



City of St. Helena

*"We will conduct city affairs on behalf of our citizens
using an open and creative process."*

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City of St. Helena Utility Rate Study Questions & Answers - Update October 6, 2015

Q1. The RFP lists the following objectives to be addressed in this study: ensuring rate revenue is sufficient to cover all costs, maintain a balanced budget, provide for adequate replacement and emergency reserves, and maintain debt service coverage of 125%. Other than these objectives, does the City have any additional high priority concerns to be addressed in the study?

A: Nothing else at this time.

Q2. Are there recent master plan documents available for review?

A: There is a Water Master Plan available for review. At this time, it is only available in hard copy. The selected consultant will be provided an electronic and/or hard copy of the master plan. There is no master plan for wastewater collection and treatment. The City's discharge permit is currently being renewed, and a facilities evaluation has been prepared for the wastewater treatment plant. The City will provide a list of wastewater improvements and cost estimates to be used in the fee study.

Q3. Is calculating Capacity Charges part of the scope of work desired by the City?

A: Yes

Q4. Can the City provide a history of billing information for each customer account that shows customer type, meter size, number of dwelling units, and water consumption and the dollar amount of each bill for a 60 month period downloaded into an MS Excel file?

A: Yes

Q5. Does the City maintain a fixed asset database of each utility system by line item that can be provided in MS Excel format?

A: We do not have a fixed asset database of each utility system.

Q6. Does the City wish to consider developing and adopting new reserve and rate-setting policies with the rate study?

A: Possibly

Q7. Has the City prepared and adopted a Water Shortage Response Plan?

A: The City has adopted water shortage regulations as part of the municipal code section 13.04.220-.310 that includes a phased approach to water shortages

Q8. Is the City experiencing public dissatisfaction with the current rate structure? What is the political or public support for the current rate structure? Are there certain property types that feel they are disadvantaged?

A: Generally, the community and Council are satisfied with the current rates. The City Council directed this review be conducted to ensure both systems are financially sound, which they understand may result in rate increases.

Q9. From the RFP, it appears that the City is requesting a minimum number of 3 meetings to be included in Consultant's proposal. For Proposal pricing, should bidders assume three meetings?

A: Yes, at a minimum. The need for additional meetings is up to the proposer's professional judgment.

Q10. Is the City satisfied with the rate study completed in 2011? What additional aspects would the City like to be included if any?

A: We have not found fault with the 2011 rate study.

Q11. Could a list of the recipients that received the RFP directly be provided?

A: Yes

- 1. Willdan**
- 2. Wohlford Consulting**
- 3. Revenue & Cost Specialists, LLC**
- 4. NBS**
- 5. MGT of America**
- 6. Matrix Consulting Group**
- 7. ClearSource Financial Consulting**
- 8. AK & Company**
- 9. The Reed Group**
- 10. Goodwin Consulting Group**

Q12. The RFP indicates a completion date of March 2016. Would this be for study recommendations and mark the beginning of the Prop. 218 rate adoption process, or do you envision the rate hearing being completed by this time?

A: I would look to the consultant to develop a final timeline but I anticipate the hearings would be after March 2016

Q13. Does the City anticipate the need to issue any new long-term debt (or refund existing debt) within the 5-year period covered by the study?

A: Not at this time, but this could change

Q14: Briefly, how would you characterize the current financial condition of each of the utilities?

A: Water is strong with an estimated year end net position of 34%. Wastewater is weaker with an estimated year end net position of 16%

Q15: Are there any particular issues or concerns regarding water and wastewater rates by the City, City Council, or the public that may influence the focus and direction of this study?

A: Both systems need significant capital improvements, which are not funded through the current rate structure and will need to be included.