

June 5, 2025

LAKE COUNTY SPECIAL DISTRICTS

Proposal for Rate and Fee Study Services Solicitation # 251110

909 Marina Village Parkway #135 | Alameda, CA 94501 | (510) 545-3182



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

Identified Task List

My Firm	Other Firm	Both	Any strike-through task cannot be performed by L&T
✓			1. Economics/Public Finance – Assessment Districts; Rate Studies for Water and Wastewater Rates, Impact Fee Studies, Developer Fees and District Master Fee Schedule
			2. Financial Services – Grants, loans for infrastructure, fee studies and rate studies
			3. Fiscal Impact Analysis – Infrastructure / projects / rates
			4. Media Services – Outreach and Public Notices
✓			5. Propositions 13 and 218 process, documentation preparation, community outreach meetings and support to district staff.
✓			6. User Fee and Developer Fees for Services
			7. Staff Billing Rates for Services



909 Marina Village Parkway #135
Alameda, CA 94501
(510) 545-3182
LTmuniconsultants.com

June 5, 2025

Lake County Special Districts

Robin Borre, Administrator

230 N. Main Street

Lakeport, CA 95453

Dear Ms. Borre,

Lechowicz & Tseng Municipal Consultants (L&T) is pleased to submit a proposal for Rate and Fee Study Services for Lake County Special Districts (County). We enjoyed working with you and the County to conduct rate studies for the Kelseyville, Northwest, and Spring Valley service areas. We appreciate the potential opportunity to work with you again. For Solicitation # 25110, L&T is proposing on three tasks:

- 1) Economics/Public Finance
- 2) Proposition 13 and 218 Assistance
- 3) User Fee and Developer Fees for Services

L&T is a women-owned firm founded by Alison Lechowicz and Catherine Tseng that focuses on financial planning, rate and fee studies, and management consulting for California public agencies. Alison and Catherine have 35 years combined experience in municipal consulting and public finance and have completed over 100 studies compliant with Propositions 218 and 26. We offer a breadth of expertise from financial planning to utility rate design.

Our primary avenue of business is Proposition 218 utility rate studies, particularly water and sewer rate studies. L&T focuses on providing a high degree of administrative support to our clients and practical recommendations that are easy to understand and easy to implement. We will provide start-to-finish project management to ensure the County meets Proposition 218 requirements including documenting the cost of service, cost-justifying each component of the rates, drafting the notice of public hearing, and tabulating and certifying the results. We also provide cost-based fee studies for development impact fees, user fees, and/or Proposition 26 regulatory fees.

Our proposal is valid for 180 days from June 5. All work will be conducted from our office located in Alameda. We do not have a Lake County business license. Alison Lechowicz will serve as Project Manager. Our contact information is:

Lechowicz & Tseng Municipal Consultants

Alison Lechowicz, Principal and Authorized Representative

909 Marina Village Parkway #135

Alameda, CA 94501

510-545-3182

alison@LTmuniconsultants.com

Sincerely,

A handwritten signature in blue ink, appearing to read 'Alison Lechowicz', with a long horizontal flourish extending to the right.



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Appendix A: Resumes



BACKGROUND AND PROJECT SUMMARY

This section provides our understanding and specialized approach to the various tasks associated with providing water and sewer rate studies, user fees, and developer fees. L&T does not provide assessment engineer's reports.



Financial Planning

L&T's objective for our rate studies is to provide compliance with legal requirements while ensuring that the County's water and sewer utilities are self-sufficient. Many California utilities are facing more stringent regulations and have aging infrastructure that requires increased operating expenses and capital investment. Our studies will include a comprehensive review of each utility's finances, including operating costs, debt capacity, reserve funds, and deferred maintenance and capital funding needs so that the proposed rates cover the full cost of providing service.

Rate Design

L&T will ensure the County's rate structures achieve compliance with conservation mandates (SB 606/AB 1668) and Proposition 218 proportionality requirements. We will review and potentially update any tiered rates such that each tier breakpoint and rate is individually justified as required by recent court rulings. Lower tiers should reflect efficient indoor demand and higher tiers should reflect peak usage. For the sewer utilities, L&T will update the underlying flow and loading assumptions (i.e. mass

balance) for each customer class. Our analysis of water and wastewater utilities will clearly document how the rates are proportional to how customers take service.

User Fees and Developer Fees

User fees are typically adopted as Proposition 26 regulatory fees. L&T's approach is to interview County staff to determine the number of staff hours, materials, supplies and overhead costs to deliver each service subject to a fee. For impact fee studies, our approach is to determine the value of facilities divided by build-out capacity. Oftentimes, facility costs include buy-in to existing facilities that have capacity plus expansion costs for other facilities.



Public Outreach

As we saw in our Spring Valley water rate study, public outreach is key. The Board of Supervisors is sensitive to the needs of the community and is very concerned about resident acceptance. For small districts, there is a greater likelihood of reaching a 50% majority protest against rate increases. Our approach is to understand any “hot button” issues in local service areas and respect political sensitivities. Our final documents will stress the value of the County/District's infrastructure, explain why costs are increasing, and describe cost saving measures. We are happy to meet with Special District citizen advisory committees.

METHODOLOGY

Scope of Work

Provided below is our suggested scope of services for water and sewer rate studies. In addition to the tasks listed below, L&T can provide comprehensive Proposition 218 assistance (please see Tab 2). For each study, L&T will work with the County to finalize a scope tailored to meet each District's needs.



Task 1:
Data Gathering



Task 2:
Financial Plan



Task 3:
Cost Allocation



Task 4:
Rate Design



Task 5:
Report



Task 6:
Meetings & Presentations

Task 1 – Project Kickoff and Data Gathering

Kickoff Meeting

L&T will meet with County staff for a project kickoff meeting to review study goals, milestones, identify project team members, and determine roles and responsibilities.

Data Gathering

Assemble the necessary data to complete the study. Wherever possible, L&T will

aggregate available information from the County's website and other public sources. The goal is to understand the financial standing, current rate structure, and utility billing information. A data needs list will be provided to the County prior to the kickoff call.

Task 2 – Financial Plan

Annual Revenue Requirements

With staff input, we will estimate future operating and capital expenditures to estimate annual revenue needs. We will factor in projections of growth, repairs and replacements, cost escalation, water use, sewer flows, water conservation, regulatory compliance, and operational changes to ensure that all future expenses are included.

Review Reserve Fund Targets

This subtask involves reviewing the current operating and capital reserve balances for each utility and evaluating reserve targets for emergency reserves, rate stability reserves, long term capital reserves, short term capital reserves, or other categories as appropriate. At minimum, our analysis will review the age and condition of the systems, annual depreciation costs, and expenses related to emergencies.

Evaluate Debt Service Coverage

L&T will review budgets, audits, and bond disclosure documents to understand current debt obligations. We will determine current coverage ratios based on net operating revenues compared to annual debt service expenses. We will also evaluate if the utilities have the capacity to take on debt at current revenues. Our final rate

recommendations will include projections to meet coverage requirements in the years to come.



Review Capital Improvement Needs

Our cash flow analysis will isolate the impacts of capital funding separate from increases needed to fund other utility expenses. Typically, L&T suggests three capital funding scenarios: 1) bare bones: fund only critical improvements, 2) priority funding: fund critical projects plus high-priority, level of service improvements, and 3) full funding: fund all proposed projects. We will work with the County to determine project affordability and adjust our rate recommendations accordingly. L&T will review various financing options to fund capital needs, including pay-as-you-go/cash funding and other debt financing alternatives, such as State loans/grants, bank loans, and certificates of participation/bonds.

Cash Flow Projections

Annual revenue requirements and capital funding needs will be used to develop long-term cash flow projections summarizing the financial position of the utilities over the next 5 to 10 years. The cash flow projections will estimate rate increases needed to meet annual revenue requirements, debt obligations, and reserve fund targets.

Sensitivity Analysis

Based on input from the project team, L&T will incorporate rate sensitivity analysis to determine affordability. We will determine rate impacts under various scenarios, possibly including cash funding of projects, debt funding of projects, etc. Sensitivity analysis can often become an iterative process. L&T is flexible to run additional scenarios as needed.

Task 3 – Cost Allocation

Evaluate Customer Billing Data

We will evaluate historical and current billing data including customer counts, characteristics, and water supply data (if available).

Functionalize Costs

Functionalization is the allocation of expenses by major operating activities for the utilities, including water supply, peak pumping, treatment, storage, transmission, overhead, and administration. Sewer categories will consist of customer service, flow, BOD, and TSS.

Allocation to Customer Classes

After costs have been categorized by function, costs are then allocated to each customer class based on estimated water demand and sewer flow and loading characteristics. The allocation to customer classes will be based on American Water

Works Association best practices and meet the proportionality requirements of Proposition 218.

Task 4 – Rate Design

Assess Current Rate Structure and Customer Classifications

Review the current rate structures and customer classifications to assess the advantages and disadvantages of the existing systems and to determine compliance with industry standards and court rulings. While compliance with Proposition 218 will guide all our recommendations, additional criteria may include: the impact on customer bills, public understanding, revenue stability, ease of implementation, compatibility with the existing billing system, and staff effort needed for administration.



Rate Alternatives

Based on the criteria developed with staff and the cost of service analysis, we will identify alternative rate structures or modifications to the current water and sewer rate structures as appropriate. To comply with Proposition 218's proportionality requirements, L&T recommends that each rate study include a review of the County's current customer categories and impacts on the system. We will fully document all underlying water usage, flow, and pollutant estimates used in our analysis for each customer class.

If modifications to the current rate structure such as a revision of the County's customer classes are needed or desired, we will work with the project team to phase in modifications, clearly explain why the changes are needed, and minimize the impact on ratepayers. We will outline the advantages and disadvantages of each option. Additionally, we will take into consideration staff's time and capabilities to administer any changes and will ensure the County's billing system can accommodate proposed rate structure adjustments.

This task includes a legal review of current and proposed rate design alternatives. As needed, we will coordinate with legal counsel. For the final study, we will present rate structure options that both meet the County's needs and relevant legal requirements. L&T will compare all our estimates and recommendations with those used by other local entities.

Survey of Local Rates

We will prepare a survey comparing current and proposed bills to other regional agencies. The survey will be summarized in tables and charts that can be used for outreach, presentations, and the final report. We can also prepare a bill comparison for different customer classes if desired. The final list of surveyed agencies will be determined by the County.

Bill Impacts

Based on the recommended rates, calculate the bill impacts for a sample of customers

from various customer classes. Impacts on economically disadvantaged and fixed income customers will be weighed. If needed, develop an implementation plan to phase in adjustments.

Finalize Recommendations

Our final rate recommendations will include a five-year plan of proposed rates. The final plan will show projected rates for each customer class for each year.

Task 5 – Draft & Final Reports

Submit a draft summary report for review and feedback. The report will summarize findings and recommendations and discuss key alternatives when applicable. We will then incorporate all staff comments and update recommendations accordingly. The final report will reflect the input received. Our reports are intended to serve as the administrative record and will be compliant with Propositions 218 and 26.

Task 6 – Meetings & Presentations

To begin the study, we will hold a virtual kickoff meeting with the County as described in Task 1. As needed throughout the study, L&T proposes to conduct virtual meetings with the project team to review progress, answer questions, and revise the calculations. The next steps are to provide a presentation of our draft findings to the Board of Supervisors, revise our recommendations as needed, and provide a presentation of our final recommendations to the Board. Our final meeting will be to attend the Proposition 218 public hearing for rate adoption. L&T will prepare PowerPoint files and

accompanying documents in advance for project team review and inclusion with meeting materials.

Rate Study Deliverables

- Data request list
- Project management schedule
- Rate design alternatives
- Final five-year rate increase plan for water and sewer
- Affordability analysis
- Rate survey of local agencies
- Ten-Year Financial Plan for Water and Sewer
- Cash flows with anticipated funding sources and cost recovery
- Review of prudent reserves and recommended reserve fund levels
- Analysis of fixed and variable operating and capital costs
- Evaluation of customer characteristics including customer counts and water supply data
- Recommended updates to other utility service charges (Proposition 26 fees)
- Preliminary and final drafts of Water and Sewer Rate Study
- In-person meetings/presentations with the County (additional in-person meetings can be included for an additional cost)
- Virtual progress meetings with staff; action items distributed to the project team

Estimated Time Commitment from County Staff

L&T understands that the rate study process can be burdensome for public agencies.

Our goal is to take on as many administrative tasks as possible to streamline the study.

L&T will be responsible for all project analysis and the preparation of meeting and presentation materials for project team and Board meetings. L&T will also draft the final study report as well as the Proposition 218 mailer and additional public outreach materials as requested by the County. Expected time commitment and information required from County staff can be estimated based on the following tasks:

- Respond to L&T's data request consisting of items such as: budgets, audits, utility billing data, water supply data, and capital improvement plans
- Attend kickoff and progress meetings (agendas and materials will be provided in advance)
- Review and comment upon draft and final reports
- Review from the County's legal counsel on recommendations, reports, and procedures
- Discuss any political sensitivities or issues that may hinder fee adoption
- Coordinate and schedule meetings with the Board and/or the public

Project Schedule

Provided below is our typical schedule for a water and sewer rate study.

PROJECT TASK	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8
1. Kickoff & Data Gathering								
2. Financial Plan								
3. Cost Allocation								
4. Rate Design								
5. Reports & Model					D	F		
6. Meetings & Presentations	V	V	V	V	I	2	PROP 218	3

V – virtual progress meetings with staff; I to 3 – in-person presentations; D – draft report submitted; F – final report submitted

STAFFING

We propose to assign Alison Lechowicz as Project Manager and one or two analysts for each rate study. See Appendix A: Resumes.

Alison Lechowicz

PROJECT MANAGER, LEAD FINANCIAL ANALYST



QUALIFICATIONS

- ✓ 18 years consulting experience
- ✓ Master of Public Administration
- ✓ Testified as an expert witness at the CA Public Utilities Commission
- ✓ Prior Certifications: Series 50 and 54 – Municipal Advisor Representative and Principal

RESPONSIBILITIES

Financing alternatives and cash flow projection
Rate recommendations
Public presentations

Sophia Mills

FINANCIAL ANALYST



Calvin Weinstock

FINANCIAL ANALYST



RESPONSIBILITIES

Data gathering
Financial modeling
Draft and final report
Spanish translations

QUALIFICATIONS

Overview

Nature of firm: Women-owned firm founded in 2017 and organized as an LLC

Services: Impact Fee Studies, Utility Rate & Fee Studies, Financial Planning, Utility Appraisal, Expert Witness, Public Approval Process

Size of firm: Five staff members consisting of four consultants and one office manager

Location of office: Alameda, CA

Years in business: 8 years

Registrations: Small Business Enterprise, and Women-owned business

Other languages spoken by staff: Spanish

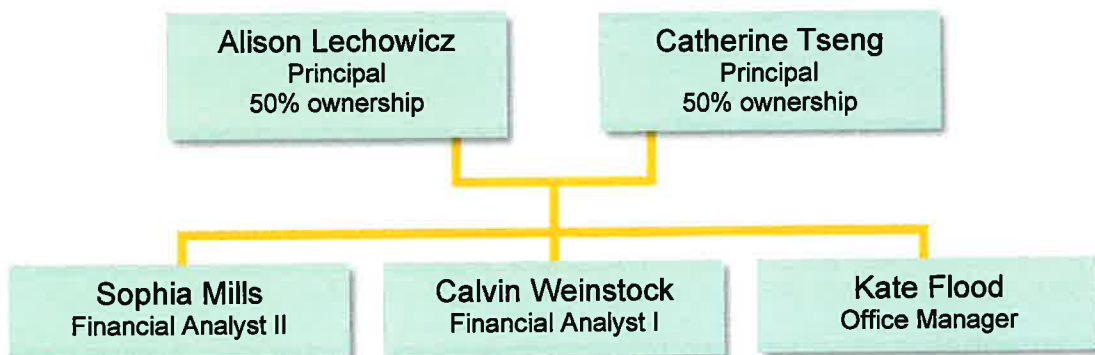
Services

Utility Rate & Fee Studies

Utility rate studies deriving both traditional and innovative rate structures that comply with cost of service principles and Proposition 218 requirements. Address policy goals, customer acceptance, and social influences.

Financial Planning & Modeling

Comprehensive financial plans focused on immediate needs as well as the long-term viability of agencies. Our financial models are flexible and user-friendly to allow for cash flow sensitivity analysis and to illustrate the impacts of policy decisions.



Recent Experience

Provided below is a selection of L&T's recent projects. We specialize in helping agencies serving populations of 30,000 or fewer.

CLIENT	ACCOUNTS OR PARCELS	PROJECT
Spring Valley Waterworks District	410	Water Rate Study (2024)
Summerland Sanitary District	480	Sewer Rate Study (2023 & 2025)
Terra Bella SMD	500	Sewer Rate Study (2025)
Christian Valley Park CSD	630	Water Rate Study (2024)
McMullin Area GSA	1,150	Groundwater Fee Study (2018 & 2023)
Kelseyville Waterworks District	1,200	Water and Sewer Rate Study (2024)
Maywood Mutual Water Co.	1,200	Water Rate Study (2022)
South Fork Kings GSA	1,200	Proposition 218 Assessment Balloting (2023)
City of Rio Dell	1,300	Water and Sewer Rate Study (2022)
City of Brisbane	2,000	Water and Sewer Rate Study (2023)
City of Gonzales	2,000	Water and Sewer Rate Study (2023)
Calaveras Public Utility District	2,100	Water Rate Study (2023)
City of Live Oak	2,500	Water Rate Study (2025)
City of Waterford	2,600	Sewer Rate Study (2019 & 2024)
Templeton CSD	2,800	Water and Sewer Rate Study (2018) Fire Impact Fee Study (2023)
City of Kerman	3,900	Water and Sewer Rate Study (2018) Water, Sewer, and Storm Drain Rate Study (2024)
City of Kingsburg	4,000	Solid Waste Rate Study (2022) Water Rate Study (2025)
City of Anderson	4,000	Water Rate Study (2021 & 2024) Sewer Rate Study (ongoing)
Northwest Regional (Lake County)	4,000	Sewer Rate Study (2024)
Westborough Water District	4,000	Water and Sewer Rate Study (2024)
Butte Water District	4,800	Water Rate Study (2025)
City of Wasco	5,100	Water and Sewer Rate Study (2023)

CSD – Community Services District; GSA – Groundwater Sustainability Agency; SMD – Sewer Maintenance District

REFERENCES



Calaveras Public Utility District ***Water Rate Study***

The Calaveras Public Utility District (District) provides treated surface water to about 2,100 accounts in the foothills of Calaveras County. Prior to L&T's work, the District provided customers with a base allotment of water in the meter fee and had a declining 3-tiered rate structure. In June 2023, L&T completed a water rate study that eliminated the base allotment, transitioned to a uniform rate structure, and provided a schedule of drought rates. L&T also provided the printing and mailing of the Proposition 218 notice of public hearing and conducted two community outreach meetings. The goal of L&T's rate update was to simplify the rates, raise revenues to cover debt and capital costs, and to assist with implementation. The project was completed on-budget and no change orders were requested.

Travis Small
General Manager
travis.small@cpud.org
(916) 716-3287
Sept 2022 to Jun 2023



City of Rio Dell ***Water and Sewer Rate Study***

Catherine Tseng recently served as the project manager for the Water and Sewer Rate Study. Located in Humboldt County, the City of Rio Dell provides water and sewer services to a population of approximately 3,700. The sewer fund was operating in a deficit and not meeting debt service coverage. The water rates had not increased since 2015, and the Water Fund was facing nearly \$15 million in

capital projects over the next five years. The City asked L&T to evaluate capital financing options, ranging from full grant funding to full loan funding. L&T also assessed the impact to rates if the City were to transition from a 70% fixed/30%

Kyle Knopp
City Manager
knoppk@cityofriodello.ca.gov
(707)764-3532
Jul 2021 to Apr 2022

variable revenue recovery to a 50% fixed/50% variable revenue recovery for both the water and sewer rates with the objective of lowering the impact on low water users. New water and sewer rates went into effect on July 1, 2022. The project was completed on-budget and no change orders were requested.



City of Gonzales
Water and Sewer Utility Rate Study

The City of Gonzales, located in
Monterey County along Highway 101,

Patrick Dobbins
Director of Public Works
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(831) 324-2320
Jan 2023 to Nov 2023

serves approximately 8,600 residents and is currently facing critical infrastructure challenges as its existing wastewater treatment plant has reached capacity. The City had to secure \$30 million in capital funding to construct a new industrial treatment plant and improve its domestic treatment facilities. L&T led a comprehensive 2023 rate study to develop a sustainable financial plan and rate structure. The study included collaboration with City staff, engineers, and State Revolving Fund officials to ensure funding needs could be met. The team conducted two workshops with industrial customers and presented rate recommendations to the City Council. Spanish translation of materials, Proposition 218 outreach, and public hearing coordination were also included as part of L&T's services. The project was completed on-budget and no change orders were requested.

METHODOLOGY

Scope of Work

Provided below is our suggested scope of services for Proposition 13 and 218 outreach services. We can conduct these services concurrently with a rate or fee study (please see Tab 1) or we can conduct these services as stand alone tasks.



Task 1:
Public Materials



Task 2:
Customer Outreach
Meetings



Task 3:
Prop 218
Assistance

Task 1 – Public Materials

L&T will prepare and provide clear, informative, and visually appealing public materials to support transparency and build support from ratepayers. These materials will be tailored for distribution through the County's website, printed handouts, presentation decks, mailers, etc.

Typical public materials include Presentation Slides, Reports, Rate Surveys, Frequently Asked Questions (FAQs), Ballots, or Notices of Public Hearing.

Task 2 – Community Outreach Meetings & Presentations

L&T recognizes the importance of public participation in rate-setting processes. We will facilitate and participate in community outreach meetings designed to educate ratepayers, address concerns, and incorporate community input into the final recommendations.

Outreach activities may include Community Workshops and Open Houses, Public Hearings, and Presentation Support for County Staff. All community meetings will be coordinated with the agency's public information staff, and Spanish-language support can be provided. L&T can provide comprehensive outreach services including advertising the outreach meeting, securing the venue, setting up tables and chairs, providing all audio-visual equipment, facilitating discussion, and providing meeting minutes.

Task 3 – Proposition 218 Assistance

L&T will coordinate and conduct all deliverables associated with compliance with Proposition 218 including: aggregating the ratepayer and property owner mailing lists, drafting the Proposition 218 notice, translating the notice into Spanish and/or other languages, printing the notices, and certifying the mailing of the notices. The actual cost of mailing the Proposition 218 notice is a separate charge and will be based on the number of mailers and printing costs.

Public Engagement and Prop 13/218 Support Deliverables

- Proposition 218 public notice, ballot, and/or educational and public outreach materials
- Printing and mailing of the Proposition 218 public notice or ballot
- Community meeting presentations and handouts (workshops, hearings, stakeholder briefings)
- Infographics, fact sheets, and FAQs to support public understanding
- Spanish-language versions of key public materials (and/or other languages)
- Optional outreach materials (e.g., newsletters, brochures, web content)

Estimated Time Commitment from County Staff

County staff will provide L&T with legal review of documents and provide input regarding the timing and types of preferred outreach methods. County staff will also provide customer/property owner mailing lists.

Project Schedule

See Project Schedule for Economics and Public Finance on page 13. Customer outreach meetings can be scheduled to accompany rate study milestones.

STAFFING

Same as Tab 1.

QUALIFICATIONS AND REFERENCES

Qualifications

All of L&T's rate studies include customer outreach activities, particularly drafting Proposition 218 notices and conducting public meetings. We are flexible to provide as much or as little outreach as desired.

References



SOUTH FORK KINGS
GROUNDWATER SUSTAINABILITY AGENCY

South Fork Kings
Groundwater Sustainability Agency
Community Outreach

In fiscal year 2024, L&T conducted three rounds of landowner outreach and assessment balloting for the South Fork Kings GSA. L&T drafted newsletters, postcards, and assessment ballots for the GSA's 1,200 parcels. L&T developed a barcode scanning system to efficiently tally the votes. The third election in February 2024 was successful and L&T further assisted the GSA by submitting the assessment to Kings County for collection on the property tax roll. L&T's work was contracted in phases – each round of balloting had its own contract. L&T was on-budget for each contract and no amendments or change orders were requested.

Johnny Gailey
General Manager
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(559) 906-6229
Jun 2023 to Jul 2024



Town of Discovery Bay Community Services District
Community Outreach concurrent with a Water and Sewer Rate Study

L&T drafted, printed, and mailed
the Town's Proposition 218 notice

of hearing to support our rate study. We also drafted a
Frequently Asked Questions sheet, legal advertisement
for the newspaper, and hosted a booth at the Town's Open House on May 1, 2025 to
greet the public and address concerns. The Town requested delays for the project
several times to address issues with its master planning team and bond advisory teams.
Moreover, the Town requested more in-person meetings and more rate options than
originally anticipated. L&T requested and will be granted a change order of about +20%.

Dina Breitstein
General Manager
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(925) 634-1131
Sep 2023 to Jun 2025



City of Live Oak
Community Outreach concurrent with a Water Rate Study

In 2025, L&T provided comprehensive customer outreach to
support our Water Rate Study for the City. We drafted
Proposition 218 mailers and had them translated into two additional languages. L&T
conducted a well-attended ratepayer outreach meeting. We also recorded an outreach
video for the City's website and advised the City
regarding social media posts. The project was
completed on-budget and no change orders were
requested.

James Ramsey
Finance Director
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Dec 2025 to May 2025

METHODOLOGY

Scope of Work

Provided below is our suggested scope of work for User Fees and Developer Fees for Services.



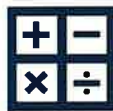
Task 1:
Data Gathering



Task 2:
Costs & Capacity



Task 3:
Administrative
Policies



Task 4:
Fee Calculations



Task 5:
Financial
Analysis



Task 6:
Reports



Task 7:
Meetings &
Presentations

Task 1 – Project Kickoff and Data Gathering

Kickoff Meeting

L&T will meet with County staff for a project kickoff meeting to review study goals, milestones, identify project team members, determine roles and responsibilities, and discuss data needs.

Data Gathering

Assemble the necessary data to complete the study. Wherever possible, L&T will aggregate available information from the County's website and other public sources.

The goal of this task is to understand the County's infrastructure needs, current fee

structure, and available development plans. A data needs list will be provided to the County prior to the kickoff call.

Task 2 – Evaluate Costs and Capacity

Determine Levels of Service

Evaluate current and future levels of service. Level of service metrics will be determined jointly with staff and will be dependent on the type of fee desired. For example:

- Water - sustainability, water quality, % water loss
- Sewer - # of annual sewer overflows, level of treatment

Evaluate Service Areas and Buildout Capacity

Evaluate the County's current service areas and determine if distinct service areas require unique fees. For example, the water and sewer utilities could be divided amongst pumping zones and/or trunk lines. L&T will review existing master plans and development plans to establish land use projections through buildout.

Determine Value of Existing Facilities

Based on the level of service analysis, a portion of existing facilities will be assigned to future customers. L&T will use the County's fixed asset list to create an inventory of facilities. We will determine the value of existing facilities by escalating the original cost of assets to current dollars with adjustments for grants, developer-contributed facilities, and financing expenses.

Evaluate Needs and Costs

Based on the levels of service and land use projections, L&T will evaluate facility expansion needs and expenses. We will use existing master plans and escalate project costs into current dollars. L&T will take care to fully document how the cost of facilities was determined and allocated to growth.



Task 3 – Administrative Policies

L&T will develop policies and procedures governing the administration of development impact fees. This will include the basis for fee collection (\$/parcel, \$/home, \$/square foot, etc.), number of special planning areas (if any), special conditions for fees charged at less than true cost (if applicable), frequency of fee updates, how to scale fees for unique land use types, in-lieu credits for contributed facilities, accounting policies for impact fee fund balance, and other considerations to be determined by the County.

Task 4 – Fee Methodology and Calculations

L&T will:

- Finalize the level of service analysis for each fee category
- Review fee methodologies including the buy-in method, expansion/incremental method, and others as appropriate

- Review other fee considerations such as deductions for grant or tax revenue, adjustments for developer contributed facilities, existing fee reserve balances, and future liabilities
- Calculate the potential fees assuming full cost recovery

L&T can also update administrative fees (including fees for shut-down activities, back-flow devices, construction water meters, service shut-offs, etc.) as needed to address existing fee issues. Administrative fees for miscellaneous services are subject to Proposition 26 and should be based on the reasonable cost of service. L&T will review the County's current services and update the charges based on current costs. If warranted, L&T will interview staff to determine staff time and materials needed to provide each service. We will calculate fully burdened hourly rates, vehicle and equipment expenses (if applicable), and administrative overhead. We can also provide a survey of surrounding agencies to gauge whether miscellaneous fees are in line with other utilities.

Task 5 – Financial Analysis & Cash Flow

We will prepare a straightforward financial model in Excel incorporating cash flow projections and assumptions. The model will serve as a flexible tool to provide ongoing financial planning, calculate the impact fees, and allow for sensitivity analyses including various capital improvement program alternatives, system expansion, slow vs. rapid development, and funding alternatives. If debt is preferred, the cash flow model will also provide a debt coverage calculation for each year. We acknowledge that this task is iterative. Should the cash flow be untenable for the County (fees are too high or

improvements are too costly), we will revise the fees and/or determine alternative funding options.

Task 6 – Reports and Model

L&T will submit a draft summary report for review and feedback. The report will summarize findings and recommendations and discuss key alternatives when applicable. Receive input on draft report from the project team, the development community, and Board of Supervisors, as appropriate. Prepare final reports incorporating feedback received. Our final report will describe legal requirements and industry standard practice, the County's expansion costs and cost recovery, and our project methodology and approach. The report will also include an impact fee survey comparing current and proposed fees with the fees charged by other local agencies. We will present our electronic model to staff and the Board of Supervisors as needed.



Task 7 – Meetings and Presentations

L&T will be able to schedule either virtual or in-person meetings and presentations for impact fee studies. One meeting could be a coordination meeting with staff or an outreach meeting with developers. Two meetings are presentations to the Board of Supervisors to approve and adopt the proposed impact fees. L&T will provide draft

PowerPoint files to staff for review before our presentation materials are made public.

In-person meetings will be conducted in addition to virtual meetings with staff.

User Fee and Developer Fee Deliverables

- Data needs list and identification of current levels of service
- Expected future demands on infrastructure and future levels of service
- Administrative policies and procedures including assessing fees for various types of multifamily customers with special consideration of accessory dwelling units
- Fee methodology options and recommended methodology
- Identification of capital improvement expenses and allocation of costs between existing and future residents
- Fee calculations at full cost recovery
- Financing alternatives including grants, loans, and bonds
- Cash flow analysis
- Fee impacts and survey of comparable agencies
- Draft and final reports (printed copies as needed)
- Final electronic model and staff training
- Meetings with the Board of Supervisors, staff, and/or the development community
- Drafts of public notices and/or educational materials

Estimated Time Commitment from County Staff

Expected time commitment and information required from County staff can be estimated based on the following tasks:

- Respond to project team data requests
- Review and comment upon draft materials submitted by the project team
- Review from the County's legal counsel on the team's recommendations, reports, and procedures
- Discuss any political sensitivities or issues that may hinder fee adoption
- Assist with scheduling and facilitating meetings with the Board of Supervisors and/or the development community

Project Schedule

Provided below is Lechowicz & Tseng's typical draft schedule for a fee study.

PROJECT TASK	Month 1	Month 2	Month 3	Month 4	Month 5
1. Data Gathering					
2. Costs & Capacity					
3. Administrative Policies					
4. Fee Calculations					
5. Financial Analysis					
6. Reports & Model					
7. Meetings & Presentations	V	V	V	1	2

V – virtual meeting; 1 to 3 – in-person meeting; D – draft report submitted; F – final report submitted

STAFFING

Same as Tab 1.

QUALIFICATIONS AND REFERENCES

Services

Development Impact Fee Studies

Development impact fees and capacity charge studies that offset the cost of expanding infrastructure to serve new development without placing a burden on existing customers.

User Fee Studies

Calculate cost-based fees compliant with Proposition 26's regulatory fee requirements. Determine staffing, equipment, supplies, and overhead costs to recover via fees.

Recent Experience

Provided below is a selection of L&T's recent projects.

Client	Accounts or Parcels	Project
Graton Community Services District (Sonoma County)	450	Sewer Capacity Fee Study (2025)
Jamestown Sanitary District (Tuolumne County)	800	Sewer Capacity Fee Study (Ongoing)
Templeton CSD (San Luis Obispo County)	2,800	Water, Sewer, Parks, and Fire Development Impact Fee Study (2018 & 2023)
City of Tehachapi (Kern County)	3,000	Water and Sewer Connection Fee Study (2020) Parks and Civic Connection Fee Study (2021)
City of Fort Bragg (Mendocino County)	3,000	Impact Fee Nexus Study (2024)
Linda County Water District (Yuba County)	5,400	Water and Sewer Rate and Connection Fee Study (Ongoing)
Town of Discovery Bay CSD (Contra Costa County)	6,200	Water and Wastewater Capacity Fee Study (2022)
Root Creek Water District (Madera County)	6,800	Water, Sewer, and Storm Drain Connection Fee Study (2021)
Stege Sanitary District (Contra Costa County)	13,200	Sewer Connection Fee Study and Special Area Impact Fee Study (2019)

References

Templeton Community Services District

Water, Sewer, Parks, and Fire Impact Fees



The Templeton Community Services District (TCSD) is located in San Luis Obispo County and is in a restricted development environment and has a long waitlist of future dwelling units. In 2018, L&T provided a water, sewer, fire, and parks impact fee study. We also conducted a well-attended developer outreach meeting. In 2023, we provided an update of the fire impact fee concurrent with completion of TCSD's fire master plan. The study was completed on-budget and no change orders were requested.

Jeff Briltz
General Manager
jbriltz@templetonscd.org
(805) 434-4900
Apr 2023 to Sep 2023



Stege Sanitary District

Sewer Connection Fee Study

The Stege Sanitary District (District) provides sewer service to the residents of El Cerrito, Kensington, and portions of the City of Richmond in the San Francisco Bay Area. Ms. Lechowicz is the District's long-term financial consultant and has completed rate and fee studies for the District since 2010. She last completed a connection fee study for the District in 2024 that included a fee for District-wide facilities as well as a fee for a new development area around a Bay Area Rapid Transit (BART) station. The study included a review of historical single family residential in-fill development as

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Nov 2023 to Jun 2024

well as high density multifamily development near BART. The study was completed on-budget and no change orders were requested.



City of Fort Bragg

Impact Nexus Fee Study

In 2024, L&T completed an Impact Fee Nexus Study and a subsequent Storm Drain Funding Memorandum for the City of Fort Bragg (Mendocino County). Our impact fee study included water, sewer, storm drain, fire, police, traffic, civic, and parks fees. The duration and schedule of the project was dictated by the City. L&T delivered the study under-budget and was able to use extra funds to draft a memo describing storm water rate funding options.

Chantell O'Neal
Assistant Director,
Public Works
coneal@fortbraggca.gov
(707) 961-2823 ext. 133
Dec 2022 to Jul 2024

Alison Lechowicz



alison@LTmuniconsultants.com



(510) 545-3182



909 Marina Village Parkway #135
Alameda, CA 94501

EXPERIENCE

- 18 years of rate consulting experience: 8 years Co-founder and Principal at L&T Municipal Consultants, 7 years as Principal and Financial Analyst at Bartle Wells Associates, 3 years as Financial Analyst at Carollo Engineers
- Testified as an expert witness at the CA Public Utilities Commission in electric rate cases of Pacific Gas & Electric, Southern California Edison, and San Diego Gas & Electric

EDUCATION

- **Columbia University**
Master of Public Administration
- **University of California, Berkeley**
Bachelor of Science
Conservation & Resource Studies

REPRESENTATIVE ASSIGNMENTS

Below is a small sample of recently completed projects. A more detailed resume with full history of all projects can be provided upon request.

Town of Discovery Bay CSD: Long-serving financial consultant for the Town, having conducted multiple water and sewer rate studies and capacity fee studies. Met with developers at their offices to answer questions and address concerns. Assisted the Town in fee updates to accommodate new regulatory requirements.

City of Kerman: Completed a water and sewer rate study for the City. Updated winter water use estimates for single family residential sewer rates. Phased-out discounts for multifamily sewer customers.

Root Creek Water District (Madera County): Financial plan for the District's groundwater basin and agricultural water service. Water, sewer, and storm drain rates and development fees for municipal service.

Stege Sanitary District (Contra Costa County): Sewer rate and connection fee study. Conducted extensive review of water usage patterns to determine flow rates of customer classes. Proposed a 5-year phase-in for a new multifamily rate.

Templeton CSD (San Luis Obispo County): Completed a water and sewer rate study. Conducted an analysis of the District's four water sources, determined the marginal cost of each source, and assigned each source to a water rate tier. Evaluated the transition of the District from regional wastewater treatment to local treatment.

Catherine Tseng



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LTmuniconsultants.com



(510) 858-9228



909 Marina Village Parkway #135
Alameda, CA 94501

EXPERIENCE

- 8 years Co-founder and Principal at L&T Municipal Consultants
- 10 years prior consulting experience:
Vice President at Bartle Wells Associates
- 2 years civil servant: City of Oakland
- Specializes in utility rates, capacity charge, and financing plans for public works projects, and Proposition 218 compliance

EDUCATION

- **Columbia University**
Master of Urban Planning
- **University of California, Berkeley**
Bachelor of Arts
Architecture

REPRESENTATIVE ASSIGNMENTS

Below is a small sample of recently completed projects. A more detailed resume with full history of all projects can be provided upon request.

City of Rio Dell: Conducted a water and sewer rate study to fund mandated capital projects and eliminate operating deficit.

City of Anderson: Completed a water rate study to address depleting reserves. Analyzed multiple rate scenarios to minimize impacts to customers. Currently conducting a wastewater rate study.

City of San Fernando: Water and sewer financial plan and rate study and Proposition 218 printing and mailing. Offered rate options to meet affordability criteria including funding of only high priority projects.

City of Chowchilla: Currently conducting a water, sewer, storm drain, and solid waste rate study. Rates will support the City's capital improvement plan and overcome prior deficit spending for the solid waste enterprise.

Westborough Water District: Water and sewer financial plan and rate study to separate combined funds and pay for wholesale water purchases and treatment costs. Worked closely with Finance Committee to develop recommendations to Board of Directors.

City of Brisbane: Completed a water and sewer rate study. The City last updated rates in 2013 but had not done a comprehensive cost of service analysis since 2001. The update simplified the water and sewer rate structures to reflect actual costs.

Sophia Mills



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(510) 529-8056



909 Marina Village Parkway #135
Alameda, CA 94501

EXPERIENCE

- 5 years at L&T Municipal Consultants

EDUCATION

- **Davidson College**
Bachelor of Arts
Economics, Spanish

OTHER SKILLS

- Fluent in Spanish

REPRESENTATIVE ASSIGNMENTS

Below is a small sample of recently completed projects. A more detailed resume with full history of all projects can be provided upon request.

City of Anderson: Completed a water rate study to address depleting reserves. Analyzed multiple rate scenarios to minimize impacts to customers.

City of Rio Dell: Conducted a water and sewer rate study to fund mandated capital projects and eliminate operating deficit. Analyzed impacts of alternative rate structures for each utility.

Town of Discovery Bay CSD: Water and sewer rate study. Assisted the Town in rate updates to accommodate new wastewater regulatory requirements and capital project funding. Also completed a water and sewer capacity fee study.

City of Gonzales: Conducted a water and sewer rate study with a focus on industrial customers who use the majority of water in the City. Also completed a technical memorandum documenting best practices for addressing industrial wastewater permit violations.

City of Brisbane: Completed a water and sewer rate study. The City last updated rates in 2013 but had not done a comprehensive cost of service analysis since 2001. The update simplified the water and sewer rate structures to reflect actual costs.

City of Wasco: Completed a water and sewer rate study. Designed a new water rate structure and documented sewer flow and loading assumptions as the basis of the sewer rates.

Calvin Weinstock



calvin@
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(561) 543-8193



909 Marina Village Parkway #135
Alameda, CA 94501

EDUCATION

- **University of California, Santa Barbara**
Bachelor of Arts
Economics and Accounting

OTHER SKILLS

- Proficient in R, ArcGIS
- Business Development Background

REPRESENTATIVE ASSIGNMENTS

Graton Community Services District:

Conducted a sewer rate and capacity fee study. Analyzed multiple rate scenarios to minimize impacts to customers. Prepared financial models, draft reports, and presentations.

Hayward Mobile Home Country Club:

Conducted a decoupling study to establish a fair method for charging tenants based on metered water use. Examined past billing data and made estimates for non-residential water use.

City of Chowchilla: Conducted a garbage rate study to fund capital projects and balance operating budget.

Town of Discovery Bay: Conducted a sewer rate study. Prepared the models and drafts.

City of Kingsburg: Prepared drafts for a water rate study. City is implementing a new water rate structure.

City of Westmorland: Conducting a water and sewer rate study along with capacity fee analysis for both services.

Community of Isla Vista: Lead a team to investigate and modernize portions of the I.V. Master Plan. Made recommendations to Santa Barbara City Council and IVCSD.



THANK YOU

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