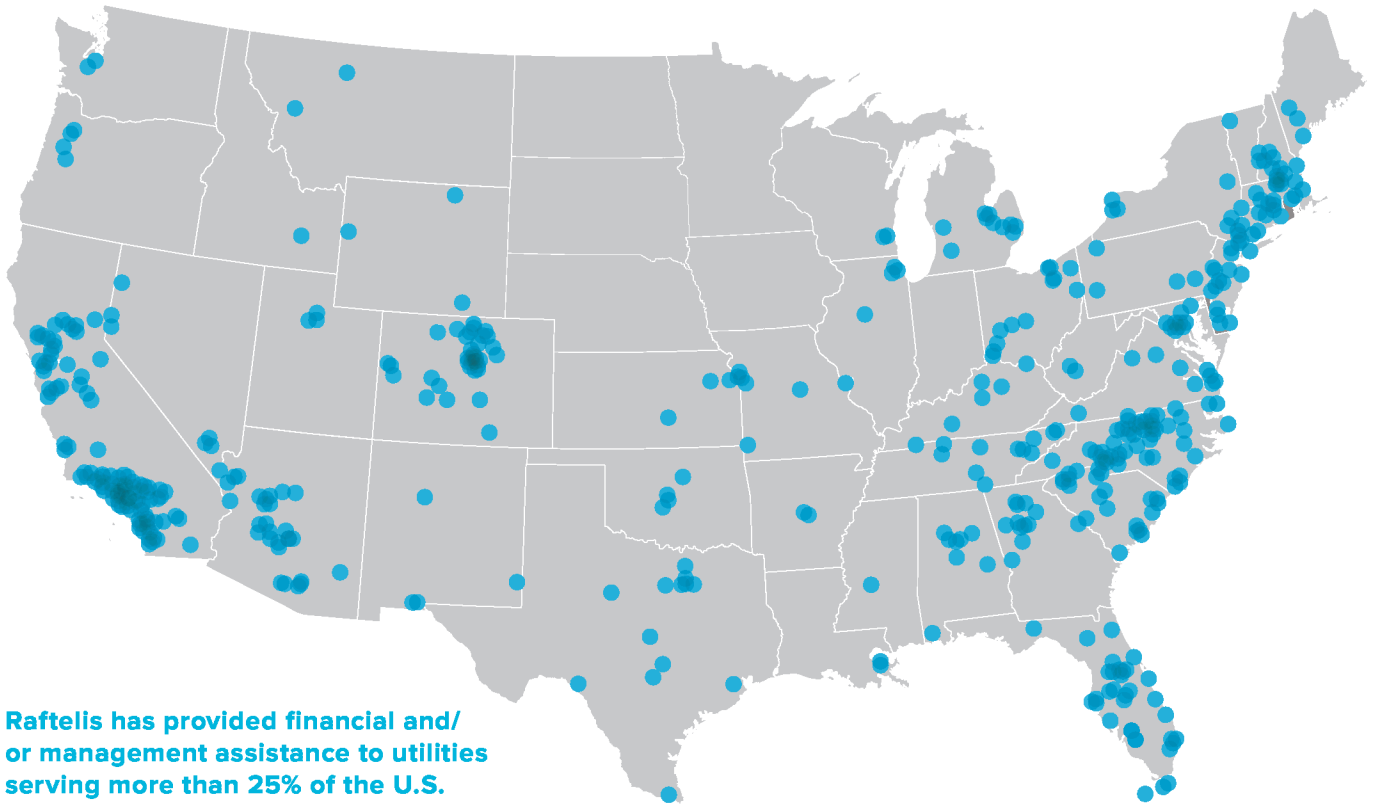


WE WROTE THE BOOK

Raftelis staff have co-authored many of the industry's leading guidebooks regarding water and wastewater financial issues and rate setting, including:

- *AWWA's Manual M1, Principles of Water Rates, Fees and Charges*
- *AWWA's Water Rates, Fees, and the Legal Environment, 2nd Edition*
- *AWWA's Manual M29, Financial Management for Water Utilities: Principles of Finance, Accounting, and Management Controls*
- *AWWA's Manual M5, Water Utility Management, 2nd Edition*
- *WEF's Manual of Practice No. 27 - Financing and Charges for Wastewater Systems*
- *WEF's The Effective Water Professional: Leadership, Communication, Management, Finance, and Governance*
- *Water and Wastewater Finance and Pricing: The Changing Landscape*

Raftelis also conducts and publishes the national *Water and Wastewater Rate Survey* in conjunction with AWWA. This survey is the most comprehensive collection of water and wastewater utility financial and rate data available in the industry.



Raftelis has provided financial and/or management assistance to utilities serving more than 25% of the U.S. population. This map shows some of the water, wastewater, and/or stormwater utility clients where Raftelis staff have provided financial/management consulting.

PROJECT EXPERIENCE

Raftelis has focused on financial consulting for water, wastewater, and stormwater utilities since the firm's founding in 1993, and our staff consists of some of the most experienced consultants in the industry. Raftelis has provided financial/rate assistance to hundreds of water, wastewater, and stormwater utilities across the U.S. In the past year alone, Raftelis worked on more than 400 financial, rate, and management, and operational consulting projects for over 300 water, wastewater, and/or stormwater utilities in 36 states, the District of Columbia, Canada, and Puerto Rico.

COLORADO EXPERIENCE

This matrix shows a sample of some of the utilities throughout Colorado that Raftelis staff have assisted and the services performed for these utilities.

COLORADO UTILITY	BENCHMARKING	COST OF SERVICE ANALYSIS	DEBT ISSUANCE SUPPORT	FINANCIAL & CAPITAL IMPROVEMENTS PLANNING	PUBLIC EDUCATION & OUTREACH	RATE CASE SUPPORT	RATE STRUCTURE DEVELOPMENT	RATE STUDY	STAKEHOLDER PROCESS DEVELOPMENT & FACILITATION	PLANT INVESTMENT FEES / SYSTEM DEVELOPMENT FEES
Grand Junction, City of	●	●	●	●	●		●	●	●	●
Adams County	●									
Arapahoe County Water and Wastewater Authority		●		●			●	●		
Aspen, City of		●	●	●	●	●	●	●	●	●
Aurora, City of		●	●	●	●		●	●	●	●
Berthoud, Town of				●			●	●		
Boxelder Sanitation District		●		●			●	●		
Boulder, City of		●	●	●	●		●	●	●	●
Breckenridge, City of				●				●		●
Breckenridge Sanitation District										●
Brighton, City of	●			●						
Broomfield, City & County of	●	●	●	●	●		●	●	●	●
Buena Vista, Town of		●		●			●	●		
Castle Rock, Town of		●		●	●		●	●	●	
Crestview Water & Sanitation District		●	●	●	●		●	●	●	●
Denver, City And County of		●	●	●	●		●	●	●	●
Denver Water					●		●		●	
Dillon, Town of	●	●	●							
Eagle River Water & Sanitation District					●		●	●		●
East Cherry Creek Valley Water & Sanitation District				●						
East Larimer County Water District		●		●			●	●		●
Eaton, Town of		●		●			●	●		●
Englewood, City of	●	●		●	●		●	●	●	●
Fairplay Sanitation District		●					●	●		
Fort Collins, City of		●		●			●	●		●
Fort Collins - Loveland Water District				●						
Fruita, City of	●	●	●							
Greeley, City of		●	●	●	●		●	●	●	●
Gunnison, Town of		●		●			●	●		

	BENCHMARKING	COST OF SERVICE ANALYSIS	DEBT ISSUANCE SUPPORT	FINANCIAL & CAPITAL IMPROVEMENTS PLANNING	PUBLIC EDUCATION & OUTREACH	RATE CASE SUPPORT	RATE STRUCTURE DEVELOPMENT	RATE STUDY	STAKEHOLDER PROCESS DEVELOPMENT & FACILITATION	PLANT INVESTMENT FEES / SYSTEM DEVELOPMENT FEES
COLORADO UTILITY										
Idaho Springs, City of				●	●			●		●
Lakewood, City of		●	●	●			●	●		
Left Hand Water District		●		●			●	●		
Littleton, City of		●	●	●		●	●	●		●
Lochbuie, Town of		●		●			●	●		●
Longmont, City of	●	●	●	●	●		●	●	●	●
Louisville, City of		●		●	●		●	●	●	●
Morrison Creek Metropolitan Water & Sanitation District		●		●	●		●	●		●
Mount Werner Water & Sanitation District		●		●	●		●	●		●
Nederland, Town of				●			●	●		
Northern Colorado Water Conservancy District				●						
Northglenn, City of		●		●			●	●		
Parker Water & Sanitation District		●		●				●		●
Pueblo, City of		●	●	●			●	●	●	●
Pueblo West Metropolitan District		●	●	●	●	●	●	●	●	●
Rifle, City of			●	●						
Salida, City of		●		●			●	●		
Security Water & Sanitation District		●		●			●	●		●
Snowmass Water & Sanitation District				●			●	●		●
South Adams County Water & Sanitation District	●			●	●					●
South Metro Water Supply Authority				●						
Steamboat Springs, City of		●		●	●		●	●		●
Superior, Town of				●						●
Thornton, City of		●	●	●	●		●	●	●	●
Upper Eagle Regional Water Authority					●		●	●		●
Upper Thompson Sanitation District		●		●				●		●
Widefield Water & Sanitation District		●		●			●	●		●
Willows Water District							●	●		
Woodmoor Water & Sanitation District No. 1		●		●			●	●		●

PRIOR EXPERIENCE ON SIMILAR PROJECTS

RAFTELIS ROUTINELY COMPLETES INDIRECT AND DIRECT COST ALLOCATION ANALYSES AS COMPONENTS OF WATER, WASTEWATER, AND STORMWATER UTILITY FINANCIAL PLAN, COST OF SERVICE, PLANT INVESTMENT FEE, AND RATE DESIGN STUDIES.

We also have completed stand-alone indirect cost allocation studies. We have provided three project experience examples which demonstrate our proven ability to execute the proposed approach to the City's RFP while completing equitable cost allocation while may be maintained and administered following the comprehensive study. Specifically, these projects detail our experience:

- > Equitably allocating costs to users in proportion to the services provided
- > Developing an initial methodology which may be maintained between periodic more comprehensive evaluations
- > Functioning as an independent third-party for jointly owned facilities operated by one of the owners serving other owners

Projects completed for El Paso Water, the City of Longmont, the City of Steamboat Springs, and the Mount Werner Water and Sanitation District.



EL PASO WATER

— PUBLIC SERVICE BOARD

SERVICES PROVIDED

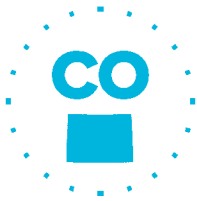
- > Financial planning
- > Financial feasibility
- > Cost of service analysis
- > Water, wastewater, reclaimed and stormwater rate development
- > Stormwater utility feasibility and implementation
- > Development / Impact Fees
- > Wholesale customer rates
- > Public involvement
- > Indirect charges
- > Conservation-oriented rates
- > Financial modeling
- > Reclaimed and non-potable water rate evaluation

CLIENT REFERENCE

Marcela Navarrete, CPA
Vice President Strategic,
Financial & Management Services
1154 Hawkins Blvd.
El Paso, TX 79925
P: 915.594.5614
E: mnavarrete@epwu.org

The El Paso Water Public Service Board (EPW) provides service to more than 700,000 people in a relatively arid area that typically receives only nine inches of rainfall per year. The City's daytime population "swells" due to the influx of workers. Historically a groundwater-reliant system, the utility has diversified its sources to include surface water and the largest (in the US) inland desalination plant to treat brackish groundwater. Raftelis professionals have been assisting the EPW since 1989 (services prior to 2013 were provided by Raftelis staff while with previous employers). Over this period, Raftelis professionals have assisted EPW complete a variety of studies and we are highlighting two assignments similar to the services requested by the City.

Raftelis professionals developed and periodically update (last completed in 2012) an indirect cost analysis used to calculate allocate and calculate billing-related costs to the City's solid waste department. EPW bills sanitation in addition to water, wastewater, reclaimed water and stormwater utility services to customers. The indirect cost analysis follows two steps. The first step identifies EPW budgeted operating costs for each department and division related to customer billing benefiting each utility as well as the annual cost of previous capital investments in buildings, software and hardware tied to billing services. In the second step, the identified costs are allocated to each of the respective utilities using different parameters (e.g., number of accounts, number of bills) to fairly distribute the combined billing-related costs amongst the respective utilities. The results of each update were documented within a study report and administered by EPW staff between periodic reviews of the cost allocation methodology, process and outcomes.



CITY OF LONGMONT

SERVICES PROVIDED

- > Financial planning
- > Cost of service analysis
- > Water, wastewater, reclaimed and stormwater rate development
- > System development fees / impact fees
- > Wholesale customer rates
- > Indirect charges
- > Conservation-oriented rates
- > Financial modeling

CLIENT REFERENCES

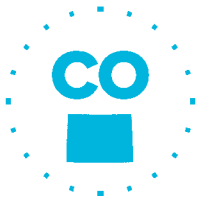
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Business Services and
Strategic Planning Manager
Department of Public Works
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1100 South Sherman Street
Longmont, CO 80501
P: 303.651.8358
E: barb.mcgrane@ci.longmont.co.us

Becky Doyle
Utilities Financial Analyst
Department of Public Works
and Natural Resources
1100 South Sherman Street
Longmont, CO 80501
P: 303.651.8379
E: Becky.doyle@ci.longmont.co.us

The City of Longmont provides water, sewer and stormwater service to customers located within the City, a small number of customers outside the City and wholesale water services to the Town of Lyons. Raftelis professionals have been assisting the City of Longmont since the 1990's (services prior to 2013 were provided by Raftelis staff while with previous employers). Over this period, Raftelis professionals have assisted the City complete a variety of studies and we are highlighting one assignment similar to the services requested by the City.

Raftelis completed a 2014 water financial planning, rate and fee assistance for the City's water utility. As part of the study, we completed a comprehensive water rate and fee study. We populated a 20-year water financial plan in projecting future adjustments to utility revenues and projected debt issues to fund future capital expenditures. We then completed a water cost-of-service analysis. Capital improvement scenarios related to consolidating to one water treatment plant or maintaining two water treatment plants were evaluated including capital funding and impact to the multi-year rate revenue increases. Raftelis professionals worked with the City to evaluate changes to the tiered rate structure to simplify and increase the conservation pricing signal to customers for discretionary and wasteful water use. Schedules of water rates over a five-year period were adopted. Findings and recommendations were presented to the City and a report was issued. Raftelis professionals also updated the City's water and wastewater system development fees and ancillary/miscellaneous charges assessed by the utilities as part of this study.

The ancillary / miscellaneous charge review task is similar to the process we propose to complete for the requested City services. As part of this task, we first met with City staff to identify the fees and charges that were related to services provided to customers and subject to the update. We then met with City and/or utility staff that provide the services recovered through each fee to document the labor, personnel grades involved, supplies, materials and capital facilities involved in providing each service. Utility staff subsequently provided historical personnel time, fully loaded hourly rates per full-time equivalent and materials or supply costs associated with the service. Raftelis compiled this information, documented within a study report which also compared the cost of service against and the fees assessed for each activity. This deliverable was used by the City to determine the updated fees and charges to be assessed.



CITY OF STEAMBOAT SPRINGS AND MOUNT WERNER WATER AND SANITATION DISTRICT

SERVICES PROVIDED

- > Financial planning
- > Cost of service analysis
- > Plant investment fees / impact fees
- > Wholesale customer rates
- > Conservation-oriented rates
- > Financial modeling

CLIENT REFERENCES

City of Steamboat Springs

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137 10th Street

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Kim Weber

Finance Director

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E: kweber@steamboatsprings.net

Mt. Werner Water

and Sanitation District

Frank Alfone

General Manager

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PO Box 880339

Steamboat Springs, CO 80488

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The City of Steamboat Springs and the Mount Werner Water and Sanitation District jointly own water treatment facilities operated by the District. The City owns and operates the wastewater treatment facilities serving the District as a wholesale customer. The City incorporates District provided water use information in billing wastewater services. Raftelis completed simultaneous comprehensive water and wastewater financial plan, cost of service, plant investment fee and rate studies for the City and the District in 2016.

CITY OF STEAMBOAT SPRINGS (CO)

Raftelis completed a comprehensive water and wastewater rate study for the City of Steamboat Springs. Separate water and wastewater financial planning models were updated to evaluate current and potential funding sources to support each utility operation over the next ten years including future adjustments necessary to fund operations and the annual capital project requirements (including regulatory driven and capacity expansion improvements), and maintain a financially viable utility. A cost-of-service evaluation was then completed for each utility. The results of the cost-of-service and financial planning tasks were integrated into developing three water rate structure alternatives and two wastewater rate structure alternatives for full service City customers and a single alternative for wholesale water and sewer customers. The utility tap fees were also updated as part of the study. The findings and recommendations were presented to City Council in September 2016 and summarized in a report issued at the completion of the study. The City adopted a multi-year rate plan for full service and wholesale water and sewer customers effective January 1st, 2017, 2018, and 2019. Updated water and sewer plant investment fees were also implemented January 1st, 2017. This study was an update of a comprehensive rate and fee study completed for the City in 2010 and an update completed in 2014.

MT. WERNER WATER AND SANITATION DISTRICT (CO)

Mr. Rheem served as Project Manager for a comprehensive water and wastewater rate study for the Mt. Werner Water and Sanitation District serving Steamboat Ski Resort as well as residential and commercial customers nearby. Separate water and wastewater financial

CITY OF STEAMBOAT SPRINGS AND MOUNT WERNER WATER AND SANITATION DISTRICT (CONTINUED)

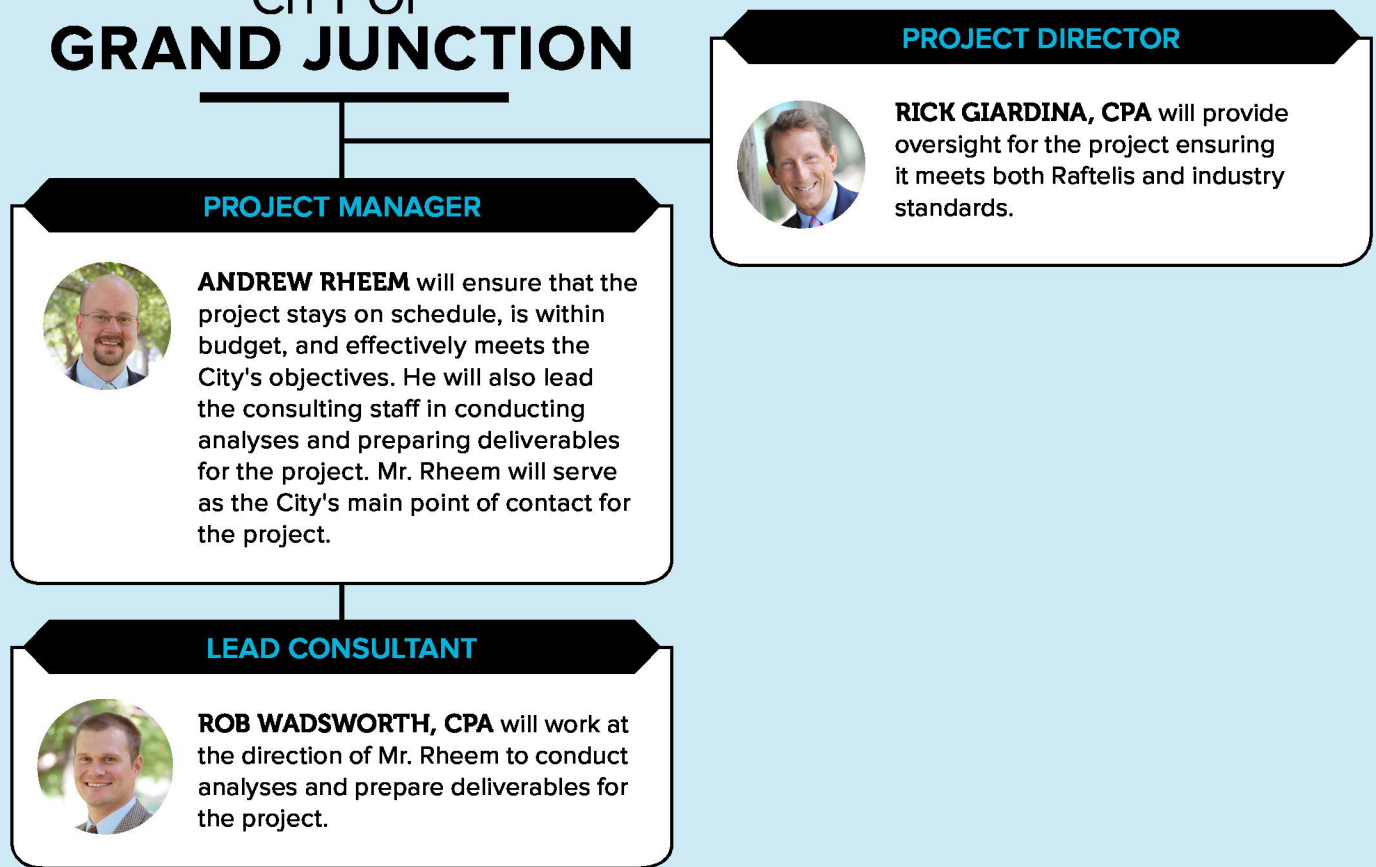
planning models were developed to evaluate current and potential funding sources to support each utility operation over the next ten years including future adjustments necessary to fund operations and the annual capital project requirements, and maintain a financially viable utility. A cost-of-service evaluation was then completed for each utility. The results of the cost-of-service and financial planning tasks were integrated into developing two water rate structure alternatives and two wastewater rate structure alternatives for full service District customers. The utility tap fees were also updated as part of the study. The findings and recommendations were presented to the District Board in August 2016 and summarized in a report issued at the completion of the study. The District adopted a multi-year rate plan for full service water and sewer customers effective January 1st, 2017, 2018, and 2019 phasing to class cost of service. Updated water plant investment fees were also implemented January 1st, 2017.

PROJECT TEAM

FOR THIS PROJECT, WE HAVE INCLUDED SENIOR-LEVEL PERSONNEL TO PROVIDE EXPERIENCED LEADERSHIP FOR THE PROJECT, WITH SUPPORT FROM TALENTED CONSULTANT STAFF.

Our Project Team consists of some of the most knowledgeable and skilled rate consultants in the water industry. Raftelis places a high priority on being responsive to our clients and, therefore, actively manages each consultant's project schedule to ensure appropriate availability for addressing client needs. In addition to our dedicated Project Team, the City will have the support of Raftelis' full staff of more than 70 consultants for this project. Below, we have included an organizational chart showing the structure of our Project Team and roles for each Team member. On the following pages, we have included brief profiles for our team members, followed by detailed resumes.

CITY OF GRAND JUNCTION



WE HAVE INCLUDED BRIEF DESCRIPTIONS OF OUR PROJECT TEAM MEMBERS' QUALIFICATIONS AND EXPERIENCE IN THE INDUSTRY, FOLLOWED BY DETAILED RESUMES.



RICK GIARDINA, CPA

PROJECT DIRECTOR
Executive Vice President

EXPERIENCE: 39 years

CAREER HIGHLIGHTS

- > Member of EPA Environmental Financial Advisory Board
- > Co-author of WEF's *MOP No. 27, Financing and Charges for Wastewater Systems*
- > Trustee on the Management and Leadership Division of the AWWA
- > Chaired AWWA's committee for re-write of AWWA's *Manual M1 & Water Utility Capital Financing*
- > Financial/rate consulting experience with Dallas Water Utilities, El Paso Water Utilities, Austin, Denver, Seattle, San Diego, Salt Lake City, St. Louis MSD, & MWD of Southern California
- > Series 50 Municipal Advisor Representative

EDUCATION

- > BA – Western State College of Colorado

Mr. Giardina is an Executive Vice President with Raftelis and, while serving in a national role, he also leads the Rocky Mountain regional practice of Raftelis. His over 39 years of managerial and financial experience includes more than 300 financial studies serving both the private and public sector. His experience covers technical areas and industries such as municipal fee development, utility cost of service and rate structure studies, litigation support, economic feasibility analyses, privatization and regionalization feasibility and implementation studies, impact fee studies, management and operational audits, reviews of policies and procedures and operating practices, mergers and acquisitions, valuation services, and rate filing and reporting. He has also served as an arbitrator for several wholesale rate disputes. As a member of several industry associations, he has developed industry guidelines regarding financial and rate-making practices. Mr. Giardina is currently a Trustee and Vice Chair of the AWWA Management and Leadership Division. In addition, as the former Chair of the AWWA Rates and Charges Committee, he chaired one group that prepared the first edition of the *M54 – Small System Rate Manual* and another that re-wrote the *Water Utility Capital Financing Manual*. He also chaired the re-write of *Manual M1, Principles of Water Rates, Fees, and Charges* (the Sixth Edition was published in June of 2012, and he also oversaw the publication of the Seventh Edition in January 2017). In addition, he was a contributing author to the WEF's *Financing and Charges for Wastewater Systems* manual. Mr. Giardina organized and led WEF-sponsored seminars in 2010 and 2011 titled "Weathering the Storm: Is This the Right Time for You to Form a Stormwater Utility?"; seminars on the opportunities and challenges surrounding the creation of a stormwater utility. In 2011, he was appointed to the EPA Environmental Financial Advisory Board (EFAB), serving two terms through June of 2017. The EFAB provides ideas and advice to the EPA's Administrator and program offices on ways to lower the costs of and increase investments in environmental and public health protection.



**ANDREW
RHEEM**
PROJECT MANAGER
Manager

EXPERIENCE: 14 years

CAREER HIGHLIGHTS:

- > Financial and impact fee consulting experience with Thornton, Longmont, Broomfield, El Paso Water, Greeley, Boulder, Pueblo, City & County of Denver, Prescott, Lake Havasu City and Salt Lake City
- > Series 50 Municipal Advisor Representative

EDUCATION

- > BA – University of Michigan at Ann Arbor

Mr. Rheem has been providing financial and rate consulting services to water, wastewater, reclaimed water, and stormwater utilities for more than 14 years, including conducting rate studies for numerous Colorado and Southwestern U.S. municipal utilities. He has served as project manager and/or lead analyst for multiple long-standing clients providing a range of municipal financial planning, rate and fee assistance through multiple engagements. Mr. Rheem is also a skilled presenter and has presented study findings and recommendations to management and governing bodies. Mr. Rheem holds Bachelors in Business Administration, Finance and Accounting from the University of Michigan – Ann Arbor.



**ROB
WADSWORTH,**
CPA
LEAD CONSULTANT
Senior Consultant

EXPERIENCE: 4 years

CAREER HIGHLIGHTS: Financial/rate consulting experience with Denver, Thornton, Crestview Water and Sanitation District, Woodmoor Water and Sanitation District No.1, Chandler (AZ), & Pocatello (ID)

EDUCATION

- > MA – University of North Carolina at Chapel Hill
- > BS – University of North Carolina at Chapel Hill

Mr. Wadsworth has a background in business administration with a focus in accounting and possesses extensive analytical skills. He graduated from the University of North Carolina at Chapel Hill in 2010 with a Bachelor of Science in Business Administration and completed the Master of Accounting program in 2011. After two years working in the public accounting sector, Mr. Wadsworth joined Raftelis in October of 2013. Mr. Wadsworth possesses over four years of utility financial management experience with a focus on water and wastewater financial management, rate studies, cost of service studies, economic feasibility studies, bond feasibility studies, as well as water and wastewater rate design analysis and surveys.

TECHNICAL SPECIALTIES

- » Cost of service and rate structure studies
- » Litigation support
- » Economic feasibility analyses
- » Impact fee studies
- » Management and operational audits
- » Reviews of policies, procedures, and operating practices
- » Public-Private Partnerships
- » Mergers and acquisitions - regionalization
- » Valuation services
- » Rate filing and reporting

PROFESSIONAL HISTORY

- » Raftelis Financial Consultants, Inc.: Executive Vice President (2013–present, 1993-1995)
- » Malcolm Pirnie-Arcadis-US (2004-2013)
- » Rick Giardina & Associates, Inc. (1995-2004)
- » Ernst & Young (1984-1993)
- » Stone & Webster Management Consultants, Inc. (1981-1984)
- » State of Colorado Public Utilities Commission (1978-1981)

EDUCATION

- » Bachelor of Arts In Business Administration - Western State College of Colorado (1978)

PROFESSIONAL MEMBERSHIPS

- » American Institute of Certified Public Accountants
- » American Water Works Association
- » Government Financial Officers Association
- » Water Environment Federation

CERTIFICATIONS

- » Certified Public Accountant, Colorado
- » Series 50 Municipal Advisor Representative

RICK GIARDINA, CPA

PROJECT DIRECTOR

Executive Vice President

PROFILE

Mr. Giardina is an Executive Vice President with Raftelis and, while serving in a national role, he also leads the Rocky Mountain regional practice of Raftelis. His over 39 years of managerial and financial experience includes more than 300 financial studies serving both the private and public sector. His experience covers technical areas and industries such as municipal fee development, utility cost of service and rate structure studies, litigation support, economic feasibility analyses, privatization and regionalization feasibility and implementation studies, impact fee studies, management and operational audits, reviews of policies and procedures and operating practices, mergers and acquisitions, valuation services, and rate filing and reporting. He has also served as an arbitrator for several wholesale rate disputes. As a member of several industry associations, he has developed industry guidelines regarding financial and rate-making practices. Mr. Giardina is currently a Trustee and Vice Chair of the AWWA Management and Leadership Division. In addition, as the former Chair of the AWWA Rates and Charges Committee, he chaired one group that prepared the first edition of the *M54 – Small System Rate Manual* and another that re-wrote the *Water Utility Capital Financing Manual*. He also chaired the re-write of *Manual M1, Principles of Water Rates, Fees, and Charges* (the Sixth Edition was published in June of 2012, and he also oversaw the publication of the Seventh Edition in January 2017). In addition, he was a contributing author to the WEF's *Financing and Charges for Wastewater Systems* manual. Mr. Giardina organized and led WEF-sponsored seminars in 2010 and 2011 titled "Weathering the Storm: Is This the Right Time for You to Form a Stormwater Utility?"; seminars on the opportunities and challenges surrounding the creation of a stormwater utility. In 2011, he was appointed to the EPA Environmental Financial Advisory Board (EFAB), serving two terms through June of 2017. The EFAB provides ideas and advice to the EPA's Administrator and program offices on ways to lower the costs of and increase investments in environmental and public health protection.

RELEVANT PROJECT EXPERIENCE

EL PASO WATER UTILITIES PUBLIC SERVICE BOARD (TX)

Mr. Giardina served as Project Officer to assist the City of El Paso in identifying and assessing potential organizational and institutional arrangements for the management and funding of stormwater-related activities; and recommend the preferred structure for providing stormwater management and prepare an implementation plan. Subsequently, Mr. Giardina assisted the utility in the creation of the stormwater util-

ity, development of staffing plan and organization structure, preparation of financial plan, rate design and customer billing data base all culminating with the issuance of stormwater bills 18 months after beginning the initial feasibility effort.

Mr. Giardina also served as Project Director for a water and sewer rate and financial planning study for the City of El Paso Water Utilities Public Service Board. He evaluated a number of pricing alternatives including the board's inverted residential block structure and excess use approach for nonresidential customers. Mr. Giardina projected demand reductions based on price elasticity estimates so that, when considered within the spectrum of a comprehensive water conservation program, per capita usage would decrease from 200 to 160 gallons per day by the year 2000. He also developed excess strength sewer surcharges as well as permit fees for significant industrial users and other permitted accounts.

DENVER WATER (CO)

Mr. Giardina is currently working with Denver Water in a facilitation and technical assistance capacity as the utility considers changes to its rate structure. It has been over 20 years since Denver Water last made significant changes to its rate structure. Working with Denver Water staff, Mr. Giardina is facilitating/leading a series of meetings with a citizen-stakeholder Rate Structure Review Committee. His role includes the development of the agenda for each meeting, preparation of meeting materials, facilitation and presentation, post-meeting staff de-briefs, and assistance in the formulation and development of rate structure alternatives.

CITY OF THORNTON (CO)

Mr. Giardina served as the Project Director for a financial planning and cost of service study consulting engagement with the City of Thornton, CO (City). The City, located in the fast growing northern suburbs of the Denver metropolitan area, currently provides water utility service for a population of 125,000. With an estimated service territory population of up to 250,000 at full system build-out, the City's ten-year capital improvement program includes expenditures of approximately \$560 million

for water resources, treatment facilities and storage projects to meet long-term demand growth. As part of the consulting engagement, Mr. Giardina assisted the City in several key areas including: 1) the development of multiple long-range financial planning scenarios to determine the optimal capital financing strategy, 2) the preparation of a comprehensive cost of service study to identify misalignments between customer class revenue recovery and the actual cost of service; 3) the analysis of alternative water rate structures; and, 4) and an update of the City's system development charges. Throughout the consulting engagement, Mr. Giardina made numerous presentations at City Council workshops. Ultimately, the City Council approved a long-term financial planning strategy that includes the forecast issuance of \$280 million in revenue bond financing. In addition, the City Council adopted three straight years of annual 13% increases and new system development charges featuring a \$4,255 increase in single family residential connection fees.

ADAMS COUNTY (CO)

Raftelis completed a Stormwater Utility Credit Study for Adams County (County), of which the outcome was to develop guidelines, policies, and procedures for offering utility fee credits to customers in the Adams County Stormwater Utility. The team completed a preliminary review of the stormwater program and utility documentation, financial materials, billing data, and the Stormwater Management Task Force meeting materials and minutes. Raftelis visited sites around the utility service area that were representative of existing stormwater management or special drainage conditions. The team's summary of these site visits and an overview of available credit types were presented to utility staff and the County board along with the preliminary Raftelis recommended program structure. We used program costs and other data to determine maximum available credits and estimate the revenue impacts of implementing the program. Raftelis recommended that the utility implement a limited credit program, focused primarily on incentivizing treatment practices that result in improved water quality or reduced peak flow or runoff volume. Recommendations were based on analyses of the utility's costs

and a determination of which costs have the potential to be reduced through customers' stormwater treatment or activities, and which costs could not be further reduced through these means. Finally, Raftelis estimated the potential revenue impact of implementing the recommended credit program.

CITY OF AURORA (CO)

Mr. Giardina examined user charges and impact fees as part of a water, wastewater, and stormwater rate and financial study. He developed automated financial plans and cash flow statements for each utility, further segregated into operation and system development. He also examined several alternatives for determining appropriate transfers from the city's utility operations to the General Fund. Subsequently, Mr. Giardina worked with the city to update impact fees and rates and develop a rate structure in response to a drought. He also developed a financial plan to provide the city with reasonable assurance that its costs would be funded with a combination of rate revenue and existing unrestricted cash. Conducted an update for the city utility's financial plans evaluating alternative user fee and impact fee methodologies, and developed a reclaimed water pricing policy/structure.

CITY OF BOULDER (CO)

Mr. Giardina is serving as Project Director for an ongoing water, wastewater, and storm drainage rate study initiated in 2016. The study includes a detailed review of policies and practices incorporated in separate utility rate models maintained and updated by the City for validation and/or modification as well as a comprehensive review of improvements to the utility rate structures. The City implemented an individualized customer water budget based rate structure in 2007 and this study will include a review of how well the rate structure accomplished the intended goals. The City's wastewater utility faces increased capital costs associated with increased regulatory requirements combined with repair and replacement requirements. The City's stormwater collection and drainage systems are faced with equitably recovering increased operating and capital requirements associated with increasing storm drainage service levels following the flooding experienced by

the City in the fall of 2013. Alternative water, wastewater and storm drainage rate structures will be developed that incorporate adjustments that better align the rate structures with the City's financial and rate setting goals and objectives. The alternative rate structures will be completed to the existing rate structure updated for increased utility revenue needs and a January 1, 2017 effective date. Raftelis also reviewed the City's revenue requirement and provided recommendations to the Utility debt service coverage and cash reserve policies.

Throughout the project, Raftelis worked extensively with City staff to review and refine study findings and recommendations. Raftelis and City staff will present interim and final study recommendations to the standing Water Resource Advisory Board (WRAB) to provide direction regarding policies, practices and adjustments to the utility rate structure for review and approval by City Council.

Mr. Giardina also served as Project Director on an engagement to conduct a management study of the City's development review process. This study evaluated the organization and operating processes in place and also included a review of the degree to which various functions could be and/or should be automated. A third area of study included a comprehensive review and revision of the city's design standards manual.

CITY OF BROOMFIELD (CO)

Mr. Giardina served as Project Director for comprehensive financial planning and system development or an impact fee study for the city's utility. The financial plan covered a five-year horizon and provided the city with revenue and expense projections for its water, sewer, and reclaimed water funds, including debt service coverage, cash position, and fund balance information. The plan encompassed the results of a CIP review, miscellaneous or specific service charge analyses, and system development fees. Mr. Giardina designed system development charges for water and sewer operations to approximate the capital cost of serving a new customer. He evaluated alternative calculation and assessment methodologies. The project also included an evaluation of issues associated with funding storm drainage capital and

O&M requirements, as well as potential organizational alternatives. Mr. Giardina evaluated water pricing structures designed to achieve the city's goals and objectives and completed a rate analysis for the city's high-strength discharges and entire industrial pretreatment program. Most recent work included updates to financial planning models for the utility, as well as the preparation of recommended financial policies and development of "drought rates."

NORTHERN COLORADO WATER CONSERVANCY DISTRICT (CO)

The Northern Colorado Water Conservancy District and its Municipal Subdistrict provide water to Northeastern Colorado from the Colorado-Big Thompson and Windy Gap projects. Their customers are primarily cities, towns, rural-domestic water districts and industries with year-round deliveries. Mr. Giardina recently met with the District Board to provide an overview of the water rate process that the District might use to develop water rates. Virtually all of the customers served by the District are wholesale customers requiring special considerations in the water rate process. He also was the finance/economics team leader on the District's alternatives analysis projecting 2003-2004.

CITY AND COUNTY OF DENVER (CO)

This project was the first ever bond issue (\$30.7 million) for the City of Denver's (City) Wastewater Management Division and, as such, required the development of a number of "bond-related" documents in addition to the financial feasibility plan. The engagement was completed in several phases: 1) Reviewed the City's ordinances and regulatory materials concerning the storm drainage utility, including the Denver revised municipal code, wastewater policies and procedures related to the assessment and collection of storm drainage fees within the City. The storm drainage capital projects 6-year and long-term needs were reviewed and the costs of services for maintaining and operating the storm drainage utility, including assessing the current and projected financial requirements of operating the utility and the planned capital projects was assessed. 2) Prepared a plan of finance, including projections of storm drainage fees which supported completion of the

planned capital projects.

Mr. Giardina also conducted a financial planning study for storm drainage in several phases:

- > Reviewed the City's ordinances and regulatory materials concerning the storm drainage utility and the storm drainage capital project's six-year and long-term needs. Assessed the cost of services for maintaining and operating the storm drainage utility, including the current and projected financial requirements of operating the utility and the planned capital projects.
- > Prepared a plan of finance, including projections of storm drainage fees, which supported completion of the planned capital projects.

REGIONAL WATER COOPERATION COMMISSION (FORT COLLINS, CO)

The purpose of this project (completed in 2014) for the Regional Water Cooperation Commission (the RWCC) evaluated the merits of alternative regional water treatment solutions to providing drinking water to customers in Northern Colorado. More specifically, we determined if there is an opportunity to achieve operational and economic benefits for the region at-large through regionalization. Mr. Giardina is serving as Project Manager for the project.

The Tri-Districts (East Larimer County Water District, the North Weld County Water District, and the Fort Collins Loveland Water District) and the City of Fort Collins were looking at the merits of crafting a regional water treatment solution through possible creation of a regional water treatment cooperative involving the Tri-Districts and the City (the stakeholders) versus the continued operation of the two completely autonomous facilities. As was identified in the request for proposals issued by the RWCC, "... the evaluation of each entity will need to include, but not be limited to, equitable financial representation of assets and debt, cost of service equity, equitable treatment of staff and equal representation relative to governance."

During Phase 1 of the project, Mr. Giardina met with key senior representatives, (e.g., managers, directors, elected officials) from each RWCC stake-

holder, over a 2-3 day period to identify key issues and opportunities related to the potential regionalization. Mr. Giardina then led all of the economic/financial analysis and worked extensively with the RWCC “working group” to define Status Quo requirements, identify regionalization options, determine data needs, create the analysis frame-work, etc. A key initial activity included the identification of any technical or institutional factors that would be considered as “non-starters” in terms of moving forward with a collaborative arrangement. This was accomplished early in Phase 1 via the interview with key management from the four entities – the conclusion being that there were not any major technical issues that should be considered “non-starters.” Based on this finding, the financial analysis was undertaken to demonstrate how the region and the entities would be impacted under the current versus regionalization or collaboration scenario.

The balance of the Phase 1 and 2 efforts centered on the development of demand projections, cost estimates, and the financial plan. Key to this included assumptions regarding historic use and cost responsibility for the Tri-District’s Soldier Canyon Plant, a determination of the plant “value” each of the Tri-District’s members would bring to the table, and an appropriate means of acknowledging these differences. With input from the client and team, Raftelis’ Mr. Giardina developed a series of options for this valuation that quantified the value “shortfall” or “excess” for each entity and included in the financial analysis how this would be recognized along with future capacity additions, financing needs, and plant investment fee or impact fee revenues.

The detailed financial analysis was used to estimate preliminary net present value costs for the region in total, as well as for each entity, over a 30-year study period under both the Status Quo and an alternative Regionalization option. The entities were presented with the preliminary findings and recommendations through a series of two separate validation workshops facilitated by Mr. Giardina that included an impact/sensitivity analysis around the major assumptions, including future demand projections, capacity sharing, and

potential savings in operation and maintenance expenses due to regional efficiencies. Stakeholders were also presented with a proposed governance structure (developed and presented by another team member – a local legal firm). Based on the financial analysis, the stakeholders elected to not move forward with the regionalization alternative.

CITY COUNCIL OF SALT LAKE CITY (UT)

Mr. Giardina led the council through a process of identifying and ranking water rate or pricing objectives. This effort resulted in the adoption of a seasonal rate approach (the existing method was a uniform rate). On the basis of the most recent rate study, the city has adopted a combination fixed-block rate for its residential accounts and a customer-specific block approach for nonresidential accounts. This approach was the result of a comprehensive evaluation of rate options using a 20-member citizen committee. He also assisted the City Council in developing financial policies and leading a discussion regarding pay-as-you-go versus debt financing for capital projects, and in providing a detailed analysis of a bonding proposal. The work included general fund activities as well as water, sewer, and storm drainage operations. Mr. Giardina analyzed such issues as alternative financing vehicles (including impact fees) and customer/taxpayer impact analyses. He completed a rate alternative workshop with the sewer rate methodology and assisted the Utility in implementation of both user rates and impact fees.

Additionally, Mr. Giardina was the Project Manager in assisting the City to develop and implement non-utility impact fees for the first time under state legislation.

SEATTLE WATER DEPARTMENT (WA)

Mr. Giardina served as Project Manager on an engagement to assist the Seattle Water Department in conducting a comprehensive water cost-of-service and rate study and another rate study a couple of years later. The base-extra capacity cost allocation approach was used for this study. The department provides retail service to in-city residents and wholesale service to twenty-nine purveyor cus-

tomers. Issues examined in this study included marginal cost pricing; seasonal rate development; rate of return; and inside/outside rate differentials. He provided consulting services and direction to the department on each of these issues.

CITY OF AUSTIN WATER UTILITY (TX)

Mr. Giardina served as Project Director under the Water and Wastewater Cost of Service Rate Study contract for the City of Austin Water Utility (AWU) The project included cost of service and rate studies for the water and wastewater utilities and development of cost of service and rate models. He prepared several issue papers to educate Public Involvement Committee (PIC) about issues relating to cost of service methodologies and rate design and presented issue paper topics to PIC and the utility's Executive Committee.

Mr. Giardina also served as Project Director for a Revenue Stability Fee Study. He provided expertise relating to revenue stability efforts among water and wastewater utilities throughout the country. In addition, he researched and presented information regarding options for improving utility revenue stability to AWU staff and appointed Joint Subcommittee on AWU's Financial Plan. Recommendations were made to AWU staff regarding revenue stability fee structure.

CITY OF SAN DIEGO (CA)

Mr. Giardina served as Project Director for a Bond Feasibility Study for the City of San Diego, Mr. Giardina conducted a financial analysis to determine if current rates and proposed future rates could reasonably be expected to provide the revenues necessary to support all costs of the MWW and city systems, including capital expenditures, O&M expenses, debt payments, debt coverage requirements, and financial reserve requirements.

Additionally, Mr. Giardina served as Project Director for a project for the City's ongoing training initiative. Specifically, he led managers and staff of the Utility Department through a comprehensive financial planning and rate study program. He conducted sessions with the groups during which the fundamental con-

cepts and approaches to financial planning, cost of service and rate design were presented.

ST. LOUIS METROPOLITAN SEWER DISTRICT (MO)

Mr. Giardina was part of a team performing a management audit for St. Luis Metropolitan Sewer District that included: review of policies, procedures, and management techniques; use of focus groups to gauge perceptions of employees, specific customer groups, etc.; assessment of district use of industry best practices; assessment of budget process, accounting procedures, and information systems; and work force utilization, technology application, and standard operating and maintenance procedures.

CITY OF PHOENIX (AZ)

Mr. Giardina was retained by the City of Phoenix (City) Water Services Department to develop a long-range financial planning model of the City's water and wastewater utilities. The models, to be used by Department Management and the Natural Resources subcommittee of the City Council, had the capability to examine alternative funding sources for the capital improvement program and project results of operations in overall cash flows. The financial parameters of the City were incorporated into the model so that such indicators could be readily reviewed to ensure that debt service coverage requirements were met or that the use of debt to fund capital projects did not exceed target levels.

As part of an ongoing contract with the Department, he converted this model for use with the wastewater utility. The wastewater financial planning model was enhanced so that the revenue requirement can be projected by customer class. The primary reason for this enhancement was to provide the Department with the ability to analyze the impact that anticipated upgrades to the City's two wastewater treatment plants would have on various customer classes. These upgrades were necessary in order to comply with anticipated NPDES permit requirements.

He is currently working with the City/Department to complete a comprehensive water and wastewater rate study that includes a review of and as appropri-

ate modifications to the cost-of-service methodology, rates and an update to the water and wastewater environmental rates or user charges.

CITY OF TUCSON (AZ)

Mr. Giardina served as Project Manager in providing rate and financial services for Tucson Water under a multi-year contract for services, including cost allocation and alternative rate design considerations. Specifically, he assisted the city in analyzing the rate blocks for its inclining block water rate structure and customer class designations. He developed new impact fees and provided recommendations on revenue projections and financial modeling.

CITY OF RENO (NV)

Mr. Giardina served as project officer on this comprehensive wastewater rate study. He directed the team in developing a financial model that was used to evaluate revenue sufficiency, determine the cost of providing wastewater service including charges for excess-strength discharges, and determine equitable connection fees based on the cost of expansion. Our interactive approach facilitated the development of a rate structure that was legally defensible, and met the City's goals related to rate defensibility and equitably paying for growth. Unanimous consensus was reached in all forums and the project ended with a unanimous vote by the City Council to adopt all recommendations.

CITY OF LAS VEGAS (NV)

Mr. Giardina served as Technical Advisor for the analysis of the solid waste utility's financial status, including a review of current rate schedules to recommend adjustments as necessary to assure the utility's continuing financial viability. The study includes: development of financial plan scenarios for the study period, fiscal years (FY) 2010-11 through 2014-15; analysis of FY 2010-11 customer class cost of service; and design of FY 2010-11 rates. To make this study feasible, the team conducted a series of workshops with City staff to confirm study objectives, review data received from City, identify relevant City policies and objectives, and present findings. The team provided technical memos following each workshop. Additionally, the team attended a City

Council retreat and meeting to evaluate rate alternatives and discuss the implementation process.

CITY OF SANTA FE (NM)

Mr. Giardina served as Technical Advisor on a project to conduct a financial feasibility study. He evaluated the financial implications of City acquisition of the privately-owned water company. Project objectives included: (1) developing operational costs and revenues; (2) analyzing integration and start-up costs; (3) developing a financial plan for acquiring the water company; (4) determining capital improvement funding requirements; (5) computing a probable range of values for the water company; and (6) quantifying the rate impacts of acquisition on existing customers.

OKLAHOMA CITY WATER UTILITIES TRUST (OK)

Mr. Rick Giardina, as a sub-consultant to another firm, served as Project Director for the most recent comprehensive water and wastewater rate study completed for the Oklahoma City Water Utilities Trust (OCWUT). In this capacity he was responsible for the overall project direction, technical analysis and presentations to the Trust, City Council and Wholesale Customers. This study included development of a multi-year financial plan (2015-2024), cost of service study, rate design and the determination of system development charges (also known as impact fees). A key driver in all elements of this study is the planned 2nd Atoka raw water supply line – part of a 10-year, \$2 billion capital improvement program. The resulting approved financial plan includes annual revenue increases, a transition plan for increasing the water system development charge as well as moving towards user charges based on the indicated class cost of service. Retail water user charges will include an incremental fixed charge to assist in funding the Atoka Pipeline and volume rates will be restructured from the current uniform rates to an inverted 2-block approach with plans to re-evaluate results and in 2-3 years consider adjusting the block thresholds and adding a third block. Additionally, wholesale rates will transition from forms of demand and take-or-pay charges/rates to time of day rates. This change will result in enhanced equity among the retail and wholesale

class; better reflecting the investment made by OCWUT to serve the wholesale customer class.

Mr. Giardina again is serving as the Project Director for an ongoing project to update the financial plan, cost of service, and rate design. Additionally, this current effort will begin assessing the effectiveness of the conservation-oriented rate structure adopted as part of the last study.

CITY OF SAN JOSE (CA)

Mr. Giardina also served as Project Director on a study to develop pricing methodologies and rate structures for non-residential water users. He evaluated the range of options available for recovering the cost of providing water service to non-residential customers. The evaluation entailed a conceptual assessment of alternative user charge approaches based on demand characteristics.

Mr. Giardina served as Project Director to conduct a customer class cost-of-service study using a conservation rate approach, and developed impact fees to recover costs associated with major facilities required to serve new development in the city's service area. He developed a methodology for determining amounts to be transferred annually to the city's General Fund. He also developed a micro computer rate and financial planning model in order to project rates over a five-year time frame. Public input on both the user charges and impact fees were considered when developing our final recommendations.

CITY OF SANTA ROSA (CA)

As Project Manager, Mr. Giardina developed water rates for a five-year period and wastewater rates for a twenty-year period. He evaluated the city's existing methodology for developing demand or development fees for both utilities and calculated the appropriate fee for the study period. This in-depth analysis was accomplished through development of an automated rate model which has been used by the city to conduct updates. Rates adopted by the city reflected a conservation feature which was strongly supported by the community. In addition, he evaluated the potential for a "life-line" rate structure to assist low-income water users. Because the city was a regional provider

of wastewater treatment service, the cost of service study had to reflect the City's institutional, financial, and operational arrangements.

CITY OF LARAMIE (WY)

Mr. Giardina served as Technical Advisor for a water and sewer cost-of-service rate study for the City of Laramie with the support of citizen committee meetings. On the basis of this study we updated the City's water and wastewater financial plan and rates and presented the findings to Laramie's City Council.

Mr. Giardina also served as Project Manager to assist the City in soliciting and evaluating proposals to privatize (design/build with possible contract operations) a new wastewater treatment facility. Mr. Giardina was responsible for drafting the request for proposals, a design/build contract and other related documents. Efforts also included assisting City Council in understanding the privatization process and evaluating contract operation for the completed facility. Wyoming state law relating to municipal procurement requirements added to the complexity of this project. Council workshops and a close working relationship with the City's outside legal counsel were necessary to address these and other issues.

CITY OF POCATELLO (ID)

Mr. Giardina served as Technical Advisor for sanitation, water, and wastewater utilities rate study and cost of service analysis. The study included a detailed customer billing and revenue analysis, cash flow, cost of service, and revenue sufficiency analysis for the water, wastewater, and sanitation utilities. Long range plans for each utility were developed and revenue increases proposed.

CITY OF CHANDLER (AZ)

Mr. Giardina provided financial consultation to City of Chandler's utilities since 1993. He managed comprehensive rate studies that included development of long-range financial plan, analysis of outside City rate differentials, detailed study reports, and meetings with City Council. Mr. Giardina managed a study to examine feasibility of alternative solid waste disposal options. He recently completed a study of water and wastewater

development fees that included meeting with the Homebuilders Association of Central Arizona to address their questions.

Mr. Giardina also served as Project Director in reviewing and updating System Development Charges for solid waste, water, and wastewater operations and analyzed the cost associated with water and wastewater extensions. The overall objective of this project included: recommending development fees and charges which more equitably recover water, wastewater, and solid waste capital costs; designing a schedule of Utility System Development Charges for the five-year study period; and evaluating developer paid extension or “buy-in” charges for water and wastewater service and recommending new charges and/or procedures for the assessment, collection and refunding of such charges. Subsequently, Mr. Giardina was retained by the City to update impact fees based on newly modified utility master plans.

TOWN OF GILBERT (AZ)

Rick Giardina served as Project Director for a comprehensive solid waste, water, and wastewater utility financial planning study for the Town of Gilbert. The plan, covering a five-year study horizon, provided the town with a cash flow and financing plan for the town’s utilities, an evaluation of alternative water rate structures, and recommendations for the full recovery of costs associated with other utility services such as hydrant changes, customer account services, etc. Additionally, he developed a process for identifying the cost of services provided by general fund departments to the utilities. Mr. Giardina led meetings throughout the project with the town’s Citizens’ Utility Rate Advisory Committee. During these sessions we briefed the committee on relevant issues and used feedback to assist in the formulation of recommendations regarding the financial plans and rate structures. He also completed an update to determine utility and non-utility system development or impact fees.

CITY OF SHERIDAN (WY)

As Project Director, Rick Giardina developed financial plans for the City’s three utility operations – water,

sewer and sanitation (collection and disposal). The financial plans contained cashflow projections and identified revenue deficiencies on a year-to-year basis and were designed to achieve goals and objectives relating to cash recovery, debt coverage, and renewal and replacement funding. For the water utility a cost of service and rate design model was also developed. Impact fees were evaluated and recommended for use as a capital recovery mechanism.

TOWN OF JACKSON (WY)

As Project Manager, Rick Giardina completed a review of the Town’s water and sewer rate pricing approaches and procedures. A plan was developed for assigning or allocating each component of revenue requirements to specific utility functions. The plan consisted of a specification of utility functions based on the assessment of information available for the cost of service analysis, as well as a delineation of the procedures to be employed to accomplish a comprehensive assignment or allocation of revenue requirement components. A plan for classifying revenue requirements among the different types of customers was developed. Impact fees were also developed as part of this project and presented to a 20-member Rate Committee comprised of private citizens, business owners, Town employees and Council members.

JOINT POWERS WATER BOARD (WY)

Mr. Giardina assisted in a forecast and feasibility study for Joint Powers Water Board. The Board’s existing bond indenture required that a parity-lien test be completed prior to the Board committing to a loan from the State of Wyoming. In order to assist the Board with this financing a five-year rate and financial plan was developed. Financial analysis assistance was also provided associated with a second borrowing from the State.

CITY OF NOGALES (AZ)

Mr. Giardina served as Project Director of a management study and organizational assessment of the city’s water and wastewater systems. The analysis was requested by the North American Development Bank to provide recommendations to the City of Nogales to allow it to increase and improve man-

agement capacity of its water and wastewater utility operations to operate and maintain the proposed infrastructure systems effectively and efficiently and provide a superior level of service to end user.

GRAND RIVER DAM AUTHORITY (TX)

Mr. Giardina served as lead consultant in the rates and regulation area of management audits of the Grand River Dam Authority and saws Lighting and Power. Included in these projects were rate surveys and comparisons as well as effectiveness and efficiency reviews of the utility's rate analysis functions.

LITTLE ROCK WATER WORKS (AR)

As Project Manager, Mr. Giardina reviewed capital improvement program planning, rates and finance, and customer service for a management study.

EASTERN MUNICIPAL WATER DISTRICT (CA)

Mr. Giardina served as Project Director for the Potable Water System Access Policy and Rate Development for the Eastern Municipal Water District. The District contracted for development of a potable water system access policy to require that water introduced into District facilities meet all current District regulatory guidelines for potable drinking water, including water quality. Additionally, the District requested cost recovery methodology that is most applicable to the District's transmission and distribution system.

CITY OF NEWPORT BEACH (CA)

Mr. Giardina performed QA/QC for a water cost of service study and assisted in development of a long-range financial plan, evaluation and implementation of a conservation rate structure that adheres to cost of service principles and provisions of California Proposition 218.

In addition, he worked with Newport Beach staff to identify policy objectives for prospective rate design alternatives.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (CA)

While he was with a previous employer, Mr. Giardina facilitated a series of workshops with management,

member agencies and stakeholders to assess the economic, political and technical feasibility of a growth-related infrastructure charge (approximately 2006-2007). He led seminars to inform participants of the prevailing industry standards for adhering to cost of service principles and navigating California's complex legal environment. Again, in 2011, he led the long-range financial planning process with a focus on better aligning fixed costs with fixed revenue sources as well as a variety of related issues. He facilitated and provided technical input as a variety of rate and financial planning alternatives were considered.

From 2015 to 2016, Mr. Giardina developed alternatives to the current MWD 100% variable rate methodology for treated water service. He lead Raftelis' efforts to frame and develop a number of fixed charge alternatives considering the basis or rationale for historic investments in treatment capacity and the demand characteristics of the MWD Member Agencies, i.e., average, peaking and standby demands.

CITY OF OXNARD (CA)

As Project Manager, Mr. Giardina prepared a projection of water user charge revenues. The project approach included the compilation and review of historic data regarding water production, customer usage and account information, and reported revenues. He reviewed usage and revenue data in aggregate and by customer class. He also calculated revenues by class based on the City's current rates, and reviewed the procedures used by the City for determining individual customer bills.

Mr. Giardina also assisted the city in developing a master plan for its wastewater system, including storm water, and defining improvements required to address future capacity and replacement/rehabilitation needs. A component of this plan and associated activities related to the evaluation and potential establishment of funding sources for storm water capital and operational requirements.

CITY OF ROHNERT PARK (CA)

Mr. Giardina served as Project Manager in develop-

ment of connection or impact fees and an automated rate model. The use of the model, which was left with the city at the conclusion of the study, will allow for future updates based on revised forecasts or budget data. Both user charges and impact fees were designed to comply with local, state and EPA requirements, and reflected the City's participation in a regional wastewater treatment facility.

HONOLULU BOARD OF WATER SUPPLY (HI)

Mr. Giardina served as Project Director on an engagement to conduct a comprehensive rate and financial planning study for the Honolulu Board of Water Supply. He developed several alternative rate methodologies that addressed the pricing objectives of the community. These included the development of impact fees by functional area (e.g., supply, treatment). A major interest to the client was the consideration of a conservation pricing structure which included an increasing unit charge for increasing amounts of water consumed.

In addition, we completed a study for the Board to examine the relationship between impact fees, user charges and conservation pricing and develop a recommended rate and financial plan. This was completed with the development and use of an automated rate, financial planning, and customer impact model.

PUERTO RICO AQUEDUCT & SEWER AUTHORITY (PUERTO RICO)

Mr. Giardina served as Technical Advisor for the review of financial forecasts in support of planned capital financing for the Puerto Rico Aqueduct & Sewer Authority (Authority)-multi-year capital needs in support of new money and refunding bond issues, and for completing a comprehensive rate study. Mr. Giardina represented the Authority in meetings and presentations with rating agencies and insurance companies for their first public issue in over a decade. The financial forecast and additional work completed included a comprehensive assessment of efficiency initiatives, resulting increases in revenues and/or decreases in expenditures. This effort proved to be critical in building credibility with the rating agencies.

In 2016, Mr. Giardina was Project Director on a project to provide an independent 3rd Party Professional Opinion regarding PRASA's operations and financial position. This was done in light of the current and on-going financial challenges facing the Commonwealth of Puerto Rico and was specifically intended to identify opportunities for cost reductions and revenue increases to ultimately position PRASA to access capital markets. Mr. Giardina lead all efforts regarding the operations assessment and financial planning and facilitated meetings and presentation with the Government Development Bank, PRASA's Fiscal Agent, and both Commonwealth Senators and Representatives as they considered PRASA-specific legislation intended to assist PRASA in raising capital while mitigating rate increases.

CITY OF WINNIPEG (CANADA)

Mr. Giardina served as Project Director for an organizational and financial management study for the City of Winnipeg Waterworks, Waste & Disposal Department to evaluate the potential for creating a storm water utility and establishing a means of financing both capital and operations and maintenance costs.

LITIGATION PROJECT EXPERIENCE

In a wholesale rate dispute between Bay City (as the supplier) and Bay County (and other municipal customers) Mr. Giardina was selected and served as the independent, third arbitrator. The rate consultant for each party served on the arbitration panel with Mr. Giardina. As the independent arbitrator Mr. Giardina presided over the hearing and drafted the arbitration decision (with input and comment from the other panel members).

Mr. Giardina was retained to participate on a three-member arbitration panel in a wholesale rate dispute between the cities of Kalamazoo and Portage, Michigan, in an attempt to avoid litigation. The panel received testimony, reviewed briefs and related materials and led a consensus building process culminating in a settlement agreement.

Mr. Giardina was retained to participate on a three-member arbitration panel in a capital recovery fee dispute between the cities of Holland and

Zeeland, Michigan. The panel received testimony, reviewed briefs and related documents and rendered a written, binding opinion.

For the City of Chandler, Arizona Mr. Giardina served as Project Director in completing an outside city cost of service study. For a number of years the City had charged outside city water customers at twice the inside City rates. The rate differential was repealed when outside city customers sought to litigate this policy. The City retained Mr. Giardina to complete a cost of service study and recommend, if warranted, an outside rate differential. The approach used included the identification of assets serving strictly outside customers and development of an allocation methodology for common facilities. The City's cash revenue requirements were converted to the utility basis for the purposes of determining the cost of outside service. Included in the cost of service was a return component based on the net rate base serving outside customers. Results of this analysis indicated that a differential was justified. The precise differential varied from 1.80 to 2.01 times inside city rates based on a variety of factors including the assignment or allocation of utility assets and the inclusion of contributed property. An automated rate model was delivered to the City and staff training was completed.

Mr. Giardina provided consulting services to legal counsel of a homeowners association regarding water rates charged by a large municipally-owned water utility. At issue was the association's designated customer classification and the rates charged for service. The association was served through a single master meter and was responsible for the initial investment and all on-going costs associated with all facilities on their side of the metering point. This included meter reading and billing (under their own rate structure) activities for their own retail customers. Mr. Giardina completed a comprehensive review of the utility's rate ordinance regarding customer class designations. He also evaluated a utility-prepared analysis on the cost of serving the association. His recommendations included the re-classification of the association from residential to a special "non-retail" service category or the util-

ity's wholesale class and a rate for service reflective of the cost incurred by the utility and the service provided by the association.

Mr. Giardina provided litigation support on a contract rate dispute for one of the largest cities in the United States. For this case, the city was in litigation with ten wastewater contracting agencies (wholesale customers) who disagreed with the manner in which their rates were calculated and implemented. Mr. Giardina assisted this west coast city in evaluating the appropriateness of using settlement amounts for general fund purposes. This included a comprehensive analysis of the city charter and code, EPA and state wastewater grant and user charge regulations, bond ordinances and covenants and governmental accounting and reporting literature.

Mr. Giardina conducted an outside city cost of service study for the City of Prescott, Arizona. In anticipation of litigation the City retained Mr. Giardina to complete a cost of service study and recommend, if warranted, an outside rate differential. The approach used included the identification of assets serving strictly outside customers and development of an allocation methodology for common facilities. The City's cash revenue requirements was converted to the utility basis for the purpose of determining the cost of outside service. Included in the cost of service was a return component based on the net rate base serving outside customers.

Mr. Giardina served as Project Manager on an engagement to provide litigation support services in a lawsuit involving the recovery of closure and post-closure costs associated with a California landfill and transfer station. Mr. Giardina was retained by counsel for the plaintiff, the landfill and transfer owner, to provide expert witness testimony relating to the process used to establish rates for the owner and to also estimate damages resulting from the regulator's disallowance of closure and post-closure costs. Mr. Giardina also assisted in the depositions of the defendant's experts and assisted plaintiff's counsel on the development of closure and post-closure litigation strategies.

Mr. Giardina served as Project Manager on an engagement for the Colorado Ute Water District to evaluate (as part of a law suit between the District and the City of Grand Junction) the financial impact if the City were to assume utility service to approximately 20% of the District's service territory. He also assisted legal counsel in preparing deposition questions and trial material.

Mr. Giardina served as an expert witness in Colorado Water Court. Mr. Giardina was retained to evaluate the feasibility of a proposed water supply project. The evaluation included a comprehensive review of work completed by witnesses for the defendant, and the development of independent technical analysis relating to the project feasibility. He assisted legal counsel in deposing other experts and was deposed by defendants outside counsel.

Mr. Giardina served as an expert witness on an engagement to provide litigation support services to the City of Thornton, Colorado. Suit was filed in Adams County District Court against the City asserting that the City violated its agreement with outside City water and sewer customers calling for non-discriminatory rates. Mr. Giardina assisted the City's outside legal counsel in preparing requests for discovery and deposition of plaintiff's witnesses and the development and presentation of expert testimony. A key issue in this case was the cost justification and the evaluation of legal precedents and industry practices regarding the development of outside city rates for utility services.

Mr. Giardina provided litigation support services in an engineering and construction lawsuit involving a major southeastern water utility and claims regarding failure or potential failure of a large diameter transmission pipeline. Mr. Giardina was retained by counsel to provide analysis and evaluation of data for the purpose of assessing damage claims asserted by the plaintiff.

Mr. Giardina served as Project Manager to provide litigation support regarding a suit involving Alpine Cascade Corporation et. al. v. Pagosa Area Water

and Sanitation District, Case No. 97CV15, Archuleta County District Court. Mr. Giardina will review and analyze the financial records of the Pagosa Area District and other related tasks. One of the primary issues that will be addressed is whether the District's purported "enterprise" is being operated as a self-supporting business.

Financial Analyst for the Colorado Public Utilities Commission. While employed by the PUC, Mr. Giardina presented expert testimony in a number of rate and cost allocation proceedings before the Commission. Areas of coverage included revenue requirement determination in general, and specifically numerous accounting and financial issues relating to rate base, cost of capital and the cost of service. As a member of the PUC staff he conducted a number of rate-related audits focusing on cost analysis and cost allocation procedures. These audits then became the basis for development of expert testimony and preparation for cross-examination.

For the City of Edmonton, Alberta, Mr. Giardina was retained to provide financial and cost allocation consulting services to the City in a wholesale customer rate dispute before the Alberta Public Utilities Board. Mr. Giardina provided independent advice to the City of Edmonton regarding a broad range of rate-related issues including cost of service determination, cost allocation and rate design. He also assisted the City in the review and preparation of testimony (direct and rebuttal).

Mr. Giardina was retained to evaluate damage claims as part of a law suit regarding a contaminated water treatment plant site. Our focus was on the damages, as asserted by the plaintiff, which resulted from the "inability" of the plaintiff to refinance outstanding long-term debt. Additionally, RGA assisted legal counsel and other experts in the evaluation and analysis of finance and rate-related issues.

Mr. Giardina served as Project Manager on a number of litigation support engagements. Responsibilities have included the development of micro-computer models for use in calculating damage claims and

extensive re-search relating to cost and management accounting issues and preparation of testimony.

OTHER RELEVANT PROJECT EXPERIENCE

- > City of Albuquerque (NM) - Various Rate Studies since the early 1990's
- > City of Hobbs (NM) - Rate Study
- > Rio Rancho (NM) - Rate and Impact Fee Studies
- > Santa Fe Metropolitan Water District (NM) - Rate Study

SPECIAL RECOGNITION

- > Water Rates Summit, Invited Expert, Alliance for Water Efficiency (AWE), The Johnson Foundation, August 2012 and April 2014
- > US EPA – Appointee to the Environmental Financial Advisory Board, 2011 to present
- > Rates and Charges Committee, American Water Works Association, 1999 to present
- > Utility Management Committee, Water Environment Federation, 2005 to 2011
- > Water For People, Annual Fund Raising Event, Organizing Committee, 2006 to 2012
- > Utility Management Conference, AWWA-WEF, past co-chair and organizing committee, 2005 to 2010
- > Conference President, the Growth and Infrastructure Consortium (formerly known as the National Impact Fee Roundtable), Annual Conference, Denver, CO, October 2005
- > Board Member, East Cherry Creek Valley Water & Sanitation District, CO 2001 to 2002

RECENT PUBLICATIONS/PRESENTATIONS

- > Giardina, R.D., Cramer, C., "How Much Does It Cost To Build Here," presented at the Growth and Infrastructure Consortium Annual Conference, Denver, CO, October 13, 2016.
- > Giardina, R.D., Gaur, S., Kiger, M.H., Zieburtz, W., "Committee Report: Ripples From the San Juan Capistrano Decision," Journal – American Water Works Association, September 2016, Volume 108, Number 9.
- > Giardina, R. D., "What's In Your Rates?," presented at the Colorado Water Congress, 2016 Summer

Conference, Steamboat Springs, CO, August 24, 2016.

- > Giardina, R.D., Ash, T., "Constructing Successful Rates: The Art and Science of Revenue and Efficiency," presented at the 5th Annual WaterWise Pre-Conference Workshop, Denver, CO, October 24, 2013.
- > Giardina, R.D., Ash, T., Mayer, P., "Constructing Successful Rates," presented at the WaterSmart Innovations Annual Conference, Las Vegas, NV, October 4, 2013.
- > Giardina, R.D., Burr-Rosenthal, Kyrsten, "Considering Water Budget Rates? One City's Approach," presented at the 2013 CA-NV AWWA Spring Conference, Las Vegas, NV, March 27, 2013.
- > Corssmit, C.W., Editor, and contributing editors, reviewers, and technical editors: Hildebrand, M., Giardina, R.D., Malesky, C.F., Matthews, P.L., Mastracchio, J.M., "Water Rates, Fees, and the Legal Environment," American Water Works Association (AWWA), 2nd Edition, 2010. ISBN 978-1-58321-796-2.
- > Giardina, R.D., "Is This the Right Time for You to Form a Stormwater Utility?," presented at a Seminar on Weathering the Storm: Is This the Right Time for You to Form a Stormwater Utility? sponsored by the Water Environment Federation (WEF), Alexandria VA, May 18, 2010. This seminar was also presented in 2011. See also <http://www.wef.org/blogs/blog.aspx?id=7312&blogid=17296>
- > Giardina, R.D., "Financial Viability - Can Budget or Individualized Water Rates Work for You?," presented at the Utility Management Conference sponsored jointly by the American Water Works Association and Water Environment Federation (AWWA/WEF), San Francisco CA, February 21-24, 2010.
- > Giardina, R.D., "Attaining Sustainable Business Performance Finance - Water Budget Based Rates," presented at a Meeting of the Association of Metropolitan Water Agencies (AMWA), New Orleans LA, October 20, 2008.
- > Jackson, D.E., Giardina, R.D., "Financing Options for Drinking Water CIP Projects," presented at a Seminar sponsored by the Arizona Water and Pollution Control Association (AWPCA) on Treatment Technologies for Compliance with the Stage

- 2 Disinfection Byproducts Rule, Phoenix AZ, February 16, 2006.
- > Giardina, R.D., "Impact Fee with a Defined Short-Term Build-Out Horizon," presented at the National Impact Fee Roundtable, Naples FL, October 22, 2004.
 - > Giardina, R.D., "Calculating Impact Fees: Methods," presented at the American Planning Association State Conference, Vail CO, September 24, 2004.
 - > Giardina, R.D., "Funding Local Government Services," presented at the 97th Annual Convention of the Utah League of Cities and Towns, Salt Lake City UT, September 15, 2004.
 - > Giardina, R.D., "Understanding Water Issues in Arizona," presented at the Government Finance Officers Association Summer Training Program, Tucson AZ, August 20, 2004.
 - > Giardina, R.D., "Impact Fees: A Vote of Confidence for Economic Growth?," published in Colorado Government Finance Officers Association (GFOA) Footnotes, December 2003, the Arizona GFOA Newsletter, January 2004, and the Illinois Government Finance Leader, Spring 2004.
 - > Giardina, R.D., "Impact Fee Basics / Impact Fees with a Defined Short-Term Build-Out Horizon," presented at the National Impact Fee Roundtable, San Diego CA, October 16, 2003.
 - > Giardina, R.D., "Local Government Utilities Establishing Rates for Service," presented at Arizona State University, Phoenix AZ, September 23, 2003.
 - > Giardina, R.D., "Selecting a Water Rate Structure through Public Involvement," presented at the Annual Conference of the American Water Works Association, Intermountain Section, Jackson Hole WY, September 17, 2003.
 - > Giardina, R.D., "Ratemaking 101," presented at the Government Finance Officers Association of Arizona, Summer Training, Flagstaff AZ, August 22, 2003.
 - > Giardina, R.D., "Impact Fees," presented at the Colorado Government Finance Officers Association, Metro Coalition, Golden CO, May 9, 2003.
 - > Giardina, R.D., "Impact Fees – A Primer," presented at a Conference of the Colorado River Finance Officers Association, Parker AZ, February 4, 2003.
 - > Giardina, R.D., "Impact Fees and Economic Development," presented at the Annual Conference of the Colorado Government Finance Officers Association, Vail CO, November 20, 2002.
 - > Giardina, R.D., "Case Study: City of Chandler, Arizona, Utility System Development Charges," presented at the National Impact Fee Roundtable, Phoenix AZ, October 24, 2002.
 - > Giardina, R.D., "Using Impact Fees to Fund Streets and Roads," presented at the Utah League of Cities and Towns 2001 City Streets and County Road School Convention, St. George UT, April 25, 2001.
 - > Giardina, R.D., "Addressing Capital Needs," presented at the Utah League of Cities and Towns Mid-Year Conference 2001, St. George UT, April 5, 2001.
 - > Giardina, R.D., "Fine Tuning Your Rate Structure Using a Citizen Committee," presented at the Annual Conference and Exposition of the American Water Works Association, Denver CO, June 14, 2000.
 - > Giardina, R.D., "Impact Fees without Getting in Trouble," presented at the Annual Convention of the Utah League of Cities and Towns, St. George UT, April 13, 2000.
 - > Giardina, R.D., "Impact Fees for Small Communities," presented at the Annual Convention of the Utah League of Cities and Towns, Salt Lake City UT, September 16, 1999.
 - > Giardina, R.D., "Trends in Privatization," presented at a Conference of the Water Environment Association of Utah, St. George UT, April 24, 1998.
 - > Giardina, R.D., "Isn't Competition Wonderful?," presented at the Joint Technical Advisory Committee (JTAC) of the American Water Works Association, Rocky Mountain Section and the Rocky Mountain Water Environment Association, Denver CO, February 26, 1998.
 - > Giardina, R.D., "Strategies and Approaches for the Development of Utility Impact Fees," presented at the Annual Conference of the Rural Water Association of Utah, Park City UT, August 25, 1998; and the Joint Annual Winter Conference of the Water Environment Association of Utah/Amer-

- ican Water Works Association, Intermountain Section, Salt Lake City UT, January 21, 1998.
- > Giardina, R.D., "Private Sector Competition - What Is It? Who Does It? and Can It Help You?," Workshop presented at the 1997 Joint Annual Conference of the American Water Works Association, Rocky Mountain Section and the Rocky Mountain Water Environment Association, Ruidoso NM, September 14, 1997.
 - > Giardina, R.D., "Impact Fees as a Capital Financing Approach," presented at a Conference of the Rocky Mountain Water Environment Association, Denver CO, January 30, 1997.
 - > Giardina, R.D., "Conservation Pricing: Meeting Your Conservation Objectives," presented at the Joint Annual Conference of the American Water Works Association, Rocky Mountain Section and the Rocky Mountain Water Pollution Control Association, Sheridan WY, September 10, 1995; and the Annual Conference of the American Water Works Association, Kansas Section, Wichita KS, September 25, 1996.
 - > Giardina, R.D., "Turnkey vs. Conventional Approach to Biosolids Facility Construction," presented at the 10th Annual Residuals and Biosolids Management Conference: 10 Years of Progress and a Look Toward the Future, Denver CO, August 20, 1996.
 - > Giardina, R.D., Ambrose, R.D., Olstein, M., "Private-Sector Financing," Chapter 15, Manual of Water Supply Practices, M47 - Construction Contract Administration, 1996. American Water Works Association.
 - > Giardina, R.D., "Contract Operations," Chapter 15, Operation of Municipal Wastewater Treatment Plants, Manual of Practice-MOP 11, Fifth Edition, 1996. Water Environment Federation.
 - > Giardina, R.D., "Selecting an Appropriate Contract Operator," presented at the 1995 WEF/AWWA Joint Management Conference of the Water Environment Federation/American Water Works Association, Tulsa OK, February 13, 1995.
 - > Giardina, R.D., "Wastewater Reuse Capital Funding and Cost Recovery Approaches," presented at the Rocky Mountain Sections of the American Water Works Association, Intermountain Section, Crested Butte CO, September 14, 1994; and the Annual Conference and Exposition of the Water Environment Association of Utah, St. George UT, April 20, 1995.
 - > Giardina, R.D., "Private Sector Financing of Public Facilities - When and Why It May Be Appropriate," presented at the Annual Conference of the American Water Works Association, New York NY, June 21, 1994; and Joint Annual Conference of the American Water Works Association, Rocky Mountain Section/Rocky Mountain Water Environment Federation, Steamboat Springs CO, September 10, 1996.
 - > Giardina, R.D., "Use of Innovative Pricing Strategies in a Conservation or Demand Management Program," presented at the 67th Annual Conference of the Arizona Water and Pollution Control Association, Prescott AZ, May 6, 1994.
 - > Giardina, R.D., "Funding Environmental Compliance - One City's Approach," presented at the Annual Conference of the Rocky Mountain Water Pollution Control Association, Denver CO, January 28, 1994.
 - > Giardina, R.D., "Conservation Pricing - Trends and Examples," presented at the CONSERV 93 Conference and Exposition on The New Water Agenda, Las Vegas NV, December 14, 1993.
 - > Giardina, R.D., Simpson, S.L., "A Case Study of the Impact of Conservation Measures on Water Use in Boulder, Colorado," presented at the Joint Annual Conference of the Rocky Mountain Sections of the American Water Works Association and Water Environment Federation, Conservation Workshop, Albuquerque NM, September 19, 1993.

TECHNICAL SPECIALTIES

- » Impact fee consulting services for utility and non-utility fee categories including managing studies completed under different legislative guidance in Arizona, Colorado, Utah, and Montana
- » Financial and rate, impact fee and bond feasibility consulting services for water, sewer, reclaimed, and stormwater utilities

PROFESSIONAL HISTORY

- » Raftelis Financial Consultants, Inc.: Manager (2014-present); Senior Consultant (2013)
- » Red Oak Consulting: Principal Management and Utility Rate Consultant (2003-2013)
- » Ajllon Finance: Telecommunications Analyst (2002-2003)
- » ISPhone Inc. and Appia Communications: Finance and Accounting Administrator (1999-2001)
- » McLagan Partners: Compensation Analyst Intern (1998 and 1999)

EDUCATION

- » Bachelors in Business Administration, Finance and Accounting - University of Michigan at Ann Arbor (1999)

CERTIFICATIONS

- » Series 50 Municipal Advisor Representative

ANDREW RHEEM

PROJECT MANAGER

Manager

PROFILE

Mr. Rheem has been providing financial and rate consulting services to water, wastewater, reclaimed water, and stormwater utilities for more than 14 years, including conducting rate studies for numerous Colorado and Southwestern U.S. municipal utilities. He has served as project manager and/or lead analyst for multiple long-standing clients providing a range of municipal financial planning, rate and fee assistance through multiple engagements. Mr. Rheem is also a skilled presenter and has presented study findings and recommendations to management and governing bodies. Mr. Rheem holds Bachelors in Business Administration, Finance and Accounting from the University of Michigan – Ann Arbor.

RELEVANT PROJECT EXPERIENCE

EL PASO WATER UTILITIES (TX)

Mr. Rheem served as Project Manager and/or Lead Analyst for a variety of engagements completed for El Paso Water Utilities since 2003. Mr. Rheem served as project manager for twelve annual updates of wholesale water and wastewater financial planning and cost-of-service rate models using the base-extra capacity method. Individual wholesale customer reports are issued at the completion of the annual studies. Recent studies include development of retail water rate design, revenue projection and bill impact analysis tool developed for EPWU and used to evaluate rate structure alternatives during the last two budget and rate cycles. Mr. Rheem also recently replaced the water, wastewater, reuse and stormwater financial planning models. Mr. Rheem is currently leading the annual update of wholesale water and sewer rates.

CITY OF LONGMONT (CO)

Mr. Rheem served as project manager for a 2014 water financial planning, rate and fee assistance for the City's water and wastewater utilities. As part of the study, we completed a comprehensive water rate and fee study. We populated a 20-year water financial plan in projecting future adjustments to utility revenues and projected debt issues to fund future capital expenditures. We then completed a water cost-of-service analysis. Capital improvement scenarios related to consolidating to one water treatment plant or maintaining two water treatment plants were evaluated including capital funding and impact to the multi-year rate revenue increases. Raftelis professionals worked with the City to evaluate changes to the tiered rate structure

to simplify and increase the conservation pricing signal to customers for discretionary and wasteful water use. Schedules of water rates over a five-year period were adopted. Findings and recommendations were presented to the City and a report was issued. Raftelis professionals also updated the City's water and wastewater system development fees and miscellaneous charges assessed by the utilities as part of this study.

Mr. Rheem was Project Manager for a 2011 engagement that updated the utility water and wastewater rate models to incorporate additional user defined scenarios and reflect changes to the water and wastewater utility operations and fund structure. We delivered a user manual and completed training sessions with utility staff at the completion of the model update.

In 2012, Mr. Rheem served as Project Manager assisting utility staff in updating the wastewater financial planning model to reflect updated capital improvements and revenue requirements. The cost of service analysis was updated to reflect adjusted revenue requirements and annual user charge adjustments were developed for 2013 through 2017. The City Council adopted the recommended rates.

CITY OF STEAMBOAT SPRINGS (CO)

Mr. Rheem served as Project Manager for a comprehensive water and wastewater rate study for the City of Steamboat Springs. Separate water and wastewater financial planning models were updated to evaluate current and potential funding sources to support each utility operation over the next ten years including future adjustments necessary to fund operations and the annual capital project requirements (including regulatory driven and capacity expansion improvements), and maintain a financially viable utility. A cost-of-service evaluation was then completed for each utility. The results of the cost-of-service and financial planning tasks were integrated into developing three water rate structure alternatives and two wastewater rate structure alternatives for full service City customers and a single alternative for wholesale water

and sewer customers. The utility tap fees were also updated as part of the study. The findings and recommendations were presented to City Council in September 2016 and summarized in a report issued at the completion of the study. This study was an update of a comprehensive rate and fee study completed for the City in 2010.

MT. WERNER WATER AND SANITATION DISTRICT (CO)

Mr. Rheem served as Project Manager for a comprehensive water and wastewater rate study for the Mt. Werner Water and Sanitation District serving Steamboat Ski Resort as well as residential and commercial customers nearby. Separate water and wastewater financial planning models were developed to evaluate current and potential funding sources to support each utility operation over the next ten years including future adjustments necessary to fund operations and the annual capital project requirements, and maintain a financially viable utility. A cost-of-service evaluation was then completed for each utility. The results of the cost-of-service and financial planning tasks were integrated into developing two water rate structure alternatives and two wastewater rate structure alternatives for full service District customers. The utility tap fees were also updated as part of the study. The findings and recommendations were presented to the District Board in August 2016 and summarized in a report issued at the completion of the study. Electronic copies of models created as part of the study were delivered to the District for their use.

CITY COUNCIL OF SALT LAKE CITY (UT)

Mr. Rheem served as Project Manager and lead analyst for a 2012 study to evaluate establishing a Street Light Utility and monthly user charge billed through the City's utility bill to recover costs previously funded by the City's General Fund and/or annual assessments in extensions of three Special Assessment Areas (SAAs) throughout the City. We worked with City staff to develop an inventory of street light facilities in non-assessed and SAAs throughout the City, develop a ten-year financial plan and service level scenario analysis projecting

revenues and projected O&M, debt service and capital cost requirements, evaluate and recommend an equivalent residential unit (ERU) and recommend monthly street light utility charges assessed to recover annual requirements. Mr. Rheem assisted Mr. Giardina in developing workshop material and interim and final study findings for a Street Light Utility citizen-stakeholder committee established to evaluate alternative street light utility, service level and fee based funding mechanisms to fund annual City street light requirements. Recommendations were presented to City Council, which initially included establishing a base street light charge for base service levels and additional surcharges for three groupings of SAAs to recover additional costs associated with enhanced service levels provided in the SAAs. City Council adopted a City-wide base street light utility fee and decided to leave the assessment-based funding mechanisms in SAAs in place.

CITY OF BOULDER (CO)

Mr. Rheem is the Project Manager for an on-going study to complete a comprehensive water, wastewater and stormwater rate assessment and to develop rate alternatives for each utility. The study includes a detailed review of policies and practices incorporated in separate utility rate models maintained and updated by the City for validation and/or modification as well as a comprehensive review of improvements to the utility rate structures. The City implemented an individualized customer water budget based rate structure in 2007 and this study will include a review of the water rate structure and modifications to improve the effectiveness after ten years informed by City experience and Raftelis experience developing water budget and individualized rate structure in Colorado and California. The City's wastewater utility faces increased capital costs associated with increased regulatory requirements combined with repair and replacement requirements. The City's stormwater collection and drainage systems are faced with equitably recovering increased operating and capital requirements associated with increasing storm drainage service levels following the flooding experienced by the City

in the fall of 2013. The alternative rate structures will be completed to the existing rate structure updated for increased utility revenue needs and a January 1, 2018 effective date. Raftelis also reviewed the City's revenue requirement and provided recommendations to the Utility debt service coverage and cash reserve policies.

Throughout the project Raftelis has worked extensively with City staff to review and refine study findings and recommendations. Raftelis and City staff presented interim and will present final study recommendations to the standing Water Resource Advisory Board (WRAB) to provide direction regarding policies, practices and adjustments to the utility rate structure for review and approval by City Council.

CITY AND COUNTY OF DENVER (CO)

Raftelis completed an Organizational Assessment Study and Financial Plan for the City and County of Denver's Wastewater Management Division within the Department of Public Works in 2014. Mr. Rheem served as the financial planning task project manager that evaluated multi-year rate revenue increases for the City and County of Denver Wastewater Management Division.

Raftelis assisted the City to complete a 10-year financial plan for the City's sanitary sewer and storm drainage utilities and proposed rate revenue adjustments for 2016 through 2020 and effective July 2016. The City's financial planning model was enhanced with additional capabilities including graphical dashboard and user interface, scenario capabilities, and capital funding alternatives. Raftelis evaluated a variety of capital improvement project alternatives and funding options to develop recommended alternatives for consideration by the City including Phase 1 Organization Assessment recommendations. The recommendations were summarized in a report to be presented to and adopted by City Council in 2016. Following the rate study, Raftelis completed a bond financial feasibility study in October 2016 associated with stormwater utility revenue bonds issued to fund extensive capital requirements identified by the City.

CITY OF TRINIDAD (CO)

Mr. Rheem is serving as Project Manager for a phased comprehensive water and wastewater rate study for Trinidad. Separate water and wastewater financial planning models were developed to evaluate current and potential funding sources to support each utility operation over the next six years including future adjustments necessary to fund operations and the annual capital project requirements, and maintain a financially viable utility as part of Phase 1. As part of Phase 1, Raftelis recommended increases to the City's wastewater rates effective in 2016. Phase 2 includes a review and update of City water and wastewater plant investment fees.

CITY OF GREELEY (CO)

Mr. Rheem served as Project Manager for a variety of water and wastewater utility financial studies for the City of Greeley (City) since 2013. The assistance includes updating the City's water and wastewater utility financial planning, rate and fee analyses. Recent assistance includes evaluating the rate of return and rate base for contract water customers, reviewing the water and wastewater system development fee structure, developing revenue requirement projections and review of the capital improvement program and reassessment of proposed debt service issues for both the water and wastewater utilities. We are currently assisting the City in enhancing the water and wastewater rate models to incorporate graphical dashboard and user interface, scenario capabilities, and capital funding alternatives.

Mr. Rheem also served as Project Manager for a completing a comprehensive stormwater financial planning and capital funding evaluation in 2015. The City is proposing to accelerate the timing of capital improvements and is evaluating debt and rate revenue increases through this study.

CITY OF PUEBLO (CO)

Mr. Rheem served as Project Manager for a 2015 study to update of the wastewater utility financial plan and proposing annual rate adjustments over a five-year period of 2016 through 2020. To meet more stringent federal and State of Colorado regulations on wastewa-

ter effluent, the utility scheduled significant upgrades to the treatment plant and will be completing additional regulatory-driven upgrades to the treatment plant and collection system through 2025. Raftelis designed and updates an 11-year financial plan incorporating the latest billing data and customer usage trends, projected annual operating costs adjusted for inflation, staffing requirements and treatment plant process requirements, and the capital improvement program needed to meet the utility's replacement schedule and regulatory requirements, federal guidelines. We developed a forecast of revenue adjustments needed to maintain the utility's financial health to be presented to City Council and during public hearings in 2015. City Council meetings and public hearings will be held prior to adoption with rate adjustments effective January 1, 2016. The study is currently being updated to reflect alternative capital project requirements associated with alternative regulatory-driven upgrades with an extended timeline over twenty years. Raftelis is completing an EPA financial capacity assessment to identify the impact of base and additional capital and operating requirements on residential customer bills to median income and related community-wide metrics of financial capacity.

CITY AND COUNTY OF BROOMFIELD (CO)

Mr. Rheem served as Deputy Project Manager for a 2012 comprehensive water and sewer rate and fee study for Broomfield. We populated separate 30-year water and sewer financial plans in projecting future adjustments to utility revenues and projected debt issues to fund future capital expenditures. We also updated the City's water and wastewater license fees. We completed separate water and sewer cost-of-service analysis. Raftelis professionals worked with the City to evaluate changes to the tiered rate structure working with City Council and City staff to review changes to the existing uniform rate structure. Sewer rates were developed to fund annual revenue requirements including projected wastewater treatment plant upgrades including the development of a surcharge assessed to each equivalent residential unit to fund requirements associated with meeting more stringent wastewater effluent requirements. Schedules of water and sewer rates for 2013 were

presented to City Council and adopted. Findings and recommendations were presented to the City and a report was issued.

Previous assistance includes lead analyst to complete a non-potable reuse system financial analysis regarding potential investments and expansion of the existing non-potable reuse water system. The analysis included multiple scenarios focused on the incremental effect to reuse financial plan and revenue requirements of investments to expand the reuse system.

EAST LARIMER COUNTY WATER DISTRICT (CO)

Mr. Rheem served as Project Manager for a plant investment fee, financial planning, cost of service and rate design models for East Larimer County Water District. He proposed 2008 plant investment fees, retail and wholesale user charges were adopted by the District Board. Updated models were delivered to the District at the end of the study. The financial plan and rate were service were updated in 2009 to reflect reductions to customer growth and customer water use and presented to the District Board for adoption.

CITY OF SALIDA (CO)

Mr. Rheem served as Project Manager for a 2015 comprehensive water and wastewater rate study for the City. Raftelis completed a pricing objectives ranking process to assist in developing recommendations to the City's water and wastewater rate structures. The pricing objectives evaluation was completed with both City finance and public works staff and City Council to rank twelve pricing objectives. As part of the study, Raftelis is developing separate water and wastewater financial planning models to evaluate current and potential funding sources to support each utility operation over a 10-year study period. Raftelis will work with City staff to project future rate revenue adjustments necessary to fund operations and the annual capital project and maintain a financially viable utility. A cost-of-service evaluation was completed for each utility. The results of the cost-of-service and financial planning tasks were incorporated in the evaluation and development

of rate structure alternatives for City customers. Raftelis is also evaluating the sufficiency of the City's water and wastewater system development fees in recovering the costs of facilities serving new development. Findings and recommendations were summarized in a report and presented to the City Council at the completion of the study.

LAKE HAVASU CITY (AZ)

Mr. Rheem also served as Project Manager for a Wastewater Expansion Financial Feasibility Analysis that included eight annual studies that updated and enhanced a multi-year financial planning and rate model related to a \$400 million, 10-year sewer expansion project. The model is used to calculate rate increases required in meeting bond covenants in support of annual bond issues funding the majority of the expansion project. The results of the feasibility analysis were documented in a system report and rate change recommendations were presented to City Council. He assisted the City as part of the financing team with annual presentations to three bond rating agencies and the Water Infrastructure Financing Authority of Arizona (WIFA) related to annual loan applications. The expansion program was completed in 2012.

In 2015, Raftelis served as the feasibility consultant for a successful debt restructuring of the City's wastewater debt issued to fund the wastewater capital expansion program that extends the maturity of the debt service payments to reduce annual debt service while improving the inter-generational equity by matching the liabilities more closely with the life of the constructed facilities. Raftelis assisted the City and the City's financial advisor in presenting the proposed plan to the three major rating agencies. The independent financial feasibility report was developed evaluating the feasibility of the proposed financing and impact to the City's wastewater rates. The debt restructuring was completed in October 2015.

Mr. Rheem served as Deputy Project Manager for a comprehensive water rate and fee study. The study included the development of a ten-year water finan-

cial plan, cost-of-service and rate design model. An evaluation of capital improvement project growth and non-growth funding and funding scenario analysis was included. The financial plan evaluation included multi-year rate revenue increases to meet established financial performance thresholds while fully funding operations and capital expenditures. Three water rate structure alternatives were presented to City Council that modified the existing system-wide rate structure and replaced it with customer class specific tiered rate structures with increase conservation pricing signals. City Council adopted one of the proposed alternatives. The findings and recommendations were summarized and presented to the City Council at the end of the study.

CITY OF SCOTTSDALE (AZ)

Mr. Rheem served as the Quality Assurance / Quality Control Manager for a 2016 Biennial Audit of Land Use Assumptions, Infrastructure Improvements Plan and Development Impact Fees Study completed for the City of Scottsdale. The City assesses water system, water resource and wastewater system development impact fees, adopted and in compliance with the requirements of Arizona Revised Statutes (ARS §9-463.05). Mr. Rheem assisted the Raftelis Project Manager for the engagement to initially develop and refine the approach to completing the Biennial Audit, one of the first to be completed following the implementation of ARS §9-463.05 in 2014. Mr. Rheem also reviewed preliminary and final study findings providing quality control review and overall evaluation of study services. The final report was issued to the City and the study was finalized in October 2016 and presented to City Council.

CITY OF PHOENIX (AZ)

Mr. Rheem is the Project Manager an on-going Biennial Audit of Land Use Assumptions, Infrastructure Improvements Plan and Development Impact Fees Study completed for the City of Phoenix. The City assesses libraries, parks, fire protection, police, major arterials (roadway facilities), stormwater, water, wastewater and water resource development impact fees, implemented in 2015 in compliance with the requirements of Arizona Revised Statutes (ARS

§9-463.05). The water resource development impact fee is assessed throughout the City while the eight other development impact fees are assessed within growing areas in the periphery of the City that vary within eight different service areas. Mr. Rheem is leading the overall study including development and implementation of the study approach and methodology, managing the analysis and audit efforts of the study team and serving as the primary Raftelis point of contact working closely with the City Project Manager and project team. Study findings will be documented within a draft and final report. This study was initiated in December 2016 and is anticipated to be completed before June 30, 2017.

CITY OF AVONDALE (AZ)

Mr. Rheem is the Project Manager an on-going Biennial Audit of Land Use Assumptions, Infrastructure Improvements Plan and Development Impact Fees Study completed for the City of Avondale. The City assesses general government (grandfathered), libraries, parks and recreation, fire, police, streets, water, and wastewater development impact fees, implemented in 2014 in compliance with the requirements of Arizona Revised Statutes (ARS §9-463.05). All fees are assessed system-wide throughout the City's service area. Mr. Rheem is leading the overall study including development and implementation of the study approach, managing the analysis and audit efforts of the study team and serving as the primary Raftelis point of contact working closely with the City Project Manager and project team. Study findings will be documented within a draft and final report. This study was initiated in January 2017 and is anticipated to be completed before June 30, 2017.

CITY OF SURPRISE (AZ)

Mr. Rheem served as the Project Manager for a utility and non-utility development impact fee study. We assisted the City to develop an infrastructure improvements plan and update the City's non-utility, water, water resource and sewer system development impact fees for compliance with Arizona Revised Statutes (ARS §9-463.05). We also assisted the City during the non-utility and utility

development impact fee public hearing and public notice process completed in May 2014.

Mr. Rheem assisted the City to complete an extensive review of the over 120 development agreements the City has completed that documented previous, outstanding and future reimbursement liabilities amongst the City's general fund and utility and non-utility funds. This study was initiated in 2012 with the final study findings issued in 2013.

Mr. Rheem previously assisted the City to complete a historical review of development impact fee funded expenditures finalized in early 2011. This review was completed by fee area from a period of fiscal year 2007 through fiscal year 2010 to compare the funding sources of completed capital projects against the growth-related portion of development impact fee eligible facilities identified in a previous development impact fee study by fee area. The results of the review were a series of correcting journal entries and interfund loans. The study results were presented to City Council and implemented.

CITY OF PRESCOTT (AZ)

Mr. Rheem served as the Project Manager for a utility and non-utility development impact fee and water and wastewater rate study completed in 2014. We assisted the City to develop an infrastructure improvements plan and update the City's non-utility, water, water resource and sewer system development impact fees for compliance with Arizona Revised Statutes (ARS §9-463.05). We also assisted the City during the public hearing and public notice process as part of the non-utility and utility development impact fee update adopted in May 2014.

We also assisted the City to complete a comprehensive water and sewer rate study. The study included evaluating a five-year financial plan and revenue requirements to fund on-going operations, debt service and current and projected water and sewer system capital improvements and exceed established financial performance thresholds. Following the financial plan and revenue requirements eval-

uation, a water and sewer cost of service and rate design analysis was completed. Recommendations and findings were summarized in the study report and presented to City Council for adoption and implementation in 2015.

LOCKWOOD WATER AND SEWER DISTRICT (MT)

Mr. Rheem is the Project Manager for a comprehensive water and sewer financial planning, impact fee, cost of service and rate design study being completed for the Lockwood Water and Sewer District. Lockwood is located just outside of Billings, Montana and provides water and sewer services. Raftelis is also facilitating a system development fee advisory committee, as required by Montana Code Annotated, to review and refine proposed water and sewer system development fees. The sewer utility has been recently installed with effluent being conveyed to the City of Billings wastewater treatment plant for treatment and disposal. Previously water customers had individual septic systems and there are many such system still in place which will be connected to the District's sewer system as drain fields fail and/or through future phases of the sewer system expansion. The District will also be conveying pre-treated wastewater flows to the City of Billings generated by ExxonMobil at a refinery adjacent to the District service area and Raftelis assisted the District during the contracting phases as well as development of the one-time system development fee to be assessed to ExxonMobil upon connection to the District's system. The study was initiated in July 2016 and is anticipated to be completed by March 2017 with rates and fees implemented effective July 1, 2017. A report will be issued documenting study findings and recommendations to be presented to the District Board.

OTHER RELEVANT PROJECT EXPERIENCE

FINANCIAL PLANNING, RATE AND FEE DESIGN

CO: City and County of Denver, Aurora Water, Thornton, Greeley, Pueblo, Longmont, Broomfield, Boulder, Superior, Salida, Rifle, Fort Lupton, Steamboat Springs, Mt. Werner Water and Sewer District, Trinidad, Pueblo West Metropolitan District, Colorado Department of Public Health and Environment

Technical, Managerial and Financial Capacity Development Program, Fort Cason, Rocky Mountain Arsenal National Wildlife Refuge, East Cherry Creek Valley Water and Sanitation District, East Larimer County Water District (ELCO), Arapahoe County Water and Wastewater Authority, Widefield Water and Sanitation District, Eagle River Water and Sanitation District, Upper Eagle Valley Water Authority, Willows Water District; AZ: Lake Havasu City, Kingman, Glendale, Metropolitan Water District; TX, UT, MT, CA, FL: El Paso Water Utilities, Salt Lake City, Lockwood Water and Sanitation District, Kearns Improvement District, Granger Hunter Improvement District, Moulton Niguel Water District, Missoula, Great Falls, Columbus, Tavares, Hernando County

NON-POTABLE AND REUSE WATER

CO: Denver Water, Denver Public Schools, Aurora Water, Thornton, Longmont, Broomfield; TX, UT, MT, CA, FL: El Paso Water Utilities, Salt Lake City, Kearns Improvement District, Granger Hunter Improvement District, Moulton Niguel Water District, Tavares

IMPACT FEE STUDIES

CO: Aurora Water, Thornton, Longmont, Broomfield, Superior, Trinidad, Mt Werner Water and Sanitation District, Pueblo West Metropolitan District, Steamboat Springs, Los Pinos Fire Protection District, East Larimer County Water District (ELCO), Widefield Water and Sanitation District, Eagle River Water and Sanitation District, Upper Eagle Valley Water Authority; AZ: Fountain Hills, Buckeye, Surprise, Kingman, Chino Valley, Lake Havasu City, Prescott, Tempe, Glendale; TX, UT, MT, CA, FL: El Paso Water Utilities, Lockwood Water and Sanitation District, Kearns Improvement District, Granger Hunter Improvement District

STORMWATER

CO: City and County of Denver, Aurora Water, Thornton, Longmont, Boulder, Superior; AZ: Surprise, Kingman; TX, UT, MT, CA, FL: El Paso Water Utilities

UTILITY CREATION AND IMPLEMENTATION

CO: Thornton, Soldier Canyon Filter Plant (Tri-Districts);

AZ: Surprise, Kingman, Lake Havasu City; TX, UT, MT, CA, FL: El Paso Water Utilities, Salt Lake City

RENEWABLE ENERGY

CO: Fort Cason, Rocky Mountain National Wildlife Natural Refuge

ECONOMIC AND INDIRECT COST EVALUATIONS

CO: Thornton, Longmont, Denver Public Schools, Colorado Department of Public Health and Environment; AZ: Lake Havasu City; TX, UT, MT, CA, FL: El Paso Water Utilities

BOND AND LOAN FEASIBILITY

CO: Aurora Water, City and County of Denver, Thornton, Longmont, Steamboat Springs, Colorado Department of Public Health and Environment; AZ: Lake Havasu City, Glendale, Metropolitan Water District; TX, UT, MT, CA, FL: El Paso Water Utilities, Tavares, Hernando County

PUBLICATIONS AND WORKSHOPS

- > Rheem, A., Davis, F. "Conducting Audit of Infrastructure Improvements Under Arizona Revised Statutes 9-463.05 – Scottsdale Arizona Case Study", Growth Infrastructure Consortium Conference, Denver, CO October 2016.
- > Thomas, D., Rheem, A., "How Lake Havasu City's Pro-Active Wastewater Asset Management Program Makes Every Dollar Count", AZ Water Conference, Glendale, AZ May 2016.
- > Rheem, A., Thomas, D., "Expense, Project and Budget Management Tactics to Provide Wastewater Service Delivery Without Increasing Rates", AZ Water Conference, Glendale, AZ May 2016.
- > Rheem, A. "Comparing Utility Rates, Fees and Financial Results," Colorado Special Districts Association Conference, Keystone, CO September 2016.
- > Rheem, A., "Utility Financial Planning in Advance of Issuing Debt," presented at a 2015 Water Bond Workshop, Loveland, CO, May 2015.
- > Navarrete, M., Rheem, A. "Time for a Change? El Paso Water Utilities Considers a New Rate Structure," Utility Management Conference, Austin, TX, February 2015.

- > Walker, P., Cregger, H. Rheem, A. "CIP Planning - Cradle to Grave," Colorado Government Finance Officers Association Metro Coalition Workshop, Westminster, CO, September 2009.
- > Wegley, L., Rheem, A. "Mixed Use Water and Wastewater Rates and Development Fees – City of Longmont Case Study," presented at the Rocky Mountain Section American Water Works Association / Water Environment Federation, Vail, CO, September 2006.
- > Rheem, A., Malesky, C., "Revenues, Water Rates, and Reserves," presented at the Colorado Government Finance Officers Association 3rd Quarter 2007 Educational Seminar, Gunnison, CO, July 2007.

TECHNICAL SPECIALTIES

- » Financial planning excel modelling
- » Cost of service studies
- » Rate design analysis
- » Data collection and analysis
- » Accounting
- » Impact Fee Studies

PROFESSIONAL HISTORY

- » Raftelis Financial Consultants, Inc.: Consultant (2013-present)
- » PricewaterhouseCoopers: Private Company Services Audit Associate (2011-2013); Financial Services Advisory Associate (7 month rotation in 2012)
- » University of North Carolina at Chapel Hill: Kenan-Flagler Business School Research Assistant (2009 - 2011)

EDUCATION

- » Master of Accounting – University of North Carolina at Chapel Hill (2011)
- » Bachelor of Science In Business Administration, Minor in German – University of North Carolina at Chapel Hill (2010)

CERTIFICATIONS

- » Certified Public Accountant: IL (2013)

ROB WADSWORTH, CPA

LEAD CONSULTANT

Senior Consultant

PROFILE

Mr. Wadsworth has a background in business administration with a focus in accounting and possesses extensive analytical skills. He graduated from the University of North Carolina at Chapel Hill in 2010 with a Bachelor of Science in Business Administration and completed the Master of Accounting program in 2011. After two years working in the public accounting sector, Mr. Wadsworth joined Raftelis in October of 2013. Mr. Wadsworth possesses over four years of utility financial management experience with a focus on water and wastewater financial management, rate studies, cost of service studies, economic feasibility studies, bond feasibility studies, as well as water and wastewater rate design analysis and surveys.

RELEVANT PROJECT EXPERIENCE

CITY OF GRAND JUNCTION (CO)

Mr. Wadsworth served as lead consultant for Raftelis when working with the City of Grand Junction on water and wastewater utility financial planning studies in 2015. and The City operates a large regional wastewater system that includes over 500 miles of sewer mains and the Persigo Wastewater Treatment Plant (Persigo WWTP). This system serves a population of about 100,000. As part of the studies, Raftelis is reviewed separate water and wastewater financial planning models to evaluate current and potential funding sources to support each utility operation over a 10-year study period. Mr. Wadsworth worked with City staff to project future rate revenue adjustments necessary to fund operations and the annual capital project and maintain a financially viable utility. A cost-of-service evaluation was also completed for each utility. The results of the cost-of-service and financial planning tasks were incorporated into the evaluation and development of rate structure alternatives for City customers. Mr. Wadsworth also evaluated the sufficiency of the City's water and wastewater system development fees in recovering the costs of facilities serving new development. Findings and recommendations were summarized in a report and presented to the City Council and the Joint Persigo Board at the completion of the study.

CITY OF LONGMONT (CO)

Mr. Wadsworth served as consultant on a comprehensive water financial planning, cost of service and rate design study. As part of the project, Mr. Wadsworth helped analyze rate design alternatives to meet the City's objectives, namely that they be fair and equitable across all customer classes, increase revenue stability, and provide for adequate reserves and debt service coverage. Mr. Wadsworth helped develop multiple rate

design alternatives, and calculated and compared bill impacts to the City's customers across each scenario. Mr. Wadsworth also aided in developing PowerPoint presentations for City Council and public meetings to present study findings and recommendations.

BALTIMORE CITY DEPARTMENT OF PUBLIC WORKS (MD)

Mr. Wadsworth assisted the Baltimore City Department of Public Works finance department in 2016 and 2017 on various financial and rate design matters. Mr. Wadsworth re-located to Baltimore, MD from August 2016 – November 2016 to work on-site with Department executives to lead the Department in the development and implementation of a new water and wastewater rate structure, including preparation of presentation material and attendance at Council Meetings. Mr. Wadsworth also oversaw the day-to-day operations of the finance department and led staff meetings related to capital financing and general utility financial management. Mr. Wadsworth also coordinated the Department's capital improvement budget for the 2017 calendar year through interdepartmental meetings between finance and engineering staff. Mr. Wadsworth continued to work with the City on an on-call basis after the rotation to help train new staff on the financial operations.

CITY OF GLENDALE (AZ)

Rob Wadsworth worked with the City of Glendale in 2016 and 2017 on a multi-year water and wastewater financial plan review and cost of service analysis. The study included a comprehensive review of the City's existing financial metric targets and recommended updates to ensure the long-term viability of the utility enterprise fund while maximizing efficiency and maintaining existing bond ratings. The study also included a full cost of service analysis for both utilities to ensure rates equitably recover revenue requirements from the various customer classes. Mr. Wadsworth incorporated the cost of service analysis results into rate alternatives including cost of service rates, and rates that transition to cost of service over a 5-year period. Mr. Wadsworth pre-

pared PowerPoints and handouts for presentations to the City's Citizens Utility Advisory Commission and City Council that highlighted key issues and summarized study findings.

TOWN OF SAHUARITA (AZ)

The Town of Sahuarita (Town) is located south of Tucson, AZ. The Town, through its wastewater utility, provides wastewater collection and treatment services to approximately 5,600 customer accounts. Mr. Wadsworth served as lead consultant on an engagement with the Town in 2016 to perform a Financial Plan and Rate Evaluation Study for the wastewater utility. The study included a comprehensive evaluation of the utility's service charge revenue sufficiency, development of a user-friendly financial planning model designed for continuous use by Town staff as a financial planning tool, recommended alternative rate structures that met Town objectives, and the calculation of updated connection fees. Mr. Wadsworth led project update meetings and presented preliminary results periodically throughout the study to the Town's Finance and Investment Advisory Committee. Mr. Wadsworth also presented final recommendations to the Town Council in November 2017.

CRESTVIEW WATER AND SANITATION DISTRICT (CO)

Mr. Wadsworth served as consultant on multiple annual financial plan and rate update studies with the Crestview Water and Sanitation District (CWSD). As part of the studies, Mr. Wadsworth worked with both utilities and developed a rate and financial planning model to calculate revenue requirements using the District's budget, capital improvements plan, and debt service schedules. The model was developed with the ability to run sensitivity analyses over several years and monitor the impacts on financial performance and customer bill impacts.

WOODMOOR WATER AND SANITATION DISTRICT NO. 1 (CO)

Mr. Wadsworth has served as a recurring consultant on projects with the Woodmoor Water and Sanitation District No. 1 (WWSD) to provide cost of service

and rate design services. As part of the studies, Mr. Wadsworth developed a comprehensive cost of service model that was used in the redesign of WWSD's rate structure. The model was developed with the ability to analyze the impact of various rate structures on both WWSD's financial performance and customer base. The model also built in the non-potable water customer class into the cost of service analysis. WWSD existing non-potable rates were developed to recover an estimate of the costs WWSD incurred to provide the service, but with new customers looking to add non-potable service, including the non-potable class in the cost of service model helped WWSD develop new non-potable rates that are equitable and defensible. Mr. Wadsworth also helped WWSD analyze irrigation customer usage characteristics to address customer concerns over the fairness of their block allotments. Mr. Wadsworth helped WWSD convert from their existing block structure with allotments tied to meter size to an individually calculated Grass Irrigation Demand (GID) block structure that takes both time of year and irrigated acreage of each customer into consideration to determine blocks. Mr. Wadsworth has provided follow up analysis after two irrigation seasons of the GID rate structure being implemented to ensure it has met its intended goals.

CITY OF SANTA ROSA (NM)

Mr. Wadsworth is currently serving as a lead consultant on a project with the City of Santa Rosa to provide water and wastewater financial planning, cost of service and rate design services. As part of the study, Mr. Wadsworth is working with City Staff to develop comprehensive ten-year financial planning models that include both cost of service and rate design analysis. The City finalized a water master planning study in 2016 that Mr. Wadsworth incorporated into the financial planning model to plan for rates are adequate to cover the City's forecasted expenditures. Mr. Wadsworth is also working with City Staff to develop rate structures that recover the utilities revenue requirements and meet stakeholder objectives.

CITY OF CHANDLER (AZ)

Mr. Wadsworth served as a consultant with the City of Chandler to review rates assessed by the City for water, wastewater, and reclaimed water services. The City's existing rates were designed from an outdated cost of service analysis, so Mr. Wadsworth developed a new cost of service model for each service. The model was used to develop transition rates to realign customer classes with their cost of service. Additionally, Mr. Wadsworth helped the City design rates to convert from their existing seasonal rates to one year-round rate structure. Mr. Wadsworth also aided in the preparation of City Council meeting presentations and deliverables.

SALT LAKE CITY DEPARTMENT OF PUBLIC UTILITIES (UT)

Mr. Wadsworth served as a lead analyst on a project with the Salt Lake City Department of Public Utilities to evaluate user charge based funding sources for street lighting services. The City funded street lighting services through fees that were based on defined levels of service – those with enhanced services were assigned to various assessment areas, each with a different fee. Mr. Wadsworth assisted the City in analyzing various new funding options that equitably recover costs and dissolved the existing service areas. Mr. Wadsworth also aided in developing PowerPoint presentations for City Council and public meetings to present study findings and recommendations.

CITY AND COUNTY OF DENVER WASTEWATER MANAGEMENT (CO)

Mr. Wadsworth served as a consultant on a project with the City and County of Denver's Wastewater Management Division. As part of the study, Mr. Wadsworth developed financial planning models for both the wastewater and stormwater enterprise funds. Through meetings with City Staff, Mr. Wadsworth helped the City outline an operating and capital improvement plan and used the model to calculate the necessary revenue adjustments to fund the plan. Mr. Wadsworth aided in developing PowerPoint presentations and a report summarizing the study process and results.

CITY OF POCATELLO (ID)

Mr. Wadsworth served as consultant on a project with the City of Pocatello to provide water, wastewater, and sanitation financial planning services. As part of the study, Mr. Wadsworth worked with each Utility Director to develop comprehensive five-year financial planning models, cost of service analysis, rates and system capacity fees. He then designed rate alternatives for each utility that equitably recover revenue from all customer classes. Mr. Wadsworth regularly met with the City's Finance Director throughout the duration of the project to update and present the outcomes of each utility's study.

CITY OF THORNTON (CO)

Mr. Wadsworth served as consultant on a project with the City of Thornton (City) to assist them in reviewing the rates and fees assessed by the City for water services. Mr. Wadsworth assisted the City in determining their desired outcomes of the rate design, and then developed rates alternatives that achieved the goals that were aligned with the City's strategic plan for future build out. The model allowed the City to analyze the impact on customers under various rate design options. Mr. Wadsworth also aided in the preparation of City Council meeting presentations and deliverables.

TOWN OF NEDERLAND (CO)

Mr. Wadsworth served as a consultant on a water and wastewater financial planning, cost of service, rate design, and plant investment fee study for the town of Nederland. Mr. Wadsworth designed comprehensive Excel financial planning models for each utility. The models were used to review and recommend rate adjustments necessary to support the Town's financial viability. Mr. Wadsworth created PowerPoint presentations to present findings and recommendations of the study to the Town's Board.

CITY OF FORT COLLINS (CO)

Mr. Wadsworth assisted in an impact fee survey for the City of Fort Collins, CO comparing the City's development review and capital expansion fees with those of other northern Front Range Colorado entities. The capital expansion fees assessed

included Parks, Open Space, Trails and Recreation, Fire, General Government, Police, Schools, Library, Human Services, Street Oversizing, Air Quality, and Museums.

OTHER RELEVANT PROJECT EXPERIENCE

- > Crestview Water and Sanitation District (CO) – Water & Wastewater Financial Planning and Cost of Service Rate Study
- > Woodmoor Water & Sanitation District No. 1 (CO) – Water & Wastewater Financial Planning and Cost of Service Rate Study
- > Town of Nederland (CO) – Water & Wastewater Rate Study
- > City of Longmont (CO) – Water Financial Planning and Rate Study
- > Baltimore City Department of Public Works (MD) – Water & Wastewater Financial Planning and Rate Design Support
- > City of Grand Junction (CO) – Water & Wastewater Financial Planning and Cost of Service Rate Study
- > City of Santa Rosa (NM) – Water & Wastewater Financial Planning and Cost of Service Rate Study
- > City of Chandler (AZ) – Water, Reclaimed Water, and Wastewater Cost of Service and Rate Design
- > Salt Lake City (UT) – Street Lighting Financial Planning and Cost of Service Rate Design
- > City of Thornton (CO) – Water Financial Planning and Rate Study
- > City and County of Denver Wastewater Management (CO) – Financial Planning Study and Bond Support
- > Denver Water Department (CO) – Financial Planning and Rate Analysis Support
- > City of Pocatello (ID) – Water, Wastewater, and Solid Waste Financial Planning and Cost of Service Rate Design Study
- > El Paso Water Utilities (TX) – Wholesale Water Rate Study
- > City of Louisville (CO) – Water & Wastewater Financial Planning Study
- > Arapahoe County Water and Wastewater Authority (CO) – Financial Planning Study

REFERENCES

Below, we have included references for three clients that can provide information on our capabilities and our quality of service performing similar projects.

El Paso Water – Public Service Board (TX)

Marcela Navarrete, CPA
**Vice President Strategic,
Financial & Management Services**
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City of Longmont (CO)

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**Business Services and
Strategic Planning Manager**
Department of Public Works
and Natural Resources
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Longmont, CO 80501
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Becky Doyle
Utilities Financial Analyst
Department of Public Works
and Natural Resources
1100 South Sherman Street
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City of Steamboat Springs and Mount Werner Water and Sanitation District (CO)

City of Steamboat Springs

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Kim Weber
Finance Director
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Mt. Werner Water and Sanitation District

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SECTION 6.0: SOLICITATION RESPONSE FORM
RFP-4427-17-SH

Offeror must submit entire Form completed, dated and signed.

Total cost to provide services as described: \$ 32,935

WRITTEN: Thirty-two thousand nine hundred and thirty-five dollars.

The Owner reserves the right to accept any portion of the work to be performed at its discretion

The undersigned has thoroughly examined the entire Request for Proposals and therefore submits the proposal and schedule of fees and services attached hereto.

This offer is firm and irrevocable for sixty (60) days after the time and date set for receipt of proposals.

The undersigned Offeror agrees to provide services and products in accordance with the terms and conditions contained in this Request for Proposal and as described in the Offeror's proposal attached hereto; as accepted by the Owner.

Prices in the proposal have not knowingly been disclosed with another provider and will not be prior to award.


- Prices in this proposal have been arrived at independently, without consultation, communication or agreement for the purpose of restricting competition.
- No attempt has been made nor will be to induce any other person or firm to submit a proposal for the purpose of restricting competition.
- The individual signing this proposal certifies they are a legal agent of the offeror, authorized to represent the offeror and is legally responsible for the offer with regard to supporting documentation and prices provided.
- Direct purchases by the City of Grand Junction are tax exempt from Colorado Sales or Use Tax. Tax exempt No. 98-903544. The undersigned certifies that no Federal, State, County or Municipal tax will be added to the above quoted prices.
- City of Grand Junction payment terms shall be Net 30 days.
- Prompt payment discount of 0% percent of the net dollar will be offered to the Owner if the invoice is paid within 30 days after the receipt of the invoice.

RECEIPT OF ADDENDA: the undersigned Contractor acknowledges receipt of Addenda to the Solicitation, Specifications, and other Contract Documents.

State number of Addenda received: 2.

It is the responsibility of the Proposer to ensure all Addenda have been received and acknowledged.

Raftelis Financial Consultants, Inc.
 Company Name – (Typed or Printed)


 Authorized Agent Signature

5619 DTC Parkway, Suite 850
 Address of Offeror

Greenwood Village, CO 80111
 City, State, and Zip Code

Andrew Rheem
 Authorized Agent – (Typed or Printed)

303.305.1137
 Phone Number

arheem@raftelis.com
 E-mail Address of Agent

2/13/2018
 Date

PROJECT UNDERSTANDING

The City of Grand Junction (City) and Mesa County (County) entered into an Intergovernmental Agreement (IGA) in 1998 that defines the service area and goals of the Persigo Sewer System (Persigo System). Additionally, in 2012, the County voted to dissolve the Central Valley Sanitation District resulting in its assets and operations being assumed by the City.

In 2016, Orchard Mesa Sanitation District was also dissolved and absorbed by the City. The IGA states that “the City shall manage, operate, and maintain the Persigo System for the benefit of the current and future users of sewer service in the Persigo 201, according to sound utility practices and principals and, except as otherwise provided herein, without regard to whether or not current and future users of sewer service in the Persigo 201 are located within or without the boundaries of the City¹.” It is an acceptable and reasonable practice in similar joint systems when one owner operates the facility for the City’s General Fund to allocate internal service costs from support services (such as, human resources, accounting, legal, executive leadership) to the Wastewater Fund because the City’s General Fund provides vital and essential activities to the system’s operational division in order to function effectively. Additionally, it may be more economically efficient for City General Fund services to provide the function rather than stand-alone staffing maintained for the jointly owned wastewater facilities.

The City’s General Fund has historically charged the Wastewater Fund a percentage of its annual operating revenue to recover the costs of these internal services; in the 2018 budget this percentage increased from 2.3% to 5.2%. Raftelis will assist the City in developing a methodology for calculating the General Fund internal service fees charged to the Wastewater Fund that reflect the value of these provided services and support. The allocation basis for each internal service will be consistent with industry best practices to ensure equitable apportioning of costs to the Wastewater Fund. Our goal is to provide a fair and equitable cost allocation methodology that is objectively determined and subsequently maintained by the City as it is updated annually.

The proposed tasks are outlined in our following project approach. For any on-site or conference calls included in the project approach, one or more County representatives may participate as deemed necessary by the City and County. City and County staff participating in conference calls and meetings will be referred to collectively as the “City Project Team”.

¹1998 Intergovernmental Agreement Between the City of Grand Junction and Mesa County Relating to City Growth and Joint Policy Making for the Persigo Sewer System; October 1998; Subsection G, Item 36.

PROJECT APPROACH

TASK 1: PROJECT INITIATION AND MANAGEMENT

We will facilitate a kickoff meeting with the City Project Team (held via teleconference) to confirm the scope, schedule, and approach outlined in this proposal. The purpose, scope of work, roles, responsibilities, coordination, and project timeline for completion of the study tasks will be discussed. During this meeting, we will also discuss information needed to complete the study; the data request will be provided in memorandum format following the meeting. Finally, we will coordinate the project schedule with the City Project Team in order to ensure that key milestone dates are met, as well as confirm our respective team member's roles and responsibilities and communication needs/protocols throughout the assignment.

Invoicing will be provided to the City on a monthly basis throughout the project in this task.

Task 1 Deliverables

- > *Facilitation of project initiation meeting*
- > *Preparation of summary meeting memorandum*
- > *Data request memorandum*

TASK 2: INFORMATION GATHERING AND REVIEW

For this task, Raftelis will work with the City Project Team to understand the general government internal services provided to the Wastewater Fund as well as any services provided by the Wastewater Fund to the City General Fund or other City Enterprise Funds. As outlined in the RFP, the services provided by the City's General Fund to the Wastewater Fund may include but are not limited to human resources, accounting, legal, and executive leadership. After determining all relevant services provided by each fund, we will prepare a final data request for information necessary to allocate costs to the Wastewater Fund and complete the study.

We will review, analyze, and incorporate this information into the internal service fees evaluation upon its receipt. Following the receipt and review of the requested data, we will schedule and facilitate group and one-on-one interviews with selected personnel as necessary in order to further our understanding of current operational, direct, and indirect cost allocation practices, and to aid in selection of the most appropriate cost allocation

approach to utilize for the Wastewater Fund.

As part of our information gathering and review, we will hold interviews with key City employees (meetings anticipated to be held in City offices) in order to understand the services, both direct and indirect, that are provided by the City's General Fund. The City employees that we interview will depend on the functions identified that benefit the Wastewater Fund, but may include:

- > Assistant City Manager
- > City Clerk
- > Finance representative
- > Human Resources representative
- > Information Technology representative
- > City Attorney
- > Engineering representative
- > Building Services representative

The Task 2 analysis is focused on the Wastewater Fund's allocation of General Fund internal services cost, not the allocation to other individual City departments.

We have included up to one trip to the City to facilitate interviews with City staff over a two-day period.

Task 2 Deliverables

- > *On-site meetings with City staff and/or City Project Team*
- > *Preparation of summary meeting memorandum documenting the on-site meetings*

TASK 3: DEVELOP COST ALLOCATION PLAN (CAP)

We will develop an Excel-based model that will identify the cost allocation method used to allocate General Fund internal service costs to the Wastewater Fund, and the costs resulting from such allocations so it may be updated and maintained annually by City staff.

ALLOCATION CRITERIA

We will work with the City Project Team in identifying service provisions and cost categories for current City programs in order to prepare the CAP. We will also recommend allocation criteria to distribute costs to the Wastewater Fund (for example, the criteria used to allocate IT costs may be based on the number of computers in the Wastewater department compared to all other City departments). This will result in developing formulas that will be used in the model to distribute General Fund internal service costs to the Wastewater Fund.

TWO-STEP METHODOLOGY

We will use a two-step allocation methodology in preparing the CAP that is in accordance with common industry practices. The first step will be to identify General Fund costs and categorize them into direct and indirect cost

categories. These costs will then be allocated proportionately to the Wastewater Fund based on the benefit it receives from the services. The second step will be to re-allocate costs that were allocated to central funds in the first step, to the Wastewater Fund. The purpose of this approach is to appropriately allocate costs to the Wastewater Fund.

COST ALLOCATION

MODEL SPECIFICATIONS

The cost allocation model will allow for the modification of the model in the future by the City as necessary. The model will have the ability to adjust the cost allocations based on increases or decreases in future General Fund costs, and will have the ability to evaluate hypothetical future service enhancements and the ability to calculate the estimated costs of providing these future services.

Task 3 Deliverables:

- > *Memorandum summarizing CAP methodology*
- > *Draft Cost Allocation Model (electronic version)*
- > *Approximately three (3) one-hour conference calls, as needed, to review and discuss questions and comments pertaining to the development of the preliminary CAP*

TASK 4: FINDINGS AND RECOMMENDATIONS

We will develop a written draft CAP report based on the results of the Cost Allocation Model and overall study, and provide the draft plan and model to the

City Project Team for review. The report will include a description of the cost allocation methodology, the rationale behind the allocation criteria used, and a summary of the overall study findings and recommendations. The draft report will provide an executive summary of the major findings summarized graphically wherever applicable. The CAP will include formulas for distributing indirect costs to the Wastewater Fund.

We will submit a draft CAP report to the City Project Team for one round of review and comment. We will incorporate comments received by staff regarding the draft CAP. Once all comments have been addressed, a final report will be prepared and provided to the City Project Team.

Raftelis will present the results of the CAP at a Joint Persigo Board Meeting between the City of Grand Junction City Council and Mesa County Board of County Commissioners. For such presentation, Raftelis will prepare a PowerPoint that will be provided to the City in advance of any such presentation for their review and comment. We have included one presentation of the study results.

Task 4 Deliverables:

- > *Draft CAP Report*
- > *Final CAP Report (up to fifteen hard copies + electronic version)*
- > *Final Cost Allocation model (electronic version)*
- > *Present results of the CAP at up to one (1) meeting*

SCHEDULE

Raftelis proposes to begin work on this study on March 1, 2018 as stated in the RFP, and to complete work detailed in the project approach by June 30, 2018. This schedule will be reviewed during the project kickoff meeting and can be adjusted at the request of the City. The schedule and major deliverables are summarized below.

TASKS	2018			
	MAR	APR	MAY	JUN
1 Project Initiation and Management				
2 Information Gathering and Review				
3 Develop Cost Allocation Plan				
4 Findings and Recommendations				

-  Project Initiation Meeting
-  In-Person Workshop / Board Meeting
-  Web Meetings / Conference Calls

-  Delivery of Draft/Final Reports or Model
-  Technical Memorandum