



**REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, FEBRUARY 2, 2022, AT 5:30 PM
61750 CHOLLITA ROAD, JOSHUA TREE, CA 92252**

ON MARCH 4, 2020, CALIFORNIA GOVERNOR GAVIN NEWSOM DECLARED A STATE OF EMERGENCY IN CALIFORNIA AS A RESULT OF THE COVID-19 PANDEMIC, FOR WHICH STATE AND SAN BERNARDINO COUNTY PUBLIC HEALTH OFFICIALS HAVE CONTINUED TO RECOMMENDED MEASURES TO PROMOTE SOCIAL DISTANCING. PURSUANT TO GOVERNMENT CODE SECTION 54953, AND CORRESPONDING FINDINGS OF THE BOARD THAT CURRENTLY REMAIN IN EFFECT, **THERE WILL BE NO PUBLIC LOCATION FOR THIS MEETING** AND MEMBERS OF THE BOARD OF DIRECTORS AND PUBLIC MAY ATTEND THIS MEETING BY TELEPHONE OR VIDEO CONFERENCE.

To join by Zoom please click the below link:

<https://us02web.zoom.us/j/85288486743?pwd=aG15SjBUcHJxU2ZSZWVER2RkOHlvZz09>

Or you may join by phone at 1-253-215-8782, Meeting ID: 85288486743 Passcode: 232370

AGENDA

1. **CALL TO ORDER -**
2. **PLEDGE OF ALLEGIANCE -**
3. **DETERMINATION OF A QUORUM (ROLLCALL) -**
4. **ADMINISTER THE OATH OF OFFICE TO APPOINTED DIRECTOR BARBARA DELPH – President Floen**
5. **APPROVAL OF AGENDA -**
6. **STATE OF EMERGENCY FINDINGS – GOVT. CODE § 54953(e) –** The Board shall, by majority vote, determine whether the conditions justifying the adoption of District Resolution No. 21-1035 on October 6, 2021, remain in effect, such that the Board will renew its findings in Resolution No. 21-1035 for an additional 30 days. Such conditions include that (1) the State of Emergency declared by California Governor Newsom on March 4, 2020, relative to the COVID-19 Emergency, remains in effect; and (2) State or Local Health Officials continue to recommend or impose measures to promote social distancing in connection with such Emergency, and/or due to existing rate of community transmission and the small meeting space available to the District for in-person attendance, the provision of a unrestricted physical location for the District’s meetings would present imminent risks to the health and safety of attendees. **Recommended Motion: That the Board of Directors renew its findings set forth in Resolution No. 21-1035 for additional 30 days.**
7. **PUBLIC COMMENT –** This is the time set aside for public comment on any District related matter, whether appearing on the agenda or not. At the discretion of the Board President, however, comments on a particular agendized item may be deferred until that item is heard. Please state your name and limit your comments to 3 minutes.

Pages 5-6
Pages 7-8

8. **CONSENT CALENDAR** – Matters on the Consent Calendar are considered routine in nature and will be enacted in a single motion without discussion. Any Board member or member of the public may request that an item be removed from the Consent Calendar and acted on separately.

- Draft Minutes January 11, 2022
- Draft Minutes January 19, 2022

9. **STANDING COMMITTEE ASSIGNMENTS** – President Floen – Recommend that President Floen assign two (2) Board Directors to each of the Standing Committees listed below:

- Finance Committee
- Legislative & Public Information Committee
- Water Resources & Operations Committee

Pages 9-10

10. **CITIZENS ADVISORY COUNCIL (CAC) APPOINTMENT** – President Floen – Recommend that the Board of Directors receive Glen Harris’ application and appoint him to the Citizens Advisory Council (CAC).

11. **APPROVE THE APPOINTMENT OF ACTING GENERAL MANAGER SARAH JOHNSON AS BOARD SECRETARY PER SECTION 4.08 OF THE ADMINISTRATION CODE** – Recommend that the Board of Directors appoint Acting General Manager Sarah Johnson as Board Secretary.

Pages 11-13

12. **CHANGE OF LOCAL AGENCY INVESTMENT FUND (LAIF) AUTHORIZATION FOR TRANSFER OF FUNDS** – Director Anne Roman – Recommend that the Board of Directors approve Resolution No. 21-1038 to provide authority to file a revised “Authorization of Transfer of Funds” with Local Agency Investment Fund (LAIF).

Pages 14-44

13. **RATE & FEE STUDY COMPETITIVE BIDDING CONSIDERATION OF EXCEPTION** – Recommend that the Board of Directors approve an exception to the Bidding Policy and provide authority to enter into an agreement between the Joshua Basin Water District and Bartle Wells Associates to provide Rate & Fee Study services.

14. **DIRECTOR REPORTS/COMMENTS**–

- Kathleen Radnich, Public Information Consultant –
- Mojave Water Agency Public Hearing – January 26, 2022, at 2:00 p.m. – Director Unger and Director Jarlsberg
- Mojave Water Agency Board of Directors Meeting – January 27, 2022 at 9:30 a.m. – Director Unger
- Citizens Advisory Council – Chairperson David Carrillo – February 1, 2022, at 6:00 p.m.

15. **FUTURE DIRECTOR MEETINGS** –

- Mojave Water Agency (MWA) Technical Advisory Committee (TAC) – February 3, 2022, at 10:00 a.m. - Director Jarlsberg
- Finance Committee – February 9, 2022, at 9:00 a.m. – Directors (to be assigned)
- Water Resources & Operations Committee – February 9, 2022, at 10:30 a.m. – Directors (to be assigned)
- Morongo Basin Pipeline Commission – February 9, 2022, at 2:00 p.m. – President Floen
- Mojave Water Agency Board of Directors Meeting – February 10, 2022, at 10:30 a.m. – Director Delph

- JBWD Board of Directors Meeting – February 16, 2022, at 5:30 p.m. – All Directors

16. **CLOSED SESSION –**

- A. Public Employment (Government Code § 54957(b))
Title – General Manager
- B. Conference with Legal Counsel (Government Code § 54956.9(d)(2))
Threat of Litigation: One (1) Case
- C. Open Session: Report Out and Action, as Necessary, re: General Manager

17. **ADJOURNMENT –**

INFORMATION

The public is invited to comment on any item on the agenda during discussion of that item. Members of the public wishing to attend the meeting that require other reasonable modifications or accommodation to facilitate such attendance should contact Beverly Krushat at 760-974-0072 or bkrushat@jbwd.com as soon as feasible before the meeting to make such request.

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Joshua Basin Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board are available online at jbwd.com for public inspection, or in the District’s office, 61750 Chollita Road, Joshua Tree, CA 92252 (“District Office”). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available at the reception desk of the District Office and on-line at jbwd.com during business hours at the same time as they are distributed to the Board members.

Disability-related accommodations: The Joshua Basin Water District Board of Directors meeting room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.) please contact Ms. Krushat at the District Office at (760) 974-0072 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in alternative format upon written request to Ms. Krushat in the District Office, at least seventy-two (72) hours prior to the scheduled meeting.



PO Box 675 • 61750 Chollita Road • Joshua Tree, CA 92252
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*California Constitution
Article 20, Section 3:*

Members of the legislature, and all public officers and employees, executive, legislative, and judicial, except such inferior officers and employees as may be by law exempted, shall, before they enter upon the duties of their respective offices, take and subscribe the following oath or affirmation:

I, Barbara Delph, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

February 2, 2022
Date

Signature

“Public officer and employee” includes every officer and employee of the State, including the University of California, every county, city, city and county, district, and authority, including any department, division, bureau, board, commission, agency, or instrumentality of any of the foregoing.(California Constitution, Article 20, Section 3)

JOSHUA BASIN WATER DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING MINUTES
TUESDAY, JANUARY 11, 2022

CALL TO ORDER/PLEDGE OF ALLEGIANCE – President Floen called the meeting to order at 10:00 a.m. via teleconference.

DETERMINATION OF A QUORUM – President Floen asked for a rollcall and the following were present; Vice President Doolittle, Director Jarlsberg, and Director Unger.

STAFF PRESENT – Anne Roman, Director of Finance, Sarah Johnson, Director of Administration, and Beverly Krushat, Executive Assistant, attendance via teleconference.

CONSULTANTS PRESENT –Jeff Hoskinson, Legal Counsel via teleconference.

APPROVAL OF AGENDA -

MSC¹ (Jarlsberg/Doolittle) 4/0/0 motion carried to approve the Agenda.

Ayes: Doolittle, Floen, Jarlsberg, and Unger

Noes: None

Absent: None

Abstain: None

STATE OF EMERGENCY FINDINGS – GOVT. CODE §54953(e) – The Board of Directors renewed its findings set forth in Resolution No. 21-1035 for an additional 30 days.

MSC¹ (Unger/Jarlsberg) 4/0/0 motion carried to extend the State of Emergency Findings for an additional 30 days as set forth in Resolution No. 21-1035.

Ayes: Doolittle, Floen, Jarlsberg, and Unger

Noes: None

Absent: None

Abstain: None

PUBLIC COMMENT – None

CONSIDERATION OF BOARD VACANCY CANDIDATES – Jeff Hoskinson, Legal Counsel –

Jeff Hoskinson, Legal Counsel instructed the Board members and members of the public on how the interview process will proceed. Each candidate gave a 3–5-minute overview of their qualifications. David Fick, David Carrillo, Glen Harris, and Barbara Delph were all asked interview questions by the Board members. After the initial Q&A period, Jeff Hoskinson, Legal Counsel, instructed the Board that in order for a candidate to move to the next phase they will need a motion, a second, and then the majority vote for the candidate to move forward to the next phase.

Director Unger asked President Floen why the Board was conducting the interviews in this manner, i.e. interviewing today, vote on candidates going to the final round, and then final vote at the regular meeting on January 19, 2022. Director Unger then asked President Floen to read his statement on the selection process.

President Floen stated that in past years he has detected a fairness issue in regard to the selection process of a new Board member. This occurs when the first person nominated, then seconded, is immediately voted upon. If the candidate receives a yes vote and the majority of votes, this person wins the appointment to the Board. If this situation occurs no vote is taken on the remaining candidates and they are dismissed, this is a fairness issue. It is the opinion of the President that to be fair all candidates should be voted on and an elimination process should occur.

- David Fick - MSC¹ (Jarlsberg/Unger) 3/1/0 motion carried to approve David Fick to advance to the next Board meeting of January 19, 2022.

Ayes: Doolittle, Jarlsberg, and Unger
Noes: Floen

- David Carrillo - MSC¹ (Jarlsberg/Unger) 2/2/0 motion failed.

Ayes: Floen and Unger
Noes: Doolittle and Jarlsberg

- Glen Harris - MSC¹ (Unger/Jarlsberg) 2/2/0 motion failed.

Ayes: Floen and Unger
Noes: Doolittle and Jarlsberg

- Barbara Delph - MSC¹ (Unger/Doolittle) 4/0/0 motion carried to approve Barbara Delph to advance to the next Board meeting of January 19, 2022.

President Floen thanked everyone for their participation in the appointment process and stated that all four (4) candidates are very well qualified to serve on our Board. He encouraged all four (4) candidates to continue to participate in the water business, attend meetings, and to go by the Farmers Market Booth and contribute there.

ADJOURNMENT – The Board of Directors adjourned at 11:46 a.m.

JOSHUA BASIN WATER DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
WEDNESDAY, JANUARY 19, 2022

CALL TO ORDER/PLEDGE OF ALLEGIANCE – President Floen called the meeting to order at 5:30 p.m. via teleconference.

DETERMINATION OF A QUORUM – President Floen asked for a rollcall and the following Directors were present: Vice President Doolittle, Director Jarlsberg, and Director Unger are in attendance via teleconference.

STAFF PRESENT – Sarah Johnson, Acting General Manager, Anne Roman, Director of Finance, Autumn Rich, Accounting Supervisor, Brandon Warner, CIRP Supervisor, Jeremiah Nazario, Distribution Supervisor, and Beverly Krushat, Executive Assistant, are in attendance via teleconference.

CONSULTANTS PRESENT – Kathleen Radnich, Public Information Consultant and Jeff Hoskinson, Legal Counsel

APPROVAL OF AGENDA – Before the approval of the Agenda, President Floen added the Legislative & Public Information Committee, January 18, 2022, to item #10 to be reported on.

MSC¹ (Doolittle/Jarlsberg) 4/0/0 motion carried to approve the Agenda.

Ayes: Doolittle, Floen, Jarlsberg, and Unger
Noes: None
Absent: None
Abstain: None

STATE OF EMERGENCY FINDINGS – GOV'T CODE §54953(e) – The Board of Directors voted unanimously to extend the State of Emergency Findings for another 30 days.

MSC¹ (Unger/Doolittle) 4/0/0 motion carried to extend the State of Emergency Findings for another 30 days.

Ayes: Doolittle, Floen, Jarlsberg, and Unger
Noes: None
Absent: None
Abstain: None

PUBLIC COMMENT – None

CONSENT CALENDAR –

MSC¹ (Unger/Floen) 4/0/0 motion carried to approve the Consent Calendar. Director Jarlsberg asked that more detail be available on the Financial report.

Ayes: Doolittle, Floen, Jarlsberg, and Unger
Noes: None
Absent: None
Abstain: None

BY-DIVISION/DISTRICT BASED ELECTIONS UPDATE – Acting GM Sarah Johnson gave the staff report and stated that the District is required by Water Code Section 30733(d) to adjust the boundaries of its By-Division voter districts after each federal decennial census. In making such adjustments, the District is required to adjust the boundaries of its Divisions so that, as far as practicable, the divisions are equal in population and in compliance with specified provisions of Federal law. In adjusting such boundaries, the Board should give consideration to the following factors: (1) topography, (2) geography, (3) cohesiveness, contiguity, integrity, and compactness of territory, and (4) community of interests of the division. The District is required to complete such adjustments by April 17, 2022, pursuant to Elections Code Section 22000.1(b).

The District is proposing to hire the services of a demographer, Cooperative Strategies. Cooperative Strategies will assist the District by analyzing District-related data from the 2020 Federal Census and based thereon and in consultation with District staff and legal counsel, return to the Board over the course of at least two public hearings with options for adjusting its boundaries to conform to population changes within the District based on the 2020 Federal Census. This was followed by a Q&A period with the Board members.

MSC¹ (Doolittle/Floen) 3/1/0 motion carried to approve the contract for Cooperative Strategies.

Ayes: Doolittle, Floen, and Jarlsberg
Noes: Unger
Absent: None
Abstain: None

CONSIDERATION OF BOARD VACANCY CANDIDATES – Jeff Hoskinson, Legal Counsel, gave a brief introduction as to how the interview process has been conducted. Former Director Mike Reynolds had an at large seat, which is not slated to be re-districted until November 2022. Therefore, the Board may appoint someone from Division 2 or from a different Division to the Board. Four (4) applications were received on January 6, 2022, David Carrillo, Barbara Delph, David Fick, and Glen Harris. Each candidate was interviewed at the Special Board meeting of January 11, 2022 and final interviewees chosen were Barbara Delph and David Fick to move to the final interview process, at the January 19, 2022 Board meeting. Each candidate was allowed to give a brief introduction about themselves and why they would like to be on the JBWD Board of Directors. This was followed by a brief Q&A with the Board members.

- David Fick – Director Jarlsberg motioned for David Fick to be appointed as the new Director. Hearing no second the motion failed.
- Barbara Delph - MSC¹ (Floen/Unger) 4/0/0 motion carried to appoint Barbara Delph to the Board of Directors on February 2, 2022, when she will take her Oath of Office.

DIRECTOR MEETING REPORTS – Kathleen Radnich, Public Information Consultant reported on 2022 pending classes, grant updates and the Farmer’s Market theme for February is “Careers in Water”. This was followed by Director Unger and Director Jarlsberg commenting on the meetings they attended.

FUTURE DIRECTOR MEETINGS – President Floen read off the list of the upcoming meetings.

RECESS – The Board members took a short recess before they began the Closed Session.

CLOSED SESSION – At approximately 7:00 p.m. the Board met in Closed Session on Item 12 of the Agenda.

RETURN TO OPEN SESSION – At approximately 8:35 p.m. the Board returned to Open Session and reported that after conducting an investigation, the District concluded that the General Manager violated terms of his employment agreement. Based thereon, the Board, by unanimous vote of all Board members present, terminated the General Manager’s contract effective immediately. As this is a personnel matter, there will be no further comment.

ADJOURNMENT – The Board of Directors adjourned the meeting at 8:37 p.m.



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CITIZEN'S ADVISORY COUNCIL APPLICATION FOR MEMBERSHIP

Name: GLEN HARRIS

Residence Address: REDACTED

Mailing Address: _____

Phone (cell): _____

Please check all that apply:

- I am a registered voter within the Joshua Basin Water District (required).
- I own a home in Joshua Tree I own a business in Joshua Tree
- I own property in Joshua Tree I am a customer of Joshua Basin Water District
- I live in Joshua Tree part-time I live in Joshua Tree full-time

How did you hear about the JBWD Citizens Advisory Council? I was referred by Dawn Rowe, Barb Delph, and Kathleen Radnich.

How do you think you could contribute as a member of the Citizens Advisory Council? I have recently been appointed by Dawn Rowe as the Community Liaison for the High Desert of the Third District of San Bernardino County, a newly created position along the lines of Field Representative. I also have been active with the Morongo Basin Municipal Advisory Council (MAC), having most recently served first as Secretary and then President, and I am committed to our community, our land, our resources, and our residents. Being involved with the JBWD would be an ideal fit for me, for it will increase my knowledge and understanding of our water, broaden the scope of my loyal service to the High Desert, and however I can and when appropriate, I can assist the JBWD with the County.

Have you ever been convicted of a crime (including a plea of guilty or no contest) which resulted in a criminal conviction? Please exclude misdemeanor convictions for marijuana/DUI related offenses that are over two years old as of the date you complete this application. Yes No

If yes, briefly describe the nature of the offense, the date and place of the conviction, and the legal disposition of the case (s). _____

The Board of Directors will not deny appointment to any application solely because the person has been convicted of a crime. However, the Board of Directors will consider the nature, date and circumstances of the offense as well as whether this offense is relevant to the duties of the position.

Please attach your resume', letter of interest, or biography to this application. Return completed to Beverly Krushat, Executive Assistant to the Board of Directors, to bkrushat@jbwd.com or you may drop it off to the District office.

GLEN R. HARRIS

PROFESSIONAL EXPERIENCE:

Vice President, ESTELLE BY STARLIGHT, INC. 1996-Present

Talent and Business Manager for a successful actor. Responsibilities include all business administration, contract negotiations, public relations, marketing, scheduling.

Marketing/Public Relations Consultant. 2007 - Present.

Responsibilities included business planning, research and development, creating and writing marketing campaigns and releases, event coordination, press and public relations, community outreach, etc. for small businesses and not-for-profit organizations. Board Member on HOAs and Non-profits. Community Service Advocate and Volunteer.

Director of Current Programming, BIG TICKET TELEVISION, LA, CA 1996-2006

Oversaw all creative aspects of network and syndicated television series and pilots. Responsibilities included, but not limited to, script development, casting, staffing, talent relations/management, marketing, press relations, serving as the active liaison/point person between the individual productions, the production company, the networks and/or syndicators. List of TV shows upon request.

PUBLIC RELATIONS EXECUTIVE. Varied, 1985 - 2005

Served as both Corporate PR executive as well as publicist for numerous high profile individuals.

EDUCATION:

New York University, NY, NY. BA/Communications and Film Production, 1982

****PERSONAL AND PROFESSIONAL REFERENCES AVAILABLE UPON REQUEST****

**JOSHUA BASIN WATER DISTRICT
MEETING AGENDA ITEM STAFF REPORT**

Board of Directors

DATE: February 2, 2022

REPORT TO: Board of Directors
PREPARED BY: Anne Roman, Director of Finance
**TOPIC: CHANGE OF LAIF AUTHORIZATION FOR
TRANSFER OF FUNDS**

RECOMMENDATION: Approve Resolution No. 21-1038 to provide authority to file a revised "Authorization for Transfer of Funds" with LAIF.

ANALYSIS: The attached Resolution No. 21-1038 is required to authorize Staff to file an "Authorization for Transfer of Funds" form with the Local Agency Investment Fund (LAIF). Former General Manager Ban will be removed as an Authorized transaction initiator and Sarah Johnson will be added as a long-term option under her Director of Administration job title.

STRATEGIC PLAN

ITEM:

FISCAL IMPACT: N/A

RESOLUTION NO. 22-1038

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
JOSHUA BASIN WATER DISTRICT AUTHORIZING INVESTMENT
OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF)**

WHEREAS, the Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Joshua Basin Water District Board of Directors hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the Joshua Basin Water District.

NOW THEREFORE BE IT RESOLVED, that the Joshua Basin Water District Board of Directors hereby authorizes the deposit and withdrawal of Joshua Basin Water District monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED, as follows:

Section 1. This resolution rescinds and replaces Resolution No. 20-1024, Adopted December 16, 2020.

Section 2. The following Joshua Basin Water District officers holding the title(s) specified hereinbelow or their successors in office are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

Anne Roman	Sarah Johnson	Autumn Rich
Director of Finance	Director of Administration	Accounting Supervisor

Section 3. This resolution shall remain in full force and effect until rescinded by Joshua Basin Water District Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer’s Office.

PASSED AND ADOPTED, by the Joshua Basin Water District Board of Directors, County of San Bernardino, State of California on February 2, 2022.

By: _____
Thomas Floen, President, Board of Directors

ATTEST: _____
Sarah Johnson, Acting General Manager & Board Secretary

RESOLUTION NO. 21-1038

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
JOSHUA BASIN WATER DISTRICT AUTHORIZING INVESTMENT
OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF)**

WHEREAS, the Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Joshua Basin Water District Board of Directors hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the Joshua Basin Water District.

NOW THEREFORE BE IT RESOLVED, that the Joshua Basin Water District Board of Directors hereby authorizes the deposit and withdrawal of Joshua Basin Water District monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED, as follows:

Section 1. This resolution rescinds and replaces Resolution 20-1024, Adopted December 16, 2020.

Section 2. The following Joshua Basin Water District officers holding the title(s) specified hereinbelow or their successors in office are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

Anne Roman	Sarah Johnson	Autumn Rich
Director of Finance	Director of Administration	Accounting Supervisor

Section 3. This resolution shall remain in full force and effect until rescinded by Joshua Basin Water District Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer’s Office.

PASSED AND ADOPTED, by the Joshua Basin Water District Board of Directors, County of San Bernardino, State of California on February 2, 2022.

By: _____
Thomas Floen, President, Board of Directors

ATTEST: _____
Sarah Johnson, Acting General Manager & Board Secretary



**California State Treasurer's Office
Local Agency Investment Fund (LAIF)**

Authorization for Transfer of Funds

Effective Date 02/03/2022 Agency Name JOSHUA BASIN WATER DISTRICT LAIF Account # _____

Agency's LAIF Resolution # _____ or Resolution Date 02/02/2022

ONLY the following individuals whose names appear in the table below are hereby authorized to order the deposit or withdrawal of funds in LAIF. **This authorization REPLACES AND SUPERSEDES all prior authorizations on file with LAIF for the transfer of funds.**

Name	Title
ANNE ROMAN	DIRECTOR OF FINANCE
SARAH JOHNSON	DIRECTOR OF ADMINISTRATION
AUTUMN RICH	ACCOUNTING SUPERVISOR

Two authorized signatures required. Each of the undersigned certifies that he/she is authorized to execute this form under the agency's resolution, and that the information contained herein is true and correct.

Signature
ANNE ROMAN

Print Name
DIRECTOR OF FINANCE

Title
760-974-2480

Telephone

Signature
SARAH JOHNSON

Print Name
DIRECTOR OF ADMINISTRATION

Title
760-974-4556

Telephone

Please provide email address to receive LAIF notifications.

Name	Email
ANNE ROMAN	AROMAN@JBWD.COM
SARAH JOHNSON	SJOHNSON@JBWD.COM

Please email a scanned copy for review to laif@treasurer.ca.gov.
**After approval is received, mail the original form to: State Treasurer's Office
 Local Agency Investment Fund
 P.O. Box 942809
 Sacramento, CA 94209-0001**

**JOSHUA BASIN WATER DISTRICT
MEETING AGENDA ITEM STAFF REPORT**

Board of Directors

DATE: February 2, 2022

REPORT TO: Board of Directors
PREPARED BY: Anne Roman, Director of Finance
TOPIC: **RATE & FEE STUDY COMPETITIVE BIDDING –
CONSIDERATION OF EXCEPTION**
RECOMMENDATION: Approve exception to Bidding Policy and provide authority to enter into an agreement between the Joshua Basin Water District and Bartle Wells Associates to provide Rate & Fee Study services.

ANALYSIS: The District’s Budget Policy recommends that we should consider performing a Rate Study every five years. Our last Rate Study occurred in 2017 so our next study is due this year. A Rate Study is approximately a year-long process, allowing for time to include citizen, committee, and Board feedback and undergo the Prop 218 Rate adoption process. If we intend to have a new rate structure approved before January 2023, we need to kick this off as soon as possible.

Our Board-adopted Bidding policy) requires that this type of service go through a competitive bidding process (RFP – Request for Proposals), though the District is not legally required to do so. Section 3.3 F. of the attached Bidding Policy states that an exception to the Policy can be made when “[t]he Board makes a finding that it is in the best interest of the District to waive or modify the procedure.”

Staff recommends making an exception to the competitive bidding process and soliciting a bid only from our prior Rate Study consultant, Bartle Wells Associates (BWA), for the following reasons:

- BWA has completed at least three Rate Studies for the District and the District has received no negative feedback or challenges to the rate structures developed.
- BWA’s staff and deliverables were well-received (Alex Handlers, specifically) and would provide continuity during a time of transition in Finance Department staffing.
- BWA is a vendor that is already familiar with our unique District and rate structure. That would allow us to focus less on getting up to speed and more on considering different strategies such as:
 - Considering specific rates like a Capital improvement component as HDWD has.
 - Considering rates by class.
- Eliminating the time-consuming and cumbersome RFP process would allow us to start the process without further delay.

Bartle Wells Associates is a firm based out of the Bay area, which has “completed over 2,000 utility rate and fee studies” per their website (<http://bartlewells.com/services>). On a side note, we have been contacted by another firm, RDN: Robert D. Niehaus, Inc., requesting to participate in an RFP process. However, our legal counsel advises that we are not legally obligated to offer them an opportunity to bid. A cursory review also indicates that Bartle Wells’ experience with water utilities far outweighs that of RDN.

This year’s Rate Study was anticipated to also include a Fee Study. Several years ago, Susan Greer worked with Alex Handlers at BWA to prepare an informal recalculation of defensible Water Capacity Fee charges. That calculation indicated that, in a 90% cost recovery scenario, the Water Capacity fee for a common 1” meter would be \$21,887 vs. the \$7,932 currently being charged. The Board should discuss options for cost recovery during the Rate & Fee study process but there is great potential to increase the District’s cost recovery.

The attached proposed cost of the Rate Study is \$34,000 and the optional Water Capacity Fee Study is an additional \$18,000, totaling \$52,000. The estimated \$60,000 cost was discussed with the Board in the Spring of 2021 and half of the cost was included in the Board-approved 21/22 budget. While this new proposal comes in \$13,600 higher than our 2017 Rate Study, this proposal includes a more comprehensive Water Capacity study. Also, the potential for cost recovery through capacity fees charged during development is significant, especially at current development levels, and could easily offset this extra study cost.

Study of the Wastewater Capacity Fee has been excluded from this proposal since the Wastewater Treatment Strategy is undergoing a significant update; that study may be conducted later, potentially by Bartle Wells or an Engineering firm involved with the Strategy update.

Finally, in the interest of expediting the process, Staff requests authority to enter into the attached agreement with Bartle Wells Associates for \$52,000.

STRATEGIC PLAN Item 2.8 Continue to Monitor and Update Rates and Fees to Ensure
ITEM: Financial Viability
FISCAL IMPACT: Costs up to \$52,000 for a Rate & Water Capacity Fee Study



JBWD BIDDING PROCEDURES

SECTION 1: CONSTRUCTION AND MAINTENANCE CONTRACTS

Section 1.1 Purpose and Policy

In order to establish efficient procedures for the construction and maintenance projects at the lowest possible cost consistent with the highest standards of quality, a purchasing system for construction and maintenance contracts is hereby adopted.

Section 1.2 Competitive Bidding-When Required

- A. Construction and maintenance projects of \$25,000.00 or less may be performed by the employees of the District by force account, by negotiated contract, or by purchase order.
- B. Construction and maintenance projects of \$75,000 or less may be let to contract by informal bidding procedures as set forth in section 1.4 B.
- C. Public projects of more than \$75,000 shall, except as otherwise provided in this section, be let to contract by formal bidding procedures. A project may not be split into smaller portions to avoid the competitive bidding requirements.

Section 1.3 Exemptions to Competitive Bidding

Construction and maintenance contracts may be awarded without competitive bidding in the following circumstances:

- A. When the amount involved is \$25,000 or less and competitive negotiations are followed as provided in Section 1.4 D below;
- B. The services sought are available only from a single source;
- C. Public exigency or emergency will not permit a delay; or
- D. After solicitation of a number of sources, competition is determined inadequate.

E. If the General Manager determines on the basis of reasonable evidence, that competitive bidding would be impossible and unnecessary, and that it is in the public interest to implement the construction or maintenance project as a “design–build” project.

F. The Board makes a finding that it is in the best interest of the District to waive or modify this procedure.

Section 1.4 Competitive Bidding and Negotiating Procedures

A. Formal Bidding Procedures (Required in excess of \$75,000)

1. Notice Inviting Bids: The notice inviting bids shall set a date for the opening of bids. The first publication or posting of the notice shall be at least 10 days before the date of opening the bids. Notice must be published at least twice, not less than 5 days apart, in a newspaper of general circulation, printed and published in the community, or if there is none, it shall be posted in at least three public places within the District that have been designated as the places for posting public notices.
2. Additive and Deductive Bids: The General Manager is authorized to include in the notice inviting bids provisions for items that can be added or deducted from the scope of work, as authorized by Public Contract Code, Section 20103.8.
3. Bid Addenda: The date and time for submitting the bids shall be extended by no less than 72 hours if the General Manager issues any material changes, additions, or deletions to the invitation later than 72 hours prior to the bid closing. The term “material change” means a change with a substantial cost impact on the total bid as determined by the General Manager. Any bids received after any extension of time due to material changes shall be returned unopened.
4. Presentation of Bid and Security: All bids shall be sealed and accompanied by a security of at least 10% of the bid amount to guarantee the bid. The General Manager shall not consider a bid from a bidder who fails to provide the required security.

B. Informal bidding procedures (Required between \$25,000 and \$75,000) to govern the selection of contractors to perform public construction and maintenance contracts pursuant to Section 1.2 B shall be as follows:

1. Contractor List: The District shall maintain a list of qualified contractors identified according to categories of work and meeting minimum criteria established by the District.
2. Notice of Informal Bid: All contractors on the list for the category of work being bid on, or for construction contracts, all construction trade journals specified in Government Code Section 20036, shall be mailed a notice inviting informal bids, unless the project or service is proprietary.

3. Mailing of Notice: All mailing of notices to contractors and construction trade journals pursuant to subsection 2 of this section shall be completed not less than ten calendar days before bids are due.
4. Content of Notice: The notice inviting informal bids shall describe the project in general terms, how to obtain more detailed information about the project, and state the time and place for the submission of bids. All informal bids shall be opened in public.
5. Informal Bids in Excess of \$75,000: If all bids received are in excess of \$75,000 the District may, by passage of a resolution by a four-fifths vote, award the contract to the lowest responsible bidder, if it determines the cost estimate of the District was reasonable.

C. Procedures for both Formal and Informal Bidding

1. Evaluation of Formal or Informal Bid: The invitation for bids shall be written so that there is clear method to compare bids and determine which bid is the lowest monetary bid.
2. Award of Formal or Informal Bid: The contract shall be awarded to the lowest responsible bidder. The process for selecting the lowest responsible bidder includes a determination of (1) which bidder is the lowest “monetary bidder”, (2) whether or not the lowest monetary bidder submitted a “responsive bid”, and (3) whether or not the lowest monetary bidder is responsible. If the lowest monetary bidder is responsible and submits a responsive bid, the contract shall be awarded to the lowest monetary bidder even if another bidder is “more responsible.”
3. Rejection of Formal or Informal Bid: The Board of Directors, may, in its discretion, and on four-fifths vote, reject all bids without having to give a reason. If no bids are received the Board of Directors may then dispense with competitive bidding. If all bids are rejected the Board of Directors may, on four-fifths vote, find that the project can be performed more economically by employees or through open market purchases of materials and supplies, and dispense with further public bidding; provided, however, that the work shall be performed in accordance with the same plans and specifications.
4. Change Orders for All Projects: The General Manager is authorized to enter into contract change orders without the prior approval of the Board of Directors as follows:
 - a. For construction contracts of \$50,000 or less, a change or cumulative change shall not exceed the total of \$5,000.
 - b. For construction contracts of \$50,000 but less than \$250,000 a change or cumulative changes shall not exceed a total of 10% of the original contract amount.

- c. For construction contracts of \$250,000 or more, a change order or cumulative change orders shall not exceed \$25,000 plus 2% of the original contract in excess of \$250,000
- d. The General Manager may exceed the amounts of change orders indicated above if it is determined that the cost of waiting for Board approval would significantly increase the cost of the project or seriously delay the project. In that case, the change order will be presented to the Board at the next Board meeting.

5. Protests of Formal or Informal Bids:

- a. Responsibility: If the General Manager intends to reject a bid based on “non-responsibility”, prior to Award of the contract, the General Manager shall give notice to the bidder of any evidence reflecting up on his responsibility, afford the rejected bidder an opportunity to rebut such adverse evidence, and permit him to present evidence that he is qualified to perform the contract.
- b. Responsiveness: If the General Manager determines that a bidder is non-responsive, the bidder is entitled to notice of that fact and is entitled to submit materials, in a manner defined by the General Manager, concerning the issue of responsiveness. The General manager is not required to conduct a hearing and need not produce findings.

6. Mistakes in Formal or Informal Bids

- a. Changing the Bid: Once the bidding deadline has passed, the bidder may not thereafter change the bid. Clerical errors in listing subcontractors may be corrected if the procedures of Public Contract Code, Section 4107.5 are followed.
- b. Consent to Withdraw: In the case of bid mistakes, the Board of Directors may consent to a withdrawal of the bid if the bidder establishes that the requirements of California Public Contract Code, Section 5103 have been satisfied.
- c. Prohibition to Further Bidding: A bidder who claims mistake or forfeits its bid security shall not be permitted to participate in further bidding on the same project.

D. Competitive Negotiation Procedures (Under \$25,000)

The General Manager is authorized to have work performed by District Staff or by contract in an amount not to exceed \$25,000 for work, labor, and services (but not including supplies or materials) in accordance with the following procedures:

- 1. Request for proposal: A request for proposal shall be prepared that identifies all significant evaluation factors, including price or costs when required, and their relative importance.

2. Solicitation of Proposal: Proposals shall be solicited from an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirements of the procurement. The request for proposals should be publicized and reasonable requests by other sources to compete should be honored to the maximum extent practicable.
3. Evaluation: The General Manager shall develop mechanisms for the evaluation of the proposals received, and shall discuss with the bidders concepts and alternative methods of approach for furnishing the required work, labor, and services.
4. Award: The General Manager shall select, in order of preference and based upon criteria developed under Paragraph 3 above, the responsible bidder whose proposal will be most advantageous to the District, price and other factors considered. Unsuccessful bidders should be notified promptly.

Section 1.5 Blanket Approval for Miscellaneous Projects

The following procedures are established to provide for the timely and cost-effective award of miscellaneous projects throughout the year:

- A. Solicit Proposals: The General Manager may, each year, solicit proposals for construction maintenance and repair projects that can be performed throughout the year at contractors' convenience. The total amount allocated for such projects shall be determined in the annual budget. An annual list of contractors shall be developed and ranked based upon cost per unit and total estimated cost. The Board shall approve the annual list.
- B. Award of Contracts Less Than \$25,000: For unanticipated projects the General Manager shall have authority to award contracts of less than \$25,000 to contractors on the annual list.
- C. Award to Second Lowest Bidder: If the lowest responsible bidder on the list is not able to accept the contract, then the General Manager or Board may award the contract to the next lowest bidder, provided that the bid is within ten percent (10%) of the lowest bidder.
- D. When Board Approval is Required: Board approval shall be required prior to award of contract for contracts over \$25,000.
- E. District and Contractor Not Obligated: The existence of a list shall not obligate the contractor to accept a project, nor obligate the District to select off the list rather than solicit new bids, quotes, or proposals.

Section 1.6 Contractor Requirements

The purpose of this section is to assure that all contractors carry the appropriate licenses, insurance, and bonding to protect the District.

In addition to other requirements specified in the bid documents or by the General Manager, each contractor shall meet the following minimum requirements:

- A. Licenses Required: Have and maintain the required local, state, and federal licenses. The license shall be required even though the District might otherwise be exempt from requiring a licensed contractor.
- B. Insurance Required: For Public Works projects, have minimum insurance coverage of one million dollars (\$1,000,000) for liability and for any vehicles used on a project. The General Manager and District's Attorney may waive this requirement for maintenance projects contained strictly on District property (e.g. painting, carpentry, and minor plumbing in District offices).
- C. Proof of License & Insurance: Proof of licenses and insurance coverage shall be provided at the time the bid is submitted.

SECTION 2: PURCHASING SUPPLIES AND PERSONAL PROPERTY

This Section intentionally blank.

SECTION 3: PROCUREMENT OF PROFESSIONAL SERVICES

Section 3.1 Purpose and Policy

It shall be the District's policy to procure professional architectural, landscape architectural, engineering, environmental, land surveying and construction project management services on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. This policy shall not apply to legal, auditing, and investigation services which may be retained by the Board without any specific process.

Section 3.2 Competitive Procurement Procedures for services exceeding \$10,000

The General Manager shall comply with the following procedure for the procurement of professional services:

- A. Request for Proposal: Prepare a request for proposal that identifies all significant evaluation factors, including price or costs when required, and their relative importance.
- B. Solicitation of Proposal: Proposals shall be solicited from an adequate number of qualified sources. The request for proposals should be publicized and reasonable requests by other sources to compete should be honored to the maximum extent practicable.
- C. Evaluation: The General Manager shall develop mechanisms for the technical evaluation of the proposals received, and shall conduct discussions with the bidders regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services. The evaluation shall first take into consideration the qualifications, experience, and approach proposed by the professional provider. Consideration of cost shall be secondary.
- D. Award by the Board: Board approval shall be required. The General Manager shall recommend to the Board, in order of preference and based upon criteria developed under Paragraph C above, the individual or firm deemed to be the most highly qualified to provide the services required.

Section 3.3 Exemptions to Competitive Procurement Procedure

The General Manager is authorized to engage the services of a professional firm or individual without complying with the Competitive Procurement Procedures in the following circumstances:

- A. The services are available only from a single source; or
- B. The General Manager has determined that it is in the best interest of the District to utilize a source previously selected through a competitive process for earlier work on the same project.
- C. Public exigency or emergency will not permit a delay; or

- D. State or federal grant or loan requirement authorize noncompetitive procurement of such services; or
- E. After solicitation of a number of sources, competition is determined inadequate.
- F. The Board makes a finding that it is in the best interest of the District to waive or modify the procedure.

Section 3.4 Negotiated Services (less than \$15,000)

- A. Purchases of services in the amount of \$15,000.00 or less may be made through the award of a purchase order. Purchase orders shall, whenever possible, be based on at least three informal quotes.
- B. Services of an amount \$5,000 or less may be awarded by the General Manager. Those of an amount greater than \$5,000 shall be awarded by the Board.

SECTION 4: SURPLUS PROPERTY

Section 4.1 Surplus Property Defined

“Surplus Property” shall include, but not be limited to, surplus or obsolete supplies, furniture, inventory, vehicles and equipment owned by the Joshua Basin Water District.

Section 4.2 Surplus Property Recognized Annually

All departments shall periodically submit supplies, office supplies, furniture, inventory, vehicles and equipment which are no longer used or which have become obsolete and worn out to the General Manager and be considered surplus property.

Section 4.3 Declaration of Surplus Property

Surplus personal property must be so declared by a motion of the Board of Directors, which contains a description of the property.

Section 4.4 Selling and Disposing

The surplus property shall be sold or disposed of by the District's General Manager in the following manner:

- A. District surplus personal property shall be sold through an auction house or at a publicly noticed sale subject to sealed bids, with the highest bidder taking title and possession of the property. Employees and officers of the District may not bid or purchase at any sale conducted by the District. The General Manager shall determine the date of the sale. In the event of matching bids, the final decision of disposition will be made by the General Manager. The District reserves the right to reject any or all bids.
- B. At the General Manager's discretion, surplus property remaining after being offered for sale, may be offered at the net surplus sale or at no cost to any interested public or nonprofit entity, or disposed of at an appropriate disposal or recycling site.

Section 4.5 Proceeds

Any proceeds received from the disposal of surplus property will be credited as miscellaneous revenue to the General Fund.

Section 4.6 Surplus Property; Parties Prohibited from Benefiting

Officials or employees of the District are barred from personally benefitting from the disposal of the surplus property.

* Note: Sections 1 and 3 approved by Board Action November 3, 2004
Section 4 added March 15, 2006 per Resolution #06-789
Section 4 approved by Board Action January 4, 2016



Proposal for a Water Rate Study & Optional Water Capacity Charge Study

January 2022



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

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Tel: 510 653 3399
www.bartlewells.com

January 26, 2022

Attn: Anne Roman, Director of Finance
Joshua Basin Water District
61750 Chollita Road
Joshua Tree, CA 92252

Bartle Wells Associates is pleased to submit this proposal to assist the Joshua Basin Water District with development of a comprehensive Water Rate Study. Our proposal includes an optional task for completing a Water Capacity Charge study with the goal of developing new charges that recover the costs of water system infrastructure and assets that benefit new development.

Bartle Wells Associates specializes in providing independent financial advisory and utility rate consulting services to California water and wastewater agencies. Our firm was established in 1964 and has served over 500 public agencies throughout California and the Western United States. Our clients have ranged from small cities and districts to large cities, special districts, joint power authorities, and counties. We have extensive expertise developing long-term financial plans, water rates and capacity charges for a wide range of California agencies. We have a well-earned reputation for providing our clients with straightforward, practical advice. And we have a strong track record of building consensus and public acceptance for final recommendations.

We previously assisted the District in developing long-term financial plans and water rate studies in 2007, 2013 and 2017. On all of these prior assignments, final recommendations were developed with substantial input from District staff, the Board of Directors and the District's Citizens Advisory Council (CAC). The prior rate studies included recommendations for multi-year rate increases, modifications to the District's rate structure to gradually increase conservation incentive, and derivation of rates based on a cost-of-service methodology that equitably recovers costs from District customers.

Our overall goal of this assignment will be to work closely with the District to evaluate key alternatives and their impacts, develop rate recommendations to support the District's projected operating and capital funding needs, and build consensus for final rate recommendations. Our general approach will be to work collaboratively with the District and the CAC throughout the rate and fee study process to ensure final recommendations reflect District objectives.

I have enjoyed working with the District on our prior assignments and hope this proposal provides a suitable basis for our selection. Please contact me if you have any questions or would like any additional information.

Sincerely,

Alex Handlers
Principal/Vice President

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ATTACHMENTS

- BILLING RATE SCHEDULE 2022**
- SCHEDULE OF INSURANCE**



Section 1: BWA Firm & Staff Qualifications



BARTLE WELLS ASSOCIATES Leaders in Utility Rates and Finance

Bartle Wells Associates (BWA) is an independent financial advisory firm with expertise in the areas of water, wastewater, and stormwater finance. BWA was established in 1964 and has over 50 years of experience advising cities, special districts, and other agencies on the complexities and challenges in public finance. We have advised over 500 public agency clients throughout California and the western United States. We have a diversity of abilities and experience to evaluate all types of financial issues faced by local governments and to recommend the best and most-practical solutions.

Bartle Wells Associates has a highly-qualified professional team. Our education and backgrounds include finance, civil engineering, business, public administration, public policy, and economics.

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

BWA Key Services

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

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



BWA has served over 500 public agencies throughout California and the western United States.

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



PROJECT FINANCING Our project financing experience includes over 300 bond sales and numerous bank loans, lines of credit, and a range of state and federal grant and loan programs. We generally recommend issuing debt via a competitive sale process to achieve the lowest cost financing possible. To date, we have helped California agencies obtain over \$5 billion of financing via bonds, bank loans/private placements, lines of credit, low-rate State Revolving Fund Loans, and other funding programs. We work only for public agencies; we are independent financial advisors and do not buy, trade, or resell bonds. Our work is concentrated on providing independent advice that enables our clients to finance their projects on the most favorable terms—lowest interest rates, smallest issue size, and greatest flexibility.

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



Bartle Wells Associates is committed to providing value and the best advice to our clients. Our strength is *quality*—the quality of advice, service, and work we do for all our clients.

Business Contact Information

Bartle Wells Associates
2625 Alcatraz Avenue, #602
Berkeley, CA 94705
Tel: 510.653.3399
www.bartlewells.com

BWA Project Manager

Alex Handlers, MPA, CIPMA
Tel: 510.653.3399 (x109)
E-mail: alex@bartlewells.com

A resume for Alex follows. Other BWA consultants are available to assist as needed.

Bartle Wells Associates was established in 1964 and is a California Corporation and certified State of California Small Business. The Federal ID number is 94-166440.

ALEX T. HANDLERS, MPA, CIPMA



Experience

Alex Handlers is a principal and vice president of Bartle Wells Associates with expertise in the areas of utility rates and finance. He has extensive experience developing long-term financial plans, utility rates, and development impact fees for utility enterprises. Alex has helped agencies implement a wide variety of water and sewer rate and fee structures and is knowledgeable about the legal requirements of rates and fees. He has managed projects for over 150 cities, counties, and special districts.

Alex is also an independent financial advisor who helps public agencies secure low-cost financing for capital projects. He is an MSRB-Registered Municipal Advisor, a Certified Independent Professional Municipal Advisor, and a current Board Member of the National Association of Municipal Advisors. He has expertise helping public agencies evaluate financing alternatives for capital improvement programs and obtain over \$2 billion in financing via bonds, COPs, bank loans/private placements, lines of credit, and various state and federal funding programs.

Education

M.P.A. - University of Washington

B.A. - Lehigh University

Certifications

Board Member – National Association of Municipal Advisors

CIPMA – Certified Independent Professional Municipal Advisor

MSRB-Registered Municipal Advisor (Series 50)

Representative Projects

- **Joshua Basin Water District:** Developed long-term financial plans and water rate studies recommending a gradual increase in water rates coupled with rate structure modifications to provide additional conservation incentive. Final recommendations incorporated input from the District's Board of Directors and a Citizens Advisory Committee.
- **City of San Carlos:** Developed a sewer enterprise financial plan and rate study designed to support sewer collection system capacity improvements, long-term pipeline replacements, and over \$120 million for the City's share of costs for rebuilding the regional wastewater treatment plant. Evaluated residential rate alternatives. Updated the City's sewer capacity charges levied on new development. Developed solid waste rate recommendations to support future funding requirements and improve rate equity between customer classes and cart sizes.
- **Ramona Municipal Water District:** Developed 10-year sewer financial plans and rate studies supporting wastewater treatment plant improvements and ongoing funding for collection system repairs and replacements to two sewer service areas. Updated wastewater capacity charges.
- **City of Redwood City:** Developed water and sewer financial plans and utility rate studies supporting a) construction of a \$72 million recycled water project, b) funding the City's roughly \$400 million share of improvements to the regional wastewater treatment plant, c) funding major increases in wholesale water rates, and d) increasing funding for ongoing investment in the City's aging utility infrastructure.
- **City of Benicia:** Developed comprehensive water and wastewater financial plans and rate studies leading to adoption of a 5-year phase-in of rate increases and revisions to the water and sewer rate structures designed to reflect the cost of providing service. Evaluated rate impacts under a range of capital improvement funding scenarios. Developed new water and sewer capacity charges.

Alex T. Handlers, continued

- **City of Morro Bay:** Developed water and sewer rate studies. Developed a financial plan and rate recommendations supporting the construction of a new \$125 wastewater treatment plant with water recycling and indirect potable reuse facilities.
- **City of San Mateo:** Developed a sewer enterprise financial plan and rate recommendations supporting funding for a roughly \$900 million wastewater capital improvement program needed to improve wet weather capacity and rebuild the City's aging wastewater treatment plant. Transitioned residential sewer rates from 100% volumetric rates (subject to a minimum charge) to a hybrid 50% fixed & 50% volumetric rate structure.
- **Cambria Community Services District:** Water and sewer financial plans and rate studies. Assisted District in developing and implementing a new charge to recover costs for an emergency water supply project. Developed updated water and sewer capacity fees designed to recover the full costs of infrastructure and assets benefiting new development. Updated the District's miscellaneous fees and charges.
- **South San Luis Obispo County Sanitation District:** Developed long-term financial plan and wastewater rate recommendations supporting the funding of a major capital upgrade to a regional wastewater treatment plant serving the Cities of Arroyo Grande, Pismo Beach, and the Oceano Community Services District.
- **San Francisco Public Utilities Commission:** Developed financial projections supporting issuance of over \$2 billion of bonds used to fund a \$4.3 billion upgrade to the Hetch-Hetchy regional water system and improvements to the City's wastewater system and Hetch-Hetchy power facilities.
- **City of Mountain View:** Developed 10-year water and wastewater financial plans and rate studies. Evaluated water and sewer rate structures and recommended modifications to improve rate equity and compliance with Prop. 218. Updated the City's water and wastewater connection fees.
- **City of Paso Robles:** Developed a comprehensive sewer rate study. Evaluated a range of fixed and usage-based residential rate alternatives. Final recommendations included multi-year sewer rate increases and phase-in of fixed service charges to supplement the City's usage-based rates.
- **City of South San Francisco:** Developed a 10-year wastewater financial plan and rate study with a gradual phase in of rate increases to support operating and capital improvement funding needs. Assisted the City will all phases of the Proposition 218 rate increase process.
- **City of North Miami Beach:** Developed water and sewer financial plans and rate studies designed to support each utility's updated capital improvement programs and a substantial increase in costs for wastewater treatment provided by Miami-Dade County.
- **City of Millbrae:** Developed water and sewer rate studies and revised the City's Clean Bay Charges levied to fund improvements designed to eliminate sanitary sewer system overflows during storms.
- **Alameda County Water District:** Comprehensive development fee study; recommended a series of modifications to existing charges to improve revenue recovery, equity and fee administration
- **Union Sanitary District:** Conducted a comprehensive analysis and update of the District's capacity fees levied on new development. Developed a long-term financial plan supporting over \$100 million of wastewater system capital improvements.
- **City of Fresno:** Developed wastewater enterprise financial plan and Excel-based financial model used by City staff to update financial and rate projections. Developed new water connection fees designed to recover costs of existing facilities and future supplemental water supply projects
- **City of San Bruno:** Developed 10-year water and wastewater financial plans and rate studies. Recommended a series of gradual annual rate increases to fund operating and capital needs and increase funding for repair and replacement of the City's aging water and sewer infrastructure. Evaluated water and sewer rate structures and recommended modifications to improve rate equity and increase conservation incentive.

Section 2: Water Rate Study

This section presents a draft scope of services for a comprehensive water rate study. Bartle Wells Associates will work with the District to finalize a scope of services and schedule that meets the District's objectives and scheduling needs. Our general project approach will be to work closely with the District's project team and Citizens Advisory Committee to identify objectives, set milestones, have frequent communication, and remain flexible to resolve unanticipated issues.

BWA has successfully completed water rate studies for hundreds of California agencies, from small rural cities and districts to large cities and regional agencies. This section summarizes our methodology for completing a typical water rate study.

Rate Study Process



BWA typically assists agencies with all phases of a utility rate study, from project initiation through final rate adoptions via the Proposition 218 rate increase process. Some of the key tasks of the Water Rate Study would include:

1. Project Team Orientation/Kickoff Meeting

To initiate our work, hold an online kickoff meeting or conference call with the District, Citizens Advisory Committee, and/or others as appropriate, to accomplish the following:

- Identify members of District staff, Board of Directors, Citizens Advisory Committee, engineering consultants, and others who will participate in the project.
- Determine the roles and responsibilities of all project participants.
- Identify other parties that may have a significant interest in the project, such as community groups, business organizations, and large customers.
- Establish project schedule and key milestone dates.
- Confirm the key goals and expectations of the project team.

Note: BWA recommends postponing our initial "kickoff" meeting until after we have had time to review information and begin developing the financial plan and rate study. That way, in addition to discussing the project and District objectives, we can also discuss preliminary findings and get more meaningful input from the District.

2. Investigation and Data Collection

Assemble the information necessary to understand and describe the District's water system, finances, customers and usage, rate and fee structures, and agreements with other agencies. Assistance and cooperation of the District staff will be needed to assemble the background information. Investigation will include, but is not limited to, the following areas:

- Current budget.
- Historical financial information.
- Fund balances.
- Current water rates and charges.
- Updated water use and billing data from past 5 years.
- Capital improvement plans and long-term infrastructure replacement funding needs.
- Potential Chrome 6 project timing and any updated capital and operating cost estimates.
- Meter replacement program costs and timing, if relevant.
- Long-term infrastructure replacement needs, if available.
- Projected growth and new development.
- Financial, management, and rate policies and guidelines.
- Other relevant information.

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

3. Develop Forecasts and Projections

Based on evaluation of the data assembled and input provided by staff and other members of the project team, prepare forecasts and projections to be used in the cash flow projections. Develop projections for the following areas (and others as appropriate):

Cost Escalation Factors: Review historical cost trends and work with project team to develop reasonable cost escalation factors for both operating and capital expenditures. Work with staff to estimate potential new operating costs, such as new O&M costs related to planned capital improvements, or costs for complying with future permit requirements.

Water Sales Projections: With District input, forecast water sales accounting for future conservation as appropriate. As needed, evaluate future finances under different levels of water sales projections.

Water Supply Projections: With District input, develop projections for future water supply by source and associated costs.

Capital Improvement Funding: Develop 10-year projection of capital funding needs with District input. Work with District to identify priorities and key capital program alternatives for evaluation. Consider phasing in funding for repairs and replacements over a number of years if warranted.

Review projections with District staff for agreements on assumptions, interpretation of data, and completeness of approach.

4. Evaluate Water Customer Classes and Usage Patterns

Analyze water consumption records for residential, commercial, and industrial/institutional customers. Investigate the appropriateness of current customer classes and analyze available data on water usage.

5. Evaluate Financing Alternatives & Develop Financing Plan for Capital Needs

Evaluate financing alternatives for the District's capital improvement needs, including long-term repairs and replacements. Develop a preliminary financing plan for funding the proposed projects and/or key alternatives. Assess funding needs replacements of major facilities and infrastructure. Evaluate potential financing alternatives and implications for each alternative. We typically try to balance pay-as-you-go financing with the prudent use of debt, if warranted.

6. Establish Prudent Minimum Fund Reserve Target

Evaluate the adequacy of the District's current fund reserves. Establish prudent minimum fund reserve targets based on the District's operating and capital funding projections. The reserve targets will help the District avoid the need for future rate spikes due to short-term revenue or expense fluctuations. Prudent reserve levels can also help the District gradually phase in future rate adjustments if ever needed. Develop a multi-year plan for achieving recommended reserve fund targets, as needed.

7. Develop 10-Year Cash Flow Projections & Evaluate Financing Alternatives

Develop cash flow projections showing the financial position of the District over the next 10 years. The projections will incorporate the financing plan for the District's capital program and the forecasts and projections developed in consultation with District staff. The projections will be used to determine annual revenue requirements and estimate service charge increases needed to recover operating and capital funding requirements and maintain an adequate level of fund reserves. The cash flows will also incorporate any debt projections and will calculate annual debt service coverage for outstanding debt to ensure compliance with legal bond covenants.

During this phase, BWA will work closely with the project team to develop cash flow projections and evaluate key financing alternatives and their impacts on rates. This is often an iterative process where the information derived from the cash flows is used to develop new or modified financing options. Additionally, there are often multiple rate adjustment scenarios that can meet the District's financing targets. BWA typically recommends that rate increases be phased in over time, when possible, to minimize the annual impact on ratepayers.

8. Determine Long-Term Revenue Requirements

Determine long-term District revenue requirements for the next 10 years. Revenue requirements include ongoing and future operation and maintenance costs, capital projects and infrastructure replacement costs, debt repayment and legal bond covenants, and the maintenance of minimum fund reserves.

9. Conduct Rate Survey of Regional Water Agencies

Review and summarize water rates of other regional and comparable agencies. Compare water bills for different customer classes and/or customers with different consumption levels. Summarize results in easily understandable tables and/or charts.

10. Evaluate Rate Structure Modifications

Identify and evaluate rate structure modifications or options designed to better achieve District objectives. Discuss the pros and cons of potential adjustments or modifications to the current rate structure. If any modifications are desired, develop a plan for implementing the changes.

11. Review Water Rate Charged to Other Regional Agencies

Review the District's current interagency rates. Evaluate the cost of obtaining and providing water to other agencies. Discuss rate options that may be appropriate for the District's interagency rates and calculate new rates that fully recover the cost of service.

12. Develop Water Rates Based on a Cost-of-Service Methodology

If needed, derive proposed future water rates based on a cost-of-service methodology that equitably apportions costs to the various components of the District's water rate structure. Clearly document how costs are distributed and how new rates are calculated to provide adequate administrative record demonstrating that rates reflect the cost of providing service. In doing so, BWA will incorporate input from the District and the District's legal counsel to ensure rate recommendations meet the substantive requirements of Proposition 218.

13. Calculate Rate Impacts on District Customers

Calculate the rate impacts of various financing and rate structure alternatives to provide the project team with a sound understanding of the implications of their decisions on the District's customer base. Work with the project team to identify customer and usage profiles to use for calculating the rate impacts. Discuss additional rate adjustments that may reduce the impact on certain customers if warranted.

14. Develop Draft Rate & Fee Recommendations

Based on the analysis of the District's cash flow projections and long-term revenue requirements, and analysis of potential rate structure modifications, develop draft recommendations for future water rates and fees. Our analysis may develop a few rate adjustment alternatives based on input from the project team. We generally prefer to phase in rate adjustments when feasible to minimize the annual impact on ratepayers to the extent possible. Considering input from staff, develop a plan for implementing any rate structure modifications and/or rate adjustments.

15. Draft & Final Report

Develop a draft report summarizing key background issues, study objectives, findings, assumptions, recommendations and/or alternatives, impacts on ratepayers, and the rate and fee surveys. The report will be written for a non-technical audience and will clearly explain the rationale for recommendations. Submit a preliminary draft report for review and feedback. Incorporate revisions into a final report and provide the District with printed and electronic copies as needed.

16. Meetings & Presentations

Meet with the District and the District's Citizens Advisory Council throughout the project to discuss findings, alternatives, and preliminary recommendations, and to gain ongoing input and feedback. Develop a PowerPoint presentation summarizing key findings and recommendations. Present

recommendations and key alternatives to the Board of Directors and Citizens Advisory Council for input. Revise recommendations as needed.

Our proposal assumes online meetings and conference calls as needed, plus 3 trips to the District for any combination of meetings and/or presentations with District staff, the Citizens Advisory Council, Finance Committee, and the full Board of Directors. A schedule of meetings and presentations can be developed with District input, but potentially might include the following.

- 1) Online Kickoff Meeting (which could also serve as the first progress meeting) to discuss study objectives, initial findings and preliminary ideas, and obtain preliminary input.
- 2) Online progress meeting to discuss findings and draft alternatives, and receive input to develop and hone recommendations.
- 3) Online progress meeting to review revised alternatives and draft recommendations, and receive input.
- 4) In person presentation of draft recommendations and key alternatives to a joint meeting of the Citizens Advisory Committee and Board of Directors. Discuss pros and cons of alternatives and associated impacts, and obtain input and direction.
- 5) In person presentation of revised recommendations to a joint meeting of the Citizens Advisory Committee and Board of Directors with the goal gaining additional input and ultimately obtaining approval of proposed rates to include in the Proposition 218 Notice.
- 6) Attend Proposition 218 Public Hearing at the District– Give a summary presentation of findings and recommendations and remain available to answer questions at Board Direction.

17. Public Education and Consensus-Building

Rate and fee adjustments are often controversial. BWA has extensive experience developing clear presentations that facilitate public understanding of the need for rate increases. We understand the importance of building consensus and public acceptance for our recommendations and can assist the District an outreach strategy and informational materials. BWA can take the lead in presenting the rate recommendations at public meetings unless directed otherwise by the District.

18. Compliance with Proposition 218

Prop. 218 establishes requirements for adopting or increasing property-related fees and charges. In July 2006, the California Supreme Court ruled that water rates are subject to Prop. 218 (Articles XIIC and XIID of the state constitution). Prop. 218 requires that the District: 1) mail notification of proposed rate increases and the date, time, and place of public hearing to all affected property owners (and potentially ratepayers who are tenants that pay water bills), 2) hold a public hearing not less than 45 days after the notices are mailed, and 3) subject the rate increases to majority protest; if more than 50% of property owners submit written protests, the proposed rate increases cannot be adopted. Water and sewer rates are exempt from the voting requirements of Prop. 218 provided rates do not exceed the cost of providing service and meet the substantive rate requirements of Proposition 218.

BWA will assist the District with drafting the next Prop. 218 rate notice. BWA recommends the notice go beyond the minimum legal requirements and provide clear and concise explanation of the reasons for

any rate adjustments. We have found that ratepayers are generally much more accepting of rate increases when they understand why they are being implemented.

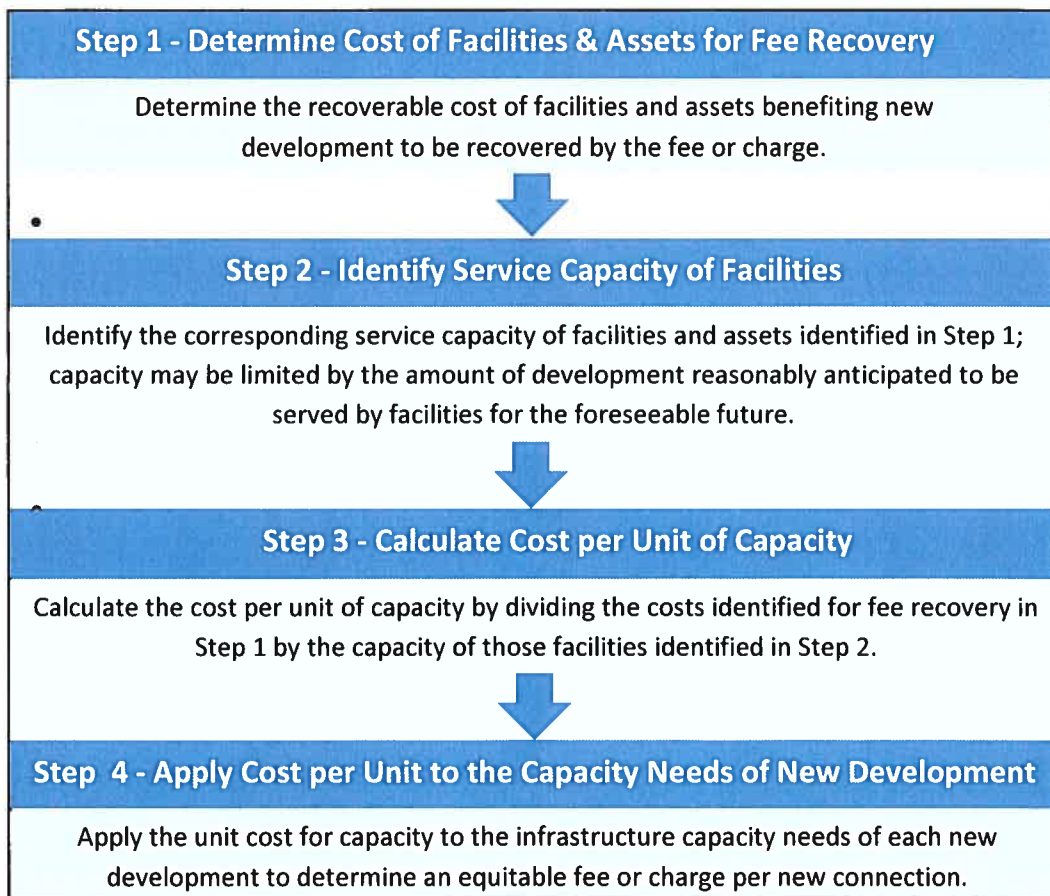
Attend the Proposition 218 Public Hearing and give a summary presentation highlighting the rationale for final recommendations if appropriate. Be available to discuss findings and recommendations and answer questions as directed by the District Board. BWA recommends that the District establish a clear process for the public hearing so everything goes smoothly.

Section 3: Optional: Water Capacity Charge Study

This section presents a draft scope of services for an optional water capacity charge study. Bartle Wells Associates will work with the District to finalize a scope of services and schedule that meets the District's objectives and scheduling needs. Our general project approach will be to work closely with the District's project team and Citizens Advisory Committee to identify objectives, set milestones, have frequent communication, and remain flexible to resolve unanticipated issues.

BWA has successfully developed water capacity charges for hundreds of California agencies. Our recommendations are typically designed to equitably recover the full costs of water system infrastructure and assets benefiting new development. This section summarizes our methodology for completing a typical capacity charge study.

General Approach for Developing Capacity Charges



1. Review Current Water Capacity Charges

Review the current water capacity charges as well as policies and procedures. Evaluate if the fees equitably recover the full costs of infrastructure and assets benefitting new development and comply with Government Code 66013. As appropriate, identify potential modifications to the fees, fee structure, or how fees are applied. BWA has developed capacity charges under a wide range of methodologies and has assisted many agencies in improving fee equity and administration.

2. Conduct Survey of Regional Capacity Charges

Review and summarize capacity charges of other regional and comparable agencies. Summarize results in easily understandable tables and/or charts.

3. Evaluate Alternative Fee Methodologies

Identify and evaluate alternative methods for calculating capacity charges. Discuss advantages and disadvantages with the District's project team and determine a recommended approach.

4. Determine Current Value & Capacity of Water System Infrastructure & Assets

Calculate the current value of water system infrastructure and assets. The current value can be calculated by adjusting the original or depreciated value of each facility or asset into current dollars using the Engineering News-Record Construction Cost Index, a widely-used measure of construction cost inflation. Alternatively, BWA can work with the District and/or its engineering consultants to develop cost estimates of existing infrastructure. BWA will also work with the District to develop reasonable estimates of the future service capacity of the District's water system.

5. Allocate Capital Program Costs to Current & Future Users

Equitably allocate capital improvement costs to existing and future users based on input from District staff and/or its consulting engineers. Some projects may entirely benefit one group while others will provide a portion of benefit to both correct existing system deficiencies and provide new capacity for growth. Alternatively, work with the District to identify capital projects and/or water supply costs needed to serve growth.

6. Develop Preliminary & Final Capacity Charge Recommendations

Based on appropriate and technically sound methodology, and evaluation of alternative approaches, recommend updated water capacity charges. Charges will be designed to comply with Government Code Section 66013 (established by AB1600). Hone charges as needed with input from the District and develop final recommendations.

7. Recommend a Method for Future Development Fee Updates

Recommend a method to annually or periodically adjust capacity charges in future years. For example, capacity charges can be adjusted annually based on the change in the Engineering News-Record's Construction Cost Index, a widely used measure of construction cost inflation.

8. Draft & Final Report

Develop a draft report summarizing key background issues, study objectives, findings, assumptions, recommendations and/or alternatives. The report will be designed to provide an administrative record supporting the new capacity charges. The report will be written for a non-technical audience and will clearly explain the rationale for recommendations. Submit a preliminary draft report for review and feedback. Incorporate revisions into a final report and provide the District with printed and electronic copies as needed.

9. Meetings & Presentations

Meet with the District and the District's Citizens Advisory Council throughout the project as needed to discuss findings, alternatives, and preliminary recommendations, and to gain ongoing input and feedback. Develop a PowerPoint presentation summarizing key findings and recommendations. Present recommendations and key alternatives to the Board of Directors and Citizens Advisory Council for input. Revise recommendations as needed.

Our proposal assumes online meetings and conference calls as needed, plus 3 trips to the District for any combination of meetings and/or presentations with District staff, the Citizens Advisory Council, Finance Committee, and the full Board of Directors. A schedule of meetings and presentations can be developed with District input and assumes the meetings at the District would coincide with meetings set up for the Water Rate Study.

Section 4: Availability & Fees

1. Bartle Wells Associates is prepared to begin work upon the District's authorization to proceed.
2. During the project development period, Bartle Wells Associates will be available at all reasonable times and on reasonable notice for meetings and for consultation with staff, attorneys, consulting engineers, and others as necessary.
3. Bartle Wells Associates will perform all work related to the assignment. Alex Handlers, a principal and vice president of BWA will be assigned as project manager on this assignment. He will serve as the lead contact person for BWA and will be involved with the project a day-to-day basis. Other BWA consultants are available to assist as needed.
4. The proposed fees for services outlined in this proposal are as follows:
 - Water Rate Study: not to exceed \$34,000
 - Optional Water Capacity Charge Study: not to exceed \$18,000

The fees are based on the following assumptions:

- a. All necessary information will be provided by the City in a timely manner.
 - b. Development of a draft, final draft, and final versions of tables, presentations, and reports. Time and expenses involved in additional revisions of tables or reports may constitute additional services if not achievable within the budget.
 - c. Up to 3 trips to the District for meetings and/or presentations. Additional meetings or presentations may constitute additional services if not achievable within the budget.
5. Progress payments and direct expenses are payable monthly on a time and materials basis as the work proceeds as provided in our Billing Rate Schedule 2022, which will remain in effect through the duration of this assignment.
 6. If the project is terminated for any reason, we are to be reimbursed for professional services and direct expenses incurred up to the time we receive notification of such termination.
 7. In addition to the services provided under this proposal, the City may authorize Bartle Wells Associates to perform additional services for which the City will compensate us based on consultants' hourly rates at the time the work is performed, plus direct expenses. Additional services may include, but are not limited to:
 - Additional meetings or presentations
 - Substantial changes in project scope
 - Other services
 8. For the services in this proposal, Bartle Wells Associates is serving as a financial and utility rate consultant, but is not serving in the capacity as a Municipal Advisor regarding the issuance of debt. Any Municipal Advisory activity would need to be authorized via a separate agreement.
 9. Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance as provided in the Schedule of Insurance attached.



BARTLE WELLS ASSOCIATES
BILLING RATE SCHEDULE 2022
Rates Effective 1/1/2022

Professional Services

Financial Analyst I	\$110 per hour
Financial Analyst II	\$135 per hour
Consultant	\$165 per hour
Project Consultant	\$180 per hour
Senior Consultant	\$195 per hour
Senior Project Manager	\$225 per hour
Principal Consultant.....	\$265 per hour

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

The above rates will be in effect through December 31, 2022 at which time they will be subject to change.

Direct Expenses

Subconsultants will be billed at cost plus ten percent. Other reimbursable direct expenses incurred on behalf of the agency will be billed at cost plus ten percent. These reimbursable costs include, but are not limited to:

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

Insurance

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

Payment

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

SCHEDULE OF INSURANCE

Insured: BARTLE WELLS ASSOCIATES

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

TYPE OF INSURANCE	COMPANY POLICY NUMBER	COVERAGES AND LIMITS	EXP. DATE
Commercial General Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> ▪ \$2,000,000 General Aggregate ▪ \$2,000,000 Products Comp/Op Aggregate ▪ \$2,000,000 Personal & Advertising Injury ▪ \$1,000,000 Each Occurrence ▪ \$1,000,000 Aggregate ▪ \$1,000,000 Each Occurrence 	6/1/22
Excess/Umbrella Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> ▪ \$1,000,000 Each Occurrence ▪ \$1,000,000 Aggregate ▪ \$1,000,000 Each Occurrence 	6/1/22
Automobile Liability	Hartford Insurance Company Policy #35-UEC VU2842	<ul style="list-style-type: none"> ▪ \$1,000,000 Combined Single Limit 	6/1/22
Workers Compensation & Employers' Liability	Hartford Underwriters Insurance Company Policy #35-WEC FG7858	<p>Workers' Compensation: Statutory Limits for the State of California. Employers' Liability:</p> <ul style="list-style-type: none"> ▪ Bodily Injury by Accident - \$1,000,000 each accident ▪ Bodily Injury by Disease - \$1,000,000 each employee ▪ Bodily Injury by Disease - \$1,000,000 policy limit 	6/1/22
Professional Liability	Chubb & Son, Inc. BIND094045	<p>Solely in the performance of services as municipal financing consultants for others for a fee.</p> <p>Limit: \$2,000,000 Per Occurrence & Aggregate (including defense costs, charges, and expenses)</p>	6/1/22