

Council Business Meeting

January 5, 2021

Agenda Item	Approval of a Professional Services Contract to Update Water and Storm Drain System Development Charges	
From	Scott Fleury PE	Public Works Director
Contact	Scott.fleury@ashland.or.us ; (541) 552-2412	

SUMMARY

Before the Council is a professional services contract with Galardi Rothstein Group to update the existing Water and Storm Drainage System Development (SDC) charges and associated methodology. The 2020 Water Master Plan update was adopted by Council at the August 4, 2020 Business Meeting and the financial analysis recommended review and updates to the existing water system SDCs. The Storm Drain Master Plan is substantially complete including the financial analysis and staff has included the Storm Drain SDC analysis into the contractual work.

POLICIES, PLANS & GOALS SUPPORTED

City Council Goals:

Essential Services

- Drinking Water System
- Stormwater

Continue to leverage resources to develop and/or enhance Value Services

Department Goals:

- Maintain existing infrastructure to meet regulatory requirements and minimize life-cycle costs
- Deliver timely life cycle capital improvement projects
- Maintain and improve infrastructure that enhances the economic vitality of the community
- Evaluate all city infrastructure regarding planning management and financial resources

PREVIOUS COUNCIL ACTION

The Council has taken numerous actions over the years with respect to SDC charges and methodology updates. The last Council action occurred at the February 19, 2019 Business Meeting, which included updating the current Ashland Municipal Code for SDC charges ([Minutes](#), [Staff Report](#)). Prior to this, the Council also approved changes to the Transportation SDCs in a process similar to the one proposed for updating the water and storm drain SDCs.

BACKGROUND AND ADDITIONAL INFORMATION

The recently adopted Water and soon to be Storm Drain Master Plan include Capital Improvement Projects (CIP) that differ from the existing and previously developed CIPs, which were used to establish current SDC rate structures. The financial analysis in the current Water Master Plan recommends updating the existing water SDCs and with the Storm Drain Master Plan substantially complete staff feels it is best to include the storm drain SDCs in the contractual work. Updates to SDCs are important as they ensure the appropriate fee capture of new development impacts to the City's infrastructure systems. SDC fees are only used for project costs associated with infrastructure capacity enhancements. Defined capital improvements vary in SDC capacity charges from 0 percent to 100 percent SDC "eligible".

In order to update the water and storm drain SDCs staff issued a request for proposal to obtain professional economic services from a qualified consultant to perform associated activities necessary to update the SDCs in coordination with the SDC Committee.

The request for proposal was released on August 20, 2020 on the Oregon Procurement Information Network (ORPIN), advertised locally and with the Daily Journal of Commerce. Responses were due on September 24, 2020. Upon close of the solicitation three proposals were received. A four-member team evaluated the proposals against the established criteria. The team included Melanie Purcell, Finance Director, Brandon Goldman, Senior Planner, Karl Johnson, Associate Engineer and Scott Fleury PE, Public Works Director. The final scoring is shown below.

The results of the scoring are as follows:

CONSULTANT	TOTAL SCORE	RANK
Galardi Rothstein Group Inc.	360	1
FCS Group Inc.	348	2
Hansford Economic Consulting Inc.	339	3

After completion of scoring all firms were notified of the City’s intent to negotiate a final scope and fee for the project with the Galardi Rothstein Group. After notification, staff worked with Galardi Rothstein Group to develop the scope and fee for the proposed work.

FISCAL IMPACTS

The proposed professional contractual services amount for Galardi Rothstein Group to complete the necessary scope of services for the SDC updates is a time and materials not to exceed amount of \$49,660. Funding would come directly from the Water and Storm Drain SDC funds budgeted within the Fiscal Year (FY) 2020-2021 budget and split appropriately.

Additional fiscal impacts are linked to the staff time necessary to manage the project from start to finish. City staff associated with this project include the Director Public Works or designee, the Director of Planning or designee, and administrative support staff.

STAFF RECOMMENDATION

Staff recommends approval of a Professional Services Contract with the Galardi Rothstein Group.

ACTIONS, OPTIONS & POTENTIAL MOTIONS

1. I move to approve a Professional Services Contract with the Galardi Rothstein Group in the amount of \$49,660.
2. I move to amend the Professional Services Contract with the Galardi Rothstein Group [insert amendment].
3. I move to request the City perform a new solicitation for professional services to update the water and storm drain SDCs.

REFERENCES & ATTACHMENTS

Attachment 1: Professional Services Contract with Galardi Rothstein Group

PERSONAL SERVICES AGREEMENT (GREATER THAN \$25,000.00)

<p>CITY OF ASHLAND 20 East Main Street Ashland, Oregon 97520 Telephone: 541/488-5587 Fax: 541/488-6006</p>	<p>CONSULTANT: Galardi Rothstein Group CONSULTANT'S CONTACT: Deborah Galardi ADDRESS: 7327 SW Barnes Rd UNIT 224, Portland, OR 97225 TELEPHONE: (503) 236-0002</p>
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This Personal Services Agreement (hereinafter "Agreement") is entered into by and between the City of Ashland, an Oregon municipal corporation (hereinafter "City") and Galardi Rothstein Group, an assumed business name of Galardi Consulting, LLC, a domestic limited liability company ("hereinafter "Consultant"), for assistance in updating the City's water and storm drain System Development Charges (SDC) methodologies.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the City and Consultant hereby agree as follows:

- 1. Effective Date and Duration:** This Agreement shall become effective on the date of execution on behalf of the City, as set forth below (the "Effective Date"), and unless sooner terminated as specifically provided herein, shall terminate upon the City's affirmative acceptance of Consultant's Work as complete and Consultant's acceptance of the City's final payment therefore, but not later than December 31, 2021.
- 2. Scope of Work:** Consultant will assist in reviewing and updating the City's water and storm drain System Development Charges (SDC) methodologies as more fully set forth in the Consultant's Scope of Services dated December 7, 2020, which is attached hereto as "Exhibit D" and incorporated herein by this reference. Consultant's services are collectively referred to in this Agreement as the "Work."
- 3. Supporting Documents/Conflicting Provisions:** This Agreement and any exhibits or other supporting documents shall be construed to be mutually complementary and supplementary wherever possible. In the event of a conflict which cannot be so resolved, the provisions of this Agreement itself shall control over any conflicting provisions in any of the exhibits or supporting documents.
- 4. All Costs Borne by Consultant:** Consultant shall, at its own risk, perform the Work described above and, unless otherwise specified in this Agreement, furnish all labor, equipment, and materials required for the proper performance of such Work.

5. **Qualified Work:** Consultant has represented, and by entering into this Agreement, now represents, that all personnel assigned to perform any of the Work under this Agreement are fully qualified to perform the services and Work to which they will be assigned in a skilled manner and, if required to be registered, licensed or bonded by the State of Oregon, are so registered, licensed and bonded.
6. **Compensation:** City shall pay Provider for its Work at the hourly billing rates as set forth in "Exhibit D," which is attached hereto and incorporated herein by this reference, as full compensation for Provider's performance of all Work under this Agreement. In no event shall Consultant's total of all compensation and reimbursement under this Agreement exceed the sum of **\$49,660.00** (forty-nine thousand six hundred and sixty dollars) without the express, written approval from the City official whose signature appears below, or such official's successor in office. Payments shall be made within 30 days of the date of receipt by the City of Consultant's invoice. Should this Agreement be terminated prior to completion of all Work, payments will be made for any phase of the Work completed and accepted as of the date of termination.
7. **Ownership of Work/Documents:** All Work, work product, or other documents produced in furtherance of this Agreement belong to the City, and any copyright, patent, trademark proprietary or any other protected intellectual property right shall vest in and is hereby assigned to the City.
8. **Statutory Requirements:** The following laws of the State of Oregon are hereby incorporated by reference into this Agreement: ORS 279B.220, 279B.230 and 279B.235.
9. **Living Wage Requirements:** If the amount of this Agreement is \$22,002.43 or more, Consultant is required to comply with Chapter 3.12 of the Ashland Municipal Code by paying a living wage, as defined in that chapter, to all employees performing Work under this Agreement and to any Subcontractor who performs 50% or more of the Work under this Agreement. Consultant is also required to post the notice attached hereto as "Exhibit B" predominantly in areas where it will be seen by all employees.
10. **Indemnification:** Consultant hereby agrees to defend, indemnify, save, and hold City, its officers, employees, and agents harmless from any and all losses, claims, actions, costs, expenses, judgments, or other damages resulting from injury to any person (including injury resulting in death), or damage (including loss or destruction) to property, of whatsoever nature arising out of or incident to the performance of this Agreement by Consultant (including but not limited to, Consultant's employees, agents, and others designated by Consultant to perform Work or services attendant to this Agreement). However, Consultant shall not be held responsible for any losses, expenses, claims, costs, judgments, or other damages caused solely by the negligence of City.
11. **Termination:**
 - a. Mutual Consent. This Agreement may be terminated at any time by the mutual consent of both parties.
 - b. City's Convenience. This Agreement may be terminated by City at any time upon not less than thirty (30) days' prior written notice delivered by certified mail or in person to

Consultant.

- c. For Cause. City may terminate or modify this Agreement, in whole or in part, effective upon delivery of written notice to Consultant, or at such later date as may be established by City under any of the following conditions:
- i. If City funding from federal, state, county or other sources is not obtained and continued at levels sufficient to allow for the purchase of the indicated quantity of services;
 - ii. If federal or state regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this Agreement or are no longer eligible for the funding proposed for payments authorized by this Agreement; or
 - iii. If any license or certificate required by law or regulation to be held by Consultant to provide the services required by this Agreement is for any reason denied, revoked, suspended, or not renewed.
- d. For Default or Breach.
- i. Either City or Consultant may terminate this Agreement in the event of a breach of the Agreement by the other. Prior to such termination the party seeking termination shall give to the other party written notice of the breach and its intent to terminate. If the party committing the breach has not entirely cured the breach within fifteen (15) days of the date of the notice, or within such other period as the party giving the notice may authorize in writing, then the Agreement may be terminated at any time thereafter by a written notice of termination by the party giving notice.
 - ii. Time is of the essence for Consultant's performance of each and every obligation and duty under this Agreement. City, by written notice to Consultant of default or breach, may at any time terminate the whole or any part of this Agreement if Consultant fails to provide the Work called for by this Agreement within the time specified herein or within any extension thereof.
 - iii. The rights and remedies of City provided in this subsection (d) are not exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.
- e. Obligation/Liability of Parties. Termination or modification of this Agreement pursuant to subsections a, b, or c above shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination or modification. However, upon receiving a notice of termination (regardless whether such notice is given pursuant to Subsection a, b, c, or d of this section, Consultant shall immediately cease all activities under this Agreement, unless expressly directed otherwise by City in the notice of termination. Further, upon termination, Consultant shall deliver to City all documents, information, works-in-progress and other property that are or would be deliverables had the Agreement been completed. City shall pay Consultant for Work performed prior to the termination date if such Work was performed in accordance with this Agreement.

12. **Independent Contractor Status:** Consultant is an independent contractor and not an employee of the City for any purpose. Consultant shall have the complete responsibility for the performance of this Agreement. Consultant shall provide workers' compensation coverage as required in ORS Chapter 656 for all persons employed to perform Work pursuant to this Agreement. Consultant is a subject employer that will comply with ORS 656.017.
13. **Assignment:** Consultant shall not assign this Agreement or subcontract any portion of the Work without the written consent of City. Any attempted assignment or subcontract without written consent of City shall be void. Consultant shall be fully responsible for the acts or omissions of any assigns or subcontractors and of all persons employed by them, and the approval by City of any assignment or subcontract of the Work shall not create any contractual relation between the assignee or subcontractor and City.
14. **Default.** The Consultant shall be in default of this Agreement if Consultant: commits any material breach or default of any covenant, warranty, certification, or obligation under the Agreement; institutes an action for relief in bankruptcy or has instituted against it an action for insolvency; makes a general assignment for the benefit of creditors; or ceases doing business on a regular basis of the type identified in its obligations under the Agreement; or attempts to assign rights in, or delegate duties under, this Agreement.
15. **Insurance.** Consultant shall, at its own expense, maintain the following insurance:
- a. Worker's Compensation insurance in compliance with ORS 656.017, which requires subject employers to provide Oregon workers' compensation coverage for all their subject workers
 - b. Professional Liability insurance with a combined single limit, or the equivalent, of not less than \$2,000,000 (two million dollars) per occurrence. This is to cover any damages caused by error, omission or negligent acts related to the Work to be provided under this Agreement.
 - c. General Liability insurance with a combined single limit, or the equivalent, of not less than \$2,000,000 (two million dollars) per occurrence for Bodily Injury, Death, and Property Damage.
 - d. Automobile Liability insurance with a combined single limit, or the equivalent, of not less than \$1,000,000 (one million dollars) for each accident for Bodily Injury and Property Damage, including coverage for owned, hired or non-owned vehicles, as applicable.
 - e. Notice of cancellation or change. There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without thirty (30) days' prior written notice from the Consultant or its insurer(s) to the City.
 - f. Additional Insured/Certificates of Insurance. Consultant shall name the City of Ashland, Oregon, and its elected officials, officers and employees as Additional Insureds on any insurance policies, excluding Professional Liability and Workers' Compensation, required herein, but only with respect to Consultant's services to be provided under this Agreement. The consultant's insurance is primary and non-contributory. As evidence of the insurance coverages required by this Agreement, the Consultant shall furnish acceptable insurance certificates prior to commencing the Work under this Agreement. The certificate will specify all of the parties

who are Additional Insureds. Insuring companies or entities are subject to the City's acceptance. If requested, complete copies of insurance policies; trust agreements, etc. shall be provided to the City. The Consultant shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

- 16. Nondiscrimination:** Consultant agrees that no person shall, on the grounds of race, color, religion, creed, sex, marital status, familial status or domestic partnership, national origin, age, mental or physical disability, sexual orientation, gender identity or source of income, suffer discrimination in the performance of any Work under this Agreement when employed by Consultant. Consultant agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations. Further, Consultant agrees not to discriminate against a disadvantaged business enterprise, minority-owned business, woman-owned business, a business that a service-disabled veteran owns or an emerging small business enterprise certified under ORS 200.055, in awarding subcontracts as required by ORS 279A.110.

17. Consultant's Compliance With Tax Laws:

17.1 Consultant represents and warrants to the City that:

17.1.1 Consultant shall, throughout the term of this Agreement, including any extensions hereof, comply with:

- (i) All tax laws of the State of Oregon, including but not limited to ORS 305.620 and ORS Chapters 316, 317, and 318;
- (ii) Any tax provisions imposed by a political subdivision of the State of Oregon applicable to Consultant; and
- (iii) Any rules, regulations, charter provisions, or ordinances that implement or enforce any of the foregoing tax laws or provisions.

17.1.2 Consultant, for a period of no fewer than six (6) calendar years preceding the Effective Date of this Agreement, has faithfully complied with:

- (i) All tax laws of the State of Oregon, including but not limited to ORS 305.620 and ORS Chapters 316, 317, and 318;
- (ii) Any tax provisions imposed by a political subdivision of the State of Oregon applicable to Consultant; and
- (iii) Any rules, regulations, charter provisions, or ordinances that implement or enforce any of the foregoing tax laws or provisions.

- 18. Notice.** Whenever notice is required or permitted to be given under this Agreement, such notice shall be given in writing to the other party: by personal delivery; by sending via a reputable commercial overnight courier; or by mailing using registered or certified United States mail, return receipt requested, postage prepaid, to the address(es) set forth below:

If to the City:

City of Ashland - Public Works Department
Attn: Scott Fleury, Public Works Director
20 East Main Street
Ashland, Oregon 97520

With a copy to:

City of Ashland – Legal Department
20 East Main Street
Ashland, Oregon 97520

If to Consultant:

Deborah Galardi
7327 SW Barnes Road, #224
Portland, Oregon 97225

19. **Governing Law.** This Agreement shall be governed by the laws of the State of Oregon without regard to conflict of laws principles. Exclusive venue for litigation of any action arising under this Agreement shall be in the Circuit Court of the State of Oregon for Jackson County unless exclusive jurisdiction is in federal court, in which case exclusive venue shall be in the federal district court for the District of Oregon. Each party expressly waives any and all rights to maintain an action under this Agreement in any other venue, and expressly consents that, upon motion of the other party, any case may be dismissed or its venue transferred, as appropriate, so as to effectuate this choice of venue.
20. **Amendments.** This Agreement may be amended only by written instrument executed by both parties with the same formalities as this Agreement.
21. **Nonappropriations Clause.** Funds Available and Authorized: City has sufficient funds currently available and authorized for expenditure to finance the costs of this Agreement within the City's fiscal year budget. Consultant understands and agrees that City's payment of amounts under this Agreement attributable to Work performed after the last day of the current fiscal year is contingent on City appropriations, or other expenditure authority sufficient to allow City in the exercise of its reasonable administrative discretion, to continue to make payments under this Agreement. In the event City has insufficient appropriations, limitations or other expenditure authority, City may terminate this Agreement without penalty or liability to City, effective upon the delivery of written notice to Consultant, with no further liability to Consultant.
22. THIS AGREEMENT AND THE ATTACHED EXHIBITS CONSTITUTE THE ENTIRE UNDERSTANDING AND AGREEMENT BETWEEN THE PARTIES. NO WAIVER, CONSENT, MODIFICATION OR CHANGE OF TERMS OF THIS AGREEMENT SHALL BIND EITHER PARTY UNLESS IN WRITING AND SIGNED BY BOTH PARTIES. SUCH WAIVER, CONSENT, MODIFICATION OR CHANGE, IF MADE, SHALL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS, ORAL OR WRITTEN, NOT SPECIFIED HEREIN REGARDING THIS AGREEMENT. CONSULTANT, BY SIGNATURE OF ITS AUTHORIZED REPRESENTATIVE, HEREBY ACKNOWLEDGES THAT HE/SHE HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

23. **Certification.** Consultant shall sign the certification attached hereto as "Exhibit C" and incorporated herein by this reference.

IN WITNESS WHEREOF the parties have caused this Agreement to be signed in their respective names by their duly authorized representatives as of the dates set forth below.

CITY OF ASHLAND:

GALARDI ROTHSTEIN GROUP (CONSULTANT):

By: _____
Adam Hanks, Interim City Administrator

By: _____
Signature

Date

Printed Name

Title

Date

Purchase Order No. _____

(W-9 is to be submitted with this signed Agreement)

APPROVED AS TO FORM:



Assistant City Attorney

December 22, 2020

Date

EXHIBIT B

CITY OF ASHLAND, OREGON

City of Ashland
LIVING
WAGE

ALL employers described below must comply with City of Ashland laws regulating payment of a living wage.



\$15.39 per hour, effective **June 30, 2020.**

The Living Wage is adjusted annually every June 30 by the Consumer Price Index.

Employees must be paid a living wage:

- For all hours worked under a service contract between their employer and the City of Ashland if the contract exceeds **\$22,002.43** or more.
- For all hours worked in a month if the employee spends 50% or more of the employee's time in that month working on a project or

portion of business of their employer, if the employer has ten or more employees, and has received financial assistance for the project or business from the City of Ashland in excess of **\$22,002.43.**

- If their employer is the City of Ashland, including the Parks and Recreation Department.
- In calculating the living wage, employers may add the value of health care, retirement,

401K and IRS eligible cafeteria plans (including childcare) benefits to the amount of wages received by the employee.

- **Note:** For temporary and part-time employees, the Living Wage does **not** apply to the first 1040 hours worked in any calendar year. For more details, please see Ashland Municipal Code Section 3.12.020.

For additional information:

Call the Ashland City Administrator's office at 541-488-6002 or write to the City Administrator, City Hall, 20 East Main Street, Ashland, OR 97520, or visit the City's website at www.ashland.or.us.

Notice to Employers: This notice must be posted predominantly in areas where it can be seen by all employees.

CITY OF
ASHLAND

EXHIBIT C

CERTIFICATIONS/REPRESENTATIONS: Consultant, by and through its authorized representative, under penalty of perjury, certifies that (a) the number shown on the attached W-9 form is its correct taxpayer ID (or is waiting for the number to be issued to it and (b) Consultant is not subject to backup withholding because: (i) it is exempt from backup withholding, or (ii) it has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified it that it is no longer subject to backup withholding. Consultant further represents and warrants to City that: (a) it has the power and authority to enter into this Agreement and perform the Work, (b) the Agreement, when executed and delivered, shall be a valid and binding obligation of Consultant enforceable in accordance with its terms, (c) the work under the Agreement shall be performed in accordance with the highest professional standards, and (d) Consultant is qualified, professionally competent, and duly licensed (if applicable) to perform the Work. Consultant also certifies under penalty of perjury that its business is not in violation of any Oregon tax laws, it is an independent contractor as defined in the Agreement, it is authorized to do business in the State of Oregon, and Consultant has checked four or more of the following criteria that apply to its business.

- _____ (1) Consultant carries out the work or services at a location separate from a private residence or is in a specific portion of a private residence, set aside as the location of the business.
- _____ (2) Commercial advertising or business cards or a trade association membership are purchased for the business.
- _____ (3) Telephone listing is used for the business separate from the personal residence listing.
- _____ (4) Labor or services are performed only pursuant to written contracts.
- _____ (5) Labor or services are performed for two or more different persons within a period of one year.
- _____ (6) Consultant assumes financial responsibility for defective workmanship or for service not provided as evidenced by the ownership of performance bonds, warranties, errors and omission (professional liability) insurance or liability insurance relating to the Work or services to be provided.

Consultant's signature

Date

Scope of Services – Galardi Rothstein Group (12.7.20)

Overview

The City of Ashland (City) is in the final stages of completing a Storm Drain Master Plan and recently completed an updated Water Master Plan (RH2, Summer 2020). The City would like to review the existing water and storm drain SDC methodologies and ordinance in the context of the updated system planning information and calculate revised SDCs that align with the City's current infrastructure funding objectives and Oregon SDC statutes. As in the prior SDC updates, the City plans to engage a SDC Advisory Committee in the process of updating the water and storm drain SDCs to help evaluate methodological and policy issues.

Task 1: Project Initiation & Management

Project initiation will include preliminary data collection and review and a kickoff meeting between members of the Consultant Team and City staff. The purpose of the meeting will be to confirm the City's objectives related to the SDC update, review elements of the existing SDC methodologies and identify specific issues to be addressed during the current update.

During this initial phase, we will also work with City staff to develop a strategy for engaging the SDC Advisory Committee. We will work together to understand the desired outcomes of the committee process, decision-making structure, participation role of committee members, and any political sensitivities or issues that need to be addressed to successfully move the group towards final recommendations.

Prior to the initiation meeting we will prepare a data request list and we will review the City's existing SDC methodology and ordinance, as well as financial information including fixed asset records, capital funding sources, and administration costs.

Project management activities include project set-up, budget and schedule monitoring, and invoicing.

Task 2: Develop Cost & Capacity Bases

Task 2.1 – Capacity Framework

To be defensible, SDCs must recover costs from new development in proportion to projected capacity requirements. An understanding of systems planning criteria is critical to the evaluation of capacity needs and the equitable allocation of existing facility (reimbursement) and improvement project costs.

As part of this task, we will:

- Review the initial capital improvement plan (CIP) cost allocations and supporting information developed as part of the master plans.

- Work with City staff to determine the final capacity analysis framework for each system based on system-specific design and planning factors and any planned system operational changes.

The capacity framework will provide a basis for evaluating existing facility available capacity and for determining what portion of CIP costs are improvement-SDC eligible based on the type of facility and nature of the improvement (e.g., new facility expansion vs. system performance upgrades or replacements.)

Task 2.2 – Cost Basis

In most systems, a combination of existing available capacity and future capacity expansion is required to serve the projected needs of new development. Therefore, the cost bases will likely include a combination of existing assets (the ‘reimbursement’ cost basis), as well as future improvements (the ‘improvement’ cost basis).

In evaluating facilities for inclusion in the reimbursement fee, we will consider factors, including available capacity, replacement by future capital improvements, and historical funding sources. In addition, alternatives exist for how existing assets may be valued for purposes of calculating SDCs, and the selection of valuation method can have a significant impact on resulting SDC levels. We will consider the methods used in the City’s prior SDC updates and review options with the City.

The cost basis for the improvements will be based on the master plan recommended CIPs. Based on the capacity analysis in Task 1, we will work with the City to develop defensible bases for allocating the improvement costs between current and new system users. As with the reimbursement cost basis, we will consider whether any adjustments are warranted to account for anticipated future funding sources (e.g., developer contributions).

Finally, Oregon SDC law allows local jurisdictions to recover costs associated with complying with the SDC statutes. We will work with City staff to develop updated cost estimates associated with SDC law compliance.

Task 3: Develop Unit Costs and SDC Schedules

Task 3.1 Unit Costs

The reimbursement and improvement costs attributable to growth will be divided by the total projected growth units to determine system-wide unit costs of capacity. Growth units may be measured by projected water demand, equivalent dwelling units, impervious area, or other methods. We will review information from the system plans and work with the City to select the bases and assumptions for each system.

Task 3.2 Nonresidential SDC Structure

Once the unit costs of capacity have been calculated, the fees for different types and sizes of development can be determined based on projected claims on system capacity. The selection of units of measure for new customer demand projections is particularly important because of its significant impact on cost distribution.

For nonresidential development, SDCs are currently scaled based on water meter size (water) and impervious area (storm drain). We will review the current practices with the

SDC Advisory Committee in the context of the current state of the industry and any specific areas of concern of City staff.

Task 3.3 Residential SDC Structure

The City has a long-standing policy of assessing SDCs to residential development based on heated living area (in the case of water and wastewater) and site impervious area (in the case of stormwater) to recognize the system impact of larger living units. Using historical data from the City's billing and GIS systems, the Consultant Team will evaluate the relationship between water use – both summer and winter average – and residential house size (based on living area). Understanding this relationship will provide a basis for evaluating the equity of the current SDC structure relative to other options including tiered or linear-log regression structures. We will also evaluate the relationship between water use and lot size as an alternative basis for water SDC assessment.

The technical analysis will be presented to the SDC Advisory Committee. The evaluation of options will consider both the technical equity and defensibility, and administrative considerations.

Assumptions:

- *City staff will provide account-level information on monthly water use (2-3 years), living area, and lot size for a statistically significant sample of customers or for the entire single-family residential customer base. The Consultant Team will be available for consultation regarding data development and sample size (if needed).*
- *The Consultant Team will prepare regression analyses for the following:*
 - *Summer water use and living area*
 - *Summer water use and lot size*
 - *Winter water use and living area**

**Note: While the development of wastewater SDCs is outside this scope of work, the technical analysis conducted by the Consultant Team as part of this scope of work will include analysis of the relationship between winter average water use (an estimator of wastewater flow) and living area to inform the City's wastewater SDC development, to ensure consistency in methods and data across systems.*

Task 4: Methodology Report

The updated SDC methodologies, project lists and SDC schedules will be documented in a methodology report. The report will describe the methodological and policy frameworks and system-specific assumptions, and it will present the fee calculations. Draft and final reports will be prepared.

Task 5: Code Review

It is common practice to structure SDCs in such a way that furthers a local jurisdiction's broader objectives related to housing affordability, economic development, and other policies. SDC programs may include focused incentives for certain housing types (e.g., affordable housing, and accessory dwelling units) or targeted locations. We will review current SDC policies and administration practices (e.g. inflationary update) reflected in the City's SDC code. We will recommend any modifications to code language and provisions to

reflect the updated policy and technical framework recommended by the SDC Advisory Committee.

Task 6: Meetings

In addition to the kick-off meeting included in Task 1, we have assumed the following meetings for budget purposes:

- Three (3) virtual meetings with City staff to discuss the technical analysis and develop recommendations.
- Two (2) in-person meetings with City Council (work session and public hearing).
- Four (4) additional virtual meetings to cover potential SDC Advisory Committee or other meetings.

Other Assumptions:

- *The Consultant Team will prepare agendas and presentation material and take the lead in presentation of study material.*
- *The City will take the lead in meeting set-up, invitations and public notifications, and meeting recordings and production of minutes (with review and support by the Consultant Team).*
- *Beyond the designated meetings above, the Consultant Team will participate in periodic conference calls or virtual meetings with City staff to discuss data and approaches.*

Proposed Budget

The estimated 'not-to-exceed' cost estimate is presented below. Expenses are limited to mileage charged at the federal reimbursement rate.

The total not-to-exceed budget for this project is \$49,660. Costs will be billed on a time and materials basis.

**City of Ashland Water & Stormwater SDC Study
Proposed Budget**

Task	Labor			Labor Cost	Expenses	Project Total
	Galardi	Natanson	Curran			
Project Initiation & Management	34	4	2	\$7,620	\$0	\$7,620
Cost and Capacity Basis	40	18	0	\$10,680	\$0	\$10,680
Unit Costs & SDC Schedules	28	16	21	\$11,700	\$0	\$11,700
Methodology Report	14	12	7	\$5,880	\$0	\$5,880
Code Review	8	0	0	\$1,600	\$0	\$1,600
Meetings	50	3	4	\$10,930	\$1,250	\$12,180
Optional Statistical Analysis	0	0	0	\$0	\$0	\$0
Total	174	53	34	\$48,410	\$1,250	\$49,660
<i>Billing Rates</i>	<i>\$195</i>	<i>\$160</i>	<i>\$175</i>			

Business Registry Business Name Search

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Business Entity Data

12-15-2020

18:43

Registry Nbr	Entity Type	Entity Status	Jurisdiction	Registry Date	Next Renewal Date	Renewal Due?
723462-90	ABN	ACT		10-25-2010	10-25-2022	
Entity Name	GALARDI ROTHSTEIN GROUP					
Foreign Name						
Affidavit?	N					

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Associated Names

Type	PPB	PRINCIPAL PLACE OF BUSINESS		
Addr 1	10559 NW TUDOR LANE			
Addr 2				
CSZ	PORTLAND	OR	97229	Country UNITED STATES OF AMERICA

The Authorized Representative address is the mailing address for this business.

Type	REP	AUTHORIZED REPRESENTATIVE	Start Date	10-25-2010	Resign Date	
Name	DEBORAH		GALARDI			
Addr 1	10559 NW TUDOR LANE					
Addr 2						
CSZ	PORTLAND	OR	97229	Country	UNITED STATES OF AMERICA	

Type	REG	REGISTRANT			
Of Record	306297-94	GALARDI CONSULTING, LLC			
Addr 1	10559 NW TUDOR LN				
Addr 2					
CSZ	PORTLAND	OR	97229	Country	UNITED STATES OF AMERICA

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Name History

Business Entity Name	Name Type	Name Status	Start Date	End Date
GALARDI ROTHSTEIN GROUP	EN	CUR	10-25-2010	

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Summary History

Image Available	Action	Transaction Date	Effective Date	Status	Name/Agent Change	Dissolved By
	RENEWAL PAYMENT	10-16-2020		SYS		
	RENEWAL OF REGISTRATION	11-17-2018		FI		
	RENEWAL PAYMENT	11-07-2016		SYS		
	RENEWAL PAYMENT	09-17-2014		SYS		
	RENEWAL PAYMENT	09-17-2012		SYS		
	APPLICATION FOR REGISTRATION	10-25-2010		FI	Representative	

<u>New Search</u>	Counties
	Counties Filed
	All Counties Filed.

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Corporation Division

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Business Name Search

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Business Entity Data

12-15-2020
18:44

Registry Nbr	Entity Type	Entity Status	Jurisdiction	Registry Date	Next Renewal Date	Renewal Due?
306297-94	DLLC	ACT	OREGON	08-31-2005	08-31-2021	
Entity Name	GALARDI CONSULTING, LLC					
Foreign Name						

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Associated Names

Type	PRINCIPAL PLACE OF BUSINESS					
Addr 1	10559 NW TUDOR LN					
Addr 2						
CSZ	PORTLAND	OR	97229	Country	UNITED STATES OF AMERICA	

Please click [here](#) for general information about registered agents and service of process.

Type	AGT REGISTERED AGENT	Start Date	08-31-2005	Resign Date
Name	DEBORAH GALARDI			
Addr 1	10559 NW TUDOR LN			
Addr 2				
CSZ	PORTLAND	OR	97229	Country UNITED STATES OF AMERICA

Type	MAL MAILING ADDRESS
Addr 1	7327 SW BARNES RD #224
Addr 2	
CSZ	PORTLAND OR 97225 Country UNITED STATES OF AMERICA

Type	MEM MEMBER	Resign Date
Name	DEBORAH GALARDI	
Addr 1	10559 NW TUDOR LANE	
Addr 2		
CSZ	PORTLAND	OR 97229 Country UNITED STATES OF AMERICA