

# AGENDA



## SAN SIMEON COMMUNITY SERVICES DISTRICT WATER COMMITTEE MEETING

Wednesday, August 8, 2018  
5:00 PM

CAVALIER Banquet Room  
250 San Simeon Avenue  
San Simeon, CA

### 1. REGULAR SESSION

- A. Roll Call
- B. Pledge of Allegiance

### 2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

**Public Comment** - Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction, provided the matter is not on the Board's agenda. Presentations are limited to three (3) minutes or less with additional time at the discretion of the Chair. Your comments should be directed to the Board as a whole and not directed to individual Board members. The Brown Act restricts the Board from taking formal action on matters not published on the agenda.

### 3. CONSENT AGENDA ITEMS:

**Public Comment** - Members of the public wishing to speak on consent agenda items may do so when recognized by the Presiding Officer. Presentations are limited to three (3) minutes or less with additional time at the discretion of the Chair.

- A. Consideration of approval of October 11, 2017 meeting minutes.
- B. Consideration of approval of March 14, 2018 meeting minutes.

### 4. BUSINESS ITEMS:

**Public Comment** - Members of the public wishing to speak on business items may do so when recognized by the Presiding Officer. Presentations are limited to three (3) minutes or less with additional time at the discretion of the Chair.

- A. Consideration and Discussion of the need to appoint a New Committee Member to replace the vacancy left by Julia Stanert.**
- B. Progress report on water storage tank and distribution system Phase One project(s).**
- C. Continued discussion related to the water moratorium.**
- D. Discussion regarding water & sewer capacity charge study.**

## **5. ADJOURNMENT**

All staff reports or other written documentation, including any supplemental material distributed to a majority of the Committee within 72 hours of a regular meeting, relating to each item of business on the agenda are available for public inspection during regular business hours in the District office, 111 Pico Avenue, San Simeon. If requested, this agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disabilities Act. To make a request for a disability-related modification or accommodation, contact the District Administrator at 805-927-4778 as soon as possible and at least 48 hours prior to the meeting date. This agenda was prepared and posted pursuant to Government Code Section 54954.2.

# MINUTES



## SAN SIMEON COMMUNITY SERVICES DISTRICT WATER COMMITTEE MEETING

Wednesday, October 11, 2017  
5:00 PM

CAVALIER Banquet Room  
250 San Simeon Avenue  
San Simeon, CA

### 1. REGULAR SESSION @ 5:25 PM

#### A. Roll Call

Mike Hanchett – Present

General Manager, Charles Grace

Mary Margaret McGuire – Present

Gwen Kellas – Present

Julia Stanert – Present

Leroy Price – Present

#### B. Pledge of Allegiance

### 2. PUBLIC COMMENT:

Henry Krzciuk commented that there needed to be an increase in the water pressure at the mobile home park. He suggested the Water Committee recommend this item to the Board.

### 3. Consideration of Committee Election of a Chairperson to fill the vacancy created by the resignation of Alan Fields.

A motion was made for Mary Margaret McGuire to be the new Committee Chairperson.

Motion by: Gwen Kellas

2<sup>nd</sup>: Mike Hanchett

All in: 5 / 0

**4. Consideration and Discussion of the need to appoint a New Committee Member to replace the vacancy left by Alan Fields.**

A motion was made to recommend that the Water Committee remain at 5 members.

Motion by: Gwen Kellas

2<sup>nd</sup>: Mike Hanchett

All in: 5 / 0

**5. Consideration of proposals received for permitting assistance and environmental review for the reservoir expansion / potable water storage tank installation project.**

Henry Krzciuk said that the proposals should include scheduling and timelines.

A motion was made to recommend to the Board of Directors that Oliveria Consulting be awarded the contract.

Motion by: Gwen Kellas

2<sup>nd</sup>: Mike Hanchett

All in: 5 / 0

**6. Consideration of approval of meeting minutes – February 8, April 12, and July 12, 2017**

A motion was made to approve the minutes for February 8, April 12, and July 12, 2017 meetings.

Motion by: Gwen Kellas

2<sup>nd</sup>: Mike Hanchett

All in: 5 / 0

**7. Discussion of items from the Special Meeting Reservoir Expansion Potable Water Tank Installation Workshop related to Director input/public input, project(s) phasing and funding.**

Mike Hanchett stated that the committee should recommend to the Board not to proceed with the 50% design without getting clarification and requesting more information.

A motion was made to approve Mike Hanchett's recommendation.

Motion by: Gwen Kellas

2<sup>nd</sup>: Leroy Price

All in: 5 / 0

**8. Adjournment @ 5:54 PM**

# MINUTES



## SAN SIMEON COMMUNITY SERVICES DISTRICT WATER COMMITTEE MEETING

Wednesday, March 14, 2018  
5:30 PM

CAVALIER Banquet Room  
250 San Simeon Avenue  
San Simeon, CA

### 1. REGULAR SESSION @ 5:33 PM

#### A. Roll Call

Mike Hanchett – Present

General Manager, Charles Grace

Mary Margaret McGuire – Present

Gwen Kellas – Present

Julia Stanert – Present

Leroy Price – Present

### 2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

None

### 3. CONSENT AGENDA ITEMS:

None

#### A. Consideration of approval of October 11, 2017 meeting minutes.

This item was tabled until the next meeting.

### 4. BUSINESS ITEMS:

None

#### A. Discussion of the water storage tank and water distribution system Phase One project(s)

Charlie Grace provided a handout to the committee with 3 different tank size scenarios and he discussed the data from the handout.

Mike Hanchett mentioned that under the first scenario the 4000 gallon per minute (GPM)/ hour calculation needed to be updated from 3.6 to 1.8.

Gwen Kellas had a question about the piping in phase II.

Henry Krzciuk provided a handout to the community.

Gwen Kellas, Julia Stanert and Mary Margaret McGuire discussed several aspects of the project.

A motion was made to recommend to the Board that they move forward with Phase I, in the Master Plan using the 400,000 gallon tank, and extra piping scenario. Additionally, that the groundwork for the second tank be completed.

Motion by: Mike Hanchett

2<sup>nd</sup>: Gwen Kellas

All in: 4 / 1

**B. Continued discussion related to the water moratorium.**

This item was postponed until the next meeting.

**5. ADJOURNMENT @ 6:10 PM**

Proposal For:

# Water and Wastewater Rate Study and Capacity Charge Study

Proposal To:

## San Simeon Community Services District

111 Pico Avenue  
San Simeon, CA 93452  
(805) 927-4778



Submitted By:

## Tuckfield & Associates

Contact: Mr. Clayton Tuckfield  
2549 Eastbluff Dr, #450B  
Newport Beach, CA 92660  
(949) 760-9454  
[www.tuckfieldassociates.com](http://www.tuckfieldassociates.com)

FINANCIAL CONSULTING  
**TUCKFIELD &  
ASSOCIATES**  
MANAGEMENT CONSULTING

July 20, 2018

# Tuckfield & Associates

2549 Eastbluff Drive, Suite 450B, Newport Beach, CA 92660  
Phone (949) 760-9454 Fax (949) 760-2725  
Email [ctuckfield@tuckfieldassociates.com](mailto:ctuckfield@tuckfieldassociates.com)

July 20, 2018

Mr. Charles Grace  
General Manager  
San Simeon Community Services District  
111 Pico Avenue  
San Simeon, CA 93452

Dear Mr. Grace:

I am pleased to submit this proposal to provide consulting services for a Water and Wastewater Rate Study and Capacity Charge Study for the San Simeon Community Services District (District). Over the last 18 years, I have conducted numerous water and wastewater rate studies in California as well as 15 years of previous experience conducting studies nationally. This depth of experience will benefit the District during the performance of this study.

The scope of work provided herein proposes to address the District's request for the studies. The water and wastewater rates will be designed to be equitable and defensible, meet the requirements of Proposition 218, and fund annual operating expense, capital spending, and debt service. The study will address the following objectives.

- Revenue sufficiency to fund operating and capital needs
- Appropriate levels of operating, capital, and emergency reserves
- Cost of service following appropriate standards, regulations, and guidelines
- Rates that are consistent with industry practice
- Ease of understanding and administration

Tuckfield & Associates consulting is a local firm with extensive experience in California, specializing in rate studies and capacity charge studies. Mr. Tuckfield is the President and Principal Consultant for Tuckfield & Associates, and routinely conducts rate and capacity charge studies as the sole consultant, having completed such studies in this manner for many clients, including those whose populations have exceeded 100,000. Recent and past clients in this regard include the City of Buena Park and City of Ventura. Additional experience is provided in the References section of this proposal.

I will be professionally responsible for conducting the study and will provide hands-on work effort. This will allow me to develop an intimate knowledge of the District's water and wastewater system which will be beneficial when attending meetings and presenting results and findings. All rates and fees will be developed in accordance with the American Water Works Association (AWWA) for water utilities and Water Environment Federation (WEF) for wastewater utilities as well as California State law.



Mr. Charles Grace  
San Simeon Community Services District

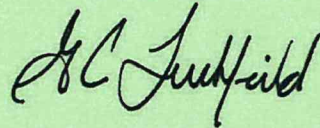
Page 2  
March 13, 2018

I have the qualifications, experience, and capabilities to provide the services desired by the District. I have conducted successful studies for large agencies in California with a focus on smaller cities and special districts.

I look forward to working with District on this project. Should the District need any additional information, my contact information is provided below.

Very Truly Yours,

TUCKFIELD & ASSOCIATES



G. Clayton Tuckfield  
Principal Consultant  
2549 Eastbluff Drive  
Newport Beach, CA 92660  
(949) 760-9454 ph  
ctuckfield@tuckfieldassociates.com

Proposal for  
**Water and Wastewater Rate Study  
and Capacity Charge Study**

Submitted to  
**SAN SIMEON  
COMMUNITY SERVICES DISTRICT**

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# Proposal for Rate and Capacity Charge Study

## San Simeon Community Services District

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### Firm Profile

Tuckfield & Associates was founded in 1999 to provide quality consulting services to publicly-owned utilities to sustain their systems on sound rate-making principles.

The firm was founded by Mr. Clayton Tuckfield PE MBA who has over 30 years of experience conducting rate studies and capacity charge studies. Now in its 18<sup>th</sup> year, the firm has provided innovative and time-tested strategies founded on industry practice for implementing rates and charges. Tuckfield & Associates is a local firm located in Newport Beach and the performance of this project will be completed at this site.

Prior to the firm's founding, Mr. Tuckfield served Black & Veatch Corporation for nearly 15 years in their Management Consulting Division. Mr. Tuckfield has worked with numerous cities and special districts in California and has written papers and articles for AWWA (American Water Works Association) and California Special Districts Association (CSDA) and has conducted a webinar for CSDA regarding financing projects with USDA funding.

### Key Personnel



#### Clayton Tuckfield, Principal

##### Summary

- 30 years of experience
- Over 100 rate studies
- Public Agency Specialization
- Tested Strategies
- Project Management

##### Project Responsibilities

- Project Consultant
- Financial Plan, Cost of Service, and Rate Design
- Public Meeting Presentations

#### Clayton Tuckfield, PE MBA– Project Consultant

Mr. Tuckfield will serve as the project consultant for the study and will be the primary contact with District. He will be responsible for project administration, daily performance of the project, providing all deliverables, attending and/or presenting at all meetings, and will produce key

elements of the study.

Mr. Tuckfield routinely conducts rate and capacity charge studies as the sole consultant and has completed such studies in this manner for many clients, even for those whose populations have exceeded 100,000. Mr. Tuckfield is an expert in utility financial planning, cost of service, rate structures, and utility management and is a professional dedicated to maintaining high financial and engineering standards.

Mr. Tuckfield has over 30 years of experience and has professionally performed over 100 utility cost of service and rate studies and many other financial feasibility studies. **He has performed studies for numerous communities in California ranging from the cities of Long Beach, Buena Park, Ventura, Santa Barbara, Fullerton, Loma Linda, Arroyo Grande, Grover Beach, Pismo Beach, Oakdale, and Firebaugh to special districts including Santa Ynez CSD, Nipomo CSD, Mission Hills CSD, Keyes CSD, Hilmar CWD, Delhi CSD, Seeley CWD, and many others.**

Mr. Tuckfield has an engineering degree and a master's degree in business administration. He has prepared presentations and technical papers for trade organizations that include the American Water Works Association's annual meeting, American Society of Civil Engineers, Arizona Finance Officers Association, and has authored a section of a webinar for the California Special Districts Association (CSDA) as well as a professional submission for CSDA's bi-monthly magazine. A resume for Mr. Tuckfield is provided in **Appendix A** of this proposal.

Visit [www.tuckfieldassociates.com](http://www.tuckfieldassociates.com) to learn more about Tuckfield & Associates.

## Advantages

Tuckfield & Associates offers several unique advantages that will satisfy the District's expectations for the successful implementation of proposed rate structures and rates. These include the following:

**Experience.** Having performed numerous rate and capacity charge studies concentrated in California, with additional studies conducted nationally, the firm is able to provide a depth of experience to draw upon for this study, using knowledge of methods and alternative rate structures that will be of benefit to the District. The District can be assured that quality services will be provided through our extensive experience and from our client references themselves.

**California Regulatory Requirements.** Tuckfield & Associates has experience with the California regulatory environment which will be beneficial to the District for the best outcome. Recent State legislation includes the enactment of Proposition 218, AB3030, and the state's 20x2020 plan and these have been addressed in previous studies.

**Communication.** A critical aspect of this study is the need to communicate results to the public. Communicating the reasons for the rate increases and the impacts to customers is imperative to acceptance by the public and a successful rate implementation.

**Personalized Service.** Mr. Tuckfield works in a collaborative manner with its clients, providing consulting services in a professional and transparent manner with easy explanation of study results. **Our collaborative service creates professional relationships that have spanned a decade for some clients.**

## Qualifications

### Tuckfield & Associates Consulting

Tuckfield & Associates is a specialized consulting firm providing financial solutions for publicly owned utilities. Mr. Clayton Tuckfield, founder and principal of Tuckfield & Associates, has managed or been directly involved in publicly owned utility financial services for over 30 years. Since 1985, Mr. Tuckfield has used innovative methods combined with time-tested strategies to assist municipalities and special districts in achieving their financial goals. Clients have included public utilities, state and county governments, municipalities, and public districts.

### Services

Tuckfield & Associates provides comprehensive consulting services intended to safeguard the financial viability of the client's multi-million-dollar utility. Key elements include financial plans that anticipate economic contractions and expansions, capital planning for improvement financing options, allocation of costs to appropriate customers based on cost causative principles, and rates that are designed to be fair and equitable. Services provided by Tuckfield & Associates include the following.

- Cost of Service and Rate Studies
- Capacity Charge Studies
- Rate Stabilization Studies
- Supporting Information for Bond Official Statements
- Capital Improvement Plan Financing Analyses
- Computer Modeling

#### *Tuckfield & Associates Qualifications Summary*

- 30 years of experience
- Over 100 rate studies
- Public Agency Specialization
- Tested Strategies
- Project Management

### Commitment to Clients

Tuckfield & Associates approaches each study with the commitment to exceed our client's expectations. Our strength lies in our proven capability to provide comprehensive, practical, and implementable programs that serve our clients, with personal relationship-driven service.

Tuckfield & Associates is highly qualified to provide the professional services requested by the District. The firm specializes in rate and capacity charge studies with extensive experience serving cities and special districts in California.

# Scope of Work

Based on our understanding of the District's needs, the following tasks describe our proposed scope of work to complete the Water and Wastewater Rate Study and Capacity Charge Study. While the tasks listed below are consecutive, elements of certain tasks may be conducted concurrently with other tasks.

## Task 1 – Initial Meeting/Data Collection

The focus of this initial meeting with District Staff will be to define goals and objectives for the study and explore the issues generated by District Staff. The meeting serves as an important first step in assuring that all key members develop a clear understanding of the study elements and data required. Some of the major objectives of the study to be discussed include the following:

- Identify key staff members and the point of contacts for the study
- Establish roles and responsibilities for the project and data gathering
- Identify objectives, goals, and expectations for the study
- Discuss Current District Policies
- Review available funding to support District activities
- Discuss details of alternative rate structures
- Review project schedule and set dates for meetings and deliverables

Prior to the meeting, a request will be submitted to the District for information to be gathered by District Staff. The information request will include several items such as audits, budgets, master plans, design reports, capital improvement plans, billing information, debt service schedules, and several others.

**Deliverables:** Request for Information

## Task 2 – Long Range Financial Planning

The objective of this task is to develop ten-year financial plans for the water and wastewater enterprises that projects the revenue and revenue requirements for the study period. This task requires an assessment of the sufficiency of revenues based on the existing rates and fee schedules, the District's ability to meet projected revenue requirements, and the determination of the level of any revenue adjustments required with any additional financing requirements. Specific tasks include the following.

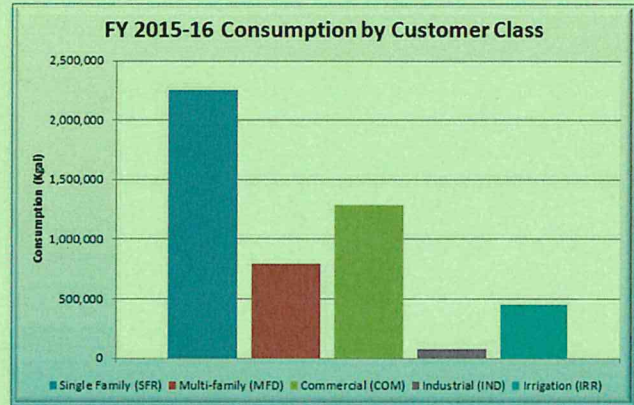
### Task 2.1: Review Financial Information, Policies, and Practice

The District's policies regarding the financial, operating and capital reserves, and rate practices will be reviewed and evaluated. These items are essential to the long-term sustainability of the utility. From the evaluation, recommendations will be made that will enhance the utility's ability to meet its financial goals. The policy recommendations will at least include the following.

- Target reserve levels for operating and capital programs
- Annual infrastructure replacement funding from operations
- Debt service coverage to ensure strong bond ratings

**Task 2.2: Review and Summarize Billing Information**

The customer billing information that is received from the District will be reviewed, analyzed, and summarized for use in the rate study. The information will be reviewed for accuracy and reasonableness for use to understand user characteristics. In addition to water sales information, influent flow to the wastewater treatment plant will assist in estimating wastewater flows and peaking characteristics for customer classifications.

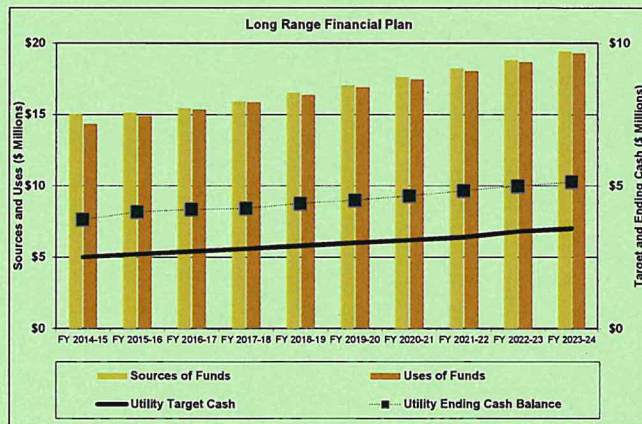


*Review and summary of billing information provides an understanding of user characteristics.*

**Task 2.3: Develop Long Range Financial Plans**

In this task, the annual revenue requirements of the water and wastewater utilities will be identified and projected. Budget items and any future obligations will be projected for a ten-year forecast period. Revenue Requirements will include operation and maintenance expenses, existing debt service, annual replacement, identification and financing of future capital improvements (CIP), transfers to/from the utility funds, and use of reserves. Revenue requirements will be projected from a review of historical results, current budget, and current economic trends while accounting for expected operational changes and system growth. Miscellaneous fees will be reviewed and updated as appropriate. Such fees may include plan check fees, inspection fees, and FOG program fees and the revenue from such fees will be projected and included into the long-range financial plan.

A ten-year pro forma cash flow will be developed to compare revenue using the existing rates to projected revenue requirements over the planning period. Revenues will be projected by developing assumptions regarding customer growth and estimated usage information. Analysis of the cash flow will determine if any revenue adjustments are needed to meet the revenue requirements while recognizing the financial planning criteria developed for each fund. The long-range financial plan developed above will be modeled such that



*The long range financial plan illustrates the stability of the revenue stream over time as well as the degree to which financial planning criteria are met.*

assumptions/variables may be changed to assess the impacts to the plan. By varying these assumptions, their sensitivity may be evaluated and the need for higher or lower revenue increases may be determined. Several options for revenue increases may be explored and presented to District Staff.

**Deliverables:** Assumptions, billing summaries, long-range financial plan alternatives

### Task 3 – Cost of Service Analyses

The cost of service phase of the study will focus on allocation of costs (revenue requirements) to customer classifications based on cost causative methodologies. The cost allocations will be developed using standards and methodologies from the AWWA, WEF, and best management practices. The cost of service analysis part of the study provides the defensibility for the selected rate structures and rates, providing compliance with Proposition 218.

#### Task 3.1: Analyze Customer Usage Patterns and Recommend Customer Classifications

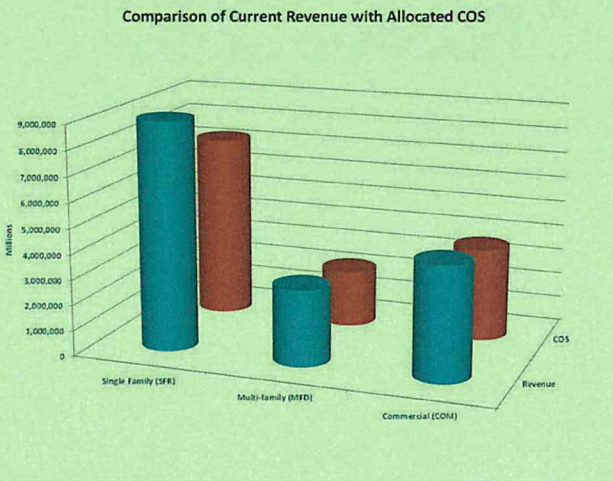
Historical billing summaries that were summarized in Task 2.2 will be reviewed and analyzed by customer classification to determine water consumption, estimate wastewater discharge volumes, and establish user characteristics. Estimates may be made assuming census persons per household.

#### Task 3.2: Allocate Costs to Functional Cost Components

The annual revenue requirements will be allocated to functional cost components following standards in the AWWA and WEF manuals of practice. Allocations of operation and maintenance expenses will be allocated separately from capital requirements of the system.

#### Task 3.3: Distribute Functional Costs to Customer Classifications

Costs that have been allocated to functional cost components are distributed to the various customer classifications based on their responsibility for the service provided. Responsibility is established from the units of service (such as HCF, HCF/day, and number of customers) applicable to each functional cost component. Unit costs are developed which are then applied back to the units of service by customer class, which determines each customer classification's cost responsibility.



*The equity of the current rate structure and rates is assessed through a comparison of current revenue with the allocated Cost of Service.*



## Task 4 – Rate Structure Analysis and Rate Design

The rate structures that are selected for each utility should be responsive to the needs and philosophy of both the utility and its customers. The selected rate structures are a blend of what may be several competing objectives to accomplish the overall goals desired by the utility and general public. Through discussion with District staff, our evaluations of the existing rate structures and design of new rate structures will meet the expectations of the utility and public.

### Task 4.1: Evaluate Rate Structures and Calculate Rates

The current rate schedules will be evaluated to validate their applicability for District’s cost structure and customer base. Additionally, up to two alternative rate structures will be proposed to address the goals and objectives of the District while enhancing the fairness and equitability among the users. A recommendation will be made as to which rate structures best meets the District’s objectives.

It is intended that the recommended rate structure will result in revenue stability, will be easy to administer and understand, and comply with industry practices such as the AWWA, WEF, and federal, state, and local regulations for rate setting in California.

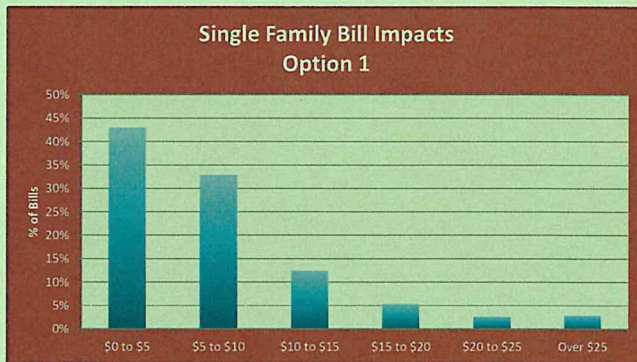
### Task 4.2: Determine Bill Impacts

The impact to customer bills is an important aspect of any rate change. The financial impacts to customers that results between the existing and alternative rate structure will be determined and a series of tables and figures will be created that show projected rate impacts on different types of customers at different levels of usage.

Description	Use (Kgal)	Current Bill	Proposed Bill	Percent Change
Very Low	10	\$42.76	\$44.88	5.0%
Low	20	\$62.36	\$65.45	5.0%
Median	16	\$54.52	\$57.23	5.0%
Average	22	\$67.58	\$69.57	2.9%
High	40	\$126.26	\$131.16	3.9%
Very High	50	\$158.86	\$165.38	4.1%

### Task 4.3: Bill Comparison with Other Communities

Rate schedules will be gathered from other local communities for the purpose of calculating typical bills at various levels of water and wastewater volume. The number of communities chosen for analysis will be agreed upon with the District. Example bills will be developed using the proposed rate structure and compared with typical bills of the other communities at the same volumes.

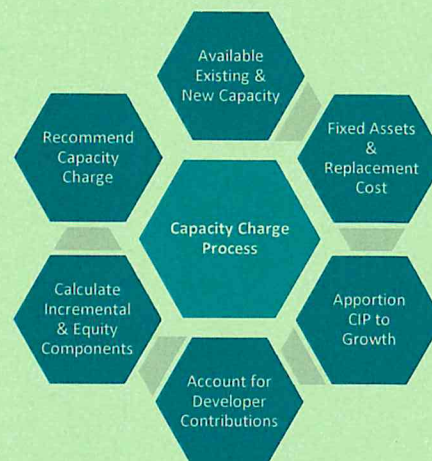


*The impacts to customer bills can be identified for each rate structure alternative prior to implementation.*

**Deliverables:** Cost of service analyses, proposed rates and presentation material

## Task 5 – Capacity Charges

Capacity charges, or sometimes called by other names such as connection fees, system development charges, or impact fees, will be determined for the District based on existing records and data from the District. Applicable State laws, administrative rules, and District ordinances will be reviewed as well as the District’s master plans, fixed assets, or other lists of capital projects regarding their eligibility for capacity charges. The costs to be recovered from new development will be considered using an appropriate methodology that may include a buy-in method, incremental cost method, or a combination of these two.



Capacity charges will be developed for the water and wastewater utilities that fairly recovers infrastructure costs from new development. Costs need to be distinguished between those that are related to repair and replacement and those that are related expansion (growth-related). The District may need to engage their Engineer to allocate CIP between replacement and growth. The growth-related costs will be recovered from a capacity charge that may include financing costs and reductions for contributed facilities. Water system capacity charges may be determined based on fee per meter or per gallon per day demand while wastewater capacity charges may be determined based on components including flow by volume and BOD and SS per pound.

## Task 6 – Report Preparation

A Draft Report will be prepared that includes forward looking financial plans, cost allocations, and proposed rates. The Draft Report will include an executive summary highlighting the major issues, assumptions, and findings and recommendations. Sections will be included that discuss the financial plans, cost allocation methodologies, design of the proposed rate structures and rates, and rate comparisons.

**Deliverables:** An electronic copy and five (5) hard copies of the draft report

Comments received will be incorporated into a Final Report for submission to the District. The Final Report and results and findings will be presented to the Board of Directors at a regular Board of Directors meeting.

**Deliverables:** An electronic copy and five (5) hard copies of the final report

## Task 7 – Meetings

Meetings will be conducted with District staff throughout the study as appropriate. The draft and final reports will be presented to District staff, Board of Directors, and public. The presentations will discuss the financial plan, the alternatives reviewed, the cost of service analyses, the rate structures analyzed, the selected rate structure, bill impacts, and rate surveys.

Tuckfield & Associates will assist in drafting the Proposition 218 notice and attend and present the Final Report at the Proposition 218 Public Hearing for the adoption of the new rates. To comply with Proposition 218, the notices must be sent to all property owners/customers at least 45 days prior to the Public Hearing.

**Meeting:** Two (2) on-site meetings with District staff and Board of Directors including a Public Hearing  
**Deliverables:** Presentation materials for meetings

## References

Mr. Tuckfield has been providing rate consulting services for over 30 years. Listed below are representative engagements and references for studies delivered by Tuckfield & Associates. These recent and successful municipal utility financial plans and rate studies are a sample of the work provided to California communities. The studies have been prepared in conformance with Proposition 218 and all studies use the cost of service and allocation methods described in the AWWA Manual M1 for water utilities and WEF Manual of Practice No. 27 for wastewater utilities.

### Water and Wastewater Rate Studies, Nipomo CSD, California

Tuckfield & Associates completed water rate studies for the District in 2010, 2014, and in 2017 that addressed the District's needs to acquire supplemental water from the City of Santa Maria. Because of recent legal actions to adjudicate the greater Santa Maria groundwater basin, the District entered into an MOU to contract for 3,000 ac-ft of supplemental water from Santa Maria.

In the 2010 study, Mr. Tuckfield assisted the District with evaluating several financial planning scenarios and rates regarding the financing and implementation of the supplemental water project. Rates were ultimately established to cover O&M and capital, without the project, to allow the District to meet its on-going obligations while the District pursued establishing an assessment district to finance the project. Rates from the 2010, 2014, and 2017 studies were adopted by the Board of Directors.

In 2013, Tuckfield & Associates assisted the District for a bond offering by providing a statement of revenue, expense and debt coverage information for its Official Statement, used to secure partial financing for the supplemental water project. The financing was incorporated into the 2014 rate study which developed a supplemental water rate structure that passed at the Proposition 218 public hearing.

In 2015, Tuckfield & Associates conducted a Wastewater Rate Study for the District. The study included preparing a long-range financial plan that included reserve targets, debt coverage ratios, and funding of CIP. Wastewater rates were developed following cost of service principles from the WEF manual of practice. Wastewater rates are currently scheduled for a Proposition 218 public hearing in November.



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#### Client Reference

*Mr. Mario Iglesias  
General Manager  
Nipomo CSD  
(805) 929-1133  
Email: miglesias@ncsd.ca.gov*

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### Water and Wastewater Rate Study, City of Pismo Beach, California

Tuckfield & Associates completed a comprehensive water and wastewater rate study for the City of Pismo Beach in 2013 and 2007. The 2007 study accounted for all financial aspects of the water and wastewater rates, including each water supply source, utility debt and assessment debt, and various sub-funds of the utilities. The study included financial planning, cost of service, and rate structures for both water and wastewater. The 2007 study results were adopted by city council.

The 2013 study addressed the city's 2010 Urban Water Management Plan finding that the city needed to reduce its per capita water consumption annually to comply with SB x7-7 as well as plan for significant replacement of infrastructure. One of the water rate structures proposed included a four-block rate structure to promote conservation. Wastewater rates were developed following the WEF and SWRCB guidelines as the City has several loans through the SRF program. Both the water and wastewater proposed rates were adopted by the city council.



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#### Client Reference

*Ms. Nadia Feeser  
Administrative Services Director  
City of Pismo Beach  
(805) 773-7010  
Email: nfeeser@pismo beach.org*

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### Water and Wastewater Rate Study and Capacity Charge Study, Heritage Ranch CSD, California

Tuckfield & Associates completed a Water and Wastewater Rate Study for the District in 2017. The study's scope of work included preparing several financial plan scenarios to demonstrate the impact of the CIP on cash flow by showing revenues necessary to meet O&M, O&M with replacement, and O&M with replacement and debt financing of the CIP. The financial plan alternatives provide for maintaining cash balances at policy target levels while meeting O&M escalation, future debt service, and annual repair and replacement expenditures. The District engaged Tuckfield & Associates again in 2018 to perform a Capacity Charge Study. The study calculated the buy-in and growth-related components of the charge from existing fixed asset records and CIP allocated to growth.

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#### Client Reference

*Mr. Scott Duffield  
General Manager  
Heritage Ranch CSD  
(805) 470-3140  
Email: scott@heritageranchcsd.com*

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## Water Rate Study, City of Buena Park, California

Tuckfield & Associates completed a water financial plan and rate study for the City of Buena Park in 2016 and was engaged again by the City for preparation of a financial plan for a revenue bond issue in 2017. The rate study scope of work included (1) preparing a long-range financial plan that includes assessment of current revenues to meet the current and future obligations of the water fund, establishing operating and capital reserve policies, and incorporating financing of the proposed capital improvement program (CIP) spending plan and (2) design of an appropriate rate structure that complies with Proposition 218.

Three financial plan alternatives were prepared and discussed with City Staff that funded the same CIP but with various combinations of cash, bond financing, and annual revenue increases. The cost of service and rate portion of the study included a review and justification of the City's current rate structure and rates and preparing two tiered-rate structure alternatives. The rate structures addressed the recent San Juan Capistrano court decision regarding conservation rates by preparing a new tiered rate structure to replace the current conservation rate structure while also developing a uniform volume rate structure for all customers. The rates were adopted by city council.



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### Client Reference

*Mr. Mike Grisso  
Utilities Manager  
City of Buena Park  
(714) 562-3705  
Email: [mgrisso@buenapark.com](mailto:mgrisso@buenapark.com)*

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## Water and Wastewater Rate Studies, City of Loma Linda, California

Tuckfield & Associates completed a water and wastewater rate study for the City of Loma Linda in 2014 and is performing an update in 2018. The study included developing financial plans for the water and wastewater utilities including review of the pass-through expense from the City's wastewater treatment provider. This resulted in the need for higher wastewater rate increases than expected.

Several rate scenarios were discussed with city staff that evaluated the impact of budget constraints and the delay of capital improvements to future years. In both the water and sewer funds, the fund balances were below city policy target levels. Rate increases for both utilities included rebuilding fund balances, cure annual deficits, meet O&M escalation, pay for future debt service, and fund annual repair and replacement expenditures. Water and wastewater rates were adopted by the City Council.



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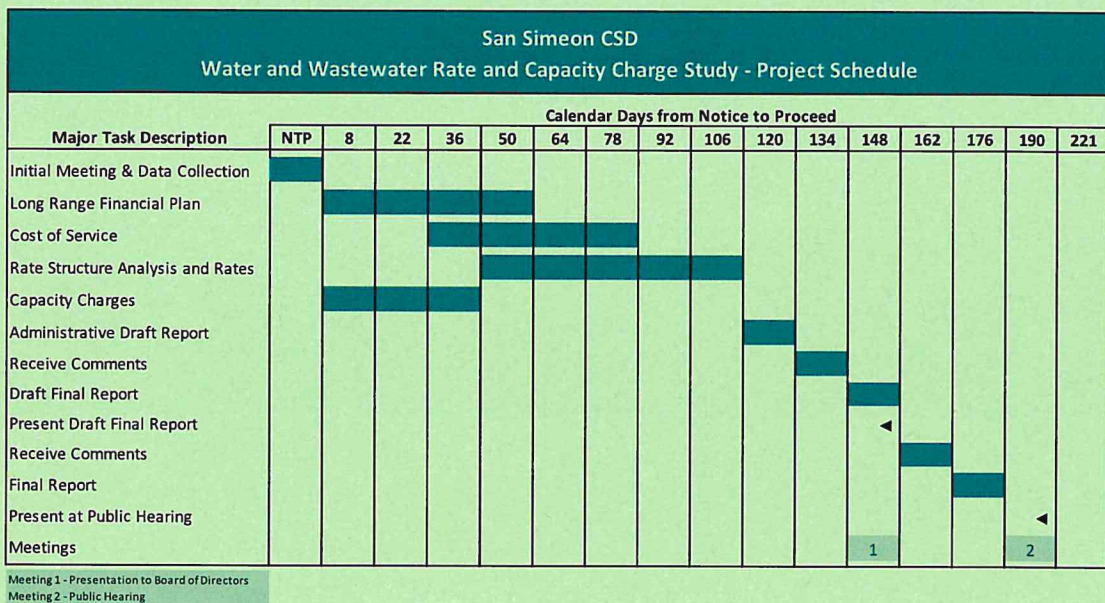
### Client Reference

*Mr. T. Jarb Thaipejr  
City Manager  
City of Loma Linda  
(909) 799-2811  
Email: [jthaipejr@lomalinda-ca.gov](mailto:jthaipejr@lomalinda-ca.gov)*

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# Schedule

Tuckfield & Associates has a strong track record of meeting client schedules. Our experience in performing rate studies enables us to meet the District’s goals in a timely and efficient manner. A suggested time-line schedule is presented below in a graphical format showing key milestone and target dates. Tuckfield & Associates is capable of presenting the study within six months of notice-to-proceed. The schedule is approximate based on timely receipt of information and acceptance of the study by the District and public. The time-line can be adjusted to meet the District’s specific needs.



# Proposed Fee

Tuckfield & Associates provides comprehensive studies with competitive pricing and billing rates. We propose to accomplish the tasks described in our scope of work section for a cost not-to-exceed estimate of \$34,716. The cost estimate is based on our standard hourly billing rates and the number of hours estimated to complete each task. Direct expenses will be billed at cost and will include expenses related to travel, mileage, printing, and other direct costs. A cost schedule showing personnel, estimated hours, hourly billing rates, out-of-pocket expenses, and total estimated project cost is provided below.

Additional meetings can be provided at our standard hourly billing rates with direct actual expenses. Invoices for work effort associated with the rate studies will be invoiced monthly and payable within 30 days of the invoice date.

**San Simeon CSD**

**Water and Wastewater Rate and Capacity Charge Study - Detailed Cost Breakdown**

Major Task Description	Cost of Service Study			Each Additional Meeting		
	On-site Meeting	Hours		On-site Meeting	Hours	
		Clayton Tuckfield	Total Budget		Clayton Tuckfield	Total Budget
	Hourly Rate	\$150		\$150		
<b>Task 1: Data Collection</b>		2	\$300			
<b>Task 2: Long Range Financial Plans</b>						
Task 2.1: Review Financial Info, Policy & Practice		4	\$600			
Task 2.2: Review and Summarize Billing Info		24	\$3,600			
Task 2.3: Develop Long Range Financial Plans		34	\$5,100			
<b>Task 3: Cost of Service Analyses</b>						
Task 3.1: Analyze Customer Usage Patterns & Classes		12	\$1,800			
Task 3.2: Allocate Costs to Cost Components		14	\$2,100			
Task 3.3: Distribute Costs to Customer Class		10	\$1,500			
<b>Task 4: Rate Analysis and Design</b>						
Task 4.1: Evaluate Rate Structures & Calc Rates		36	\$5,400			
Task 4.2: Determine Bill Impacts		10	\$1,500			
Task 4.3: Bill Comparison with Other Communities		6	\$900			
<b>Task 5: Develop Capacity Charges</b>		38	\$5,700			
<b>Task 6: Report Preparation</b>		24	\$3,600			
<b>Task 7: Meetings</b>	2	8	\$1,200	1	4	\$600
<b>Total</b>	<b>2</b>	<b>222</b>	<b>\$33,300</b>	<b>1</b>	<b>4</b>	<b>\$600</b>
<b>Other Direct Costs (ODCs): Travel, Mileage &amp; Printing:</b>			<b>\$1,416</b>	<b>\$483</b>		
<b>Total Study Cost:</b>			<b>\$34,716</b>	<b>Each Meeting:</b>	<b>\$1,083</b>	

# Appendix A

## Resume

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A resume for Clayton Tuckfield is provided in Appendix A.



# Clayton Tuckfield, PE MBA

*Principal, Tuckfield & Associates Consulting*

## Education

M.B.A. – Finance,  
University of Kansas,  
Lawrence, KS, 1985

B.S. – Mechanical  
Engineering, Kansas State  
University, 1980

## Registration

Professional Engineer:  
Kansas

## Years of Experience

32

## Presentations

CSDA 2011 Nov/Dec  
Magazine

CSDA 2011 Rate Webinar

AWWA Annual Conference  
and Exposition  
Toronto, Canada

ASCE, Phoenix, AZ

AFOA, Phoenix, AZ

Mr. Tuckfield is the Principal of Tuckfield & Associates consulting. He has over 30 years of experience serving in various capacities on work performed for publicly owned water and wastewater utilities. Mr. Tuckfield has performed a variety of financial feasibility and economic analyses studies including utility cost of service and rate design studies, impact fee studies, development of pro forma statements of revenue and operating expense, cash flow analyses, preparation of engineer's reports for revenue bond official statements, valuations of facilities use plans, preparation of alternative financing plans for capital improvement programs, and development of training material for presentation to international interest groups.

Mr. Tuckfield has conducted or managed over 100 water and wastewater rate studies for various cities and special districts in California and nationwide. Clients have included the cities of Long Beach, Ventura, Buena Park, Fullerton, and Loma Linda and special districts including Nipomo CSD, Heritage Ranch CSD, Templeton CSD, Keyes CSD, Hilmar CWD, and for many other clients.

**Water and Wastewater Utility Rate Studies, City of San Buenaventura, Ventura, California.** Mr. Tuckfield has performed rate study updates almost on an annual basis for the City from 1990 through 2010. In the most recent study, Mr. Tuckfield worked with City Staff to extend the study period to 10 years, develop various cash flow scenarios for alternative CIP plans, expand water customer classifications to reflect actual operations, developed analyses regarding the City's outside rate differential, and presented draft results to City Staff. He has also prepared information for City Staff's use for conducting internal meetings on an as needed basis.

**Water and Wastewater Cost of Service and Rate Study, Long Beach, California.** Mr. Tuckfield was responsible for cost of service and rates for the water and wastewater utilities for the City. The project work included development of utility rates to promote water conservation and to allow easy implementation and acceptance. The work effort also included development of computer models to enable the Department to annually review utility rates. The project included working closely with a departmental task force to develop alternative rate structure for eventual implementation.

## Representative Water and Wastewater Rate Studies

- City of Avondale, AZ
- City of Arroyo Grande, CA
- City of Battle Creek, MI
- City of Brawley, CA
- City of Buena Park, CA
- City of Charleston, SC
- City of Georgetown, TX
- City of Grover Beach, CA
- City of Homestead, FL
- City of Imperial Beach, CA
- City of Imperial, CA
- City of Kalamazoo, MI
- City of Pismo Beach, CA
- City of Santa Cruz, CA
- Santa Barbara, CA
- City of Sioux City, IA
- City of Sioux Falls, SD
- City of Westmorland, CA

# Clayton Tuckfield, PE MBA

*Principal, Tuckfield & Associates Consulting*

- City of Chesapeake, VA
- City of El Monte, CA
- City of Fayetteville, AR
- City of Firebaugh, CA
- City of Flagstaff, AZ
- City of Florence, AZ
- City of Fullerton, CA
- City of Loma Linda, CA
- City of Long Beach, CA
- City of Modesto, CA
- City of Oakdale, CA
- City of Orange Cove, AZ
- City of Peoria, AZ
- City of Phoenix, AZ
- DuPage County, IL
- Hilmar County WD, CA
- Mission Springs WD, CA
- Nipomo CSD, CA
- San Miguel CSD, CA
- Templeton CSD, CA
- Town of Cave Creek, AZ

## Representative Municipal Bond Feasibility Studies

- City of Alexandria, LA
- City of Kansas City, MO
- City of Owensboro, KY
- City of Firebaugh, CA
- City of Salem, OR
- City of Tacoma, WA
- Eugene Water & Elec, OR
- City of Livingston, CA
- Litchfield Park, AZ
- Memphis Gas, Water, TN
- San Dieguito WD, CA
- City of Buena Park, CA

## Other Feasibility Studies

- City of Brownsville, TX - Electric Utility Rate Study
- City of Detroit, MI - Organizational Study
- City of Phoenix, AZ - Impact Fee Review
- County of Maui, HI - Pretreatment Program
- Imperial Irrigation District, CA - Financial Feasibility Study
- Imperial Valley Task Force, CA - Financial Alternatives Study
- MWD of Southern California, CA - Review of New Demand Charges
- Saudi Consolidated Electric Co. - Electric Generation Dispatch Model
- Texas A&M University, TX - Power Supply Alternatives Study
- United Water Conservation District - Water Supply Pricing Model

## Publications/Presentations

"Value of Rate Study in Project Finance", CSDA November/December 2011 Magazine, Sacramento, California

"Role of Rate Study with USDA Financing", CSDA Webinar, September 22, 2011, Sacramento, California

"Committee Involvement Facilitates Rate Implementation", AWWA Annual Conference and Expo, Toronto, Canada 1996

"Arizona Utility Rates", ASCE Arizona Fall Conference, Phoenix, Arizona 1997

"Utility Rate Seminar", Arizona Finance Officers Association, Spring Meeting, Flagstaff, Arizona 1998