

**SELMA-KINGSBURG-FOWLER
COUNTY SANITATION DISTRICT**

REGULAR MEETING OF BOARD OF DIRECTORS

AUGUST 10, 2023

4:00 P.M.

11301 E. Conejo Avenue, Kingsburg, CA 93631

1. CALL TO ORDER AND ROLL CALL

DIRECTORS

Nathan Magsig
Juan Mejia
Vince Palomar
Scott Robertson, Vice Chair
Buddy Mendes, Chairman

STAFF and CONSULTANTS

Veronica Cazares, General Manager/ Secretary
Alicia Kirk, Executive Assistant to the G.M.
Tricia Miller, Administrative Services/HR Manager
Hilda Cantú Montoy, General Counsel
Craig Perry, Chief Plant Operator
David Bacon, Information Systems Analyst

2. APPROVAL OF AGENDA

Additions, deletions, substitutions, and adoption of agenda

3. PUBLIC FORUM

At this time, any member of the public may address the Board regarding any item not on the agenda, over which the Board has jurisdiction. No action or discussion will be taken on any item not on the agenda, except to briefly respond to statements or questions by the public. Members of the public shall limit their remarks to three minutes.

4. CONSENT CALENDAR

Items placed on the consent calendar are routine in nature. They may be approved by one motion, second, and majority vote. Any Board member or member of the public may request removal of any item from the consent calendar for independent consideration.

- A. Minutes of July 13, 2023, Regular Board Meeting (*p.1*)
- B. Draft Minutes of July 26, 2023, PAC Meeting (*p.5*)
- C. Warrant List Reports of July 5, 2023, July 19, 2023, July 24, 2023 (*p.7*)
- D. Cash Activity Report of, July 31, 2023 (*p.10*)

5. NEW BUSINESS

- A. Subject: Request For Proposal: Sewer Rate Study *(p.12)*

Recommendation: That the Board approve entering into an agreement with Raftelis Financial Consultants, Inc. in the amount of \$59,955.00 and contingencies in the amount of \$20,000 for a total amount of \$79,955.00 and authorize the General Manager to execute the agreement.

- B. Subject: Fifth Amendment to the Consulting Services Agreement with MKN and Associates Relating to Construction Support Services for FY 21 Sewer Rehab Project *(p.35)*

Recommendation: That the Board approve the Fifth Amendment to the Consulting Services Agreement with MKN and Associates to extend the Agreement to July 1, 2024, and to increase the contract amount by \$9,000 for a total cost of 378,229.22 and authorize the General Manager to execute the Fifth Amendment to Agreement.

6. BOARD MEMBER COMMUNICATION/AGENDA ITEMS

7. GENERAL MANAGER REPORTS

8. CLOSED SESSION

- A. Public Employee Performance Evaluation pursuant to Government Code Section 54957
Title: General Manager

9. ADJOURNMENT

Motion to Adjourn

Next Regular Meeting: Thursday, September 14, 2023, at 4:00 p.m.

Next Ordinance: 2023-01

Next Resolution: 2023-14

NOTICE OF AVAILABILITY OF AGENDA MATERIALS: Any writings or documents provided to a majority of the Board of Directors regarding any item on this agenda will be made available for public inspection at the District Office located at 11301 E. Conejo Ave., Kingsburg, CA 93631 during normal business hours of 8:00 a.m.-4:30 p.m., Mondays through Fridays. Such writings or documents will also be made available on the District website at www.skfcsd.org

ADA COMPLIANCE AND REASONABLE ACCOMMODATIONS POLICY. The District has adopted a Reasonable Accommodations Policy that provides a procedure for receiving and resolving requests for accommodation to participate in this meeting. If you need assistance in order to attend the Board of Directors meeting, or if you require auxiliary aids or services, e.g., hearing aids or signing services to make a presentation to the Board, the Board is happy to assist you. Please contact the District Office at (559)897-6500 Extension 213 so such aids or services can be arranged. Requests may also be made by email to the Executive Assistant to the General Manager at: akirk@skfcsd.org or can be sent by US Mail to: Alicia Kirk, PO BOX 158, Kingsburg, CA 93631. Accommodations should be requested as early as possible as additional time may be required in order to provide the requested accommodation; 72 hours in advance is suggested.

**SELMA-KINGSBURG-FOWLER
COUNTY SANITATION DISTRICT**

MINUTES OF THE BOARD MEETING OF DIRECTORS

JULY 13, 2023

CALL TO ORDER AND ROLL CALL

The Board Meeting of the Selma-Kingsburg-Fowler County Sanitation District was called to order at 4:00 p.m. by Chairman Mendes.

DIRECTORS

Nathan Magsig (A)
Juan Mejia (A)
Vince Palomar (P)
Scott Robertson, Vice Chair (P)
Buddy Mendes, Chairman (P)

STAFF AND CONSULTANTS

Veronica Cazares, General Manager/Secretary
Alicia Kirk, Executive Assistant to the G.M.
Tricia Miller, Administrative Services, HR Manager
David Bacon, Information Systems Analyst
Craig Perry, Chief Plant Operator

APPROVAL OF AGENDA

There being no comment from the public, a motion to approve the agenda of the Board meeting of July 13, 2023, was made by Director Palomar and seconded by Director Robertson and approved by a unanimous voice vote:

AYE: Director Palomar, Vice Chair Robertson, Chairman Mendes

NO:

ABSENT: Directors Magsig, Mejia,

ABSTAIN:

PUBLIC FORUM

None

CONSENT CALENDAR

Items placed on the consent calendar are routine in nature. They may be approved by one motion, second, and majority vote. Any Board member or member of the public may request removal of any item from the consent calendar for independent consideration.

There being no comment from the public, a motion to approve the consent calendar was made by Director Robertson and seconded by Director Palomar and approved by a unanimous voice vote:

AYE: Director Palomar, Vice Chair Robertson, Chairman Mendes

NO:

ABSENT: Directors Magsig, Mejia
ABSTAIN:

PRESENTATIONS

- A. Valley Regional Occupational Program- District Job Shadowing Training Program
Anthony Serapio and David Garcia

The students gave the Board a presentation of their time at the district. They shadowed all the departments and highlighted the tasks and what they learned while they were here. This was the sixth successful year of SKF hosting Valley ROP.

PUBLIC HEARINGS

- A. Subject: Public Hearing on Sewer Service Charges on the Tax Roll for Fiscal Year 2023-24.

The Board conducted the public hearing and received staff report. There was no public comment be it in person or by mail. The Board had previously adopted a five-year rate increase, with 2023 being year five. Staff recommended that the Board approve the annual sewer service charges.

There being no comment from the public, a motion to adopt Resolution 2023-12, A Resolution which confirms sewer service charges and delinquent sewer charges for Fiscal Year 2023-24 was made by Director Palomar, and seconded by Director Robertson and approved by a unanimous voice vote:

AYE: Director Palomar, Vice Chair Robertson, Chairman Mendes
NO:
ABSENT: Directors Magsig, Mejia,
ABSTAIN:

UNFINISHED BUSINESS

None

NEW BUSINESS

- A. Subject: Resolution No. 2023-13, A Resolution of the Board of Directors of the Selma-Kingsburg Fowler County Sanitation District Certifying to the County of Tulare the Validity of the Legal Process Used to Place Direct Charges (Special Assessments) in the Secured Tax Roll for Fiscal Year 2023-24

This item is necessary in order to approve the list of parcels and the assessments to be collected on the County of Tulare tax roll. The Board approved the Agreement for Compensation to County of Tulare for Collection of Special Assessment at the March 10, 2022, Board meeting.

There being no comment from the public, a motion to adopt Resolution 2023-13, A Resolution of the Board of Directors of the Selma-Kingsburg Fowler County Sanitation District Certifying

to the County of Tulare the Validity of the Legal Process Used to Place Direct Charges (Special Assessments) in the Secured Tax Roll for Fiscal Year 2023-24 was made by Director Palomar and seconded by Director Robertson and approved by a unanimous voice vote:

- AYE: Director Palomar, Vice Chair Robertson, Chairman Mendes
- NO:
- ABSENT: Directors Magsig, Mejia,
- ABSTAIN:

B. Subject: Payment to City of Selma for Collection System R&R (Nebraska-Thompson-Knowles) for District's Share of the City of Selma Collection System R&R (Nebraska-Thompson-Knowles) Project.

The basis for the collaboration is to create financial and staffing efficiencies for both the City and District. The District's portion of the Project has been described in the District's CIP as the City of Selma Collection System R&R Nebraska-Thompson-Knowles Project and is included in the District's FY 23-24 budget. The funding will be from the City of Selma RR account (GL8026-305-03). The District is responsible for "like" or "in kind" replacements. The City of Selma will consider awarding the project to Floyd Johnston Construction, Inc., the lowest responsive and responsible bidder, in the amount of \$649,440 at the July 17, 2023, Selma Council meeting. It was determined that District would pay 67% of the construction cost or not to exceed the District budget amount of \$300,000. The City of Selma will submit an invoice to the District.

There being no comment from the public, a motion to approve payment to the City of Selma in the amount of \$300,000 for the Districts' share of the Project subject to Selma's award of the Project to Floyd Johnston Construction, the lowest responsive and responsible bidder was made by Director Robertson and seconded by Director Palomar and approved by a unanimous voice vote:

- AYE: Director Palomar, Vice Chair Robertson, Chairman Mendes
- NO:
- ABSENT: Directors Magsig, Mejia
- ABSTAIN:

BOARD MEMBER COMMUNICATION/AGENDA ITEMS

Director Palomar mentioned that every Thursday in July Kingsburg hosts Concerts in the Park at Memorial Park along with food vendors.

GENERAL MANAGER REPORTS

SKF Staff took some of our vehicles to "Touch A Truck" day at Happy Days Pre-School on Saturday June 24, 2023. SKF Public Outreach items such as grease cups, non-flushable wipes, note pads and pencils were given out.

ADJOURNMENT

There being no further business to come before the Board, Chairman Mendes declared the meeting adjourned on a motion made by Director Robertson, and seconded by Director Palomar, and approved by a unanimous voice vote at 4:21 p.m.

Respectfully submitted,

Approved,

Veronica Cazares, General Manager

Buddy Mendes, Chairman of
the Board

**SELMA-KINGSBURG-FOWLER
COUNTY SANITATION DISTRICT**

MINUTES OF THE POLICY ADVISORY COMMITTEE MEETING

**July 26, 2023
10:00 a.m.**

CALL TO ORDER AND ROLL CALL

The Policy Advisory Committee (PAC) meeting of the Selma-Kingsburg-Fowler County Sanitation District was called to order at 10:00 a.m. by Chairman Fernando Santillan.

MEMBERS

Fernando Santillan, Selma City Manager (P)
Alex Henderson, Kingsburg City Manager (A)
Wilma Tucker, Fowler City Manager (P)
Paul Nerland, Fresno County Administrative
Officer (A)
Veronica Cazares, General Manager/
Secretary (P)

STAFF AND CONSULTANTS

Alicia Kirk, Executive Assistant to the GM
Craig Perry, Chief Plant Operator
Tricia Miller, Admin Services/HR Manager
David Horn, City of Selma Engineer

APPROVAL OF AGENDA

There being no comment from the public a motion to approve the agenda of the PAC meeting of July 26, 2023, was made by Member Tucker, and seconded by Member Cazares, and approved by the following vote:

AYE: Members Cazares, Vice Chair Tucker, Chairman Santillan

NO:

ABSENT: Members Henderson, Nerland

ABSTAIN:

PUBLIC FORUM

None

CONSENT CALENDAR

Items placed on the consent calendar are considered routine in nature. They may be approved by one motion, second and majority vote. Any PAC member or member of the public may request removal of any item from the consent calendar for independent consideration.

There being no comment from the public a motion to approve the minutes of the July 26, 2023, Policy Advisory Committee meeting was made by Member Tucker, and seconded by Member Cazares and approved by a unanimous vote:

AYE: Members Cazares, Vice Chair Tucker, Chairman Santillan
NO:
ABSENT: Members Henderson, Nerland
ABSTAIN:

UNFINISHED BUSINESS

None

NEW BUSINESS

A. Subject: Review Grant Opportunities For Future Infrastructure

The following topics were discussed as future possibilities: Applying for Clean Water State Revolving Loans, Water Infrastructure Finance and Innovation Act, State and Federal Earmarks, and Grant Consulting Services. With regard to the topics, PAC weighed in and gave ideas based on their experiences. As it stands, grants have specific criteria to meet, and growth inducing projects are not considered, however there is opportunity for rehabilitation at the Plant as well as the three cities SKF serves. It was said that SKF must look at what is affordable based on the current fee schedule of the rate payers. It was asked what is in the near future for the District and it was answered rehabilitation projects such as District owned facilities throughout Selma, Kingsburg, Fowler.

COMMITTEE MEMBER COMMUNICATION/AGENDA ITEMS

None

GENERAL MANAGER REPORTS

Upcoming PAC Meeting scheduled for September 13, 2023.

Year six of Valley ROP has concluded.

ADJOURNMENT

There being no further business to come before the Committee, Chairman Santillan declared the meeting adjourned on a motion made by Member Tucker and seconded by Member Cazares and approved by a unanimous voice vote at 10:32 a.m.

Veronica Cazares, General Manager/
Secretary

Fernando Santillan/Chairman
of the Committee

**SELMA-KINGSBURG-FOWLER
COUNTY SANITATION DISTRICT**

July 05, 2023

WARRANT LIST

AMERICAN EXPRESS	TRAVEL & TRAINING, PRINTING ADVERTISING	1,930.62
ARMANDO BLANCAS	RETIREE HEALTH REIMBURSEMENT	148.68
ARNOLD, STEPHEN	RETIREE HEALTH REIMBURSEMENT	148.68
BSK ASSOCIATES	EXTERNAL LAB SERVICES	180.00
CALPERS EDUCATION FORUM 2023	TRAVEL & TRAINING	898.00
CALPERS HEALTH	HEALTH INSURANCE	38,529.27
DAVID D. SUMAYA	BUILDING & GROUNDS MAINTENANCE	404.58
DAVID MICHEL	RETIREE HEALTH REIMBURSEMENT	148.68
DSD BUSINESS SYSTEMS	INFORMATION SYSTEMS	1,298.76
GARY HELM	RETIREE HEALTH REIMBURSEMENT	148.68
HOME DEPOT CREDIT SERVICES	EQUIPMENT MAINTENANCE	282.19
JAIME RUIZ	RETIREE HEALTH REIMBURSEMENT	148.68
JAMES HORNE	RETIREE HEALTH REIMBURSEMENT	148.68
JEFFREY GLENN RANSOM	CERTIFICATION REIMBURSEMENT	95.00
JIM OLINGER	RETIREE HEALTH REIMBURSEMENT	148.68
JIMMY GARCIA	RETIREE HEALTH REIMBURSEMENT	416.87
JOSEPH BARELA	RETIREE HEALTH REIMBURSEMENT	200.00
LIEBERT CASSIDY WHITMORE	MEMBERSHIPS	2,600.00
LUCERO, JULIAN	RETIREE HEALTH REIMBURSEMENT	148.68
NAPA AUTO PARTS	AUTO/EQUIPMENT MAINTENANCE	750.64
NELSON'S ACE HARDWARE	SMALL TOOLS, EQUIPMENT MAINTENANCE	281.21
NORTH AMERICAN BENEFITS CO	LIFE INSURANCE	409.36
PG&E	ELECTRIC UTILITIES	353.77
PROCLEAN SUPPLY	BUILDING & GROUNDS MAINT./OFFICE SUPPLY	3,051.76
QUADIENT LEASING USA, INC.	RENT & LEASE EQUIPMENT	717.42
RGW EQUIPMENT SALES, LLC	EQUIPMENT MAINTENANCE	2,824.55
ROBERT CURRIE	RETIREE HEALTH REIMBURSEMENT	148.68
SALLY RODRIGUEZ	RETIREE HEALTH REIMBURSEMENT	148.68
SARA J. STAUNTON	RETIREE HEALTH REIMBURSEMENT	148.68
STEVE JENSEN	RETIREE HEALTH REIMBURSEMENT	132.25
TRANSWESTERN INS ADMIN	DENTAL / VISION INSURANCE	240.80
UNWIRED BROADBAND, INC.	COMMUNICATIONS	749.99
VALLEY SECURITY ALARM	COMMUNICATIONS	711.00
VERONICA CAZARES	TRAVEL & TRAINING REIMBURSEMENT	119.60
VIDEO INSPECTION SPECIALISTS	EQUIPMENT MAINTENANCE	32,632.52
MAS 200 Total Checks		\$91,445.64

**SELMA-KINGSBURG-FOWLER
COUNTY SANITATION DISTRICT
July 19, 2023
WARRANT LIST**

ALLIANT INSURANCE SERVICES	GENERAL INSURANCE	5,659.00
ARAMARK	UNIFORMS,MATS,MOPS,TOWELS	1,493.04
AT&T MOBILITY	COMMUNICATIONS	100.68
BSK ASSOCIATES	EXTERNAL LAB SERVICES	180.00
CALIFORNIA DEPARTMENT OF TAX & FEE ADMIN	USE TAX	168.00
CALPERS	RETIREMENT	41,710.50
CASH	PETTY CASH REIMBURSEMENT:	221.88
CENTRAL VALLEY CULLIGAN, INC.	DRINKING WATER	259.20
CINTAS CORPORATION NO.2	SAFETY SUPPLIES	60.25
COMCAST	COMMUNICATIONS	109.95
CSRMA	GENERAL INSURANCE, WORKERS COMP	267,998.97
DATCO	PROF.SERVICES - MEDICAL & SAFETY	526.50
DKF SOLUTIONS GROUP, LLC	PROF.SERVICES - MEDICAL & SAFETY	350.00
DOPUDJA & WELLS CONSULTING INC.	COLLECTION SYSTEM MASTER PLAN UPDATE	12,367.55
DSD BUSINESS SYSTEMS	INFO SYSTEMS EXPENSE	48.75
FRESNO COUNTY ASSESSOR	COUNTY MAPS	3.00
HAYDON CONSTRUCTION INC	HIGH STREET SEWER MAIN REPAIR	1,272.00
HERWIT ENGINEERING	PROF.SERVICES - ENGINEERING & TECH	1,049.00
HOME DEPOT CREDIT SERVICES	BUILDING & GROUNDS MAINTENANCE	347.26
LOPEZ, PAUL	CERTIFICATION REIMBURSEMENT	103.00
MID VALLEY DISPOSAL	WASTE UTILITIES	937.13
MKN	DIST. LIFT STATION REFURBISHMENT 18TH AVE.	14,565.58
MONTOY LAW CORPORATION	PROFESSIONAL LEGAL SERVICES	12,203.50
NAPA AUTO PARTS	AUTO MAINTENANCE	18.20
NELSON'S POWER CENTER	BUILDING & GROUNDS MAINTENANCE	292.88
NELSON'S ACE HARDWARE	BUILDING & GROUNDS MAINTENANCE, SAFETY SUPPLY	78.84
PG&E	ELECTRIC UTILITIES	225.72
QUADIENT FINANCE USA, INC.	POSTAGE	500.00
SILVAS OIL CO. INC.	FUEL	2,922.27
STREAMLINE	INFO SYSTEMS EXPENSE	4,800.00
SW CONSTRUCTION INC.	LIFT STATION PROJECT 18ST.	219,997.90
SWRCB-ELAP FEES	PERMITS	3,550.00
TELETRAC NAVMAN US LTD.	COMMUNICATIONS	1,345.48
THE BUSINESS JOURNAL	PRINTING - ADVERTISING	360.00
THE GAS CO	GAS UTILITIES	50.54
T-MOBILE USA INC.	COMMUNICATIONS	972.11
TOSHIBA FINANCIAL SERVICES	COPIER LEASES	676.56
VERIZON WIRELESS	COMMUNICATIONS	555.07
WORKFORCE GO!	INFO SYSTEMS EXPENSE	10,315.08
MAS 200 Total Checks		\$608,395.39

**SELMA-KINGSBURG-FOWLER
COUNTY SANITATION DISTRICT**

**July 24, 2023
WARRANT LIST**

CALIFORNIA DEPARTMENT OF TAX & FEE ADMIN	FUEL TAX	1,685.00
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MAS 200 Total Checks		\$1,685.00
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SKF COUNTY SANITATION DISTRICT
CASH ACTIVITY REPORT
Month: JULY
Fiscal Year: 2023-24

Cash Account Description	End of Month Cash Balance as of June 30, 2023	End of Month Cash Balance July 31, 2023
Cash in Treasury: Operations & Maintenance	\$ 5,043,024.93	\$ 4,675,385.21
Cash in Bank: Operations & Maintenance	\$ 28,912.44	\$ 27,035.39
Cash in Bank: Payroll	\$ 203.46	\$ 203.51
Petty Cash	\$ 700.00	\$ 700.00
Total Operations & Maintenance	\$ 5,072,840.83	\$ 4,703,324.11
Cash in County Treasury:Expansion	\$ 5,393,049.36	\$ 5,298,865.60
Cash in County Treasury: R&R	\$ 6,245,192.21	\$ 6,105,548.01
Cash in County Treasury:Selma	\$ 2,319,258.37	\$ 2,321,931.47
Cash in County Treasury: Selma SWRCB Reserve	\$ 267,803.77	\$ 267,858.74
Total Selma	\$ 2,587,062.14	\$ 2,589,790.21
Cash in County Treasury:Kingsburg	\$ 3,426,769.60	\$ 3,397,636.75
Cash in County Treasury:Fowler	\$ 1,932,604.12	\$ 1,943,768.54
Total Cash Balance	\$ 24,657,518.26	\$ 24,038,933.22

SELMA-KINGSBURG-FOWLER COUNTY SANITATION DISTRICT
WARRANT LIST & SALARY AND FRINGE BENEFIT EXPENDITURE SUMMARY
FOR THE MONTH ENDED JULY 31, 2023

SERVICE AND SUPPLIES EXPENDITURES:

WARRANT LIST ENDING	7/5/2023	\$	91,445.64
WARRANT LIST ENDING	7/12/2023	\$	608,395.39
WARRANT LIST ENDING	7/24/2023	\$	1,685.00
			701,526.03
TOTAL SERVICE AND SUPPLIES EXPENDITURES			\$ 701,526.03

SALARIES, PERS, TAXES, & HEALTH INSURANCE EXPENDITURES

TOTAL SALARIES PERIOD ENDING:

SALARIES	7/2/2023	\$	95,788.26
EMPLOYER CONTRIBUTIONS (PERS)	7/2/2023	\$	9,594.95
EMPLOYER TAXES	7/2/2023	\$	1,257.73
HEALTH INSURANCE	7/2/2023	\$	14,170.22
			120,811.16

TOTAL SALARIES PERIOD ENDING:

SALARIES	7/16/2023	\$	98,580.97
EMPLOYER CONTRIBUTIONS (PERS)	7/16/2023	\$	9,951.67
EMPLOYER TAXES	7/16/2023	\$	1,294.10
HEALTH INSURANCE	7/16/2023	\$	14,170.22
			123,996.96

TOTAL SALARIES, PERS, TAXES, & HEALTH INSURANCE EXPENDITURES			\$ 244,808.12
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	GRAND TOTAL	\$	946,334.15
			946,334.15

MEMORANDUM
(August 10, 2023, Board Meeting)

To: S-K-F CSD Board of Directors
From: Veronica Cazares, General Manager
Date Memo Prepared: July 26, 2023

Agenda Item: 5-A
Action: Motion

SUBJECT:

Request for Proposal: Sewer Rate Study

RECOMMENDATION

That the Board approve entering into an agreement with Raftelis Financial Consultants, Inc. in the amount of \$59,955.00 and contingencies in the amount of \$20,000 for a total amount of \$79,955.00 and authorize the General Manager to execute the agreement.

EXECUTIVE SUMMARY

Request for Proposals for the Sewer Rate Study were sent out in June 2023. The proposals were due to be submitted on July 25, 2023.

Two proposals were submitted:

Raftelis Financial Consultants, Los Angeles CA	\$59,955.00
SCI Consulting Group, Fairfield, CA	\$36,750.00

District staff reviewed proposals and the consensus was to recommend award of the sewer rate study to Raftelis Financial Consultants, Inc. The Raftelis Financial Consultants, Inc. proposal was well organized, addressed all components of the request for proposals, included references that directly relate to wastewater agencies, included project costs, and demonstrated an expertise that the District requires for this project.

A summary of work to be done is as follows:

- Conducting a cost-of-service analysis for different customer class and calculate five years of sewer rates.
- Preparation of Prop. 218 notices for District General Counsel Review.
- Capacity Charge calculation.
- Update rate model.
- Preparation of draft and final Sewer Rate Report.
- Policy Advisory Committee meetings
- Board meetings

Raftelis Financial Consultants, Inc. previously completed a sewer rate study for the District. The District was satisfied with the work product. Raftelis Financial Consultants, Inc. will conduct a five-year study.

The SCI Consulting Group proposal did not address all items in the request for proposals and is deemed non-responsive. The approach to work and project understanding descriptions were minimal,

the rate model update and capacity charge review was not included. The references did not include dates or project costs.

The project will be funded out of Operation and Maintenance GL: 7820-101-00. The estimate for the project was \$60,000. For purposes of the Prop 218 process the public hearing is scheduled to be in April 2024 pending a Notice to Proceed in August 2023.

Attachments: Agreement

PROFESSIONAL SERVICES AGREEMENT BETWEEN
SELMA-KINGSBURG-FOWLER COUNTY SANITATION DISTRICT
AND
RAFTELIS FINANCIAL CONSULTANTS, INC.

This Professional Services Agreement (“Agreement”) is entered into this _____ day of _____, 2023, (“effective date:) by and between, the Selma-Kingsburg-Fowler County Sanitation District (“Client”) and Raftelis Financial Consultants, Inc., 227 W. Trade Street, Suite 1400, Charlotte, NC 28202 (“Raftelis” or “Consultant”). The Client and Raftelis are sometimes referred to herein, collectively, as the “Parties” and each, individually, as a “Party”.

Recitals

WHEREAS, Raftelis is engaged and experienced in public finance, management, and pricing, and service delivery’ and

WHEREAS, Client issued a Request for Proposals for a Sewer Rate Study; and

WHEREAS, after consideration of the proposal from Raftelis, Client desires to hire Raftelis and Raftelis agrees to provide services to the Client pursuant to the terms of this Agreement; and

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

Article 1 – Statement of Work

Raftelis shall provide professional consulting services to prepare a sewer rate study for Client. Raftelis will perform the services as set forth in its proposal sent to Client dated [July 25, 2023] and incorporated herein as **Attachment A**, the “Scope.”

Article 2 – Time for Completion

This Agreement will commence upon approval by Client Board of Directors and remain in effect until July 1, 2024_]. Renewals of this Agreement are at the option of, and shall be mutually agreed to by, the Parties and shall be in writing.

Article 3 – Compensation

Client shall pay to Raftelis the sum not to exceed \$59,955.00, which includes professional fees and direct expenses incurred in performing the scope of services, as well as an hourly technology expense

reimbursement, outlined in **Attachment B**. The Parties understand that this sum is based upon the scope of work contained herein at Raftelis' current standard hourly rate schedule included in Attachment B.

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

Article 4 – Additional Services

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

Article 5 – Place of Performance

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

Article 6 – Indemnification

Raftelis hereby agrees to indemnify the Client, its officers, directors, managers and employees (collectively, the "Indemnified Parties") and to hold the Indemnified Parties harmless against third party claims, costs and expenses, caused in whole or in part by the sole negligence, recklessness or willful misconduct of Raftelis, its principals, officers, employees, agents or volunteers in the performance of this Agreement or anyone for whose acts any of them may be liable excluding, however, such claims, demands, losses, damages arising from the Client's negligence, recklessness or willful misconduct.

Article 7 – Insurance

Raftelis shall maintain the types and levels of insurance during the life of this Agreement as specified below.

The Client will be named as additional insured on Raftelis' Certificates of Insurance and Raftelis will provide the Client with these Certificates of Insurance.

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

Minimum Scope and limit of Insurance

Coverage shall be at least as broad as:

1. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. Workers’ Compensation insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

(Not required if consultant provides written verification it has no employees)

4. Professional Liability (Errors and Omissions) Insurance appropriate to the Consultant’s profession, with limit no less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, Client requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Consultant to the extent of its indemnity obligations in this Agreement. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Client, subject to Contractor’s indemnity obligations in this Agreement.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The Client, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor’s insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used).

Primary Coverage

For any claims related to this contract, the **Contractor’s insurance coverage shall be primary and non-contributory** and at least as broad as ISO CG 20 01 04 13 as respects the Client, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Client, its officers, officials,

employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Umbrella or Excess Policy

The Contractor may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor's primary and excess liability policies are exhausted.

Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Client.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the Client. The Client may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Client. The CGL and any policies, including Excess liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds \$25,000 unless approved in writing by Client. Any and all deductibles and SIRs shall be the sole responsibility of Contractor or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. Client may deduct from any amounts otherwise due Contractor to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. Client reserves the right to obtain a copy of any policies and endorsements for verification.

Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Client.

Claims Made Policies (note – should be applicable only to professional liability, see below)

If any of the required policies provide claims-made coverage:

1. The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.

2. Insurance must be maintained and evidence of insurance must be provided *for at least five (5) years after completion of the contract of work.*
3. If coverage is canceled or non-renewed, and not replaced *with another claims-made policy form with a Retroactive Date prior to* the contract effective date, the Contractor must purchase “extended reporting” coverage for a minimum of *five (5) years* after completion of work.

Verification of Coverage

shall furnish the Client with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause **and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements.** All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the Client before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor’s obligation to provide them. The Client reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. Client reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Subcontractors

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that Client is an additional insured on insurance required from subcontractors.

Duration of Coverage

CGL & Excess liability policies **for any construction related work, including, but not limited to, maintenance, service, or repair work,** shall continue coverage for a minimum of 5 years for Completed Operations liability coverage. Such Insurance must be maintained and evidence of insurance must be provided *for at least five (5) years after completion of the contract of work.*

Special Risks or Circumstances

Client reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances. Consultant shall have no obligation to indemnify District against liability for claims by a third party for failure to comply with its obligations under Article XIII D of the California Constitution (Proposition 218).

Article 8 – Confidential Information

Raftelis acknowledges and agrees that in the course of the performance of the services pursuant to this Agreement, Raftelis may be given access to, or come into possession of, Confidential Information from the Client, of which information may contain privileged material or other confidential information. Raftelis acknowledges and agrees, except as required by judicial or administrative order, trial, or other governmental proceeding, that it will not use, duplicate, or divulge to others any such information marked as “confidential” disclosed to Raftelis by the Client (“Confidential Information”) without first obtaining

written permission from the Client, to the extent legally permitted. All tangible embodiments of such information shall be delivered to the Client by Raftelis upon termination hereof, or upon request of the Client, whichever occurs first. The Client acknowledges Raftelis may retain a copy of the Confidential Information for legal, compliance, or regulatory purposes or to the extent such information is incorporated into Raftelis' work papers, provided that such information shall continue to be subject to the confidentiality obligations herein even after the termination of this Agreement.

Article 9 – Independent Contractor Status

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

Article 10 – Reliance on Data

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

Article 11 – Standard of Performance

Raftelis will perform the services under this Agreement in accordance with the standard of professionals in its industry prevailing at the time and place the services are performed. Raftelis' opinions, estimates, projections, and forecasts of current and future costs, revenues, other levels of any sort, and events and estimates of cost-justified system development fees shall be made on the basis of available information and Raftelis' expertise and qualifications as a professional. Raftelis will perform the Scope of services in conformance with the professional standards in its field of expertise prevailing at the time and place the Scope of services are performed. Raftelis does not warrant or guarantee that its opinions, estimates, projections or forecasts of current and future levels and events will not vary from the Client's estimates or forecasts or from actual outcomes. Raftelis identifies costs, allocates costs to customer classes and provides rate models. It does not establish rates, which is the legislative responsibility of the Client.

Article 12 – No Consequential Damages

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

Article 13 – Termination

Termination for Convenience. Either party may terminate this Agreement at any time by giving notice of such termination (including the effective termination date) at least thirty (30) calendar days before the effective date of such termination.

Termination for Cause. If for any cause either party fails to fulfill in a timely and proper manner its obligations under this Agreement (the “breaching party”), the other party (the “terminating party”) shall have the right to terminate the Agreement by giving not less than five (5) working days’ written notice to the breaching party of the intent to terminate and specifying the effective date thereof. The terminating party shall, however, provide the breaching party with a detailed statement of the grounds for termination. This statement shall include, as appropriate, references to specific provisions of this Agreement, dates, dollar amounts and other information relevant to the decision to terminate for cause.

In the event of termination, all finished or unfinished documents, data, compilations reports and studies prepared by Consultant in performing the Scope of Services under this Agreement shall become Client’s property, pursuant to the provisions of Article 15. Consultant shall be entitled to receive compensation for satisfactory work completed prior to the effective date of termination.

This Agreement shall terminate without any liability of Client to Consultant upon: (i) Consultant’s filing for protection under the federal bankruptcy laws, or any bankruptcy petition or petition for receiver commenced by a third party against Consultant; or (ii) Client’s non-appropriation of funds sufficient to meet its obligations hereunder during any Client fiscal year of this Agreement.

Immediately upon any termination of this Agreement, Consultant shall: (i) immediately stop all work hereunder; (ii) immediately cause any and all of its subcontractors to cease work; and (iii) return to Client any and all unearned payments and all properties and materials in the possession of Consultant that are owned by Client. Subject to the terms of this Agreement, Consultant shall be paid compensation for services satisfactorily performed prior to the effective date of termination. Consultant shall not be paid for any work or services performed or costs incurred which reasonably could have been avoided.

Upon any termination of the Agreement, Client may (i) exercise any right, remedy (in contract, law or equity), or privilege which may be available to it under applicable laws of the State of California or any other applicable law; (ii) proceed by appropriate court action to enforce the terms of the Agreement; and/or (iii) recover all direct, indirect, consequential, economic, and incidental damages for the breach of the Agreement. If it is determined that Client improperly terminated this Agreement for default, such termination shall be deemed a termination for convenience.

Consultant shall provide Client with adequate written assurances of future performance, upon General Manager's request, in the event Consultant fails to comply with any terms or conditions of this Agreement.

Consultant shall be liable for default, subject to the provisions of Article 6, unless nonperformance is caused by an occurrence beyond the reasonable control of Consultant and without its fault or negligence such as acts of God or the public enemy, acts of Client in its contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. Consultant shall notify Client in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth in full the particulars in connection herewith, and shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to Client of the cessation of such occurrence.

In the event of termination, Raftelis shall be compensated for all work properly performed prior to the effective date of termination.

Article 14 – Notices

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

If for the Client:

Veronica C. Cazares

Name

General Manager

Title

PO Box 158

11301 E Conejo Avenue

Kingsburg CA 93631

Address

If for Raftelis:

Raftelis Financial Consultants, Inc.

227 W. Trade Street

Suite 1400

Charlotte, NC 28202

Article 15 – Ownership of Work Product

All documents, data, compilations reports and studies prepared by Raftelis in performing the Scope of services shall be the property of the Client; provided that any use other than as contemplated in this Agreement or any alteration or modification of such work product shall be at the sole risk of Client.

Client shall indemnify, defend and hold Raftelis harmless from any claim, demand, liability, cost or expenses incurred by Raftelis from such use or modification. Nothing contained herein shall be deemed an assignment, transfer, or divestiture its use by Raftelis of any of its trade secrets, know-how or intellectual property.

Article 16 – Compliance with Applicable Laws

Raftelis is an equal opportunity employer and complies with all federal, state, and local fair employment practices laws. Raftelis strictly prohibits and does not tolerate discrimination against employees, applicants, or any other covered persons because of race, color, religion, national origin or ancestry, gender identity, sexual orientation, marital status, sex, pregnancy, age, disability, past, current, or prospective service in the uniformed services, or any other characteristic protected under applicable federal, state, or local law. All Raftelis employees, other workers, and representatives are prohibited from engaging in unlawful discrimination. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, training, promotion, corrective action, compensation, benefits, and termination of employment.

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

Article 17 – General Provisions

- A. **Entire Agreement:** This Agreement represents the entire and sole agreement between the Parties with respect to the subject matter hereof.
- B. **Waiver:** The failure of either Party to require performance by the other of any provision hereof shall in no way affect the right to require performance at any time thereafter, nor shall the waiver of a breach of any provision hereof be taken to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself. All remedies afforded in this Agreement shall be taken and construed as cumulative; that is, in addition to every other remedy available at law or in equity.
- C. **Relationship:** Nothing herein contained shall be construed to imply a joint venture, partnership, or principal-agent relationship between Raftelis and the Client; and neither Party

shall have the right, power, or authority to obligate or bind the other in any manner whatsoever, except as otherwise agreed to in writing.

- D. Assignment and Delegation: Neither Party shall assign this Agreement or any rights, duties, or obligations hereunder without the express written consent of the other. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the successors, legal representatives, and assignees of the Parties hereto.
- E. Severability: If any provision of this Agreement is declared invalid or unenforceable, such provision shall be deemed modified to the extent necessary to render it valid and enforceable. In any event, the unenforceability or invalidity of any provision shall not affect any other provision of this Agreement, and this Agreement shall continue in force and effect, and be construed and enforced, as if such provision had not been included, or had been modified as above provided, as the case may be.
- F. Governing Law: This Agreement shall be governed by, and construed in accordance with, the laws of the State of California and venue shall be in Fresno County, CA.
- G. Paragraph Headings: The paragraph headings set forth in this Agreement are for the convenience of the Parties, and in no way define, limit, or describe the scope or intent of this Agreement and are to be given no legal effect.
- H. Third Party Rights: Nothing in this Agreement shall be construed to create or confer any rights or interest to any third party or third-party beneficiary. It is the intent of the parties that no other outside, non-party claimant shall have any legal right to enforce the terms of this Agreement.

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

By: _____
Signature

Title

Date

Raftelis Financial Consultants, Inc.

By: _____

Signature

Title

Date

This is to certify that an appropriation in the amount of this contract is available therefore and that _____ has been authorized to execute the contract and approve all requisitions and change orders.

By: _____

Signature

Title

ATTACHMENT A

STATEMENT OF WORK/ENGAGEMENT LETTER

PROJECT APPROACH

Project Understanding

The Selma-Kingsburg-Fowler County Sanitation District (District) provides sewage collection, treatment and disposal services to a population of approximately 40,000 in the three cities and unincorporated areas of Fresno County. The District owns the treatment facilities and large mains and interceptors. The cities own the sewer collection system, and the District operates and maintains the collection systems.

The District is planning major capital improvement projects (CIP) that will create a significant financial demand. Raftelis has assisted many agencies with applying for and facilitating Clean Water State Revolving Fund (CWSRF) loans and can assist the District in securing loans quickly for eligible projects. We also provide bond feasibility studies that may be required for the issue of bonds. Raftelis is a registered Municipal Advisor, which is a requirement under the Dodd-Frank Wall Street Act for consultants to provide assistance regarding debt issues.

The Districts currently bills residential customers and some commercial customers on the tax roll for treatment and collection. Residential customers are billed flat charges; commercial customers may be billed on the water use or on equivalent single family residential units (ESFR). Some industrial customers are billed based on sampled flow and strength. The District has to obtain water use from several agencies including the California Water Company. The current rate structure was adopted many years ago and the District needs to ensure that the rates are consistent with cost of service and meet the requirements of Proposition 218. Additionally, the rates for operation and maintenance of the member cities' collection systems need to be calculated.

As part of the financial plan, Raftelis will review the District's reserves and suggest prudent reserve targets including operating and capital replacement and refurbishment reserves. The CWSRF also requires debt reserves, which will be included as part of the financial plan.

Public outreach is crucial to ensure that the public will support rate increases. Raftelis will conduct meetings with the Policy Advisory Committee and Board to clearly explain the rationale for any rate modifications in a simple and easy-to-understand narrative format. Raftelis has in-house consultants specializing in public outreach and can optionally provide those services if desired. Raftelis uses graphical presentations that we have found to be very useful in past presentations in conveying information for ease of understanding.

The Raftelis team is intimately familiar with the District and the rate model and highly qualified to develop rates and charges for utilities. Our expertise enables us to develop defensible rate structures, either in traditional forms or, when appropriate, innovative forms to address specific needs and circumstances. Raftelis' thorough cost-of-service studies result in charges that are developed based on sound rate-making principles that can be supported before regulatory agencies, commissions, elected officials, customer groups, or courts of law. Raftelis has assisted the District in the last two rate cycles and is excited to assist the District.

Project Approach

Task 1: Project Management, Administration, and Initiation

We believe that the execution of a productive kick-off meeting is the most effective way to begin a study of this nature. Raftelis uses the kick-off meeting to perform our due diligence to ensure that project stakeholders agree to the project's goals, approach, work plan, schedule, and the study's priorities. As part of the meeting, Raftelis will:

- Discern the major drivers for the study
- Work with District staff to identify and prioritize pricing objectives
- Review the capital program and discuss debt policies for capital funding
- Discuss reserves and reserve policies
- Review rate structures and identify potential improvements or alternative rate structures
- Review capacity charge methodologies applicable to the District, and
- Review the data request list and pinpoint data gaps or questions

A detailed data request list will be provided prior to the kick-off meeting and amended during the meeting if necessary. The Project Team will study this data diligently to understand the District's revenue streams, operating and capital expenditures, customer base, and wastewater flow generation patterns to perform the study in line with the District's overall objectives.

Our project management approach stresses communication, teamwork, objectivity, and accountability to meet project objectives and includes general administrative duties including client correspondence, billing, project documentation, and administration of the study. We believe in a no-surprises approach and communicate with clients on a regular basis through face-to-face meetings, web meetings, and telephone conferences so that the District will be aware of project status at all times. Raftelis will conduct regular meetings to communicate project progress, identify issues that need District input, and update the schedule if necessary. At the heart of Raftelis' core philosophy is our commitment to quality to ensure consistency, accuracy and validity. Our QA/QC process will ensure that the cost of service and rate model developed is functioning properly and is based on sound rate making principles and standard industry practice. QA/QC is accomplished through periodic review of the issues and model throughout the course of the project. We have found that a well-defined QA/QC process ensures that all of our work products will be of the highest quality and meet or exceed the standards that our clients have come to expect from Raftelis.

PLANNED MEETINGS:

- One kick-off meeting with District staff

DELIVERABLES:

- Detailed data request list
- Kick-off meeting agenda and minutes
- Regular progress updates
- Monthly progress reports in PDF format

Task 2: Financial Plan Development

After the data has been compiled and analysed, Raftelis will begin the process of developing a long-term financial plan that will involve projecting wastewater flow generation and forecasting revenue requirements. Raftelis will review the District's capital improvement plan (CIP) and adopted budgets to better understand the District's financial situation. In order to escalate the District's costs for future years, Raftelis will recommend escalation cost factors for operating and capital expenditures and update the current Financial Plan and Rate Model (Model). Once completed, the Model will serve as a comprehensive yet flexible planning tool that will incorporate the District's CIP, capital financing plan, wastewater flow projections, revenue requirements, detailed cost and revenue projections, reserve balances, and capacity charges.

The Project Team will itemize fixed and variable costs from the District's budget into appropriate cost categories and determine a five- to ten-year cost forecast. In addition, Raftelis will project non-rate revenues such as late fees, interest, miscellaneous fees, etc. that may be used to offset rate increases. Another important element of our financial plan is the development of reserves for operating, capital replacement, rate stabilization, and unforeseen events to mitigate against risks due to revenue instability, environmental conditions, asset failures, and natural disasters. We will take into consideration the District's risk management and financial policies to recommend appropriate reserve targets for operations and maintenance, District refurbishment and replacement, and member city refurbishment and replacement. In addition, an appropriate reserve policy reflects sound financial management practices and increases financial sufficiency for the utility in the long-term.

Ultimately, the Project Team will project how much cash needs to be collected through sewer rates in order to meet projected revenue requirements while minimizing sharp rate fluctuations and will assess the impacts of decreased water usage on the utility's financial position and ability to fund operations. The Model will determine the capability of the District's existing and scheduled sewer rates and fees, from Raftelis' analysis of Ordinance No. 117 and Ordinance No. 2019-02, to fully cover operational costs, and if necessary, propose revenue adjustments that will allow the District to effectively meet its financial obligations. Projecting revenue adjustments over a long planning horizon can illustrate future rate impacts and potential challenges to the District's financial situation in both the short-term and long-term. This will allow the District to plan expenses, reserve balances, and/or capital project scheduling to smooth rate impacts and to maintain financial stability throughout the long-term planning horizon.

Raftelis will update the current model to incorporate the revised financial plan including reserves and update the dashboard as necessary to further improve functionality.

PLANNED MEETINGS:

- Two web meetings with District staff

DELIVERABLES:

- Draft Financial Plan Model in Microsoft Excel

Task 3: Cost-of-Service Analysis

Following the development of the financial plan, Raftelis will conduct a cost-of-service analysis. The cost-of-service analysis is based on industry standards and methodologies approved by the Water Environment Federation (WEF) to ensure equitable rates that align with Proposition 218. Cost allocations among customer classes are based on the flow and wastewater “strength” of each class, which may be defined by the ESFRs. The strength of the industrial class is determined by the biochemical oxygen demand (BOD) and total suspended solids (TSS) of its wastewater effluent.

Typically, a sewer cost-of-service analysis involves the following three steps:

1. Conduct plant balance analysis to verify the assumptions used to estimate the customer class volume and strength units of service;
2. Allocate operating and capital costs to cost causative factors such as flow, BOD, TSS, inflow & infiltration (I&I) etc.; and
3. Distribute costs to customers based on customer class service requirements.

Operating costs are allocated to each cost category based on the functionalized operating expenses of the utility. Capital costs are allocated based on the allocation of the existing assets to the cost components. The cost of service is allocated to the various cost components, including flow, BOD, TSS, customer costs, and other direct and indirect costs consistent with industry standards. The purpose of this task is to allocate the costs associated with the various cost components to the various customer classes on the basis of the relative responsibility of each. The result is the total cost responsibility required of each customer class in order to maintain the financial stability of the District’s sewer enterprise.

Throughout the cost allocation process, Raftelis will comply with the District’s policy considerations and procedures, as well as current federal, state, and local rules, regulations, and guidelines applicable to determining charges for sewer service. Additionally, Raftelis will ensure that the cost allocations align with Proposition 218 and other regulatory requirements. Although not a law firm, Raftelis is very familiar with Proposition 218 requirements and its implications on rates. Our Project Team has extensive experience with Proposition 218 and cost-of-service rate design.

PLANNED MEETINGS:

- One (1) web meeting with District staff

DELIVERABLES:

- Draft Cost of Service Analysis in Microsoft Excel

Task 4: Wastewater Rates Calculation and Sewer Rate Survey

After conducting the cost-of-service analysis, Raftelis will calculate five years of sewer rates for different customer classes under the current and proposed alternative rate structures. The current rate structure will be utilized as a baseline for comparing between alternative rate structures. Raftelis will compare the District’s current and proposed sewer rates’ ability to ensure revenue stability and financial sufficiency and

recommend changes as necessary. Raftelis will determine the refurbishment and replacement charges for the three cities separately based on the costs incurred.

The calculated rates will take into consideration any upcoming revisions to the California Sewer Code, as well as any potential impacts of current and future environmental regulations. We will work within broad industry guidelines and practices as well as federal, state, and local rules and regulations in order to meet the strategic financial objectives of the District.

Raftelis will update the Sewer Rate Model with the flexibility to compare the advantages and disadvantages of up to two (2) rate structure alternatives. The Model will also have the built-in capability to conduct various scenario analyses to address different issues such as water usage reduction, sewer flows and strengths, I&I etc., and to calculate sewer rates under each scenario. The Rate Dashboard, which displays key variables and results instantaneously on screen, will facilitate discussion to reach a consensus quickly. This has proven to be particularly useful when making presentations to elected officials, allowing them to instantly understand the impacts of their decisions.

Raftelis will prepare a monthly sewer rate survey for local agencies in the Central Valley, after discussion with staff. In addition, we will include a spreadsheet that documents the District's historical sewer rates and the percentage changes from year to year.

PLANNED MEETINGS:

- Up to two web meetings with District staff

DELIVERABLES:

- Draft Sewer Rate Model in Microsoft Excel; Draft Sewer Rate Survey in Microsoft Excel

Task 5: Capacity Charge Calculation

Raftelis will determine the District's capacity charges based on the most applicable methodology described below.

1. **Buy-In Approach:** The Buy-In Approach rests on the premise that new customers are entitled to service at the same price as existing customers. However, existing customers have already developed and financed the facilities that will serve new customers. Under this approach, new customers pay only the amount equal to the net investment already made by existing users.
2. **Incremental Approach:** The Incremental Approach assumes that when new users connect to a system, they use either surplus capacity from the existing system which must then be replaced, or they require new capacity that must be added to the system to accommodate their needs. Under this approach, new customers pay for additional capacity requirements, irrespective of past investments made by existing customers.

3. Hybrid Approach: The Hybrid Approach incorporates fee components based on both the Buy-In and Incremental Approaches.

Proposed charges will meet applicable regulatory requirements in California (i.e., Government Code 66000) for development impact fees. Raftelis will develop a Capacity Charge model in Microsoft Excel that clearly shows the key assumptions, inputs, and calculations used to determine the proposed charges.

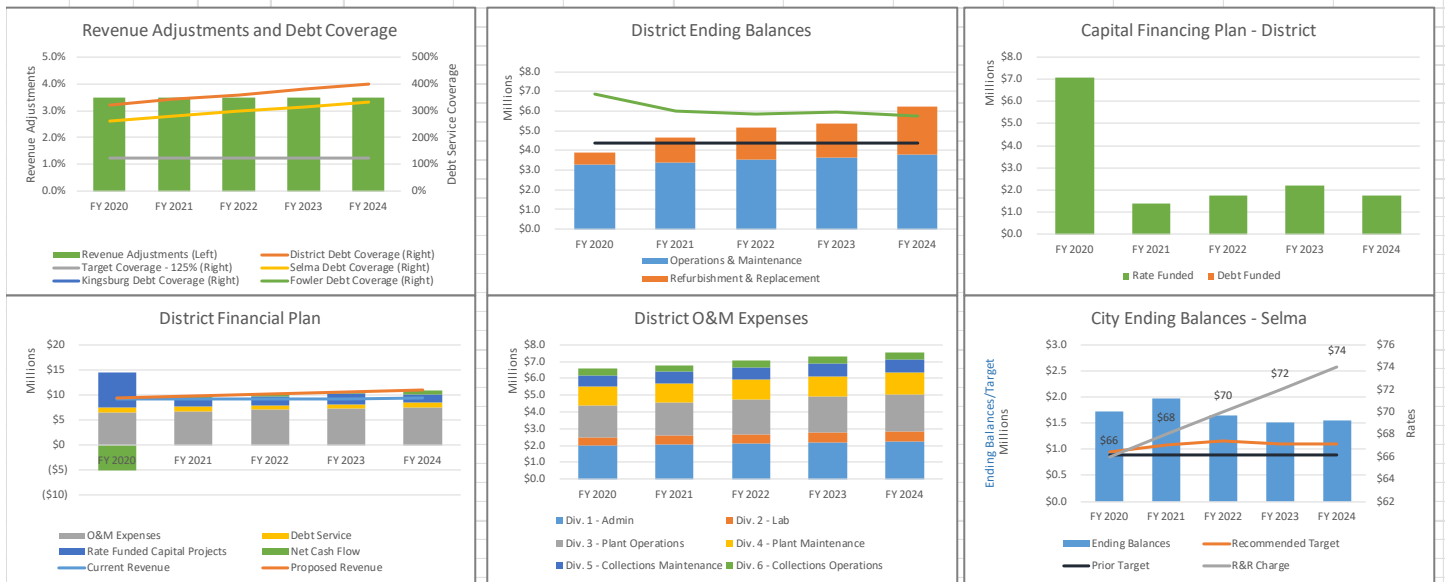
PLANNED MEETINGS:

- Up to two web meetings with District staff to review results

DELIVERABLES:

- Capacity Charge model in Microsoft Excel

Revenue Adjustments Effective Month	3.5%	3.5%	3.5%	3.5%	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	
	August	July	July	July	July	July	July	July	July	July	
Percent of Capital Projects to Spend	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Cities R&R Charge											
Selma	\$66	\$68	\$70	\$72	\$74	\$76	\$78	\$80	\$82	\$84	
Kingsburg	\$36	\$36	\$38	\$38	\$40	\$40	\$42	\$42	\$44	\$44	
Fowler	\$52	\$52	\$54	\$54	\$56	\$56	\$58	\$58	\$60	\$60	
Debt Proceeds											
District R&R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
District Expansion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Selma	\$5,198,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Kingsburg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fowler	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Capacity Fee Revenue to R&R	25%										
Years Shown	5					Capital Financing Plan Shown	District		City Ending Balances Shown (SKF Funds)	Selma	



Task 6: Draft and Final Report Preparation

Due to current regulatory requirements, Raftelis' reports have become more detailed to ensure that the nexus between costs and rates is clearly identified. We walk the reader through the complete rate derivation in a step-by-step process. Raftelis will prepare a Draft Report that will include an executive summary highlighting the major issues and decisions reached during previous meetings with District staff an overview of operations, CIP, the financial plan and the final rates resulting from the Study. The rate

structure selection will be a comprehensive section regarding the rate design assumptions and methodologies used to develop the user rates and the financial plan.

Following the submittal of the Draft Report, Raftelis will prepare the Final Report, including additional comments or changes from the District Board and staff. The Report will lead the reader through Raftelis' rate methodology to derive rates that are equitable, reflect District's policies and values, and are driven by District's revenue requirements. The Report's ability to explain the rate development process in a clear and understandable manner will promote financial transparency, heighten legal defensibility, and uphold District's strong reputation with the public.

PLANNED MEETINGS:

- One (1) web meeting with District staff

DELIVERABLES:

- Draft Report, and a PDF file of the Final Report

Task 7: Policy Advisory Committee Meetings

Raftelis will attend up to two meetings with the Policy Advisory and will prepare presentations for the meetings highlighting the important policy issues and industry practices so that decision makers can provide informed input to guide the final results of the study.

PLANNED MEETINGS:

- Up to two meetings with Policy Advisory Committee

DELIVERABLES:

- Presentation materials in Microsoft PowerPoint (if needed)

Task 8: Public Hearing

Raftelis will prepare the Proposition 218 notice for District Counsel approval. Raftelis will present the results of the study at a public hearing. The presentation will be in Microsoft PowerPoint format and include the assumptions, methodology, and input we have received thus far in determining the proposed rates. The presentation materials will be provided to District staff for review prior to the presentation.

PLANNED MEETINGS:

- One Proposition 218 Public Hearing Meeting

DELIVERABLES:

- Proposition 218 Noticing Requirements; presentation materials in Microsoft PowerPoint

Schedule

Raftelis will complete the scope of services within the timeframe shown in the schedule below. The proposed schedule assumes a notice-to-proceed by the beginning of August 2023 and that Raftelis will receive the needed data in a timely manner and be able to schedule meetings as necessary. Project completion is estimated for April 2024

TASKS	2023					2024				
	August	September	October	November	December	January	February	March	April	May
1 Project Management, Administration, and Initiation										
	<i>Deliverable(s): Detailed data request list, kick-off meeting agenda and minutes</i>									
2 Financial Plan Development										
	<i>Deliverable(s): Draft Financial Plan Model in Microsoft Excel</i>									
3 Cost of Service Analysis										
	<i>Deliverable(s): Draft Cost of Service Analysis in Microsoft Excel</i>									
4 Wastewater Rates Calculation and Sewer Rate Survey										
	<i>Deliverable(s): Draft Sewer Rate Model in Microsoft Excel; Draft Sewer Rate Survey in Microsoft Excel</i>									
5 Capacity Charge Calculation										
6 Draft and Final Report Preparation										
	<i>Deliverable(s): Five (5) hard copies and one (1) PDF file of 50% and 90% submittals, ten (10) hard copies and one (1) PDF file of Final Report</i>									
7 Policy Advisory Committee Meetings										
	<i>Deliverable(s): Presentation materials in Microsoft PowerPoint</i>									
8 Public Hearing										
	<i>Deliverable(s): Proposition 218 Noticing Requirements; presentation materials in Microsoft PowerPoint</i>									

-  Kick-off Meeting
-  Delivery of Draft/Final Reports
-  In-Person Meeting / Workshop
-  Web meeting

ATTACHMENT B

Cost Proposal

The following table provides a breakdown of our proposed fee for this project. This table includes the estimated level of effort required for completing each task and the hourly billing rates for our project team members. Expenses include costs associated with travel and a \$10 per hour technology charge covering computers, networks, telephones, postage, etc.

Task	Task Descriptions	Web Meetings	No of Meetings	Hours Requirements					Total Fees & Expenses
				PM	APM	FC	Admin	Total	
	HOURLY RATES			\$350	\$260	\$200	\$95		
1	Project Management, Administration, and Initiation	1		16	16		4	36	\$11,100
2	Financial Plan Development	2		8	28			36	\$10,440
3	Cost of Service Analysis	1		4	10			14	\$4,140
4	Wastewater Rates Calculation and Sewer Rate Survey	2		8	10	4		22	\$6,420
5	Capacity Charge Calculation	2		4	2	16		22	\$5,340
6	Draft and Final Report Preparation	1		6	28		2	36	\$9,930
7	Policy Advisory Committee Meetings		2	2	16			18	\$6,470
8	Public Hearing		1	12	4			16	\$6,115
TOTAL ESTIMATED MEETINGS / HOURS		9	3	60	114	20	6	200	
PROFESSIONAL FEES				\$21,000	\$29,640	\$4,000	\$570	\$55,210	
PM - Sudhir Pardiwala (Executive Vice President), Project Manager								Total Fees	\$55,210
APM - Theresa Jurotich (Manager)								Total Expenses	\$4,745
FC - Financial Consultant								TOTAL FEES & EXPENSES	\$59,955

MEMORANDUM
(August 10, 2023, Board Meeting)

To: S-K-F CSD Board of Directors
From: Veronica Cazares, General Manager
Date Prepared: July 28, 2023

Agenda Item: 5-C
Action: Motion

SUBJECT:

Fifth Amendment to the Consulting Services Agreement with MKN and Associates Relating to Construction Support Services for FY 21 Sewer Rehab Project

RECOMMENDATION

That the Board approve the Fifth Amendment to the Consulting Services Agreement with MKN and Associates to extend the Agreement to July 1, 2024, and to increase the contract amount by \$9,000 for a total cost of \$378,229.22 and authorize the General Manager to execute the Fifth Amendment to Agreement.

EXECUTIVE SUMMARY

The Board of Directors approved a consulting service agreement for on call engineering services with MKN and Associates in March 2020. The proposed fifth amendment to the current on-call consulting services agreement with MKN and Associates is related to a proposed increase to construction support services for the FY21 Sewer Rehab Project that was awarded to Dawson Mauldin, Inc. This will bring the total cost for the agreement including all amendments to \$378,229.22.

On June 26, 2020, the District and MKN and Associates entered into a Consulting Services Agreement for on call consulting services. On August 13, 2020, the District and MKN and Associates entered into a First Amendment to the Consulting Services Agreement which include the following projects: (i) Construction Management and Inspection for District Lift Station Refurbishment D4; (ii) Sewer Improvement Willow/Thompson & Floral and Chandler, Tucker/E. Front & 2nd/Center in Selma, Tulare Street Alley in Kingsburg, East Fresno Street Alley (iii) North St. PS Panel Replacement.

The Second Amendment to the Agreement increased the cost by \$20,337.22. The construction management and inspection of the District Lift Station Refurbishment D4 was approved at the February 11, 2021, Board meeting. The cost increase is for increase observation of the contractor's construction is taking longer than anticipated. The increase in observation hours will be increased from 10 to 12 hours per week.

The Third Amendment was for an increase in cost for construction management services specifically for construction management services for District Lift Station Refurbishment D4 in the amount of \$57,800. The cost increase was for additional observation. This has taken longer than anticipated, including delays, coordination with PG&E, and disputes between the District and the Contractor.

Fourth Amendment related to a proposed increase in cost for construction management services specifically for construction management services for District Lift Station Refurbishment D4. Staff recommends amending the Agreement: (i) to allow for the cost increase for construction management

services for the District Lift Station Refurbishment D4 in the amount of \$74,000 and (ii) to extend the Agreement through fiscal year 2023.

Summary of amendments:

Amendments Approved	1 st 8-13-2020	2 nd 2-11-2021	3 rd 8-19-2021	4 th 4-14-2022	5 th Pending	Fund
Construction Management and Inspection for District Lift Station Refurbishment D4	\$75,705	\$20,337.22	\$57,800	\$74,000		District R&R, 8155-203-02, District Expansion 8071-203-01
Sewer Improvement Willow/Thompson & Floral and Chandler, Tucker/E. Front & 2 nd /Center in Selma, Tulare Street Alley in Kingsburg, East Fresno Street Alley	\$126,982				\$9,000	City of Selma R/R 8022-305-03 and 8023-305-03, City of Kingsburg R&R 8019-305-04, City of Fowler R&R 8012-305-05. (FY21 Sewer Rehab Project)
North St. PS Panel Replacement	\$14,405					District R&R 8164-203-02
Total Cost	\$217,092	\$237,429.22	\$295,229.22	369,229.22	378,229.22	

Attachments: Fifth Amendment to consulting services agreement between the SKFCSD and MKN and Associates

**FIFTH AMENDMENT TO
CONSULTING SERVICES AGREEMENT BETWEEN
SELMA-KINGSBURG-FOWLER COUNTY SANITATION DISTRICT AND
MKN AND ASSOCIATES**

This Fifth Amendment to Consulting Services Agreement Between Selma-Kingsburg-Fowler County Sanitation District (“Third Amendment”) is effective as of _____ by and between Selma-Kingsburg-Fowler County Sanitation District, (hereinafter called “District”) and MKN and Associates (hereinafter called “Consulting Engineer”). District and Consulting Engineer are each a “Party” and collectively the “Parties.

Whereas, the District and Consulting Engineer entered into a Consulting Services Agreement effective June 26, 2020 (the “Agreement”); and

Whereas, the Scope of Services provides for on call general engineering services; and

Whereas, on August 13, 2020, the District and Consulting Engineer entered into a First Amendment to the Consulting Services Agreement which include the following projects: (i) Construction Management and Inspection for District Lift Station Refurbishment D4; (ii) Sewer Improvement Willow/Thompson & Floral and Chandler, Tucker/E. Front & 2nd/Center in Selma, Tulare Street Alley in Kingsburg, East Fresno Street Alley (iii) North St. PS Panel Replacement; and

Whereas, on February 11, 2021, the District and Consulting Engineer entered into a Second Amendment to the Consulting Services Agreement increasing the amount of the Agreement to \$20,337.22; and;

Whereas, on August 19, 2021 the District and Consulting Engineer entered into a Third Amendment to the Consulting Services Agreement increasing the amount of the Agreement to \$57,800; and;

Whereas, on April 14, 2022 the District and Consulting Engineer entered into a Fourth Amendment to the Consulting Services Agreement increasing the amount of the Agreement to \$74,000; and;

Whereas, the Parties desire to further amend the Agreement to reflect a cost increase of \$9,000 for the Construction Support Services for Sewer Improvement Willow/Thompson & Floral and Chandler, Tucker/E. Front & 2nd/Center in Selma, Tulare Street Alley in Kingsburg, East Fresno Street Alley (FY21 Sewer Rehab. Project); and

Whereas, the cost increase is for construction support services which includes, submittal review, request for information, periodic field visits during the remainder of the project construction on an as needed basis; and

Whereas, the District and Consulting Engineer agree that the Agreement should be extended through June 30, 2024, to finalize the projects described in this Fifth Amendment; and

Whereas, the cost increase is \$9,000 for a total cost of \$378,229.22

Now, therefore, District and Consulting Engineer agree as follows.

1. The foregoing recitals are expressly made a part of this Agreement.
2. The Agreement is amended to extend to June 30, 2024, and to include the increased cost of \$9,000. Exhibit A of the Agreement is hereby amended to include the scope of work as shown therein by new Exhibit A which is attached hereto and incorporated herein by reference.
3. Except as amended by this Fifth Amendment, the Agreement, as amended by the First, Second, Third and Fourth Amendments remains unchanged and in full force and effect.

IN WITNESS THEREOF, the Parties hereto amend the Agreement as follows:

**SELMA-KINGSBURG-FOWLER
COUNTY SANITATION DISTRICT**

MKN and Associates

By:

Veronica Cazares, General
Manager

General Manager

By:

Title

Date: _____

Date: _____

Any Applicable Professional License:

Number: _____

Name: _____

Date of Issue: _____