

Gridley City Council – Regular Meeting Agenda

Tuesday, September 2, 2025; 6:00 pm
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”

The Public is encouraged to attend and participate in person. Comments from the public on agenda items will be accepted until 4 pm on September 2nd, 2025, via email to csantana@gridley.ca.us or via the payment/document drop box at Gridley City Hall and will be conveyed to the Council for consideration.

You may view using the following link, ID, and passcode:

<https://us06web.zoom.us/j/83955916859?pwd=VxijYExcoYi3Aq44v45ORZGCHoBoTh.1>

Webinar ID: 839 5591 6859

Passcode: 432595

CALL TO ORDER - Mayor Farr

ROLL CALL

PLEDGE OF ALLEGIANCE – Councilmember Sanchez

PROCLAMATION – None

INTRODUCTION OF NEW OR PROMOTED EMPLOYEES - None

COMMUNITY PARTICIPATION FORUM - *Members of the public may address the City Council on matters not listed on the agenda. The City Council may not discuss nor take action on any community participation item brought forward by a member of the community. Comments are requested to be limited to three (3) minutes.*

CONSENT AGENDA - None

ITEMS FOR CONSIDERATION

1. Ord Transfer Station – Request for Direction

City Council to hold a discussion on the potential of obtaining the parcel on which the Ord Transfer Station is located (APN 025-190-088) from Butte County

Recommended Action(s):

- a. Provide City staff direction to move forward with acquisition of the Ord Transfer Station property from Butte County, *OR*;

- b. Direct staff to move forward with another 25-year land use agreement with Butte County
- c. Authorize City Administrator to sign any necessary documents for either option A. or B.

2. Service Agreement with Butte County for Building and Code Enforcement Services

City Council to review and approve the services agreement with Butte County for continued Building Department and Code Enforcement Services

Recommended Action(s):

- a. Approve the attached agreement with Butte County for Building Department and Code Enforcement Services
- b. Authorize City Administrator to execute any necessary documents

3. Water, Sewer and Electric Cost-of-Service Study

City staff respectfully recommends that the City Council review and approve the proposal from Utility Financial Solutions, LLC

Recommended Action(s):

- a. Accept the proposal submitted by Utility Financial Solutions LLC, for water, sewer and electric cost-of-service study
- b. Authorize City Administrator to execute any necessary agreements

COUNCIL COMMITTEE REPORTS - *Brief reports on conferences, seminars, and meetings attended by the Mayor and City Council members, if any.*

CITY ADMINISTRATOR REPORTS - *Brief updates and reports on conferences, seminars, and meetings attended by the City Administrator, if any.*

DEPARTMENT UPDATE REPORTS – *Brief updates and reports on City services as it pertains to each department, if any.*

POTENTIAL FUTURE CITY COUNCIL ITEMS - *(Appearing on the Agenda within 30 days):*

Sidewalk Ordinance Update	9/15/2025
Travel Policy	9/15/2025
Energy Efficiency Contract Review	9/15/2025
Tree Ordinance Update	9/15/2025
Randolph Lot Use Agreement – GUSD	9/15/2025

CLOSED SESSION –

4. Pursuant to Government Code 54957.6: Conference with Labor Negotiator, Elisa Arteaga, City Administrator, for discussion of progress of collective bargaining discussions with City Employee represented classes – IBEW, MMU, and GPOA

ADJOURNMENT – adjourning to a regular meeting on September 15th, 2025

NOTE 1: POSTING OF AGENDA- This agenda was posted on the public bulletin board at City Hall at or before 6:00 p.m., August 30th, 2025. This agenda along with all attachments is available for public viewing online at www.gridley.ca.us and at the Administration Counter in City Hall, 685 Kentucky Street, Gridley, CA.

NOTE 2: REGARDING UNSCHEDULED MATTERS – In accordance with state law, it shall be the policy of this Council that no action shall be taken on any item presented during the public forum or on unscheduled matters unless the Council, by majority vote, determines that an emergency situation exists, or, unless the Council by a two-thirds vote finds that the need to take action arose subsequent to the posting of this agenda.

City Council Agenda Item #1
Staff Report

Date: September 2nd, 2025
To: Mayor and City Council
From: Elisa Arteaga, City Administrator

X	Regular
	Special
	Closed
	Emergency

Subject: Ord Ranch Transfer Station – Request for Direction

Recommendation

City staff respectfully requests Council direction on the potential of obtaining the parcel on which the Ord Ranch Transfer Station is located (APN 025-190-088) from Butte County.

Background

The City of Gridley has had a long-standing agreement with Butte County for use of the garbage transfer station, which is currently utilized by Waste Management and local residents. This agreement has historically been at no cost to the City, other than routine maintenance performed by City staff. The agreement has since expired, and Butte County has proposed transferring ownership of the parcel to the City. Under Government Code Section 25365, this could be accomplished through a resolution adopted by the Butte County Board of Supervisors declaring the property no longer needed for county purposes. If the City does not wish to assume ownership, the alternative would be to amend or renew the agreement which have historically been 25-year agreements. While the current terms provide for use at no cost to the City, there is no guarantee that future agreements with a different Board would maintain the same terms.

Financial Impact

Assuming ownership of the Ord Ranch Transfer Station parcel would have no significant financial impact to the City, other than the cost of adding the property to the City's insurance coverage and upgrades, if any, to the property. If any upgrades are planned, we will bring it back to council for consideration.

Compliance with City Council Strategic Plan or Budget Goals

This request aligns with the City Council's strategic priorities by maintaining transparency in property and business transactions, while also supporting continued access to a local transfer station for the benefit of residents.

Attachments

None

City Council Agenda Item #2
Staff Report

Date: September 2, 2025
To: Mayor and City Council
From: Elisa Arteaga, City Administrator

X	Regular
	Special
	Closed
	Emergency

Subject: Agreement with Butte County for Building and Code Enforcement Services

Recommendation

It is recommended that the City Council approve the Agreement with Butte County for the continued provision of building permit processing, inspection services, planning services, and code enforcement services.

Background

In 2017, the City of Gridley eliminated its in-house Building Department due to staffing and cost constraints. Since that time, the City has contracted with Butte County, through its Department of Development Services, to provide building, plan review, and code enforcement services. This partnership has ensured that the City continues to meet state and local requirements for permitting, inspections, and code compliance while maintaining cost efficiency and service quality.

The City's long-standing relationship with the County has provided reliable service delivery and access to specialized expertise.

The proposed agreement with Butte County continues the arrangement that has been in place since 2017. Under the agreement, the County will:

- Process building permit applications, collect fees, conduct plan reviews, and perform inspections.
- Provide code enforcement services at the City's request, including investigations into substandard or unsafe buildings.
- Provide limited planning review as needed. While the City retains its own in-house planner to conduct planning services, the County may conduct certain simple plan reviews that accompany building permit applications.
- Maintain required records, reports, and permit system activity summaries.
- Coordinate with the City to ensure all local Gridley Municipal Code requirements are met prior to permit issuance or certificate of occupancy.

The agreement also allows for expedited review of projects deemed "high priority" by the City and outlines procedures for additional services requested by the City.

Financial Impact

Costs for building permit processing, plan check, and inspection services are covered by applicant fees collected by the County. Code enforcement services requested by the City are billed monthly at the County's adopted hourly rate of \$151. The agreement is structured to ensure that the County recovers the full cost of services, and the City only incurs direct costs for requested services not covered by applicant fees.

Compliance with City Council Strategic Plan or Budget Goals

This agreement supports the City's Strategic Plan by ensuring fiscal responsibility through applicant-funded services, improving operational efficiency, and promoting community safety and proper development.

Attachments

Agreement between the City of Gridley and the County of Butte

Agreement for Building, Planning, and Code Enforcement Services
Between
City of Gridley
And
County of Butte

This Agreement is by and between the County of Butte, a political subdivision of the State of California, hereinafter referred to as "County" through its Department of Development Services, hereinafter referred to as "DDS" and the City of Gridley hereinafter referred to as "Contractor", hereinafter individually "Party" and hereinafter collectively "Parties".

I. PURPOSE OF AGREEMENT

The purpose of this Agreement is to set forth the terms upon which County, through DDS, has agreed to provide Building permit processing, plan review, inspection services, planning services, and Code Enforcement services to Contractor.

II. GENERAL PROVISIONS

- A. County shall have authority over the manner and means of the overall operations and the procedural manner in which the Building and Code Enforcement functions are performed under this Agreement. County and Contractor shall work cooperatively and shall meet at co-determined times to collaborate on Building and Code Enforcement services whenever either Party deems it necessary.
- B. County and Contractor shall comply with all applicable federal, state and local laws, regulations and any other form of codified requirements in the conduct of the scope of work and conduct in accordance with this contract.
- C. County represents and warrants to Contractor that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of County to practice its profession. County represents and warrants to Contractor that County shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, certifications, insurance and approvals which are required by the Contractor for its business.

III. SERVICE PROVISIONS

County

- A. County shall perform building permit application, building permit fee collection, plan review and inspection for building permits which are required and signed-off by the Contractor, based upon current adopted County building permit fees in accordance with the latest adopted Chapter 3-Fees, Article IV-Development Services Department Processing Fees, of the Butte County, California Code of Ordinances (Chapter 3, Article IV).
- B. Code Enforcement provided shall be at the County's hourly rate in accordance with the latest adopted building permit fees per Chapter 3, Article IV. Code Enforcement for identification of sub-standard or uninhabitable buildings and structures, shall be at the written request of Contractor. County shall report findings to Contractor and, upon receipt of written direction

from the Contractor, County shall follow-up with any related actions relative to that determination.

- C. Court testimony shall be requested in writing (and/or via subpoena). County shall notify Contractor upon receipt of any subpoena.
- D. County shall maintain retention, reporting and maintenance of records.
- E. County shall provide California Accessibility Specialist (CASP) in accordance with California State law. County may use outside contract consultant as needed.
- F. County shall not issue a final Certificate of Occupancy (CofO) until such time as the City of Gridley signs off that all Contractor requirements have been satisfied.
- G. **Other Services.** At any time during the term of this Agreement, Contractor may request that County perform Other Services.
 - a. As used herein, "Other Services" means any work which the parties did not reasonably anticipate would be necessary at the execution of this Agreement and therefore are not delineated in this agreement.
 - b. Other Services shall be charged to the Contractor at an hourly rate in accordance with the latest adopted Chapter 3, Article IV (see also compensation below).
 - c. County shall not perform, nor be compensated for, Other Services without prior written authorization from Contractor. No statement herein shall preclude the execution of a separate contract for Other Services.
- H. **Books, Records, and Reports.**
 - a. County shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, expenditures and disbursements charged to Contractor permit applicants for a minimum period of five (5) years, or for any longer period required by law, from the date of final payment to County under this Agreement.
 - b. County shall maintain all documents and records which demonstrate performance under this Agreement for a minimum of five (5) years, or for any longer period as required by law, from the date of termination or completion of this Agreement.
 - c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during County's regular business hours, upon written request by Contractor. Records shall be available at County's address indicated for receipt of notices in this Agreement. If the documents requested by the Contractor are available in an electronic format, the County shall provide such documents to the Contractor via electronic delivery methods if requested.
 - d. Where Contractor has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of County's business, Contractor may, by written request, require that custody of the records be given to the Contractor and that the records and documents be maintained by Contractor.

- e. County shall, at County's expense, provide standard electronic permit system monthly activity reports, which include information on permit type, sub-type, number of permits issued, valuation and fees charged.
- f. County shall provide copies of available plans, studies, documents, and other writings to Contractor within ten (10) business days upon receipt of a written request by Contractor.
- I. **Standard of Review.** County shall process all Contractor building permit applications in a manner and timeframe substantially consistent with the manner and timeframes provided for County building permit applications. The County shall not systematically prioritize either County or Contractor building permit applications to the detriment of the timely review of the other.
- J. **Expedited Services.** The Contractor or County may determine that a specific project represents a "high priority" project providing the potential to result in revenue enhancement or measurable job creation whereby the assignment of a priority for expediting a project may be provided. In the event that it is determined by the Contractor that a project of "high-priority" exists, the Contractor shall notify the County in writing of such a determination and the County agrees to prioritize the review of the project application acknowledging the limitations of staff resources, expertise and/or existing contractual obligation. Contractor acknowledges there is an Expedited Plan Check Fee as well as After Hours (Scheduled) Call-Out Fee that, if required, shall be charged to the Contractor for expedited plan check and any expedited inspections that cause County employees to work beyond their normally scheduled hours.

Contractor

- A. Contractor Site Plan Approval and Sign-Off: Prior to applying to the County for a building permit, applicants shall provide a complete site plan to the Contractor to determine consistency with Gridley Municipal Codes. The site plan shall be reviewed by Contractor planning and engineering staff and meet all requirements of Gridley Municipal Codes. Contractor shall provide applicant a sign-off from the Contractor that they have either completed the appropriate site plan review or design review procedures as would be required (Design review required) or the review is not required. Prior to application to the County for a building permit, applicants shall provide this sign-off to County.
- B. Contractor Notification on Completion and Sign-Off: Prior to final inspection of new construction projects by the County, the applicant shall notify the Contractor that project construction is complete and complies with all requirements of Gridley Municipal Code. Contractor shall provide County documentation of Contractor's sign-off that applicant has met this requirement in order for County to conduct final inspection.
- C. Contractor Written Request: Contractor shall provide written request to County for copies of plans, studies, documents and/or other written records.

IV. TERM

This Agreement shall be effective upon execution, and terminate June 30, 2030. This agreement shall supersede and replace Agreement R41735.

V. COMPENSATION

- A. For the performance of building application, plan review and inspection services, County shall charge and retain the permit applicant fees in accordance with Chapter 3-Fees, Article IV.

The Contractor agrees to allow the County to collect Countywide Impact Fees (CIF) upon the issuance of approved Contractor Building Permit applications for uses or structures generating a new service impact, at such time as normal and customary payment is collected.

- B. Other requested services provided by County to Contractor shall be invoiced according to the most currently adopted county wide fee schedule. Additional costs borne by the County for services provided at the request of Contractor, for which the County would normally charge, which are not covered by applicant fees, shall be invoiced to the Contractor (i.e, charges for copies of plans, documents, writings, etc.). Other inspection, documentation, and report writing services shall be charged at the current Building Division hourly rate. Contractor acknowledges that these fees are adjusted by the County Board of Supervisors periodically by resolution.
- C. Contractor shall compensate County monthly in arrears for requested services provided, that are not covered by permitting fees paid by building permit applicants. This primarily will apply to Code Enforcement and Planning services but may include other services. County shall bill Contractor by submitting a monthly invoice which shall contain the following information: the service dates, service provided, time duration of services, multiplied by the hourly building division rate or fee schedule charge, additional charges for services (copies of plans, etc., called out specifically in the current fee schedule), and total charges.
- D. Charges at the County's hourly rate shall begin from the time the County staff delivering the service leaves the County offices in Oroville, California and begins to travel to a Contractor job site, work while on-site at Contractor job(s) as well as time needed for follow-up to document, report, and/or consult with supervisor/management regarding Contractor's jobs. The Contractor shall not be charged for travel time incurred by County staff resulting from travel originating at locations other than the County's offices in Oroville or a closer location. Time spent by supervisory/management staff related to hourly rate work shall also be charged to the Contractor.
- E. It is not intended for County to subsidize the cost of any service to the Contractor, but to remain fiscally whole in the delivery of services to Contractor. Therefore, applicable charges for services shall be invoiced to Contractor for all services, copies, etc., that would normally be charged to the public that are not covered by the fees paid by a permit applicant.

TABLE OF COMPENSATION	
SERVICES PROVIDED	FEES As adopted by ORDINANCE
Inspection Services and After Hours (Scheduled) Call-Outs	Chapter 3 Article IV, 3-41- Building Division Fee Schedule Ord. No. 4139, § 4, 10-24-17
Plan Check Services and Expedited Plan Check Services	Chapter 3 Article IV, 3-41- Building Division Fee Schedule Ord. No. 4139, § 4, 10-24-17

Permit Center/ Administrative Services	Chapter 3 Article IV, 3-41- Building Division Fee Schedule Ord. No. 4139, § 4, 10-24-17
Other Services: Code Enforcement	Chapter 3 Article IV, 3-41- Building Division Fee Schedule Ord. No. 4139, § 4, 10-24-17
Other Services: Planning	Chapter 3 Article IV, 3-43 - Planning Division Fee Schedule Ord. No. 4001, § 9, 3-24-09 Chapter 3 Article IV, 3-44 Ord. No. 4001, § 10, 3-24-09

Butte County Master Fee Schedule:

<https://www.buttecounty.net/DocumentCenter/View/16020/Butte-County-Master-Fee-Schedule>

- F. County anticipates that performance of activities under this agreement may generate annual revenue of approximately twenty-five thousand dollars (\$25,000) in Year 1 and subsequent years. However, actual revenue may vary depending on demand for services and other operational factors.

ESTIMATED REVENUE ONLY IF PLANNING AND CODE ENFORCEMENT SERVICES ARE NEEDED	
Year 1	\$25,000.00
Year 2	\$25,000.00
Year 3	\$25,000.00
Year 4	\$25,000.00
Year 5	\$25,000.00

VI. CONFIDENTIALITY AND OWNERSHIP OF DOCUMENTS:

All plans, studies, documents and other writings prepared by the County for CITY projects and located within the CITY, in the course of implementing this Agreement, except working notes and internal documents, shall become the joint property of the County and CITY, and the County shall have the right to use such materials at its discretion. The County shall maintain the confidentiality of all CITY records and information, including, but not limited to HIPAA, and all other applicable County, State, and Federal laws, ordinances, rules, regulations, manuals, guidelines, and directives, relating to privacy/security, whichever is most restrictive. County shall require all its officers, employees, and agents providing services hereunder to acknowledge, in writing, the understanding of, and agreement to fully comply with, all such confidentiality provisions. County shall indemnify and hold harmless CITY, its officers, employees, and agents, from and against any and all loss damage liability, and expenses arising from any disclosure of such records and information by County, its officers, employees, or agents.

VII. INDEMNIFICATION:

It is agreed that Contractor shall defend, save harmless and indemnify County, its officers and employees from any and all claims for injuries or damage to persons and/or property which arise out of the terms and conditions of this MOU and which result from the negligent acts or omissions of Contractor its officers and/or employees.

It is further agreed that County shall defend, save harmless and indemnify Contractor, its officers and employees from any and all claims for injuries or damage to persons and/or property which arise out of the terms and conditions of this MOU and which result from the negligent acts or omissions of County, its officers and/or employees.

In the event of concurrent negligence of Contractor, its officers and/or employees, and County, its officers and/or employees then the liability for any and all claims for injuries or damages to persons and/or property which arise out of the terms and conditions of this MOU shall be apportioned under principles of comparative negligence as established presently by California law, or as may be hereafter modified.

This indemnity provision survives this MOU.

VIII. INSURANCE:

Both Contractor and County shall procure and maintain for the duration of this Agreement general liability insurance with limits no less than \$1,000,000 per occurrence. The insurance policies shall specifically name the other party as an additional insured. Each party's insurance must be primary, and any insurance or self-insurance maintained by either party shall not contribute to it. The parties shall furnish each other with a certificate of insurance evidencing the required coverage, conditions, and limits within 30 days of the date this Agreement is effective.

IX. ALTERATION OF TERMS:

The body of this Agreement fully expresses all understandings of the Parties concerning all matters covered and shall constitute the total Agreement. No addition to, or alteration of, the terms of this Agreement whether by written or verbal understanding of the parties, their officers, agents or employees shall be valid unless made in the form of written amendment to this Agreement which is formally approved and executed by all Parties.

X. NOTICES:

All notices, claims, correspondence, reports and/or statements authorized or required by this Agreement shall be addressed as follows:

County:
Butte County Department of Development Services
Attn: Efrain Ruvalcaba, Building Division
7 County Center Drive
Oroville, CA 95965
530-552-3700
eruvalcaba@buttecounty.net

Contractor:
City of Gridley
Elisa Arteaga, City Administrator
685 Kentucky Street
Gridley, CA 95948
530-846-3631
earteaga@gridley.ca.us

XI. DISPUTE RESOLUTION:

Any disagreements that may occur shall be resolved at the lowest possible level within County and Contractor and with a cooperative spirit. County and Contractor will designate individuals who are responsible to resolve issues in a timely fashion regarding this Agreement. Should agreement not be reached between County and Contractor after working through the process already prescribed, then the matter should go for discussion and consideration between the Directors of each agency.

XII. APPLICABLE LAW AND FORUM:

This Agreement shall be construed and interpreted according to California law and any action to enforce the terms of this Agreement for the breach thereof shall be brought and tried in the County of Butte.

XIII. TERMINATION:

County and Contractor each reserve the right to immediately terminate this Agreement, notifying each other likewise in writing.

XIV. INTEGRATION/ENTIRE AGREEMENT OF PARTIES:

This Agreement constitutes the entire agreement between the Parties and supersedes all prior discussions, negotiations, and agreements, whether oral or written. This Agreement may be amended or modified only by a written instrument executed by both Parties.

XV. NO DELEGATION OR ASSIGNMENT:

Contractor shall not delegate, transfer or assign its duties or rights under this Agreement, either in whole or in part, directly or indirectly, by acquisition, asset sale, merger, change of control, operation of law or otherwise, without the prior written consent of County and any prohibited delegation or assignment shall render the contract in breach. Upon consent to any delegation, transfer or assignment, the parties will enter into an amendment to reflect the transfer and successor to Contractor.

XVI. ELECTRONIC SIGNATURES:

Each Party of this agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ("CUETA") Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this agreement. The Parties further agree that the electronic signatures of the Parties included in this agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant

to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among Parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the Party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the Parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

XVII. SIGNATURE AUTHORITY:

Each Party has the full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each Party has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date of execution set forth below.

CONTRACTOR

COUNTY

Elisa Arteaga
City Administrator
City of Gridley
Date

Sarah MacArthur
Deputy Director
Butte County Department of General Services
Date

Tony Galyean
Legal Counsel
City of Gridley
Date

Paula M. Daneluk, Director
Butte County
Department of Development Services
Date

Approved as to Form:
Butte County Counsel

By: _____
Date

Reviewed for Contract Policy Compliance

By: _____
General Services
Contract Division
Date

City Council Agenda Item #3
Staff Report

Date: September 2, 2025

To: Mayor and City Council

From: Elisa Arteaga, City Administrator

Subject: Requesting Council Review and Approval of Water, Sewer, and Electric Cost of Service Studies

X	Regular
	Special
	Closed
	Emergency

Recommendation

Staff respectfully requests the City Council review and approve the proposal from Utility Financial Solutions LLC, and authorize the City Administrator to sign the contract for a Cost-of-Service Study for Sewer, Water and Electric Utilities.

Background

For several years, the budget summary of the City of Gridley has highlighted long-standing structural concerns in the city's water and sewer enterprise funds. The last review of the city's electric rate structure was conducted in 2023. Each enterprise fund condition should be monitored and evaluated from time to time by an independent third party to ensure the near and long-term viability of the enterprise fund. This process should be independent, transparent and data driven. A comprehensive analysis and recommendations from the agencies conducting the studies will guide important policy making decisions as the City navigates dramatically changing economic and regulatory demands.

In February 2022, The City of Gridley joined the Northern California Power Agency's (NCPA) Support Services Program. This program allowed the City of Gridley access to a range of affiliated NCPA service providers who had already been through NCPA's RFP process. At the request of city staff, NCPA provided the City of Gridley and the City of Biggs a listing of vetted contractors who have provided highly specialized Cost-of-Service Studies for NCPA member agencies.

At the end of the 2023 calendar year, city council approved two rate increases for Electric, Water, and Sewer. The first increase was in January 2024 and 2025 respectively. This proposal from UFS is to have a third party review the City's Financial health of the enterprise funds. UFS will provide a detailed analysis to the public and council on their findings.

Fiscal Impact

If approved, this would increase the budget by \$52,500. The Electric budget will be increased by \$22,900. The Water Budget will be increased by \$16,900. The Sewer budget will be increased by \$12,700.

Compliance with City Council Strategic Plan or Budget Goals

This course of action is consistent with the City of Gridley's commitment to achieve maximum efficiency and sustainability for all operations and essential services.

Attachments

1. Proposal from Utility Financial Solutions, LLC



City of Gridley

Electric, Water, Wastewater

Cost of Service Study

July 18, 2025



Corporate location:

Utility Financial Solutions, LLC

185 Sun Meadow Court

Holland, MI USA 49424

(616) 393-9722

Fax (888) 566-4430

Submitted Respectfully by:

Mark Beauchamp, CPA, CMA, MBA

President, Utility Financial Solutions, LLC

mbeauchamp@ufsweb.com

(616) 393-9722

mbeauchamp@ufswest.com
O: 616.393.9722
C: 616.403.5450
F: 888.566.4430

Utility Financial Solutions, LLC
185 Sun Meadow Ct
Holland MI, 49424



July 18, 2025

Elisa Arteaga, City Administrator
City of Gridley
685 Kentucky Street
Gridley, Ca 95948

Utility Financial Solutions, LLC (UFS) is pleased to submit a proposal to provide an electric, water, and wastewater cost of service study, financial projection, and rate design for the City of Gridley. Our proposal is based on years of experience navigating complex financial challenges for municipal utilities around the United States.

We approach challenges strategically, partnering with your team to understand your goals before using innovative processes and in-depth research to determine the best solution to suit your needs. We stay on top of industry trends and anticipate challenges to help you solve existing problems and prepare your utility for long-term success. Our methodology and educational components have earned us a reputation as the preferred provider of rate studies in the United States.

Our project team members are experts in their respective fields and instruct for leading utility groups including the American Public Power Association, Southern Gas Association, and the National Association of Regulatory Utility Commissioners. Our specialized team of accountants, engineers, and economists have years of industry-specific experience to help ensure that you reach your goals. UFS was incorporated in 2001 and brings decades of experience to your utility.

For your project, UFS will complete the studies and provide an executive report detailing the process to help communicate with members of your governing body and community. The goal of these efforts is to:

- Establish and maintain long-term financial stability.
- Educate on principals of cost of service and financial planning.
- Earn positive engagement from members of government.

We appreciate the opportunity to submit this proposal and look forward to discussing it with you. If you have questions or need additional information, please contact me at (616) 403-5450.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Beauchamp', is written over a horizontal line.

Mark Beauchamp, CPA, MBA, CMA
President, Utility Financial Solutions, LLC

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Understanding of Project Requirements

Summary of Services for Electric, Water, and Wastewater Utilities

Described below is an overview of the services UFS will provide. Greater detail is included within the detailed scope of service section. The list below includes sections not directly identified within the proposal but are critical in meeting the needs of the community and the utility department.

1. **Development of Long-Term Financial Projections** – These studies are included as part of the UFS scope and are critical in development of a long-term rate strategy. Our study incorporates the strategic plan, funding of long-term capital plans, amount, and timing of any financing needs, and balances the financial stability of the departments. The long-term financial projection and development of key financial targets is discussed in the detailed work plan of our proposal.
2. **Cost of Service Study** – This study identifies the cost of providing services to each class of customer. Our studies identify the cost by customer class for general rate components including variable charges (commodity/volume), capacity related costs (demand), and facilities charges for each customer based on meter sizes or service level. The cost of service study will break out each rate component. Examples of these breakouts include identification of supply costs, transmission costs, and distribution/collection costs by service level.
3. **Customer Rate Designs** – The cost of service study provides solid empirical input on sustainable long-term rate structures, however, rate impacts on customers and achieving goals and objectives of each community is a significant factor in proper design of utility rates. UFS' rate design study identifies impacts on customers at various levels of usage/volume. This function assists the governing body in making informed decisions and understanding the impacts on customers and the community.
4. **Presentation to Staff & Governing Body** – The presentation to staff and the governing body serves two purposes:
 - i. Obtain approval of rate adjustments, rate designs, and obtain guidance during the rate design process.
 - ii. Equally important is the education provided to the governing body to understand the importance of maintaining financial stability, how rates are used to achieve community goals and objectives, and why certain components such as a customer charge are used by utilities. UFS staff are skilled at obtaining guidance needed to develop rates and providing education to allow the governing body to make informed decisions during this process.
5. **Reports (PDF)**
 - i. **Executive Summary Report** –
 - ~ Summarization of the financial projection results, key financial targets and recommended long term rate track needed to achieve financial stability for the utility.
 - ~ Summarization of the cost of service results and cost-based rate structures for consideration in design of utility rates.
 - ~ Description of the major assumptions used in development of the financial projection and cost of service study.
 - ~ Considerations on future rate adjustments and movement toward cost of service
 - ~ The executive summary is used to obtain input from governing body prior to designing utility rates.
 - ii. **Rate Design Report** –
 - ~ Summary of anticipated revenue to be received from the rate design and impacts on customers at various usage levels.

Summary of Ability

A summary of the firm's ability to achieve the Utility's project goals.

Introduction

The City of Gridley is requesting a Cost of Service Study and Financial Plan for the Electric, Water, and Wastewater departments to assess and evaluate the existing rates to ensure the utility operations and maintenance, capital improvement program, depreciation, and debts are adequately funded, while rate impacts are minimized. UFS has the staff available to complete the project in the Utility's desired timeframe. UFS' ability to achieve the Utility's project goals is best demonstrated by our references (noted in a later section) and our organized and well thought out processes outlined below.

Project Set Up

After project award, if selected, UFS will conduct a kick-off meeting to review the information request and confirm the project schedule and deliverables. As data is gathered by the Utility, UFS will process and enter it into the study. Progress calls will be scheduled to address any questions and to review outstanding data requests. UFS will analyze revenues by completing a revenue "proof" to ensure that the monthly billing units provided calculate out to the reported sales revenue when multiplied by current rate schedules.

Revenue Requirements

We will analyze operating expenses and test year budgets. Expenses are itemized at the finest level of detail available from the Utility and forecasted for the test year. Expenses are then categorized such that appropriate allocations can be applied, and costs distributed to the contributing rate class. A similar approach is applied to the Utility's fixed asset net book value and depreciation costs and incorporates the capital improvement program for interim and test years. Together, the expenses, depreciation and a rate of return comprise the revenue requirements of the system. These revenue requirements will flow through to both the cost of service study and the financial projection study.

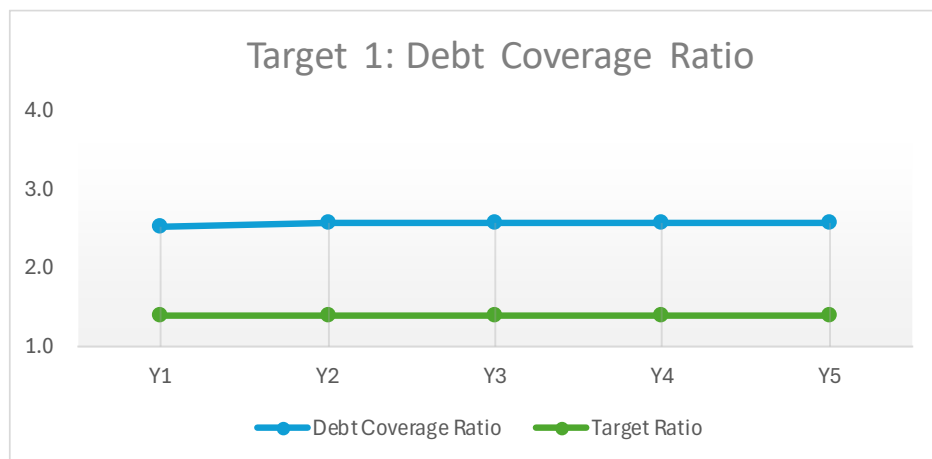
Financial Projection Studies

UFS' financial analysis and the subsequent cost of service studies are unique in their ability to easily change from cash basis revenue requirements to Utility Basis revenue requirements. The financial analysis includes both cash basis targets such as cash reserves and debt coverage; and accrual basis targets such as rate of return. UFS studies also include a review of secondary financial targets such as debt to equity ratios, age of system, days cash on hand and working capital requirements as part of the overall assessment of the financial health of the utility. The financial projection will incorporate assumptions such as inflation, anticipated changes in expenses, debt issuances, and capital improvements. The financial projection incorporates targets to help ensure the long-term financial stability of the Utility is maintained or improved and develop a plan for rate adjustments.

Target One: Debt Coverage Ratio

Based on review of bond issues and debt service schedules, the principal and interest expense will be identified and incorporated into the analysis. We will provide a table as shown below to compare projected Debt Service Ratios with requirements in the Bond Ordinance.

Sample Report Table: Debt Coverage Ratio Graph and Calculation



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Net Income	\$ 996,826	\$ 997,462	\$ 945,213	\$ 826,113	\$ 758,497
Add Depreciation/Amortization Expense	2,565,601	2,609,101	2,732,859	2,921,523	3,057,531
Add Interest Expense	764,408	726,408	688,408	648,408	606,408
Cash Generated from Operations	\$ 4,326,835	\$ 4,332,971	\$ 4,366,480	\$ 4,396,044	\$ 4,422,436
Debt Principal and Interest	\$ 1,714,408	\$ 1,676,408	\$ 1,688,408	\$ 1,698,408	\$ 1,706,408
Projected Debt Coverage Ratio (Covenants)	2.52	2.58	2.59	2.59	2.59
Minimum Debt Coverage Ratio	1.40	1.40	1.40	1.40	1.40

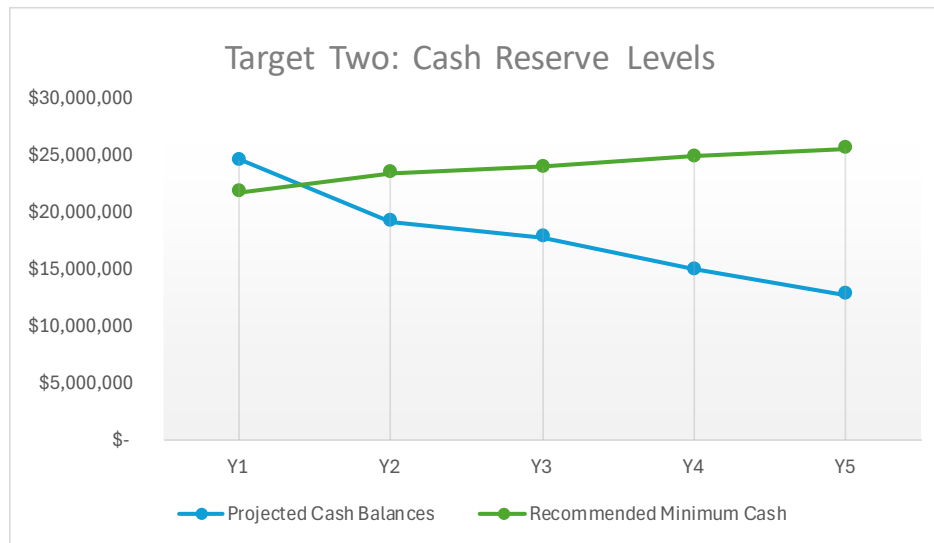
Target Two: Minimum Cash Reserve Calculation

To help ensure timely completion of capital improvements and enable the utility to meet requirements for large, unexpected expenditures and risk factors, the recommended minimum level of cash reserves will be identified. Development of the minimum cash reserves considers several factors.

A sample list is below:

- Working capital
- Variations in expenses
- Capital improvement programs
- Annual bond payments
- Exposure to catastrophic events such as extreme weather

Sample Report Table: Minimum Cash Reserves



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Minimum Cash Reserve Allocation					
Operation & Maintenance Less Depreciation Expense	25%	25%	25%	25%	25%
Supply Expense	25%	25%	25%	25%	25%
Historical Rate Base	2%	2%	2%	2%	2%
Current Portion of Debt Service Payment	83%	83%	83%	83%	83%
Five Year Capital Improvements - Net of Bond Proceeds	20%	20%	20%	20%	20%
% Plant Depreciated	56%	54%	55%	55%	59%
Calculated Minimum Cash Level					
Operation & Maintenance Less Depreciation Expense	\$ 6,589,952	\$ 6,762,400	\$ 6,941,318	\$ 7,153,036	\$ 7,281,393
Supply Expense	8,381,482	9,722,132	9,982,984	10,548,544	11,075,971
Historical Rate Base	1,527,454	1,689,254	1,769,511	1,877,918	1,877,918
Current Portion of Debt Service Payment	1,391,419	1,401,379	1,409,679	1,416,319	1,462,799
Five Year Capital Improvements - Net of Bond Proceeds	3,939,646	3,939,646	3,939,646	3,939,646	3,939,646
Minimum Cash Reserve Levels	\$ 21,829,953	\$ 23,514,811	\$ 24,043,138	\$ 24,935,463	\$ 25,637,727
Projected Cash Reserves	\$ 24,692,803	\$ 19,224,903	\$ 17,829,253	\$ 15,047,239	\$ 12,790,153

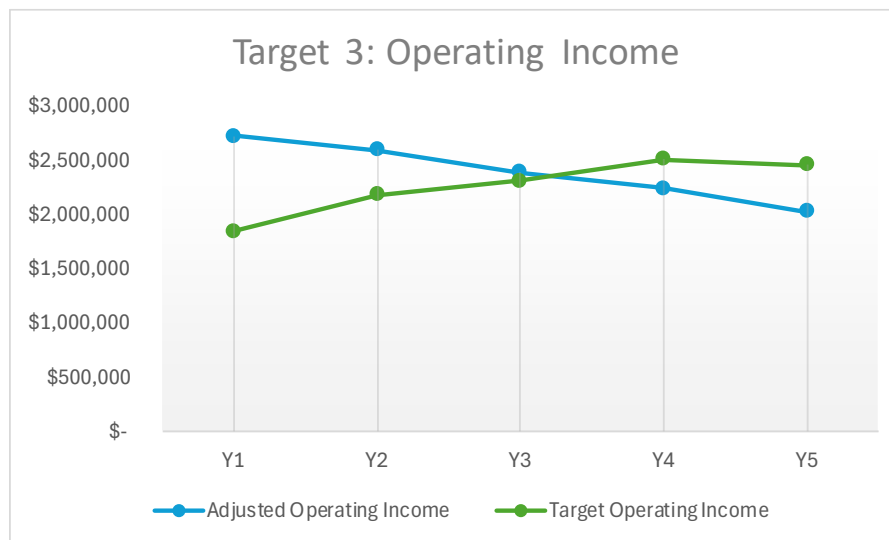
Target Three: Operating Income

The optimal target for setting rates is the establishment of a target operating income to consistently fund capital improvements and replacements.

Development of this target considers the following:

- Interest expense on the outstanding debt
- Inflationary increase on asset replacement costs
- Assets contributed by customers to the Utility

Sample Report Table: Target Operating Income



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Target Operating Income Determinants					
Net Book Value/Working Capital	\$ 33,525,928	\$ 38,888,526	\$ 39,931,938	\$ 42,194,174	\$ 38,927,644
Outstanding Principal on Debt	\$ 18,160,200	\$ 17,210,200	\$ 16,210,200	\$ 15,160,200	\$ 14,060,200
System Equity	\$ 15,365,728	\$ 21,678,326	\$ 23,721,738	\$ 27,033,974	\$ 24,867,444
Target Operating Income Allocation					
Interest on Debt	4.21%	4.22%	4.25%	4.28%	4.31%
System Equity	7.06%	6.73%	6.87%	6.90%	7.48%
Target Operating Income					
System Equity	\$ 1,085,106	\$ 1,459,590	\$ 1,629,338	\$ 1,864,944	\$ 1,859,437
Target Operating Income	\$ 1,849,514	\$ 2,185,998	\$ 2,317,746	\$ 2,513,352	\$ 2,465,845
Projected Operating Income	\$ 2,728,770	\$ 2,599,641	\$ 2,394,956	\$ 2,247,337	\$ 2,037,669
Rate of Return in %	5.5%	5.6%	5.8%	6.0%	6.3%

Five-Year Projection Summary

The projections will be summarized, and development of alternative rate tracks will be reviewed and compared to each financial target to help ensure the future financial stability of the utility. We will work with Management and the Governing body in review and development of five-year strategies and rate track. All adjustments are tied to the cost of service study for the test year, so results can easily be updated, and sensitivities run within the same study.

Projected Summary Financial before Rate Adjustments

Fiscal Year	Projected Rate Adjustments	Adjusting Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash	Capital Improvements Plan	Debt Coverage Ratio
Year 1	0.0%	\$ 2,728,770	\$ 3,038,480	\$ 16,392,621	\$ 18,099,160	\$ 6,065,000	1.10
Year 2	0.0%	2,711,845	3,019,772	14,592,541	19,169,551	2,175,000	1.11
Year 3	0.0%	2,622,411	3,061,319	10,964,992	19,674,886	4,012,870	1.11
Year 4	0.0%	2,473,225	3,149,568	5,938,354	20,516,844	5,420,360	1.12
Year 5	0.0%	2,380,491	3,098,229	4,959,247	20,862,261	1,380,000	1.12

Projected Summary Financials with Rate Adjustment and \$5.0 Million Bond Issuance

Fiscal Year	Projected Rate Adjustments	Adjusting Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash	Capital Improvements Plan	Debt Coverage Ratio
Year 1	2.0%	\$ 3,350,054	\$ 3,038,480	\$ 17,013,904	\$ 18,099,160	\$ 6,065,000	1.26
Year 2	2.0%	3,972,613	3,019,772	22,477,689	19,169,551	2,175,000	1.44
Year 3	2.0%	4,216,200	3,061,319	21,453,355	19,674,886	4,012,870	1.53
Year 4	2.0%	4,407,444	3,149,568	21,578,377	20,516,844	5,420,360	1.62
Year 5	2.0%	4,662,614	3,098,229	21,908,593	20,862,261	1,380,000	1.71

Cost of Service Studies

The development of the cost of service study incorporates the revenue requirement identified as part of the financial projection. This section describes the additional procedures used in development of the cost of service study and sample outputs from previous studies.

Load Profile Information

Load profile information identifies how customers use utilities during different seasons or at various times of the day and is critical to ensure the cost of service study is accurate and defensible. UFS works with utility staff in identification of the appropriate sources of load research information.

We will analyze information from the following sources:

- Electronic meters installed on time of use and other customers.
- Load research information available from other sources.
- Analysis of substation feeders or treatment plant information.
- Utilize our database of existing load research obtained from other utilities.

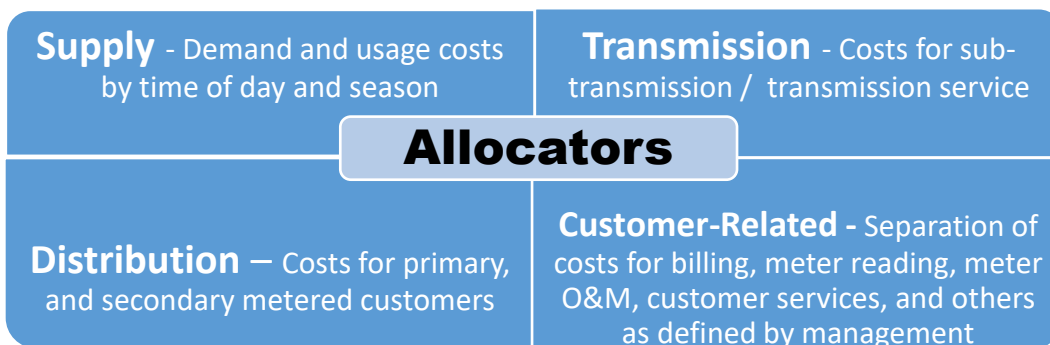
System Losses

Losses can vary substantially depending on system loading, age of infrastructure, and temperature. We will identify the system loss at the various levels of service to customers. To determine the overall system losses, we typically use a three-year average of losses to reduce the impact of changing weather patterns between the last and first month of each year. The losses are then allocated between service level such as transmission or distribution.

Development of Allocators

A critical part of the cost of service study is the development of allocation factors from customer's usage patterns. These allocators are used to allocate the fixed capacity costs, semi-variable operating costs, variable costs, and customer related costs, based on cost-causation. An example of cost causation for electric is the identification of the date and time power supply demand charges are determined and each class usage at the time of the peak demands. An example for water is the identification of peak ratios (max month, max day, max hour). There are over 40 allocation factors often developed as part of a UFS cost of service study. Allocation factors are developed for each season and developed for specific expenses.

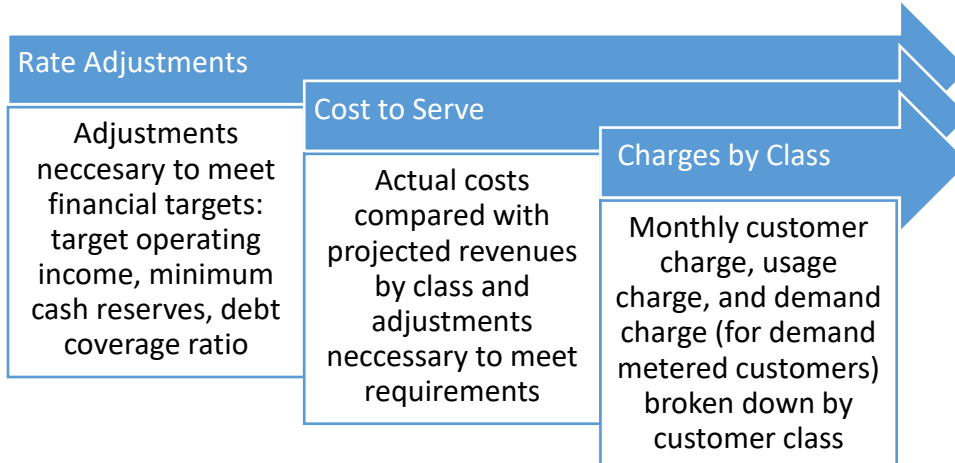
Electric Allocation Example



Prepare Cost of Service Analysis

Customer classes are typically established based on differences in load and usage patterns. How customers use the utility dictates the cost of providing many utility services.

The cost of service portion of the study will determine the following:



A summary of the cost of service analysis for an electric utility is developed similar to the following table:

Customer Class	Cost of Service	Projected Revenues	% Change
Residential A	\$ 4,672,077	\$ 4,183,897	11.7%
General Secondary B	3,032,446	2,974,374	2.0%
Street Light Service S	144,370	133,504	8.1%
Secondary Energy & Demand C	3,144,714	3,072,174	2.4%
Primary Energy & Demand D	20,191,294	20,700,210	-2.5%
	\$ 31,184,901	\$ 31,064,159	0.4%

The cost of service column from the table above identifies the cost to provide service to each class of customers and is compared with the projected revenues from each class. The percent change is the rate adjustment necessary for each class to achieve cost of service. We typically do not recommend rates move fully to cost of service, but as part of the discussions with staff and the governing body we develop a plan to move classes toward cost of service to minimize rate impacts on any specific customer class.

Electric Cost of Service

The load research information identifies the monthly load factors for each class, how much is being used by the class at the peak time of the day when power supply demand or transmission demand charges are determined. The load research information is compared with the hourly system hourly load data to determine the class contributions. The information is then used to determine the class share of transmission and power supply costs.

UFS cost of service studies identify cost in a summary and a detail cost breakdown for each class of customers. For example, the summary of costs identifies the class cost breakdown by customer charge, power supply demand, transmission demand, distribution demand and energy costs. An example is shown below:

Customer Class	Monthly Customer Charge	Distribution Rate	Power Supply			
			Summer		Winter	
			Demand	Energy	Demand	Energy
Residential A	\$ 13.65	\$ 0.0249	\$ 0.0181	\$ 0.0479	\$ 0.0101	\$ 0.0353
General Secondary B	26.60	0.0288	0.0311	0.0550	0.0136	0.0319
Street Light Service S	-	0.0175	-	0.0689	-	0.0300
Secondary Energy & Demand C	120.60	8.52	12.09	0.0577	4.88	0.0313
Primary Energy & Demand D	223.90	7.24	12.38	0.0573	4.85	0.0296

In addition, further breakdowns are available in the studies depending on the needs of the utility. A sample detailed breakdown of distribution costs is shown below:

Rate Breakdown	kWh		kWh		KW	
	Residential A	General Secondary B	Secondary Energy & Demand C	Primary Energy & Demand D		
Demand Breakdown						
Distribution	\$ 0.0110	\$ 0.0117	\$ 3.44	\$ 2.95		
Transmission	0.0059	0.0084	2.91	2.91		
Transformer	0.0027	0.0029	0.73	-		
Substation	0.0052	0.0057	1.43	1.39		
Direct	-	-	-	-		
Subtotal - kWh, kW, HP Charge	\$ 0.0248	\$ 0.0287	\$ 8.51	\$ 7.25		
Customer Breakdown						
Distribution Customer Costs	\$ 6.07	\$ 12.13	\$ 54.59	\$ 109.18		
Transformer Customer Costs	2.07	4.14	18.62	-		
Meter O&M	0.57	0.57	2.87	39.11		
Meter Reading	0.13	0.13	1.15	2.30		
Billing	0.08	0.15	0.70	1.39		
Services	1.20	2.41	10.83	8.23		
Customer Service	3.54	7.08	31.84	63.68		
Customer Charge \$/Meter	\$ 13.66	\$ 26.61	\$ 120.60	\$ 223.89		

Development of New Rate Classes

As part of the initial discussions with management and review of the existing rate tariffs, we will discuss with utility staff whether new rate classes should be considered or if existing rate classes should be combined. Rate classes are created based on similarity in usage patterns, but often utilities will develop new rate classes to create incentives for customers to shift usage to periods of time where power supply costs are lower such as on and off peak time periods for time of use rates.

Examples of new rate class developments are listed below.

- **Standby charges** – Cost isolated by investment in facilities to serve customers on a standby basis.
- **Interruptible Loads** – Rates to promote interruptible loads that reflect the savings to the Utility. Our study will isolate costs by power supply demand, energy, and transmission to identify the potential cost savings of an interruptible customer.
- **Seasonal Rates** – The cost of service study allocates costs to each rate class based on seasonal time period. The time periods will be identified through review of system loads and power supply and transmission costs.
- **Time of Use** – For time of use rates to be effective in sending the proper price signal, the cost of service analysis is supplemented with marginal costs to identify and recommend appropriate charges on a time of use basis.
- **Economic Development Rates** – Rates can be developed to promote economic development by attracting new customers or expansion of existing customers. It is important economic development rates be developed using a marginal cost approach to ensure existing customers are not unduly subsidizing any reduce rates or fees charged under an economic development program.
- **Other Potential Rates are listed below:**
 - ~ Public education rates
 - ~ Green Rates
 - ~ Net Metering Rates
 - ~ Aggregation Rates

New rate designs may result in additional charges for the services provided by UFS. As part of the initial kick off conference call, we should discuss whether any potential new rate classes are being considered.

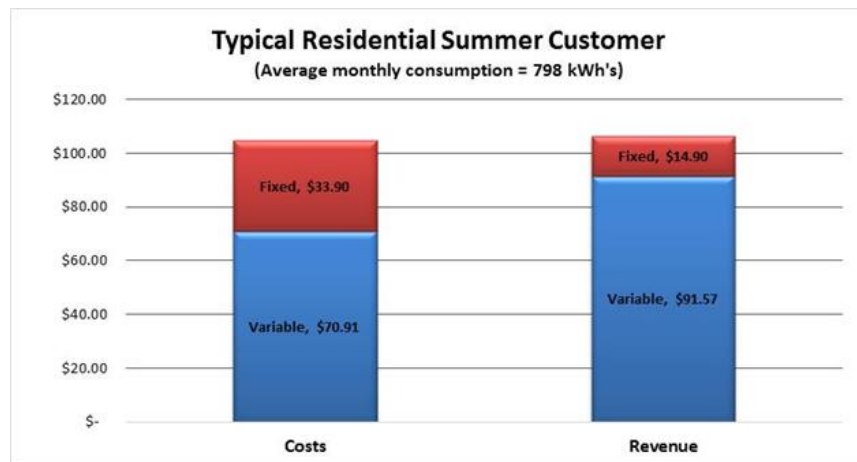
Renewable Energy – Net Metering and Avoided Cost

The growth of customer installed Photovoltaic (PV) may result in under-recovering the utilities' fixed costs due to inappropriately structured residential rates.

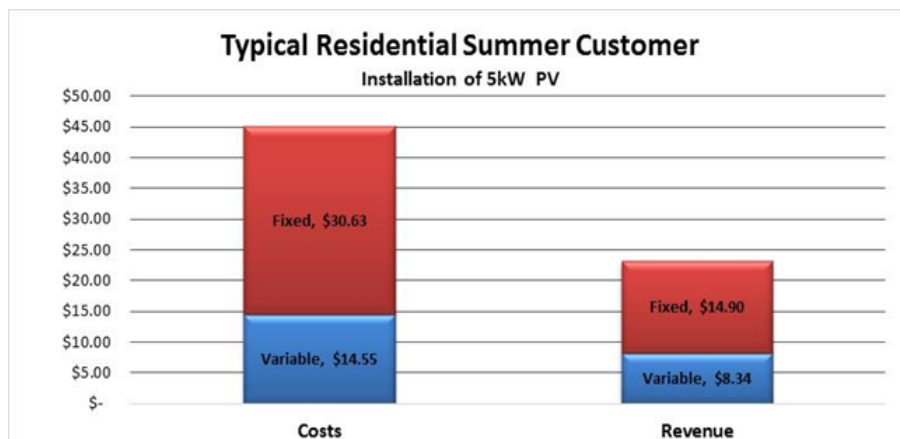
Many utilities face the following residential rate structure issues:

- Customer charges have historically been held low
- Many states require net metering customers with renewables rather than pricing on avoided costs
- Inverted block rate structures that shift fixed cost recovery to outer rate blocks
- Metering and billing limitations
- Historical practices of recovering fixed costs in the energy component of the rate

These issues have resulted in unstable revenue recovery and under-recovery of costs from customers installing distributed generation. This also causes cost shifts and subsidies. The current rate structures may artificially over-value or under-value distributed generation.



If the customer installed a 5kW PV generator producing 700 kWh's (Estimated production from a 5kW PV) the billed energy consumption is reduced to less than 100 kWh's. When the Utility applies its current rates to the remaining usage the revenues recovered from the customer are approximately \$23.00, however, the cost to provide electricity to the customer is \$45.00. This occurs because residential rate structures do not align with costs.



For this utility, the under-recovery occurs because distribution costs should be recovered through a demand charge and customer charges rather than through the energy (kWh) charge. A variety of difficulties and limitations exist to correct the rate structure, although some can be easily corrected.

They include:

- Limitation on metering & billing systems
- Education of the governing body & customers
- Opposition from interveners and special interest groups
- Past practices in rate designs
- Incorrect price signals sent by certain Joint Action Agencies

Water Cost of Service

Consistent with AWWA's "Manual of Water Supply Practices" we will conduct an analysis to isolate cost by customer class. Peak usage ratios will be established using the following information:

- Review of pumping statistics of the wells over the past five years
- Review of peak loadings on water production wells for each month
- Review of monthly usage for each customer class and meter size (billing statistics)

The peak day and peak hour usage factors will be estimated based on average monthly usage compared to peak monthly usage with adjustments made for the monthly billing cycles. The calculated peak is compared with the actual peaks from the production statistics and adjusted to balance.

We then apply the peak to average ratio by customer class to further determine the base, max day, and max hour factors.

Customer Class	Base		Maximum Day			Maximum Hour		
	Annual Use	Average Rate	Capacity Factor	Total Capacity	Extra Capacity	Capacity Factor	Total Capacity	Extra Capacity
5/8" Meter	794,576	1.6	1.47	2.4	0.8	1.47	2.4	0.77
3/4" Meter	43,620	0.1	1.67	0.1	0.1	1.67	0.1	0.06
1" Meter	434,796	0.9	2.02	1.8	0.9	2.02	1.8	0.91
1-1/2" Meter	190,019	0.4	2.03	0.8	0.4	2.03	0.8	0.40
2" Meter	606,089	1.2	1.67	2.1	0.8	1.67	2.1	0.84
3" Meter	135,166	0.3	1.77	0.5	0.2	1.77	0.5	0.21
4" Meter	188,509	0.4	1.23	0.5	0.1	1.23	0.5	0.09
6" Meter	439,040	0.9	1.59	1.4	0.5	1.59	1.4	0.54
Total System	2,831,815	5.80		9.60	3.80		9.60	3.82

Wastewater Cost of Service

Wastewater allocation factors will be developed based on cost causation and allocated to each billing parameter. The allocation factors developed include peaking factors, flow characteristics, and customer related costs. In addition, industrial pre-treatment costs will be reviewed to determine allocation factors for Industrial Waste Discharge Fees.

Example COS Summary Table

Customer Type	Cost of Service Rates	Projected Revenues	Percentage Adjustment
5/8"	\$ 3,543,212	\$ 3,045,073	16%
3/4"	\$ 100,929	\$ 93,713	8.0
1"	\$ 813,759	\$ 770,611	6.0
1-1/2"	\$ 432,333	\$ 371,866	16.0
2"	\$ 1,457,418	\$ 1,265,868	15.0
3"	\$ 270,158	\$ 245,673	10.0
4"	\$ 412,630	\$ 370,115	11.0
6"	\$ 303,145	\$ 300,426	1.0
Flat Rate	\$ 190,341	\$ 171,035	11.0
Total	\$ 7,523,925	\$ 6,634,380	13.4%

Example Monthly Customer Charge Cost of Service Results

	Current Monthly Charge	Current Unit Charge		COS Monthly Customer Charge	COS Unit Charge
		1st and 2nd Block	Current Charge 3rd Block		
In-City					
5/8"	\$ 9.45	\$ 2.18	\$ 2.05	\$ 10.53	\$ 2.08
1"	16.00	2.18	2.05	22.34	2.08
2"	52.25	2.18	2.05	72.16	2.08
3"	106.00	2.18	2.05	150.68	2.08
4"	168.00	2.18	2.05	270.92	2.08
6"	240.00	2.18	2.05	586.42	2.08
Outside City					
5/8"	\$ 14.50	\$ 3.68	\$ 2.89	\$ 17.15	\$ 2.93
1"	26.00	3.68	2.89	34.77	2.93
2"	78.25	3.68	2.89	105.06	2.93
4"	158.00	3.68	2.89	385.31	2.93
6"	248.00	3.68	2.89	821.48	2.93

Rate Design

A five-year rate track will be provided with the financial projection, along with a three-year rate design. Design of utility rates uses input from the cost of service study as guidance on changes to rate classes and the rate components for each rate class. Cost of service results are one factor in design of rates for customers. Other factors must be considered such as impact on customers, social and environmental issues, and philosophy of the utility's governing body.

The rate design identifies the impacts on customers at various usage levels and is listed by rate class, meter size and usage level. UFS will develop and recommend a schedule of electric, water, and wastewater rates designed to generate adequate revenues, and reflect or move toward the recommended rate adjustment.

Additional years' rate design (above the three-year as requested) may be added at an additional cost. Please note that all rate designs outside of the current rate structure will be charged hourly.

Summary of Overall Rate Adjustments, for each class – Electric

Customer Class	Projected Revenues Under		Projected Revenues Under	Projected Percentage Change	
	Current Rates	Proposed Rates	Year 1	Year 1	
Residential A	\$	4,183,897	\$	4,272,065	2.11%
General Secondary B		2,974,374		3,019,822	1.53%
Street Light Service S		133,504		135,687	1.64%
Secondary Energy & Demand C		3,072,174		3,125,649	1.74%
Primary Energy & Demand D		20,700,210		20,956,423	1.24%
Totals	\$	31,064,159	\$	31,509,646	1.43%

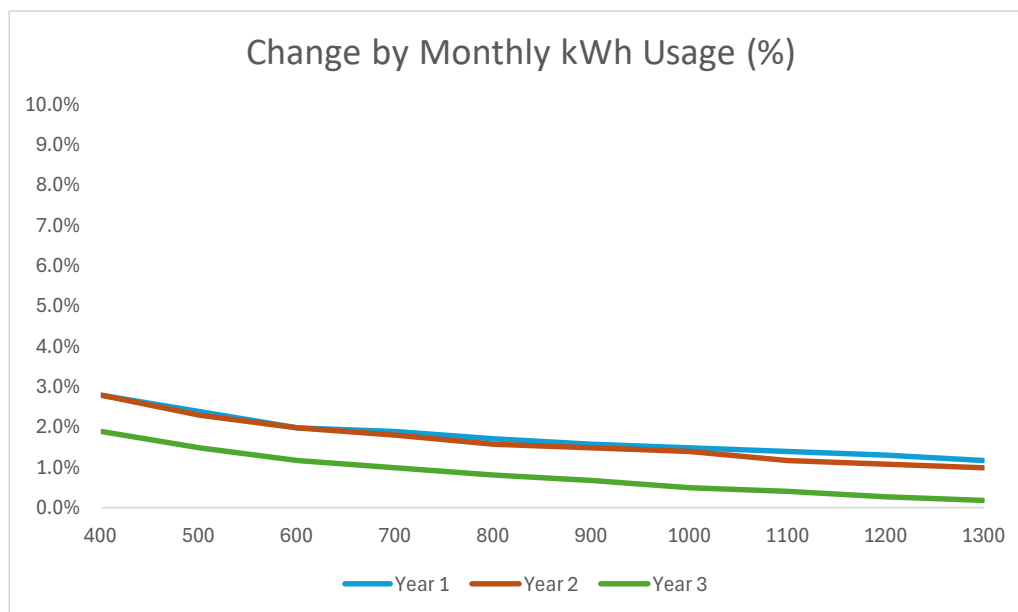
Summary of Overall Rate Adjustments – Water and Wastewater

	Water Utility			Wastewater Utility		
	Current Charge	Proposed Charge Year 1	COS Rates	Current Charge	Proposed Charge Year 1	COS Rates
<i>Charged per thousand gallons</i>						
Commodity Charge - Inside City	\$ 4.57	\$ 4.66	\$ 5.01	\$ 7.87	\$ 8.00	\$ 7.88
Commodity Charge - Outside City	9.14	9.09	6.85	15.74	15.60	11.39
3/4" Meter Inside	12.00	13.00	13.95	14.00	14.50	11.39
1" Meter Inside	12.00	13.00	22.36	14.00	15.00	15.18
2" Meter Inside	48.00	53.00	61.10	56.00	56.50	40.83
4" Meter Inside	192.00	202.00	138.97	224.00	224.00	116.28
6" Meter Inside	432.00	432.00	213.53	504.00	504.00	187.33
3/4" Meter Outside	24.00	25.35	15.12	28.00	28.28	17.48
1" Meter Outside	24.00	25.35	24.20	28.00	29.25	26.30
2" Meter Outside	96.00	96.00	92.66	102.00	110.18	136.44
4" Meter Outside	384.00	384.00	230.61	425.70	436.80	297.85
6" Meter Outside	864.00	842.40	463.12	956.70	982.80	520.40
Total Revenue	\$ 1,772,678	\$ 1,861,311		\$ 2,418,218	\$ 2,514,946	
Proposed Rate Change		5.0%			4.0%	

Sample Electric Rate Design, Multi-Year

Projected Residential Rates

Rates	Current	Year 1	Year 2	Year 3	COS Rates
Monthly Facilities Charge:					
All Customers	\$ 11.75	\$ 13.25	\$ 14.75	\$ 16.25	\$ 18.86
Energy Charge:					
Winter All Energy	\$ 0.1018	\$ 0.1019	\$ 0.1020	\$ 0.1020	\$ 0.10383
Summer Block 1 (First 20 kWhs per day)	0.1100	0.1100	0.1100	0.1070	0.10383
Summer Block 2 (Excess)	0.1249	0.1240	0.1220	0.1190	0.10383
Revenue from Rate	\$ 10,337,868	\$ 10,553,155	\$ 10,762,483	\$ 10,879,557	\$ 11,175,415
Change from Previous		2.1%	2.0%	1.1%	



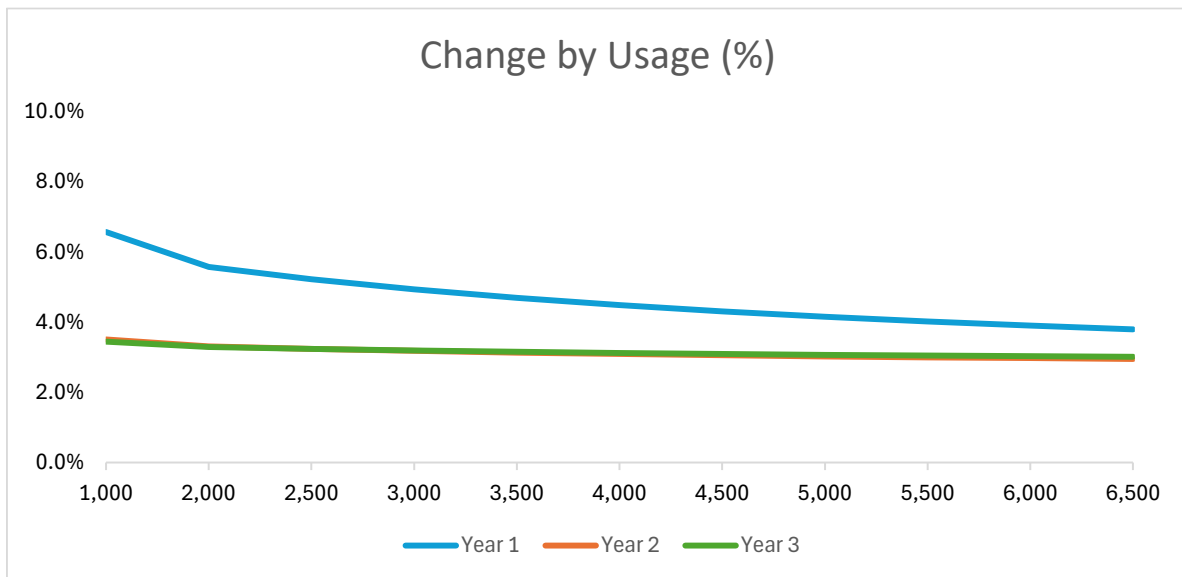
Average Monthly Bill Increase by Usage

	Year 1		Year 2		Year 3	
All Energy	\$	%	\$	%	\$	%
400	\$1.52	2.8%	\$1.53	2.8%	\$1.10	1.9%
500	\$1.52	2.4%	\$1.53	2.3%	\$1.00	1.5%
600	\$1.53	2.0%	\$1.54	2.0%	\$0.90	1.2%
700	\$1.20	1.9%	\$1.49	1.8%	\$0.80	1.0%
800	\$1.47	1.7%	\$1.42	1.6%	\$0.70	0.8%
900	\$1.44	1.6%	\$1.35	1.5%	\$0.60	0.7%
1000	\$1.41	1.5%	\$1.29	1.4%	\$0.50	0.5%
1100	\$1.38	1.4%	\$1.22	1.2%	\$0.40	0.4%
1200	\$1.35	1.3%	\$1.15	1.1%	\$0.30	0.3%
1300	\$1.32	1.2%	\$1.09	1.0%	\$0.20	0.2%

Water Sample Rate Design, Multi Year

3/4" Meter Inside

Rates	Current	Year 1	Year 2	Year 3	COS
Monthly Facilities Charge	\$ 12.00	\$ 13.00	\$ 13.50	\$ 14.00	\$ 13.95
Usage Charge Per 1,000 Gallons					
Inside City	\$ 4.57	\$ 4.66	\$ 4.78	\$ 4.91	\$ 7.88
Revenue from Rate	\$ 1,713,618	\$ 1,790,278	\$ 1,845,664	\$ 1,903,325	\$ 2,575,956
Change from Previous		4.5%	3.1%	3.1%	

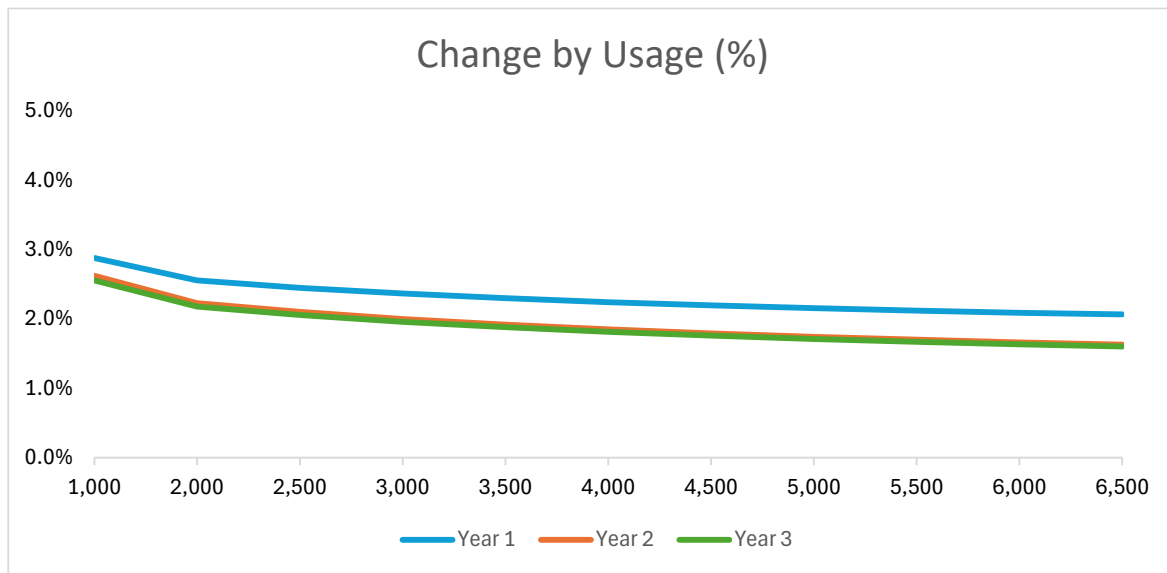


Average Monthly Bill Increase by Usage						
Usage	Year 1	Year 1	Year 2	Year 2	Year 3	Year 3
1,000	\$1.09	6.6%	\$0.62	3.5%	\$0.63	3.4%
2,000	\$1.18	5.6%	\$0.74	3.3%	\$0.76	3.3%
2,500	\$1.23	5.2%	\$0.80	3.2%	\$0.83	3.2%
3,000	\$1.27	4.9%	\$0.86	3.2%	\$0.89	3.2%
3,500	\$1.32	4.7%	\$0.92	3.1%	\$0.96	3.2%
4,000	\$1.36	4.5%	\$0.98	3.1%	\$1.02	3.1%
4,500	\$1.41	4.3%	\$1.04	3.1%	\$1.09	3.1%
5,000	\$1.45	4.2%	\$1.10	3.0%	\$1.15	3.1%
5,500	\$1.50	4.0%	\$1.16	3.0%	\$1.22	3.1%
6,000	\$1.54	3.9%	\$1.22	3.0%	\$1.28	3.0%
6,500	\$1.59	3.8%	\$1.28	3.0%	\$1.35	3.0%

Wastewater Sample Rate Design, Multi Year

3/4" Meter Inside

Rates	Current	Year 1	Year 2	Year 3	COS
Monthly Facilities Charge	\$ 14.00	\$ 14.50	\$ 15.00	\$ 15.50	\$ 11.39
Usage Charge Per 1,000 Gallons					
Inside City	\$ 7.87	\$ 8.00	\$ 8.09	\$ 8.18	\$ 7.88
Revenue from Rate	\$ 2,576,491	\$ 2,634,152	\$ 2,682,716	\$ 2,731,280	\$ 2,432,104
Change from Previous		2.2%	1.8%	1.8%	



Average Monthly Bill Increase by Usage						
Usage	Year 1	Year 1	Year 2	Year 2	Year 3	Year 3
1,000	\$0.63	2.9%	\$0.59	2.6%	\$0.59	2.6%
2,000	\$0.76	2.6%	\$0.68	2.2%	\$0.68	2.2%
2,500	\$0.83	2.4%	\$0.73	2.1%	\$0.73	2.1%
3,000	\$0.89	2.4%	\$0.77	2.0%	\$0.77	2.0%
3,500	\$0.96	2.3%	\$0.82	1.9%	\$0.82	1.9%
4,000	\$1.02	2.2%	\$0.86	1.8%	\$0.86	1.8%
4,500	\$1.09	2.2%	\$0.90	1.8%	\$0.90	1.8%
5,000	\$1.15	2.2%	\$0.95	1.7%	\$0.95	1.7%
5,500	\$1.22	2.1%	\$0.99	1.7%	\$0.99	1.7%
6,000	\$1.28	2.1%	\$1.04	1.7%	\$1.04	1.6%
6,500	\$1.35	2.1%	\$1.09	1.6%	\$1.09	1.6%

Meetings, Reports and Deliverables

Meetings

The following meetings are anticipated (conducted virtually):

- Kickoff meeting – Clarify scope of services and expectations of management.
- Data Verification – Verify data collected.
- Financial Review – Review assumptions used in the long-term projections.
- Review draft reports with management.
- Presentation as requested by management such as review report with Governing body.

Format of Reports

UFS reports are typically separated into the reports listed below:

- **Power Point Summary** – A concise presentation of study results that is shared with management and staff. This summary will include graphs, charts, tables, and findings.
- **Executive Summary Report (PDF)** – An overview that identifies the objectives, process, and results of the rate study in a clear and concise format.
- **Rate Design** – The rate design includes the following:
 - ~ Comparison of the current and proposed rates.
 - ~ Expected revenues generated from proposed rates.
 - ~ Impact on customer classes at various usage levels or load factors within each rate class.

Presentation of Cost of Service and Rate Design Study

A critical aspect of the study is the clear and concise presentation to the Governing body of the utility. UFS professionals are skilled at explaining and working with advisory and governing bodies to ensure decisions are based on information they can understand and apply to their community.

Firm Qualifications

This section discusses UFS' experience and qualifications assisting municipalities with cost of service and financial analysis. UFS personnel are recognized as national experts and include highly qualified, motivated, experienced, and knowledgeable professionals. UFS' reputation has resulted in industry leading status shown by the number of clients we serve, our frequent requests to instruct classes and speak at conferences around the nation and our frequent requests to serve as expert witnesses on rate related issues.

UFS' experience includes completion of rate studies in 43 states, Guam, several Caribbean Islands and Canada. This provides UFS with the experience and knowledge to provide creative solutions.

UFS is the industry leader in electric, water, and sewer studies. Our national experience is summarized below:

In Demand → UFS has completed numerous rate studies for electric, water, sewer, gas, telecommunications, and solid waste.

Diverse → UFS is the preferred provider of rate services for municipalities, electric cooperatives, and members of Joint Action Agencies.

Innovative → UFS is leading the industry in development of Time of Use rates including variations of Variable Peak Pricing, Dynamic Pricing and Real Time Pricing.

Reliable → Our methodologies on establishing financial targets and cash reserve policies have become industry standards and have assisted utilities in improving bond ratings with Fitch, S&P and Moody's.

Supported → Our establishment of rates for customers located outside city limits have been accepted in State Courts and resulted in UFS becoming expert witnesses and arbitrators on rate disputes across the United States.

Experienced → UFS has provided electric, gas, water, wastewater, and telecommunications services to some of the largest utilities in the country including Nashville TN, Knoxville TN, Sacramento Municipal Utility District, Rochester MN, Imperial Irrigation District CA, Austin TX, Huntsville AL, Columbia MO, and Lansing MI.

Knowledgeable → We are frequent speakers on special rate topics around the United States including APPA's National Conference, APPA's Educational Institutes, E&O Workshop, Legal Conferences, Business and Financial Workshop, numerous webinars topics and state conferences in over 15 states.

A sample of recent presentations are listed below:

- ~ Development of Key Financial Targets
- ~ Information provided by Cost of Service Studies
- ~ Cash Reserve Policies for Municipal Utilities
- ~ Development of Utility Extension Policies
- ~ Cost of Service Challenges and Solutions
- ~ Appropriate levels of Contributions to City (Payment in lieu of Tax)
- ~ The Rate Race
- ~ Development of Avoided Cost and Rate Designs for Distributed Generation

Teachers → UFS personnel are the instructors on cost of service and financial planning courses offered through the American Public Power Association (APPA), American Water Works Association (AWWA), and the National Association of Regulatory Utility Commissioners (NARUC), EUCI, and Southern Gas Association. UFS' industry leading status has resulted in courses on distributed generation to the US Department of Energy.

These courses include the following:

- ~ Basic Cost of Service
- ~ Intermediate Cost of Service
- ~ Advanced Cost of Service
- ~ Financial Planning
- ~ Utility Financial Check-up
- ~ Cost of Service and Rate Design for Distributed Generation
- ~ Development of Line Extension Policies
- ~ Rate Structures to promote Energy Conservation
- ~ Rate Structures to create Revenue Stability
- ~ Advanced issues in Rate Design
- ~ Advanced issues in Cost Allocations

UFS holds a commitment to the following:

- **Quality Control** – Proper quality control and management help ensure the accomplished work is in alignment with the project scope, is completed timely, within budget and the results are accurate and defensible. The quality controls developed by UFS are specific to utility rate studies and are based on our prior experience working with electric utilities.
- **Timeliness of Studies** – Part of the quality control includes the timely completion of the rate studies. UFS experience in completing studies provides us the ability to complete the studies as requested and discussed in the initial kick-off meeting.
- **Financial Strength** – UFS commenced business in 2001 and has the highest financial rating by Dunn and Bradstreet.
- **Independence** – UFS maintains its independence throughout its engagements to help ensure unbiased recommendations to the governing bodies. We do not provide services that could impair our independence such as engineering, accounting, or auditing services.
- **Diverse Staff Backgrounds** – Proper development of rate studies require knowledge in accounting, finance, economics, and engineering. UFS staff has diverse backgrounds that include degrees in accounting (CPA), engineering, finance, economics, information technology and degrees in Water Purification Technology.

Proposed service team including titles:

Mark Beauchamp – President
Dawn Lund – Vice President
Dan Kasbohm – Manager
Mike Johnson – Manager
Chris Lund – Business and Technology Manager
Jillian Jurczyk – Manager
Joan Bakenhus – Senior Financial Analyst
Robert Blank – Financial Analyst
Janel Albrecht – Financial Analyst
Jayde Dono – Financial Analyst

Staff Availability

UFS has adequate staff available to complete the tasks in the timeline requested.

Resumes

The next section consists of resumes of UFS team members.

	Mark Beauchamp, CPA, CMA, MBA President, Utility Financial Solutions, LLC
	Email: mbeauchamp@ufswest.com Cellular: 616-403-5450 Location: Holland, MI

Education

- AAS Water Purification Technology
- ABA Business Administration
- BBA Major – Accounting
- MBA Master’s Degree in Business

Expert Witness Service

- Detroit Edison vs. Ameritech – Provided expert witness services for Detroit Edison on development of Pole Attachment Rates for Ameritech
- Nebraska State Unicameral – Served as an expert witness before the State of Nebraska Unicameral on proper rate setting and credits to provide customer installed renewable generation
- Dayton Power & Light – Provided expert witness services on pole attachment rates. Case was resolved prior to Court appearance
- Coldwater Board of Public Works – Provide expert witness services on rate challenge by large industrial customer. Case was dropped after deposition was provided
- Smethport PA – Provided deposition and responses to Pennsylvania Public Service Commission on Rate Filing for Smethport

Industry Involvement

- Member of the American Public Power Association
- Member of the American Water Works Association
- Member of the Institute of Management Accountants
- Speaker at national conferences on Financial Planning for Municipal Utilities, Pricing for Water Utilities, Pricing Fiber Optic backbone systems, Unbundling Electric Rates, and Ways to Attract and Retain Customers
- Author of articles appearing in national magazines and newsletters regarding pricing fiber optics, training electric rates, and designing water rates

License and Qualifications

- Class “A” license in wastewater treatment from the State of Michigan
- (CPA) Certified Public Accountant – Wisconsin
- (CMA) Certified Management Accountant – Institute Certified Management Accountants

Course Instructor

- **American Public Power Association (APPA)**
 - Advanced Cost of Service Course (Cash Basis & Utility Basis of Ratemaking)
 - Intermediate Cost of Service (Cash Basis & Utility Basis of Ratemaking)
 - Basic Cost of Service (Cash Basis & Utility Basis of Ratemaking)
 - Financial Planning for Municipal Utilities
 - Financial Planning for Board & Councils
 - Financial Planning and Rate Setting for Managers (Part of Managers Certificate Program)
- **American Municipal Power (AMP)**
 - Financial Planning and Rate Designs for Electric Utilities
- **Michigan State University**
 - Advanced Issues in Cost Allocation (Utility Basis of Rate Making)
 - Retail Costing and Pricing of Electricity
 - Wholesale Costing and Pricing of Electricity
- **Southwest American Water Works Association**
- **Michigan Rural Water Association**
 - Cost of Service & Rate Making for Water Utilities
- **Michigan Finance Government Officers Association**
 - Cost of Service & Rate Making for Water & Wastewater Utilities

Dawn Lund

Vice-President, Utility Financial Solutions, LLC



Dawn has over 25 years of experience pricing utility services for electric, water and wastewater. She works with utilities across the country on cost of service, financial planning, and a variety of complex financial analyses. She also teaches cost of service and financial planning courses for the American Public Power Association and MI-AWWA. She is also a regularly requested speaker for various regional and national organizations.

Email: dlund@ufswest.com

Cellular: 231-218-9664

Location: Traverse City, MI

Cost of Service (COS)

- Completed electric, water, and wastewater cost of service and rate design studies for utilities across the country, Guam, the Caribbean, and Canada
- Determining appropriate allocations of overhead costs between utility services

Long-term Financial Analysis

- Development of long-term sales and expense projections for electric, water, and wastewater utilities
- Development of long-term financial plan and rate track for electric, water, and wastewater

Presentation & Training

- Presentations to City Councils and Boards for approval of utility rates and proposed rate tracks
- Instructor for APPA's Financial Planning and Basic Cost of Services courses and MI-AWWA
- Monthly presentations to various organizations on topics such as: cost of service, financial planning, key financial targets, cash policies, and how to explain rate increases to the end user, cost of services challenges/solutions, and introduction to allocation studies

Rate Design

- Development of equitable rates between inside-city and outside-city customers
- Development of wholesale contract rates
- Development of special rates; Economic and Time of Use
- Development of Connection Fees
- Development of rate designs to meet financial objectives of utility

Other Professional Involvement

- Member of AWWA Finance, Accounting, Management and Controls Committee
- Member of AWWA Rates and Charges Committee
- Member of MI-AWWA Education Committee
- Developed MI-AWWA Water Academy material for Cost of Service and Financial Planning
- Developed the Basic Cost of Service and Financial Planning courses for APPA
- Preferred consulting firm for Hometown Connections Financial Planning, Cost of Service, and Rate Design

Dan Kasbohm

Manager, Utility Financial Solutions, LLC



Dan joined Utility Financial Solutions, LLC in 2007 and has experience in conducting cost of service and financial analysis for electric, water, wastewater, stormwater and cable utilities around the nation. He has a Bachelor of Science degree in Engineering and has helped public utilities improve revenue stability, set fair and equitable rates, prepare for large capital projects, and help answer questions to many of the unique challenges our industry faces today. Dan is a co-instructor for the Cost of Service course for the American Public Power Association.

Email: dkasbohm@ufswweb.com

Cellular: 616-402-7045

Location: Grand Haven, MI

Cost of Service (COS)

- Utilities include Electric, Gas, Water, and Sewer
- Functionalization & classification of assets and costs related to:
 - Maintaining customer connection to system
 - Variable drivers in production of energy
 - Fixed drivers to support various customer sized loads
- Development of fair & equitable allocators to share assigned costs in each customer class
- Identification of unbundled costs that support rate design and customer price signals

Financial Plan & Key Financial Objectives

- Determine proper revenue requirements (utility costs to be recovered through published rates)
- Provide detailed long-term view of financials
- Develop strategy to meet key financial objectives (debt affordability, minimum cash levels, optimal operating income position, infrastructure age)
- Utilization of financial plan and objectives to provide optional future revenue adjustments with the least impact on utility's customer bills

Presentation & Training

- Presentation of results to each Utility's governing body to help highlight key study findings for:
 - Needed revenue increase
 - Modification of rate components
 - Equitable adjustments toward COS
- Training of Utility staff on use of study results, financial projection, and COS calculations
- Co-Instructor for the American Public Power Association Academy for Cost of Service

Rate Design

- Adjusting current rate structures with focus on:
 - Revenue impacts on Utility financials
 - Customer bill impacts at various usage levels
 - Gradual shift of rate components to COS
 - Improved revenue stability to Utility
 - Increased fairness of revenue recovery
- Development of new rates structures including:
 - Time of Use (seasonal, daily, hourly)
 - Distribution demand bill component
 - Capacity reservation rates
 - Standby service rates
 - Rephrasing rate descriptions to more clearly define application of each rate class
 - Unique large power rates (interruptible, high load factor, pass-through supply)
 - Coincidental-Peak Rates
 - Street lighting rates

Development of Other Effective Tools

- Power Cost Adjustment (PCA) mechanisms based on supply costs, cash position, and financial goals
- Unbundled street light cost of service by lamp
- Policy to identify amount a utility should contribute towards new customer connections
- Policy to offer an economic development discount that doesn't financially impact current rates
- Implementation of a justified minimum cash policy
- Identify cost variations among city & rural meters
- Load profile analysis to identify utility and customer usage patterns
- Calculation of fees for standard utility work
- Rate surveys for similar nearby utilities

Mike Johnson Manager, Utility Financial Solutions, LLC	
	<p>Mike joined Utility Financial Solutions, LLC in 2011 and has experience assisting utilities since 1995. He has a Higher National Diploma in Mechatronics (Combined Electrical/Mechanical Engineering). Mike is experienced in cost of service, rate making, financial/operational modeling, automation, electric utility operations, and power supply.</p> <p>Email: mjohnson@ufsweb.com Cellular: 608-230-5849 Location: Madison, WI</p>

Cost of Service (COS)

- Development of cost of service studies for electric, communication, gas, water, and wastewater utilities
- Forecasts utility revenue requirements
- Cost allocation model development

Long-term Financial Analysis

- Develops utility financial analysis models
- Identifies growth and load forecasting
- Models rate and revenue effect for customer change within utilities (loss of customers/additional load)
- Develops target metrics for utilities including cash policies, operating income, debt coverage

Expert Witness Services

- Prepared and testified on filings to Public Utility Commission

Rate Design

- Provides cost of services class allocations and rate making
- Designs time of use rates
- Identify effects for different usage patterns within the same class
- Development of rates for alternative fuels and vehicles
- Evaluate marginal costs and development of line extension policies and economic development rates

Other Utility Tools

- Computes cost functionalization and allocation systems for designing and managing complex changes
- Evaluates data and system integration issues associated with new software implementations
- Provides market analysis, bidding, and settlement processes analysis
- Identification and valuation of fixed assets
- Assessment of utility value for sales/purchase
- Development of risk mitigation tools, power/fuel cost adjustment mechanisms

Chris Lund Business & Technology Manager, Utility Financial Solutions, LLC	
	<p>Chris has a bachelor's degree in Business Administration with concentration in Computer Science and Speech Communications. He has been a technology and management consultant since 1992 and has utility experience since 2005. Chris is an employee of UFS since 2012 and has also sub-consulted on a variety of technology projects for UFS since 2003.</p> <p>Email: clund@ufsweb.com Cellular: 231-342-9798 Location: Traverse City, MI</p>

Financial Consulting

- Completed cost of service and rate design studies for electric, water, wastewater, telecommunications, and refuse utilities
- Designed, wrote, and implemented long term financial projection model including revenue requirements and rate track
- Determined avoided cost for solar (photovoltaic - PV) and wind for renewable energy rates
- Lead consultant for electric vehicle (EV) rates and service study
- Conducted multiple fiber optic cost of service and rate design studies
- Presentations to Governing Bodies for approval of utility rates and proposed rate tracks

Data Analytics

- Data mining and analysis specialist for electric load data research
- Specialist with data mining, data conversion and custom reporting
- Experienced with various ODBC (database connectivity)
- Implemented job costing solution for manufacturing companies
- Designed, written, implemented, supported multiple, custom bar coding and data collection systems for wholesale distribution and manufacturing organizations
- Data collection systems pushed data to payroll for time and attendance, automated inventory tracking and job costing

Technology Experience

- Experienced in Microsoft Excel automation – including payroll data, job costing and automated billing (office automation)
- Experienced in Microsoft Access custom database, programming, and reporting – including electronic data interchange (EDI) mapping using Microsoft VBA
- Lead consultant for multiple mission critical, corporate wide enterprise resource planning (ERP) technology solutions
- Implemented, trained, and supported multiple telecommunications projects
- Implemented and supported some of the first voice over internet protocol (VOIP) telecommuting systems
- Guide management with technology related strategy and business integration
- Modification and complete custom program solutions on midrange and PC
- Wrote automated bill of material (BOM) purchasing forecasting system
- Specify, install, and maintain mission critical PC network infrastructure, servers, workstation, and related software
- Experienced in network security and virtual private network (VPN) technology
- Implemented and supported web storefronts integrated with corporate backend database solution for inventory management, order processing, billing, and account status

Jillian Jurczyk Manager, Utility Financial Solutions, LLC	
	<p>Jill has been with UFS since 2013. She has a Bachelor’s degree in Mathematics and a Master’s degree in Applied Economics from Johns Hopkins University. Jill has populated and analyzed cost of service models, developed long-term financial projections, and designed rates for utilities. Jill specializes in econometric modeling and statistical analysis to project sales and usage. She has worked with a variety of econometric software packages and is competent in handling seasonality, trend, heteroscedasticity, and other economic inefficiencies that arise in data analysis.</p> <p>E-mail: jjurczyk@ufsweb.com Cellular: 616-283-8502 Location: Holland, MI</p>

Cost of Service (COS)

Prepares and analyzes cost of service studies to determine appropriate allocations of cost between customer classes, including identification of fixed and variable costs, and assigning appropriate cost drivers to utility expenses, such as kWh sales and non-coincident peak.

Long-term Financial Analysis

Extensive experience utilizing client data to build financial projections, determine revenue requirements, forecast utility sales, and develop cost allocations.

Rate Design

Identifies cross-subsidization between rate classes through cost of service analysis and develops rate design plans to assist in moving utilities toward more equitable rate structures. Analyzes customer bill impacts at various usage levels and identifies revenue stability of rates.

Presentation/Training

Skilled at presenting study results to management and educating governing body of utility. Speaker at various industry conference events.

Management

Excels at managing project workflow and timelines, including consistent and clear client communication among UFS, client, and other stakeholders, throughout the project, and ensuring complete fulfillment of project deliverables.

Other Utility Tools

- Technical expertise in conducting long-term econometric forecasts for electric and water load forecasting
- Proficient at using system and class load data to develop load curves, calculate load factors, and identify system coincidence factors
- Conducting time of use studies, including identification of on-peak and off-peak time periods, and identifying time-based cost to adequately set rates
- Development of power cost adjustment methodology that allows for proper power cost recovery
- Setting avoided cost rates for distributed generation resources
- Development of sales and expense projections to adequately determine a financial plan and rate track
- Innovating rate designs to meet the financial and social objectives of the utility
- Evaluating rate impacts at various usage levels prior to rate implementation

Certifications and Professional Affiliations

- American Water Works Association
- Solid Waste Association of North America
- 2024 American Public Power Association Business and Finance Committee Corporate Officer
- Women in leadership, Cornell University

Joan Bakenhus

Senior Financial Analyst, Utility Financial Solutions, LLC



Joan has experience working with municipal utilities from 1986-1996 and came back to industry in 2006. Joan has a degree in Business Administration. Joan has worked as a Rate Analyst for one of the largest public power systems in the nation (Lincoln Electric System) and for Utility Financial Solutions, LLC since 2006. Joan is experienced in development of long-term financial plans, rate design models and cost of service studies for electric, water, and wastewater utilities.

Email: jbakenhus@ufswest.com

Cellular: 402-450-7544

Location: Nebraska

Cost of Service (COS)

- Working with Utilities to identify information requirements to complete cost of service and financial plans
- Set up and develop utility revenue requirements, cost of service program and utility revenue proof
- Balancing and set up of models for development of cost of service for water, wastewater, and electric utilities to determine commodity and customer charges
- Responsible for analysis, preparation and updating cost of service models for several electric, water utilities

Long-term Financial Analysis

- Development of long-term financial forecasts for water, wastewater, and electric utilities to determine the amount of timing of rate adjustments

Rate Design

- Balancing and set up of models for development rate design for water, wastewater, and electric utilities to determine commodity and customer charges
- Development of rate design models for electric, water utilities
- Development of rate surveys

Other Utility Tools

- Balancing of sales with revenue to help ensure proper billing statistics are used in cost of service models

Robert Blank

Financial Analyst, Utility Financial Solutions, LLC



Robert has been working for Utility Financial Solutions, LLC since May of 2014 and has a Bachelor of Business Administration with a major in Finance from Davenport University. Over his time at UFS he has conducted Utility rate surveys as well as developed rate designs. Robert has experience with long term financial projections and cost of service studies for Electric, Water, Wastewater, and Gas utilities.

E-mail: bblank@ufsweb.com

Cellular: 616-403-9926

Location: Holland, MI

Long Term Financial Analysis

- Responsible for analysis of financial statements and preparation of cost of service models
- Development of financial targets to determine the financial health of the Utility
- Determine the minimum cash reserve level to maintain financial stability of the Utility
- Calculating debt coverage ratios to identify responsible borrowing to help obtain a higher bond rating
- Calculate an optimal operating income to ensure current customers pay their fair share of the infrastructure
- Develop projected rate tracks to minimize customer impacts while achieving financial targets

Cost of Service (COS)

- Working with utilities to identify the information needed to conduct an accurate cost of service study
- Analyzing billing reports to proof data with financials
- Determine interclass and intraclass subsidizations of various rate classes
- Identify fixed and variable costs related to customer, commodity, and demand

Rate Design

- Develop rate design models for electric, water, wastewater, and gas utilities
- Implementation strategies for monthly customer charges and demand charges
- Identify customer impacts for various customer types at different usage levels
- Conducting rate surveys
- Designing irrigation and horsepower rates

Janel Albrecht

Financial Analyst, Utility Financial Solutions, LLC



Janel began working for Utility Financial Solutions, LLC in February 2024. She has 25 years of experience as an administrative professional with strong attention to detail. Janel worked in the paper industry handling a wide variety of responsibilities, including data management and reporting. For seven years, she managed a small team, scheduled onsite service work, and utilized Excel for tracking schedules, financial data, and operational reports.

E-mail: jalbrecht@ufswweb.com

Cellular: 920-213-7491

Location: Neenah, WI

Janel is skilled in the following:

- Preparing business proposals and reports
- Strong attention to detail and accuracy
- Experienced in Excel (data entry)
- Billing and invoicing
- Customer service and professional correspondence
- Maintaining and managing customer information databases
- Order entry and production scheduling

Jayde Dono

Financial Analyst, Utility Financial Solutions, LLC



Jayde joined Utility Financial Solutions, LLC in April 2025, bringing a strong foundation in finance and economics. She earned a Bachelor of Science in Economics and a Bachelor of Business Administration in Finance from the University of Central Florida. Prior to joining UFS, Jayde gained hands-on experience in finance and accounting as an intern, where she designed dashboards, performed reconciliations, and developed impactful presentations for management.

E-mail: jdono@ufswweb.com

Cellular: 386-457-9895

Location: Mobile, Alabama

Jayde is skilled in the following:

- Building Power BI dashboards and analyzing data
- Preparing finance presentations for various levels of management
- Reconciling reports across NetSuite, vendor data, and internal systems
- Performing financial analysis and forecasting
- Customer service and conflict resolution
- Proficiency in Excel
- Team collaboration and cross-departmental communication
- Managing and maintaining accurate records

References

UFS completed a cost of service study for the City of Gridley for the Electric, Water, and Wastewater departments in 2022.

City of Lompoc – Lompoc, CA

Client Contact: Brad Wilkie, Utility Director

Phone: 805-875-8299

Email: b_wilkie@ci.lompoc.ca.us



Utility	Electric	Wastewater
Services Provided	2021 – 2024	2023 – 2024
Scope of Work	<ul style="list-style-type: none"> Long-term financial projections, review of financial targets, and long term rate track Cost of service study, and multi-year rate design Reports and presentations to governing body 	
Additional Information		<ul style="list-style-type: none"> Rate restructure to match billing system

City of Shasta Lake – Shasta Lake, CA

Client Contact: James Takehara, Electric Utility Director

Phone: 530-275-7400

Email: jtakehara@cityofshastalake.org



Utility	Electric
Services Provided	2012 – 2023
Scope of Work	<ul style="list-style-type: none"> Long-term financial projections, review of financial targets, and long term rate track Cost of service study, and multi-year rate designs Line extension study Power cost adjustment study Solar distributed generation rate program review Reports and presentations to governing body
Additional Information	<p>The City had several important objectives and considerations apart from traditional cost of service considerations, such as: promotion of economic development, impacts on low income users, and environmental objectives such as carbon free resources, utility scale renewable projects, rooftop solar, energy conservation, electric vehicles. The study included analysis of a special contract customer that considered a pass-through power supply and margin distribution charge, with a customer owned substation accounted for in the cost of service allocations. UFS also conducted bill comparisons for each rate class to ensure customers did not receive an increase outside of the projected bandwidth.</p>

Alameda Municipal Power – Alameda, CA

Client Contact: Alan Harbottle, Energy Resources

Phone: 510-814-6403

Email: harbottle@alamedamp.com



Utility	Electric
Services Provided	2022 – Present
Scope of Work	<ul style="list-style-type: none"> • Cost of service study, and one-year rate design • Minimum cash reserve determination, debt service ratio, and target operating income • Analyze residential tier sizes • Value of Solar • Reports and presentations to governing body

McMinnville Water & Light – McMinnville, OR

Client Contact: Trena McManus, Utility/Rate Analyst

Phone: 503-435-3113

Email: tdm@mc-power.com



MCMINNVILLE
Water & Light

Utility	Electric	Water
Services Provided	2013 – Present	2017 – 2024
Scope of Work	<ul style="list-style-type: none"> • Long-term financial projections, review of financial targets, and long term rate track • Cost of service study, and four-year rate design • Reports and presentations to governing body 	
Additional Information	<ul style="list-style-type: none"> • Time of use analysis • Street lighting cost of service • Analyze pole attachment fees • Line extension analysis • Financial reserve policy 	

Project Schedule

Our experience with cost of service and rate design studies allows us to conduct a cost effective and efficient study. The following is the tentative project schedule for completion of the cost of service and rate design. This schedule will be finalized during the initial project kick-off meeting with management.

UFS understands the City of Gridley would like draft results by December 2025, along with a virtual presentation in January 2026.

<i>Task</i>	<i>Expected Completion – Twelve Weeks</i>
Initial Meeting – Preparation of Information Request	Week One
Completion of Information Request by Client	Week Two
Planning/Set-up Study	Week Three – Five
Development of Revenue Requirements	Week Six – Seven
Cost of Service Analysis Component/Functional Costs	Week Eight - Nine
Review Rate Design and Alternatives	Week Ten
Report, Recommendations & Presentation of Draft	Week Eleven
Final Report	Week Twelve

The completion of the project on the proposed schedule is dependent on the cooperation of various departments within the Utility to prepare the information request in a timely manner.

Proposed Professional Services Agreement

Prices, terms, and conditions are good for a period of 90 days from this proposal date of July 18, 2025.

Payment will be made through submission of invoice which itemizes the work performed.

Cost of Service, Financial Projection, Three-Year Rate Design:

Electric	\$22,900
Water	\$16,900
Wastewater	\$12,700
Optional: Onsite Visit, each	\$3,000

Totals above do not include onsite meetings, out of pocket travel expenses, or travel time.

Anticipated Meetings (Virtual, unless noted):

- Project kickoff
- Data collection summary
- Financial review summary
- Draft report with management
- Final report with management

Deliverables (for all utilities):

- Final Report (PDF), detailing:
 - Long-term Financial Projection and Rate Track
 - Minimum cash reserve determination
 - Debt service ratio
 - Target operating income (rate of return)
 - Cost of Service Analysis
 - Three-Year Rate Design

Hourly Rates (travel is discounted at 50%)

Mark Beauchamp	\$ 375.00
Dawn Lund	\$ 350.00
Dan Kasbohm	\$ 310.00
Mike Johnson	\$ 310.00
Chris Lund	\$ 310.00
Jillian Jurczyk	\$ 295.00
Joan Bakenhus	\$ 190.00
Support Staff	\$ 70.00 – \$ 195.00

Out of Scope Pricing:

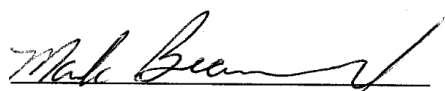
Out of scope work hours will be billed at the current hourly rates in effect at the time the services are performed.

Onsite meetings, if requested and agreed upon, will be billed as out of scope. Out of pocket expenses will be billed at cost.

All rate designs outside of the current rate structure or additional years of rate design will be charged hourly.

We look forward to exceeding your expectations. Please sign, date, and return to jjurczyk@ufswweb.com at your earliest convenience.

Sincerely,



Mark Beauchamp, CPA, MBA, CMA
President, Utility Financial Solutions, LLC

Date: _____

Accepted By: _____

City of Gridley