



## City of Biggs

Agenda Item for the  
Next regular City Council Meeting  
January 13, 2015 at 6:30pm

**To: Honorable Mayor  
And Members of the City Council**

**Date: January 5, 2015**

**From: Brian Martin, PE – City Engineer**

**Subject: Task Order No. 27 to the Engineering Services Agreement dated June 11, 2011**

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### **Background**

The California Rural Water Association (CRWA) has a contract with the State Water Resources Control Board to prepare Water Rate Studies for Disadvantaged Communities. The State has directed CRWA to work with the City of Biggs in preparing and presenting a water rate study for the City. The purpose of this rate study is to develop a water rate study for the City in anticipation of a Loan/Grant to the City to complete the installation of water meters within the City. To implement the rate study the City must provide information requested by the CRWA. This Task Order No. 27 is to provide that assistance and information to the CRWA. Task Order No. 27 to the Engineering Services Agreement Dated June 11, 2011 is attached to this memorandum.

Task Order No. 27 includes four tasks. The tasks include coordinating with CRWA, preparing a list of capital assets, preparing a list of planned projects and funding sources, and preparing a Technical, Managerial, and Financial Tune-up (TMF) Questionnaire. The total cost of Task Order No. 27 is \$4,875.

This Task Order was discussed at the December 9, 2014 meeting and prior to the Council approving this Task Order it was requested that staff follow up with the State to make sure that the State was not going to “mandate or dictate” the water rates or the philosophy of the rate structure. The City Engineer spoke with Pete Stamas, Northern California Funding Coordinator, for the State Water Resources Control Board. Mr. Stamas said that the State has no interest in setting local water rates. He said that the assistance with developing a water rate structure is only to provide assistance to small disadvantaged communities. He said that the rate study is not binding and that the City can set the water rates that it believes would work best for the City. A copy of the email from Mr. Stamas is attached.

### **Budget**

The source of funds for this task order will come from Water Improvement Fund, 110.

**Recommendation**

Staff recommends that the City Council authorize the City Administrator to execute Task Order No. 27 for technical assistance in the preparation of a water rate study for the City.

## Brian Martin

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**From:** Stamas, Pete@Waterboards [Pete.Stamas@waterboards.ca.gov]  
**Sent:** Thursday, December 18, 2014 12:34 PM  
**To:** Brian Martin  
**Cc:** Faggella, George@Waterboards  
**Subject:** RE: City of Biggs

Hi Brian:

This morning I spoke with George Faggella, our CRWA contract manager. He wasn't aware of language that would directly help answer your question, but we're working on a blurb for future use.

In short – through federal funding, our contracts with CRWA & RCAC simply provide water utilities with rate studies, income surveys, assistance in preparing a funding application, board training, operator training, etc., all free of charge. There is no such catch. The same assistance is available to utilities if they wish to contract directly with these organizations.

However it should be noted that when/if a water system decides to apply for a DWSRF loan, the water system pledges or dedicates funds for repayment of the loan. In most cases, the dedicated funding stream is a portion of the customer's water bills, but not always.

When a funding application is received, we review the financial standing of the water system (revenues vs. expenses, CIP, funding reserves), and the effect of the potential loan (including the O&M costs of the proposed project facilities). If we determine that the water system is unable to afford loan repayments, we inform the water system of our findings and the total increase needed in overall revenue to support the loan – but we do not and cannot mandate a specific water rate structure, increase, or philosophy, to support a loan. The recommendation provided is merely for loan affordability purposes. If the water system does not desire to increase revenue by the recommended amount, it's the utility's choice to withdraw a loan application for that reason.

However, if the water system is considered *severely disadvantaged*, and the project is being funded through *100% SRF grant funds*, we are mandated by law to require that the system conduct a rate study, and implement its results regardless of who's paying for the study (the purpose is to ensure we're not giving grant funds to a system headed for bankruptcy). Note, though, that this requirement is still merely a condition to obtain 100% grant funds from the DWSRF. The system can again, back out of an application if the study isn't desired.

**All that said** – the State is not in the business of setting water rates or rate structures for utilities. However if the water system is applying for DWSRF funding, we may condition such funding upon an increase in revenues.

Hope that helps. Please give me [(916) 552-9983] or George Faggella [(916) 449-5652] a call if you have any other questions or concerns.

-Pete

*Pete Stamas*

Sanitary Engineer – Northern California Funding Coordinator  
State Water Resources Control Board – Division of Financial Assistance  
*\*\* Note new office location as of October 1, 2014 \*\**  
1001 I Street, 16<sup>th</sup> Floor  
Sacramento, CA 95814  
Office: (916) 552-9983  
Email: [pete.stamas@waterboards.ca.gov](mailto:pete.stamas@waterboards.ca.gov)



## City of Biggs

465 C Street  
P.O. Box 307  
Biggs, California 95917  
Telephone (530) 868-5493  
www.biggs-ca.gov

Date: November 18, 2014

TASK ORDER No. 27

Bennett Engineering Services  
1082 Sunrise Ave, Ste 100  
Roseville, CA 95661

This Task Order authorizes you to provide the professional services described below. Services are to be performed in accordance with the Agreement dated June 21, 2011 between the City of Biggs and Bennett Engineering Services, as amended.

**Project Name:** City of Biggs Water Rate Study

**Budget:** To be invoiced at Special City Assignments for the City Engineer per Agreement and Revised Compensation Schedule for Fiscal Year 2014/2015, effective July 1, 2014.

**Scope of Work:** Services include Engineering duties for the City of Biggs Water Rate Study as described in attached Exhibit A, Scope of Services dated October 23, 2014 and Exhibit B, Fee Estimate dated November 18, 2014.

### City of Biggs

Approved: \_\_\_\_\_  
Mark Sorensen, City Administrator

Date: \_\_\_\_\_

### Bennett Engineering Services

Approved: \_\_\_\_\_  
Orin N. Bennett, President

Date: \_\_\_\_\_

# EXHIBIT A: Scope of Services

To Task Order No. 27

Client: City of Biggs

Consultant: Bennett Engineering Services Inc

Project: City of Biggs Water Rate Study

Date: November 18, 2014



TRUSTED ENGINEERING ADVISORS

Bennett Engineering Services  
1082 Sunrise Avenue, Suite 100  
Roseville, California 95661

T 916.783.4100  
F 916.783.4110

www.ben-en.com

In general, the work under this Task Order will include providing engineering and technical assistance for the preparation of a water rate study for the City of Biggs. The intent of this study is to develop a metered water rate structure that will be implemented when the City completes the installation of water meters for the remainder of the City's water system that are currently not metered.

## **TASK 1. Coordinate with California Rural Water Association (CRWA)**

CRWA has a contract with the State Water Resources Control Board (SWRCB) to prepare water rate studies for disadvantaged communities. The SWRCB has authorized CRWA to prepare a water rate study for the City of Biggs in anticipation of a Loan/Grant to the City to complete the installation of water meters within the City. This task includes coordinating with CRWA by providing requested information, answering questions and attending review meetings with CRWA and the City.

## **TASK 2. Prepare a list of Capital Assets**

This task involves the preparation of a list of existing water system assets including wells, standby power, pipelines, valves, meters and related facilities. Part of this work includes assigning costs and projected life of these facilities. The life of these facilities will be based on the EPA's list of Typical Equipment Life Expectancy (EPA Publication EPA 816-R-03-016, September 2003). The other information will be based on the City's existing Water System Master Plan, City water system maps, and the City's 2006 USDA Waterline Rehabilitation Project. Since some of the system does not have documentation of the date of construction or materials used, an estimate will be made based on the master plan and discussions with City Maintenance Staff.

## **TASK 3. Prepare a list of Planned Funding Sources**

The rate study requires the submission of planned projects for the water system and assumed funding sources. These capital improvements will be based on the City's existing Water System Master Plan and general knowledge of deficiencies in the system from City Staff. Costs will be updated from the City's Water Master Plan based on the Engineering News Record Index and from industry standards.

## **TASK 4. Prepare TMF Tune-up Questionnaire**

This task involves the preparation and submittal of a TMF Tune-up for the City's public water system. It is a questionnaire of general information on the City's water system and includes 44 questions regarding the City's ability to provide the proper technical, managerial and financial capabilities for its water system. Information to complete the questionnaire will be derived from the City Staff and other related documents.

INITIALS:

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\_\_\_\_\_

# EXHIBIT B: Fee Estimate

To: TASK ORDER NO. 27

Client: City of Biggs

Consultant: Bennett Engineering Services Inc.

Project: City of Biggs Water Rate Study

Date: November 18, 2014

HIDE ROW

Hidden Row [Usually] / Employee Names

## Fee Estimate

Task	Engineer IV Brian & Emer 120 \$/hr		Administrative Jennifer, Ava, Jenn, Karman & Natalie 65 \$/hr		BEN EN Subtotal		MISC. EXPENSES	TOTAL				
	Qty	Cost	Qty	Cost	Qty	Cost						
1. Coordinate with California Rural Water Association (CRWA)	2 hrs	\$240	2 hrs	\$130	4 hrs	\$370	\$20	\$390				
2. Prepare a list of Capital Assets	20 hrs	\$2,400	1 hrs	\$65	21 hrs	\$2,465	\$120	\$2,585				
3. Prepare a list of Planned Funding Sources	8 hrs	\$960	1 hrs	\$65	9 hrs	\$1,025	\$50	\$1,075				
4. Prepare TMF Tune-up Questionnaire	6 hrs	\$720	1 hrs	\$65	7 hrs	\$785	\$40	\$825				
5.	hrs	\$0	hrs	\$0	hrs	\$0	\$0	\$0				
6.	hrs	\$0	hrs	\$0	hrs	\$0	\$0	\$0				
7.	hrs	\$0	hrs	\$0	hrs	\$0	\$0	\$0				
8.	hrs	\$0	hrs	\$0	hrs	\$0	\$0	\$0				
9.	hrs	\$0	hrs	\$0	hrs	\$0	\$0	\$0				
10.	hrs	\$0	hrs	\$0	hrs	\$0	\$0	\$0				
<b>PROJECT TOTAL</b>					<b>36 hrs</b>	<b>\$4,320</b>	<b>5 hrs</b>	<b>\$325</b>	<b>41 hrs</b>	<b>\$4,645</b>	<b>\$230</b>	<b>\$4,875</b>

- \* Rates are subject to change with 30-day notice.
- \* This fee estimate contains an abbreviated list of staff classifications and does not restrict BEN|EN to those classifications. The Standard
- \* This fee estimate is valid for 90 days.

INITIALS:

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