



Board of Alderman Request for Action

MEETING DATE: 4/4/2022

DEPARTMENT: Finance/Administration

AGENDA ITEM: Resolution 1041, awarding Bid No. 22-08 for a Utility Rate Study

REQUESTED BOARD ACTION:

Motion to approve Resolution 1041, a Resolution awarding Bid No. 22-08 to Raftelis Financial Consultants to complete a Utility Rate Study in an amount not to exceed \$24,750.

SUMMARY:

In January 2022, the City posted RFQ #22-08 for a utility rate study. Three responses were received. A review committee comprised of the City Administrator, Public Works Director, Finance Director, Finance Analyst and Management Analyst reviewed the proposals and interviewed the three firms. Following the staff interviews, Raftelis Financial Consultants was identified as the best qualified firm for the study.

The firm brings distinct advantages to the utility rate study process. In 2018, Raftelis completed a utility rate study for the City of Smithville. Raftelis has a primary location in Kansas City, which provides more ease in communication and ensures staff are accessible for inquiry. Raftelis has conducted a significant number of utility rate studies in communities of all sizes and complexities of utility operations. In addition, the utility rate dashboard provides enhanced graphics and reporting information which bring greater value to the product for the City.

The cost submitted for the project is not to exceed \$24,750. The FY2022 Budget includes \$25,000 in the Combined Water and Wastewater System Fund for this project.

PREVIOUS ACTION:

On August 21, 2018, the Board of Aldermen approved a resolution to execute a contract for a utility rate study with Raftelis Financial Consultants. This would be the second utility rate study performed by the firm for the City.

POLICY OBJECTIVE:

Click or tap here to enter text.

FINANCIAL CONSIDERATIONS:

The FY2022 budget includes \$25,000 for this project.

ATTACHMENTS:

- | | |
|--|--|
| <input type="checkbox"/> Ordinance | <input checked="" type="checkbox"/> Contract |
| <input checked="" type="checkbox"/> Resolution | <input type="checkbox"/> Plans |
| <input type="checkbox"/> Staff Report | <input type="checkbox"/> Minutes |
| <input type="checkbox"/> Other: | |

RESOLUTION 1041

**A RESOLUTION AWARDING A CONTRACT IN RESPONSE TO RFQ #22-08
FOR A UTILITY RATE STUDY**

WHEREAS, city staff has conducted a request for qualifications with the goal of completing a utility rate study; and

WHEREAS, after the completion of the request for qualifications process and firm interviews, staff has made a recommendation for accepting a firm as being the most qualified for the completion of a utility rate study for the City.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF SMITHVILLE, MISSOURI:

THAT RFQ #22-08 is hereby awarded to Raftelis Financial Consultants, LLC and the Mayor is hereby authorized to execute the purchase in an amount not to exceed \$24,750.

PASSED AND ADOPTED by the Board of Aldermen and **APPROVED** by the Mayor of the City of Smithville, Missouri, the 4th day of April 2022.

Damien Boley, Mayor

ATTEST:

Linda Drummond, City Clerk

PROFESSIONAL SERVICES AGREEMENT BETWEEN
CITY OF SMITHVILLE
AND
RAFTELIS FINANCIAL CONSULTANTS, INC.

This Consulting Agreement (“Agreement”) is entered into this 4th day of April, 2022 (hereinafter referred to as the effective date of the agreement) by and between, the City of Smithville, Missouri (the “Client”) and Raftelis Financial Consultants, Inc., 227 W. Trade Street, Suite 1400, Charlotte, NC 28202 (“Raftelis”).

Witnesseth

WHEREAS, Raftelis has substantial skill and experience in public finance, management, and pricing, and service delivery, and

WHEREAS, The Client desires to hire Raftelis and Raftelis desires to provide services to the Client,

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the terms and conditions set forth herein.

Article 1. Statement of Work

Raftelis shall provide professional consulting services to prepare a Utility Rate Study for the Client. Raftelis will perform these services as set forth in proposal sent to the Client dated February 10, 2022 and included herein as Attachment A.

Article 2. Time for Completion

This agreement will commence upon approval by the Client and remain in effect for a period of one year. Further renewals of this Agreement are at the option of the Parties and shall be in writing.

Article 3. Compensation

Client shall pay to Raftelis the sum not to exceed \$24,750, which includes professional fees and direct expenses incurred in performing the scope of services, as well as an hourly technology expense reimbursement, outlined in Attachment B. The parties understand that this sum is based upon the scope of work contained in Attachment A. Any expansion of the scope of work by the Client shall involve the discussion of additional fees by both parties.

Raftelis shall submit invoices to the Client on a monthly basis for services rendered to the date thereof. Such invoices shall be supported by appropriate documentation; at a minimum, the task performed, the individuals working on such task, the level of each such individual, and expenses incurred. Each invoice will contain all hours and expenses from the Raftelis for the month. Upon receipt of monthly invoice, the Client will remit payment of same amount to the Raftelis within 30 days.

Article 4. Additional Services

At the Client's request, Raftelis may submit proposals for additional professional services. Each proposal submitted shall detail: (1) scope of work for the additional services, (2) period of services to be performed, and (3) method and amount of compensation. The Client shall provide written acceptance and authorization to Raftelis prior to the commencement of work on any proposed additional services. Each proposal for additional services accepted and approved by the Client shall become part of this Agreement and shall be governed by the terms and conditions contained herein.

Article 5. Place of Performance

Raftelis shall be responsible for maintaining its own office facilities and will not be provided with either office facilities or support by the Client.

Article 6. Indemnification

Raftelis hereby agrees to indemnify the Client and to hold the Client harmless against any and all claims, action, or demands against the Client and against any and all damages for injury to or death of any person and for loss of or damage to any and all property arising out of the negligent acts, errors or omissions of Raftelis under this Agreement. Raftelis shall not be held responsible for any claims caused by the negligence of the Client.

Article 7. Insurance

Raftelis shall maintain the types and levels of insurance during the life of this Agreement as specified below. The Client will be named as additional insured on Raftelis' Certificates of Insurance and Raftelis will provide the Client with these Certificates of Insurance.

Commercial general liability insurance - \$1,000,000 for each occurrence and \$2,000,000 in the aggregate

Comprehensive automobile liability insurance - \$1,000,000 combined single limit each occurrence-hired and non-owned only

Workers Compensation insurance – Statutory limits

Professional liability insurance - \$5,000,000 occurrence and \$5,000,000 in the aggregate

Excess or Umbrella Liability - \$5,000,000 occurrence and \$5,000,000 in the aggregate

Article 8. Confidential Information

Raftelis acknowledges and agrees that in the course of the performance of the services pursuant to this Agreement, Raftelis may be given access to, or come into possession of, confidential information from the Client, of which information may contain privileged material or other confidential information. Raftelis acknowledges and agrees, except if required by judicial or administrative order, trial, or other governmental proceeding pertaining to this matter, that it will not use, duplicate, or divulge to others any such information belonging to or disclosed to Raftelis by the Client without first obtaining written permission from the Client. All tangible embodiments of such information shall be delivered to the Client by Raftelis upon termination hereof, or upon

request by the Client, whichever occurs first. The Client acknowledges Raftelis has the right to maintain its own set of work papers which may contain confidential information.

Article 9. Independent Contractor Status

It is understood and agreed that Raftelis will provide the services under this Agreement on a professional basis as an independent contractor and that during the performance of the services under this Agreement, Raftelis' employees will not be considered employees of the Client within the meaning or the applications of any federal, state, or local laws or regulations including, but not limited to, laws or regulations covering unemployment insurance, old age benefits, worker's compensation, industrial accident, labor, or taxes of any kind. Raftelis' employees shall not be entitled to benefits that may be afforded from time to time to Client employees, including without limitation, vacation, holidays, sick leave, worker's compensation, and unemployment insurance. Further, the Client shall not be responsible for withholding or paying any taxes or social security on behalf of Raftelis' employees. Raftelis shall be fully responsible for any such withholding or paying of taxes or social security.

Article 10. Reliance on Data

In performance of the services, it is understood that the Client and/or others may supply Raftelis with certain information and/or data, and that Raftelis will rely on such information. It is agreed that the accuracy of such information is not within Raftelis' control and Raftelis shall not be liable for its accuracy, nor for its verification, except to the extent that such verification is expressly a part of Raftelis' scope of services.

Article 11. Opinions and Estimates

Raftelis' opinions, estimates, projections, and forecasts of current and future costs, revenues, other levels of any sort, and events shall be made on the basis of available information and Raftelis' expertise and qualifications as a professional. Raftelis does not warrant or guarantee that its opinions, estimates, projections or forecasts of current and future levels and events will not vary from the Clients's estimates or forecasts or from actual outcomes. Raftelis identifies costs, allocates costs to customer classes and provides rate models. It does not establish rates, which is the legislative responsibility of the Client.

Article 12. No Consequential Damages

To the fullest extent permitted by law, neither party shall be liable to the other for any special, indirect, consequential, punitive or exemplary damages resulting from the performance or non-performance of this Agreement notwithstanding the fault, tort (including negligence), strict liability or other basis of legal liability of the party so released or whose liability is so limited and shall extend to the officers, directors, employees, licensors, agents, subcontractors, vendors and related entities of such party.

Article 13. Termination of Work

This Agreement may be terminated as follows:

1. **By Client** (a) for its convenience on 30 days' notice to Raftelis, or (b) for cause, if Raftelis materially breaches this Agreement through no fault of Client and Raftelis neither cures such material breach nor makes reasonable progress toward cure within 15 days after Client has given written notice of the alleged breach to Raftelis.
2. **By Raftelis** (a) for cause, if Client materially breaches this Agreement through no fault of Raftelis and Client neither cures such material breach nor makes reasonable progress toward cure within 15 days after Raftelis has given written notice of the alleged breach to Client, or (b) upon five days' notice if Work under this Agreement has been suspended by either Client or Raftelis in the aggregate for more than 30 days.
3. **Payment upon Termination.** In the event of termination, Raftelis shall be compensated for all work performed prior to the effective date of termination.

Article 14. Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed deliverable when delivered in person or deposited in the United States mail, postage prepaid, addressed as follows:

If for the Client:

Damien Boley

Name

Mayor

Title

107 West Main Street

Address

Smithville, MO 64089

If for Raftelis:

Thomas A. Beckley
Vice President
Raftelis Financial Consultants, Inc.
3013 Main Street
Kansas City, MO 64108

Article 15. Compliance with Applicable Laws

Raftelis agrees not to discriminate in its employment practices, and will render services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation or disabilities.

Any act of discrimination committed by Raftelis, or failure to comply with these statutory obligations when applicable, shall be grounds for termination of this Agreement.

Article 16. General Provisions

- A. Entire Agreement: This Agreement represents the entire and sole agreement between the Parties with respect to the subject matter hereof.
- B. Waiver: The failure of either Party to require performance by the other of any provision hereof shall in no way affect the right to require performance at any time thereafter, nor shall the waiver of a breach of any provision hereof be taken to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself. All remedies afforded in this Agreement shall be taken and construed as cumulative; that is, in addition to every other remedy available at law or in equity.
- C. Relationship: Nothing herein contained shall be construed to imply a joint venture, partnership, or principal-agent relationship between Raftelis and the Client; and neither Party shall have the right, power, or authority to obligate or bind the other in any manner whatsoever, except as otherwise agreed to in writing.
- D. Assignment and Delegation: Neither Party shall assign or delegate this Agreement or any rights, duties, or obligations hereunder without the express written consent of the other. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the successors, legal representatives, and assignees of the Parties hereto.
- E. Severability: If any provision of this Agreement is declared invalid or unenforceable, such provision shall be deemed modified to the extent necessary and possible to render it valid and enforceable. In any event, the unenforceability or invalidity of any provision shall not affect any other provision of this Agreement, and this Agreement shall continue in force and effect, and be construed and enforced, as if such provision had not been included, or had been modified as above provided, as the case may be.
- F. Governing Law: This Agreement shall be governed by, and construed in accordance with, the laws of the State of Missouri.
- G. Paragraph Headings: The paragraph headings set forth in this Agreement are for the convenience of the Parties, and in no way define, limit, or describe the scope or intent of this Agreement and are to be given no legal effect.

- H. Third Party Rights Nothing in this Agreement shall be construed to create or confer any rights or interest to any third party or third party beneficiary. It is the intent of the parties that no other outside, non-party claimant shall have any legal right to enforce the terms of this Agreement.

Article 17. Disclosures

As a registered Municipal Advisor under the Dodd-Frank Act, Raftelis is required to inform our clients of any existing or potential conflicts of interest that may be relevant to any proposed scope of services that may include providing “advice” as that term is defined in the Dodd-Frank Act. As of the date of this engagement letter, no conflicts of interest are known to exist.

Under the Dodd-Frank Act the definition of “advice” includes providing any opinion, information or assumptions related to the size, timing and terms of possible future debt issues or borrowing. This type of information may be integrated into the capital and financial planning components of a Utility Rate Study. This definition is applicable regardless of whether this information is developed and used solely for planning and decision making purposes. For the services addressed in the scope of work identified for this engagement, any information that is developed by Raftelis that falls under this definition of municipal advice is not intended to represent a recommendation that the City of Smithville should issue debt based on the terms and assumptions used to develop the financial plan or forecast, or that the City of Smithville will, in fact, be able to issue debt under the exact terms and conditions assumed and used to develop the financial plan or forecast. The information developed as part of this Utility Rate Study, including any related municipal advice, is intended only to provide information useful in evaluating the potential impact on the utility and future rate adjustments of one potential course of action for the City of Smithville. If the City of Smithville decides at some future date to issue debt, then at that time the City of Smithville will need to engage an independent, registered Financial Advisor to assist in evaluating the availability of different types of debt, and the specific terms and conditions for issuing debt, which will be affected by market conditions and the City of Smithville’s credit rating at the time of issuance. At that time, as a registered Municipal Advisor, Raftelis can also provide additional assistance related to a specific bond or debt issue, such as preparing a bond feasibility report or financial forecast for inclusion in bond documents, without requiring additional oversight or supervision by the Financial Advisor.

By signing this contract indicating its approval and acceptance of the of the proposed scope of work and fees, the City of Smithville is also explicitly acknowledging that Raftelis has provided the necessary disclosures addressing conflicts of interest and any limitations on the scope of Municipal Advisory services to be provided by Raftelis’ part of this engagement.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

By: _____
Signature

Mayor

Title

April 4, 2022

Date

City Clerk

Witness

Raftelis Financial Consultants, Inc.

By: _____
Signature

Title

Date

Witness

Attachment A – Statement of Work/Engagement Letter

Attachment B – Compensation

City of Smithville

Utility Rate Study

RFQ #22-08 / FEBRUARY 10, 2022



(It is preferred that the Bid Response use this Form, however, the City reserves the right to accept Bids which provide the necessary information without using this form.)

RFQ #22-08 UTILITY RATE STUDY

I, Thomas Beckley, hereby representing
(Agent Submitting RFQ)

Raftelis Financial Consultants, Inc., have read and reviewed the attached specifications.
(Firm or Company)

I state the hereby offer meets or exceeds all requirements. Please note that Exhibit 1 and all other required information must be attached.

Raftelis Financial Consultants, Inc.
Company Name

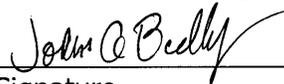
3013 Main Street
Address

Kansas City, MO 64108
City/State/Zip

816.285.9024
Telephone

20-1054069
Tax ID No.

Thomas Beckley
Authorized Person (Print)


Signature

Vice President
Title

February 8, 2022
Date

tbeckley@raftelis.com
E-Mail Address

State the name, address, and telephone number of not less than three (3) customers for whom the Contractor has performed similar Service within the last two (2) years:

City of Edgerton (KS): Beth Linn, City Administrator, 404 E Nelson St., Edgerton, KS 66021 - P: 913.893.231 / E: blinn@edgertonks.org

City of North Kansas City (MO): Kim Nakahodo, Interim City Manager, 2010 Howell Street, North Kansas City, MO 64116 - P: 816.412.7814 / E: knakahodo@nkc.org

City of Lawrence (KS): Mike Lawless, P.E., Deputy Director of Utilities, P.O. Box 708, Lawrence, KS 66044 - P: 785.832.7862 / E: mlawless@lawrenceks.org

February 10, 2022

Mr. Stephen Larson
Finance Director
City of Smithville
107 W. Main Street
Smithville, MO 64089

Subject: Proposal for Utility Rate Study (RFQ #22-08)

Dear Mr. Larson:

Raftelis is pleased to submit this proposal to assist the City of Smithville (City) with a utility rate study. We appreciate the opportunity to submit this proposal, which details our project approach to meet the City's objectives as well as our qualifications and experience within the water and wastewater utility industry.

Raftelis was established in 1993 to provide financial, rate, and management consulting services of the highest quality to water and wastewater utilities. Since that time, Raftelis has grown to have the largest water and wastewater utility rate and financial consulting practice in the country, with more than 130 consultants. Our staff has provided rate and/or financial planning assistance to over 1,000 utilities across the United States and have conducted thousands of studies. Our mission has always been focused on assisting our clients in meeting their goals of financial viability.

Raftelis conducted a similar study for the City in 2018 and our proposal provides a full update of that work conducted for the City reflecting the latest information regarding the City's customers and their demands as well as the City's operating, maintenance, and capital expenses for the water and wastewater utilities.

We strongly believe our team would successfully complete the study and provide significant value to the City for several reasons, including:

- **Breadth of experience** – We have conducted thousands of financial projects for more than 1,000 utilities across the country, many of them similar to this study.
- **Knowledge of your water and sewer systems** – Our Project Director led the effort for a similar study for the City in 2018 and will again lead the effort for this study in 2022.
- **Proximity** – All of the project team members are located in our Kansas City office, a 30 minute drive from Smithville City Hall. We understand the region and are available to meet with City Staff and present our findings without significant additional cost to the City.
- **Communication** – Our project staff are available to the city by telephone, video conference, email, and because of our proximity, in person, on short notice to ensure excellent communication and collaboration between our staff and City staff to complete this project in a timely manner.

The City has indicated they would like to examine the use of debt financing for their capital improvement financing plan, it's important to note that Raftelis is a Registered Municipal Advisor, which is required under the Dodd-Frank Wall Street Reform Act for any advice or recommendations provided to a municipal client on the size, timing, structure, or

term of municipal borrowing. I am a Municipal Securities Rulemaking Board Series 54 Registered Municipal Principal and Series 50 Registered Municipal Advisor and am fully qualified and registered to provide this advice to the City.

To assist the City with this project, we have assembled a team with extensive experience and a reputation for quality service. I will serve as Project Director of the study, ensuring the City's objectives are fully met. I will work closely with the Project Manager, Collin Drat, who will manage the day-to-day aspects of the project ensuring it is within budget and on schedule. Joe Collins will be Lead Consultant on this project, he has over five years experience performing similar studies for utilities throughout the United States. Our project team has the availability to begin work on this project at any time.

We appreciate this opportunity to be of service to the City and provide this proposal, if you have any questions or comments concerning this proposal, please do not hesitate to contact me at any time at 816.682.1328 or tbeckley@raftelis.com.

Sincerely,



Thomas A. Beckley

Vice President



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

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



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

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

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Timeline

WHO IS Raftelis

HELPING LOCAL GOVERNMENTS AND UTILITIES THRIVE

Local government and utility leaders partner with Raftelis to transform their organizations by enhancing performance, planning for the future, identifying top talent, improving their financial condition, and telling their story. We've helped more than 600 organizations in the last year alone. We provide trusted advice, and our experts include former municipal and utility leaders with decades of hands-on experience running successful organizations. People who lead local governments and utilities are innovators—constantly seeking ways to provide better service to the communities that rely on them. Raftelis provides management consulting expertise and insights that help bring about the change that our clients seek.

Firm Information

Firm Name: Raftelis Financial Consultants, Inc. (DBA Raftelis)

Firm History: Raftelis is a subchapter S-Corporation incorporated in the state of North Carolina on April 23, 2004. The predecessor to Raftelis, Raftelis Environmental Consulting Group, Inc., was established on May 10, 1993 by George A. Raftelis to provide financial and management consulting services of the highest quality to public-sector clients. In 1999, the firm's name was changed to Raftelis Financial Consulting, PA. Following the sale of a portion of the firm to a group of employees on April 22, 2004, the firm's name changed to Raftelis Financial Consultants, Inc., which remains the firm's legal name. We currently do business as Raftelis.

Organization Size: 162 employees, including 139 consultants

Licensed Agents: Raftelis is fully licensed to conduct financial consulting services in the state of Missouri. There are no specific licenses required to conduct the requested services, however, our firm is a Registered Municipal Advisor with the SEC and MSRB, and many of our staff members hold individual licenses, like Certified Public Accountants and Chartered Financial Analysts.

Office Locations: Albany Metro, NY; Austin, TX; Bellingham, WA; Boston Metro, MA; Charlotte, NC; Cincinnati, OH; Denver Metro, CO; Greensboro, NC; Kansas City, MO; Los Angeles, CA; Memphis, TN; Murrieta, CA; Orlando Metro, FL; and Raleigh Metro, NC.

+ VISIT [RAFTELIS.COM](https://www.raftelis.com) TO LEARN MORE

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



RESOURCES & EXPERTISE: This project will require the resources necessary to effectively staff the project and the skillsets to complete all of the required components. With more than 130 consultants, Raftelis has the largest water-industry financial and management consulting practice in the nation. Our depth of resources will allow us to provide the City with the technical expertise necessary to meet your objectives. In addition to having many of the industry's leading rate consultants, we also have experts in key related areas, like stakeholder engagement and data analytics, to provide additional insights as needed.



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



HISTORY OF SIMILAR SUCCESSES: An extensive track record of past similar work will help to avoid potential pitfalls on this project and provide the know-how to bring it across the finish line. Raftelis staff has assisted 1,000+ utilities throughout the U.S. with financial and rate consulting services with wide-ranging needs and objectives. Our extensive experience will allow us to provide innovative and insightful recommendations to the City and will provide validation for our proposed methodology ensuring that industry best practices are incorporated.



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



RATES THAT ARE ADOPTED: For the study to be a success, rates must be successfully approved and implemented. Even the most comprehensive rate study is of little use if the recommendations are not approved and implemented. Raftelis has assisted numerous agencies with getting proposed rates successfully adopted. We develop a message regarding the changes that is politically acceptable and convey that message in an easy-to-understand manner. We focus on effectively communicating with elected officials about the financial consequences and rationale behind recommendations to ensure stakeholder buy-in and successful rate adoption.

29 years serving the public sector

How we stack up

OUR TEAM INCLUDES

130+ consultants focused on finance/management/communication/technology for the public sector

5 chairs & **20** members of AWWA and WEF utility finance and management committees and subcommittees

& the Immediate Past-President of AWWA

RAFTELIS HAS PROVIDED ASSISTANCE FOR

1,200+ public agencies and utilities

that serve more than

25% of the U.S. population

including the agencies serving

38 of the nation's 50 largest cities

in the past year alone, we worked on

1,000+ projects for **600+** agencies in **46** states

Additional Services



FINANCE

Meet your goals while maintaining a financially sustainable organization

- Rate, charge, and fee studies
- Financial and capital planning
- Cost of service and cost allocation
- Customer assistance programs
- Affordability analysis
- Utility valuation
- Budget development
- Financial condition assessments
- Debt issuance support
- Economic feasibility and analysis



COMMUNICATION

Communicate strategically to build an informed, supportive community

- Strategic communication planning
- Public involvement and community outreach
- Public meeting facilitation
- Graphic design and marketing materials
- Media and spokesperson training
- Risk and crisis communication
- Social media strategy
- Visual facilitation
- Virtual engagement



STRATEGIC PLANNING

Set the direction for the future of your organization and community

- Organization, department, and community-based strategic planning
- Effective Board / Commission / Council governance
- Retreat planning and facilitation



ORGANIZATION

Plan for long-term sustainability and operate with maximum efficiency

- Organizational and operational assessments
- Stormwater utility development and implementation support
- Performance measurement
- Staffing analysis
- Organizational climate and culture
- Asset management and operations
- Regional collaboration and service sharing



TECHNOLOGY

Use your data and technology to improve experience and gain valuable insights

- Billing, permitting, and customer information audits
- Business process development
- Data management, analytics, and visualization
- Performance measurement and dashboarding
- Software solutions
- Website development



EXECUTIVE RECRUITMENT

Identify top talent to lead local governments and utilities

Project Team

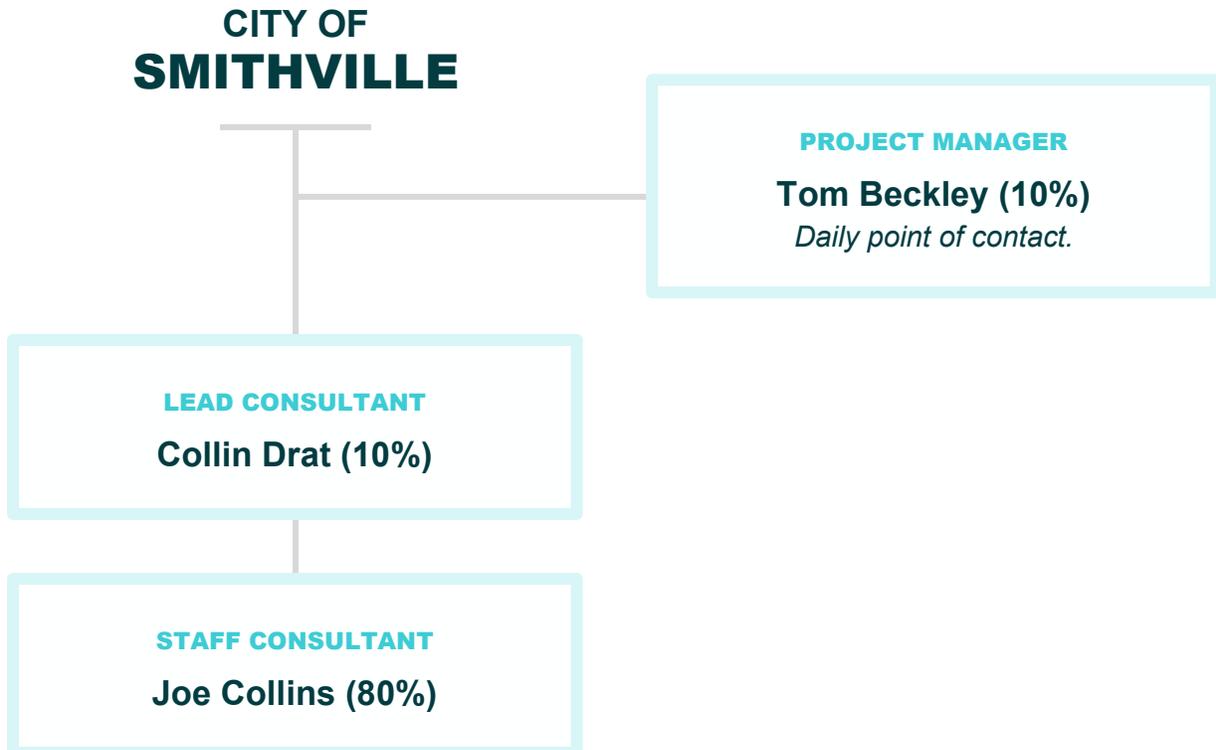
WE HAVE DEVELOPED A TEAM OF CONSULTANTS WHO SPECIALIZE IN THE SPECIFIC ELEMENTS THAT WILL BE CRITICAL TO THE SUCCESS OF THE CITY'S PROJECT.

Our team includes senior-level professionals to provide experienced project leadership with support from talented consultant staff. This close-knit group has frequently collaborated on similar successful projects, providing the City with confidence in our capabilities.

Communication capabilities: The success or failure of any consulting engagement is defined by the effectiveness of communications between the client and consultant and among the project team members. A cornerstone of Raftelis' success is our commitment to regular, fully transparent, and highly effective communications with each client, as well as within our project teams.

Raftelis has used many different approaches in past consulting engagements to ensure the timely flow of information and documents between the firm, the client, and other relevant parties. These approaches will be defined by the City to meet your unique needs and preferred communications protocols. On other projects, these protocols have included weekly, bi-weekly, or monthly meetings, telephone calls, and/or email communications between Raftelis' Project Manager and our designated client contact. They have also included detailed monthly written reports describing the status of the project. We encourage all of our clients to contact us day or night if they require any type of assistance.

Here, we have included an organizational chart showing the structure of our project team. On the following pages, we have included resumes for each of our team members as well as a description of their role on the project.



Tom Beckley

PROJECT MANAGER

Vice President

ROLE

Tom will manage the day-to-day aspects of the project ensuring it is within budget, on schedule, and effectively meets the City's objectives. He will also lead the consulting staff in conducting analyses and preparing deliverables for the project. Tom will serve as the City's main point of contact for the project.

PROFILE

Tom has 20 years of experience with Raftelis conducting financial and rate consulting related projects. He has assisted a wide range of municipal water, wastewater, and stormwater utilities in conducting cost-of-service, rate setting, financial feasibility, privatization, system development fees, and other finance-related studies. Tom authored a chapter entitled, "Designing Water and Wastewater Rate Structures," for the Fourth Edition of the industry guidebook, *Water and Wastewater Finance and Pricing: The Changing Landscape*. He is also an active member of AWWA and WEF, as well as ICMA, and has presented at various national and state conferences.

KEY PROJECT EXPERIENCE

Great Lakes Water Authority (MI)

Tom served as the project manager for Raftelis' engagement with the Great Lakes Water Authority (GLWA). Raftelis worked closely with GLWA staff as well as the Member Partners to review the existing charge methodology and propose updates to the methodology to meet the objectives of the Member Partner communities to simplify the methodology while ensuring it remained fair and equitable.

St. Louis Metropolitan Sewer District (MO)

Tom has served as the project manager for multiple engagements with the St. Louis Metropolitan Sewer District (District). In 2007, 2008, and 2011 Raftelis served as the Consultant to the Rate Commission in the District's Rate Commission process. In this role Raftelis provided support to the Rate Commission in reviewing the proposal prepared by District Staff and the District's Rate Consultant for proposed rates.

In 2012 Raftelis was engaged by the District to serve as the Rate Consultant to the District and has performed cost of service analyses in support of the District Rate Commission proceedings in 2015, 2018, and 2019. In addition, Raftelis has served as the District's Feasibility Consultant for all new revenue bond issuances since 2012 totaling over \$1 billion.

City of Kansas City (MO)

Tom served as the project manager for the Raftelis engagement to conduct a comprehensive cost of service study for the City of Kansas City (City) wastewater utility. The City provide retail service both within the City and to other nearby communities as well as wholesale service throughout the region.



Specialties

- Utility cost-of-service & rate structure studies
- Conservation rate studies
- Bond forecasts & feasibility studies
- Economic feasibility studies
- Industrial waste charge studies
- Capital recovery fee studies

Professional History

- Raftelis: Vice President (2020-present); Senior Manager (2014-2019); Manager (2000-2013)

Education

- Master of Public Administration - University of Kansas (2008)
- Master of Business Administration (Concentration in Finance) - A.B. Freeman School of Business, Tulane University (2000)
- Bachelor of Science in Naval Architecture & Marine Engineering - Webb Institute (1995)

Certifications

- Series 50 Municipal Advisor Representative
- Series 54 Municipal Advisor Principal

Professional Memberships

- AWWA
- WEF
- ICMA

Office Location

3013 Main Street
Kansas City, MO 64108

City of Wichita (KS)

Tom served as project manager for cost-of-service studies for the City of Wichita's (City) water and wastewater utility. Raftelis was engaged by the City to perform a comprehensive cost-of-service study in 2010 and in 2015. Raftelis worked with the City to allocate costs between the water and wastewater utilities and to functions in each utility to determine cost-of-service for each of the City's customer classes. Raftelis then worked with the City to determine appropriate rates that not only recovered the City's cost-of-service, but also addressed their concerns related to revenue stability.

In another engagement with the City, Tom served as lead consultant and assisted the City in performing an analysis of wholesale water rates by evaluating billing data for the past three years for all of the City's wholesale customers and provided recommendations to improve the recovery of revenue requirements from these customers. Raftelis has also performed a rate study to determine a raw water rate for a proposed new industrial customer seeking service from the City. Raftelis also analyzed the City's rate structure to determine its effectiveness for providing stable revenues during varying weather conditions.

Des Moines Water Works (IA)

Tom has served as project manager on a cost of service study for the Des Moines Water Works (DMWW). DMWW provides retail service to the City of Des Moines and several other suburbs in addition to wholesale water service throughout the Des Moines metropolitan area. Raftelis was engaged to assist DMWW in performing a cost of service analysis to address concerns over the equity of their existing rate structure. Since completing the initial analysis the DMWW has engaged Raftelis in additional projects to support proposed regionalization of water supply and production assets in the region.

City of Saginaw (MI)

Tom has served as project manager for cost-of-service studies for the City of Saginaw (City) water utility since 2005. The City provides retail service in the City and wholesale service to eighteen other utilities in their region, and Raftelis was first engaged by the City to assist in repairing their relationship with the wholesale customers. Since 2005 Raftelis has worked with the City and the wholesale to develop a positive relationship through transparency in the rate-setting process.

City of Naperville (IL)

Tom is serving as project manager for Raftelis' engagement with the City of Naperville (City). The City has engaged Raftelis to provide a comprehensive cost-of-service study for their water and wastewater utility and propose updated rates to meet the City's pricing objectives. Raftelis worked with City staff to determine their pricing objectives in a workshop setting and then used the results of that exercise to propose cost-of-service-based rates that met those objectives. The City has also engaged Raftelis to provide assistance in updating their contract for wholesale wastewater service with the City of Warren. Raftelis is working with the City to ensure that the contract is recovering the appropriate costs related to their service to the City of Warren.

Northwest Water Commission (IL)

Tom served as project manager for Raftelis' engagement with the Northwest Water Commission (Commission), a wholesale water provider located in the northwest Chicago suburbs. The Commission engaged Raftelis to review its assets and determine a valuation for use in potentially providing service to additional customers. Raftelis also assisted the Commission in analyzing potential methodologies for recovery of costs from potential customers, including potential rates.

PROJECT LIST

- Allegheny County Sanitary Authority (PA) - Industrial surcharge review and rate study
- Arlington County (VA) - Cost-of-service study and system development charge update
- Birmingham Water Works Board (AL) - Bond feasibility study
- City of Baltimore (MD) - Cost model, wastewater rate study, and water rate arbitration assistance
- City of Denton (TX) - Water and wastewater cost-of-service and rate study
- Fort Gratiot Township (MI) - Port Huron study
- City of Fort Worth (TX) - Cost-of-service and rates of the wholesale wastewater service
- City of Gladstone (MO) - Wholesale rate review
- Town of Grand Lakes (CO) - Water rate study
- City of Grosse Pointe (MI) - Water and wastewater rate study
- Harlingen Water Works System (TX) - Water and wastewater rate study
- City of Hobbs (NM) - Financial planning and water and sewer rate study
- City of Kansas City (MO) - Sewer cost-of-service analysis
- City of Lee's Summit (MO) - Water and wastewater rate study
- City of Liberty (MO) - Wholesale rate review
- Little Rock Wastewater Utility (AR) - Cost-of-service study and model, Rate Advisory Committee assistance, rate review, system growth charge study, and valuation study
- Loudon County Sanitation Authority (VA) - Bond issuance assistance and cost-of-service study
- City of Macomb (MI) - Feasibility analysis for acquisition and wastewater rate litigation assistance
- City of Naperville (IL) - Water and wastewater cost-of-service study
- Metropolitan Government of Nashville and Davidson County Water Services (TN) - Budget review
- Northwest Water Commission (IL) - Wholesale valuation and rate analysis
- Oakland County (MI) - Water and wastewater master plan study
- City of Olathe (KS) - Impact fee study, rate model update, system development charge study, and system development charge update
- Peace River Manasota Regional Water Authority (FL) - Feasibility study
- City of Peoria (AZ) - Sanitation fees study and water and wastewater impact fee study
- City of Phoenix (AZ) - Bond feasibility study (multiple)
- City of Providence (RI) - Rate filings (multiple)
- City of Saginaw (MI) - Water cost-of-service study, water rate study, and wholesale water contract negotiations
- Saginaw-Midland Municipal Water Supply Corporation (MI) - Feasibility study
- City of San Francisco (CA) - Wholesale water contract negotiations
- St. Louis Metropolitan Sewer District (MO) - Rate change review (multiple)
- City of Suffolk (VA) - Water and wastewater rate studies (multiple)
- United States Navy - Rate review and negotiations
- City of Wichita (KS) - Water and wastewater cost-of-service study and wholesale water rate analysis
- City of Wyoming (MI) - Water and wastewater wholesale contract negotiations and water rate study

Collin Drat

LEAD CONSULTANT

Manager

ROLE

Collin will serve as the Lead Consultant and will work at the direction of Tom in conducting analyses and preparing deliverables for the project.

PROFILE

Collin has a background in public finance and statistical modeling. Since joining Raftelis, he has had the opportunity to participate in an array of utility financial and rate consulting engagements involving water and wastewater demand analysis, financial planning, cost-of-service analysis, cost-of-service review and rate design.

KEY PROJECT EXPERIENCE

City of Suffolk (VA)

Collin currently serves as the project manager for Raftelis' multi-year engagement with the City of Suffolk (City) to provide financial services to the City's Department of Public Utilities (DPU). The scope of services includes an annual update of the 10-year comprehensive financial plan, determination of water and sewer costs of service, development of proposed water and sewer rates for the upcoming fiscal year, and an assessment of the City's water and sewer system availability fees. In addition, Collin collaborates with utility staff in the development of an annual comprehensive water and wastewater demand forecast, as part of the annual rate study engagement. Each year the performance of this forecast is evaluated on a monthly basis against the actual billing data received by the City and calibrated as necessary for the following year.

City of Lawrence (KS)

Collin serves as the project manager for Raftelis' ongoing engagement with the City of Lawrence (City). Raftelis completed its initial rate study for the City in 2017. That engagement involved the development of a comprehensive 10-year financial plan, water and wastewater cost-of-service studies, conservation rate designs and system development charges. Since the initial study, Raftelis has been retained to update analysis for the 2018, 2019 and 2020 budget years. Collin led each of these analyses and will soon begin the update for 2021.

Village of Northfield (IL)

Collin currently serves as the project manager for Raftelis' engagement with the Village of Northfield (Village). The Village engaged Raftelis to perform a financial planning, cost of service and rate study for the Village's water and sewer fund. This engagement involves the development of a rate plan which will fund ongoing operations and maintenance, capital reinvestment and prudent reserve balances. A key aspect of this engagement involves appropriately allocating costs between the water and sewer funds individually (they are currently combined) in order to understand the current financial position of each.



Specialties

- Utility strategic financial planning
- Cost-of-service analysis
- Water, wastewater, & stormwater rate design
- Conservation rate design
- Statistical analysis

Professional History

- Raftelis: Manager (2019-present); Senior Consultant (2016-2018); Consultant (2014-2015); Associate Consultant (2012-2013)

Education

- Master of Public Affairs (Public Finance) - Indiana University (2012)
- Bachelor of Arts in International Relations - Wheaton College (2010)

Professional Memberships

- AWWA
- WEF

Office Location

3013 Main Street
Kansas City, MO 64108

City of Topeka (KS)

Collin served as the staff consultant for the City of Topeka's Office of Utilities and Transportation (City). Collin has assisted in the development of water and wastewater demand forecasts, various alternative financial planning scenarios for the each of the City's utilities, cost-of-service analyses and rate design alternatives. The rate design services include the development of irrigation rates, readiness to serve charges, conservation rates, and system development charges.

City of Junction City (KS)

Collin served as the lead consultant for Raftelis' engagement with the City of Junction City (City). The scope of work for this engagement involved the development of water and wastewater demand forecasts, comprehensive financial plans and rate design. A key aspect of this engagement involved financial planning and rate design which minimizes the financial impact of the City's relatively large planned capital improvements, while encouraging conservation among the City's customers. Collin and the project team worked collaboratively with the City's engineering consultant to develop three alternative financial planning scenarios based on various levels of capital expenditures. The recommended financial planning scenario and associated rates were presented before and accepted by the City Commission.

Detroit Water and Sewerage Department (MI)

Collin serves as lead consultant for Raftelis' engagement with the Detroit Water and Sewerage Department (Department). The engagement involves financial planning and rate design for the water and sewer utilities. Key aspects of this engagement involve analyzing and projecting costs from wholesale provider the Great Lakes Water Authority (GLWA), analyzing customer affordability and developing rates which mitigate the impact on lower income customers. Collin served as lead consultant for the development of the Department's private fire line charge study.

City of Saginaw (MI)

Collin currently serves as the lead consultant for Raftelis' engagement with the City of Saginaw (City). This engagement involves the update of the City's water rate model to establish updated water service rates. A key aspect of this engagement involves the development of water service rates for the City's 18 wholesale customers. This required the development of a five-year financial plan and an allocation of operations and maintenance, depreciation and return on rate base to each of the City's wholesale customers, based on that customers unique contribution to the City's operating and capital costs. The City's wholesale customers currently pay a commodity charge which recovers the cost of providing water service based on their current demand and a capacity charge which recovers costs on the basis for their contracted average and maximum day demand.

City of Marquette (MI)

Collin served as the lead consultant for Raftelis' engagement with the City of Marquette (City). This engagement involves the development of water, sewer and stormwater financial plans and rate designs. A key aspect of this engagement involved the evaluation and integration of the City's performance management contract with Johnson Controls, Inc into the financial plans. Collin also worked closely with the City's consulting engineer providing support and documentation of the financial elements of the City's Stormwater and Wastewater (SAW) asset management grant reporting requirements.

City of Atchison (KS)

Collin currently serves as the project manager for Raftelis' engagement with the City of Atchison (City). Raftelis is developing a comprehensive water and wastewater financial plan and cost of service study. A unique aspect of this engagement involves the development of appropriate rates for the City's commercial and industrial customers, who represent approximately 50% of the City's annual water sales. The City also provides wholesale service to 4 rural water districts outside of the City. Raftelis is developing cost of service rates for these customers, which can be used in future contract negotiations.

PROJECT LIST

- City of Alexandria (VA) - Water rate litigation support
- City of Alpena (MI) - Wholesale water and sewer rate litigation support
- City of Baltimore (MD) - Stormwater utility implementation
- City of Clarksville (TN) - Natural gas rate study
- City of Flint (MI) - Water and wastewater financial planning and cost-of-service studies
- Gran Melia (PR) - Water rate litigation support
- City of Junction City (KS) - Water and sewer financial planning and cost-of-service study
- City of Marquette and Marquette Township (MI) - Joint water rate study
- Masonic Villages at Sewickley (PA) - Sewer rate litigation support
- Northwest Water Commission (IL) - Utility system valuation, wholesale rate methodology, misc. Financial analyses
- Orangeburg Department of Public Utilities (SC) - Water, wastewater, nat. Gas, electric rate study
- Pennichuck East Utility (NH) - Water cost-of-service study
- Port Huron Township (MI) - Wheeling rate analysis
- Silverleaf Resorts, Inc (MO, IL, TX) - Water and sewer rate litigation support
- St. Louis Metropolitan Sewer District (MO) - Rate analysis support
- State of Michigan Department of Treasury (MI) - Various financial analysis for city of flint utilities
- Tacoma Public Utilities (WA) - Econometric water demand modeling

PRESENTATIONS AND PUBLICATIONS

- "Which Came First? An Integrative and Iterative Approach to Funding Infrastructure in Junction City," KWEA and KSAWWA Joint Annual Conference
- "Ratemaking 101: Best Practices for the Financially Sustainable Utility," KWEA and KSAWWA Joint Annual Conference
- "Principals of Water, Wastewater and Stormwater Rate Setting," NYAWWA Edwin C. Tiff Jr. Water Supply Symposium
- "Financial Breakdown in the Vehicle City: Finding a Way Forward for Flint Finances in the Wake of the Water Crisis," AWWA/WEF Utility Management Conference
- "Smaller Utilities, Bigger Challenges: Small Utilities Gain the Most from Financial Planning and Stakeholder Outreach," NACWA Clean Water Advocate (Winter 2020)

Joe Collins

STAFF CONSULTANT

Senior Consultant

ROLE

Joe will work at the direction of Tom in conducting analyses and preparing deliverables for the project.

PROFILE

Joe has a background in economics, public policy analysis, and municipal finance as well as utility energy management and has assisted utilities on a variety of financial and rate consulting engagements involving water and wastewater demand analysis, financial planning, cost-of-service analysis, and rate design since joining Raftelis.

KEY PROJECT EXPERIENCE

Great Lakes Water Authority (MI)

Joe served as the staff consultant for Raftelis' engagement with the Great Lakes Water Authority (GLWA). Raftelis worked closely with GLWA Staff as well as the Member Partners to review the existing charge methodology and propose updates to the methodology to meet the objectives of the Member Partner communities to simplify the methodology while ensuring it remained fair and equitable. Joe provided analytical support throughout the engagement.

Detroit Water and Sewerage Department (MI)

Joe serves as a staff consultant for Raftelis' engagement with the Detroit Water and Sewerage Department (Department). The engagement involves financial planning and rate design for the water and sewer utilities. Key aspects of this engagement involve analyzing and projecting costs from wholesale provider Great Lakes Water Authority, analyzing customer affordability and developing rates which mitigate the impact on lower income customers. Joe also served as a staff consultant for the development of the Department's private fire line charge.

City of Atchison (KS)

Joe currently serves as the lead consultant for Raftelis' engagement with the City of Atchison (City). Raftelis is developing a comprehensive water and wastewater financial plan and cost-of-service study. A unique aspect of this engagement involves the development of appropriate rates for the City's commercial and industrial customers, who represent approximately 50% of the City's annual water sales. The City also provides wholesale service to 4 rural water districts outside of the City. Raftelis is developing cost-of-service rates for these customers, which can be used in future contract negotiations.

Des Moines Water Works (IA)

Joe currently serves as a staff consultant for Raftelis' engagement with Des Moines Water Works (DMWW). This engagement involves a review of DMWW's existing cost-of-service and financial planning methodology and the development of an updated financial planning tool for the City to use going forward.



Specialties

- Financial modeling
- Utility rate studies
- Bond feasibility reports
- Statistical analysis

Professional History

- Raftelis: Senior Consultant (2021-present); Consultant (2019-2020) Associate Consultant (2016-2018)

Education

- Master of Public Administration - Indiana University (2016)
- Bachelor of Science in Economics - Truman State University (2014)

Professional Memberships

- AWWA
- WEF

Office Location

3013 Main Street
Kansas City, MO 64108

Metropolitan St. Louis Sewer District (MO)

Metropolitan St. Louis Sewer District (MSD) provides retail wastewater and stormwater services to the City and County of St. Louis, serving a population of approximately 1.3 million. MSD is interested in funding its stormwater management program through impervious area fees and, building on its longstanding relationship with Raftelis, has engaged the firm to provide stormwater funding and rate policy services. Joe aided in the development of the stormwater funding model and rate proposal and has begun work on MSD's forthcoming sewer rate proposal.

City of North Kansas City (MO)

Joe served as the staff consultant for Raftelis' engagement with the City of North Kansas City (City). Joe developed a utility rate and financial planning model, which would allow the City to evaluate the financial impacts of potential choices concerning future water supply, major water treatment facility renovations, and increased system maintenance costs.

City of Perryville (MO)

Joe served as the staff consultant for Raftelis' engagement with the City of Perryville (City). The City sought to calculate rates sufficient to finance the construction of major wastewater treatment facility renovations and increased system maintenance costs. Joe assisted in developing a rate and financial planning model to provide a forecast of rates, revenues, expenses, debt service coverage, and reserves over a 10-year forecast period.

City of Edgerton (KS)

Raftelis has assisted the City of Edgerton (City) with various studies. Joe played a key role in the 2017 update of the water and sewer financial planning model Raftelis had previously developed for the city. The process included analysis of the City's customer demand, operating expenses, and future needs for expansion. He also assisted with an analysis of customer growth and wholesale sewer rates to evaluate the impacts of new development.

Little Blue Valley Sewer District (MO)

In July 2016, Raftelis was engaged by the Little Blue Valley Sewer District (District) to complete a financial feasibility evaluation of proposed revenue bonds. Joe evaluated historic and projected revenues, expenses, and debt service for the District and the sewer subdistrict it governs.

City of Columbia (MO)

Joe serves as the staff consultant for Raftelis' engagement with the City of Columbia Department of Water and Light (CWL). Joe developed a water rate and cost-of-service study for CWL. CWL is seeking a comprehensive analysis of the existing and projected cost basis of utility operations and an evaluation of the appropriateness of its existing rate structure for providing water services. Joe has assisted in developing a rate and financial planning model to provide a forecast of rates, revenues, expenses, debt service, debt service coverage, and reserves over a 15-year forecast period. Joe has also developed cost-justified connection fees.

City of Lawrence (KS)

Joe currently serves as the staff consultant for Raftelis' most recent engagement with the City of Lawrence (City). Raftelis completed its initial rate study for the City in 2017. That engagement involved the development of a comprehensive 10-year financial plan, water and wastewater cost-of-service studies, wholesale rates, conservation rate designs and system development charges. Following the initial study, Raftelis was retained to update the rate projections for the 2019 budget year. Joe is currently working to update the water and sewer rate projections for the 2020 budget cycle. Joe is also developing a stormwater financial plan for the City, to appropriately recover the cost of handling stormwater run-off from City customers.

Project Approach

We have developed the following project approach based on our extensive experience in completing comprehensive cost of service and rate studies for other utilities while taking into account the specific considerations identified by the City in its RFP. The approach has been tailored to address the objectives and concerns identified in the RFP, while maintaining those elements that we believe are essential for a successful project. We have used a similar project approach on many of our water and wastewater financial planning and rate projects for utilities throughout the U.S.

Task 1 - Project Initiation and Management

We believe that the execution of a productive kick-off meeting is the most effective way to begin a project of this nature. The goals for this meeting include:

- Providing a forum to finalize the work plan and schedule with City staff
- Discussing the City's preliminary pricing objectives
- Ensuring that we have an understanding of the overall goals of the study
- Providing an opportunity for City staff to meet and become comfortable with the project staff from Raftelis
- Providing an opportunity for our staff to meet and develop a working relationship with City staff
- Reviewing the data needs for the project
- Accomplishing these objectives will help to ensure that the project progresses as smoothly as possible

Prior to the kick-off meeting, we will prepare a detailed data request list that will identify the information needed to complete the various analyses. Information that is typically required to perform a comprehensive cost-of-service study includes, for example: recent Comprehensive Annual Financial Reports (CAFR); recent and current utility budgets; a description of service areas; current and historical billing data; utility plant in service records; debt service schedules; the water and wastewater master plans; and a long-term capital improvement plan. Some of this information will be readily available, whereas other components may require more detailed analyses of operational data, customer billing information, and costs.



OPTIMIZING CAPITAL SPENDING

Revenue requirements are only as good as the operating and capital spending needs and assumptions that go into them. If there is uncertainty in operating or capital spending needs, then revenue requirements, cost of service, and the associated rates being requested may be too high or too low. If your utility is concerned with capital spending needs and would like a third-party review of your needs and/or assumptions, Raftelis' subject matter experts in capital project development and delivery are here to help. Likewise, if your utility is interested in opportunities to take advantage of the new Integrated Planning Law added to the Clean Water Act in 2019, Raftelis can help. Contact us to discuss these value-added services, which can be provided under an optional task or a separate scope of work.

Data Collection and Review

As part of this task, we will conduct interviews with City staff to obtain a thorough understanding of the financial, operational, regulatory, master planning, and political environments. Existing rate policies and ordinances will be reviewed for consistency with current and possible future fees. Key issues, areas of concern, and pricing objectives will be reviewed and discussed. Historical information will be reviewed related to costs, customers, usage, demand patterns, capital spending, plant in service, and revenues generated to provide a better understanding of recent changes in operating characteristics and to develop appropriate trends and growth factors for creating financial forecasts. During the data collection and review, we will begin to identify assumptions used to allocate and project costs that will be integrated into our model. As these assumptions are identified, City staff will have an opportunity to review our findings to ensure that the assumptions make sense with regard to each of City's utility systems.

Project Management

For this project to be successful, it will require significant management oversight throughout and regular communication with the client. We anticipate preparing monthly status reports that summarize the hours expended, tasks accomplished, assignment, upcoming schedule, and any significant problems encountered with suggested solutions. In addition, we recommend that we have regularly scheduled conference calls with the City's project manager, perhaps on a weekly basis.

PLANNED MEETINGS:

- Kick-off meeting in Smithville

DELIVERABLES:

- Data request list

Task 2 – Consumption and Current Revenue Analysis

Projecting future demand and developing realistic per capita consumption estimates is one of the single most difficult tasks that a utility faces each year. The reason for this is that there are several unforeseeable factors that can affect consumption. A particularly rainy or dry season, unforeseen population growth or decline, and commercial and industrial customers moving in and out of the City's service area can have a dramatic effect on consumption. However, projecting consumption is also one of the most important tasks that a utility faces. These projections directly affect user rates which in turn determine how much cash a utility will collect. If a utility overestimates consumption then rates will be too low leading to revenue under recovery, a deficit and decreasing fund balances. Yet, if a utility underestimates consumption then revenue over recovery occurs and this can be met with public scrutiny because of unjustly high rates.

Comprehensive operation and customer billing information will be collected to classify customers and project user demand over the planning period. Based on demographic data, we will calculate a growth rate for the population in the area. We will study available historical consumption of the City's different customer types in order to get a corresponding usage and growth rate for each type. The City has also indicated the desire to consider different rates for 'large customers' and this analysis will support consideration of any additional customer classes that may be considered. Raftelis will also examine the City's basis for billing wastewater and determine if changes may be appropriate. We will then calculate the revenues under current rates at projected consumption levels (optimistic, pessimistic, and most likely) to understand the potential revenues realizable. We will then compare these revenues to the revenues requirements forecast in the financial plan developed in Task 3 to understand the magnitude of the potential shortfall under the current rates.

PLANNED MEETINGS:

- Progress meeting to review draft consumption projections in Smithville

DELIVERABLES:

- Forecast of consumption and revenues under existing rates over multi-year forecast period

Task 3 – Development of Financial Plans

An important element in conducting a comprehensive rate study is to review the comprehensive long-range financial plan for the City's utilities. In preparing the plan, we will analyze the City's current policies and practices for funding its operations, capital facilities plans, and debt service requirements. As appropriate, and as discussed with the City staff, we will consider various financing options, or combination of options, such as operating revenue, new debt issuance, and miscellaneous fees.

We will assist the City in achieving a suitable balance among the financing options when developing the proposed financial plans which will accomplish the following:

- Ensure financial sufficiency to meet operating and capital costs as well as prudent reserves
- Meet the City's service policies and objectives
- Fairly distribute financing responsibility to appropriate users
- Result in an appropriate capital structure so that the City obtains a high rating with bond rating agencies

Maintaining detailed financial plans will ensure that the City's utilities are operating in a revenue self-sufficient manner and meeting debt covenant requirements. We will develop separate financial plans for each the water and wastewater utility to understand if any of the utilities may be subsidized by the others.

Review and Evaluate Current Financial Information and Recommend Financial Policies and Programs

As part of this task, Raftelis will evaluate the City's operating and capital reserve requirements and financial and rate policies and recommend appropriate changes to the existing policies that will allow the utilities to most effectively meet its financial goals. These financial policy requirements will include: identifying appropriate target reserve levels for the operating and capital programs; when these reserves can be used; infrastructure replacement funding from operations; debt funding of Capital Improvement Program (CIP), if needed; and debt service coverage designed to allow the City to meet its financial objectives and goals while achieving improved rate stability and revenue sufficiency. Raftelis will also examine the utilities' payments and contributions to the City's General Fund for administrative and other costs including franchise fee/in lieu of charges.

Develop Revenue Requirements

This task will include the projection of budget items, such as annual costs related to labor, power, materials, capital expenditures, plant investment, operating and maintenance (O&M) expenses, reserve contributions, and debt service coverage using assumptions based on different economic factors and growth trends.

We will develop forecasts of revenue requirements over the multi-year planning period. Revenue requirements will be projected over the rate-setting period based on historical results, the current budget, capital improvement plans, master

Raftelis is registered with the U.S. Securities Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) as a Municipal Advisor. Raftelis' registration as a Municipal Advisor means the City can be confident that Raftelis is fully qualified and capable of providing financial advice related to all aspects of utility financial planning in compliance with the applicable regulations of the SEC and the MSRB.

planning studies, existing debt service, other obligations, and current economic trends. We will examine the effect of variations in factors that impact the utility's revenue requirements and provide comparisons of potential revenue requirement scenarios for review with the City to identify the most appropriate revenue requirements for proposed rates. Projecting revenue adjustments over a multi-year planning horizon can illustrate future rate impacts and potential challenges to the City's financial situation. This will allow the City to make adjustments to expenses or reserve balances or schedule capital projects to smooth rate impacts and maintain financial stability.

Develop Multi-year Cash Flow Analysis and Recommend Reserve Balances

We will develop a multi-year cash flow analysis to determine the revenue adjustments needed to meet projected revenue requirements for the multi-year planning period, minimizing sharp rate fluctuations. The cash flow worksheet incorporates revenues generated from different sources, expenses needed to maintain the utility systems, any transfers in and out of the enterprise funds, as well as the coverage needed to meet current and proposed debt service requirements. We will also review reserves policies to recommend appropriate reserves balances, such as operating, capital, rate stabilization, etc., consistent with industry standards and the City's desire to appropriately address risk associated with various factors, including emergency expenditures or revenue shortfalls due to climate change.

PLANNED MEETINGS:

- Progress meeting to review multi-year financial plans in Smithville

DELIVERABLES:

- Multi-year financial plans for each utility

Task 4 – Develop Conceptual Design

The purpose of this task is three-fold. First, we will provide City staff and stakeholders with a better understanding of the principles of water and wastewater rate setting. Second, City staff, with our assistance will identify and prioritize its rate-setting objectives, and third, the City and Raftelis will develop the rate structure conceptual designs that will serve as the framework for the cost of service and rate design phases of the project.

Rates and Charges Workshop

We have found that it is beneficial to conduct a Rates and Charges Workshop for our clients that are considering alternative rate structures in the course of their project. This workshop will be the first step in the conceptual design process. During the workshop, we will explain each step in the process of developing cost of service-based rates as well as trends in rate setting throughout the United States. We will examine the pricing objectives that drive a utility's rate-setting process, explore the various approaches to determining revenue requirements, study cost allocation methodologies, and look at the strengths and weaknesses of the City's current rate structures as well as alternative rate structures and the effect that each has on customer demand, revenue sufficiency, and rate equity. Participants in the Rates and Charges Workshop will leave with a better understanding of the rate-setting process and will be better equipped to make the decisions they will be asked to make as the cost of service and rate study progresses. In addition, they will be able to communicate more effectively with policymakers and customers on matters related to rates and charges.

Identification and Prioritization of Pricing Objectives

After we have gathered and reviewed relevant background data and provided City staff and stakeholders with an understanding of the principles of rate setting, we will work with City staff and management to develop a set of pricing objectives. In prior studies, objectives (listed alphabetically) have included:

- **Affordability** – Rates should be designed such that there are mechanisms in place that allow for legitimately economically disadvantaged customers to continue to receive water service
- **Conservation/Demand Management** – The rate structure should encourage water conservation as well as assist in managing system demand
- **Cost of Service-Based Allocations** – The rate structure should ensure that each customer class is contributing equitably towards revenue requirements based upon the costs of providing service to each customer class
- **Legality** – Rates should be designed according to standard industry practice and in accordance with applicable law such that rate disputes are avoided
- **Minimizing Rate Impacts** – Rates should be designed and implemented in an effort to avoid inordinately large increases or decreases in customers' bills during the course of a single year
- **Rate Stability** – The rate structure should minimize dramatic rate increases or decreases over the planning period
- **Revenue Sufficiency** – Rates should generate revenues sufficient to meet revenue requirements despite fluctuations in demand
- **Simplicity and Ease of Implementation** – Rates should be readily understandable by customers and be able to be implemented using existing staff and the existing billing and collection infrastructure with only minor modifications

In order to facilitate the identification and prioritization of pricing objectives, we will conduct a Pricing Objectives Workshop for City staff. This workshop can be held in conjunction with the Rates and Charges Workshop or at a later date. At the Pricing Objectives Workshop, participants will be able to contribute pricing objectives to a prepared list of common pricing objectives, discuss the relevance of each objective and then prioritize and select the objectives that they believe are most important. Our process will allow workshop participants to see the results of the prioritization process prior to the end of the workshop so that the results can be discussed and revised if so desired.

Develop Conceptual Designs

Once the City's pricing objectives have been prioritized and after our initial review of the data related to cost and usage characteristics, we will then work with the City to develop conceptual designs, or approaches that address as many of the City's objectives as possible for each of the rate structures being analyzed. Through recent projects for other clients, we have had the opportunity to develop and evaluate many different basic and innovative rate structures including: uniform rates; declining block rates; increasing block rates; lifeline rates; seasonal rates; individualized rates; and water budget rates; among others.

The conceptual designs will be developed based on input from City staff and will be reviewed and discussed with City staff to ensure that the resulting rate structures are appropriate and can be implemented effectively by the City. We will consider all relevant ordinances that affect the way in which the City can charge for service, and take into account the effect of a new rate structure on each customer class. The review with City staff will consider any customer education or formal communications with the community that will be necessary as a result of the proposed changes to the rate structure. The conceptual design process provides an important opportunity to receive additional input from City staff and to identify additional features that may be desirable in developing the rate model.

Once City staff and Raftelis have narrowed the conceptual design options down to two or three for each utility, we will conduct a Conceptual Design Workshop with City staff. The objective of the workshop will be to examine the advantages and disadvantages of each option and refine them as necessary so that we can develop proposed rates based on the financial plans developed in Task 3. In order to facilitate the discussions, we will provide appropriate materials that describe the conceptual design options for the City's review prior to the workshop. Once the conceptual approaches have been finalized, we will incorporate them into the rate models.

Impact Fee Analysis

Raftelis will analyze impact fees that the City may charge new customers connecting to the water and wastewater utilities. Impact fees are intended to recover the cost of the investment necessary in assets to provide service to new customers connecting to the system. Impact fees are typically determined in one of two manners, a system buy-in approach or a marginal incremental cost approach. The system buy-in approach determines the impact fee based on the value of the assets that the utility has already constructed to provide service. The marginal incremental approach consider the cost of building new assets to provide service to new customers. A hybrid approach may be used for different assets if appropriate. Under either methodology, consideration should be given to how much of the cost will be borne by new customers through the user charges they will pay that pay for any debt service used to finances the utility's assets.

We will work with City staff to review the data available and examine the impact fees that may be charged to new customers connecting to the utilities. We will also work with the City to balance the desire to recover as much cost as reasonable from new customers while balancing competitiveness with other communities in the region competing for new residential and commercial development.

Analysis of Non-Rate Charges and Policies

Raftelis will review all of the City's other water and wastewater charges it assesses its customers, including tap fees, connection fees, and disconnection fees, and determine if the level of the existing charges is appropriate to recover the City's costs as well as identify other charges the City may wish to implement to offset the revenues necessary to be included in the water and wastewater rates. This analysis will include a review of the City's policies related to payment options, deposit amounts, connections, and disconnects to ensure they are consistent with the City's objectives and standard industry practices.

PLANNED MEETINGS:

- Rates and Charges Workshop and Conceptual Design Workshop in Smithville

DELIVERABLES:

- City's prioritized pricing objectives and proposed conceptual designs, analysis of impact fees, and analysis of non-rate charges and policies

Task 5 – Rate Model Development

At the heart of any successful cost of service and rate study is the computer model that is used to: develop revenue requirements; perform cost functionalization, classification, and allocation; and calculate rates. The model must be sophisticated enough to perform the complex calculations involved in a comprehensive cost of service and rate analysis and yet still be simple enough to allow for future updates by City staff without the need for extensive training.

The model will incorporate the rate structures and rate calculation methodologies that are identified during the conceptual design phase of the project. During the course of the project, City staff will be provided with working copies of rate model drafts in Microsoft Excel format so that they will be able to provide input into the development of the model. Once the project is complete, the City will be provided with fully functioning copies of the model and Raftelis personnel will train members of City staff on its use.

Following completion of the project, we will provide the City with up to four hours per calendar year of technical support on the use and update of the model at no additional cost to the City.

DELIVERABLES:

- Functional rate model for City’s future use and update



Raftelis will develop a customized financial model that incorporates a dashboard to allow you to easily run scenarios and see the impacts in real time. Shown here is a sample dashboard that we developed for another project.

Task 6 – Reports and Presentations

Draft Report

The draft report will document the rate development process, describe any recommended changes to the existing rate structures and the reason for such changes, and present the results of the cost of service and rate study. The draft report will include an Executive Summary in addition to the detailed discussion of the study in the body of the report. The draft report will also include any policies and procedures necessary to implement the recommendations of this study. This report will be provided in Microsoft Word format and will be presented to City staff for their review and comment.

Final Report

Raftelis will incorporate City staff’s comments of the draft report into a final report. Upon finalization of the report the City will be an electronic copy (in Microsoft Word format) of the report. In addition to the final report, the City will also be provided with electronic copies of the final rate model in Microsoft Excel format.

Presentations

We will present the findings of the study to City staff and solicit their comments and suggestions, we anticipate this would occur after the Draft Report has been provided and before the Final Report, though the exact timing will be determined with City staff. We will prepare a PowerPoint presentation for this that will be provided to the City.

Raftelis will also present its findings to the Board of Alderman in a work session as directed by City staff. We will prepare a PowerPoint presentation for this and provide hard copies for the presentation and an electronic copy of the presentation.

PLANNED MEETINGS:

- Meeting to review draft report with City staff in Smithville and presentations to City staff and the governing body

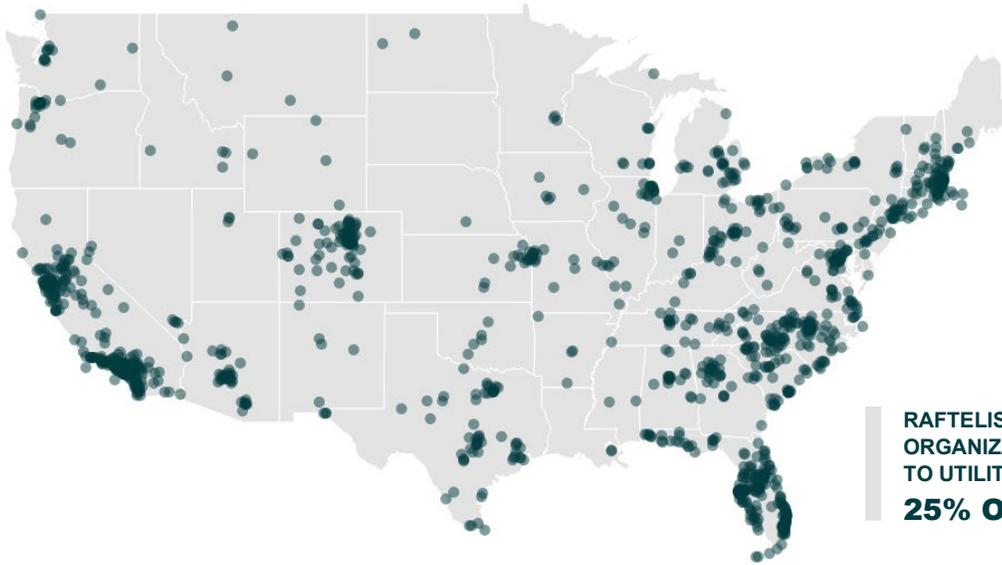
DELIVERABLES:

- Rate Comparison, Draft Report, Final Report, Executive Summary & Recommendations, and PowerPoint presentations

Comparison of Project Approach to City’s Scope of Services

We have developed the tasks in our Project Approach based on our experience conducting similar studies for utilities throughout the United States and Canada. The order of these tasks differs from some of the items in the Scope of Services contained in the City’s RFQ in Article II, Item 1, so to assure the City we will address all of your Scope of Services items, the following list identifies which task(s) each item will be addressed in.

City’s Scope of Services	Proposed Task
a. Existing revenue sufficiency	Task 2
b. Demand projection	Task 2
c. Capital financing plan	Task 3
d. Review utility pricing	Task 2
e. Recommended rates	Task 4
f. Miscellaneous fee review	Task 4
g. Review impact fees	Task 4
h. Review general fund transfers	Task 3
i. Utility policy review	Task 4
j. Rate model	Task 5
k. Present results	Task 6



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

References

RAFTELIS HAS THE MOST EXPERIENCED UTILITY FINANCIAL AND MANAGEMENT CONSULTING PRACTICE IN THE NATION.

Our staff has assisted more than 1,200 local government agencies and utilities across the U.S., including some of the largest and most complex agencies in the nation. In the past year alone, Raftelis worked on more than 1,200 financial, organizational, and/or technology consulting projects for over 600 agencies in 46 states, the District of Columbia, and Canada. Below, we have provided descriptions of projects that we have worked on that are similar in scope to the City's project. We have included references for each of these clients and urge you to contact them to better understand our capabilities and the quality of service that we provide.

City of Edgerton KS

Reference: Beth Linn, City Administrator
404 E. Nelson Street, Edgerton, KS 66021
P: 479.271.6720 / E: blinn@edgertonks.org

Approximate Utility Employee Size: 10

Services Provided: Water and Sewer Rate Study, Wholesale Sewer Rate Analysis

The City of Edgerton, Kansas (City) first engaged Raftelis to perform a water and wastewater rate study in 2015. The City is facing unique challenges having built a new sewer treatment facility with dedicated funding from an industrial park. This new facility replaced the City's existing treatment plant, which was converted to a pump station to convey flow to the new facility. The projections for flows and revenues from the new industrial development differed dramatically from preliminary projections resulting in significant changes in projected revenues.

The City has engaged Raftelis annually to update the water and sewer rate and financial plan since 2018, including determining the wholesale sewer charges for the City of Gardner's share of costs of the wastewater treatment plant.

City of North Kansas City MO

Reference: Kim Nakahodo, Interim City Manager
2010 Howell Street, North Kansas City, MO 64116
P: 816.412.7814 / E: knakahodo@nkc.org

Approximate Utility Employee Size: 15

Services Provided: Water and Sewer Rate Study

The City of North Kansas City (City) engaged Raftelis to conduct rate studies for its water and sewer utilities in 2017 and in 2021. Raftelis worked with City Staff to develop financial plans for each utility as well as rates that would meet the objectives of the City. In 2017 we assisted the City with evaluating options related to the City's water plant refurbishment, including evaluation of obtaining water from the City of Kansas City whose Water Treatment Plant is adjacent to the City of North Kansas City, as well as financing options for the refurbishment of the City's own Water Treatment Plant and the impact on rates.

City of Lawrence KS

Reference: Mike Lawless, PE, Deputy Director of Utilities
P.O. Box 708, Lawrence, KS 66044
P: 785.832.7862 E: mlawless@lawrenceks.org

Approximate Utility Employee Size: 60

Services Provided: Financial planning, water and wastewater cost of service study, system development charges

The City of Lawrence (City), home to the University of Kansas, provides water, wastewater, and stormwater service on a retail basis within the City and on a wholesale basis to 6 rural water districts and Baldwin City. Raftelis completed an initial financial planning, cost-of-service, and rate study for the City in 2017. Critical to the financial planning component of the study was modeling the financial impact of the Wakarusa Wastewater Treatment Plant, which came online in 2018. This involved projecting the incremental operating and capital costs associated with constructing and operating the new plant, as well as developing a capital financing plan to provide funding. Raftelis also incorporated estimated projections associated with increasing raw water supply costs and anticipated new regulations for nutrient removal for wastewater.

The cost-of-service study identified the costs to serve each of the City's existing customer classes and developed a phase-in of water rates to reflect changes in customer usage characteristics which had occurred since the previous study. Raftelis also developed alternative water and wastewater rate structures which meet the City's objectives for the utilities. Raftelis updated the existing rate structure, added an additional irrigation rate class and developed a demand management rate structure designed to promote conservation among residential customers. This structure is individualized, establishing block thresholds based on each residential customer's average winter consumption.

Finally, Raftelis developed water and sewer system development charges using the equity buy-in approach. These charges compensate existing City customers for investments they have made in the water and sewer infrastructure necessary to serve new customers.

Since the initial engagement, the City has reengaged Raftelis to update the study annually from 2018 to 2022. Raftelis staff also assisted the City in the development of formal reserve policies for its water, wastewater, stormwater, and solid waste funds.

City of Bentonville AR

Reference: Mike Bender, Public Works Director
3200 SW Municipal Drive, Bentonville, AR 72712
P: 913.893.6231 / E: mbender@bentonvillear.com

Approximate Utility Employee Size: 50

Services Provided: Water Rate Study and Sewer Rate Study

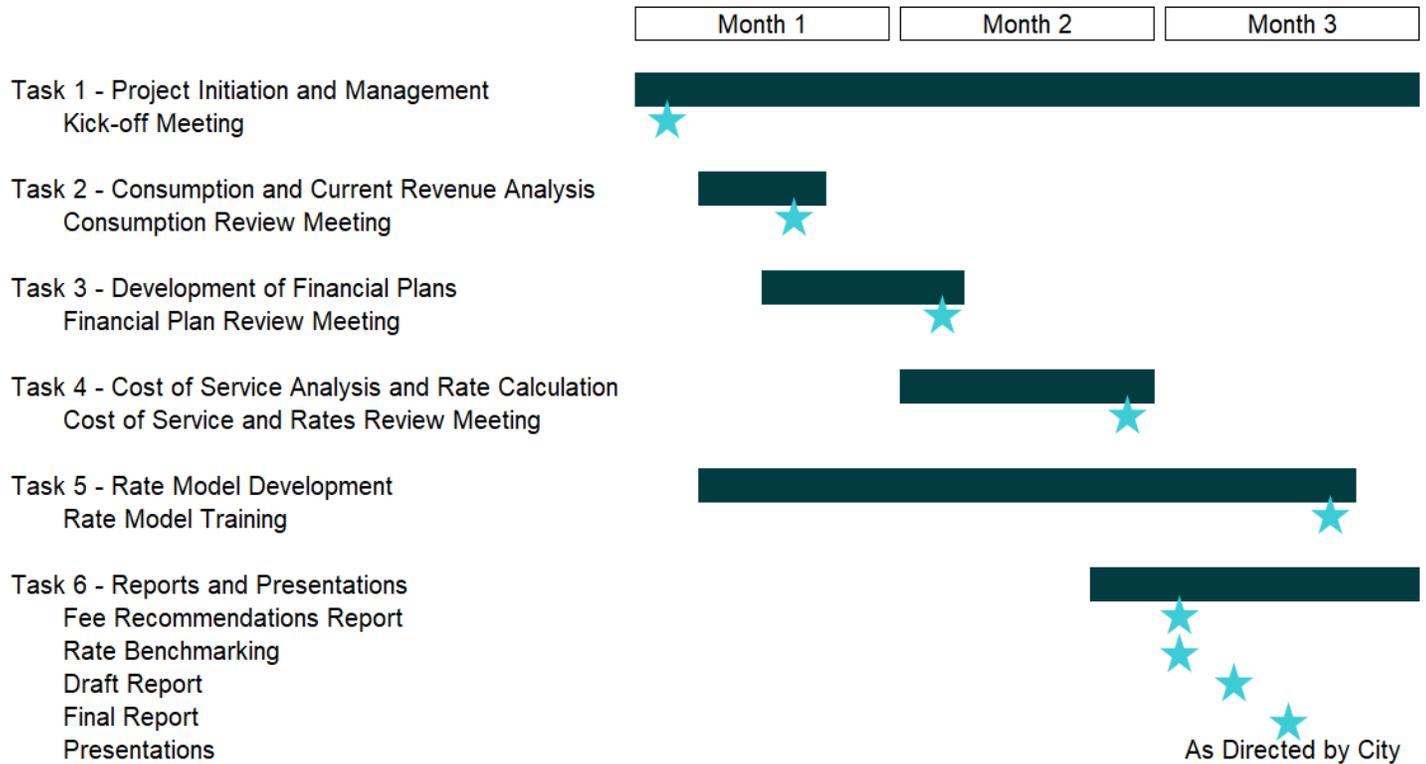
The City of Bentonville (City) is a fast-growing community of approximately 51,000 people and is the corporate headquarters for Walmart. The City purchases water on a wholesale basis from Beaver Water District and returns wastewater to a regional wastewater treatment operated by the Northwest Arkansas Conservation Authority (NACA), of which the City is a member. The City of Bentonville (City) engaged Raftelis to perform a comprehensive water financial planning, cost of service and rate study. The study involved the development of a 10-year financial plan which determined the level of revenue required to support ongoing operations and maintenance and finance capital reinvestment while maintaining appropriate reserve and debt service coverage levels. This revenue requirement was allocated to each of the City customer classes, in proportion to the demand each class places on the water system. Raftelis recommended changes to the City's retail rate structure, which included conservation rates and meter size based fixed charges. Raftelis recommended increasing the meter charge for irrigation to recognize the higher peak demands of this class as well as applying this charge year-round as opposed to allowing these customers to temporarily inactivate their service. Raftelis also recommended modifying the City's conservation rate structure, which was based on defined blocks for residential. Increases were applied to blocks 1 and 2 only, to balance the goal of conservation with revenue stability. The Bentonville City Council implemented the first year of Raftelis' recommendations on February 1, 2021.

The City has subsequently selected Raftelis in a competitive process to undertake an update of the City's wastewater rates, a project that was recently kicked-off with the City.

Client	Finance					Organization					Technology					
	Affordability Analysis & Program Development	Capital Improvements Planning/Prioritization	Debt Issuance Support	Economic & Financial Evaluations	Financial Planning & Modeling	Rate, Charge, & Fee Studies	Stormwater Utility Development & Support	Organizational Governance, & Operations Optimization	Performance Measurement & Benchmarking	Program Planning & Support	Stakeholder Engagement & Communication	Strategic Planning	Billing, Permitting, & Customer Information Audits	Business Process Development	Data Management, Analytics, & Visualization	Software Solutions
MI Marquette Township		●			●	●										
MI Oakland County						●										
MI Port Huron Township						●										
MI Rochester, City of		●			●	●										
MI Saginaw, City of		●			●	●										
MI State of Michigan Department of Treasury				●												
MI Sterling Heights, City of		●			●	●										
MI Warren, City of						●										
MI Wyoming, City of		●			●	●										
MO Columbia Department of Water and Light		●			●	●										
MO Jefferson City, City of		●			●	●										
MO Little Blue Valley Sewer District		●			●	●										
MO Metropolitan St. Louis Sewer District		●	●		●	●	●									
MO North Kansas City, City of		●			●	●										
MO Perryville, City of		●			●	●										
MO Silverleaf Resorts Litigation Support				●												
MO Smithville, City of		●			●	●										
MS Jackson, City of	●	●			●	●		●							●	
NC Charlotte Water	●	●			●	●										
NC Durham, City of		●	●		●	●										
NC Raleigh, City of		●	●		●	●	●	●		●						
OH Akron, City of		●			●	●					●					
OH Montgomery County Environmental Services		●			●	●		●	●		●		●	●	●	
OH Northeast Ohio Regional Sewer District	●	●			●	●	●	●						●	●	●
OK Chickasha, City of					●	●	●	●		●			●	●		
OK Stillwater Utilities Authority					●	●								●	●	
PA Philadelphia Water Department	●	●	●		●	●		●	●	●	●		●	●	●	
PA Pittsburgh Water and Sewer Authority	●	●	●	●	●	●		●	●	●	●		●	●	●	
RI Newport, City of		●	●		●	●										
RI Providence Water Supply Board		●			●	●		●	●							
TN Clarksville, City of		●			●	●										
TN Cookeville, City of		●			●	●										
TN Metro Water Services of Nashville and Davidson County		●	●		●	●	●		●		●	●				
TX Austin, City of		●	●		●	●		●								
TX Dallas, City of		●			●	●	●			●			●	●		
TX El Paso Water Utilities		●	●		●	●				●				●	●	
TX San Antonio Water System	●	●			●	●				●						
UT Salt Lake City					●	●				●						
VA Newport News Department of Public Utilities, City of		●	●		●	●					●			●		
VA Richmond Department of Public Utilities	●	●			●	●	●			●				●		
VA Suffolk, City of		●	●		●	●										
WA Tacoma, City of				●		●					●				●	
WI Franklin, City of				●												
WI Milwaukee Metropolitan Sewerage District		●			●	●										
WI Milwaukee Water Works		●			●	●										
WI Waukesha, City of						●										
Can Calgary, City of		●			●			●							●	
PR Puerto Rico Aqueduct and Sewer Authority		●	●		●			●	●	●						

Timeline

We propose to complete this project in three months from the notice to proceed by the City, as shown in the schedule below. This schedule is dependent on the timely availability of information from the City and the ability to schedule interim meetings with City Staff, which we do not anticipate being an issue based on our previous experience working with the City. Our project team has the availability to begin work on this project for the City at any time.



Project Cost

We propose to complete the proposed project approach for a not-to-exceed price of \$24,750 as shown in the table below. We will bill the City monthly for time incurred in the previous month.

Tasks	Hours					Total Fees & Expenses
	TB	CD	JC	Corp	Total	
Task 1 – Project Initiation and Management	2	2	8	2	14	\$3,220
Task 2 – Consumption and Current Revenue Analysis	2	2	12		16	\$3,950
Task 3 – Development of Financial Plans	2	2	20		24	\$5,790
Task 4 – Develop Conceptual Design	2	2	12		16	\$3,950
Task 5 –Rate Model Development	2	2	8		12	\$3,030
Task 6– Reports and Presentations	4	2	12	2	20	\$4,810
Total Estimated Meetings / Hours	14	12	72	4	102	
Hourly Billing Rate	\$325	\$250	\$220	\$85		
Total Professional Fees	\$4,550	\$3,000	\$15,840	\$340	\$23,730	

TB - Thomas Beckley - Project Manager
 CD - Collin Drat - Lead Consultant
 JC - Joe Collins - Associate Consultant
 Corp - Corporate Functions

Total Fees	\$23,730
Total Expenses	\$1,020
Total Fees & Expenses	\$24,750