

TO: BOARD OF DIRECTORS  
FROM: MARIO IGLESIAS  
GENERAL MANAGER  
DATE: January 6, 2021



**AGENDA ITEM**  
**D-2**  
**JANUARY 13, 2021**

**APPROVE DECEMBER 9, 2020  
REGULAR BOARD MEETING MINUTES**

**ITEM**

Approve action minutes from previous Board meetings. [RECOMMEND APPROVE MINUTES]

**BACKGROUND**

The draft minutes are a written record of the previous Board Meeting action.

**RECOMMENDATION**

Approve Minutes

**ATTACHMENT**

- A. December 9, 2020 draft Regular Board Meeting Minutes

JANUARY 13, 2021

ITEM D-2

ATTACHMENT A

# NIPOMO COMMUNITY SERVICES DISTRICT

*Serving the Community since 1965*

## DRAFT REGULAR MINUTES

DECEMBER 9, 2020 AT 9:00 A.M.

JON S. SEITZ BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

### **BOARD of DIRECTORS**

DAN ALLEN GADDIS, **PRESIDENT**  
BOB BLAIR, **DIRECTOR**  
ED EBY, **DIRECTOR**  
DAN WOODSON, **DIRECTOR**  
RICHARD MALVAROSE, **DIRECTOR**

### **PRINCIPAL STAFF**

MARIO IGLESIAS, **GENERAL MANAGER**  
LISA BOGNUDA, **FINANCE DIRECTOR**  
PETER SEVCIK, **DIRECTOR OF ENG. & OPS.**  
CRAIG STEELE, **GENERAL COUNSEL**

### **Mission Statement:**

Provide our customers with reliable, quality, and cost-effective services now and in the future.

*Pursuant to Governor Newsom's Executive Order N-25-20, members of the Nipomo Community Services District Board or staff may participate in this meeting in person, or via teleconference. To protect the health and safety of the public, Board members, and staff, social distancing will be practiced at the District's physical location, 148 S. Wilson Street. Members of the public may choose to participate in person at this location or monitor the audio portion of the meeting and any public hearings telephonically by calling (800) 567-5900 (code 242-2614#). Pursuant to Governor Newsom's Executive Order N-29-20, members of the public may also comment – on items on this agenda or items not on the agenda but within the jurisdiction of the Board – via email sent to [info@ncsd.ca.gov](mailto:info@ncsd.ca.gov) prior to the 9:00 am meeting start time. All emails received by that time will be distributed to the Board. Public participation in the meeting and public hearings will be taken only as described above. If any individual with a disability requires assistance to observe or participate in the meeting, please contact the District office by telephone at least 24 hours in advance.*

### **A. CALL TO ORDER AND FLAG SALUTE**

*President Gaddis called the Regular Meeting of December 9, 2020, to order at 9:00 a.m.*

*Mario Iglesias, General Manager and Secretary to the Board, administered the Oath of Office to Director Blair and Director Malvarose.*

*President Gaddis led the flag salute.*

### **B. ROLL CALL AND PUBLIC COMMENT FOR ITEMS NOT ON AGENDA**

*At Roll Call, all Directors were present.*

*There were no public comments.*

### **C. PRESENTATIONS AND REPORTS**

#### **C-1) DIRECTORS' ANNOUNCEMENTS OF DISTRICT AND COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES AND SEMINARS.**

**Receive Announcements and Reports from Directors**

*Director Woodson*

- *November 9, was elected to serve on the Board of Directors of the Santa Maria Philharmonic Society.*
- *November 18, attended the Citizen's Transportation Advisory Committee meeting.*

SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District  
DRAFT REGULAR MEETING  
MINUTES**

*Director Eby*

- November 3, attended BLMA meeting remotely.
- November 4, attended WRAC meeting remotely.
- November 19, attended LAFCO meeting remotely. Mike Prater resigned as Executive Officer and David Church was appointed interim Executive Officer.
- November 30, attended Board Officers' meeting.
- December 1, attended BLMA meeting remotely.
- December 2, attended WRAC meeting remotely.
- December 7, attended NMMA TG meeting remotely.

*Director Gaddis*

- November 6, attended Board Officers' meeting.
- November 30, attended Board Officer's meeting.

**C-2) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE AND FILE PRESENTATIONS AND REPORTS**

*There were no public comments.*

*Upon the motion of Director Eby and seconded, the Board unanimously approved receiving and filing presentations and reports.  
Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
<i>Directors Eby, Woodson, Malvarose, Blair and Gaddis</i>	<i>None</i>	<i>None</i>

**D. CONSENT AGENDA**

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE OCTOBER 28, 2020, REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVE MINUTES]
- D-3) CONSIDER REQUEST FOR WATER, SEWER AND SOLID WASTE SERVICE (INTENT-TO-SERVE LETTER) FOR TRACT 3162, A 10 PARCEL RESIDENTIAL SUBDIVISION LOCATED AT THE CORNER OF THOMPSON AVE AND BRANCH ST [RECOMMEND CONSIDER INTENT-TO-SERVE LETTER AND APPROVE WITH CONDITIONS]
- D-4) SEWER SYSTEM CONSOLIDATION PROJECT WITH SWCA ENVIRONMENTAL CONSULTANTS [RECOMMEND AUTHORIZE STAFF TO EXECUTE A CONTRACT IN THE AMOUNT OF \$32,351 WITH SWCA ENVIRONMENTAL CONSULTANTS FOR CEQA COMPLIANCE SERVICES FOR THE BLACKLAKE SEWER SYSTEM CONSOLIDATION PROJECT AND AUTHORIZE THE GENERAL MANAGER TO ISSUE CHANGE ORDERS WITH A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$5000]
- D-5) ACCEPT FIRST QUARTER FISCAL YEAR 2020-2021 QUARTERLY FINANCIAL REPORT [RECOMMEND RECEIVE AND FILE]

SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District  
DRAFT REGULAR MEETING  
MINUTES**

- D-6 APPROVE NEWTON GEO-HYDROLOGY 2021 CONSULTING SERVICES CONTRACT SCOPE AND \$90,000 BUDGET [RECOMMEND APPROVE SCOPE AND BUDGET FOR NEWTON GEO-HYDROLOGY CONSULTING SERVICES]
- D-7) APPROVE PURCHASE OF COMPOST AERATOR AND AMEND FY 2020/2021 BUDGET [RECOMMEND BY MOTION AND ROLL CALL VOTE ADOPT RESOLUTION AUTHORIZING PURCHASE OF COMPOST AERATOR AND BUDGET AMENDMENT]
- D-8) APPROVE 2021 BOARD MEETING SCHEDULE [RECOMMEND REVIEW AND APPROVE 2021 BOARD MEETING SCHEDULE]  
*Peter Sevcik, Director of Engineering and Operations, answered questions from the Board.*

Steve Swinburn, NCSD resident, asked about the contract for CEQA services with SWCA Environmental Consultants.

*Upon the motion of Director Woodson and seconded, the Board unanimously approved the Consent Agenda.  
Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
<i>Directors Woodson, Eby, Malvarose, Blair and Gaddis</i>	<i>None</i>	<i>None</i>

RESOLUTION NO. 2020-1579

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE NIPOMO COMMUNITY SERVICES DISTRICT AUTHORIZING  
PURCHASE OF COMPOST AERATOR FROM BROWN BEAR  
CORPORATION AND AMENDING FY 2020/21 BUDGET

**E. ADMINISTRATIVE ITEMS**

- E-1) ELECT 2021 BOARD PRESIDENT AND VICE PRESIDENT [RECOMMEND DIRECTORS ELECT BOARD OFFICERS FOR 2021 CALENDAR YEAR]

*Director Gaddis nominated Director Eby for 2021 Board President. Director Woodson seconded the nomination.*

*There were not public comments.*

*The Board unanimously approved Director Eby as 2021 Board President.  
Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
<i>Directors Gaddis, Woodson, Malvarose, Eby and Blair</i>	<i>None</i>	<i>None</i>

Director Blair nominated Director Gaddis for 2021 Board Vice President. Director Woodson seconded the nomination.

*There were not public comments.*

*The Board unanimously approved Director Gaddis as 2021 Board Vice President.  
Vote 5-0.*

SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District  
DRAFT REGULAR MEETING  
MINUTES**

YES VOTES	NO VOTES	ABSENT
<i>Directors Blair, Woodson, Malvarose, Eby and Gaddis</i>	<i>None</i>	<i>None</i>

- E-2) CONSIDER FIRST AMENDMENT TO GENERAL MANAGER'S EMPLOYMENT CONTRACT REGARDING LEAVE ACCUMULATION AND CARRY-OVER LIMITS [RECOMMEND CONSIDER MODIFICATIONS, DISCUSS AND IF AGREEABLE, APPROVE MODIFICATIONS TO THE GENERAL MANAGER'S EMPLOYMENT CONTRACT]

*Mario Iglesias, General Manager, presented the item and answered questions from the Board. Mr. Iglesias is requesting the amendment to his contract due to COVID-19 and travel restrictions.*

*There were no public comments.*

*Upon the motion of Director Gaddis and seconded, the Board unanimously approved the First Amendment to General Manager's Employment Contract Regarding leave Accumulation and Carry-Over Limits.  
Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
<i>Directors Woodson, Eby, Malvarose, Blair and Gaddis</i>	<i>None</i>	<i>None</i>

- E-3) ADOPT RESOLUTION COMMENDING FORMER DIRECTOR CRAIG ARMSTRONG [RECOMMEND ADOPT RESOLUTION]

*Director Gaddis read the Resolution in its entirety commending former Director Craig Armstrong for his dedicated service to Nipomo Community Services District.*

*Upon the motion of Director Eby and seconded, the Board unanimously approved the Resolution.  
Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
<i>Directors Eby, Blair, Malvarose, Woodson and Gaddis</i>	<i>None</i>	<i>None</i>

**RESOLUTION 2020-1580**

**A RESOLUTION OF THE NIPOMO COMMUNITY  
SERVICES DISTRICT COMMENDING CRAIG ARMSTRONG  
FOR HIS DEDICATED SERVICE TO NIPOMO  
COMMUNITY SERVICES DISTRICT**

**F. GENERAL MANAGER'S REPORT**

*Mario Iglesias, General Manager, handed out a corrected General Manager's report and answered questions from the Board.*

*Mr. Iglesias read a couple of the many thank you notes received from customers thanking the District for the December/January Garbage Holiday.*

*Phil Henry, NCSD resident, requested the corrected General Manager's report be put on the web site.*

SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District  
DRAFT REGULAR MEETING  
MINUTES**

**G. COMMITTEE REPORTS**

*None*

**H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS**

*Director Eby, as President-Elect, stated he would be making Committee assignments in January and would like the Directors to let him know if they are interested in serving on the Committees. Director Eby also stated he would appoint himself as the 2021 WRAC representative but the alternate position would be open for other Directors.*

**I. CLOSED SESSION ANNOUNCEMENTS****1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION  
PURSUANT TO GC §54956.9**

- a. SMVWCD V. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214,  
SIXTH APPELLATE COURT CASE NO. H032750, AND ALL  
CONSOLIDATED CASES

*District Legal Counsel, Craig Steele, stated there was no need for Closed Session.*

**ADJOURN MEETING**

*President Gaddis adjourned the meeting at 9:44 a.m.*

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	0 hour 44 minutes
Closed Session	0 hour 00 minutes
TOTAL HOURS	0 hour 44 minutes

Respectfully submitted,


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Mario Iglesias, General Manager and Secretary to the Board

Date

SUBJECT TO BOARD APPROVAL

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS  
GENERAL MANAGER 

FROM: PETER V. SEVCIK, P.E.  
DIRECTOR OF  
ENGINEERING & OPERATIONS

DATE: JANUARY 7, 2021

**AGENDA ITEM**  
**D-3**  
**JANUARY 13, 2021**

**AUTHORIZE PURCHASE ORDER FOR  
SOUTHLAND WASTEWATER TREATMENT FACILITY  
BLOWER #3**

**ITEM**

Authorize Purchase Order for Southland Wastewater Treatment Facility Blower #3 to Aerzen USA Corporation in the amount of \$55,810 [RECOMMEND BY MOTION AND ROLL CALL VOTE ADOPT RESOLUTION AUTHORIZING STAFF TO EXECUTE AND ISSUE A PURCHASE ORDER IN THE AMOUNT OF \$55,810 TO AERZEN USA CORPORATION]

**BACKGROUND**

The District's Southland Wastewater Treatment Facility (SWWTF) consists of screening, grit removal, extended aeration treatment, effluent disposal ponds and biosolids handling equipment. The key component of the extended aeration system is the blowers. There are two blowers, a primary blower that runs continuously, and a backup blower that runs in addition to the primary blower during the day, generally when flow into the plant is higher. The primary blower and backup blower duty is rotated on a weekly basis to balance runtime.

Both blowers have now accumulated runtimes in excess of 49,000 hours each. Given that both blowers need to run at the same time during certain parts of the day to maintain the treatment process, the District does not have redundancy should one of the blowers require major repairs. The blower building was designed and constructed to allow for the installation of a third blower to provide the District with additional blower capacity and redundancy.

In July 2020, the Board authorized staff to proceed with the design of the Southland WWTF Blower #3 Project. In accordance with the District's Purchasing Policy, the District's competitive solicitation requirements may be dispensed with when the equipment is only available from one source and is designed to match others used in a District facility. In order to match the existing blowers, staff recommends that Blower #3 be furnished by the same vendor, Aerzen USA Corporation, that furnished Blowers #1 and #2 for the original project.

Staff requested that Aerzen provide a proposal to furnish a matching blower for the District's Southland WWTF Blower #3 Project. Aerzen provided a proposal with a not to exceed amount of \$55,810.

**FISCAL IMPACT**

The approved FY 20-21 budget includes funding in the amount of \$300,000 for the Southland WWTF Blower #3 Project.



**STRATEGIC PLAN**

Goal 2. FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT. Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations.

Goal 5. OPERATIONS. Maintain a proactive program to ensure readiness of systems and cost-effectiveness of operations.

**RECOMMENDATION**

Staff recommends that the Board, by motion and roll call vote, adopt Resolution 2020-XXXX SWWTF Blower #3 Purchase, authorizing staff to issue a Purchase Order for SWWTF Blower #3 to Aerzen USA Corporation in the amount of \$55,810.

**ATTACHMENTS**

- A. Resolution 2020-XXXX SWWTF Blower #3 Purchase

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2021-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE NIPOMO COMMUNITY SERVICES DISTRICT  
AUTHORIZING A PURCHASE ORDER FOR  
SOUTHLAND WASTEWATER TREATMENT FACILITY BLOWER #3  
TO AERZEN USA CORPORATION**

**WHEREAS**, Aerzen USA Corporation furnished Blowers #1 and #2 for the Southland Wastewater Treatment Facility (WWTF) Upgrade Project; and

**WHEREAS**, Aerzen USA Corporation is currently providing maintenance services for Blowers #1 and #2; and

**WHEREAS**, the District is proceeding with the installation of Blower #3 at the Southland WWTF; and

**WHEREAS**, in order to match the existing blowers, staff recommends that Blower #3 be furnished by the same vendor, Aerzen USA Corporation, that furnished Blowers #1 and #2 for the original project; and

**WHEREAS**, District Purchasing Policy Resolution 2020-1572 provides for the procurement of equipment through non-competitive negotiations in limited situations; and

**WHEREAS**, pursuant to District Purchasing Policy Resolution 2020-1572, the cost of the equipment is reasonable, and the equipment is only available from one source and is designed to match others used in a District facility.

**NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE  
NIPOMO COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS AS FOLLOWS:**

- 1) The above recitals are true and correct and constitute findings for the exclusive use of Aerzen USA Corporation to furnish a blower for the Southland WWTF Blower #3 Project.
- 2) The Board of Directors does hereby direct District staff to issue a Purchase Order for Southland WWTF Blower #3 to Aerzen USA Corporation in the amount of \$55,810.

On the motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and on the following roll call vote, to wit:

**AYES:  
NOES:  
ABSENT:  
CONFLICTS:**

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2021-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE NIPOMO COMMUNITY SERVICES DISTRICT  
AUTHORIZING A PURCHASE ORDER FOR  
SOUTHLAND WASTEWATER TREATMENT FACILITY BLOWER #3  
TO AERZEN USA CORPORATION**

The foregoing resolution is hereby adopted this 13<sup>th</sup> day of January 2021.

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**ED EBY**

President, Board of Directors

ATTEST:

APPROVED AS TO FORM AND  
LEGAL EFFECT:

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**MARIO IGLESIAS**


General Manager and Secretary to the Board

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**CRAIG STEELE**

District Legal Counsel

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS  
GENERAL MANAGER 

FROM: PETER V. SEVCIK, P.E.  
DIRECTOR OF  
ENGINEERING & OPERATIONS

DATE: JANUARY 7, 2021

**AGENDA ITEM**  
**D-4**  
**JANUARY 13, 2021**

**AUTHORIZE TASK ORDER FOR  
SOUTHLAND WASTEWATER TREATMENT FACILITY BLOWER #3  
PROJECT VARIABLE FREQUENCY DRIVE AND SUPERVISORY  
CONTROL AND DATA ACQUISITION SYSTEM INTEGRATION**

**ITEM**

Authorize Task Order for Southland Wastewater Treatment Facility Blower #3 Variable Frequency Drive and Supervisory Control and Data Acquisition System Integration with Tesco Controls, Inc. in the amount of \$47,660 [RECOMMEND BY MOTION AND ROLL CALL VOTE ADOPT RESOLUTION AUTHORIZING STAFF TO EXECUTE TASK ORDER IN THE AMOUNT OF \$47,660 WITH TESCO CONTROLS, INC.]

**BACKGROUND**

The District's Southland Wastewater Treatment Facility (SWWTF) consists of screening, grit removal, extended aeration treatment, effluent disposal ponds and biosolids handling equipment. The key component of the extended aeration system is the blowers. There are two blowers, a primary blower that runs continuously, and a backup blower that runs in addition to the primary blower during the day generally when flow into the plant is higher. The primary blower and backup blower duty is rotated on a weekly basis to balance runtime.

Both blowers have now accumulated runtimes in excess of 49,000 hours each. Given that both blowers need to run at the same time during certain parts of the day to maintain the treatment process, the District does not have redundancy should one of the blowers require major repairs. The blower building was designed and constructed to allow for the installation of a third blower to provide the District with additional blower capacity and redundancy.

In July 2020, the Board authorized staff to proceed with the design of the Southland WWTF Blower #3 Project. In order to match the existing electrical equipment and Supervisory Control and Data Acquisition System (SCADA), staff recommends that the variable frequency drive (VFD) and SCADA integration for the Southland WWTF Blower #3 Project be completed by the same vendor that performed the work for the original project.

Tesco Controls, Inc. furnished all of the electrical panels, instrumentation, control panels and SCADA integration for the Southland WWTF Upgrade Project and is currently supporting the District's SCADA system. In order to maintain the integrity of the District's control panels, instrumentation and SCADA System, minimize the potential for multiple system integrators simultaneously working on the District's SCADA System, and minimize the coordination risk/expense to the District, staff recommends that the Southland Wastewater Treatment Facility (WWTF) Blower #3 Project VFD and SCADA integration be completed by Tesco. In accordance

with the District's Purchasing Policy, Tesco is uniquely knowledgeable and qualified because it has previously provided similar/related services to the District.

Staff requested that Tesco provide a proposal to provide a VFD and SCADA system integration services for the District's Southland WWTF Blower #3 Project. Tesco provided a proposal with a not to exceed amount of \$47,660.

Proceeding with the VFD and integration work now will facilitate start-up of the Southland WWTF Blower #3 Project as the lead time on the VFD and SCADA integration work is expected to be longer than the lead time for the blower.

#### **FISCAL IMPACT**

The approved FY 20-21 budget includes funding in the amount of \$300,000 for the Southland WWTF Blower #3 Project.

#### **STRATEGIC PLAN**

Goal 2. FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT. Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations.

Goal 5. OPERATIONS. Maintain a proactive program to ensure readiness of systems and cost-effectiveness of operations.

#### **RECOMMENDATION**

Staff recommends that the Board, by motion and roll call vote, adopt Resolution 2020-XXXX SWWTF Blower #3 VFD and SCADA Integration, authorizing staff to execute a Task Order for SWWTF Blower #3 VFD and SCADA Integration with Tesco Controls, Inc. in the amount of \$47,660.

#### **ATTACHMENTS**

- A. Resolution 2020-XXXX SWWTF Blower #3 VFD and SCADA Integration

JANUARY 13, 2021

ITEM D-4

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2021-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE NIPOMO COMMUNITY SERVICES DISTRICT  
AUTHORIZING A TASK ORDER FOR SOUTHLAND WASTEWATER TREATMENT  
FACILITY BLOWER #3 PROJECT VARIABLE FREQUENCY DRIVE AND  
SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEM  
INTEGRATION WITH TESCO CONTROLS, INC.**

**WHEREAS**, Tesco Controls, Inc. furnished the electrical panels, instrumentation, control panels and Supervisory Control and Data Acquisition (SCADA) system integration for the Southland Wastewater Treatment Facility (WWTF) Upgrade Project; and

**WHEREAS**, Tesco Controls, Inc. is currently supporting the District's SCADA system; and

**WHEREAS**, the District is proceeding with the installation of Blower #3 at the Southland WWTF; and

**WHEREAS**, in order to match the existing electrical equipment, to maintain the integrity of the District's SCADA system and minimize the coordination risk/expense to the District, staff recommends that the variable frequency drive (VFD) and SCADA integration services be completed by Tesco Controls, Inc.; and

**WHEREAS**, District Purchasing Policy Resolution 2020-1572 provides for the procurement of professional services through non-competitive negotiations in limited situations; and

**WHEREAS**, Tesco Controls, Inc. is qualified pursuant to the District's Purchasing Policy Resolution 2020-1572, the cost of the services is reasonable, and Tesco Controls, Inc. is uniquely knowledgeable and qualified because similar/related services have been previously provided to the District.

**NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE  
NIPOMO COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS AS FOLLOWS:**

- 1) The above recitals are true and correct and constitute findings for the exclusive use of the Tesco Controls, Inc. to provide a VFD and SCADA integration for the Southland WWTF Blower #3 Project.
- 2) The Board of Directors does hereby direct District staff to execute a Task Order for Southland WWTF Blower #3 Project VFD and SCADA integration with Tesco Controls, Inc. in the amount of \$47,660.

On the motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and on the following roll call vote, to wit:

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2021-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE NIPOMO COMMUNITY SERVICES DISTRICT  
AUTHORIZING A TASK ORDER FOR SOUTHLAND WASTEWATER TREATMENT  
FACILITY BLOWER #3 PROJECT VARIABLE FREQUENCY DRIVE AND  
SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEM  
INTEGRATION WITH TESCO CONTROLS, INC.**

**AYES:  
NOES:  
ABSENT:  
CONFLICTS:**

The foregoing resolution is hereby adopted this 13<sup>th</sup> day of January 2021.

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**ED EBY**

President, Board of Directors

**ATTEST:**

**APPROVED AS TO FORM AND  
LEGAL EFFECT:**

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**MARIO IGLESIAS**

General Manager and Secretary to the Board

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**CRAIG STEELE**

District Legal Counsel



TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER



DATE: JANUARY 6, 2021

**AGENDA ITEM**  
**E-1**  
**JANUARY 13, 2021**

**AWARD CONTRACT TO TUCKFIELD & ASSOCIATES  
FOR THE TOWN SEWER ENTERPRISE RATE STUDY**

**ITEM**

Review and consider proposal from Tuckfield and Associates to conduct a wastewater rate study for the Town Sewer Enterprise [RECOMMEND REVIEW, TAKE PUBLIC COMMENT, AND DISCUSS PROPOSAL FOR A WASTEWATER RATE STUDY OF THE TOWN SEWER ENTERPRISE AND, IF AGREEABLE, AWARD CONTRACT TO TUCKFIELD & ASSOCIATES]

**BACKGROUND**

The Nipomo Community Services District ("District") last completed a wastewater rate study for the Town Wastewater Enterprise ("Town Sewer") in August 2015. The last rate adjustment went into effect on January 1, 2020. Rate studies provide assurance to the Board that the financial needs to support the operational viability of each enterprise is defined and a funding plan is constructed. The District regularly completes rate studies for each of the enterprises it manages. In addition, rate studies provide the required administrative record for adjusting rates when and if necessary.

Tuckfield and Associates ("Tuckfield") has provided the District with a proposal to complete a Wastewater Rate Study for the Town Sewer system for a cost of \$26,200. The proposed cost is comparable to the rate studies completed by Tuckfield, including the 2015 Wastewater Rate Study for the Town Sewer system as well as the District's 2010, 2013, 2017 and 2020 Water Rate Studies. The completed work products provided by Tuckfield met the District's cost and content expectations and the District adopted each study and the recommended rate adjustments therein.

As part of the proposal, Tuckfield will provide a forward looking 10-year financial evaluation of the revenue recovery needs of the Town Sewer system. The 10-year financial evaluation and a 5-year rate schedule would be presented to the District's Finance and Audit Committee (Committee) for review and consideration. Upon Committee recommendations, the Town Sewer rate study would be presented to the Board for review and consideration.

**STRATEGIC PLAN**

**Goal 4. Finance:** Maintain conservative, long-term financial management to minimize rate impacts on customers while meeting program financial needs.

4.4 Maintain adequate rates to fund future capital replacements.

**FISCAL IMPACT**

The last wastewater rate adjustment went into effect on January 1, 2020. The budget for the Town Sewer Fund has been adequately sustained with a 3.2% annual adjustment. No rate

adjustment was planned for January 1, 2021. Without a rate study to evaluate current and future operating costs and to account for annual inflation in future years, cash reserves may need to be drawn down to fill any deficit in the wastewater enterprise. The cost of the rate study is included in the 2020-21 Budget.

**RECOMMENDATION**

Staff recommends your Board review the Tuckfield Wastewater Rate Study proposal, and if appropriate, award a contract to Tuckfield and direct staff to issue a Task Order to complete the study.

**ATTACHMENTS**

A. Tuckfield & Associates Wastewater Rate Study Proposal, Dated November 2020

JANUARY 13, 2021

ITEM E-1

ATTACHMENT A

Proposal To:

# Nipomo Community Services District



148 South Wilson Street  
Nipomo, CA 93444  
(805) 929-1133

## Proposal For Wastewater Rate Study

Submitted By:

### **Tuckfield & Associates**

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



**November 2020**

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# Tuckfield & Associates

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

November 13, 2020

Mr. Mario Iglesias  
Nipomo Community Services District  
149 South Wilson Street  
Nipomo, CA 93444

Dear Mr. Iglesias:

I am pleased to submit this proposal to provide consulting services for a Wastewater Rate Study (Study) for the Nipomo Community Services District (District). Over the last 35 years, I have conducted numerous water and wastewater rate studies in California as well as previous experience conducting studies nationally. This depth of experience will benefit the District throughout the performance of this study and lead to rate structures and rates that are specifically suited to the District.

This Study will determine the appropriate wastewater rates that are equitable and defensible, meet the requirements of Proposition 218, fund annual operating expense and capital spending, and provide for debt service coverage requirements. The scope of work provided herein proposes to address the District's request and will address the following objectives.

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

Tuckfield & Associates consulting is a local firm with extensive experience in California, specializing in rate studies and capacity charge studies. I am the President and Principal Consultant for Tuckfield & Associates, and I have routinely conducted rate and capacity charge studies as the sole consultant, having completed such studies in this manner for many clients, including those whose populations have exceeded 100,000.

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

I have the qualifications, experience, and capabilities to provide the services desired by the District. I have conducted successful studies for large and small agencies and special districts.

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

Very Truly Yours,

TUCKFIELD & ASSOCIATES

A handwritten signature in black ink, appearing to read "G. Clayton Tuckfield". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

G. Clayton Tuckfield  
Principal Consultant  
2549 Eastbluff Drive, #450B  
Newport Beach, CA 92660  
(949) 760-9454  
ctuckfield@tuckfieldassociates.com

**Proposal To**  
**NIPOMO COMMUNITY SERVICES DISTRICT**

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# Proposal for Wastewater Rate Study

Nipomo Community Services District

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## Firm Profile

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

The firm was founded by Mr. Clayton Tuckfield PE MBA who has over 35 years of experience conducting rate studies and capacity charge studies. Now in its 20<sup>th</sup> year, the firm has provided innovative and time-tested strategies founded on industry practice for implementing rates and charges. Tuckfield & Associates is a local firm located in Newport Beach and the performance of this project will be completed at this site.

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

## Organization

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

### Key Personnel



#### Clayton Tuckfield, Principal

##### Summary

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

##### Project Responsibilities

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

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

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

Mr. Tuckfield has over 35 years of experience and has professionally performed over 100 utility cost of service and rate studies and many other financial feasibility studies.

He has performed studies for numerous communities in California ranging from the cities of Long Beach,

Buena Park, Ventura, Santa Barbara, Fullerton, Loma Linda, Arroyo Grande, Grover Beach, Pismo Beach, Oakdale, and Firebaugh to special districts including Santa Ynez CSD, Nipomo CSD, Mission Hills CSD, Keyes CSD, Hilmar CWD, Delhi CSD, Seeley CWD, and many others.

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

## Qualifications

Tuckfield & Associates is a specialized consulting firm providing rate and financial solutions for publicly owned utilities.

Mr. Clayton Tuckfield, founder and principal of Tuckfield & Associates, has managed or been directly involved in publicly owned utility financial services for over 35 years. Since 1985, Mr. Tuckfield has used innovative methods combined with time-tested strategies to assist municipalities and special districts in achieving their financial goals. Clients have included public utilities, state and county governments, municipalities, and public districts.

### *Tuckfield & Associates Qualifications Summary*

- 35 years of experience
- Public Agency Specialization
- Tested Strategies
- Project Management

## Services

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

designed to be fair and equitable. Services provided by Tuckfield & Associates include the following.

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

## Commitment to Clients

Tuckfield & Associates approaches each study with the commitment to exceed our client's expectations. Our strength lies in our proven capability to provide comprehensive, practical, and implementable programs

that serve our clients, with personal relationship-driven service.

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

## Project Understanding

The District has the responsibility to provide affordable, reliable, and cost-effective wastewater service to customers and properties of the District. The District is seeking financial consulting services to ensure revenue sufficiency to address the operating and capital requirements of the wastewater system and meet debt coverage requirements.

The primary focus will be to assist the District's wastewater utility to attain a high degree of financial sustainability through fully understanding the District's goals and objectives. Accurate data analysis and design of fair and equitable rates will ensure cost recovery. Specifically, the District desires to assess the sufficiency of the current revenue stream, evaluate the current wastewater rate structure and rates in relation to the true cost of service, and assess the equity of the recommended rates in relation to the types of property ownership and service requirements. Additionally, cash reserve targets will be recommended for operating, capital replacement, and capital improvement reserve balances.

The approach, more fully discussed in the scope of work section, is to acquire, model, and analyze source data to understand customer water consumption, wastewater flows, operating and financial activities, and District policy.

## Current Rates

The District's current wastewater rate structure consists of bi-monthly fixed charges for residential customers and bi-monthly fixed charges by meter size for commercial customers. In addition, variable charges apply to commercial and mixed-use customers categorized by their wastewater strength and charged according to their water consumption.

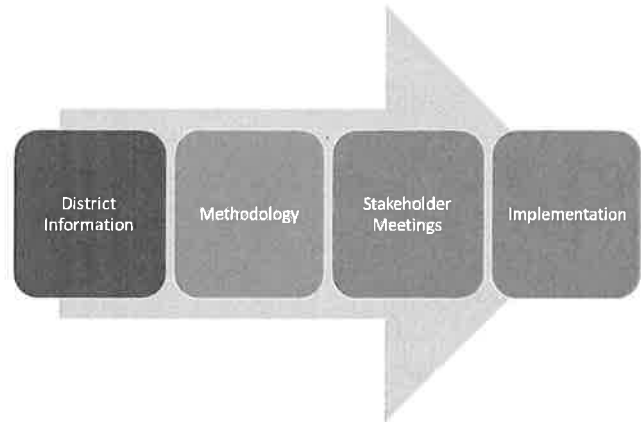
The cost of service analysis of the Study will compare the revenue received by customer class using the current rates to the cost of service by customer classification. This will illustrate where rates over or under recover the cost of service. The rates designed in this Study will also be compared with the overall cost of service to demonstrate that 100 percent cost recovery is achieved.

# Project Approach

Tuckfield & Associates rate studies follow the approach that utilities can best achieve implementable rate revisions through open communication at the beginning of the study, to identify the objectives and goals desired by staff and stakeholders.

Successful studies are achieved by clearly defining roles, responsibilities, objectives, goals, and milestone dates to efficiently move the project through the appropriate steps. Through these clear definitions, we will be focused on the study objectives and goals when developing the long-range financial and capital plans and utility rates.

The rates and charges for the District will be designed recognizing the Water Environment Federation (WEF) methodology. The methodology represents industry practice for the development of cost-of-service rates and charges, which are based upon the demands placed on the facilities by various users. The basic method includes identifying or creating different types of user classifications, allocating annual utility costs to cost-causative components, distributing costs to customer groups based on customer class use characteristics, and design of a rate structure and charges that will recover allocated costs from each customer group.



*We propose to conduct the study in a collaborative manner to facilitate completion, which will allow District ample time to review and implement any suggested changes.*

wastewater system. The use, or units of service, consist of flow (mgd), BOD (lbs), SS (lbs), and Customer (bills). Wastewater rates are then established to recover the costs distributed to each customer classification.

## Wastewater Rate Structure and Rates

Following the WEF Manual of Practice No. 27, annual costs of the wastewater system are summarized into functional cost categories based on the District's accounting structure. Such functional cost categories may consist of collection, pumping, treatment, and disposal. These costs are then allocated to wastewater cost components based on the design of wastewater facilities. Cost components commonly include Volume (wastewater flow), Biochemical Oxygen Demand (BOD), Suspended Solids (SS), and Customer costs. If some facilities are identified and designed on the basis of capacity, a Capacity cost component may be included.

Allocated costs by cost component are distributed to customer classification based on how each group uses the

For the residential classification, costs may be recovered through a few well-known structures. These include (1) fixed charges applicable to all residential customers, (2) an Equivalent Dwelling Unit (EDU) fixed charge designed for SFR, MFR, Condo, MHP, etc. and (3) a fixed charge that recovers Customer and possibly Capacity costs, and a variable charge that recovers flow, BOD, and SS costs based on water consumption read through the meter. A variant of the variable charge is to cap the residential water consumption at a certain use level which assumes that any consumption over that is being used for outdoor purposes. Commercial wastewater rates commonly have a fixed charge and a variable charge as most of the water use of this class returns to the sewer. The structure could be improved by having all non-residential customers install irrigation meters to separate indoor uses from outdoor uses.

# Scope of Work

The services requested by the District are the core services provided by Tuckfield & Associates. The focus of the firm has been on providing quality rate consulting services needed to maintain financial sustainability. The following tasks describe our proposed scope of work to complete the Wastewater Rate Study.

## Task 1 – Initial Meeting/Data Collection

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

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

**Meetings:** One (1) on-site meeting to kick-off the project

**Deliverables:** Request for Information

## Task 2 – Long Range Financial Planning

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

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

The District's policies regarding the financial, operating and capital reserves, and rate practices will be reviewed

and evaluated. These items are essential to the long-term sustainability of the utility. From the evaluation, recommendations will be made that will enhance the utility's ability to meet its financial goals.

### Task 2.2: Review and Summarize Billing Information

The customer billing information that is received from the District will be reviewed, analyzed, and summarized for use in the rate study. Customer classifications will be defined, and recent information will be reviewed to assess the accuracy and reasonableness of strength estimates for use in understanding user characteristics.

### Task 2.3: Develop Long Range Financial Plans

In this task, the annual revenue requirements of the wastewater utilities will be identified and projected. Budget items and any future obligations will be projected for a ten-year forecast period. Revenue Requirements will include operation and maintenance expenses, existing debt service, annual replacement, identification and financing of future capital improvements (CIP), transfers to/from the utility funds, and use of reserves. Revenue requirements will be projected from a review of historical results, current budget, and current economic trends while accounting for expected operational changes and system growth.

A ten-year pro forma cash flow will be developed to compare projected revenue using the existing rates (including miscellaneous and other charges) to projected revenue requirements over the planning period. Revenues will be projected by developing assumptions regarding customer growth and estimated usage information. Analysis of the cash flow will determine if any revenue adjustments are needed to meet the revenue requirements while recognizing the financial planning

criteria developed for each fund. The long-range financial plan developed above will be modeled such that assumptions/variables may be changed to assess the impacts to the plan. By varying these assumptions, their sensitivity may be evaluated and the need for higher or lower revenue increases may be determined. Several options for revenue increases may be explored and presented to District Staff.

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

### Task 3 – Cost of Service Analyses

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

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

Historical billing summaries that were summarized in Task 2.2 will be reviewed and analyzed by customer classification to determine water consumption and establish user characteristics. Patterns of consumption may be utilized to evaluate individual customer class characteristics and for comparison to other classifications.

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

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

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

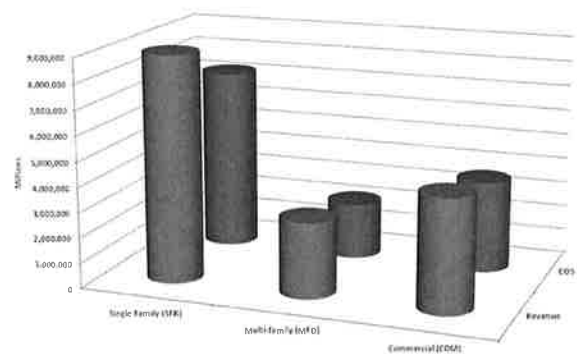
Costs that have been allocated to functional cost components are distributed to the various customer classifications based on their responsibility for the service provided. Responsibility is established from the units of

service (such as HCF, HCF/day, and number of customers) applicable to each functional cost component. Unit costs are developed which are then applied back to the units of service by customer class, which determines each customer classification's cost responsibility.

### Task 4 – Rate Structure Analysis and Rate Design

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

Comparison of Current Revenue with Allocated COS



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

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

The current rate schedules will be evaluated to validate their applicability for District's cost structure and customer base as well as recent court findings. It is intended that the recommended rate structure will result in revenue stability, will be easy to administer and understand, and comply with industry practices such as the WEF and

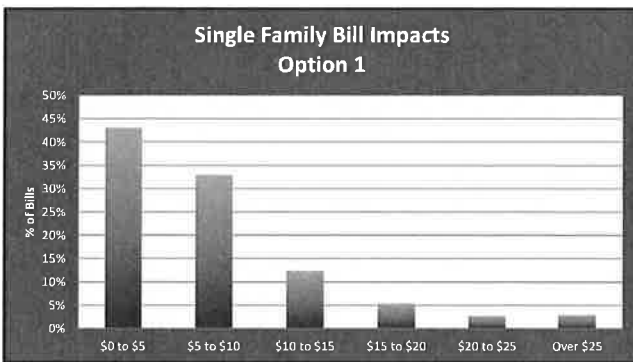
federal, state, and local regulations for rate setting in California.

#### Task 4.2: Determine Bill Impacts

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

##### Single Family (SFR) (with 5/8 inch and 3/4 inch meters)

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



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

#### Task 4.3: Bill Comparison with Other Communities

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

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

#### Task 5 – Draft Report Preparation

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

**Deliverables:** An electronic copy of the Draft Report

#### Task 6 – Final Report

Comments received from District Staff will be incorporated into a Final Report for submission to the District. The Final Report will be submitted for adoption at a regular Board of Directors meeting. At this meeting, it is expected that the Board of Directors will adopt the rate study and rates and direct District Staff to prepare the Proposition 218 Notices.

**Meeting:** One (1) on-site Board of Directors meeting

**Deliverables:** An electronic copy and five (5) hard copies of the Final Report and Presentation materials for Board of Directors Meeting

#### Task 7 – Proposition 218 Public Hearing

Tuckfield & Associates will provide information and assist the District Staff in the creation and preparation of the Proposition 218 Notices. Such notices should be reviewed and approved by the District's legal counsel prior to the District mailing the notices to all landowners/rate payers of the District. Forty-five days should elapse between the day the notices were mailed out and the day of the Public Hearing. Tuckfield & Associates will attend the Public Hearing and answer any questions related to the study.

**Meeting:** One (1) on-site Public Hearing Meeting

## Experience

Mr. Tuckfield has been providing rate consulting services for over 35 years with about 15 years working with an international consulting firm and about 20 years with Tuckfield & Associates. Listed below are representative engagements and references for studies delivered by Tuckfield & Associates. These recent and successful utility financial plans and rate studies are a sample of the work provided to California communities. The studies have been prepared in conformance with Proposition 218 and all studies use the cost of service and allocation methods described in the AWWA Manual M1 for water utilities and WEF Manual of Practice No. 27 for wastewater utilities.

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

**Reference: Ms. Nadia Feeser, Administrative Services Director, 805-773-7010, [nfeeser@pismo-beach.org](mailto:nfeeser@pismo-beach.org)**

Tuckfield & Associates completed a comprehensive water and wastewater rate study for the City of Pismo Beach in 2019. Mr. Tuckfield also completed rate studies for the City in 2007 and 2013. The 2019 study reviewed and updated the water rate structure to comply with recent legislation and court decisions regarding tiered water rate structures and which included designing rates that included the Central Coast Blue Project. The Study also developed wastewater charges by customer classification. Water and wastewater rate structures and rates were adopted by City Council.

The 2007 study accounted for all financial aspects of the water and wastewater rates, including each water supply source, utility debt and assessment debt, and various sub-funds of the utilities. The study included financial planning, cost of service, and rate structures for both water and wastewater. The 2007 study results were adopted by city council.

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

### Water and Wastewater Rate Study, City of Arroyo Grande, California

**Reference: Shane Taylor, Utilities Manager, 805-473-5464, [staylor@arroyogrande.org](mailto:staylor@arroyogrande.org)**

Tuckfield & Associates completed a water and wastewater rate study for the City of Arroyo Grande in March of 2020. The study initially included water, wastewater, and storm water enterprises, however, was reduced to water and wastewater based on legal issues related to storm water rate implementation.

Tuckfield & Associates developed financial plans, cost of service, and rates for water and wastewater service. The water enterprise analyses included developing rates with and without the Central Coast Blue Project while developing a tiered rate structure for single-family residential customers while accounting for irrigation as a separate class for other customers. Wastewater rates were developed that included a mostly volumetric rate that accounted for wastewater contributed return volume of single-family residential, multifamily, and commercial classifications. Wastewater treatment is provided by the South San Luis Obispo County Sanitation District as fixed charges to the city's customers.



## **Water and Wastewater Rate Study, Avila Beach CSD, California**

**Reference:** Mr. Brad Hagemann, District Manager, 909-799-2811, [avilacsd@gmail.com](mailto:avilacsd@gmail.com)

Tuckfield & Associates completed a water and wastewater rate study for Avila Beach CSD in 2020. The study reviewed the District's financial status, accounting cost structure, and available billing information. Rates were developed to provide for maintenance of appropriate reserve levels based on District policy, meet O&M escalation, pay for future debt service for a wastewater plant expansion, and fund annual repair and replacement expenditures. A two-tier water rate structure was designed that applied to all water customers. Water and wastewater rate structures were discussed with staff and District Board of Directors at several meetings which included explanations of tier break points and possible rate scenarios. Water and wastewater rates were adopted by the Board of Directors.

## **Wastewater Rate Study, City of Atascadero, California**

**Reference:** Mr. Nick DeBar, Public Works Director, 805-470-3188, [ndebar@atascadero.org](mailto:ndebar@atascadero.org)

Tuckfield & Associates completed a wastewater rate study for the City of Atascadero in 2019 and prepared an update in 2020. The study's scope of work included preparing several financial plan scenarios to demonstrate the impact of the newly developed CIP list on revenues by showing revenues necessary to meet O&M, O&M with replacement, and O&M with replacement and debt financing of the CIP. Discussions with staff indicated that some of the CIP may need to be delayed to future years. The financial plan alternatives provided for maintaining cash balances at policy target levels while meeting O&M escalation, future debt service, and annual repair and replacement expenditures. The study reviewed billing system customer classifications and developed charges for service based on EDU's for existing and several new types of wastewater service. The wastewater rates were adopted by City Council.

# **Proposed Fee**

Tuckfield & Associates provides studies with competitive pricing and billing rates. We propose to accomplish the tasks described in our scope of work section for a cost not-to-exceed estimate of \$26,200. The cost estimate is based on the standard hourly billing rates above and the number of hours estimated to complete each task. Direct expenses will be billed at cost and will include expenses related to travel, lodging, mileage, meals, long distance telephone, printing and binding, and other direct costs. A cost proposal is provided below.

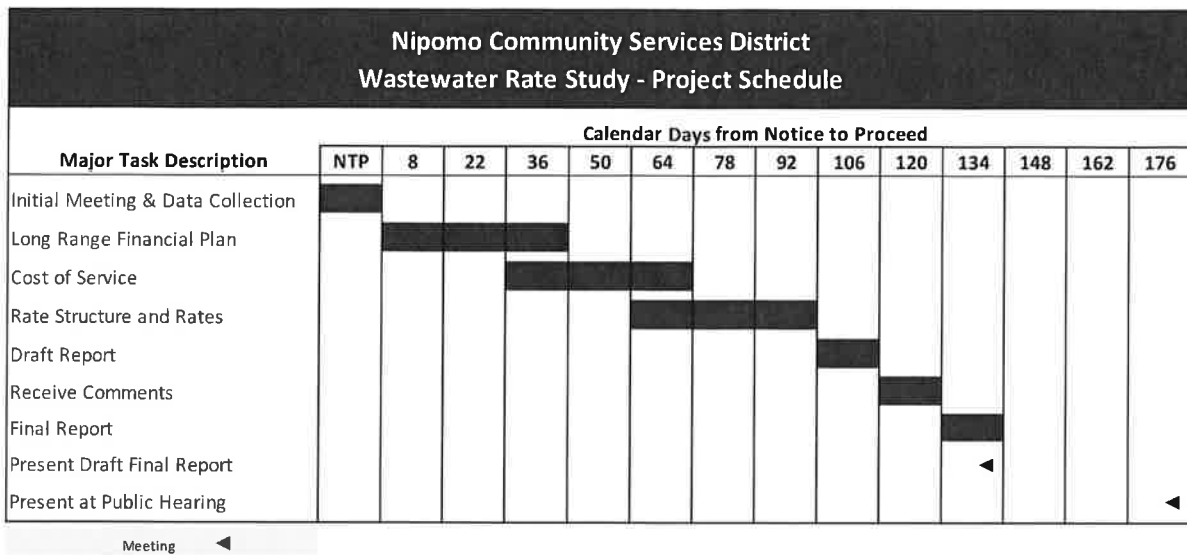
Additional meetings can be provided as requested by the District at our standard hourly billing rates including direct expenses related to the meetings. Each additional meeting cost will be invoiced at actual cost.

## Nipomo Community Services District Wastewater Rate Study - Detailed Cost Breakdown

Major Task Description	Number of Meetings		Hours	Total Budget
	Tele-conference	On-site	Clayton Tuckfield	
Hourly Rate			\$175	
<b>Task 1: Initial Meeting &amp; Data Collection</b>		1	4	\$700
<b>Task 2: Long Range Financial Plans</b>				
Task 2.1: Review Financial Info, Policy & Practice			2	\$350
Task 2.2: Review and Summarize Billing Info			8	\$1,400
Task 2.3: Develop Long Range Financial Plans	1		28	\$4,900
<b>Task 3: Cost of Service Analyses</b>				
Task 3.1: Analyze Customer Usage Patterns & Classes			12	\$2,100
Task 3.2: Allocate Costs to Cost Components			14	\$2,450
Task 3.3: Distribute Costs to Customer Class			8	\$1,400
<b>Task 4: Rate Analysis and Design</b>				
Task 4.1: Evaluate Rate Structures & Calc Rates	1		20	\$3,500
Task 4.2: Determine Bill Impacts			8	\$1,400
Task 4.3: Bill Comparison with Other Communities			4	\$700
<b>Task 5: Draft Report Preparation</b>			24	\$4,200
<b>Task 6: Final Report Preparation</b>	1	1	6	\$1,050
<b>Task 7: Proposition 218 Noticing and Public Hearing</b>		1	4	\$700
<b>Total</b>	<b>3</b>	<b>3</b>	<b>142</b>	<b>\$24,850</b>
Other Direct Costs (ODCs): Travel, Mileage & Printing:				<b>\$1,350</b>
<b>Total Study Cost:</b>				<b>\$26,200</b>

## Schedule

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



# Appendix A

## Resume

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A resume for Clayton Tuckfield is provided in Appendix A.

# Clayton Tuckfield, PE MBA

*Principal, Tuckfield & Associates Consulting*

## Education

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

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

## Registration

Professional Engineer:  
Kansas

## Years of Experience

35

## Professional History

Tuckfield & Associates,  
Principal Consultant (1999  
to Present)

Black & Veatch  
Management Consulting,  
Project Manager (1985 to  
1999)

Mobil Oil Corporation,  
Engineer (1980-1983)

## Profile

Mr. Tuckfield is the Principal of Tuckfield & Associates consulting. He has over 35 years of experience serving in various capacities on work performed for publicly owned water and wastewater utilities. Mr. Tuckfield has performed a variety of financial feasibility and economic analyses studies including utility cost of service and rate design studies, impact fee studies, development of pro forma statements of revenue and operating expense, cash flow analyses, preparation of engineer's reports for revenue bond official statements, valuations of facilities use plans, preparation of alternative financing plans for capital improvement programs, and development of training material for presentation to international interest groups.

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

## Relevant Project Experience

### **Water and Wastewater Utility Rate Studies, City of Buena Park, California.**

Mr. Tuckfield completed a water financial plan and rate study for the City of Buena Park in 2016 and was engaged again in 2020. The 2016 scope of work included (1) preparing a long-range financial plan that includes assessment of current revenues to meet the current and future obligations of the water fund, establishing operating and capital reserve policies, and incorporating financing of the proposed capital improvement program (CIP) spending plan and (2) design of an appropriate rate structure that complies with Proposition 218.

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

**Water and Wastewater Rate Study, City of Loma Linda, California.** Mr. Tuckfield completed a water and wastewater rate study for the City of Loma Linda in 2014 and was engaged again in 2018. The 2018 study included discussion with staff regarding the City's proposed levels of CIP spending and the effect of a delay of capital improvements to future years.

In both the water and sewer funds, the fund balances were below city policy target levels. The rate increases for both utilities were designed to rebuild fund balances, cure annual deficits, meet O&M escalation, pay for future debt service, and fund annual repair and replacement expenditures. Rate structures were discussed

# Clayton Tuckfield, PE MBA

*Principal, Tuckfield & Associates Consulting*

that included explanations of tier break points and possible rate scenarios. Water and wastewater rates were adopted by the City Council.

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

**Wastewater Rate Study, City of Santa Barbara, California.** Working as a sub consultant to a large regional consulting firm, Mr. Tuckfield performed a wastewater rate study for the City that involved developing a revenue plan, allocating costs, and designing several rate structures that included fixed and variable components. The revenue plan review noted a low cash reserve level because the City had included other assets into its beginning fund balance. The study identified necessary rate increases that were adopted by City Council. Justification of the current cost allocations was also performed.

**Water Utility Rate Study, City of Fullerton, California.** Working with a City organized task force, this study included a detailed analysis of the City's Water Fund. Mr. Tuckfield developed pro forma revenue, revenue requirements, and cash flows including review of the water utility program costs for reasonableness, which resulted in a recommendation to reallocate some of the utility overheads. Costs were compared to other local cities including various operational ratios and franchise fees. The task force accepted the recommendations including cash flow, cost of service allocations and rate design. The proposed utility rates were adopted by the City Council.

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

## Representative Water and Wastewater Rate Studies

- City of Avondale, AZ
- City of Arroyo Grande, CA
- City of Battle Creek, MI
- City of Brawley, CA
- City of Buena Park, CA
- City of Charleston, SC
- City of Chesapeake, VA
- City of El Monte, CA
- City of Georgetown, TX
- City of Grover Beach, CA
- City of Homestead, FL
- City of Imperial Beach, CA
- City of Imperial, CA
- City of Kalamazoo, MI
- City of Loma Linda, CA
- City of Long Beach, CA
- City of Pismo Beach, CA
- City of Santa Cruz, CA
- Santa Barbara, CA
- City of Sioux City, IA
- City of Sioux Falls, SD
- City of Westmorland, CA
- DuPage County, IL
- Hilmar County WD, CA

# Clayton Tuckfield, PE MBA

*Principal, Tuckfield & Associates Consulting*

- City of Fayetteville, AR
- City of Modesto, CA
- Mission Springs WD, CA
- City of Firebaugh, CA
- City of Oakdale, CA
- Nipomo CSD, CA
- City of Flagstaff, AZ
- City of Orange Cove, CA
- San Miguel CSD, CA
- City of Florence, AZ
- City of Peoria, AZ
- Templeton CSD, CA
- City of Fullerton, CA
- City of Phoenix, AZ
- Town of Cave Creek, AZ

## Representative Municipal Bond Feasibility Studies

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

## Other Feasibility Studies

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

## Publications/Presentations

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

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

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

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

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