

PROFESSIONAL SERVICES AGREEMENT

(City of Placerville/Bartle Wells Associates)

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is entered into by and between the City of Placerville, a California municipal corporation (“City”) and Bartle Wells Associates a California corporation (“Consultant”).

RECITALS

City has determined that it requires the following professional services from a consultant: Water and Wastewater Capital Improvement Charge (CIC) Study, Professional Services. Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees.

Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

1. DEFINITIONS

“Scope of Services”: Such professional services as are set forth in Consultant’s revised proposal to City attached hereto as Exhibit A and incorporated herein by this reference.

“Approved Fee and Insurance Schedules”: Such compensation rates as are set forth in Consultant’s fee schedule to City attached hereto as Exhibit A and incorporated herein by this reference.

“Commencement Date”: August 28, 2018

“Expiration Date”: Upon Adoption of the Final Report by Council

2. TERM

The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall expire at 11:59 p.m. on the Expiration Date unless extended by written agreement of the parties or terminated earlier in accordance with Section 15 (“Termination”) below.

3. CONSULTANT’S SERVICES

Consultant shall perform the services identified in the Scope of Services. City shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the parties, and any corresponding increase or decrease in compensation, shall be

incorporated by written amendment to this Agreement. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the sum of nineteen thousand dollars (\$19,000) unless specifically approved in advance and in writing by City.

Consultant shall perform all work to the highest professional standards of Consultant's profession and in a manner reasonably satisfactory to City. Consultant shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 et seq.).

Consultant represents that it has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. Dave Warren, Finance Director, shall be Consultant's project administrator and shall have direct responsibility for management of Consultant's performance under this Agreement. No change shall be made in Consultant's project administrator without City's prior written consent.

4. COMPENSATION

City agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept in full satisfaction for such services, payment in accordance with the Approved Fee Schedule, and Section 3.1 of this Agreement.

Consultant shall submit to City an invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within ten business days of receipt of each invoice, City shall notify Consultant in writing of any disputed amounts included on the invoice. Within forty-five calendar days of receipt of each invoice, City shall pay all undisputed amounts included on the invoice. City shall not withhold applicable taxes or other authorized deductions from payments made to Consultant.

Payments for any services requested by City and not included in the Scope of Services shall be made to Consultant by City on a time-and-materials basis using Consultant's standard fee schedule.

5. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material ("written products") developed by Consultant in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon its use or dissemination by City. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant.

6. RELATIONSHIP OF PARTIES

Consultant is, and shall at all times remain as to City, a wholly independent contractor.

Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not represent that it is, or that any of its agents or employees are, in any manner employees of City.

7. CONFIDENTIALITY

All data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without prior written consent by City. City shall grant such consent if disclosure is legally required. Upon request, all City data shall be returned to City upon the termination or expiration of this Agreement.

8. INDEMNIFICATION

To the fullest extent permitted by law, Consultant shall indemnify, hold harmless and defend City, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant or any of its officers, employees, servants, agents, or subcontractors in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice.

City shall have the right to offset against the amount of any compensation due Consultant under this Agreement any amount due City from Consultant as a result of Consultant's failure to pay City promptly any indemnification arising under this Section 8 and related to Consultant's failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

The obligations of Consultant under this Section 8 will not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives any statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 8 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required herein, Consultant agrees to be fully responsible and indemnify, hold harmless and defend City, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant's subcontractors or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice.

City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

9. INSURANCE

During the term of this Agreement, Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

9.1.1. Comprehensive General Liability Insurance with coverage limits of not less than One Million Dollars (\$1,000,000), per occurrence and in the aggregate, including products and operations hazard, contractual insurance, broad form property damage, independent consultants, personal injury, underground hazard, and explosion and collapse hazard where applicable.

9.1.2. Automobile Liability Insurance for vehicles used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per claimant and One Million dollars (\$1,000,000) per incident.

9.1.3. Worker's Compensation insurance as required by the laws of the State of California.

9.1.4. Professional Errors and Omissions Insurance with coverage limits of not less than One Million Dollars (\$1,000,000).

Consultant shall require each of its subcontractors to maintain insurance coverage that meets all of the requirements of this Agreement.

The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.

Consultant agrees that if it does not keep the aforesaid insurance in full force and effect, City may either (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay, at Consultant's expense, the premium thereon.

At all times during the term of this Agreement, Consultant shall maintain on file with City a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming the City and its officers, employees, agents and volunteers as additional insureds. Consultant shall, prior to commencement of work under this Agreement, file with City such certificate(s).

Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.

The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming City and its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to City. Consultant agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

The insurance provided by Consultant shall be primary to any coverage available to City. Any insurance or self-insurance maintained by City and/or its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant, and Consultant's employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the City.

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of City, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties to indemnify, hold harmless and defend under Section 8 of this Agreement.

10. MUTUAL COOPERATION

City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant's services under this Agreement.

In the event any claim or action is brought against City relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that City may require.

11. RECORDS AND INSPECTIONS

Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years after the expiration or termination of this Agreement. City shall have the right to access and examine such records, without charge, during normal business hours. City shall further have the right to audit such records, to make transcripts

therefrom and to inspect all program data, documents, proceedings, and activities.

12. PERMITS AND APPROVALS

Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary in the performance of this Agreement. This includes, but shall not be limited to, encroachment permits and building and safety permits and inspections.

13. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to City:

Mr. Dave Warren
City of Placerville
City Hall
3101 Center Street
Placerville, CA 95667
Telephone: (530) 642-5223
Facsimile: (530) 642-5255

If to Consultant:

Mr. Douglas R. Dove
Bartle Wells Associates
1889 Alcatraz Avenue
Berkeley, CA 94703
Telephone: 510.653.3399
Facsimile: 510.653.3769

14. SURVIVING COVENANTS

The parties agree that the covenants contained in Section 7, Section 8, Paragraph 10.2 and Section 11 of this Agreement shall survive the expiration or termination of this Agreement.

15. TERMINATION

City shall have the right to terminate this Agreement for any reason on five calendar days' written notice to Consultant. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All City data, documents, objects, materials or other tangible things shall be returned to City upon the termination or expiration of this Agreement.

If City terminates this Agreement for any reason other than fault, or breach of this Agreement, or failure of performance by Consultant, then Consultant shall be paid based on the work satisfactorily performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

16. GENERAL PROVISIONS

Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City's prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any party other than Consultant.

In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability or medical condition.

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the section or paragraph thereof, as the case may be, and not such heading, shall control and govern in the construction of this Agreement. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.

Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or

remedies. In the event legal action shall be necessary to enforce any term, covenant or condition herein contained, the party prevailing in such action, whether reduced to judgment or not, shall be entitled to its reasonable court costs, including accountants' fees, if any, and attorneys' fees expended in such action. The venue for any litigation shall be El Dorado County, California.

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

This Agreement shall be governed and construed in accordance with the laws of the State of California.

All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed by City and Consultant.

TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

“City”

City of Placerville

“Consultant”

Bartle Wells Associates

By _____
M. Cleve Morris, City Manager

By: _____
Douglas R. Dove, President

Date: _____

Date: _____

Attest:

By _____
Regina O’Connell, City Clerk
Date:

Approved as to form:

By _____
John Driscoll, City Attorney

EXHIBIT A
SCOPE OF WORK, APPROVED FEE AND INSURANCE SCHEDULE



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

1889 Alcatraz Avenue
Berkeley, CA 94703
T: 510-653-3399
www.bartlewells.com

August 21, 2018

Dave Warren, Director of Finance
City of Placerville
3101 Center Street
Placerville, CA 95667

Subject: Proposal for a Water & Wastewater CIC Study

Bartle Wells Associates is pleased to submit this proposal to update the capital improvement charges (CICs) for the City's water, and wastewater enterprises. Our firm has developed over 1,100 utility rate and fee studies for California water and wastewater agencies.

Bartle Wells Associates specializes in providing utility rate consulting services to California cities and special districts. Our firm has a well-earned reputation for providing our clients with straightforward, practical advice. We work closely with agency staff, engineers, and city council members, and citizen advisory committees in developing our rate recommendations. We have substantial experience presenting our findings and recommendations to non-technical audiences and we have a strong track record of building consensus for our final recommendations.

We are familiar with El Dorado County area having worked for a number of other agencies in the area including: El Dorado Irrigation District, South Tahoe Public Utility District, Grizzly Flats CSD and the City of Sacramento. A full listing of our clients is posted on our website www.bartlewells.com.

We propose to assign Douglas R. Dove, President of the firm, as project leader and your day-to-day contact on this assignment. Mr. Dove would be assisted by consultant Michael DeGroot. Resumes for Doug and Michael are included in this cost proposal.

We would very much like to work with the City of Placerville on the water and wastewater CIC study and hope this proposal provides a suitable basis for our selection. Please contact me at 510.653.3399 extension 110 or by email at ddove@bartlewells.com if you have any questions or would like any additional information.

Very truly yours,

BARTLE WELLS ASSOCIATES

Douglas R. Dove, PE, CIPFA
President



BARTLE WELLS ASSOCIATES

Firm History and Qualifications

Bartle Wells Associates (BWA) is an independent financial advisor to public agencies with expertise in water, recycled water, and wastewater rates and finance. Our firm was established in 1964 and is owned and managed by its Principal Consultants. We have more than 50 years of experience advising local governments on the complexities and challenges in public finance. We have advised more than 500 public agency clients in the western United States, predominantly in California. We have a diversity of abilities and experience to evaluate all types of financial issues faced by local governments and to recommend the best practical solutions. Bartle Wells Associates has a well-qualified professional team with education and backgrounds in civil engineering, public administration, business administration, and economics.

BWA Key Services

- *Financial Plans*
- *Rate & Fee Studies*
- *Project Financing*

Principal Activities

BWA specializes in three professional services: utility rate and fee studies, financial plans, and project financing. We are the only independent financial advisor providing *all three* of these interrelated services to public agencies.

RATE AND FEE STUDIES Our *rate studies* employ a cost-of-service approach and are designed to maintain the long-term financial health of a utility enterprise while being fair to all customers. We often phase in rate adjustments over time to minimize the impact on ratepayers. We also have extensive experience developing impact fees that equitably recover the costs of infrastructure required to serve new development. BWA has completed hundreds of water, recycled water, and wastewater rate and fee studies. We have helped communities implement a wide range of water and sewer rate structures and are knowledgeable about the legal requirements governing rates and impact fees including Proposition 218 and Government Code 66000. We develop clear, effective presentations and have represented public agencies at hundreds of public hearings to build consensus for our recommendations.



Our offices are in Berkeley, in a circa 1900 Victorian Building.

FINANCIAL PLANS Our *financial plans* provide agencies with a flexible roadmap for funding long-term operating and capital needs. We evaluate the wide range of financing options available and develop a plan that recommends the best financing approach. We also help agencies develop prudent financial policies, such as fund reserve targets, to support sound financial management. BWA has developed more than 2,000 water, recycled water, and wastewater enterprise financial plans to help public agencies fund their operating and capital programs, meet debt service requirements, and maintain long-term financial health.

PROJECT FINANCING Our *project financing* experience includes more than 300 bond sales and numerous bank loans, lines of credit, and various state and federal grant and loan programs. To date, we have helped California agencies obtain more than \$5 billion of bond financing, \$500 million in low-rate SRF loans and grants, and hundreds of millions in bank loans and lines of credit. We work only for public agencies; we are independent financial advisors and do not buy, trade, or resell bonds. Our work is concentrated on providing independent advice that enables our clients to finance their projects on the most favorable terms—lowest interest rates, smallest issue size, and greatest flexibility.

Bartle Wells Associates is a charter member of the *National Association of Municipal Advisors* (NAMA), which establishes strict criteria for independent advisory firms. All our lead consultants are *Certified Independent Municipal Advisors*.



Ownership

Bartle Wells Associates is owned and managed by its Principal Consultants, Doug Dove and Alex Handlers.

Mission Statement

Bartle Wells Associates is a consultancy devoted to developing financial solutions for municipal utilities. Our mission is to help agencies meet their cost of delivering service and provide for the long-term financial health of public utilities by offering sound financial master plans, rate and fee studies, and debt advisory services.

Business Contact Information

Bartle Wells Associates
1889 Alcatraz Ave., Berkeley, CA 94703
Telephone: 510.653.3399
Fax: 510.653.3769
Website: www.bartlewells.com

Bartle Wells Associates was established in 1964 and is a California Corporation and certified State of

SCOPE OF SERVICES

California Small Business. The Federal ID number is 94-166440

This section presents a draft scope of services that we believe forms a sound basis for completing this assignment. Bartle Wells Associates will work with the City to finalize a scope of services that meets the City's objectives and schedule. This scope of services is divided into three sections:

- I. Project Initiation & Data Collection
- II. Water and Wastewater Capital Improvement Charges
- III. Report and Presentations

I. PROJECT INITIATION & DATA COLLECTION

1. Project Team Orientation

To initiate our work, hold a kickoff meeting with City staff and others as appropriate, to accomplish the following:

- Identify members of City staff, the City's engineering consultants, and other consultants and advisors who will participate in the project.
- Determine the roles and responsibilities of all project participants.
- Identify other parties that have a significant interest in the project, such as the City's citizens advisory committee, large customers and developers.
- Establish project schedule and key milestone dates.
- Confirm the key goals and expectations of the project team.

2. Investigation and Data Collection

Assemble the information necessary to understand the City's water and sewer systems, finances, customers and usage, fee structures and legal agreements with other agencies. Assistance and cooperation of City staff and engineering consultants will be needed to assemble the background information. Investigation will include, but is not limited to, the following areas:

- Current and historical finances.
- Current water and wastewater system capacities.
- Customer classifications and characteristics.
- Current and historical water and sewer usage.
- Water and Wastewater Master Plans.
- Other City capital improvement plans.
- Conditions leading up to this study.
- Current and historical CICs.
- Financial policies and procedures.
- Water agreements with other agencies or organizations.
- Debt obligations.
- Other relevant information identified by the City

The objectives of investigation and data collection are to develop a complete understanding of the water and sewer systems and enterprises, and to reach an agreement on basic assumptions to be used in the study.

II. WATER & WASTEWATER CAPITAL IMPROVEMENT CHARGES

Water Facility Capacity Fees

1. Review Current Water CICs

Review the City's current capacity fee methodology and fee structure for equity. Evaluate if the current fee structure recovers adequate costs to fund the allocated portion of infrastructure required to serve growth, and does not double count any costs, such as current facilities plus future replacement of those same facilities. Evaluate compliance with Government Code §66000 et. seq. (AB1600).

2. Evaluate Alternative Capacity Fee Methodologies

Evaluate alternative methods for calculating water capacity fees. BWA often recommends that capacity fees include both a) a buy-in component to recover costs of existing facilities with capacity to serve growth, and b) an expansion component for additional facilities needed to serve new development. Compare with common methodologies and alternative philosophies observed in comparable agencies around California and verify compliance with applicable laws and regulations.

3. Determine Cost & Capacity of Existing Infrastructure

Calculate the current value of water system infrastructure that has capacity to serve growth based on an inventory of fixed assets and original facility costs. The purchase price of facilities can be brought into current dollars using the Engineering News Record Construction Cost Index to account for construction cost inflation. BWA generally recommends accounting for depreciation in order to determine the current value (not the replacement value) of existing facilities. Based on input from City staff and engineers, determine the capacity of infrastructure required by existing customers and capacity available for growth.

4. Calculate a Buy-In Charge to Recover Costs of Existing Infrastructure

Based on the cost and capacity of existing water system facilities, determine a buy-in cost per unit of capacity. This component of the capacity fees will be sized to recover an equitable share of costs for existing infrastructure that has capacity to serve new development.

5. Allocate CIP Costs & Capacities to Existing Customers & Growth

Based on input from City staff, allocate the cost of future capital needs and their capacities to existing customers and growth. Projects such as pipeline replacements often provide benefit to both existing system users and growth.

- 6. Calculate an Expansion Charge for Future Facility Needs**
Based on cost and capacity of anticipated capital needs, determine an “expansion cost component” for the water capacity fees. This component of the capacity fees will be sized to recover an equitable share of costs for future capital projects that will need to be built to serve new development.
- 7. Calculate Water Capacity Fees**
Calculate new water capacity fees based on the cost of capacity in existing and planned infrastructure. The updated fees will comply with AB1600, which requires a nexus between development impact fees and the cost of infrastructure required to serve new development. Develop a water capacity fee model, which will include the ability to allow all underlying assumptions to be modified based on future data. ‘What-if’ capacity will be built into the models to allow City staff to create alternative fee recommendations based on differing future growth projections and capital needs.
- 8. Recommend a Method for Future Capacity Fee Updates**
Recommend a method to annually or periodically adjust the City’s capacity fees, such as by the change in the Engineering News Record (ENR) Construction Cost Index from a base year. The ENR Construction Cost Index is an industry standard for estimating construction cost inflation. Future fee updates may be based on changes in the City’s master plan, capital improvement program, project cost estimates, construction cost inflation, or other appropriate method.

Wastewater Facility Capacity Fees

- 1. Review Current Wastewater CICs**
Review the City’s current capacity fee methodology and fee structure for equity. Evaluate if the current fee structure recovers adequate costs to fund the allocated portion of infrastructure required to serve growth, and does not double count any costs, such as current facilities plus future replacement of those same facilities. Evaluate compliance with Government Code § 66000 et. seq. (AB1600).
- 2. Evaluate Alternative Capacity Fee Methodologies**
Evaluate alternative methods for calculating water capacity fees. BWA often recommends that capacity fees include both a) a buy-in component to recover costs of existing facilities with capacity to serve growth, and b) an expansion component for additional facilities needed to serve new development. Compare with common methodologies and alternative philosophies observed in comparable agencies around California and verify compliance with applicable laws and regulations.
- 3. Determine Cost & Capacity of Existing Infrastructure**
Calculate the current value of wastewater system infrastructure that has capacity to serve growth based on an inventory of fixed assets and original facility costs. The purchase price of facilities can be brought into current dollars using the Engineering News Record Construction Cost Index to account for construction cost inflation. BWA generally recommends accounting for depreciation in order to determine the current value (not the replacement value) of existing facilities. Based on input from City staff and engineers, determine the capacity of infrastructure required by existing customers and capacity available for growth.
- 4. Calculate a Buy-In Charge to Recover Costs of Existing Infrastructure**
Based on the cost and capacity of existing wastewater system facilities, determine a buy-in cost per unit of capacity. This component of the capacity fees will be sized to recover an equitable share of costs for existing infrastructure that has capacity to serve new development.
- 5. Allocate CIP Costs & Capacities to Existing Customers & Growth**
Based on input from City staff, allocate the cost of future capital needs and their capacities to existing customers and growth. Projects such as the wastewater treatment plant and other replacement needs provide benefit to both existing system users and growth.
- 6. Calculate an Expansion Charge for Future Facility Needs**
Based on cost and capacity of anticipated capital needs, determine an “expansion cost component”

for the wastewater capacity fees. This component of the capacity fees will be sized to recover an equitable share of costs for future capital projects to serve new development.

7. Calculate Wastewater Capacity Fees

Calculate new wastewater capacity fees based on the cost of capacity in existing and planned infrastructure. The updated fees will comply with AB1600, which requires a nexus between development impact fees and the cost of infrastructure required to serve new development. Develop a wastewater capacity fee model, which will include the ability to allow all underlying assumptions to be modified based on future data. ‘What-if’ capacity will be built into the models to allow City staff to create alternative fee recommendations based on differing future growth projections and capital needs.

8. Recommend a Method for Future Capacity Fee Updates

Recommend a method to annually or periodically adjust the City’s capacity fees, such as by the change in the ENR Construction Cost Index from a base year. The ENR Construction Cost Index is an industry standard for estimating construction cost inflation. Future fee updates may be based on changes in the City’s master plan, capital improvement program, project cost estimates, construction cost inflation, or other appropriate method.

III. REPORTS & PRESENTATIONS

1. Meet with City to Review Recommendations & Input

Meet with City to present and discuss preliminary findings and recommendations and key alternatives to the City’s project team to receive input.

2. Prepare Draft & Final Reports & Present Findings

Submit draft report for the capacity fee updates. Our report will summarize key findings and recommendations and discuss key alternatives when applicable. Prepare final report incorporating input received. Develop Power Point presentation and present findings and recommendations for capacity fees at two separate City Council workshops/meetings.

3. Public Education and Consensus-Building

BWA has extensive experience developing clear presentations that facilitate public understanding of the need for fee increases. We understand the importance of building consensus and public acceptance for our recommendations and can assist the City in developing public education materials. BWA will take the lead in presenting the capacity fee recommendations at public meetings unless directed otherwise by staff.

Additional Services

BWA will remain available to provide additional financial consulting services as requested by the City of Placerville.

City of Placerville
 Water & Wastewater Capital Improvement Charge Study
 Proposed Project Schedule

TASK																												
	Sept 18				Oct 18				Nov 18				Dec 18				Jan 19											
1. Project Team Orientation/Kickoff Meeting																												
2. Investigation and Data Collection																												
FACILITY CAPACITY CHARGE STUDY																												
3. Water and Wastewater FCC Analysis																												
4. Develop Draft FCC Recommendations and Implementation Plan																												
5. Present Draft FCC Recommendations to Project Team																												
6. Workshop with Council, Staff and Citizens																												
7. Public Hearing																												

PROJECT STAFFING

Bartle Wells Associates (BWA) has a long track record of completing assignments on-schedule and on-budget. Project staff members develop realistic timelines, keep projects moving forward, and often provide monthly project updates to keep clients apprised of project and budget status. The focus is on communication: by maintaining frequent contact, the consultant-client project team can stay on task and meet shared benchmarks along the way.

BWA uses a team approach for all projects, typically assigning two or three consultants to each assignment, including at least one principal consultant. **All** project staff, from the most senior partners to financial analysts are available to clients at all times.

BWA proposes to assign Doug Dove, President of the firm, as project manager and principal-in-charge for this engagement. Doug will oversee all work, provide peer review at each step of the process and take responsibility for the final quality of all recommendations and work products.

Doug will be assisted by Michael DeGroot, a consultant at the firm. Michael will be responsible for the fundamental analysis on the project and will assume day-to-day operations and management of the project. Doug and Michael have worked with the City on prior assignments and will coordinate closely with City staff to gather all of the appropriate information and develop the CIC studies.

Resumes for Doug and Michael follow. The resumes include a description of key skills and experience along with a list of recent work assignments. Other BWA staff are available to assist the project team if needed. All BWA consultants are located at company offices in Berkeley, California.

DOUGLAS R. DOVE

Principal Consultant

Douglas R. Dove is President of Bartle Wells Associates and directs the operation of the firm while maintaining a principal consultant's role. With over 28 years of consulting experience, he specializes in utility rate analysis, strategic financial planning and project financing. Mr. Dove has developed utility rate structures and financing plans for a wide variety of public infrastructure programs. He has managed the procurement of over \$1 billion in municipal debt and over \$300 million in state and federal grants and low-interest loans. Mr. Dove frequently shares his expertise and has given presentations at conferences including the Association of California Water Agencies (ACWA), the American Water Works Association (AWWA), the California Association of Sanitation Agencies (CASA), the California Municipal Rates Group (CMRG), the California Special District's Association (CSDA), the California Municipal Treasurers Association (CMTA), the California Water Environment Association (CWEA) and WaterReuse. By special request in July 2015, Mr. Dove made a presentation to the California Water Resources Control Board regarding water conservation pricing. Mr. Dove is also a published author of a water rate paper in the Journal of the American Water Works Association (*Implementing Consumption-Based Fixed Rates in Davis, Calif.*).

Mr. Dove's expertise also includes assisting agencies in securing state and federal grants and loans and in issuing certificates of participation (COPs), revenue bonds, general obligation bonds, assessment district bonds, Marks-Roos revenue bonds, CFD (Mello-Roos) bonds, private placement loans and other types of debt.

Mr. Dove holds an MS in civil engineering from UC Berkeley and he is a registered Professional Engineer in California. He is also a Certified Independent Professional Municipal Advisor (CIPMA) and recently finished his term on the board of directors of the National Association of Municipal Advisors (NAMA).

Education

M.S., Civil Engineering - University of California, Berkeley

B.S., Civil Engineering – Drexel University, Philadelphia, PA

Representative Projects

- **East Bay Municipal Utility District:** Comprehensive water rate study and AB 1600 capacity fee review, Wastewater cost-of-service review and capacity fee review, various other financial studies
- **Napa-Berryessa Resort Improvement District:** Developed financing plan for water and wastewater public-private partnership (P3). Prepared assessment engineers report. Formed an assessment district and secured \$11.1 million in federal funding from US Department of Agriculture.
- **City of Placerville:** Water and wastewater rates and CIC studies.
- **City of American Canyon:** Comprehensive, multi-year water and wastewater rate study.
- **City of Davis:** Comprehensive water rate study developed with a 15-member Water Advisory Committee. Currently completing a water capacity fee study for the City.
- **City of Rio Vista:** Water and Wastewater financing plans, rate studies and issuance of CFD bonds for new wastewater treatment plant.
- **City of Modesto:** Provided rate expert litigation support in wastewater rate litigation. Developed water and wastewater cost of service and capacity fee studies.
- **Newhall County Water District:** Provided rate expert litigation support in water rate litigation.
- **City of Monterey:** Developed financing plan and rate study for \$20 million wastewater pipeline rehabilitation project.
- **City of Santa Clara:** Wastewater rate and capacity fee study
- **City of Hesperia:** Comprehensive water and wastewater financial plan and rate study.
- **City of Brawley:** Water and wastewater rate studies and financing plans.
- **City of Gilroy:** Water and wastewater rate studies.
- **City of Patterson:** Water and wastewater rate studies and five year financing plans.
- **West Valley Sanitation District (Campbell, CA):** Wastewater rate study, financing plan and bond issuance.
- **City of Ontario/Ontario Redevelopment Agency:** financial advisor on \$134.3 million in development refunding and new money issues (2), which included financing for the Ontario Convention Center.

- **City of Calistoga:** Long range utility financial plan, water and wastewater rates, secured financing for WW treatment plant upgrade (\$6 million SRF loan, \$3 million Small Community Grant, \$3.5 million revenue bonds).
- **El Dorado Irrigation District:** Water and wastewater rate studies.
- **Lake Arrowhead Community Services District:** Financial master plan, \$28 million revenue bond refinancing and water and wastewater rate studies.
- **California Statewide Communities Development Authority:** Financial advisor for statewide pooled revenue bond program (over \$250 million issued for over 32 borrowers).
- **South Bay Water Recycling Program, Phases 1 & 2:** Financial plan and rate study for \$200+ million regional (San Jose area) wastewater recycling program.
- **City of Tulare:** Financial advisor to the city, sale of \$63 million in bonds (3 issues), water and wastewater rate studies.
- **City of Hanford:** Wastewater financial plan and rate study, bond and bank loan issues, procurement of California Infrastructure Bank SRF loan.
- **Big Bear Area Regional Wastewater Agency:** Regional wastewater rate study, sale of bonds (2 issues) and bank loans (2 loans).

Memberships

- National Association of Municipal Advisors (former Board Member)
- League of California Cities
- American Water Works Association
- Association of California Water Agencies
- California Water Environment Association
- California Association of Sanitation Agencies
- California Special Districts Association
- WateReuse Association

Certifications

Certified Independent Professional Municipal Advisor (CIPMA), Registered Professional Engineer (PE) in California (PE# 45642) and Municipal Advisor – Series 50 Exam

MICHAEL J. DEGROOT



Experience

Michael DeGroot is a financial analyst with Bartle Wells Associates. He works closely with City staff, engineers, lawyers, and other consultants to develop equitable rate structures for water, sewer, and solid waste enterprises. Mr. DeGroot specializes in developing long-term financial plans, meter and commodity rates, surcharges, and capacity fees for Cities and special Districts. Additionally, he is experienced modifying and implementing Proposition 218 compliant water budget rate structures and drought surcharges.

Recent Projects

- **City of Santa Barbara:** Water rate study and water and sewer capacity fees.
- **City of Fresno:** Water and sewer capacity fees.
- **City of Milpitas:** Water rate study.
- **City of Placerville:** Water and wastewater rate studies.
- **City of Foster City:** Water and sewer rate study and alternative rate structure analysis.
- **Contra Costa Water District:** Excess water use charge analysis.
- **Fairfield-Suisun Sewer District:** Sewer rate and capacity fee study.
- **West Valley Sanitation District:** Detailed financial plan, including debt funding alternatives for significant expenditure projections related to the \$2 billion wastewater facility upgrade.
- **City of Benicia:** Sewer rate analysis and drought option.
- **Stege Sanitary District:** Sewer rate study.
- **Palmdale Water District:** Water rate study.
- **City of California City:** Water and sewer rates, impact fees, and miscellaneous charges.
- **Indian Wells Valley Water District:** Water rate study.
- **Glendale Water and Power:** Water rate study and bill calculator.
- **City of Palmdale:** Sewer rate study.
- **Crestline Sanitation District:** Sewer rate study.
- **Malaga County Water District:** Water and sewer rate study and capacity fees.
- **Sutter Community Services District:** Water rate study and financial plan.
- **City of Hughson:** Water rate study and SRF loan support.
- **Grizzly Flats CSD:** Water rate study.
- **City of Santa Clarita:** Feasibility study of the City's takeover and operation of its sewer enterprise from LACSD.
- **Mariposa County:** Water and sewer financial plans for six utilities and funding plan for roads.
- **City of Solvang:** Water and sewer rate studies and capacity fees. Storm drain funding memo.
- **Browns Valley Irrigation District:** Water rate study.
- **City of Pacifica:** Sewer rate and capacity fee study.
- **Root Creek Water District:** Benefit assessment District formation support.

Education

B.S., Business Administration – U.C. Berkeley Walter A. Haas School of Business, Berkeley, CA

PERFORMANCE AND COST SCHEDULE

1. We are prepared to begin work upon your authorization to proceed.
2. During the project development period, we will be available at all reasonable times and on reasonable notice for meetings and for consultation with the City staff, attorneys, consulting engineers, and others as necessary.
3. Bartle Wells Associates will perform all work.
4. For the services outlined in this proposal, the fees for professional services including direct expenses are \$19,000.

Our fees are subject to the following restrictions:

- a. The fees are based on completion of the project within 9 months of authorization to proceed and assumes that the City will provide all necessary information in a timely manner. If the project is delayed beyond the anticipated completion date due to circumstances over which we have no control, we are to be reimbursed for time spent and expenses incurred beyond such date.
 - b. The fees assume one draft and one final submittal of the report. Time and expenses involved in revising tables and assumptions due to changes in data, or in preparing more than one draft and one final report, constitute additional services. All computer-based models will be transferred to the City at project's conclusion.
 - c. The fee is based on up to 4 trips to Placerville. This includes 2 meetings with the Project Team and up to 2 workshops/public hearings with City Council. The fee does not include additional public meetings above and beyond the 4 mentioned.
 - d. Direct expenses are billed as detailed in our Billing Rate Schedule 2018.
5. Progress payments and direct expenses are payable on a time and materials basis as the work proceeds as provided in our Billing Rate Schedule 2018.
 6. Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance as provided in the Certificate of Insurance attached.
 7. If the project is terminated for any reason, we are to be reimbursed for professional services and direct expenses incurred up to the time we receive notification of such termination.
 8. This proposal may be withdrawn or amended if not accepted within 90 days of its date.



BARTLE WELLS ASSOCIATES
BILLING RATE SCHEDULE 2018
 Rates Effective 1/1/2018

Professional Services

Financial Analyst I	\$105 per hour
Financial Analyst II	\$130 per hour
Consultant	\$155 per hour
Senior Consultant	\$185 per hour
Senior Project Manager	\$215 per hour
Principal Consultant	\$255 per hour

The hourly rates for professional services include all overhead and indirect expenses. Bartle Wells Associates does not charge for administrative support services. Expert witness, legal testimony, or other special limited assignments will be billed at one and one-half times the consultant's hourly rate.

The above rates will be in effect through December 31, 2018 at which time they will be subject to change.

Direct Expenses

Subconsultants will be billed at cost plus ten percent. Word processing and computer-assisted services related to official statement production are charged as direct expenses at \$75 per hour. Other reimbursable direct expenses incurred on behalf of the agency will be billed at cost plus ten percent. These reimbursable costs include, but are not limited to:

- Travel, meals, lodging
- Printing and photocopying
- Special statistical analysis
- Outside computer services
- Bond ratings
- Automobile mileage
- Messenger services and mailing costs
- Graphic design and photography
- Special legal services
- Legal advertisements

Insurance

Bartle Wells Associates maintains insurance in the amounts and coverage as provided in the attached schedule of insurance. Additional or special insurance, licensing, or permit requirements beyond what is shown on the schedule of insurance are billed in addition to the contract amount.

Payment

Fees are typically billed monthly for the preceding month and will be payable within 30 days of the date of the invoice. A late charge of 1.0 percent per month may be applied to balances unpaid after 60 days.

SCHEDULE OF INSURANCE

Insured: BARTLE WELLS ASSOCIATES

Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance in the amounts and coverage as provided in this schedule. If additional insurance is required, and the insurer increases the premium as a result, then the amount of the increase will be added to the contract price.

TYPE OF INSURANCE	COMPANY POLICY NUMBER	COVERAGES AND LIMITS	EXP. DATE
Commercial General Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> ■ \$2,000,000 General Aggregate ■ \$2,000,000 Products Comp/Op Aggregate ■ \$2,000,000 Personal & Advertising Injury ■ \$1,000,000 Each Occurrence 	6/1/19
Excess/Umbrella Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> ■ \$1,000,000 Aggregate ■ \$1,000,000 Each Occurrence 	6/1/19
Automobile Liability	Hartford Insurance Company Policy #35-UEC VU2842	<ul style="list-style-type: none"> ■ \$1,000,000 Combined Single Limit 	6/1/19
Workers Compensation & Employers' Liability	Hartford Underwriters Insurance Company Policy #35-WEC FG7858	Workers' Compensation: Statutory Limits for the State of California. Employers' Liability: <ul style="list-style-type: none"> ■ Bodily Injury by Accident - \$1,000,000 each accident ■ Bodily Injury by Disease - \$1,000,000 each employee ■ Bodily Injury by Disease - \$1,000,000 policy limit 	6/1/19
Professional Liability	Chubb & Son, Inc. BINDO94045	Solely in the performance of services as municipal financing consultants for others for a fee. Limit: \$2,000,000 Per Occurrence & Aggregate (including defense costs, charges, and expenses)	6/1/19